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COMPANIES FORM No. 395

A/C 00400024

395

Particulars of a mortgage or charge

A fee of £10 is payable to Companies House in respect of each register entry for a mortgage or charge.

Please do not
write in
this margin

Pursuant to section 395 of the Companies Act 1985

CHFP025

To the Registrar of Companies

For official use

Company Number

Please complete
legibly, preferably in
black type, or bold
black lettering

*Insert full name of
company

(2)

02940925

Name of company

PARAMOUNT HOTELS LIMITED (the "Company")

Date of creation of the charge

12 July 2004

Description of the instrument (if any) creating or evidencing the charge (note 2)

Deed of debenture (the "**Debenture**") between Dawney Shore Hotels Plc and Paramount Hotels Holdings Limited (together the "**Borrowers**"), the companies in schedule 1 of this Form 395 (including the Company) and Anglo Irish Bank Corporation Plc as security trustee for itself and the other Beneficiaries (the "**Security Trustee**").

Amount secured by the mortgage or charge

All money and liabilities now or hereafter due, owing or incurred to the Beneficiaries (or any of them) by any Obligor under the Transaction Documents (or any of them) and under the Debenture in whatsoever manner in any currency or currencies whether present or future, actual or contingent, whether incurred solely or jointly with any other person and whether as principal or surety together with all interest accruing thereon and all costs, charges and expenses incurred in connection therewith (the "**Secured Obligations**").

Names and addresses of the mortgagees or persons entitled to the charge

Anglo Irish Bank Corporation Plc, 10 Old Jewry, London EC2R 8DN as security trustee

Presentors name address and
reference (if any):

ADDLESHAW GODDARD
150 ALDERSGATE STREET
LONDON EC1A 4EJ

Ref: MINM/307031-7876

LON4/235111-1

For official use

Mortgage Section

Post room

Time critical reference



1 Fixed charges

Under the Debenture, as continuing security for the payment of the Secured Obligations, the Company charged with full title guarantee, in favour of the Security Trustee (for the benefit of itself and the other Beneficiaries) the following assets both present and future, from time to time owned by the Company or in which the Company is from time to time interested:

- 1.1 by way of first legal mortgage all the freehold and leasehold property specified in schedule 2 of this Form 395 together with all buildings and fixtures (including trade fixtures) at any time thereon;
- 1.2 by way of first legal mortgage all other freehold and leasehold property (if any) wherever situated together with all buildings and fixtures (including trade fixtures) at any time thereon;
- 1.3 by way of first fixed charge all other interests (not being charged by clauses 1.1 or 1.2 above) in any freehold or leasehold property, the buildings and fixtures (including trade fixtures) at any time thereon, all proceeds of sale derived therefrom and the benefit of all covenants given in respect thereof and all licences to enter upon or use land and the benefit of all other

Particulars as to commission allowance or discount (note 3)

NIL

Signed

Adrian Haw Giddens

Date

20/07/04

On behalf of [company] mortgagee/chargee ☒

☐ delete as appropriate

NOTES

- 1 The original instrument (if any) creating or evidencing the charge, together with these prescribed particulars correctly completed must be delivered to the Registrar of Companies within 21 days after the date of creation of the charge (section 395). If the property is situated and the charge was created outside the United Kingdom delivery to the Registrar must be effected within 21 days after the date on which the instrument could in due course of post, and if dispatched with due diligence, have been received in the United Kingdom (section 398). A copy of the instrument creating the charge will be accepted where the property charged is situated and the charge was created outside the United Kingdom (section 398) and in such cases the copy must be verified to be a correct copy either by the company or by the person who has delivered or sent the copy to the Registrar. The verification must be signed by or on behalf of the person giving the verification and where this is given by a body corporate it must be signed by an officer of that body. A verified copy will also be accepted where section 398(4) applies (property situate in Scotland or Northern Ireland) and Form No. 398 is submitted.
- 2 A description of the instrument, eg "Trust Deed", "Debenture", "Mortgage" or "Legal charge", etc, as the case may be, should be given.
- 3 In this section there should be inserted the amount or rate per cent. of the commission, allowance or discount (if any) paid or made either directly or indirectly by the company to any person in consideration of his:
 - (a) subscribing or agreeing to subscribe, whether absolutely or conditionally, or
 - (b) procuring or agreeing to procure subscriptions, whether absolute or conditional,for any of the debentures included in this return. The rate of interest payable under the terms of the debentures should not be entered.
- 4 If any of the spaces in this form provide insufficient space the particulars must be entered on the prescribed continuation sheet.
- 5 Cheques and Postal Orders are made payable to **Companies House**.
- 6 The address of the Registrar of Companies is:-
Companies House, Crown Way, Cardiff CF4 3UZ

agreements relating to land;

- 1.4 by way of first fixed charge all plant, machinery, vehicles, computers, office and other equipment and the benefit of all contracts, licences and warranties relating to the same;
- 1.5 by way of first fixed charge all the Subsidiary Shares (including those listed in schedule 3 of this Form 395 together with all Distribution Rights from time to time accruing thereto;
- 1.6 by way of first fixed charge all Investments together with all Distribution Rights from time to time accruing thereto;
- 1.7 by way of first fixed charge all rights and interests of the Company in and claims under the Insurances or to which the Company is otherwise entitled in respect thereof;
- 1.8 by way of first fixed charge all book and other debts, revenues and monetary claims of the Company and all rights and claims of the Company against third parties and against any security in respect of such debts, revenues or claims;
- 1.9 by way of first fixed charge all monies from time to time standing to the credit of any Security Account (other than the General Account, the Capex Account or the Unused Capex Account);
- 1.10 by way of first fixed charge all Intellectual Property owned by the Company and subject to third party proprietary rights existing prior to the date of this Deed, all Intellectual Property used by the Company;
- 1.11 by way of first fixed charge the benefit of all licences, consents, agreements and authorisations held or utilised by the Company in connection with its business or the use of any of its assets; and
- 1.12 by way of first fixed charge all the goodwill and uncalled capital of the Company.

2 Floating Charge

As further continuing security for the payment of the Secured Obligations the Company charged under the Debenture with full title guarantee in favour of the Security Trustee (for the benefit of itself and the other Beneficiaries) by way of first floating charge all its assets (including, without limitation, each Operating Account, the General Account, the Capex Account, the Unused Capex Account and the balances from time to time standing to the credit thereof) and undertaking whatsoever and wheresoever both present and future not effectively charged by way of first fixed charge pursuant to the provisions of clause 3.1 of the Debenture or assigned pursuant to the provisions of clause 3.6 of the Debenture.

3 Assignments

As a continuing security for the payment of the Secured Obligations, the Company assigned to the Security Trustee (for the benefit of itself and the other Beneficiaries) with full title guarantee all its right title and interest in and to:

- 3.1 the Keyman Insurance Policies;
- 3.2 each Occupational Lease, all Rental Income and any guarantee of any Rental Income contained in or relating to any Occupational Lease;
- 3.3 the Insurances; and
- 3.4 the Assigned Agreements.

4 Negative Pledge

Except to the extent permitted by the Facility Agreement, during the continuance of the security created by the Debenture, the Company undertook not to create or agree or attempt to create or permit to subsist (in favour of any person other than the Security Trustee) any Security Interest over the whole or any part of the Charged Property without the prior consent in writing of the Security Trustee, save for any

Permitted Security.

5 Definitions

In this Form 395:

"Assigned Agreements" means the agreements listed in schedule 4 of this Form 395.

"Beneficiaries" means each Finance Party and the Hedging Counterparty as defined in the Facility Agreement.

"Capex Account" has the meaning ascribed to it in the Facility Agreement.

"Charged Property" means all the assets, property, goodwill and undertaking of the Companies from time to time charged or assigned to the Security Trustee pursuant to the terms of the Debenture.

"Companies" means the Borrowers and the companies listed in schedule 1 of this Form 395.

"Distribution Rights" means all dividends, distributions and other income paid or payable on the relevant Investment or Subsidiary Share (as the case may be) together with all shares or other property derived from the relevant Investment or Subsidiary Share (as the case may be) together also with all other allotments, accretions, rights, benefits and advantages of all kinds accruing, offered or otherwise derived from or incidental to the relevant Investment or Subsidiary Share (whether by way of conversion, redemption, bonus preference, option or otherwise).

"Facility Agent" means Anglo Irish Bank Corporation Plc.

"Facility Agreement" means the facility agreement dated on or about the date of the Debenture between the Borrowers as borrowers, the other companies listed in schedule 1 of this Form 395 as original guarantors and Anglo Irish Bank Corporation plc as arranger, facility agent, security agent, original lender and hedging counterparty.

"General Account" has the meaning ascribed to it in the Facility Agreement.

"Insurance" means any contract or policy of insurance taken out and/or maintained by any Obligor (or in which any Obligor has an interest).

"Intellectual Property" means patents, registered designs, trade marks and service marks (whether registered or not and including applications for any of the foregoing), copyrights, design right, business or trade names, domain names, rights in and to software including source codes, rights in and to Technical Information and other confidential information, trade secrets and know-how, database rights and all other intellectual property rights of whatever nature subsisting in any part of the world.

"Investment" means any negotiable instrument, certificate of deposit, debenture, share or other investment (as defined in Part II of Schedule 2 of the Financial Services and Markets Act 2001 (as amended from time to time) and Part III of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (as amended from time to time).

"Keyman" means:

- (a) Colin Campbell;
- (b) Charles Prew;
- (c) Massimo Marcovecchio;
- (d) Paul Rogers;
- (e) Michael Purtill;
- (f) Ian Goulding; and

(g) David Taylor.

"Keyman Policy" means each keyman life assurance policy (in form and substance reasonably satisfactory to the Facility Agent and with such insurer as the Facility Agent may approve) taken out and maintained by the Company in respect of a Keyman.

"Obligor" means a Borrower or any of the companies listed in schedule 1 of this Form 395.

"Occupational Lease" means any lease, any agreement for lease and any other lease, licence, tenancy or other occupational arrangement (other than an agreement for the occupation of bedroom units by hotel guests) to which a Paramount Property is subject from time to time.

"Operating Account" has the meaning ascribed to it in the Facility Agreement.

"Paramount Property" means a property listed in Part I or a Scottish Property listed in Part II of Schedule 6 of the Facility Agreement (and, where the context so requires, any buildings, fixtures, fittings, fixed plant or machinery from time to time forming part of or situated on such property).

"Permitted Security" means a Security Interest permitted in writing by the Security Trustee or permitted under the terms of the Facility Agreement.

"Rental Income" means at any time:

- (h) the aggregate of the gross rents, licence fees and other monies reserved by or arising out of all Occupational Leases to which the Paramount Properties are subject (including VAT thereon); and
- (i) all mesne profits and all other monies derived by the Obligors from any third parties relating to the use and/or occupation of the Paramount Properties (including profits, proceeds of insurance in respect of loss of rent, payments made by any guarantor for any lessee and any covenantor under any Occupational Lease and sums received from any deposit held as security for the performance of tenants' obligations).

"Security Account" has the meaning ascribed to it in the Facility Agreement.

"Security Interest" means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

"Subsidiary" means:

- (a) a subsidiary within the meaning of section 736 of the Companies Act 1985; and
- (b) a subsidiary undertaking within the meaning of section 258 of the Companies Act 1985.

"Subsidiary Shares" means all shares owned by the Companies in their Subsidiaries from time to time (including those listed in schedule 3 of this Form 395) incorporated in England and Wales.

"Technical Information" means all designs, specifications, data sheets, calculations, methods, techniques, processes, discoveries, recipes, formulations, inventions, performance data and other technical data and information relating to the sale, use and maintenance of services offered by an Obligor.

"Transaction Documents" means the Finance Documents and the Hedging Agreements as defined in the Facility Agreement.

"Unused Capex Account" has the meaning ascribed to it in the Facility Agreement.

SCHEDULE 1**THE COMPANIES**

Name	Jurisdiction of Incorporation	Registered Number
Paramount Hotels Group Limited	England	03612017
Paramount Hotels Investments Limited	England	03812646
Paramount Hotels Limited	England	02940925
Paramount Hotels Services Limited	England	03079287
Old Ship Hotel (Brighton) Limited	England	00025785
Scottish Highland Hotels Plc	Scotland	SC055493
Stirling Highland Hotel Limited	Scotland	SC111734
Carlton Hotel (Edinburgh) Limited	Scotland	SC047923

SCHEDULE 2

DETAILS OF PROPERTIES

Registered Land

No.	Description of Property	Registered Proprietor	Title Number	Freehold/ Leasehold
1	The Imperial Hotel, Promenade, Blackpool	Paramount Hotels Limited	LA475240	Freehold
2	Old Ship Hotel, Kings Road, Brighton	Old Ship Hotel (Brighton) Limited	ESX261231	Freehold
3	The Palace Hotel, Palace Road, Buxton	Paramount Hotels Limited	DY240955	Freehold
4	The Angel Hotel, Castle Street, Cardiff and land lying to the south of Castle Street, Cardiff	Paramount Hotels Limited	WA87715 WA718950	Freehold Leasehold
5	Cheltenham Park Hotel, Cirencester Road, Charlton Kings, Cheltenham	Paramount Hotels Limited	GR80495	Freehold
6	Shrigley Hall Hotel and Country Club on the east side of Shrigley Road, Pott Shrigley, Macclesfield, Cheshire	Paramount Hotels Limited	CH275087 CH407024 CH317568 CH308438 CH405482	Freehold
7	The Majestic Hotel, Springfield Avenue, Harrogate	Paramount Hotels Limited	NYK182137	Freehold
8	The Moathouse Hotel, Godstow Road, Oxford	Paramount Hotels Limited	ON15968 ON225400	Leasehold
9	Redworth Hall, Redworth, Darlington	Scottish Highland Hotels plc	DU133881 DU135179 DU139625	Freehold
10	The Imperial Hotel, Parkhill Road, Torquay The strip of land comprising gardens on the cliff side of the grounds of the Imperial Hotel, Parkhill Road, Torquay	Paramount Hotels Limited	DN404359 DN110255	Freehold Leasehold

Unregistered Land

SCHEDULE 3

SUBSIDIARY SHARES

Company	Name of Subsidiary	Number and Class of Shares
Dawnay Shore Hotels PLC	Paramount Hotels Group Limited	2,734,992 Ordinary shares and 17,417,939 A Ordinary shares .
Paramount Hotels Group Limited	Paramount Hotels Investments Limited	8,146,003 Ordinary Shares
Paramount Hotels Group Limited	Old Ship Hotel (Brighton) Limited	150,000 Ordinary Shares 120,000 Deferred Shares
Paramount Hotels Group Limited	Paramount Hotels Holdings Limited	315,593,696 Ordinary Shares
Paramount Hotels Holdings Limited	Paramount Hotels Limited	9,900,000 Ordinary Shares
Paramount Hotels Limited	Paramount Hotels Services Limited	2 Ordinary Shares
Paramount Hotels Investments Limited	Scottish Highland Hotels Limited	29,228,736 Ordinary Shares
Scottish Highland Hotels Limited	Stirling Highland Hotel Limited	500,000 Ordinary Shares
Scottish Highland Hotels Limited	Carlton Hotel (Edinburgh) Limited	100,000 Ordinary Shares 25,000 Preference Shares

SCHEDULE 4

THE ASSIGNED AGREEMENTS

No.	Name	Definition
1	Paramount S&P Agreement	The sale and purchase agreement relating to all the shares in Paramount Hotels Group Limited dated on or about the date of the Facility Agreement between Alchemy Partners Nominees Limited, NIB Capital Bank N.V, National Westminster Bank Plc, Ian Pollock, James Horsham, Richard Kington and the other persons listed as vendors in the Paramount S&P Agreement as vendors and Dawnay Shore Hotels Plc as purchaser.
2	Asset Transfer Agreement	The agreement dated on or about the date of the Facility Agreement for the sale and purchase of the business and certain assets of the Paramount group between Dawnay, Day Hotels Management Limited, Paramount Hotels Limited and others.
3	Hotel Management Agreement	The hotels management agreement dated on or about the date of the Facility Agreement between Dawnay Shore Hotels Plc, Old Ship Hotel (Brighton) Limited, Dawnay, Day Hotel Management Limited and others.
4	Portfolio Management Agreement	The portfolio management subordination deed between the Dawnay Shore Hotels Plc, Anglo Irish Bank Corporation Plc as security agent, Shore Capital Limited, Peter Klimt, Guy Naggar and others.
5	IT Services Agreement	The agreement dated on or about the date of the Facility Agreement between Dawnay Shore Hotels Plc and Dawnay, Day Hotels Management Limited for the provision of information technology services.
6	Each Hedging Agreement	Any swap, collar, option or similar contract entered or to be entered into between one or more Borrowers and Anglo Irish Bank Corporation Plc as hedging counterparty for the purpose of hedging the Borrowers' interest rate liabilities in respect of the advances made under the Facility Agreement.

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

Pursuant to section 401(2) of the Companies Act 1985

COMPANY No. 02940925

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A DEBENTURE DATED THE 12th JULY 2004 AND CREATED BY PARAMOUNT HOTELS LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM ANY OBLIGOR TO THE BENEFICIARIES (OR ANY OF THEM) ON ANY ACCOUNT WHATSOEVER UNDER THE TERMS OF THE AFOREMENTIONED INSTRUMENT CREATING OR EVIDENCING THE CHARGE WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 20th JULY 2004.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 22nd JULY 2004.

Pengelo



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



Companies House

— for the record —