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COMPANIES FORM NO. 395

Particulars of a mortgage or charge

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

CHFP025

00400024

395

Please do not
write in
this margin

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

*Insert full name
of Company

Pursuant to section 395 of the Companies Act 1985

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

For official use

Company number

5969664

Name of company

INN PORTFOLIO (the "Company")

Date of creation of the charge

30 November 2006

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

Blocked Account Charge (the "Deed")

Amount secured by the mortgage or charge

All and any moneys, obligations and liabilities now or in the future due owing or incurred by any Obligor to the Finance Parties (or any of them) in whatever currency denominated whether actually or contingently and whether alone or jointly with any other person and whether as principal or surety under the Finance Documents including all interest, commissions, fees and all legal and other costs, charges and expenses which the Finance Parties (or any of them) may charge any Obligor or incur under any Finance Document (the "**Secured Liabilities**").

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

Anglo Irish Bank Corporation plc (the "Security Agent") registered in Ireland and acting through its London branch at 10 Old Jewry, London

Postcode

EC2R 8DN

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

Our Ref: BLUED/307031-8137
Addleshaw Goddard LLP
Alder Castle
10 Noble Street
London EC2V 7JW

For official Use
Mortgage Section

Post room



Short particulars of all the property mortgaged or charged

1 Security**1.1 Charge**

The Company, in the manner specified in clause 3.2 (Title guarantee) of the Deed and described at paragraph 1.2 of this Form 395, charges the Security Assets by way of first fixed charge in favour of the Security Agent (for the benefit of itself and the other Finance Parties) for the payment and discharge of the Secured Liabilities.

1.2 Title guarantee

Every disposition effected by the Deed is made with full title guarantee. 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.

(continued....)

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

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

Signed

Addlesha Goddard LLP

Date 6 December 2006

On behalf of [mortgagee/chargee]

Notes

†delete as
appropriate

- 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.
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;
- 3 (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 CF4 3UZ, DX: 33050 Cardiff

Amount secured by the mortgage or charge (continued)

Company Name: Inn Portfolio

Company No: 5969664

2 Undertakings

The Company shall not, otherwise than:

- (a) in favour of the Security Agent (for the benefit of itself and the Finance Parties); or
- (b) with the prior written consent of the Security Agent and in accordance with and subject to any conditions which the Security Agent may attach to such consent,

create, grant, extend or permit to subsist any Security of whatsoever nature over the Security Assets or any part thereof or permit or agree to any variation of the rights attaching to the Security Assets.

3 Further assurance

The Company shall, at its own expense, take whatever action (including, without limitation, payment of all stamp duties and other registration fees) the Security Agent may require for:

- (a) perfecting or protecting the security intended to be created by the Deed over any Security Asset; and
- (b) facilitating the realisation of any Security Asset or the exercise of any right, power or discretion exercisable, by the Security Agent or any of its or delegates or sub-delegates in respect of any Security Asset, including the execution of any transfer, conveyance, assignment or assurance of any property whether to the Security Agent or to its nominees, and the giving of any notice, order or direction and the making of any registration, which in any such case, the Security Agent may think expedient.

4 DEFINITIONS

Accession Deed has the meaning given to it in the Facilities Agreement.

Account Bank means Anglo Irish Bank Corporation plc.

Arranger means Anglo Irish Bank Corporation plc.

Assignment of Rent means an assignment executed or to be executed by an Obligor in favour of the Security Agent in a form and content satisfactory to the Security Agent of the rental income payable to an Obligor in respect of any Scottish Property.

Blocked Account means the account held in the Company's name held with the Account Bank's London branch.

Borrower means Inn Investment Limited (registered under company number 5895613) having its registered office at Emerald House, East Street, Epsom, Surrey KT17 1HS.

Capitalisation Facility means the term loan facility made available under the Facilities Agreement as described in clause 2.1(b) (The Facilities) of the Facilities Agreement.

Capitalisation Facility Blocked Account means an interest bearing blocked account into

which the Capitalisation Loan will be paid.

Capitalisation Loan means the loan made or to be made under the Capitalisation Facility or the principal amount outstanding for the time being of that loan.

