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COMPANIES FORM No. 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.

Pursuant to section 395 of the Companies Act 1985

To the Registrar of Companies
(Address overleaf - Note 6)

For official use

Company number



4932939

Name of company

* Herax Nominees (No. 2) Limited (the "Chargor")

Date of creation of the charge

22 December 2003

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

Debenture made between the Chargor and Herax Nominees (No.1) Limited (1) and The Governor and Company of the Bank of Scotland (2) (the "Debenture")

Amount secured by the mortgage or charge

Please see attached schedule 1.

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

The Governor and the Company of the Bank of Scotland
Level 7, PO BOX 399000, 155 Bishopsgate
London
(the "Agent")

Postcode EC2M 3YB

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

Taylor Wessing
Carmelite, 50 Victoria
Embankment, Blackfriars,
London, EC4Y 0DX

Ref: SWL/DJM

Time critical reference
HAL-57-14/ Debenture 2

For official Use
Mortgage Section

Post room



Short particulars of all the property mortgaged or charged

Please see attached schedule 2.

Please do not
write in
this margin

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

Particulars as to commission allowance or discount (note 3)

Nil.

Signed Taylor Wessing

Date 31-12-03

On behalf of [company] [mortgagee/chargee] †

A fee of £10 is
payable to
Companies House
in respect of each
register entry for a
mortgage or
charge.
(See Note 5)

† 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 to be made payable to **Companies House**.
- 6 The address of the Registrar of Companies is:-

Companies House, Crown Way, Cardiff CF14 3UZ

Definitions

In this Form 395 and schedule:

"Account" means each of the Rent Account, Sale Proceeds Account, the General Account and any Designated Account;

"Accor Guarantor" means Accor S.A., a company incorporated in France, acting as guarantor to tenants under the Accor Leases;

"Accor Leases" mean together:

- (a) the Lease dated 26 September 2003 made between Accor UK Economy Hotels Limited (as landlord) (1) Ibis Hull & London Wembley Limited as tenant (2) and the Accor Guarantor (3) in respect of the Property at Hull;
- (b) the Lease dated 26 September 2003 made between Accor UK Business & Leisure Hotels Limited (as landlord) (1) Novotel Milton Keynes & London City South Limited as tenant (2) and the Accor Guarantor (3) in respect of the Property at Southwark Bridge Road;
- (c) the Lease dated 26 September 2003 made between Accor UK Business & Leisure Hotels Limited (as landlord) (1) Novotel Milton Keynes & London City South Limited as tenant (2) and the Accor Guarantor (3) in respect of the Property at Milton Keynes;

"Accor Tenant" means any tenant under an Accor Lease (together the **"Accor Tenants"**);

"Affiliate" means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company;

"Agreement" means a syndicated loan agreement dated 22 December 2003 made between the Borrower (1), the Chargors (2), the Banks (3) and the Agent (4);

"Bank" means:

- (a) any bank or financial institution listed in schedule 2 to the Agreement; and
- (b) any bank or financial institution which becomes a party to the Agreement in accordance with its terms,

which in each case has not ceased be a party to the Agreement in accordance with such terms;

"Borrower" means The Herax Limited Partnership acting through the General Partner;

"Business Day" has the same meaning given to such term in the Agreement;

"Charged Property" means, in relation to a Chargor, all assets mortgaged, charged or assigned by such Chargor by the Debenture;

"Chargors" means the Chargor and Herax Nominees (No.2) Limited;

"Construction Documentation" means the construction documentation relating to the Properties listed in schedule 3 of the Debenture and all other documentation which any Chargor has rights under relating to the construction, maintenance or refurbishment of any Property;

<i>Property</i>	<i>Type of Documentation</i>
Novotel London City South	Collateral warranty in favour of the Nominees as trustees for the Chargor from YJL Construction Limited (Contractor)
Novotel London City South	Collateral warranty in favour of the Nominees as trustees for the Chargor from Denner Ellis Boddington (Architect)
Novotel London City South	Collateral warranty in favour of the Nominees as trustees for the Chargor from Michael Bradbrook Consultants Limited (Structural Engineer)
Novotel London City South	Collateral warranty in favour of the Nominees as trustees for the Chargor from R J Electrics Limited (Electrical Engineer)
Novotel London City South	Collateral warranty in favour of the Nominees as trustees for the Chargor from J S Wright & Co Limited (Mechanical Engineer)
Novotel London City South	Collateral warranty in favour of the Nominees as trustees for the Chargor from Otis Limited (Lifts)
Novotel London City South	Collateral warranty in favour of the Nominees as trustees for the Chargor from Cementation Foundations Skanska Limited (Piling)
Novotel London City South	First Deed of Guarantee from the Accor Guarantor in favour of the Nominees as trustees for the Chargor
Ibis Hull, Osbourne Street, Kingston upon Hull	Collateral warranty in favour of the Nominees as trustees for the Chargor from Allenbuild Limited (Contractor)
Ibis Hull, Osbourne Street, Kingston upon Hull	Collateral warranty in favour of the Nominees as trustees for the Chargor from Leach Rhodes Walker LLP (Architect)
Ibis Hull, Osbourne Street, Kingston upon Hull	Collateral warranty in favour of the Nominees as trustees for the Chargor from Gary Gabriel Associates (Structural

Property	Type of Documentation
	Engineer)
Ibis Hull, Osbourne Street, Kingston upon Hull	Collateral warranty in favour of the Nominees as trustees for the Chargor from J S Wright & Co Limited (Mechanical Engineer)
Ibis Hull, Osbourne Street, Kingston upon Hull	Collateral warranty in favour of the Nominees as trustees for the Chargor from RMD Contracts Limited (Electrical Engineer)
Ibis Hull, Osbourne Street, Kingston upon Hull	Collateral warranty in favour of the Nominees as trustees for the Chargor from Expanded Piling Co Limited (Piling)
Ibis Hull, Osbourne Street, Kingston upon Hull	First Deed of Guarantee from the Accor Guarantor in favour of the Nominees as trustees for the Chargor
Ibis Hull, Osbourne Street, Kingston upon Hull	First Bank Guarantee in favour of the Chargor from National Westminster Bank Plc
Novotel, Milton Keynes	Collateral warranty in favour of the Nominees as trustees for the Chargor from Building & Engineering UK Limited (Contractor)
Novotel, Milton Keynes	Collateral warranty in favour of the Nominees as trustees for the Chargor from Leach Rhodes Walker LLP (Architect)
Novotel, Milton Keynes	Collateral warranty in favour of the Nominees as trustees for the Chargor from Building & Engineering nv (Structural Engineer)
Novotel, Milton Keynes	Collateral warranty in favour of the Nominees as trustees for the Chargor from Tubular Erectors Design & Build Limited (Structural Works)
Novotel, Milton Keynes	Collateral warranty in favour of the Nominees from Building & Engineers N.V. (Sub-Contractor)
Novotel, Milton Keynes	Collateral warranty in favour of the Nominees as trustees for the Chargor from Otis Limited (Lifts)
Novotel, Milton Keynes	First Deed of Guarantee from the Accor Guarantor in favour of the Nominees as

Property

Type of Documentation

trustees for the Chargor

"Counter Indemnity" shall have the meaning given to such term in the Agreement;

"Debts" means all present and future book and other debts and rights to money and income (other than Rental Income) liquidated and unliquidated owing to a Chargor including the benefit of all negotiable instruments, securities, guarantees and indemnities for such debts and rights but not including cash at bank;

"Designated Account" means an account of a Chargor with the Agent;

"Encumbrance" means any mortgage, charge, assignment by way of security, pledge, lien or any other arrangement having or intended to have a similar effect;

"Fees Letter" means the fees letter from the Agent to the Borrower and the Chargors dated 22 December 2003;

"Finance Documents" means the Agreement, the Hedging Agreement dated on or about the date of the Debenture made between the Agent or an Affiliate of the Agent and the Borrower, the Fees Letter, the Counter Indemnity and the Security Documents;

"Finance Party" means each of the Agent and the Banks;

"General Account" means the current account specified as such in the Agreement maintained by the Borrower with the Agent into which surplus funds are paid from the Rental Income Account in accordance with the provisions of the Agreement or any replacement account opened by the Borrower at the request of the Agent in accordance with the provisions of the Agreement;

"General Partner" means Herax (General Partner) Limited a company incorporated in accordance with the laws of Jersey with registered number 85844 whose registered office is at 22 Grenville Street, St Helier, Jersey JE4 8PK;

"Hedging Agreement" means an interest rate swap, cap, collar or floor agreement or other contract for the purpose of securing a profit or avoiding a loss by reference to fluctuations in interest rates;

"Intellectual Property" means all present and future rights of a Chargor in respect of any patent, copyright, trade mark, service mark, invention, design, knowhow, confidential information or any other kind of intellectual property whether registered or unregistered and any registration or application for registration, licence or permission relating to any of the foregoing;

"Interest Payment Date" shall have the meaning given to such term in the Agreement;

"Investment" means any present and future:

- (a) stock, share, bond or any form of loan capital of or in any legal entity;
- (b) unit in any unit trust or similar scheme;

(c) warrant or other right to acquire any such investment,

owned by a Chargor and any income, offer, right or benefit in respect of any such investment;

"Net Rental Income" shall have the same meaning as in the Agreement;

"Obligors" means together the Borrower, the General Partner or any Chargor and each an **"Obligor"**;

"Permitted Encumbrance" means a lien arising in the ordinary course of business by operation of law and discharged as soon as possible and the Encumbrances in favour of the Agent as security trustee for the Banks;

"Property" means:

All that freehold land, buildings, gardens and courtyard known as Novotel London City South, being part of Southwark Bridge Office Village, Thrle Street, London SE1 with Title Number TGL178997;

All that freehold land and buildings known as Ibis Hotel on the east side of Ferensway, Osborne Street, Kingston Upon Hull HU1 2NL with Title Number HS286536;

All that freehold land and buildings known as Novotel Milton Keynes at Heelands, Milton Keynes MK13 comprising 3 acres (or thereabouts) shown edged red on the plan attached to a Transfer dated 24 November 2003 and made between (1) Commission for the New Towns and (2) Accor UK Business & Leisure Hotels Limited forming part of Title Number BM286421;

(together the **"Properties"**);

"Real Property" means all freehold or leasehold property from time to time owned by the Chargors including their interests in the Properties;

"Rent Account" means, the rent account with the Agent opened and maintained by the Borrower into which the Rental Income or Net Rental Income is payable by the Obligors in accordance with the provisions of the Agreement or any replacement account opened by the Borrower at the request of the Agent in accordance with the provisions of the Agreement;

"Rental Income" means the gross rents, license fees and other moneys receivable at any time by any Obligor in respect of or arising out of any Lease of any Property or otherwise without limitation derived by any Obligor from any Property or otherwise paid to or received by the Obligors in respect of any Property and including (without limitation) mesne profits and each of the following amounts:

- (a) rent including any increase of rent or interim rent agreed by any Obligor or payable pursuant to any provisions of the Landlord and Tenant Act 1954 and all other amounts payable under any Lease;
- (b) amounts payable from any deposit held as security for performance of any tenant's obligations or by any person who has given a guarantee and/or indemnity or other assurance against loss of those obligations;

- (c) any other money payable in respect of occupation and/or use of any Property including any fixture for display or advertisement;
- (d) any profits, damages, compensation, settlement or expenses awarded or agreed as a result of any claim made by any Obligor in respect of each Property net of any costs, fees and expenses incurred but not reimbursed to any Obligor in connection with such claim;
- (e) any money payable under any policy of insurance in respect of loss of rent;
- (f) any amount payable or the value of any consideration to be given by or on behalf of a tenant for the surrender or variation of any occupational lease or occupancy agreement;
- (g) any interest payable on any amount referred to above;
- (h) any Value Added Tax in respect of the above items;

"Sale Proceeds" means the gross proceeds of sale (including any premium in respect of the grant of a Lease) or of any other dealings in any interest in all or any part of any Property;

"Sale Proceeds Account" means the sale proceeds account maintained by the Borrower with the Agent in accordance with the provisions of the Agreement into which relevant Sale Proceeds are to be paid in accordance with the provisions of the Agreement or any replacement account opened by the Borrower at the request of the Agent in accordance with the provisions of the Agreement;

"Security Documents" means the Debenture and any other document which grants security rights or rights by way of guarantee and/or indemnity or other assurance against loss in respect of any liabilities of any Obligor under the Finance Documents;

"Subsidiary" means a subsidiary undertaking as defined by section 258 of the Companies Act 1985;

"Value Added Tax" means value added tax or any other tax substituted for that tax or in respect of supplies, turnover or value added sales.

Schedule 1

Amount secured by the mortgage or charge

All liabilities of any Obligor owed or expressed to be owed to the Finance Parties under or in connection with the Finance Documents whether owed jointly or severally, as principal or surety or in any other capacity.

(the "**Secured Liabilities**")

Schedule 2

Short particulars of the property mortgaged or charged

1. Fixed Security

1.1 As continuing security for the payment of the Secured Liabilities the Chargor with full title guarantee:

- (a) charged to the Agent as trustee for the Finance Parties by way of legal mortgage all freehold or leasehold property owned by the Chargor at the date of the Debenture including its interest in each Property;
- (b) charged to the Agent as trustee for the Finance Parties by way of equitable mortgage its interest in any freehold or leasehold property acquired by the Chargor after the date of the Debenture;
- (c) assigned to the Agent as trustee for the Finance Parties its interest in any present or future licences under which the Chargor is entitled to occupy freehold or leasehold property;
- (d) assigned to the Agent as trustee for the Finance Parties its interest in the Accor Leases and all Rental Income payable to or for the benefit of the Chargor;
- (e) charged to the Agent as trustee for the Finance Parties by way of fixed charge its interest:
 - (i) in all present and future fittings, plant, equipment, machinery, tools, vehicles, furniture and other tangible movable property owned by the Chargor;
 - (ii) in any Investment owned by it;
 - (iii) in its present and future goodwill and uncalled capital;
 - (iv) (if any) in any Intellectual Property;
 - (v) (if any) in relation to any money now or at any time after the date of the Debenture standing to the credit of each Account;
 - (vi) (if any) in money now or at any time after the date of the Debenture standing to the credit of any other present and future account of the Chargor with a bank or financial institution;
 - (vii) (if any) in present and future insurances in respect of any Charged Property and the proceeds of such insurances;
 - (viii) in any sum now or at any time after the date of the Debenture received by the Chargor as a result of any order of the court under sections 213, 214, 238, 239 or 244 of the Insolvency Act 1986;
 - (ix) in the Construction Documentation; and
 - (x) in the Sale Proceeds;

- (f) assigned to the Agent as trustee for the Finance Parties and (subject to clause 10.11 (*Assignment of Construction Documentation*) of the Debenture) the agreements (if any) to which the Chargor is a party except for the Construction Documentation and the benefit of any guarantee or security for the performance of such agreements provided that if any such agreement, guarantee or security is expressed to be non-assignable then the Chargor charges its interest in it to the Agent as trustee for the Finance Parties by way of fixed charge;
- (g) charged its interest in the Debts owing to the Chargor to the Agent as trustee for the Finance Parties by way of fixed charge; and
- (h) charged to the Agent as trustee for the Finance Parties by way of fixed charge, all other assets of the Chargor not charged or assigned by the previous paragraphs of this clause (other than such Chargor's stock in trade or work in progress).

2. Floating Security

2.1 Creation

As continuing security for the payment of the Secured Liabilities the Chargor charged to the Agent as trustee for the Finance Parties by way of floating charge with full title guarantee the whole of its assets to the extent that such assets are not effectively mortgaged, charged or assigned to the Agent by way of fixed security pursuant to clause 2.1 of the Debenture.

2.2 Qualifying floating charge

Section 14(2)(a) of schedule B1 to the Insolvency Act 1986 applies to the floating charge created by clause 4.1 of the Debenture which is a "qualifying floating charge" for the purpose of section 14(1) of the Insolvency Act 1986.

3. Negative Covenants

No Chargor shall except in accordance with the provisions of the Agreement or otherwise with the prior written consent of the Agent:

- (a) sell, transfer, lease or otherwise dispose or purport or agree to dispose of any interest in or lend or grant any licence or other right over any assets mortgaged, charged or assigned by it under clause 3 of the Debenture or, save for full consideration in money or money's worth and in the ordinary course of that Chargor's business, sell, transfer, lease, or otherwise dispose or purport or agree to dispose of any interest in or lend or grant any licence or other right over any of the assets charged by it by way of floating charge under clause 4 of the Debenture;
- (b) create, agree to create or allow to arise or remain outstanding any Encumbrance over any Charged Property;
- (c) fix any fittings, plant, equipment, machinery, tools, vehicles, furniture and other tangible movable property to any land which the freehold of which is not owned by that Chargor; or

- (d) redeem or purchase its own shares or provide financial assistance for such purposes or pay an abnormal sum by way of dividend.

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 04932939

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A DEBENTURE DATED THE 22nd DECEMBER 2003 AND CREATED BY HERAX NOMINEES (NO.2) LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM ANY OBLIGOR TO THE FINANCE PARTIES 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 2nd JANUARY 2004.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 7th JANUARY 2004.

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THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



Companies House

— for the record —