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in black type, or  
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\*insert full name  
of Company

**COMPANIES FORM No. 395****Particulars of a mortgage or charge**

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

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140x14  
101490

# 395

Pursuant to section 395 of the Companies Act 1985

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

For official use

Company number

[ ] [ ] [ ] [ ]

3770350

Name of company

\* Precise (1748) Limited (the 'New Charging Company').

Date of creation of the charge

3 July 2001.

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

Security accession deed (the 'Accession Deed') to a Debenture dated 10 May 2001 between inter alia, Health Club Investments Limited (the 'Parent'), Health Club Investments Limited and Health Club Acquisitions Limited (the 'Charging Companies') and The Royal Bank of Scotland plc (the 'Security Agent') (the 'Debenture').

Amount secured by the mortgage or charge

In this form 395, unless otherwise defined, the terms used have the meaning given in Appendix 1.

The New Charging Company has charged as security for the payment of all money or liabilities due, owing or incurred to any Secured Party by any Charging Company or any other Obligor at present or in the future, in any manner whether actual or contingent, whether incurred solely or jointly with any other person and whether as principal or surety, together with all interest accruing thereon and including all liabilities in connection with any notes, bills or other instruments accepted by any Secured Party for or at the request of an Obligor in each case under or in respect of the Finance Documents except for any money or liability which, if it were so included, would cause the infringement of section 151 of the Companies Act 1985 (the 'Indebtedness').

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

The Royal Bank of Scotland plc  
address: c/o RBS Leveraged Finance, 7th Floor, 135 Bishopsgate, London.

Postcode EC2M 3UR

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

Ashurst Morris Crisp  
Broadwalk House  
5 Appold Street  
LONDON  
EC2A 2HA

VSH/R546.00046/2275010

Time critical reference

For official Use  
Mortgage Section

Post room



LD2  
COMPANIES HOUSE

0022  
13/07/01

See Continuation Sheets 1 - 11 (inclusive).

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in black type, or  
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Particulars as to commission allowance or discount (note 3)

Nil.

Signed *Ashraf Hossain*

Date *12 July 2001*

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

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

† delete as  
appropriate

## Notes

- 1 The original instrument (if any) creating or evidencing the charge, together with these prescribed particulars correctly completed must be delivered to the Registrar of Companies within 21 days after the date of creation of the charge (section 395). If the property is situated and the charge was created outside the United Kingdom delivery to the Registrar must be effected within 21 days after the date on which the instrument could in due course of post, and if dispatched with due diligence, have been received in the United Kingdom (section 398). A copy of the instrument creating the charge will be accepted where the property charged is situated and the charge was created outside the United Kingdom (section 398) and in such cases the copy must be verified to be a correct copy either by the company or by the person who has delivered or sent the copy to the registrar. The verification must be signed by or on behalf of the person giving the verification and where this is given by a body corporate it must be signed by an officer of that body. A verified copy will also be accepted where section 398(4) applies (property situate in Scotland or Northern Ireland) and Form No. 398 is submitted.
- 2 A description of the instrument, eg "Trust Deed", "Debenture", "Mortgage" or "Legal charge", etc, as the case may be, should be given.
- 3 In this section there should be inserted the amount or rate per cent. of the commission, allowance or discount (if any) paid or made either directly or indirectly by the company to any person in consideration of his;
  - (a) subscribing or agreeing to subscribe, whether absolutely or conditionally, or
  - (b) procuring or agreeing to procure subscriptions, whether absolute or conditional,for any of the debentures included in this return. The rate of interest payable under the terms of the debentures should not be entered.
- 4 If any of the spaces in this form provide insufficient space the particulars must be entered on the prescribed continuation sheet.
- 5 Cheques and Postal Orders are to be made payable to **Companies House**.
- 6 The address of the Registrar of Companies is:-  
Companies House, Crown Way, Cardiff CF14 3UZ

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**1. FIXED CHARGES**

By clause 2.3 (*Fixed Charges*) of the Accession Deed the New Charging Company, as continuing security for the payment of the Indebtedness, has charged in favour of the Security Agent with full title guarantee the following assets, both present and future, from time to time owned by it or in which it has an interest:-

**1.1 by way of first legal mortgage:-**

- (a) all freehold and leasehold property (including the property specified in schedule 2 (*Details of Freehold and Leasehold property*) of the Debenture as being owned by the New Charging Company) (see schedule 1 below) together with all buildings and fixtures (including trade fixtures) on that property; and
- (b) all the Subsidiary Shares and Investments and all corresponding Distribution Rights (see schedule 2 below) ;

**1.2 by way of first fixed charge:-**

- (a) all other interests (not charged under clauses 2.3.1(a) of the Accession Deed (see paragraph 1.1(a) above)) in any freehold or leasehold property, the buildings and fixtures (including trade fixtures) on that property, all proceeds of sale derived therefrom and the benefit of all covenants given in respect thereof and all licences to enter upon or use land and the benefit of all other agreements relating to land;
  - (i) all plant, machinery, vehicles, computers, office and other equipment and the benefit of all contracts, licences and warranties relating thereto;
  - (ii) subject to sub-clause 8.4(b) of clause 8.4 (*Collection of Book Debts*) of the Debenture, all Book Debts and all rights and claims against third parties and against any security in respect of those Book Debts;
  - (iii) all monies standing to the credit of any and all its accounts (including the Cash Collateral Accounts) with any bank, financial institution, or other person;
  - (iv) all its Intellectual Property Rights;
  - (v) the benefit of all consents and agreements held by it in connection with its business or the use of any of its assets;
  - (vi) its goodwill and uncalled capital;
  - (vii) if not effectively assigned by clause 2.5 (*Security assignment*) (see paragraph 3 below), all its rights and interests in (and claims under) the Assigned Agreements.

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**2. FLOATING CHARGE**

By clause 2.4 (*Floating Charges*) of the Accession Deed, as further continuing security for the payment of the Indebtedness, the New Charging Company has charged with full title guarantee in favour of the Security Agent (for the benefit of itself and the other Secured Parties) by way of first floating charge all its assets, both present and future, not effectively charged by way of first fixed charge under clause 2.3 (*Fixed charges*) of the Accession Deed (see paragraph 1 above) or assigned under clause 2.5 (*Security assignment*) of the Accession Deed (see paragraph 3 below).

**3. SECURITY ASSIGNMENT**

By clause 2.5 (*Security Assignment*) of the Accession Deed, as further continuing security for the payment of the Indebtedness, the New Charging Company has assigned to the fullest extent capable of assignment to the Security Agent all its rights, title and interest in the Assigned Agreements identified in schedule 2 (*Assigned Agreements*) of the Accession Deed (see schedule 3 below), **provided that** on payment or discharge in full of the Indebtedness the Security Agent will at the request and cost of the New Charging Company re-assign the Assigned Agreements to the New Charging Company (or as it shall direct).

**4. CONTINUING SECURITY**

**4.1 Continuing security**

Clause 4.1 (*Continuing Security*) of the Debenture provides that this security is to be a continuing security notwithstanding any intermediate payment or settlement of all or any part of the Indebtedness or any other matter or thing.

**4.2 Other security**

Clause 4.2 (*Other Security*) of the Debenture provides that this security is to be in addition and shall neither be merged in nor in any way exclude or prejudice or be affected by any other security or other right which the Security Agent and/or any other Secured Party may now or after the date of this deed hold for any of the Indebtedness, and this security may be enforced against the New Charging Company without first having recourse to any other rights of the Security Agent or any other Secured Party.

**5. FURTHER ASSURANCE**

**5.1 General**

Clause 5.1 (*General*) of the Debenture provides that:-

- (a) the New Charging Company will, at its own expense, promptly following request by the Security Agent, execute such deeds and other agreements and otherwise take whatever action the Security Agent may require:-
  - (i) to perfect and/or protect the security created (or intended to be created) by this deed;
  - (ii) to facilitate the realisation or enforcement of such security;

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- (iii) to facilitate the exercise of any of the Security Agent's rights, powers or discretions under this deed; and/or
- (iv) to confer on the Security Agent security over any assets of the New Charging Company (in whatever jurisdiction situated) equivalent or similar to the security intended to be conferred by this deed,

including the conversion of charges to assignments, equitable security to legal security, the execution of any transfer, conveyance, assignment or assurance whatsoever and the giving of all notices, orders, instructions and directions whatsoever.

- (b) Any security document required to be executed by the New Charging Company under the clause 5.1 of the Debenture will contain clauses corresponding to the provisions set out in this deed.

**5.2 H.M. Land Registry**

Clause 5.2 (*H.M. Land Registry*) of the Debenture provides that:-

- (a) In relation to real property charged by way of legal mortgage under this deed situated in England and Wales, the New Charging Company hereby applies to the Chief Land Registrar for a restriction to be entered on the Register of Title of all that real property (including any unregistered properties subject to compulsory first registration at the date of this deed) and agrees to apply for such a restriction, when requested to do so by the Security Agent, in the following terms:-

"Except under an Order of the Registrar, no disposition by the proprietor of the land or charge or other security interest is to be registered without the consent of the proprietor for the time being of *[the charge hereby created]*".

- (b) Subject to the terms of the Senior Credit Agreement and the Mezzanine Loan Agreement, the Senior Lenders and the Mezzanine Lenders respectively are under an obligation to make further advances to Obligors and this security has been made for securing those further advances. The Security Agent hereby applies to the Chief Land Registrar in the following terms:-

"*[Description of the Lenders]* are under an obligation to make further advances and application is made to the Registrar for a note to be entered on the register to that effect."

- (c) In respect of any part of the Charged Property title to which is registered at H.M. Land Registry, it is certified that the security created by this deed does not contravene any of the provisions of the memorandum or articles of association of the New Charging Company.

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**5.3 Register of trade marks**

By way of clause 5.3 (*Register of trade marks*) of the Debenture, the New Charging Company as registered proprietor appoints the Security Agent as its agent to apply for the particulars of the Debenture and of the Secured Parties' interest in its existing trade marks and trade mark applications and any future trade marks or trade mark applications registered or to be registered in the United Kingdom in the name of the New Charging Company, to be made on the Register of Trade Marks under section 25(1) of the Trade Marks Act 1994, and the New Charging Company agrees to execute all documents and forms required to enable those particulars to be entered on the Register of Trade Marks.

**6. NEGATIVE PLEDGE AND DISPOSAL RESTRICTIONS**

Clause 6 (*Negative Pledge and Disposal Restrictions*) of the Debenture provides that the New Charging Company may not:-

- (a) create or agree to create or permit to subsist any Security Interest over all or any part of the Charged Property;
  - (b) sell, transfer, lease out, lend or otherwise dispose of all or any part of the Charged Property (other than Floating Charge Assets on arm's length terms in the ordinary course of trading) or the right to receive or to be paid the proceeds arising on the disposal of the same, or agree or attempt to do so; or
  - (c) dispose of the equity of redemption in respect of all or any part of the Charged Property,
- except as permitted by the Senior Credit Agreement and the Mezzanine Loan Agreement or with the prior consent of the Security Agent.

**7. SET-OFF**

**7.1 Set-off rights**

Clause 20.1 (*Set-off rights*) of the Debenture provides that any Secured Party may at any time after a Declared Default has occurred and for so long as it is continuing (without notice to the New Charging Company):-

- (a) set-off or otherwise apply sums standing to the credit of the New Charging Company's accounts with that Secured Party (irrespective of the terms applicable to those accounts and whether or not those sums are then due for repayment to that Secured Party); and
- (b) set-off any other obligations (whether or not then due for performance) owed by that Secured Party to the New Charging Company,

against any liability of the New Charging Company to the relevant Secured Party under the Finance Documents.

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7.2 **Different currencies**

Clause 20.2 (*Different currencies*) of the Debenture provides that a Secured Party may exercise its rights under clause 20.1 (Set-off rights) of the Debenture (see paragraph 7.1 above) notwithstanding that the amounts concerned may be expressed in different currencies and each Secured Party is authorised to effect any necessary conversions at a market rate of exchange selected by it.

7.3 **Unliquidated claims**

Clause 20.3 (*Unliquidated claims*) of the Debenture provides that if the relevant obligation or liability is unliquidated or unascertained, the Secured Party may set-off the amount which it estimates (in good faith) will be the final amount of that obligation or liability once it becomes liquidated or ascertained.

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**Schedule 1**

**Details of Properties**

**Registered Land**

<b>CHARGING COMPANY</b>	<b>COUNTY AND DISTRICT (OR LONDON BOROUGH)</b>	<b>ADDRESS OR DESCRIPTION</b>	<b>TITLE NO.</b>
Cannons Health & Fitness Limited (Company No. 2849324)	Barrow-in-Furness, Cumbria	Cannons Health Club, Unit C Hollywood Park, Ironworks Road, Barrow-in-Furness, Cumbria	CU145079
Wandsworth Leisure Limited	Wandsworth	Sheepcote Lane, Battersea, London	SGL367749 TGL7715
The Pinnacle Clubs Limited	London: Hammersmith and Fulham	Eternit Wharf Leisure Centre, Stevenage Road, Fulham, London SW6	BGL23396
Cannons Health & Fitness Limited	Hertfordshire, East Hertfordshire	Health & Fitness Club, Anchor Street, Bishop's Stortford, Hertfordshire CM23 3DP	HD392434
Cannons Health & Fitness Limited	Camden	Bloomsbury	NGL 762443
The Pinnacle Clubs Limited	Bromley	Land lying to the east of Hayes Lane, Bromley	SGL 247576 SGL 567758 SGL 534195 SGL 534284 SGL 578365
Ocean Park Leisure plc	Cardiff	Ocean Park Centre, Cardiff	WA 802769
The Pinnacle Clubs Limited	Essex, Chelmsford	38 Victoria Road, Riverside Park, Chelmsford, Essex	EX612183
Cannons Health & Fitness Limited	Derbyshire, Chesterfield	Unit 3, Alma Leisure Park, Derby Road, Chesterfield	DY332871
Cannons Sports Clubs (UK) Limited	Corporation of London	Cannons City	NGL 679932
Centre Court Tennis Limited	Northamptonshire, Corby	Tennis Centre, Rockingham Road, Corby	NN154518
Cottingley Manor Health and Leisure Centre Limited	West Yorkshire, City of Bradford	Cottingley Manor, Bradford Road, Cottingley, West Yorkshire	WYK617186
Cannons Covent Garden Limited	Westminster	Unit 5, Odhams Walk, London WC2H 9SA	NGL694713
Cannons Covent Garden Limited	Westminster	Premises adjoining Unit 5, Odhams Walk, London WC2H 9SA	NGL744665



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Cannons Health & Fitness Limited	West Sussex, Crawley	Land at Gatwick Worth Hotel, Crabbet Park, Crawley, West Sussex	WSX252237
Cannons Health & Fitness Limited	South Yorkshire, Doncaster	Unit off White Rose Way, Doncaster	SYK 425666
Cannons Health & Fitness Limited (Company No. 2849324)	Surrey, Waverley	Land and Buildings on the east side of Weybourne Road, Farnham	SY700271
Leisure Tennis Limited	London: Hammersmith and Fulham	The Harbour Club, Townmead Road, London SW6	NGL 590444 BGL 32508
Harbour Club Operations Limited	London: Hammersmith and Fulham	The Harbour Club, Townmead Road, London SW6	BGL1676
Kingston Park Leisure Plc (Company No. 2933546)	East Riding of Yorkshire, Kingston upon Hull	Land situate close to the junction of St James Street (lying to the south of St James Street) with Humber Bank, Kingston Park, Kingston upon Hull	HS254203
Cannons Health & Fitness Limited	Leicestershire, Leicester City	Land and buildings to the south east of University Road, Leicester	LT 328543
Cannons Health and Fitness Limited	Merseyside, Liverpool City	Britannia Pavilion, Liverpool	MS 429859
The Pinnacle Clubs Limited	Berkshire, West Berkshire	Land and Sport Centre at Newbury	BK349380
The Pinnacle Clubs Limited	Surrey, Croydon	Norbury Hall Sports Ground, London Road, Norbury	SGL564443 SGL57316 SGL600726 NN208999
Cannons Health & Fitness Limited	Northamptonshire, Northampton	Unit 4, Phase IV Sixfields Leisure, Weedon Road, Northampton	NN208999
Cannons Heath & Fitness Limited	Warwickshire, Nuneaton Redditch	Bermuda Leisure Park, Nuneaton, Warwickshire	Provisional title no. WK392701
Cannons Health & Fitness Limited	Devon, Plymouth City	Barbican Leisure Park, Corside, Plymouth	DN424984
Cannons Health and Fitness Limited	Hampshire, Portsmouth City	Alexandra Park, Northern Parade, Portsmouth	HP439342
The Pinnacle Clubs Limited	Buckinghamshire, South Buckinghamshire	Land and Buildings on the west side of Wexham Street, Wexham, South Bucks, Buckinghamshire	BM218048

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The Pinnacle Clubs Limited	Hertfordshire, St. Albans	Land situated on the south side of Cell Barnes Lane and south east side of Hill End Lane, St. Albans, Hertfordshire	HD 79806 HD 860
The Pinnacle Clubs Limited	Surrey, Croydon	Sutton Cricket and Squash Club, Gander Green Lane, Sutton	SGL273652
Cannons Health & Fitness Limited	Wiltshire, Swindon	Unit 22, Greenbridge, Swindon	WT188418
Cannons Health & Leisure Limited	Shropshire, Telford & Wrekin	Unit 17, Telford Forge Retail Park , Telford	SL132766
Twickenham Leisure Limited	Richmond	The Metropolitan Club, Egerton Road, Twickenham	SGL 445778
Wandsworth Leisure Limited	Wandsworth	Cannons Health and Fitness Centre, King George's Park, Kimber Road, Wandsworth	TGL144431 TGL99677
The Pinnacle Clubs Limited	Woking, Surrey	Pinnacle Squash Club, West Byfleet, Pyrford Road, Woking, Surrey	SY626363
Cannons Health & Fitness Limited	Westminster, London	27/28 Kingly Street, London W1	NGL692488
The Pinnacle Clubs Limited	Berkshire, Windsor & Maidenhead	The Pinnacle Squash & Health Club, Helston Lane, Windsor	BK143075
Cannons Health & Fitness Limited	Worcestershire, Worcester City	Cannons Club Athletica, Droitwich Road, Perdiswell, Worcester	WR32776 HW179150

**Unregistered Land**

<b>CHARGING COMPANY</b>	<b>DESCRIPTION</b>
Cannons Health & Fitness Limited	All that leasehold property known as Cheam Sports Club Ground Peaches Close Cheam and more particularly described in an Agreement for Lease dated 28 March 2000 made between (1) Stephen Hyde David Lunn Brian McCormick and David Alfred Trenbath and (2) Cannons Health & Fitness Limited
Cannon Health & Fitness Limited	All that leasehold land at Alexandra Park, Northern Parade, Portsmouth more particularly described in a lease dated 6 December 1991 made between The Portsmouth City Council (1) and Queens Moat Leisure Limited (2)

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The Pinnacle Clubs Limited

All that leasehold property known as the Squash and Leisure Club  
Old Deer Park Richmond Athletic Ground, Richmond-upon-Thames  
more particularly described in the lease dated 12 January 1995  
between Richmond Athletic Association Limited (1) and Wates  
Leisure Limited (2)

The Pinnacle Clubs Limited

All that leasehold land and buildings at Portsmouth Road, Surbiton,  
Elmridge more particularly described in the lease dated 7 January  
1999 made between Thames Water Developments Limited (1) and  
The Pinnacle Clubs Limited (2)

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**Schedule 2**

**Details of Subsidiary Shares**

<b>Charging Company</b>	<b>Subsidiary</b>	<b>Number and class of shares</b>	<b>Details of nominees (if any) holding legal title to shares</b>
Precis (1748) Limited	Pinnacle Leisure Group Limited	1, 617, 697 "A" ordinary shares	
Precis (1748) Limited	Pinnacle Leisure Group Limited	2, 249, 064 "B" ordinary shares	
Precis (1748) Limited	Pinnacle Leisure Group Limited	34, 800, 849 redeemable preference shares	

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Schedule 3

Details of Assigned Agreements

POLICY	ISSUER/POLICY NO
Combined	SLE Worldwide 11SVB00040001122 (MD.BI) SLE Worldwide 11SV00020004855 (EL) SLE Worldwide 11SVB00020004856 (PL)
Terrorism	Lloyds Underwriters E00RQ2051100
Engineering	HSB Haughton Engineering Insurance Services Limited HAL/038362
Fidelity Guarantee	Chubb Insurance 81521979C
Legal Expenses	DAS Legal Expenses Insurance Company Limited TT8/3101153
Motor Combined	Zurich Insurance Company LF203562
Contract Works	QBE International Insurance Limited RW0000457

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**Definitions:-**

**"Accession Document"** means an agreement substantially in the for set out in part 1 of schedule 7 of the Senior Credit Agreement under which a Group Company becomes a Guarantor and/or a Borrower and becomes a party to the Intercreditor Deed;

**"Ancillary Documents"** means the Ancillary Facility Letters and all other documents and agreements made by an Ancillary Lender and any Group Company in connection with the Ancillary Facilities;

**"Ancillary Facilities"** means working capital facilities made available by an Ancillary Lender under an Ancillary Facility Letter in accordance with clause 6 (Ancillary Facilities) of the Senior Credit Agreement;

**"Ancillary Facility Letter"** means a facility letter entered into by an Ancillary Lender and one or more Borrowers in accordance with clause 6 (Ancillary Facilities) of the Senior Credit Agreement;

**"Ancillary Lender"** means a Lender which has agreed to make available ancillary facilities under the Senior Credit Agreement;

**"Assigned Agreements"** means, the Hedging Agreements, the Insurances and the Key Person Policies;

**"Book Debts"** means all book and other debts and monetary claims;

**"Borrower"** means Health Club Acquisitions Limited and each other Group Company which becomes a borrower under the Senior Credit Agreement;

**"Cash Collateral Account"** means an account with the Security Agent (or any other Mezzanine Lender or Lender which the Parent designates for the purposes of Senior Credit Agreement or the Mezzanine Loan Agreement) opened in the name of an Obligor into which amounts are to be paid for the purposes specified in the Senior Credit Agreement and the Mezzanine Loan Agreement and over which the Security Agent has a first priority security interest under the Security Documents;

**"Charged Property"** means the assets mortgaged, charged or assigned to the Security Agent by the Debenture;

**"Declared Default"** means an Event of Default which has resulted in the Facility Agent exercising its rights under clause 21.2 (Cancellation and repayment) of the Senior Credit Agreement or the Mezzanine Facility Agent exercising its rights under clause 19.2 (Cancellation and repayment) the Mezzanine Loan Agreement;

**"Derivative Instrument"** means any forward rate agreement, option, swap, cap, floor, any combination or hybrid of the foregoing and any other financial derivative agreement;

**"Distribution Rights"** means all dividends, distributions and other income paid or payable on an Investment or Subsidiary Share, together with all shares or other property derived from that Investment or Subsidiary Share and all other allotments, accretions, rights, benefits and advantages of all kinds accruing, offered or otherwise derived from or incidental to that Investment or Subsidiary Share (whether by way of conversion, redemption, bonus, preference, option or otherwise);

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**"Event of Default"** means any event specified in clause 21.1 (List of Events) of the Senior Credit Agreement or clause 21.1 (List of Events) of the Mezzanine Loan Agreement;

**"Facility"** means the term loan facility to be made available by the Mezzanine Lenders under the Mezzanine Loan Agreement;

**"Facility Agent"** means The Royal Bank Of Scotland plc;

**"Fees Letter"** means the letter from the Facility Agent to the Parent 10 May 2001 setting out details of certain fees payable by the Parent in connection with the Facilities;

**"Finance Documents"** means the Senior Finance Documents and the Mezzanine Finance Documents;

**"Floating Charge Asset"** means an asset charged under the floating charge described in paragraph 2 (Floating Charge);

**"Group"** means the Parent and its Subsidiaries from time to time;

**"Group Company"** means a member of the Group;

**"Guarantee Increase Deed"** means a deed in the form set out in part 2 of schedule 7 of the Senior Credit Agreement;

**"Guarantor"** means the Parent, the Charging Companies and each other Group Company which becomes a guarantor under the Senior Credit Agreement or the Mezzanine Loan Agreement;

**"Hedging Agreements"** means Derivative Instruments entered into with the Hedging Lenders (as defined in the Senior Credit Agreement) for the purpose of managing or hedging currency and/or interest rate risk in relation to the term facilities (granted under the Senior Credit Agreement);

**"Hedging Lender"** means a Lender (or an affiliate of a Lender) in its capacity as provider of currency and/or interest rate hedging under any hedging agreement of the Senior Credit Agreement;

**"Holdco"** means Health Club Investments Limited;

**"Insurances"** means all policies of insurance and all proceeds of them either now or in the future held by, or written in favour of, a Charging Company or in which it is otherwise interested, but excluding any third party liability or public liability insurance and any directors and officers insurance;

**"Intellectual Property Rights"** means all patents and patent applications, trade and service marks and trade and service mark applications (and all goodwill associated with any such registrations and applications), all brand and trade names, all copyrights and rights in the nature of copyright, all design rights, all registered designs and applications for registered designs, all inventions, all trade secrets, all know-how and all other intellectual property rights throughout the world;

**"Intercreditor Deed"** means the intercreditor deed dated 5 July 2001 and entered into between, amongst others, each of the parties to the Finance Documents and Royal Bank Private Equity and/or any other Subsidiaries of The Royal Bank of Scotland plc;

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**"Investment"** means any negotiable instrument, certificate of deposit, debenture, share or other investment (as defined in part 1 of schedule I to the Financial Services Act 1986 as at the date of this deed ) owned by each Charging Company (including, unless the context otherwise requires, the Subsidiary Shares);

**"Issuing Lender"** means any Lender in its capacity as issuer of a bank guarantee under the Senior Credit Agreement;

**"Key Person Policies"** means the insurance policies in respect of Harm. B. Tegelaars and Martin Oliver;

**"Lender"** means the financial institutions listed in Schedule 1 of the Senior Credit Agreement;

**"Mezzanine Facility Agent"** means BNP Paribas;

**"Mezzanine Fees Letter"** means the letter from BNP Paribas as the Mezzanine Facility Agent to the Parent dated on or about the date of the Mezzanine Loan Agreement setting out details of certain fees payable by the Parent in connection with the term loan facility to be made available under the Mezzanine Loan Agreement;

**"Mezzanine Finance Documents"** means this agreement, each Mezzanine Security Document, the Intercreditor Deed, the Warrant Instrument, the Mezzanine Fees Letter, each agreement under which a group company becomes a guarantor and becomes a party to the Intercreditor Deed, each transfer certificate in the form set out in the Mezzanine Loan Agreement and any other document designated as a Mezzanine Finance Document by the Parent and the Mezzanine Facility Agent;

**"Mezzanine Finance Parties"** means the Mezzanine Lead Arrangers, the Mezzanine Facility Agent, the Security Agent, and each Mezzanine Lender;

**"Mezzanine Lead Arrangers"** means BNP Paribas and RBS Mezzanine Limited;

**"Mezzanine Lenders"** means:

- (a) the parties identified in the Mezzanine Loan Agreement as participating in the Facility; and
- (b) each transferee which has become a party to this agreement in relation to the Facility in accordance with the provisions of the Mezzanine Loan Agreement,

in each case until its entire participation in the Facility has been assigned or transferred to a transferee in accordance with the Mezzanine Loan Agreement and all amounts owing to it under the Mezzanine Finance Documents in relation to the Facility have been paid in full;

**"Mezzanine Loan Agreement"** means the mezzanine loan agreement dated 10 May 2001 between the Health Club Investments Group Limited as the Parent, Health Club Acquisitions Limited as borrower, Health Club Investments Limited as holdco, BNP Paribas and The Royal Bank of Scotland plc, the lenders named therein, BNP Paribas as facility agent and The Royal Bank of Scotland plc as security agent.



**Precis (1748) Limited**  
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**Appendix 1**  
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**"Mezzanine Security Documents"** means the Debenture, Dutch law share pledge over shares in Cannons Health and Fitness BV granting at least a second ranking Security Interest in favour of the Mezzanine Finance Parties, German law share pledge over shares in Cannons Health and Fitness GmbH granting at least a second ranking Security Interest in favour of the Mezzanine Finance Parties and all other documents creating, evidencing or granting at least a second ranking Security Interest in favour of any Mezzanine Finance Party (as defined in the Mezzanine Loan Agreement) in relation to the obligations of any Obligor under any Mezzanine Finance Document;

**"Obligors"** means the Parent, Holdco, the Borrower and each Guarantor;

**"Parent"** means Health Club Investments Group Limited;

**"Secured Parties"** means the Senior Finance Parties and the Mezzanine Finance Parties;

**"Security Documents"** means the Debenture, Dutch law share pledge over shares in Cannons Health and Fitness BV and German law share pledge over shares in Cannons Health and Fitness GmbH and all other documents creating, evidencing or granting a Security Interest in favour of any Senior Finance Party in relation to the obligations of any Obligor under any Senior Finance Document;

**"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;

**"Senior Credit Agreement"** means the credit agreement dated 10 May 2001 under which certain lenders have made available £245,000,000 of facilities to Health Club Acquisitions Limited and certain other Group Companies;

**"Senior Finance Documents"** means the Senior Credit Agreement, each Security Document, the Intercreditor Deed, each Hedging Agreement, each Ancillary Document, each Accession Document, each Guarantee Increase Deed, each Transfer Certificate, the Fees Letter and any other document designated as a Senior Finance Document by the Parent and the Facility Agent;

**"Senior Finance Parties"** means The Royal Bank of Scotland plc, BNP Paribas, each Lender, each Ancillary Lender, each Issuing Lender and each Hedging Lender;

**"Senior Lender"** means a Lender;

**"Subsidiary"** means a subsidiary and a subsidiary undertaking as defined in sections 736 and 258 of the Companies Act 1985 respectively;

**"Subsidiary Shares"** means all shares owned by a Charging Company in its Subsidiaries;

**"Transfer Certificate"** means a certificate substantially in the form set out in schedule 6 of the Senior Credit Agreement; and

**"Warrant Instrument"** means the warrant instrument in the agreed form pursuant to which warrants will be issued.

FILE COPY



## CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 03770350

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A SECURITY ACCESSION DEED TO A DEBENTURE DATED 10 MAY 2001 BETWEEN INTER ALIA, HEALTH CLUB INVESTMENTS LIMITED (THE "PARENT"), HEALTH CLUB INVESTMENTS LIMITED AND HEALTH CLUB ACQUISITIONS LIMITED (THE "CHARGING COMPANIES") AND THE ROYAL BANK OF SCOTLAND PLC (THE "SECURITY AGENT") (THE "DEBENTURE") DATED THE 3rd JULY 2001 AND CREATED BY PRECIS (1748) LIMITED FOR SECURING ALL MONEY OR LIABILITIES DUE OR TO BECOME DUE FROM ANY CHARGING COMPANY (AS DEFINED) TO ANY SECURED PARTY (AS DEFINED) OR ANY OTHER OBLIGOR (AS DEFINED) IN ANY MANNER UNDER OR IN RESPECT OF THE FINANCE DOCUMENTS (AS DEFINED) WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 13th JULY 2001.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 17th JULY 2001.



THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES



*Companies House*

— for the record —

Handwritten signature or initials.