

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.

Pursuant to section 395 of the Companies Act 1985

To the Registrar of Companies

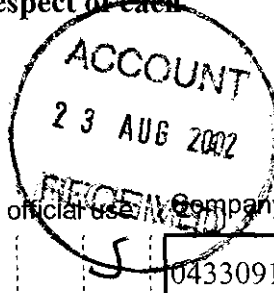
For official use: Company Number

Please do not
write in
this margin

CHFP025

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

*Insert full name of
company



04330919

Name of company

Hotel (PL Property) Limited (the "Company")

Date of creation of the charge

8 August 2002

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

Deed of Debenture (the "Deed")

Amount secured by the mortgage or charge

All present and future obligations and liabilities, whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever, of the Obligors to the Beneficiaries (or any of them) under the Senior Finance Documents, the Hedging Agreements and the Mezzanine Finance Documents except for any obligation which, if it were so included, would result in a contravention of section 151 of the Companies Act 1985 (the "Secured Liabilities")

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

Abbey National Treasury Services plc, 26-28 Dorset Square, London, NW1 6QG (as agent and trustee for itself and each of the Beneficiaries) and its successors, transferees or assignees (the "Security Agent")

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

THEODORE GODDARD
BOX 500
21 BLOOMSBURY STREET
LONDON

Ref: 945/837/11298.279/ALD7/63296

For official use

Mortgage Section

Post room



Time critical reference

1. FIXED SECURITY

1.1 Creation

The Company, as security for the payment and performance of the Secured Liabilities and in the manner specified in paragraph 1.3 of this Form 395, below:

- (a) charged in favour of the Security Agent (as agent and trustee for itself and each of the other Beneficiaries) by way of first legal mortgage all the property at the date of the Deed belonging to it and specified in Schedule 1 to this Form 395 and all other interests in any freehold or leasehold property at the date of the Deed or thereafter belonging to it;
- (b) charged in favour of the Security Agent (as agent and trustee for itself and each of the other Beneficiaries) by way of a first fixed charge:

Particulars as to commission allowance or discount (note 3)

N/A

Signed

Meedore Goddard

Date

23 August 2002

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:-

- (i) (to the extent that they are not within paragraph 1.1(a) above) all interests in any other freehold or leasehold property at the date of the Deed or thereafter belonging to it;
- (ii) all of its rights and benefits under any agreement relating to the acquisition of the Mortgaged Property by it or for it and the benefit of all agreements, contracts, deeds, undertakings, guarantees, warranties and other documents at the date of the Deed or thereafter in existence in relation to the Mortgaged Property;
- (iii) all plant and machinery belonging to it on the Mortgaged Property and its interest in any plant or machinery in its possession and in all Fixtures;
- (iv) (to the extent not effectively assigned under Clause 2.2 of the Deed and as described in paragraph 1.2 of this Form 395) all of its benefits, claims and returns of premiums in respect of the Insurances;
- (v) (to the extent not effectively assigned under Clause 2.2 of the Deed and as described in paragraph 1.2 of this Form 395) all of its rights under the Shareholders Agreement;
- (vi) its rights under any appointment of a managing agent of the Mortgaged Property or the Premises;
- (vii) all moneys standing to the credit of the Security Accounts and the debts represented by them;
- (viii) all moneys standing to the credit of any other account (and notwithstanding that the existence of such an account may be in breach of the Deed) with any person and the debts represented by them;
- (ix) its goodwill and its uncalled capital;
- (x) its book and other debts, both uncollected and collected, the proceeds of the same and all moneys otherwise due and owing to it;
- (xi) the benefit of all rights, securities and guarantees of whatsoever nature enjoyed or held by it in relation to anything in paragraph 1.1(b)(x) above;
- (xii) the right to recover any VAT on any supplies made to it relating to any Security Asset and any sums so recovered;
- (xiii) the benefit of all permissions of whatsoever nature and whether statutory or otherwise, held in connection with its business and the use of any Security Asset and the right to recover and receive all compensation which may be payable to it;
- (xiv) the benefit, to the extent vested in it, of all building contracts, professionals' appointments, guarantees, warranties (including all collateral warranties in favour of the Company) and representations given or made

by any building contractors, professional advisers or any other person in relation to the Mortgaged Property, including all rights and remedies available to it against such persons;

- (xv) its rights and benefits under any patents, trade marks, copyrights, registered or other designs (including, without limitation, designs relating to any construction works on the Mortgaged Property) and any other similar intellectual property assets or rights;
- (c) mortgaged and charged and agreed to mortgage and charge to the Security Agent (as agent and trustee for itself and each of the other Beneficiaries) all Group Shares held at the date of the Deed or thereafter by it and/or any nominee on its behalf, the same to be a security by way of a first legal mortgage; and
- (d) mortgaged and charged and agreed to mortgage and charge to the Security Agent (as agent and trustee for itself and each of the other Beneficiaries) all the Related Rights accruing to all or any of the Group Shares held at the date of the Deed or thereafter by it and/or any nominee on its behalf, the same to be a security by way of a first legal mortgage or first fixed charge.

1.2 Assignment

- (a) The Company, in the manner specified in paragraph 1.3 of this Form 395 below, assigned to the Security Agent (as agent and trustee for itself and each of the other Beneficiaries) by way of security for the payment and performance of the Secured Liabilities all of its right, title and interest (if any) in and to:
 - (i) all Rental Income and any guarantee of any Rental Income contained in or relating to any Occupational Lease;
 - (ii) the Hedging Agreements;
 - (iii) the Insurances; and
 - (iv) the Shareholders Agreement.
- (b) To the extent that any such right, title and interest described in paragraphs (a)(iii) or (a)(iv) of paragraph 1.2 above is not assignable or capable of assignment, such assignment purported to be effected as described by paragraphs (a)(iii) or (a)(iv) shall operate as:
 - (i) in the case of Insurances, an assignment of any and all proceeds of the Insurances received by the Company; and
 - (ii) in the case of the Shareholders Agreement, an assignment of any and all damages, compensation, remuneration, profit, rent or income which the Company may derive therefrom or be awarded or entitled to in respect of the Shareholders Agreement

in each case, as continuing security for the payment, discharge and performance of the Secured Liabilities.

1.3 Title Guarantee

- (a) Every disposition effected by the Deed is made with full title guarantee.
- (b) The other terms of the Deed do not limit or extend any of the covenants implied by virtue of Part 1 of the Law of Property (Miscellaneous Provisions) Act 1994 but create separate and independent obligations having effect cumulatively with those implied covenants.

2. FLOATING CHARGE

The Company as security for the payment of the Secured Liabilities and in the manner specified in paragraph 1.3 of this Form 395 charged in favour of the Security Agent (as agent and trustee for itself and each of the other Beneficiaries) by way of a floating charge all its assets not otherwise effectively mortgaged or charged by way of fixed legal mortgage, fixed charge or assignment by way of security as described in paragraph 1 above.

3. RESTRICTIONS ON DEALINGS

The Company shall not, save as otherwise permitted by the Senior Finance Documents and the Mezzanine Finance Documents (as if references therein to an Obligor or the Obligors were references to a Chargor or the Chargors):

- (a) create or permit to subsist any Security of whatsoever nature on any Security Asset other than as created by the Deed; or
- (b) sell, transfer, grant, lease or otherwise dispose of any Security Asset, except for the disposal in the ordinary course of business of any Security Asset subject to the floating charge created by the Deed and as described in paragraph 2 of this Form 395.

4. DEFINITIONS

"**Advance**" means the principal amount of the borrowing under the Senior Facility Agreement from the Commitments or the principal amount of such borrowing outstanding from time to time.

"**Amortisation Schedule**" means the schedule specifying (amongst other things) the repayment instalments for the Advance being the form of completed and executed schedule delivered by the Facility Agent to LRHFL and countersigned by LRHFL prior to the Utilisation Date.

"**Applicable Creditor**" is defined in the Intercreditor Agreement.

"**Arranger**" is Abbey National Treasury Services plc as arranger of the facility to be provided under the Senior Facility Agreement.

"**Beneficiaries**" means each Senior Creditor and each Mezzanine Creditor.

"Chargors" means the Company and LRHFL (each a **"Chargor"** and together the **"Chargors"**).

"Collection Accounts" is defined in the Intercreditor Agreement.

"Commitments" is defined in the Senior Facility Agreement.

"Deed of Undertaking" means the deed of undertaking executed or to be executed by L&R, Kerkehout, LRHHL, LRHFL and the Security Agent with respect to certain potential liabilities of the Obligor.

"Facility Agent" means Abbey National Treasury Services plc as facility agent for the Lenders.

"Finance Party" means each Senior Lender, the Facility Agent, the Security Agent and the Arranger.

"Fixtures" means all fixtures and fittings (including those of trade) and fixed plant and machinery on the Property in each case belonging to the Company.

"GFL" means London and Regional Group Finance Limited (Registered in England and Wales with No. 4312421).

"GFL Charge" means the mortgage of shares in the capital of LRHFL and floating charge executed by GFL as chargor and the Security Agent.

"Group Shares" means all shares (if any) owned by a Chargor together with all other stocks, shares, debentures, bonds, warrants, coupons or other securities and investments at the date of the Deed or thereafter owned by any or (when used in relation to a particular Chargor) that Chargor from time to time.

"Hedging Agreements" means:

- (a) the ISDA Master Agreement and Schedule dated 8 August 2002 between LRHFL and the Hedging Counterparty;
- (b) the trade confirmation dated on or about the date of the Deed between LRHFL and the Hedging Counterparty effecting an amortising interest rate swap with respect to the interest payment obligations of LRHFL with respect to the Advance;
- (c) the trade confirmation dated on or about the date of the Deed between LRHFL and the Hedging Counterparty effecting an RPI Swap.

"Hedging Counterparty" is Abbey National Treasury Services plc in its capacity as counterparty to LRHFL under the Hedging Agreements.

"Insurances" means, all contracts and policies of insurance taken out and/or maintained by an Obligor or in which any Obligor has an interest.

"Intercompany Loans" is defined in the Senior Facility Agreement.

"Intercreditor Agreement" means the intercreditor agreement dated 8 August 2002 between the Obligors, the Junior Creditors, the Mezzanine Finance Parties and the Senior Agent.

"Interest Guarantors" means each of GFL, Kerkehout and L&R.

"Joint Venture Documents" is defined in the Senior Facility Agreement.

"Junior Creditors" means each L&R Creditor and LS.

"Kerkehout" means Kerkehout Beheer B.V. (a company incorporated in The Netherlands whose registered office is at Prof. J.H. Bavincklaan 7, 1183 AT, Amstelveen, The Netherlands.).

"LRHFL" means London & Regional Hotel Finance Limited (Registered in England and Wales No. 4476411).

"LRHHL" means London & Regional Hotel Holdings Limited (registered in England and Wales under company number 4469933).

"LRHHL Charge" means the mortgage of shares in the capital of the Company and floating charge executed by LRHHL as chargor and the Security Agent.

"LS" means Land Securities plc (registered in England and Wales under company number 551412).

"L&R" means London and Regional Properties Limited a company incorporated in England and Wales (Company Number 2909660).

"L&R Creditors" is defined in the Intercreditor Agreement.

"Majority Lenders" is defined in the Senior Facility Agreement.

"Majority Mezzanine Lenders" is defined in the Mezzanine Facility Agreement.

"Mezzanine Agent" is Dresdner Bank AG, London in its capacity as Mezzanine Facility Agent, as specified in the Mezzanine Facility Agreement.

"Mezzanine Arranger" is Dresdner Bank AG, London in its capacity as Mezzanine Arranger, as specified in the Mezzanine Facility Agreement.

"Mezzanine Commitments" is defined in the Mezzanine Facility Agreement.

"Mezzanine Creditors" means the Mezzanine Lenders, the Mezzanine Arranger and the Mezzanine Agent.

"Mezzanine Facility Agent" means Dresdner Bank AG, London Branch as mezzanine facility agent for the Mezzanine Lenders.

"Mezzanine Facility Agreement" means the facility agreement dated 8 August 2002 between LRHFL as borrower, the Company and LRHHL as guarantors, Dresdner Bank AG, London Branch as original mezzanine lender, as mezzanine arranger and as mezzanine facility agent.

"Mezzanine Fee Letter" means the letter dated 8 August 2002 between the Mezzanine Arranger and LRHFL in relation to the arrangement fee referred to in Clause 11 of the Mezzanine Facility Agreement.

"Mezzanine Finance Documents" means the Mezzanine Facility Agreement, the Mezzanine Fee Letter, the Deed of Undertaking, each Mezzanine Transfer Certificate, the Mezzanine Interest Guarantee, the Intercreditor Agreement, and each Mezzanine Security Document entered into from time to time and any other document designated as such by the Mezzanine Facility Agent and LRHFL.

"Mezzanine Finance Party" means each Mezzanine Lender, the Mezzanine Facility Agent, the Security Agent and the Mezzanine Arranger.

"Mezzanine Interest Guarantee" means the guarantee dated 8 August 2002 provided by each of the Interest Guarantors to guarantee punctual performance by LRHFL of certain of its obligations under the terms of the Mezzanine Finance Documents.

"Mezzanine Lenders" means:

- (a) the Original Mezzanine Lender;
- (b) each person to which rights and/or obligations under the Mezzanine Facility Agreement are assigned or transferred pursuant to Clause 22 of the Mezzanine Facility Agreement or which assumes rights and obligations pursuant to a Mezzanine Transfer Certificate; and
- (c) any successors to the foregoing,

provided that, upon (i) termination in full of all or any Mezzanine Lender's Mezzanine Commitments and (ii) irrevocable payment in full of all amounts that being or becoming payable to such Mezzanine Lender, such Mezzanine Lender shall not be regarded as being a Mezzanine Lender for the purposes of determining whether any provision of the Mezzanine Finance Documents requiring consultation with the Majority Mezzanine Lenders has been complied with.

"Mezzanine Loan Stock Instrument" is defined in the Mezzanine Facility Agreement.

"Mezzanine Security Documents" means the Deed, the GFL Charge, the LRHHL Charge, and any other document pursuant to which any person provides any guarantee or security in favour of the Security Agent for the benefit of the Mezzanine Finance Parties in respect of the obligations of any Obligor under the Mezzanine Transaction Documents.

"Mezzanine Transaction Documents" means the Joint Venture Documents, the

Mezzanine Finance Documents, the Senior Loan Stock Instrument, the Mezzanine Loan Stock Instrument and the Intercompany Loans.

"Mezzanine Transfer Certificate" means a certificate substantially in the form set out in Schedule 4 of the Mezzanine Facility Agreement or any other form agreed between the Mezzanine Facility Agent and LRHFL.

"Mortgaged Property" means all freehold and leasehold property (including the Premises and the Property) the subject of the security created by the Deed.

"Obligor" means each of:

- (a) the Company;
- (b) LRHFL; and
- (c) LRHHL,

each an **"Obligor"** and together the **"Obligors"**.

"Occupational Lease" means any agreement for lease, lease, licence, tenancy, overriding lease or occupational arrangement to which the Mortgaged Property may be subject from time to time.

"Original Mezzanine Lender" means Dresdner Bank AG, London Branch, as original mezzanine lender.

"Original Lender" means Abbey National Treasury Services plc as original lender.

"Premises" means any building or other edifice on the Mortgaged Property or other Security Asset.

"Property" means the freehold premises described in Schedule 1.

"Related Rights" means, in relation to the Group Shares, all dividends and other distributions paid or payable after the date of the Deed on all or any of the Group Shares and all stocks, shares, securities (and the dividends or interest on them), rights, money or property accruing or offered at any time by way of redemption, bonus, preference, option rights or otherwise to or in respect of any of the Group Shares or in substitution or exchange for any of the Group Shares.

"Rental Income" in relation to the Property means at any time:

- (a) the aggregate of the gross rents, licence fees and other monies reserved by or arising out of all Occupational Leases to which the Property is subject; and
- (b) all other monies derived by the Company from any third parties relating to the use and/or occupation of the Property (including, without limitation, 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" 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.

"Security Account" means the Collection Account and any other account opened by LRHFL or the Company in accordance with the provisions of the Intercreditor Agreement or any account opened by the Security Agent or any other Applicable Creditor for the purposes of the Intercreditor Agreement.

"Security Agent" is Abbey National Treasury Services plc in its capacity as Security Agent as specified in the Deed.

"Security Assets" means all assets of the Chargors the subject of any security created by the Deed (and includes the Mortgaged Property).

"Senior Agent" means Abbey National Treasury Services plc in its capacity as Facility Agent as specified in the Senior Facility Agreement.

"Senior Creditors" means each Senior Lender, the Facility Agent, the Security Agent, the Arranger, and the Hedging Counterparty.

"Senior Facility Agreement" means the senior facility agreement dated 8 August 2002 between LRHFL, Hotel (PL Property) Limited and London & Regional Hotel Holdings Limited as guarantors and Abbey National Treasury Services plc as Original Lender, Arranger and Facility Agent.

"Senior Fee Letter" means Fee Letter as defined in the Senior Facility Agreement.

"Senior Finance Document" means the Senior Facility Agreement, the Hedging Agreements, any Senior Fee Letter, the Deed of Undertaking, each Senior Transfer Certificate, the Amortisation Schedule, the Intercreditor Agreement and each Senior Security Document entered into from time to time and any other document designated as such by the Facility Agent and LRHFL.

"Senior Lenders" means:

- (a) the Original Lender;
- (b) each person to which rights and/or obligations under the Senior Facility Agreement are assigned or transferred pursuant to Clause 22 of the Senior Facility Agreement or which assumes rights and obligations pursuant to a Senior Transfer Certificate; and
- (c) any successors to the foregoing,

provided that, upon (i) termination in full of all or any Lender's Commitments and (ii) irrevocable payment in full of all amounts that being or becoming payable to such Senior Lender, such Senior Lender shall not be regarded as being a Senior Lender for the purposes of determining whether any provision of the Senior Finance

Documents requiring consultation with the Majority Lenders has been complied with.

"Senior Loan Stock Instrument" is defined in the Senior Facility Agreement.

"Senior Security Documents" means the Deed, the GFL Charge, the LRHHL Charge, and any other document pursuant to which any person provides any guarantee or security in favour of the Security Agent for the benefit of, among others the Finance Parties and the Hedging Counterparty in respect of the obligations of any Obligor under the Senior Transaction Documents.

"Senior Transaction Documents" means the Joint Venture Documents, the Senior Finance Documents, the Senior Loan Stock Instrument, the Mezzanine Loan Stock Instrument and the Intercompany Loans.

"Senior Transfer Certificate" means a certificate substantially in the form set out in Schedule 4 of the Senior Facility Agreement or any other form agreed between the Facility Agent and LRHFL.

"Shareholders Agreement" means the subscription and shareholders' agreement in respect of the Company dated 8 August 2002 between Land Securities plc, LRHFL, L&R, LRHHL, the Company and GFL.

"Utilisation Date" is defined in the Senior Facility Agreement.

"VAT" means value added tax as provided for in the Value Added Tax Act 1994 and any other tax of a similar nature.

SCHEDULE 1

Mortgaged Property

All that freehold land and buildings known as the Hilton Hotel, Park Lane, London W1 as the same is registered at HM Land Registry with title absolute under title number LN 141760.

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 04330919

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A DEED OF DEBENTURE DATED THE 8th AUGUST 2002 AND CREATED BY HOTEL (PL PROPERTY) LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE OBLIGORS TO THE BENEFICIARIES 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 23rd AUGUST 2002.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 28th AUGUST 2002.



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



Companies House

— for the record —