Composite Debenture means the debenture executed or to be executed by the Obligor in favour of, inter alia, the Security Agent in a form and content satisfactory to, inter alia, the Facility Agent incorporating, inter alia, a first legal mortgage over the Properties (other than any Scottish Property), an assignment by way of security of the Rental Income (other than in relation to any Scottish Property), a first fixed charge over any relevant account, an assignment by way of security over the benefit of the Transaction Documents, a charge over all the contracts entered into by the Obligor in respect of the Properties, an assignment by way of security of any Hedging Arrangement and the Save Acquisition Agreement and a first floating charge over all the other assets of the Obligor.

Deed of Undertaking has the meaning given to it in the Facilities Agreement.

Deposit means the amount standing to the credit of the Blocked Account from time to time (including accrued interest) and shall include, where the context requires, any portion of such amount.

Facility Agent means Anglo Irish Bank Corporation plc.

Facilities Agreement means the Inn Investments Facilities Agreement.

Fee Letter has the meaning given to it in the Facilities Agreement.

Finance Documents means:

- (a) any Accession Deed;
- (b) the Facilities Agreement;
- (c) the Deed of Undertaking;
- (d) any Fee Letter;
- (e) any Hedging Arrangement;
- (f) the Intercreditor Deed;
- (g) any Security Documents;
- (h) any Utilisation Request; and
- (i) any other document designated as a Finance Document by the Facility Agent and London Town plc.

Finance Parties means any of the Facility Agent, the Arranger, the Security Agent, each Lender and each Hedge Counterparty.

Guarantor means each Guarantor unless it has ceased to be a Guarantor in accordance with clause 26.2 (Resignation of a Guarantor) of the Inn Investments Facilities Agreement.

Hedge Counterparty means Anglo Irish Bank Corporation plc.

Hedging Arrangement has the meaning given to it in the Facilities Agreement.

Inn Investment Facilities Agreement means a facilities agreement to be entered into between London Town, Inn Investment Limited as borrower, London Town and certain of its subsidiaries as guarantors and Anglo Irish Bank Corporation plc as arranger, original lender, hedge counterparty and security agent as the same may be amended, varied, supplemented, restated and/or novated from time to time.

Inn Investment Manager's Undertaking has the meaning given to it in the Facilities Agreement.

Intercreditor Deed has the meaning given to it in the Facilities Agreement.

Lender has the meaning given to it in the Facilities Agreement.

London Town means London Town plc.

Manager's Undertaking means the Inn Investment Manager's Undertaking.

Obligors means the Borrower and the Guarantors and **Obligor** means any of them.

Properties means the leasehold, freehold and heritable properties charged or to be charged to the Security Agent brief details of which are set out in schedule 3 (The Properties) of the Facilities Agreement each such property being a **Property**.

Pubfolio Manager's Undertaking has the meaning given to it in the Facilities Agreement.

Rental Income has the meaning given to it in the Facilities Agreement.

Save Acquisition Agreement has the meaning given to it in the Facilities Agreement.

Scottish Property means such of the Properties and any other property owned by an Obligor as are situated in Scotland.

Security means a mortgage, charge, pledge, lien, hypothecation, diligence, assignment or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

Security Assets means all the rights, title and interests of the Company in the Deposit and the Account together with all interest thereon and all rights, benefits and proceeds thereof.

Security Documents means:

- (a) the Capitalisation Facility Blocked Account Charge;
- (b) the Composite Debenture;
- (c) each Standard Security;
- (d) each Assignment of Rent;
- (e) the Manager's Undertakings;

- (f) the Supplemental Legal Charge; and
- (g) any other document entered into by any Obligor creating or expressed to create any Security over all or any part of its assets in respect of the obligations of any of the Obligors under any of the Finance Documents.

Standard Security means a standard security executed or to be executed by an Obligor in favour of the Security Agent in a form and content satisfactory to the Security Agent creating a fixed security over Scottish Property.

Supplemental Legal Charge means the legal charge to be entered into between the Borrower and the Security Agent.

Transaction Documents has the meaning given to it in the Facilities Agreement.

Utilisation Request means a utilisation of a Capitalisation Loan.

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 05969664

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A BLOCKED ACCOUNT CHARGE DATED THE 30th NOVEMBER 2006 AND CREATED BY INN PORTFOLIO FOR SECURING ALL MONIES DUE OR TO BECOME DUE BY ANY OBLIGOR TO THE FINANCE PARTIES (OR ANY OF THEM) ON ANY ACCOUNT WHATSOEVER 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 6th DECEMBER 2006.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 12th DECEMBER 2006.

PDW



Companies House

— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES