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*insert full name
of company

COMPANIES FORM No. 395

Particulars of a mortgage or charge

395

Pursuant to section 395 of the Companies Act 1985

To the Registrar of Companies

For official use

Company number

286

2850597

Name of company

* Mercury Taverns plc (the "Company")

Date of creation of the charge

23 July 1997

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

Legal Charge

Amount secured by the mortgage or charge

"Secured Liabilities" being the Advance and the Expenses and all interest which the Guarantor may charge or incur in relation to the Company or this Charge or the enforcement of this Charge or the Property on a full indemnity basis and so that interest shall be computed and compounded on the terms agreed between the parties or if not agreed according to the usual practice of the Guarantor as well after as before any demand or judgment

By Clause 2.1, the Company covenants with the Guarantor that the Company will pay to the Guarantor or discharge each Advance or any other Secured Liability on demand (or in accordance with such other terms governing the repayment of any Advance or discharge of any secured liability as the parties may agree in writing from time to time)

Continued on Continuation Sheet No 1

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

Marston, Thompson & Evershed plc (the "Guarantor")
The Brewery, Shobnall Road,
Burton-on-Trent DE14 2BW

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

Edge & Ellison
Rutland House
148 Edmund Street
Birmingham B3 2JR

Ref: CPD.ISW.1389

Time critical reference

For official use
Mortgage Section

Post room



Short particulars of all the property mortgaged or charged

By Clause 3.1, the Company with full title guarantee and as continuing security for the payment and discharge of the Secured Liabilities charges in favour of the Guarantor the Property by way of legal mortgage

By Clause 3.2, the Company with full title guarantee and as continuing security for the payment and discharge of the Secured Liabilities charges in favour of the Guarantor by way of fixed charge all Rental Income present or future and whether payable now or in the future and the proceeds of any sale lease or other disposition of the Property and all rights and claims of the Company against all lessees, sub-lessees, licensees or occupiers of the Property and all guarantors and sureties for the obligations of any such person or other third parties in relation to the Property now or in the future existing and capable of being satisfied by the payment of money provided that nothing in this sub-clause shall constitute the Guarantor as a mortgagee in possession

Continued on Continuation Sheet No 1

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Particulars as to commission allowance or discount (note 3)

None

Signed Edge & Ellison

Date 4 August 1997

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

† 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.
- 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.

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Particulars of a mortgage or charge (continued)

Continuation sheet No 1
to Form No 395 and 410 (Scot)

CHA 116

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Company Number

2850597

Name of Company

Mercury Taverns

Limited*

* delete if
inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

By Clause 2.3, if the Company fails to repay any Advance or any part thereof or interest thereon or to pay to the Guarantor or discharge any other Secured Liability when due, the Company shall pay to the Guarantor on demand interest on that sum at the Default Rate or such higher rate as the parties may have agreed in writing shall be applicable to any such Advance or Secured Liability from time to time and in any event at the Default Rate in the case of Expenses from the date on which the relevant Expense was incurred and in the case of any other Secured Liability from the date on which the Secured Liability became due until payment or discharge (both before and after judgment) upon which interest shall accrue from day to day and may be compounded (in accordance with the usual practice of Lloyds Bank plc) to the extent that it shall remain unpaid

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DEFINITIONS

"Advance" means any sum advanced by the Guarantor to the Company at any time and from time to time and shall include any amount paid by the Guarantor to any lender or other creditor of the Company pursuant to any contractual obligation which the Guarantor may owe to such party

"Charge" means this legal charge and includes any instrument supplemental to or which is expressed to be collateral or entered into pursuant to or in accordance with the terms of this legal charge

"Counter Indemnity Deed" means the Counter Indemnity Deed dated 10 October 1996 and made between the Company (1) the Sureties (as therein defined) (2) and the Guarantor (3) and any variation amendment or extension thereof or supplement thereto from time to time in force

"Default Rate" means 3 per cent per annum above the base lending rate of Lloyds Bank plc from time to time

"Encumbrance" means any mortgage charge pledge lien assignment hypothecation security interest preferential right or trust arrangement or other encumbrance security agreement or arrangement of any kind or any right conferring a priority of payment

"Expenses" means all interest commission fees and legal and other costs charges and expenses which the Guarantor or any Receiver may charge or incur in relation to the Company or this Charge and the preparation negotiation and creation of this Charge and/or in relation to the Property and/or breach of any provision of, and the protection realisation or enforcement of, this Charge in each case on a full indemnity basis

"Property" means the freehold leasehold or immovable property referred to in the Schedule and any part or parts of it and including all rights attached or appurtenant to it and all buildings fixtures fittings plant and machinery from time to time situate on it and belonging to the Company

"Rental Income" means the gross rents licence fees and other moneys receivable now or hereafter at any time by the Company in respect of or arising out of any lease of the Property or any agreement for lease or otherwise without limitation derived by the Company from the Property or otherwise paid to or received by the Company in respect of the Property (including without limitation all mesne profits) but save for insurance rents or service charges or the like

By Clause 3.3, the charges created by clauses 3.1 and 3.2 shall constitute first fixed charges

By Clause 3.4, the Company shall at any time on written demand by the Guarantor following the occurrence of an Enforcement Event (as defined in this Charge) procure that the Rental Income shall be paid directly to the Guarantor (or such account as the Guarantor may from time to time direct) and the Company shall forthwith upon any such demand so instruct its lessees and occupiers of the Property by notice in writing. Following any such demand until such payment the Company shall hold all Rental Income on trust for the Guarantor

By Clause 3.5, the Company shall promptly on demand and at its own cost execute and do all such assurances acts and things including without limitation execute all transfers conveyances assignments and assurances of the Property and give all notices orders and directions which the Guarantor may require for perfecting or protecting this Charge or the priority of this Charge or for facilitating the realisation of the Property or the exercise of any of the rights vested in the Guarantor or any Receiver

By Clause 5.1, the Company shall not without the prior written consent of the Guarantor such consent not to be unreasonably withheld in the case of the grant of a lease of part of the Property:

- 5.1.1 create or permit to subsist or arise any Encumbrance or any right or option on the Property or any part thereof. Subject as aforesaid, any mortgage of or charge on the Property created by the Company (otherwise than in favour of the Guarantor) shall be expressed to be subject to this Charge
- 5.1.2 sell, convey, assign or transfer the Property or any interest therein or otherwise part with or dispose of any Property or assign or otherwise dispose of any moneys payable to the Company in relation to Property or agree to do any of the foregoing
- 5.1.3 exercise any of the powers of leasing or agreeing to lease vested in or conferred on mortgagors by common law or by statute or accept the surrender of any lease, underlease or tenancy or agree to do any of the foregoing
- 5.1.4 part with or share possession or occupation of the Property or any part of it or grant any tenancy or licence to occupy the Property or agree to do any of the foregoing
- 5.1.5 compound release exchange set-off grant time or indulgence in respect of or otherwise deal with any of the Rental Income or the debts or policies charged to the Guarantor under this Charge or do anything whereby the recovery of the same may be impeded delayed or prevented and the Company shall enforce its rights in respect of the same

SCHEDULE THE PROPERTY

Freehold Land at Hughes Road, Moxley, Walsall, West Midlands, comprised in a transfer to the Company dated 23 July 1997 being part of Title Number WM588128

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Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

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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. 02850597

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A LEGAL CHARGE DATED THE 23rd JULY 1997 AND CREATED BY MERCURY TAVERNS PLC FOR SECURING THE ADVANCE AND THE EXPENSES WHICH THE GUARANTOR MAY CHARGE OR INCUR IN RELATION TO THE COMPANY OR THIS CHARGE OR THE ENFORCEMENT OF THIS CHARGE OR THE PROPERTY ON A FULL INDEMNITY BASIS WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 4th AUGUST 1997.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 7th AUGUST 1997.

A handwritten signature in dark ink, appearing to read 'J. M. Evans'.

J. M. EVANS

for the Registrar of Companies



C O M P A N I E S H O U S E

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