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COMPANIES FORM No. 395

Particulars of a mortgage or charge

395

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

212834/65

CHFP025

Please do not write in this margin

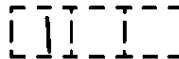
Please complete legibly, preferably in black type, or bold block lettering

Pursuant to section 395 of the Companies Act 1985

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

For official use

Company number



6533950

Name of company

* MREF Bristol Holdings Limited (the "Charging Company")

*insert full name of Company

Date of creation of the charge

31 March 2008

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

Debenture dated 31 March 2008 made between, amongst others, the Charging Company (1) in favour of Bank of Scotland plc (in its capacity as Security Agent for the Beneficiaries (as defined in the attached Schedule)) (2) (the "Debenture")

Amount secured by the mortgage or charge

The Secured Sums (as defined in the attached Schedule)

References to the Debenture or any other document include references to the Debenture or such other 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

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

Bank of Scotland plc (in its capacity as Security Agent for the Beneficiaries (each term as defined in the attached Schedule)), 21-23 Hill Street, London

Postcode W1J 5JW

Presentor's name address and reference (if any)

Lovells LLP
Atlantic House
Holborn Viaduct
London
EC1A 2FG
F3/PRM/CMM/1950554

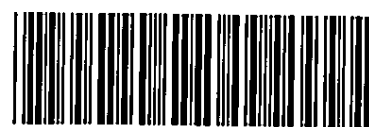
Time critical reference

For official Use (06/2005)

Mortgage Section

Post room

FRIDAY



A0503YS8

A43

11/04/2008

83

COMPANIES HOUSE

Short particulars of all the property mortgaged or charged

See Part II of the attached Schedule

The attached Schedule refers 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

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)

Not applicable

Signed

Geoffrey W.P.

Date

10/4/08

On behalf of ~~XXXXXXXX~~ [mortgagee/chargee] †

A fee 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 A fee of £13 is payable to Companies House in respect of each register entry for a mortgage or charge Cheques and Postal Orders must be made payable to **Companies House**.
- 6 The address of the Registrar of Companies is **Companies House, Crown Way, Cardiff CF14 3UZ**

SCHEDULE TO FORM 395 FOR MREF BRISTOL HOLDINGS LIMITED

Part I

Definitions

In this Schedule, references to Clauses and Schedules are to Clauses of, and Schedules to, the Debenture unless otherwise specified. References in this Schedule 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. In this Form 395 the following expressions have the following meanings respectively set out below.

"Account Bank" means Bank of Scotland plc

"Acquisition Agreement" means the sale and purchase agreement dated 26 January 2007 and made between Macdonald Hotels Limited (as Vendor) and MREF Hotels Limited (as Purchaser)

"Acquisition Agreement Claims" means all the Company's rights, title and interest and benefit in and to, and any sums payable to the Company pursuant to, all representations, warranties, undertakings and indemnities to, agreements with and security to be provided in favour of the Company, and any rights of abatement or set-off, and all other rights of recovery under or pursuant to the Acquisition Agreement or any other Acquisition Document, in each case as assigned to the Company pursuant to the Assignment

"Acquisition Document" means the Acquisition Agreement and the Disclosure Letter

"Act" means the Companies Act 1985

"Assets" means in relation to the Charging Company, all its undertaking, property, assets, revenues and rights of every description, or any part of them

"Assignment" means the assignment agreement dated on or around 21 March 2007 and made between MREF Hotels Limited and the Company pursuant to which MREF Hotels Limited assigned absolutely any and all of its rights to bring a claim under the Acquisition Documents to the extent that such claim relates to Holland House Hotels (Bristol) Limited and/or the assets owned by Holland House Hotels (Bristol) Limited

"Beneficiary" means each Senior Finance Party and each Hedge Counterparty

"Chargor" means each company named in Part IV of this Schedule (*The Chargors*) 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

"Collection Account" means in relation to the Charging Company, its account with the Account Bank into which it is required to pay its Receivables pursuant to Clause 6.1 (*Collection Account*)

"Company" means MREF Bristol Limited a limited liability company incorporated in Jersey with registered number 96141

"Contracts" mean

- (i) the Framework Agreement,
- (ii) the Management Agreements, and
- (iii) the Holland House SPA

"Debenture Date" means 31 March 2008

"Declared Default" means the Agent first exercising its rights under Clause 26 20 (*Acceleration*) of the Facilities Agreement

"Deed of Accession and Charge" means a deed of accession and charge substantially in the form of Schedule 3 (*Form of Deed of Accession and Charge for a New Chargor*) of the Debenture

"Deed of Priority" means the deed of priority dated on or around the Debenture Date between Holland House Hotels (Bristol) Limited (as the Borrower), the Security Agent (as the Lender) and Clearfol Investment Limited and Phoenix Assurance Limited (as the Junior Creditor)

"Derivative Rights" includes

- (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,
- (b) dividends, distributions, interest and other income paid or payable in relation to any Investments, and
- (c) stock, shares and securities offered in addition to or in substitution for any Investments

"Disclosure Letter" has the meaning given to it in the Acquisition Agreement

"Facilities Agreement" means the facilities agreement dated 3 August 2007 as amended and restated on or about the Debenture Date between MREF Hotels Holdings Limited (as the Company), the Companies listed as Original Borrowers, the Companies listed as Original Guarantors and Bank of Scotland plc (as Arranger, Original Lender, Agent, Security Agent and in certain other capacities)

"Finance Document" means each Senior Finance Document and each Hedging Agreement

"Fixed Security Asset" means an Asset for the time being comprised within an assignment created by Clause 3 1 (*Assignments*) or within a mortgage or fixed charge created by Clause 3 2 (*Fixed security*)

"Floating Charge Asset" means an Asset for the time being comprised within the floating charge created by Clause 3 3 (*Creation of Floating Charge*) but, in relation to Assets situated in Scotland and charged by clause 3 3(b) only in so far as concerns the floating charge over that Asset

"Framework Agreement" has the meaning given to that term in the Facilities Agreement

"Group" means the Company and its subsidiaries for the time being

"Hedge Counterparty" means has the meaning given to that term in the Intercreditor Agreement

"Hedging Agreement" has the meaning given to that term in the Intercreditor Agreement

"Holland House SPA" means the sale and purchase agreement dated on or around the Debenture Date between MREF Bristol Limited (as Vendor) and MREF Bristol Holdings

Limited (as Purchaser) relating to the entire issued share capital of Holland House Hotels (Bristol) Limited

"Insurance Policy" means any contract or policy of insurance of any Chargor (including all cover notes) of whatever nature which are from time to time taken out by or on behalf of any Chargor or (to the extent of its interest and excluding third party policies) in which any Chargor has an interest at any time

"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

"Intellectual Property Rights" in relation to a Chargor, means all and any of its Intellectual Property and all other intellectual property rights, causes of action, interests and assets charged by it pursuant to paragraphs (c)(xii) to (xvi) inclusive of Clause 3.2 (*Fixed security*)

"Intercreditor Agreement" means the Intercreditor agreement dated 3 August 2007 entered into between, amongst others, the Company and the Bank of Scotland plc

"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

"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)

"Liability" means any liability, damage, loss, costs, claim or expense of any kind or nature, whether direct, indirect, special, consequential or otherwise

"Management Agreement" has the meaning given to that term in the Facilities Agreement

"New Chargor" means a member of the Group which becomes a Chargor under the Debenture in accordance with Clause 28 (*Accession of a New Chargor*)

"Party" means a party to the Debenture

"Receivables" in relation to a Chargor, means all sums of money receivable by it at any time consisting of or payable under or derived from any Asset described in Clause 3.2 (*Fixed security*)

"Receiver" means a receiver and manager appointed under Clause 16 (*Appointment of a Receiver or an Administrator*) including (where the context requires or permits) any substituted receiver and manager

"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 all or any of the Beneficiaries under each or any of the Finance Documents, in each case together with

- (a) all costs, charges and expenses incurred by any Beneficiary 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 Agent" means Bank of Scotland plc acting as security agent and trustee for the Beneficiaries including any successor appointed by the Beneficiaries pursuant to the Finance Documents

"Senior Finance Document" means the Facilities Agreement, the Bristol Amendment Agreement, the Bristol Intercreditor Amendment Agreement, the Deed of Priority, any Fee Letter, any Accession Letter, any Resignation Letter, the Transaction Security Documents, the Intercreditor Agreement, any Transfer Certificate or undertaking delivered pursuant to Clause 27 (*Changes to the Lenders*) of the Facilities Agreement, any Ancillary Document, any Compliance Certificate, any Utilisation Request and any other document designated as such by the Agent and the Company (each term as defined in the Facilities Agreement)

"Senior Finance Party" means the Agent, the Security Agent, the Arranger, the Lenders and any Ancillary Lender (each as defined in the Facilities Agreement unless otherwise defined in this Schedule)

"Specified Intellectual Property" means the Intellectual Property listed in Part VI of this Schedule (*Specified Intellectual Property*)

"Specified Investments" means, in relation to a Chargor, all Investments which at any time

- (a) represent a holding in a subsidiary of such Chargor or an undertaking which would be its subsidiary undertaking if in section 258(2)(a) of the Act "30 per cent or more" were substituted for "a majority",
- (b) are held in the name of the Security Agent or its nominee or to its order, or
- (c) that Chargor has deposited certificates for with the Security Agent or which, if uncertificated, are held in an escrow or other account in favour of the Security Agent or its nominee

Part II

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 Security Agent by way of security
 - (a) all of its rights, title and interest from time to time to any sums payable from time to time to a Chargor in relation to the Contracts,
 - (b) all of its rights, title and interest from time to time in respect of sums payable to it pursuant to the Insurance Policies, and
 - (c) all its rights, title and interest from time to time in respect of the Acquisition Agreement Claims,

- 2 As security for the payment or discharge of all Secured Sums, the Charging Company, with full title guarantee, charged to the Security Agent
- (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 in Part V of this Schedule,
 - (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,
 - (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 at the Debenture Date its property 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,
 - (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,
 - (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,
 - (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 Security Agent, 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 (excluding for the avoidance of doubt any third party insurance policies),
 - (x) all its goodwill and uncalled capital for the time being,
 - (xi) all Specified Intellectual Property belonging to it,
 - (xii) all other 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,

- (xiii) 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,
 - (xiv) 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,
 - (xv) 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,
 - (xvi) all its rights and causes of action in respect of infringement(s) (past, present or future) of the rights referred to in sub-paragraphs (c)(xi) to (xv) inclusive of this Clause,
 - (xvii) all trade debts at the Debenture Date or in the future owing to it,
 - (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,
 - (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*),
 - (xx) all its interests and rights (if any) in or to any money at any time standing to the credit of any Collection Account,
 - (xxi) any beneficial interest, claim or entitlement it has in any pension fund at the Debenture Date or in the future,
 - (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,
 - (xxiii) all moneys at any time standing to the credit of any Holding Account and/or Mandatory Prepayment Account, and
 - (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
- 3 As security for the payment or discharge of all Secured Sums, the Charging Company, with full title guarantee, charged to the Security Agent by way of floating charge
- (a) all its Assets, except to the extent that such Assets are for the time being effectively assigned by way of security by virtue of Clause 3 1 (*Assignments*) or charged by any fixed charge contained in Clause 3 2 (*Fixed security*), including any Assets comprised within a charge which is reconverted under Clause 4 4 (*Reconversion*), and
 - (b) without exception, all its Assets in so far as they are for the time being situated in Scotland,

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, the floating charge) or take any other step referred to in Clause 7 (*Negative pledge and other*

restrictions) with respect to any such Asset, and the Charging Company shall not, without the consent of the Security Agent, sell, transfer, part with or dispose of any such Asset (except by way of sale in the ordinary course of its business to the extent that such action is not otherwise prohibited by any Finance Document)

Part III

Covenants and Restrictions

- 1 By Clause 6.1 (*Collection Account*), except where moneys are to be paid into a Mandatory Prepayment Account or Holding Account the Charging Company agreed to collect and realise all its Receivables and, immediately on receipt, pay all money so collected into the Collection Account specified from time to time by the Security Agent. The Charging Company agreed, pending such payment, to hold all money so received upon trust for the Security Agent.
- 2 By Clause 6.3 (*No Derogation*), except in accordance with the Facilities Agreement, the Charging Company agreed not to purport, without the Security Agent'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, other than in relation to the negotiation of Receivables with its customers in the ordinary course of business.
- 3 By Clause 7 (*Negative Pledge and other restrictions*) the Charging Company agreed that it would not, without the prior written consent of the Security Agent (and with the exception of the Permitted Security)
 - (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 Security Agent it would not (amongst other things)
 - (a) exercise any power of leasing in relation to its Land, or accept surrenders of leases 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 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,
 - (c) share the occupation of its Land with any other person or agree to do so, save in respect of room occupancy in the ordinary course of the hotel business, or
 - (d) save in respect of room occupancy in the ordinary course of the hotel business, part with possession of its Land (except on the determination of any lease, tenancy or licence granted to it) or except as expressly permitted by the terms to the Finance Documents
- 5 By Clause 12.2 (*Negative covenants*), the Charging Company agreed that it shall not, without the prior written consent of the Security Agent, other than as permitted by the Facilities Agreement

- (a) sell, assign, lease, license, sub-license or grant any interest in its Intellectual Property Rights, or purport or agree to do so, or part with possession or ownership of them, or allow any third party access to, or the right to use or exploit, any Intellectual Property Rights,
- (b) enter into any contract or arrangement for supply or otherwise whereby any third party obtains any assignment of or any right or licence in relation to its Intellectual Property Rights on the occurrence or non-occurrence of any future event or circumstance,
- (c) amend the specification of any registered trade mark included in its Intellectual Property Rights or authorise or permit any third party to register any trade mark which is the same as or confusingly similar to any such trade mark in respect of goods or services which are the same as or similar to the goods or services for which such trade mark is registered, or
- (d) amend the specification or drawings referred to in any granted patents

Part IV

The Chargors

Name of Chargor	Registered Number	Address for Service and Fax Number
Holland House Hotels (Bristol) Limited	05457960	Nightingale House 65 Curzon Street London W1J 8PE Facsimile No +44 (0)20 7499 2114 Attention Graham Sidwell
MREF Bristol Limited	Jersey 96141	As above
MREF Bristol Tradeco Limited	06111591	As above
MREF Bristol Holdings Limited	6533950	As above

Part V

Land mortgaged under Clause 3.2 (Fixed security) of the Debenture.

	Name of Chargor/Registered Proprietor	Freehold/ Leasehold	Description of Property	Title Number
1	Holland House Hotels (Bristol) Limited	Freehold	Holland House Hotel (formerly Phoenix House) and 41 and 42 Guinea Street, Redcliffe Hill, Bristol	BL82929
2	MREF Bristol Tradeco Limited	Leasehold	Holland House Hotel (formerly Phoenix House), 41 and 42 Guinea Street, Redcliffe	BL99690

	Name of Chargor/Registered Proprietor	Freehold/ Leasehold	Description of Property	Title Number
			Hill, Bristol	

Part VI

Specified Intellectual Property

None as at the Debenture Date



**CERTIFICATE OF THE REGISTRATION
OF A MORTGAGE OR CHARGE**

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

COMPANY NO. 6533950
CHARGE NO. 1

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES
HEREBY CERTIFIES THAT A DEBENTURE DATED 31 MARCH
2008 AND CREATED BY MREF BRISTOL HOLDINGS LIMITED
FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM
EACH CHARGOR TO ALL OR ANY OF THE BENEFICIARIES 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 11 APRIL 2008

GIVEN AT COMPANIES HOUSE, CARDIFF THE 18 APRIL 2008

*R
EJR*



Companies House
— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES