

MG01

Particulars of a mortgage or charge



222941/26

A fee is payable with this form

We will not accept this form unless you send the correct fee
Please see 'How to pay' on the last page



What this form is for

You may use this form to register
particulars of a mortgage or charge
in England and Wales or Northern
Ireland



What this form is not for

You cannot use this form to register
particulars of a charge on a
company. To do this use form MG01s

SATURDAY



A11 *AD7QKUB9* 21/05/2011 154
COMPANIES HOUSE

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v uk

1

Company details

Company number

0 2 9 7 1 2 1 5

Company name in full

Paragon Hotels Limited (the "Charging Company")

9

For official use

→ Filling in this form

Please complete in typescript or in
bold black capitals

All fields are mandatory unless
specified or indicated by *

2

Date of creation of charge

Date of creation

d1 d2 m0 m5 y2 y0 y1 y1

3

Description

Please give a description of the instrument (if any) creating or evidencing the
charge, e.g. 'Trust Deed', 'Debenture', 'Mortgage', or 'Legal charge'

Description

Debenture dated 12 May 2011 made between the Charging Company and others in favour of Bank
of Scotland plc (the "Debenture")

4

Amount secured

Please give us details of the amount secured by the mortgage or charge

Amount secured

The Secured Sums (as defined in the Continuation Pages to Section
6 of this Form MG01)

References to any Finance Document (as defined in the Continuation
Pages to Section 6 of this Form MG01) include references to such
Finance Document as varied in any manner from time to time, even if
changes are made to the composition of the parties to such
document or to the nature or amount of any facilities made available
under such document

Continuation page

Please use a continuation page if
you need to enter more details

MG01

Particulars of a mortgage or charge

5 Mortgagee(s) or person(s) entitled to the charge (if any)

Please give the name and address of the mortgagee(s) or person(s) entitled to the charge

Continuation page

Please use a continuation page if you need to enter more details

Name Bank of Scotland plc

Address New Uberior House, 11 Earl Grey Street
Edinburgh

Postcode E H 3 9 B N

Name

Address

Postcode

6 Short particulars of all the property mortgaged or charged

Please give the short particulars of the property mortgaged or charged

Continuation page

Please use a continuation page if you need to enter more details

Short particulars

In this Section 6 references to Clauses and Schedules are to Clauses of, and Schedules to, the Debenture unless otherwise specified. References in this Form MG01 to the Debenture or to any other document (including any Finance Document) include reference to the Debenture, or to such other document, as varied in any manner from time to time. Definitions used in this Form MG01 are set out at the end of the Continuation Pages to this Section 6.

The Continuation Pages to this Section 6 refer to covenants by, and restrictions on, the Charging Company which protect and further define the charges created by the Debenture and which must be read as part of those charges.

The Debenture creates fixed charges and a Qualifying Floating Charge over all or substantially all of the Charging Company's assets as follows:

Particulars of property mortgaged or charged

- 1 As security for the payment or discharge of all Secured Sums, the Charging Company, with full title guarantee, assigned absolutely to the Lender by way of security
 - (a) all of its rights, title and interest from time to time in respect of any sums payable to it pursuant to the Specified Insurance Policies, and
 - (b) all its rights, title and interest from time to time in respect of the Hedging Agreements

Continued on Continuation Page

MG01 - continuation page

Particulars of a mortgage or charge

6 Short particulars of all the property mortgaged or charged

Please give the short particulars of the property mortgaged or charged

Short particulars

Continuation Page 1

2 As security for the payment or discharge of all Secured Sums, the Charging Company, with full title guarantee, charged to the Lender

- (a) by way of legal mortgage, all Land in England and Wales vested in it at the Debenture Date and registered at the Land Registry or which will be subject to first registration at the Land Registry upon the execution and delivery of the Debenture, in each case as described below

Description of Property	Title Number
Freehold Old Swan Hotel, Swan Road, Harrogate (HG1 2SR)	NYK190148
Freehold Middle Lodge, Bishopsgate Road, Englefield Green	SY700653
Freehold The Savill Court Hotel, Wick Lane, Englefield Green GU25 4NQ	SY650553

- (b) by way of legal mortgage, all other Land in England and Wales vested in it at the Debenture Date and not registered at the Land Registry,

- (c) by way of fixed charge

- (i) all other Land which is at the Debenture Date, or in the future becomes, its property,
- (ii) all interests and rights in or relating to Land or the proceeds of sale of Land at the Debenture Date or in the future belonging to it,
- (iii) all plant and machinery at the Debenture Date or in the future attached to any Land which, or an interest in which, is charged by it under the preceding provisions of Clause 3.2 of the Debenture,
- (iv) all rental and other income and all debts and claims at the Debenture Date or in the future due or owing to it under or in connection with any lease, agreement or licence relating to Land,
- (v) all Specified Investments which are its property at the Debenture Date, including all proceeds of sale derived from them,
- (vi) all Specified Investments in which the Charging Company may in the future acquire any interest (legal or equitable), including all proceeds of sale derived from them,

(Continued on next page)

MG01 - continuation page

Particulars of a mortgage or charge

6	Short particulars of all the property mortgaged or charged	Continuation Page 2
Short particulars	Please give the short particulars of the property mortgaged or charged	
	<p>(vii) all Derivative Rights of a capital nature at the Debenture Date or in the future accruing or offered in respect of its Specified Investments,</p> <p>(viii) all Derivative Rights of an income nature at the Debenture Date or in the future accruing or offered at any time in respect of its Specified Investments,</p> <p>(ix) all insurance or assurance contracts or policies at the Debenture Date or in the future held by or otherwise benefiting it which relate to Fixed Security Assets or which are at the Debenture Date or in the future deposited by it with the Lender, together with all its rights and interests in such contracts and policies (including the benefit of all claims arising and all money payable under them) apart from any claims which are otherwise subject to a fixed charge or assignment (at law or in equity) in the Debenture,</p> <p>(x) all its goodwill and uncalled capital for the time being,</p> <p>(xi) all Intellectual Property presently belonging to it, including any Intellectual Property to which it is not absolutely entitled or to which it is entitled together with others,</p> <p>(xii) all Intellectual Property that may be acquired by or belong to it in the future, including any such Intellectual Property to which it is not absolutely entitled or to which it is entitled together with others,</p> <p>(xiii) the benefit of all agreements and licences at the Debenture Date or in the future entered into or enjoyed by it relating to the use or exploitation of any Intellectual Property in any part of the world,</p> <p>(xiv) all its rights at the Debenture Date or in the future in relation to trade secrets, confidential information and knowhow in any part of the world,</p> <p>(xv) all its rights and causes of action in respect of infringement(s) (past, present or future) of the rights referred to in Clause 3 2(c)(xi) to (xiv) inclusive of Clause 3 2 of the Debenture,</p> <p>(xvi) all trade debts at the Debenture Date or in the future owing to it,</p> <p>(xvii) [intentionally left blank],</p> <p>(xviii) all other debts at the Debenture Date or in the future owing to it, excluding those arising on fluctuating accounts with other members of the Group,</p> <p>(xix) the benefit of all instruments, guarantees, charges, pledges and other security and all other rights and remedies available to it in respect of any Fixed Security Asset except to the extent that such items are for the time being effectively assigned under Clause 3 1 (Assignments) of the Debenture,</p>	

(Continued on next page)

MG01 - continuation page

Particulars of a mortgage or charge

6	Short particulars of all the property mortgaged or charged	
	Please give the short particulars of the property mortgaged or charged	
Short particulars	<p style="text-align: right;">Continuation Page 3</p> <p>(xx) all its interests and rights (if any) in or to any money at any time standing to the credit of any Collection Account,</p> <p>(xxi) any beneficial interest, claim or entitlement it has to any pension fund at the Debenture Date or in the future,</p> <p>(xxii) all rights, money or property accruing or payable to it at the Debenture Date or in the future under or by virtue of a Fixed Security Asset except to the extent that such rights, money or property are for the time being effectively assigned or charged by fixed charge under the foregoing provisions of the Debenture,</p> <p>(xxiii) all moneys at any time standing to the credit of any Holding Account and/or Mandatory Prepayment Account, and</p> <p>(xxiv) the benefit of all licences, consents and authorisations held in connection with its business or the use of any Asset and the right to recover and receive all compensation which may be payable in respect of them</p> <p>3 As security for the payment or discharge of all Secured Sums, the Charging Company, with full title guarantee, charged to the Lender by way of floating charge, all its Assets (including, for the avoidance of doubt, all its Assets in so far as they are for the time being situated in Scotland), except to the extent that such Assets are for the time being effectively assigned by way of security by virtue of Clause 3 1 (<i>Assignments</i>) of the Debenture or charged by any fixed charge contained in Clause 3 2 (<i>Fixed security</i>) of the Debenture, including any Assets comprised within a charge which is reconverted under Clause 4 4 (<i>Reconversion</i>) of the Debenture, but in each case so that the Charging Company shall not create any Security over any such Asset (whether having priority over, or ranking pari passu with or subject to, this floating charge) other than Security in favour of the Lender or take any other step referred to in Clause 7 (<i>Negative pledge and other restrictions</i>) of the Debenture with respect to any such Asset, and the Charging Company shall not, without the consent of the Lender, sell, transfer, part with or dispose of any such Asset (except to the extent that such disposal is a Permitted Disposal and not otherwise prohibited by any Finance Document)</p> <p style="text-align: center;">Covenants and Restrictions contained in the Debenture</p> <p>1 By Clause 6 1 (<i>Collection Account</i>), except where moneys are to be paid into a Mandatory Prepayment Account or Holding Account in accordance with the terms of any other Finance Document and subject to the provisions of Clause 26 28 (<i>Group Bank Accounts</i>) of the Facilities Agreement, the Charging Company agreed to collect and realise all its Receivables and, immediately on receipt, pay all money so collected into any of the Collection Account(s) The Charging Company agreed, pending such payment, to hold all money so received upon trust for the Lender</p> <p>(Continued on next page)</p>	

MG01 - continuation page

Particulars of a mortgage or charge

6 Short particulars of all the property mortgaged or charged

Please give the short particulars of the property mortgaged or charged

Short particulars

Continuation Page 4

2 By Clause 6 3 (*No Derogation*), the Charging Company agreed not to purport, without the Lender's prior written consent, to charge, factor, discount, assign, postpone, subordinate, release or waive its rights in respect of any Receivable in favour of any person or do or omit to do anything which might delay or prejudice its full recovery save that Clause 6 3 shall not restrict the release or waiver of any Receivable in the ordinary course of trading to the extent permitted under the Facilities Agreement

3 By Clause 7 (*Negative Pledge and other restrictions*) the Charging Company agreed that it would not, without the prior written consent of the Lender (and with the exception of Permitted Security and any Permitted Disposal)

- (a) create, or agree or attempt to create, or permit to subsist, any Security or any trust over any of its Assets, or
- (b) sell, assign, lease, license or sub-license, or grant any interest in, any of its Fixed Security Assets, or part with possession or ownership of them, or purport or agree to do so

4 By Clause 11 2 (*Negative covenants*) the Charging Company agreed that without the prior written consent of the Lender it would not (amongst other things)

- (a) save for any Exempt Dealing, exercise any power of leasing in relation to its Land, or accept surrenders of leases of any of its Land or agree to do so,
- (b) extend, renew on substantially different terms or vary any lease or tenancy agreement or give any licence to assign or underlet in relation to its Land (other than an interest in the Grinkle Park Property for so long as such interest is not registrable at the Land Registry) to the extent that it would be reasonably likely to materially adversely affect its value or the value of the Security constituted by the Debenture, or
- (c) share the occupation of any Land with any other person or agree to do so

(Continued on next page)

MG01 - continuation page

Particulars of a mortgage or charge

6 Short particulars of all the property mortgaged or charged

Please give the short particulars of the property mortgaged or charged

Short particulars

Continuation Page 5

In this Form MG01, the following expressions have the following meanings respectively set out below

Definitions

"Account Bank" means each or any of

- (a) each bank listed as an "Account Bank" in Part 2 of Schedule 4 (*Collection of Receivables*) of the Debenture, and
- (b) such other bank as the Lender may from time to time specify

"Act" means the Companies Act 2006

"Assets" means all the Charging Company's undertaking, property, assets, revenues and rights of every description, or any part of them

"Chargor" means each company named below and (with effect from its accession) each other company which executes a deed of accession and charge and any company which subsequently adopts the obligations of a Chargor

Paragon Hotels Limited (with registered number 02971215), Classic Lodges Limited (with registered number SC141222) and Marshall Meadows Hotel Limited (with registered number 04147692)

"Collection Account" means in relation to the Charging Company

- (a) each account with an Account Bank listed against its name in Part 2 of Schedule 4 (*Collection of Receivables*) of the Debenture, and
- (b) any other account of the Charging Company as the Lender may from time to time designate as a "Collection Account"

"Control" means

- (a) the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to
 - (i) cast, or control (directly or indirectly) the casting of, more than 50 per cent of the maximum number of votes that might be cast at a general meeting of the company,
 - (ii) appoint or remove all, or the majority, of the directors or other equivalent officers of the company, or
 - (iii) give directions with respect to the operating and financial policies of the company with which the directors or other equivalent officers of the company are obliged to comply, or

(Continued on next page)

MG01 - continuation page

Particulars of a mortgage or charge

6	Short particulars of all the property mortgaged or charged	
	Please give the short particulars of the property mortgaged or charged	
Short particulars	<p style="text-align: right;">Continuation Page 6</p> <p>(b) the holding beneficially of more than 50 per cent of the issued share capital of the company (excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital)</p> <p>"Debenture Date" means 12 May 2011</p> <p>"Derivative Rights" includes</p> <p>(a) allotments, rights, money or property arising at any time in relation to any Investments by way of conversion, exchange, redemption, bonus, preference, option or otherwise,</p> <p>(b) dividends, distributions, interest and other income paid or payable in relation to any Investments, and</p> <p>(c) stock, shares and securities offered in addition to or in substitution for any Investments</p> <p>"Exempt Dealings" means the following dealings which do not require the Lender's prior consent</p> <p>(a) any grant of any assured shorthold tenancy on arm's length terms in respect of any residential part of any AST Property (as defined in the Facilities Agreement) of not more than 12 months duration, and</p> <p>(b) in respect of any hotel operated at any Property (as defined in the Facilities Agreement), any occupation of any hotel room by guests on arm's length terms in the ordinary course of trading as a hotel</p> <p>"Facilities Agreement" means the facilities agreement dated on or about the Debenture Date between, among others, the Charging Company, the Original Borrowers (as defined therein), the Chargors (as Original Guarantors (as defined therein)) and Bank of Scotland plc (as Lender)</p> <p>"Finance Document" means the Facilities Agreement, any Accession Letter, any Compliance Certificate, any Fee Letter, any Letter of Credit, any Hedging Agreement, the ISDA Amendment Agreement, any Selection Notice, any Transaction Security Document, any Utilisation Request, the BACS Letter (each term as defined in the Facilities Agreement) and any other document designated as a "Finance Document" by the Lender and the Charging Company</p> <p>"Fixed Security Asset" means an Asset for the time being comprised within an assignment created by Clause 3 1 (<i>Assignments</i>) of the Debenture or within a mortgage or fixed charge created by Clause 3 2 (<i>Fixed security</i>) of the Debenture or arising on crystallisation of a floating charge whether under Clause 4 (<i>Crystallisation</i>) of the Debenture or otherwise</p> <p>"Grinkle Park Property" means the property known as Grinkle Park, Grinkle Lane, Easington, Saltburn-by-the-Sea, Cleveland TS13 4UB</p> <p>(Continued on next page)</p>	

MG01 - continuation page

Particulars of a mortgage or charge

6	Short particulars of all the property mortgaged or charged	Continuation Page 7
Short particulars	Please give the short particulars of the property mortgaged or charged	
	<p>"Group" means Paragon Hotels Limited and its Subsidiaries for the time being</p> <p>"Hedging Agreement" has the meaning given to that term in the Facilities Agreement</p> <p>"Holding Account" has the meaning given to that term in the Facilities Agreement</p> <p>"Insurance Policy" means any contract or policy of insurance of the Charging Company (including all cover notes) of whatever nature which are from time to time taken out by or on behalf of the Charging Company or (to the extent of its interest) in which the Charging Company has an interest at any time</p> <p>"Intellectual Property" means patents (including supplementary protection certificates), utility models, registered and unregistered trade marks (including service marks), rights in passing off, copyright, database rights, registered and unregistered rights in designs (including in relation to semiconductor products) anywhere in the world and, in each case, any extensions and renewals of, and any applications for, such rights</p> <p>"Investments" means all shares, stock, debentures, debenture stock, bonds and other investments (as listed in Schedule 2, Part II of the Financial Services and Markets Act 2000), whether certificated or uncertificated and whether in registered or bearer form, including all depository interests representing any of them and including all rights and benefits of a capital nature accruing at any time in respect of any Investments by way of redemption, repayment, substitution, exchange, bonus or preference, option, rights or otherwise</p> <p>"Land" means freehold and leasehold, and any other estate in, land and (outside England and Wales) immovable property and in each case all buildings and structures upon and all things affixed to Land (including trade and tenant's fixtures)</p> <p>"Lender" means Bank of Scotland plc and includes successors in title, permitted assigns and permitted transferees</p> <p>"Mandatory Prepayment Account" has the meaning given to that term in the Facilities Agreement</p> <p>"Permitted Disposal" has the meaning given to that term in the Facilities Agreement</p> <p>"Permitted Security" has the meaning given to that term in the Facilities Agreement</p> <p>"Receivables" means all sums of money receivable by the Charging Company at any time consisting of or payable under or derived from any Asset described in Clause 3.2 (<i>Fixed security</i>) of the Debenture</p> <p>"Secured Sums" means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of each Chargor to the Lender under each or any of the Finance Documents, in each case together with</p> <p>(Continued on next page)</p>	

MG01 - continuation page

Particulars of a mortgage or charge

6 Short particulars of all the property mortgaged or charged

Please give the short particulars of the property mortgaged or charged

Short particulars

Continuation Page 8

- (a) all costs, charges and expenses incurred by the Lender in connection with the protection, preservation or enforcement of its rights under any Finance Document, and
- (b) all moneys, obligations and liabilities due, owing or incurred in respect of any variations or increases in the amount or composition of the facilities provided under any Finance Document or the obligations and liabilities imposed under such documents

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

"Specified Insurance Policies" means all Insurance Policies specified below and includes all replacements to such Insurance Policies

Primary Material Damage/Business Interruption insurance policy with Royal & Sun Alliance Insurance Plc and others (Policy Number YMM 824013),

Excess Material Damage/Business Interruption insurance policy with Lloyds of London and others (Policy Number 01359U09AA)

"Specified Investments" means, in relation to the Charging Company, all Investments which at any time

- (a) represent a holding in a Subsidiary of the Charging Company or an undertaking which would be its subsidiary undertaking if in section 1162(2)(a) of the Act "30 per cent or more" were substituted for "a majority",
- (b) are held in the name of the Lender or its nominee or to its order, or
- (c) the Charging Company has deposited certificates for with the Lender or which, if uncertificated, are held in an escrow or other account in favour of the Lender or its nominee

"Subsidiary" means an entity of which a person

- (a) has direct or indirect Control, or
- (b) owns directly or indirectly more than fifty per cent (50%) of the share capital or similar right of ownership, or
- (c) is entitled to receive more than fifty per cent (50%) of the dividends or distributions,

and any entity (whether or not so controlled) treated as a subsidiary in the latest financial statements of that person from time to time and disregarding, for the purposes of this definition, the fact that any shares in that entity may be held by way of security, that the beneficiary of the security (or its nominee) may be registered as a member of the relevant undertaking and/or that such beneficiary of the security (or its nominee) may be entitled to exercise voting powers and rights with respect to those charged shares

MG01

Particulars of a mortgage or charge

7 Particulars as to commission, allowance or discount (if any)

Please insert the amount or rate percent of any commission, allowance or discount paid or made either directly or indirectly by the company to any person on consideration of his

- subscribing or agreeing to subscribe, whether absolutely or conditionally, or
- procuring or agreeing to procure subscriptions, whether absolute or conditional,

for any debentures included in this return. The rate of interest payable under the terms of the debentures should not be entered

Commission, allowance or discount

None

8 Delivery of instrument

You must deliver the original instrument (if any) creating or evidencing the charge and these prescribed particulars to the Registrar of Companies within 21 days after the date of creation of the charge (section 860). If the property is situated and the charge was created outside the United Kingdom (UK), you must deliver the information to the Registrar within 21 days after the date on which the instrument could have been received in the UK in the normal course of post and assuming you had posted it promptly (section 870).

We will accept a verified copy of the instrument creating the charge where the property charged is situated and the charge was created outside the UK (section 866). The company or the person who has delivered the copy to the Registrar must verify it to be a correct copy and sign it. Where a body corporate gives the verification, an officer of that body must sign it. We will also accept a verified copy where section 867(2) applies (property situated in another part of UK).

9 Signature

Please sign the form here

Signature

Signature

X Hagen Loans International LLP. X

This form must be signed by a person with an interest in the registration of the charge

MG01

Particulars of a mortgage or charge



Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form and will establish where we return the original documents. The contact information you give will be visible to searchers of the public record.

Contact name F3/MED/JM/19558 08788 2404600

Company name Hogan Lovells International LLP

Address Atlantic House

Holborn Viaduct

Post town London

County/Region London

Postcode E C 1 A 2 F G

Country

DX 57 London Chancery Lane

Telephone +44 20 7296 2000



Certificate

We will send your certificate to the presenter's address if given above or to the Company's Registered Office if you have left the presenter's information blank.



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☒ The company name and number match the information held on the public Register
- ☒ You have included the original deed with this form
- ☒ You have entered the date the charge was created
- ☒ You have supplied the description of the instrument
- ☒ You have given details of the amount secured by the mortgagee or chargee
- ☒ You have given details of the mortgagee(s) or person(s) entitled to the charge
- ☒ You have entered the short particulars of all the property mortgaged or charged
- ☒ You have signed the form
- ☒ You have enclosed the correct fee



Important information

Please note that all information on this form will appear on the public record.



How to pay

A fee of £13 is payable to Companies House in respect of each mortgage or charge.

Make cheques or postal orders payable to 'Companies House'.



Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the appropriate address below.

For companies registered in England and Wales
The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ
DX 33050 Cardiff

For companies registered in Scotland.
The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post)

For companies registered in Northern Ireland:
The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG
DX 481 N R Belfast 1



Further information

For further information, please see the guidance notes on the website at www.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

Pursuant to section 869(5) & (6) of the Companies Act 2006

**COMPANY NO. 2971215
CHARGE NO. 9**

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES
HEREBY CERTIFIES THAT A DEBENTURE DATED 12 MAY 2011
AND CREATED BY PARAGON HOTELS LIMITED FOR
SECURING ALL MONIES DUE OR TO BECOME DUE FROM
EACH CHARGOR TO BANK OF SCOTLAND PLC ON ANY
ACCOUNT WHATSOEVER UNDER THE TERMS OF THE
AFOREMENTIONED INSTRUMENT CREATING OR EVIDENCING
THE CHARGE WAS REGISTERED PURSUANT TO CHAPTER 1
PART 25 OF THE COMPANIES ACT 2006 ON THE 21 MAY 2011

GIVEN AT COMPANIES HOUSE, CARDIFF THE 23 MAY 2011

DT



Companies House
— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES