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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.

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

1112

205521 / 13
5686193

Name of company

* Tussauds Hotels South Limited, having its registered office at York Court, Allsop Place, Marylebone Road, London NW1 5LR (the **Acceeding Chargor**)

Date of creation of the charge

20 July 2007

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

A deed of accession between the Acceeding Chargor, Merlin Entertainments Group Luxembourg 2 S A R L (the **Parent**) and Bayerische Hypo- und Vereinsbank AG, London Branch as security agent (the **Security Agent**), and dated 20 July 2007 (the **Deed**) to a security agreement between the Parent, each of the Companies named therein as Chargors and the Security Agent, dated 21 May 2007 (the **Security Agreement**)

Amount secured by the mortgage or charge

All liabilities and obligations for the payment of any amount whether (a) present or future, actual, contingent or unliquidated, or (b) owed jointly or severally (or in any other capacity whatsoever), of each Obligor to any Secured ROW Creditor under any Finance Document, except for any obligation or liability which, if were so included would result in the Deed contravening any law (including section 151 of the Companies Act 1985 and subject to the limitations set out in clause 18 8 of the Facilities Agreement (the **Secured Liabilities**)

Clause 18 8 referred to above is set out in full in the continuation sheets

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

Bayerische Hypo- und Vereinsbank AG, London Branch, Moor House, 120 London Wall, London

Postcode EC2Y 5ET

Presentor's name address and reference (if any)

Allen & Overy LLP
One Bishops Square
London
E1 6AO
13427-02253 MELH/TINM

Time critical reference

For official Use (06/2005)
Mortgage Section

Post room

MONDAY



LD2 *L32N8RV7* 06/08/2007 458
COMPANIES HOUSE

Short particulars of all the property mortgaged or charged

Please see continuation sheets

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 Amen & Overly LLP

Date 6/8/07

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

FORM 395 CONTINUATION SHEET FOR TUSSAUDS HOTELS SOUTH LIMITED

SHORT PARTICULARS OF ALL PROPERTY MORTGAGED OR CHARGED

1. INTERPRETATION

1.1 Construction

- (a) Unless a contrary indication appears, a reference in this Form 395 to
- (i) the **Facility Agent**, the **Arranger**, any **Finance Party**, any **Issuing Bank**, any **Lender**, any **Obligor**, any **Party**, any **Secured Party**, the **Security Agent** or any other person shall be construed so as to include its successors in title, permitted assignees and permitted transferees and, in the case of the Security Agent, any person for the time being appointed as Security Agent or Security Agents in accordance with the Finance Documents,
 - (ii) a document in **agreed form** is a document which is previously agreed in writing by or on behalf of the Parent and the Facility Agent,
 - (iii) an **amendment** includes a supplement, novation, restatement or re-enactment and **amended** will be construed accordingly,
 - (iv) **assets** includes present and future properties, revenues and rights of every description,
 - (v) an **authorisation** includes an authorisation, consent, approval, resolution, licence, exemption, filing, registration or notarisation,
 - (vi) **disposal** means a sale, transfer, grant, lease or other disposal, whether voluntary or involuntary, and **dispose** will be construed accordingly,
 - (vii) a **Finance Document** or a **Transaction Document** or any other agreement or instrument is a reference to that Finance Document or other agreement or instrument as amended, novated, supplemented, extended or restated,
 - (viii) **guarantee** means (other than in clause 23 (Guarantee and Indemnity)) of the Security Agreement any guarantee, letter of credit, bond, indemnity or similar assurance against loss, or any obligation, direct or indirect, actual or contingent, to purchase or assume any indebtedness of any person or to make an investment in or loan to any person or to purchase assets of any person where, in each case, such obligation is assumed in order to maintain or assist the ability of such person to meet its indebtedness,
 - (ix) a **person** includes any person, firm, company, corporation, government, state or agency of a state or any association, trust or partnership (whether or not having separate legal personality) of two or more of the foregoing,

- (x) a currency is a reference to the lawful currency for the time being of the relevant country,
 - (xi) a provision of law is a reference to that provision as extended, applied, amended or re-enacted and includes any subordinate legislation, and
 - (xii) a Party or any other person includes its successors in title, permitted assignees and permitted transferees
- (b)
- (i) The term Finance Document includes all supplements providing for further advances,
 - (ii) the terms the Security or this Security means any security created by the Deed,
 - (iii) index, clauses and schedule headings are for ease of reference only, and
 - (iv) words importing the plural include the singular and vice versa
- (c) References to **freehold, heritable and leasehold property** include all estates, rights and interests in all freehold and leasehold property and all buildings, structures and Fixtures for the time being on such freehold, heritable and leasehold property
- (d) References to a **mortgage or charge** of any freehold or leasehold property includes
- (i) the proceeds of sale of any part of that property to the extent that the Chargor is entitled to the benefit of those proceeds, and
 - (ii) the benefit of any covenants for title given or entered into by any predecessor in title of the Chargor or any moneys paid or payable in respect of those covenants
- (e) **Including, includes** and cognate expressions are to be construed without limitation

1.2 Provisions relating to chargors

Where a representation, warranty or undertaking contained in the Security Agreement is expressed to apply to chargors generally, it shall be construed as a representation, warranty or undertaking, as applicable, by the Chargor in respect of itself and (where applicable by procuring the same) its Subsidiaries

