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*insert full name
of company

COMPANIES FORM No. 395 *Net W206 220.00* *299285* Particulars of a mortgage or charge

Pursuant to section 395 of the Companies Act 1985



To the Registrar of Companies

For official use

Company number

1116

3812646

Name of company

* Paramount Hotels Investments Limited ("Chargor")

Date of creation of the charge

13 July 2000

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

Debenture ("Debenture") dated 13 July 2000 made between (1) the Chargor
(2) Alchemy Partners (Guernsey) Limited ("Chargee")

Amount secured by the mortgage or charge

The actual, contingent, present and/or future obligations and
liabilities of the Chargor to the Chargee under or pursuant to any of
the Loan Stock or the Loan Stock Instruments and the Debenture (as
defined in the Credit Agreement as defined below) ("Secured Obligations")

"Credit Agreement" means a credit agreement dated 23 December 1999 made
between Paramount Hotels Group Limited and others including the Chargor
as Borrowers, the Banks as defined therein, De Nationale
Investeringsbank NV as Co-Arranger, Facility Agent, Underwriter and
Security Trustee and, National Westminster Bank Plc as Co-Arranger,
Issuing Bank and Overdraft Bank as subsequently amended and restated.

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

Alchemy Partners (Guernsey) Limited
Barfield House
St Julian's Avenue
St Peter Port Guernsey

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

DLA
Princes Exchange
Princes Square
LEEDS
LS1 4BY

ABC/TWL/58501/2

Time critical reference
ABC

For official use
Mortgage Section

Post room



HLE
COMPANIES HOUSE

0249
21/07/00

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1. By way of legal mortgage all estates or interests in the freehold, leasehold and other immovable property described in the schedule of the Debenture and the proceeds of sale thereof and all buildings and trade and other fixtures on any such property belonging to or charged to the Chargor ("Legally Mortgaged Property");

2. By way of fixed charge all estates or interests in any freehold, leasehold and other immovable property now or at any time during the continuance of this security belonging to the Chargor (other than the Legally Mortgaged Property or any leasehold property where the relevant lease contains a prohibition against charging the property subject to such lease until the earlier of the relevant landlord granting such consent or upon the Chargor giving the Chargee written notice that such leasehold property shall be subject to this fixed charge and upon either event the relevant leasehold shall immediately be subject to this fixed charge) and the proceeds of sale thereof and all buildings and trade and other fixtures from time to time on any such property belonging to or charged to the Chargor;

Particulars as to commission allowance or discount (note 3)

NIL

Signed

DLA

Date 20 JULY 2000

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.

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Particulars of a mortgage or charge (continued)

Continuation sheet No 1
to Form No 395 and 410 (Scot)

CHA 116

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Company Number

3812646

Name of Company

Paramount Hotels Investments Limited ("Chargor")

Limited*

* delete if
inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

**Please complete
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Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

**Please complete
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3. By way of fixed charge all plant, machinery, vehicles, computers and office and other equipment owned by the Chargor both present and future;

4. By way of fixed charge all book debts and other debts now and from time to time due or owing to the Chargor ("Debts") and (subject to the provisions of clause 5.2 as set out below) all moneys which the Chargor receives in respect thereof;

5. By way of fixed charge (but subject to the provisions of Clause 5.2 as set out below) all balances standing to the credit of any current, deposit or other account of the Chargor (including inter alia any account designated a realisations account for the proceeds of disposals of any of the assets of the Chargor) ("Credit Balances");

6. By way of fixed charge all stocks, shares, debentures, bonds, notes and loan capital of:

6.1 any Subsidiary (as defined in the Credit Agreement); and

6.2 any other body corporate;

and all rights to subscribe for, redeem, convert other securities into or otherwise acquire any of the same which may now or hereafter belong to the Chargor, together with all dividends, interest and other income and all other rights of whatsoever kind deriving from or incidental to any of the foregoing;

7. By way of fixed charge the goodwill of the Chargor and its uncalled capital now or at any time hereafter in existence;

8. By way of fixed charge all copyrights, patents, patent applications, licences, trade marks, tradenames, know-how and inventions or other rights of every kind deriving therefrom now or at any time hereafter belonging to the Chargor and all fees, royalties and other rights of every kind deriving from such copyrights, patents, trade marks, tradenames, know-how and inventions; and

9. By way of floating charge the whole of the Chargor's undertaking and all its property, assets and rights, whatsoever and wheresoever, present and future, other than any property or assets from time to time or for the time being effectively mortgaged, assigned or charged to the Chargee by way of fixed charge by this clause (collectively referred to as the "Floating Charge Property").

Clause 5.1 provides that with reference to the Debts the Chargor shall, subject to the terms of the Financing Documents, collect in the Debts and shall, in the absence of specific written instructions from the Chargee to the contrary, if so directed by the Chargee pay into a special or specifically designated account either in the name of the Chargor or the Chargee or in the joint names of the Chargor and the Chargee or into such other account as the Chargee may direct all moneys which the Chargor may receive in respect of the Debts and shall not without the prior consent in writing of the Chargee sell, factor, discount or otherwise charge or assign the Debts in favour of any other person or purport to do so and the Chargor shall if called upon to do so by the Chargee from time to time execute legal assignments of the Debts to the Chargee in forms approved by the Chargee.

Clause 5.2 provides that prior to the security hereby created becoming enforceable, in the absence of any written directions to the contrary from the Chargee, any moneys in respect of the Debts received by the Chargor and paid into any account in accordance with the requirements of clause B below shall upon being paid into such account be released from the fixed charge created by 4 above and shall become subject to the floating charge created by 9 above. Such release from the fixed charge shall not affect and shall be entirely without prejudice to the continuance of the said fixed charge on all other Debts of the Chargor outstanding from time to time and on all moneys which the Chargor receives in respect thereof.

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Particulars of a mortgage or charge (continued)

Continuation sheet No 2
to Form No 395 and 410 (Scot)

CHA 116

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Company Number

3812646

Name of Company

Paramount Hotels Investments Limited ("Chargor")

Limited*

* delete if
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Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

**Please complete
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Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

Please complete
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NOTE 1

Without the prior written consent of the Chargee the Chargor shall not nor shall it agree or purport to:

1. Create or permit to subsist any Encumbrance (as defined in the Credit Agreement) whether in any such case ranking in priority to or pari passu with or after the security created by this Debenture except as permitted under the Credit Agreement; or

2. sell, discount, factor, transfer, lease, lend or otherwise dispose of, whether by means of one or a number of transactions related or not and whether at one time or over a period of time, the whole or any part of its undertaking or assets except as permitted under the Credit Agreement.

NOTE 2

The Debenture contains powers for the appointment of a receiver

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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. 03812646

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A DEBENTURE DATED THE 13th JULY 2000 AND CREATED BY PARAMOUNT HOTELS INVESTMENTS LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY TO ALCHEMY PARTNERS (GUERNSEY) LIMITED UNDER OR PURSUANT TO ANY OF THE LOAN STOCK OR THE LOAN STOCK INSTRUMENTS (AS DEFINED IN THE CREDIT AGREEMENT DATED 23 DECEMBER 1999) WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 21st JULY 2000.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 25th JULY 2000.

SR :



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



C O M P A N I E S H O U S E