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COMPANIES FORM No. 395

Particulars of a mortgage or charge

395

Please do not write in this margin

Pursuant to section 395 of the Companies Act 1985

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

To the Registrar of Companies
(Address overleaf - Note 5)

Company Number
02971215

For official use

* insert full name of company

Name of company

PARAGON HOTELS LIMITED

Date of creation of the charge

31 March 2005

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

Legal Charge

Amount secured by the mortgage or charge

See Paper Apart 1

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

THE GOVERNOR AND COMPANY OF THE BANK OF SCOTLAND

NEW UBERIOR HOUSE, 11 EARL GREY STREET, EDINBURGH

Postcode: EH3 9BN

Presentor's name address and reference (if any):

**Burness LLP
50 Lothian Road
Festival Square
Edinburgh
EH3 9WJ**

Telephone: 0131 473 6000

Time Critical Reference

IGD/BAN/5/1206 (867279)

For official use:
Mortgage Section

Post room



Short particulars of all the property mortgaged or charged.

Please do not write in this margin

See Paper Apart 2

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

Particulars as to commission, allowance or discount (note 3)

N/A

Signed

M/WATA for and on behalf of
Barnes LLP

Date:

11/7/

2005

On behalf of 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, e.g. '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. The address of the Registrar of Companies is: Companies House, Crown Way, Cardiff CF4 3UZ

Papers apart relative to Companies House Form No. 395 in respect of Paragon Hotels Limited, Registered Number: 02971215

In these Papers Apart:-

"the Charge" means the legal charge by the Chargor in favour of the Lender dated 31 March 2005 and to be recorded in HM Land Registry;

"Charged Assets" means the Property and other assets charged by Clause 3 of the Charge, as the context may require or admit;

"the Chargor" means Paragon Hotels Limited, a company incorporated under the Companies Acts with registered number 02971215 and having its registered office at KPMG, Edward VII Quay, Navigation Way, Ashton-on-Ribble, Preston, Lancashire, PR2 2YF

"Goodwill" means the present and future goodwill of any business carried on at the Property by or on behalf of the Chargor;

"Lender" means The Governor and Company of the Bank of Scotland of New Uberior House, 11 Earl Grey Street, Edinburgh, EH3 9BN;

"Property" means all that freehold/leasehold property known as the Savill Court Hotel, Wick Lane, Englefield Green, Runnymede, Surrey as the same is registered at HM Land Registry under title number SY650553 with title absolute; and

"Secured Liabilities" means all present and future obligations and liabilities of the Chargor to the Lender, whether actual, contingent, sole, joint and/or several or otherwise, including, without prejudice to the foregoing generality, all obligations to indemnify the Lender.

Paper Apart 1

The amount secured by the Charge is the Secured Liabilities.

Paper Apart 2

The property charged by the Charge is as follows:-

- 1 by way of legal mortgage the Property by way of first legal mortgage of all legal interests (to the full extent of the Lenders interest in the Property or its proceeds of sale);
- 2 by way of a fixed charge all buildings or other structures on, and items fixed to, the Property;
- 3 by way of fixed charge if the Chargor is a company
- 4 all the plant, machinery and fixtures and fittings of the Lender now and in the future at the Property;

- 5 all the furniture, furnishings, equipment, tools and other chattels of the Lender now and in the future at the Property and not regularly disposed of in the ordinary course of business;
- 6 by way of fixed charge the Goodwill, all rents derived from the Property and any proceeds of any insurance from time to time affecting the Property or the Charged Assets; and
- 7 if the Chargor is a company, by way of floating charge the whole of the Chargor's undertaking, and all its property and assets whatever and wherever, present and future.

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CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 02971215

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A LEGAL CHARGE DATED THE 31st MARCH 2005 AND CREATED BY PARAGON HOTELS LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY TO THE GOVERNOR AND COMPANY OF THE BANK OF SCOTLAND ON ANY ACCOUNT WHATSOEVER WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 12th APRIL 2005.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 15th APRIL 2005.



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



Companies House

— for the record —