1.3 Luxco 3

In relation to Luxco 3, the only Security Assets to which the Security Agreement relates are the Group Shares and Group Share Rights and Member Interests and Member Interest Rights owned by Luxco 3 in companies incorporated in England and Wales and references to Chargor in the Facilities Agreement shall be construed accordingly

1.4 Definitions

For the purposes of this Form 395

Accession Letter means a document substantially in the form set out in Schedule 7 (Form of Accession Letter) of the Facilities Agreement,

Acquisition Documents means the Gardaland Acquisition Documents, the Legoland Acquisition Documents, and the Tussauds Acquisition Documents and any other document designated as an acquisition document by the Security Agent and the Parent (as parent on behalf of the Obligors),

Additional Borrower means a company which becomes a Borrower in accordance with clause 30 (Changes to the Obligors) of the Facilities Agreement,

Additional Guarantor means a company which becomes a Guarantor in accordance with clause 30 (Changes to the Obligors) of the Facilities Agreement,

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,

Ancillary Document means each document relating to or evidencing the terms of an Ancillary Facility,

Ancillary Facility means any ancillary facility made available by an Ancillary Lender in accordance with clause 9 (Ancillary Facilities) of the Facilities Agreement,

Ancillary Lender means each Lender (or Affiliate of a Lender) which makes available an Ancillary Facility in accordance with clause 9 (Ancillary Facilities) of the Facilities Agreement,

Arranger means Goldman Sachs International, Lehman Brothers International (Europe), Bayerische Hypo-und Vereinsbank AG, London Branch, Merrill Lynch International and Citigroup Global Markets Limited,

Assigned Agreements means each agreement or instrument or right or interest assigned or purported to be assigned pursuant to clause 4.1 (Assignments) of the Security Agreement and/or any Deed of Accession,

Borrower means an Additional Borrower unless it has ceased to be a Borrower in accordance with clause 30 (Changes to Obligors) of the Facilities Agreement and, in respect of an Ancillary Facility only, an Affiliate of a Borrower that becomes a borrower of that Ancillary Facility with the approval of the relevant Lender pursuant to the provisions of clause 9.9 (Affiliates of Borrowers) of the Facilities Agreement,

Chargor means each of the companies identified in Schedule 1 of the Security Agreement together with each company that becomes a party to the Security Agreement by executing a Deed of Accession (an Acceding Chargor),

Collection Accounts means any accounts of the Chargor set out in Schedule 5 of the Security Agreement and/or such accounts as the Chargor and the Security Agent may agree or (following the occurrence of a Declared Default) as the Security Agent shall specify,

Company means Merlin Entertainments Group Luxembourg 3 S a r l ,

Compliance Certificate means a certificate substantially in the form set out in Schedule 9 (Form of Compliance Certificates) of the Facilities Agreement,

Declared Default means an Event of Default in respect of which any notice has been served by the Facility Agent in accordance with clause 28 21 (Acceleration) of the Facilities Agreement,

Deed of Accession means a deed substantially in the form of Schedule 7 of the Security Agreement executed, or to be executed, by the Chargor,

Default Rate means, until the end of the Security Period, at any time, a rate determined in accordance with clause 14 3 (Default Interest) of the Facilities Agreement,

Event of Default means any event or circumstance specified as such in clause 28 (Events of Default) of the Facilities Agreement,

Facilities Agreement means the multicurrency facilities agreement dated 4 March 2007 entered into between, among others, Merlin Entertainments Group Luxembourg 2 S à r l as Parent, Merlin Entertainments Group Luxembourg 3 S à r l as the Company and Original Guarantor, the Arrangers, the Original Lenders, the Facility Agent and the Security Agent (each as defined therein), as amended and restated pursuant to a supplemental agreement dated 21 May 2007 and as further amended from time to time,

Facility means a Term Facility or the Revolving Facility,

Facility Agent means Bayerische Hypo-und Vereinsbank AG, London Branch as agent for the Finance Parties,

Facility B means the term loan facility made available under the Facilities Agreement as described in paragraph (a)(ii) of clause 2 1 (The Facilities) of the Facilities Agreement,

Fee Letter means

- (a) any letter or letters dated on or about the date of the Facilities Agreement between the Arranger (acting as Arranger or in any other capacity) and the Parent (or the Facility Agent and the Parent or the Security Agent and the Parent) setting out any of the fees referred to in clause 17 (Fees) of the Facilities Agreement, and
- (b) any agreement setting out fees payable to a Finance Party referred to in clause 17 5 (Fees Payable in respect of Letters of Credit) or clause 17 6 (Interest, Commission and fees on Ancillary Facilities) of the Facilities Agreement or under any other Finance Document,

Finance Document means the Facilities Agreement, any Accession Letter, any Ancillary Document, any Compliance Certificate, any Fee Letter, any Hedging Agreement, the Hedging Letter, the Intercreditor Agreement, the Investor Undertaking, any Resignation Letter, the Security Trust Agreement, any Selection Notice, the Syndication Side Letter, any Transaction Security Document, any Utilisation Request and any other document designated as a Finance Document by the Facility Agent and the Parent,

Finance Party means the Facility Agent, the Arranger, the Security Agent, a Lender, the Issuing Bank, a Hedge Counterparty or an Ancillary Lender,

Fixtures means, in relation to any freehold or leasehold property mortgaged or charged by or pursuant to the Security Agreement, all fixtures and fittings (including trade fixtures and fittings) and fixed plant, machinery and equipment owned by the Chargor from time to time on or forming part of such property,

Gardaland Acquisition Documents means the sale and purchase agreement dated on or about 11 October 2006 (the **Gardaland Acquisition Agreement**), made between, among others, MEG Italy 3 as buyer and Cornel S à r l and others as sellers, together with all other documents and agreements entered in connection therewith,

German Borrower means a Borrower incorporated under German law,

German Tax Borrower means any Borrower which claims tax deductions in Germany with regard to interest payable under the Facilities Agreement,

Group means the Parent, the Target, the Italian HoldCo and each of their respective Subsidiaries for the time being,

Group Shares means all shares owned by the Chargor in its Subsidiaries at any time during the Security Period including those shares specified in Schedule 3 of the Security Agreement or in the schedule to any Deed of Accession or, such of those shares as are specified against its name in Schedule 3 to the Security Agreement or as are specified in the schedule to a Deed of Accession to which it is party,

Group Share Rights means, in relation to the Group Shares, all dividends and other distributions paid or payable after the date of the Security Agreement on all or any of the Group Shares and all stocks, shares, securities (and the dividends or interest thereon), rights, money, allotments, benefits 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, conversion or exchange for any of the Group Shares,

Guarantor means an Original Guarantor or an Additional Guarantor, unless it has ceased to be a Guarantor in accordance with clause 30 (Changes to Obligors) of the Facilities Agreement,

Hedging Agreement means any master agreement, confirmation, schedule or other agreement documented by way of ISDA documentation entered into or to be entered into by an Obligor and a Hedge Counterparty for the purpose of hedging interest rate liabilities and/or any exchange rate or other risks in relation to the Term Facilities in accordance with the Hedging Letter delivered to the Facility Agent under clause 4.1 (Conditions Precedent) of the Facilities Agreement,

Hedge Counterparty means a person which has become a party to the Intercreditor Agreement as a Hedging Bank in accordance with the provisions of the Intercreditor Agreement,

Hedging Letter means a letter between the Facility Agent and the Parent in the agreed form dated on or before the date of the Facilities Agreement (and executed by the Parent) describing the hedging arrangements to be entered into in respect of the interest rate liabilities of the Borrowers of the Term Facilities under the Facilities Agreement,

Holding Company means, in relation to a company or corporation, any other company or corporation in respect of which it is a Subsidiary,

Insolvency Act 1986 means the Insolvency Act 1986 (as amended by the Insolvency Act 2000 and the Enterprise Act 2002 and otherwise as amended from time to time),

Insurances means all contracts and policies of insurance (including, for the avoidance of doubt, all cover notes) of whatever nature which are from time to time taken out by or on behalf of the Chargor or (to the extent of such interest) in which the Chargor has an interest, but excluding any third party liability or public liability insurance and any directors or officers insurance,

Intellectual Property means

- (a) any patents, trade marks, service marks, designs, business names, copyrights, design rights, moral rights, inventions, confidential information, know-how and other intellectual property rights and interests, whether registered or unregistered, and
- (b) the benefit of all applications and rights to use such assets,

including but not limited to the intellectual property rights listed in Schedule 9 (Intellectual Property) of the Security Agreement,

Intercreditor Agreement means the intercreditor agreement dated 4 March 2007 and made between, among others, the Parent, the Facility Agent, the Italian Facility Agent, the Security Agent and the Italian Security Agent (each as defined therein), as amended, restated and/or supplemented from time to time,

Investment means all physical stocks and shares (other than Group Shares), options, debentures, bonds, warrants, coupons, certificates or other securities and investments or, where relevant, the right, title, interest and benefit in and to such assets now or in the future owned or held by the Chargor from time to time,

Investment Right means, in relation to the Investments, all dividends, coupons and other distributions paid or payable after the date of the Security Agreement on all or any of the Investments and all stocks, shares, securities (and the dividends or interest thereon), rights, money, allotments, benefits, advantages 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 Investments or in substitution, conversion or exchange for any of the Investments,

Investor Undertaking means the undertaking dated on or around the date of the Facilities Agreement given by Dubai International Capital LLC, DIC (Cayman) Limited and Caddis Assets Limited in favour of the Security Agent,

Issuing Bank means each Lender identified above as an issuing bank and any other Lender which has notified the Facility Agent that it has agreed to the Parent's request to be an Issuing Bank pursuant to the terms of this Agreement (and if more than one Lender has so agreed, such Lenders shall be referred to, whether acting individually or together, as the Issuing Bank) provided that, in respect of a Letter of Credit issued or to be issued pursuant to the terms of this Agreement, the Issuing Bank shall be the Issuing Bank which has issued or agreed to issue that Letter of Credit,

Italian HoldCo means Merlin Entertainments Group Italy S r l ,

Italian Parent means Merlin Entertainments Group Italy S r l, a private limited liability company (*società a responsabilità limitata*), incorporated under the laws of Italy, having its registered office in Castelnovo del Garda (Verona) Località Ronchi, with a company's capital of EUR 22,000 fully paid in, and registered with the Milan companies and trade register under number 1820144,

Land Registry means Her Majesty's Land Registry,

Legoland Acquisition Documents means

- (a) the sale and purchase agreement dated 19 May 2005 (the **Wizard Sale and Purchase Agreement**), relating to the acquisition of the issued share capital of Merlin Entertainments Group International Limited made between, among others, Wizard AcquisitionCo Limited as buyer and Hermes Private Equity L P and others as sellers, and
- (b) the agreement dated 13 July 2005 (the **Project Play Sale and Purchase Agreement**) relating to the acquisition of the certain entities made between, among others, Play Lux AcquisitionCo S à r l, Play US AcquisitionCo, Inc and Merlin Entertainment Group Denmark Holdings ApS (formerly know as Play Danish AcquisitionCo ApS) as buyers and LEGO Holdings ApS as the seller,

and all other documents and agreements entered in connection therewith and any other document designated as **Legoland Acquisition Document** by the Facility Agent and the Parent,

Lender means

- (a) any Original Lender, and
- (b) any bank, financial institution, trust, fund or other entity which has become a Party in accordance with clause 29 (Changes to Lenders) of the Facilities Agreement,

which in each case has not ceased to be a Party in accordance with the terms of the Facilities Agreement,

Letter of Credit means

- (a) a letter of credit, substantially in the form set out in Schedule 12 (Form of Letter of Credit) of the Facilities Agreement or in any other form requested by the Parent and agreed by the Facility Agent and the Issuing Bank, or
- (b) any guarantee, indemnity or other instrument in a form requested by a Borrower (or the Parent on its behalf) and agreed by the Facility Agent and the Issuing Bank,

Long Term Interest Bearing Receivable means any interest-bearing receivable, including deposits or other funds as contemplated by marginal note 20 and 37 of the decree no IV A 2 – S2842a – 20/04 of the Federal Ministry of Finance dated 15 July 2004 (Bundessteuerblatt I 2004, 593), together with marginal note 1 of the decree no IV B 7 – S2742a – 31/05 of the Federal Ministry of Finance dated 22 July 2005 (Bundessteuerblatt I 2005, 829) which qualify as not only short-term according to Section 8 No 1 German Trade Tax Act (Gewerbesteuer-gesetz) in conjunction with the general administration guidelines (Gewerbesteuer-Richtlinien) on the German Trade Tax Act,

Luxco 3 means Merlin Entertainments Group Luxembourg 3 S à r l ,

Mandatory Prepayment Account means an interest-bearing account

- (a) held by a Borrower with the Facility Agent or Security Agent,
- (b) identified in a letter between the Parent and the Facility Agent as a Mandatory Prepayment Account,
- (c) subject to Security in favour of the Security Agent which Security is in form and substance satisfactory to the Facility Agent and Security Agent, and
- (d) from which no withdrawals may be made by any members of the Group except as contemplated by the Facility Agreement,

(as the same may be re-designated, substituted or replaced from time to time),

MEG Italy 3 means Merlin Entertainments Group Italy 3 S r l a company incorporated in Italy and registered with the Registry of Companies in Verona with registration number 05431170967,

Member Interest means all interests of the Chargor as a member in any of its Subsidiaries which is a company limited by guarantee at any time during the Security Period including all such interests specified in Schedule 3 to the Security Agreement or in the schedule to any Deed of Accession or, such of those interests as are specified against its name in Schedule 3 of the Security Agreement or as specified in the schedule to a Deed of Accession to which it is a party,

Member Interest Rights means all dividends and other distributions paid or payable after the date of the Security Agreement in respect of all or any of the Member Interests and all stocks, shares, securities (and the dividends or interest thereon), rights, money, allotments, benefits 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 Member Interests or in substitution, conversion or exchange for any of the Member Interests,

Obligor means a Borrower or Guarantor,

Original Guarantor means the Parent or the Company,

Original Lender means Goldman Sachs Credit Partners L P , Bayerische Hypo-und Vereinsbank AG, London Branch and Lehman Commercial Paper Inc , UK Branch,

Party means a party to the Facilities Agreement,

Realisations Account means each account maintained from time to time by or in the name of the Chargor for the purposes of clause 14.6 (Contingencies) of the Security Agreement with a Finance Party as the Security Agent may from time to time approve and includes any replacement, substitute or additional account of such account from time to time whether by way of transfer of monies, redesignation, renumbering, or otherwise and any sub-account(s) of such account,

Receiver means a receiver and manager, an administrative receiver or a receiver in each case appointed under the Security Agreement,

Resignation Letter means a letter substantially in the form set out in Schedule 8 (Form of Resignation Letter) of the Facilities Agreement,

Revolving Facility means the revolving credit facility made available under the Facilities Agreement as described in paragraph (a)(iii) of clause 2.1 (The Facilities) of the Facilities Agreement,

Secured ROW Creditors means the Finance Parties,

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

Security Accounts means the Collection Accounts and the Realisations Account(s),

Security Assets means all assets, rights, interests, undertaking and property of the Chargor or any of them the subject of any security created or expressed to be created by or pursuant to the Security Agreement,

Security Documents means the Security Agreement, each Deed of Accession and every other document entered into by the chargors party to the Security Agreement or any Subsidiary of the chargors party to the Security Agreement, pursuant to the Security Agreement, and/or clause 30.4 (Additional Guarantors) or clause 27.39 (Further Assurances) of the Facilities Agreement,

Security Interest means any mortgage, charge (fixed or floating), pledge, lien, hypothecation, right of set-off, security trust, assignment by way of security, reservation of title, any other security interest or any other agreement or arrangement (including a sale and repurchase arrangement) having the commercial effect of conferring security,

Security Period means the period beginning on the date of the Security Agreement and ending on the date on which the Security Agent is satisfied that all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full,

Security Shares means the Group Shares and Group Share Rights and the Investments and Investments Rights and the Member Interests and Member Interests Rights and, in such of the Group Shares, Investments and Member Interests as are held by it at the relevant time, together with all Group Share Rights, Investments Rights and Member Interest Rights respectively in respect of such Group Shares, Investments and Member Interest,

Security Trust Agreement means the security trust agreement governed by German law between the Security Agent, certain Obligor and the other Finance Parties dated on or about 21st May 2007,

Selection Notice means a notice substantially in the form set out in Part 3 (Selection Notice) of Schedule 3 (Requests) of the Facilities Agreement (in accordance with clause 15 (Interest Periods) of the Facilities Agreement) in relation to a Term Facility,

Subsidiary means an entity of which a person has direct or indirect control or owns directly or indirectly more than 50% of the voting capital or similar right of ownership and **control** for this purpose means the power to direct the management and the policies of the entity whether through the ownership of voting capital, by contract or otherwise,

Syndication Side Letter means the syndication letter dated on or around the date of the Facilities Agreement between, among others, the Parent, Merlin Entertainments Group Luxembourg S à r l, the Italian Parent, the Arranger and the underwriters named in that letter,

Target means Tasmania Holdings Limited, a company incorporated under the law of England with registered number 05377453,

Target Shares means all the shares of the Target and all warrants and options in respect of such share capital of the Target,

Term Facility means Facility A or Facility B,

Transaction Security Document means

- (a) each of the documents listed as being a Transaction Security Document in Part 5 (Transaction Security Documents and Security Related Documents to be delivered by the Obligor) of Schedule 2 (Conditions Precedent) of the Facilities Agreement,
- (b) any document required to be delivered to the Facility Agent under paragraph 15 of Part 4 (Conditions Precedent required to be delivered by an Additional Obligor) of Schedule 2 (Conditions Precedent) of the Facilities Agreement, and
- (c) 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,

Tussauds Acquisition Agreement means the agreement dated on or around 4 March 2007 relating to the sale and purchase of the Target Shares and made between Merlin Entertainments Group Luxembourg S à r l, the Tussauds Vendors and others,

Tussauds Acquisition Documents means the Tussauds Acquisition Agreement and any other document designated as a **Tussauds Acquisition Document** by the Facility Agent and the Parent,

UK means the United Kingdom of Great Britain and Northern Ireland, and

Utilisation Request means a notice substantially in the relevant form set out in Schedule 3 (Requests) of the Facilities Agreement

2. COVENANT TO PAY

2.1 Covenant to pay/ limitation of recourse

The Chargor, as primary obligor and not merely as surety, covenants with the Security Agent that it will on demand pay or discharge the Secured Liabilities on the date or dates on which such Secured Liabilities have become due or apply and in the manner provided in the relevant finance document

2.2 Interest

Any amount not paid under the Finance Documents (including, without limitation, the Security Agreement) when it has become due shall bear interest (after as well as before judgment or the liquidation or administration of the Chargor, and payable on demand) at the Default Rate from the due date until the date such amount is unconditionally and irrevocably paid and discharged in full, save to the extent that interest at such rate on such amount for such period is charged pursuant to the relevant Finance Document and itself constitutes a Secured Liability

3. CREATION OF SECURITY

3.1 Fixed security over freehold and leasehold property

- (a) The Acceding Chargor as continuing security for the payment, discharge and performance of all Secured Liabilities at any time owed or due to the Secured ROW Creditors (or any of them), charges in favour of the Security Agent (as agent and trustee for itself and each of the Secured ROW Creditors)
 - (i) by way of first legal mortgage all the freehold and leasehold property (if any) now belonging to it specified in the schedule to the Deed of Accession by which it became party to this Security Agreement, and
 - (ii) to the extent the same are not the subject of an effective legal mortgage under Clause 3 1(a) above (but not where that is the case pending registration at the Land Registry only) by way of first fixed charge all present and future freehold or leasehold property and any rights under any licence or other agreement or document which gives any Chargor a right to occupy or use property, wheresoever situate now or hereafter belonging to it
- (b) A reference in this Clause to a mortgage or charge of any freehold or leasehold property includes
 - (i) all buildings, fixtures, fittings and fixed plant and machinery on that property, and
 - (ii) the benefit of any covenants for title given or entered into by any predecessor in title of a Chargor in respect of that property or any moneys paid or payable in respect of those covenants. The Chargor agrees to pledge and pledges as a disclosed pledge to the Security Agent all its Shares and Share Rights

3.2 Specified Assets

The Chargor as continuing security for the payment, discharge and performance of all Secured Liabilities at any time owed or due to the Secured ROW Creditors (or any of them), charges absolutely in favour of the Security Agent (as agent and trustee for the Secured ROW Creditors) by way of first fixed charge

- (a) (to the extent that they are not Fixtures) all plant, machinery, computers, vehicles, office or other equipment now or in the future owned by it and its interest in any plant, machinery, computers, vehicles, office or other equipment in its possession (but excluding any for the time being part of

the Chargor's stock-in-trade or work-in-progress) and the benefit of all contracts, licences and warranties relating to them,

- (b) all moneys (including interest) from time to time standing to the credit of the Security Accounts with any bank, financial institution or other person and the debts represented by them,
- (c) all debts and monetary claims and all rights against third parties in respect of such debts and claims,
- (d) to the extent the same are not effectively assigned under clause 4 (Assignments) of the Security Agreement the rights and benefits
 - (i) in respect of the Insurances and all claims and returns of premiums in respect of such Insurances, and
 - (ii) under each of the Assigned Agreements,
- (e) all of its rights and benefits under all bills of exchange, promissory notes and other negotiable instruments held by it,
- (f) any beneficial interest, claim or entitlement of it to any assets of any pension fund,
- (g) its present and future goodwill,
- (h) its present and future uncalled capital,
- (i) the benefit of all present and future licences, permissions, consents and authorisations (statutory or otherwise) held by it in connection with its business or the use of any of the Security Assets, and
- (j) (to the extent the same are not effectively mortgaged or charged pursuant to clause 3 3 (Group Shares/Members Interests) of the Security Agreement) all Investments and Investment Rights held by it

3.3 Group Shares/Member Interests

The Chargor as continuing security for the payment, discharge and performance of all the Secured Liabilities at any time owed or due to the Secured ROW Creditors (or any of them) charges in favour of the Security Agent (as agent and trustee for the Secured ROW Creditors)

- (d) by way of first equitable mortgage all Group Shares and Member Interests held by it from time to time and/or any permitted nominee on its behalf,
- (e) (to the extent the same are not the subject of an effective equitable mortgage under subparagraph 3 3(a) above) by way of first fixed charge all Group Shares and Member Interests held by it from time to time and/or any permitted nominee on its behalf, and
- (f) by way of first fixed charge all Group Share Rights and Member Interest Rights accruing to all or any of the Group Shares or Member Interests held now or in the future by it and/or any nominee on its behalf,

provided that

- (i) until the occurrence of a Declared Default, all dividends and other distributions paid or payable as referred to in sub-paragraph 3.3(c) above may be paid directly to the Chargor free from the security created under this sub-paragraph 3.3 (in which case the Security Agent or its nominee shall promptly execute any necessary dividend mandate) and, if paid directly to the Security Agent, shall be paid promptly by it to the Chargor, and
- (ii) subject to clause 7.6 (Exercise of Group Share Rights) of the Security Agreement, until the occurrence of a Declared Default, all voting rights attaching to the relevant Group Shares may be exercised by the Chargor or, where the shares have been registered in the name of the Security Agent or its nominee, as the Chargor may direct in writing, and the Security Agent and any nominee of the Security Agent in whose name such Group Shares are registered shall execute any form of proxy or other document reasonably required in order for the Chargor to do so

3.4 Intellectual Property

The Chargor as continuing security for the payment, discharge and performance of all Secured Liabilities at any time owed or due to the Secured ROW Creditors (or any of them) charges in favour of the Security Agent (as agent and trustee for the Secured ROW Creditors) by way of first fixed charge all its present and future Intellectual Property

4. ASSIGNMENTS

- (b) The Chargor as continuing security for the payment, discharge and performance of the Secured Liabilities at any time owed or due to the Secured ROW Creditors (or any of them), assigns and agrees to assign to the Security Agent (as agent and trustee for the Secured ROW Creditors) absolutely, all its right, title, interest and benefit (if any) in and to

- (i) the Insurances,
- (ii) the Acquisition Documents,
- (iii) the Hedging Agreements, and
- (iv) (to the extent not effectively charged under clause 3.3 (Group Shares/Member Interests) of the Security Agreement, the Member Interests,

provided that on payment or discharge in full of the Secured Liabilities the Security Agent will at the request and cost of the Chargor re-assign the Assigned Agreements to the Chargor (or as it shall direct)

To the extent that any such right, title and interest is not assignable or capable of assignment, such assignment purported to be effected by clause 4.1 (Assignments) of the Security Agreement shall operate as

- (v) in the case of the Insurances, an assignment of any and all proceeds of present or future Insurances received by the Chargor, and

- (vi) in the case of the other Assigned Agreements, an assignment of any and all damages, compensation, remuneration, profit, rent or income which the Chargor may derive from such Assigned Agreements or be awarded or entitled to in respect of such Assigned Agreements,

in each case as continuing security for the payment, discharge and performance of the Secured Liabilities at any time owed or due to the Secured ROW Creditors (or any of them)

5. FLOATING CHARGES AND NEGATIVE PLEDGE

5.1 Creation of floating charges

The Chargor charges by way of a first floating charge all its undertaking and assets of whatever type and wherever located both present and future, subject always to all mortgages, fixed charges and assignments created by or pursuant to clause 3 (Fixed Security) of the Security Agreement and all security assignments created by or pursuant to clause 4 (Assignments) of the Security Agreement or any other provision of the Security Agreement not effectively charged by way of first fixed charge under, including any heritable, leasehold and other property and other assets and undertakings in Scotland

5.2 Restrictions on dealings

The Chargor undertakes to each Secured ROW Creditor that, save as expressly permitted under the terms of the Finance Documents or as otherwise agreed by the Security Agent, it will not

- (a) create or permit to subsist any Security Interest over all or any part of its assets, rights or property or agree to do so other than pursuant to the Security Agreement or any other Security Document, or
- (b) part with, grant or enter into a lease of, sell, transfer, assign or otherwise dispose of (including by way of declaration of trust) all or any part of its assets, rights or property or any interest in them or agree to do so

5.3 Conversion of floating charges

- (a) **By notice:** Subject to the Insolvency Act 1986, and to compliance with any legal formalities required under any local jurisdiction in which property or assets charged under the Security Agent are situated, the Security Agent may by notice to the Chargor convert the floating charges created by the Security Agreement into specific charges as regards all or any of the Chargor's assets, rights and property specified in the notice
 - (i) if a Declared Default has occurred, or
 - (ii) if the Security Agent in good faith considers such assets, rights or property to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in immediate jeopardy
- (b) **Automatic conversion:** Subject to the Insolvency Act 1986 and sub-paragraph 5 3(c) below and to compliance with any legal formalities required under any local jurisdiction in which property or assets charged under the Security Agreement are situated, the floating charges created by the Security Agreement shall (in addition to the circumstances in which the same will occur under

general law) automatically be converted (without any notice) into fixed charges over the assets, rights and property of any Chargor

- (i) if the Chargor fails to comply with clause 5.2 (Restrictions on dealing) of the Security Agreement without the prior consent of the Security Agent,
 - (ii) on any meeting of the members or directors of the Chargor resolving a resolution to wind the Chargor up or put the Chargor into administration,
 - (iii) on a resolution being passed or an order being made for the winding-up, dissolution, administration or re-organisation of the Chargor,
 - (iv) on the appointment of a liquidator or an administrator (whether out of court or otherwise) to the Chargor,
 - (v) on any person levying or attempting to levy any distress, execution or other process against any Security Assets,
 - (vi) on the Chargor creating or attempting to create a trust over any of the Security Assets subject to the floating charge granted by the Chargor pursuant to clause 5.1 (Creation of Floating charges) of the Security Agreement except as permitted under the Facilities Agreement or with the prior written consent of the Security Agent, or
 - (vii) on the holder of any other Security Interest whether ranking in priority to or *pari passu* with or after the charges and security contained in the Security Agreement or the Chargor appointing, or requesting the appointment of, an administrator, an administrative receiver, receiver, manager or receiver and manager in respect of the Chargor
- (c) **Moratorium:** the floating charges created pursuant to clause 5.1 (Creation of Floating charges) of the Security Agreement may not be converted into fixed charges solely by reason of
- (i) the obtaining of a moratorium, or
 - (ii) anything done with a view to obtaining a moratorium,

under the Schedule A1 of Insolvency Act 1986

Paragraph 14 of Schedule B1 to the Insolvency Act 1986 (incorporated by Schedule 16 of the Enterprise Act 2002) shall apply to all floating charges created pursuant to the Security Agreement

6. FURTHER ASSURANCES

6.1 General

- (a) The Chargor shall at its own expense execute and do all such assurances, acts and things (including, but not limited to, making all filings and registrations necessary for the creation, perfection, protection or maintenance of any security created or intended to be created by the Security Agreement) as the Security Agent may reasonably require for perfecting or protecting the security intended to be created by the Security Agreement over the Security Assets or any

part of the Security Assets or for facilitating (if and when this security becomes enforceable) the realisation of the Security Assets or any part of the Security Assets and in the exercise of all powers, authorities and discretions vested in the Security Agent or any Receiver of the Security Assets or any part of the Security Assets or in any such delegate or sub-delegate as aforesaid, provided that, with respect to any action required in order to perfect any security created or intended to be created by the Security Agreement, it does not have an adverse effect on the ability of the Chargor to conduct its business and operations in the ordinary course as expressly permitted by the Finance Documents

- (b) To that intent, the Chargor shall in particular execute all transfers, conveyances, charges, assignments and assurances of such property whether to the Security Agent or to its nominees and give all notices, orders and directions and make all registrations that the Security Agent may reasonably think expedient

6.2 Further Security

Subject to sub-paragraph 6.3 (Consents) below, the Chargor will promptly at the request of the Security Agent

- (a) where provided for in the Security Agreement or in any Finance Document or in any, and/or
- (b) at any time after notifying the Security Agent of the acquisition of any freehold or leasehold property pursuant to clause 9.3(f) (Acquisitions) of the Security Agreement, and/or
- (c) at any time after a Declared Default has occurred,

as continuing security for the payment, discharge and performance of all Secured Liabilities at any time owed or due to the Secured ROW Creditors (or any of them) execute a legal mortgage, standard security, charge or assignment in favour of the Security Agent (as agent and trustee for the Secured ROW Creditors) over

- (i) any freehold, heritable or leasehold property and any rights under any licence or other agreement or document which gives the Chargor a right to occupy or use property, wheresoever situate,
- (ii) any book debts or other monetary claims and all documentation or Security Interests relating to them,
- (iii) any Security Shares,
- (iv) any Intellectual Property,

in each case acquired or entered into (as the case may be) after the date of the Security Agreement, in such form as the Security Agent may require but containing terms no more onerous than those in the Security Agreement provided that the cost of such further security shall not be materially adverse to the relevant Chargor in the opinion of the Facility Agent (acting reasonably)

6.3 Consents

The Chargor shall use reasonable endeavours to procure that any third party consents required to effect a legal mortgage, charge or assignment by way of security of any asset, right, interest, undertaking and/or property (as contemplated in sub-paragraph 6.2 above (Further Security)) are obtained unconditionally prior to (or simultaneously with) the acquisition of such asset, right, interest, undertaking and/or property

6.4 Further Subsidiaries

- (a) The Chargor undertakes to ensure that each member of the Group which is required to give guarantees and grant security pursuant to clause 30.4 (Additional Guarantors) and clause 27.39 (Further Assurance) respectively of the Facilities Agreement, promptly executes a Deed of Accession substantially in the form set out in Schedule 3 to the Security Agreement and such company shall on the date on which such Deed of Accession is executed by it become a party to the Security Agreement in the capacity of the Chargor and the Security Agreement shall be read and construed for all purposes as if such company had been an original party to the Security Agreement as the Chargor (but for the avoidance of doubt the security created by such company shall be created on the date of the Deed of Accession). The Security Agent is authorised to agree any amendments or change to the form or manner in which any such member of the Group gives such security which is in the opinion of the Security Agent necessary in order that such security may lawfully be given
- (b) The Parent shall procure that all registrations or other steps necessary to perfect or protect any security created pursuant to any Deed of Accession are completed promptly after the date of such Deed of Accession and in any event within any applicable time limit stipulated by the Security Agent
- (c) Any company that becomes a party to the Security Agreement as a Chargor pursuant to any Deed of Accession shall also become party to and be bound by the terms of the Intercreditor Agreement as an Obligor, in accordance with the terms of the Intercreditor Agreement

7. CLAUSE 18.8 OF THE FACILITIES AGREEMENT (IN RELATION TO THE DEFINITION OF SECURED LIABILITIES)

Limitation of Security for purposes of the German thin capitalisation rules

- (a) Notwithstanding anything to the contrary contained herein or in any Security Document, any pledges, assignments for security (*Sicherungsabtretungen*) or other rights in rem over Long Term Interest Bearing Receivables shall explicitly not collateralise any claim of the Lenders under the Facilities Agreement resulting directly or indirectly from the borrowings of a German Tax Borrower
- (b) To the extent that a Lender has a pledge over Long Term Interest Bearing Receivables or any other recourse against Long Term Interest Bearing Receivables under other financing arrangements with an Obligor, such Long Term Interest Bearing Receivables shall, notwithstanding anything to the contrary in such agreement, not collateralise any claim of the Lenders under the Agreement resulting directly or indirectly from the borrowings of a German Tax Borrower

- (c) Notwithstanding anything to the contrary contained herein or in any Security Document, no Guarantor guaranteeing any claim of the Lenders under the Facilities Agreement resulting directly or indirectly from the borrowings of a German Tax Borrower shall be limited hereunder with respect to its ability to dispose of any Long Term Interest Bearing Receivables
- (d) Notwithstanding anything to the contrary contained herein or in any Security Document, no Guarantor guaranteeing any claim of the Lenders under the Facilities Agreement resulting directly or indirectly from the borrowings of a German Tax Borrower shall commit itself to an immediate compulsory enforcement, unless enforcement against Long Term Interest Bearing Receivables is explicitly excluded for any claim of the Lenders resulting from the borrowings of a German Tax Borrower
- (e) The limitations in the preceding paragraphs (a) to (d) shall not apply with regard to any Security Interest given by the relevant German Tax Borrower itself with respect to its own borrowings and to the borrowings of any Borrower which is not a German Tax Borrower
- (f) The preceding paragraphs (a) to (e) shall prevail over any contrary provisions contained herein or in any Security Document
- (g) In the event that as a result of a change in law or a published decision of a general nature (such as a decree) of the German Federal Ministry of Finance interest payments under the Facilities are no longer deductible for a German Tax Borrower according to sec 8a German Corporate Income Tax Act (KStG), the Security Agent and the Parent shall negotiate in good faith with a view to reaching a mutually acceptable compromise position. For the avoidance of doubt, no Finance Party shall be under any obligation to release any of its Security Interests or any guarantee given under any Finance Document or provide any other assistance. The Obligors shall indemnify and hold harmless the Finance Parties from any losses, damages, liabilities, costs and expenses (including legal fees) resulting from or in connection with any request for assistance or support under this sub paragraph (g)

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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. 05686193

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A DEED OF ACCESSION TO A SECURITY AGREEMENT DATED 21 MAY 2007 AND DATED THE 20th JULY 2007 AND CREATED BY TUSSAUDS HOTELS SOUTH LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM EACH OBLIGOR TO ANY SECURED ROW CREDITOR 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 AUGUST 2007

GIVEN AT COMPANIES HOUSE, CARDIFF THE 9th AUGUST 2007

Handwritten signature



Companies House

— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES