

M

COMPANIES FORM No. 395

Particulars of a mortgage or charge

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

Pursuant to section 395 of the Companies Act 1985

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

For official use

Company number

[] [] [] [] [] []

05504001

Name of company

* PW No 4 Limited (the **Chargor**)

Date of creation of the charge

29 July, 2005

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

a deed of accession between the **Chargor**, Prestbury Wentworth Limited and the **Security Agent** (as defined below) (the **Deed**).

Amount secured by the mortgage or charge

all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of the **Chargor** to any Finance Party under the Finance Documents except for any obligation which, if it were so included, would result in the **Deed** or the **Security Agreement** (as defined below) contravening any law (including Section 151 of the Companies Act 1985) (the **Secured Liabilities**).

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

The Governor and Company of the Bank of Scotland (the **Security Agent**), The Mound, Edinburgh.

Postcode EH1 1YZ

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

Allen & Overy LLP
One New Change
London
EC4M 9QQ

NATB/BK: 3026292

Time critical reference

For official Use (02/00)
Mortgage Section

| Post room



LD2
COMPANIES HOUSE

0348
05/08/05

186800/£13

395



CHFP025

Please do not write in this margin

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

*insert full name of Company

Short particulars of all the property mortgaged or charged

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 Allen + Overy LLP

Date 5/8/05

On behalf of ~~XXXXXXXXXXXXXXXXXX~~ (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

I: SHORT PARTICULARS OF ALL THE PROPERTY MORTGAGED OR CHARGED:

1. Security

Without limiting the generality of the other provisions of the Deed and the Security Agreement, the Chargor:

- (a) charged to the Security Agent by way of a first priority legal mortgage all estates or interests in any freehold or leasehold property owned by it and specified in part 1 of the appendix to this Form 395;
- (b) charged to the Security Agent by way of a first priority legal mortgage all shares owned by it; and
- (c) assigned to the Security Agent absolutely, subject to a proviso for re-assignment on redemption, all of its rights in respect of the agreements specified in part 2 of the appendix to this Form 395.

1.2 General

- (a) All the security created under the Deed and the Security Agreement:
 - (i) is created in favour of the Security Agent;
 - (ii) is created over present and future assets of the Chargor;
 - (iii) is security for the payment of all the Secured Liabilities; and
 - (iv) is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994 or in respect of property located in or governed by Scots law, subject to the Permitted Occupational Leases, with absolute warrandice.
- (b) The Security Agent holds the benefit of the Deed and the Security Agreement on trust for the Finance Parties.

1.3 Land

- (a) The Chargor charged:
 - (i) by way of a first priority legal mortgage all estates or interests in any freehold or leasehold property owned by it and all rights under any licence or other agreement or document which gives the Chargor a right to occupy or use property; and
 - (ii) (to the extent that they are not the subject of a mortgage under sub-paragraph (i) above) by way of first fixed charge all estates or interests in any freehold or leasehold property owned by it and all rights and licences or other agreement or document which gives the Chargor a right to occupy or use property.
- (b) A reference in the Deed or the Security Agreement to any freehold or leasehold property includes:

Page 2

- (i) all buildings, fixtures, fittings and fixed plant and machinery on that property owned by the relevant chargor; and
- (ii) the benefit of any covenants for title given or entered into by any predecessor in title of the relevant chargor in respect of that property or any moneys paid or payable in respect of those covenants.

1.4 Investments

(a) The Chargor charged:

- (i) by way of a first priority legal mortgage all shares in any member of the Group (other than itself) owned by it or held by any nominee on its behalf; and
- (ii) (to the extent that they are not the subject of a mortgage under sub-paragraph (i) above) by way of a first fixed charge its interest in all shares, stocks, debentures, bonds or other securities and investments owned by it or held by any nominee on its behalf.

(b) A reference in the Deed or the Security Agreement to any stock, share, debenture, bond or other security includes:

- (i) any dividend or interest paid or payable in relation to it; and
- (ii) any right, money or property accruing or offered at any time in relation to it by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise.

1.5 Plant and machinery

The Chargor charged by way of a first fixed charge all plant and machinery owned by it and its interest in any plant or machinery in its possession.

1.6 Credit balances

The Chargor charged by way of a first fixed charge all of its rights in respect of any amount standing to the credit of any account (including any account contemplated by the Deed or the Security Agreement) it has with any person and the debt represented by it.

1.7 Book debts etc.

The Chargor charged by way of a first fixed charge:

- (a) all of its book and other debts;
- (b) all other moneys due and owing to it; and
- (c) the benefit of all rights, securities or guarantees of any nature enjoyed or held by it in relation to any item under paragraph (a) or (b) above.

1.8 Insurances

The Chargor assigned absolutely by way of security, subject to a proviso for re-assignment on redemption, all of its rights in respect of any contract or policy of insurance taken out by it or on its behalf or in which it has an interest.

1.9 Other contracts

The Chargor assigned absolutely by way of security, subject to a proviso for re-assignment on redemption, all of its rights in respect of:

- (a) its Relevant Contracts;
- (b) any letter of credit issued in its favour; and
- (c) any bill of exchange or other negotiable instrument held by it.

1.10 Intercompany Loans

The Chargor assigned absolutely by way of security, subject to a proviso for re-assignment on redemption, all of its rights in respect of any Intercompany Loans to which it is a party provided that while no Event of Default is outstanding the Chargor may, subject to the terms of the Facility Agreement, exercise all its rights in respect of any Intercompany Loan to which it is a party and receive and exercise all rights in respect of the proceeds thereof.

1.11 Miscellaneous

The Chargor charged by way of first fixed charge:

- (a) any beneficial interest, claim or entitlement it has in any pension fund;
- (b) its goodwill;
- (c) the benefit of any authorization (statutory or otherwise) held in connection with its use of any Security Asset;
- (d) the right to recover and receive compensation which may be payable to it in respect of any authorization referred to in paragraph (c) above; and
- (e) its uncalled capital.

1.12 Floating charge

(a) The Chargor charged by way of a first floating charge:

- (i) all its assets not at any time otherwise effectively mortgaged, charged or assigned by way of fixed mortgage, charge or assignment under clause 2.11 (Floating Charge) of the Security Agreement; and
- (ii) all its assets located in or otherwise governed by Scots law (irrespective of whether or not such assets are effectively mortgaged, charged or assigned by way of first mortgage, charge or assignment under clause 2.11 (Floating Charge) of the Security Agreement).

(b) Except as provided below, the Security Agent may (acting on the instructions of the Majority Lenders) by notice to the Chargor convert the floating charge created by the Chargor under clause 2.11 (Floating Charge) of the Security Agreement into a fixed charge as regards any of the Chargor's assets specified in that notice, if:

- (i) an Event of Default is outstanding; or

Page 4

- (ii) the Security Agent considers those assets 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 jeopardy.
- (c) The floating charge created by clause 2.11 (Floating Charge) of the Security Agreement may not be converted into a fixed charge solely by reason of:
 - (i) the obtaining of a moratorium; or
 - (ii) anything done with a view to obtaining a moratorium,under the Insolvency Act 2000.
- (d) The floating charge created by clause 2.11 (Floating Charge) of the Security Agreement will automatically convert into a fixed charge over all of the Chargor's assets if an administrator is appointed or the Security Agent receives notice of an intention to appoint an administrator.
- (e) The floating charge created by clause 2.11 (Floating Charge) of the Security Agreement is a **qualifying floating charge** for the purpose of paragraph 14 of Schedule B1 to the Insolvency Act 1986.

2. RESTRICTIONS ON DEALINGS

The Chargor may not:

- (a) create or permit to subsist any Security Interest on any Security Asset; or
 - (b) sell, transfer, licence, lease or otherwise dispose of any Security Asset,
- except as expressly allowed under the Facility Agreement.

II: DEFINITIONS

In this form 395:

Accession Agreement means a letter, substantially in the form of Schedule 7 (Form of Accession Agreement) of the Facility Agreement, with such amendments as the Facility Agent and the Company may agree.

Accounting Principles means the accounting principles, policies, standards, bases and practices which, at any relevant time, are generally accepted in the United Kingdom and approved by the Institute of Chartered Accountants of England and Wales.

Additional Guarantor means the companies listed in Part 2 of Schedule 1 to the Facility Agreement and each other member of the Group which becomes a Guarantor in accordance with clause 29.7 (Additional Guarantors) of the Facility Agreement.

Administrative Party means the Mandated Lead Arranger or an Agent.

Agent means the Facility Agent or the Security Agent.

Agreement for Sale and Leaseback means the agreement for sale and leaseback dated 27 January, 2004 made between, amongst others, the Relevant Spirit Tenants and Spirit Sunningdale Limited.

Assignment of Rents means an assignment of rents by Sunningdale or, as the case may be, a Newco in favour of the Security Agent in security of the Secured Liabilities (as defined in the Security Agreement) over Rental Income under all Permitted Occupational Leases relating to Scottish heritable or leasehold property held by Sunningdale or, as the case may be, a Newco in a form satisfactory to the Security Agent and duly intimated to the tenants.

Commitment means:

- (a) for an Original Lender, the amount set opposite its name in Schedule 1 (Parties) to the Facility Agreement under the heading "Commitments" designated Facility A or Facility B and the amount of any other Commitment, as so designated, it acquires;
- (b) for any other Lender, the amount of any other Commitment it acquires,

in each case, to the extent not cancelled, transferred or reduced under the Facility Agreement.

Company means Prestbury Wentworth Limited (registered number 4875853).

Drawdown Date means each date on which a Loan is borrowed.

Event of Default means an event specified as such in clause 22 (Default) of the Facility Agreement.

Facility means a credit facility made available under the Facility Agreement and when designated:

- (a) **Facility A** means the term loan facility described in clause 2.1 (Facility A) of the Facility Agreement; and
- (b) **Facility B** means the term loan facility described in clause 2.2. (Facility B) of the Facility Agreement.

Facility Agent means The Governor and Company of the Bank of Scotland as facility agent.

Facility Agreement means the £475,000,000 credit facility dated 24 March, 2004 as amended and restated from time to time, made between, among others, the Company, the Mandated Lead Arranger and the Lenders.

Fee Letter means any letter entered into by reference to the Facility Agreement between one or more Administrative Parties and the Company setting out the amount of certain fees referred to in the Facility Agreement.

Final Maturity Date means 10 years after the first Drawdown Date.

Finance Document means:

- (a) the Facility Agreement;
- (b) the First Amendment Agreement;
- (c) the Second Amendment Agreement;
- (d) a Security Document;
- (e) a Fee Letter;

- (f) a Transfer Certificate;
- (g) an Accession Agreement;
- (h) the Hedging Letter;
- (i) a Hedging Document;
- (j) the Priority Deed; or
- (k) any other document designated as such by the Facility Agent and the Company.

Finance Party means a Lender, a Hedging Bank or an Administrative Party.

Financial Indebtedness means (without double counting) any indebtedness for or in respect of:

- (a) moneys borrowed;
- (b) any acceptance credit or bill discounting facility (including any dematerialised equivalent);
- (c) any bond, note, debenture, loan stock, loan note or other similar instrument;
- (d) any redeemable preference share to the extent redeemable at the option of the holder prior to the date falling 12 months after the Final Maturity Date;
- (e) any agreement treated as a finance or capital lease in accordance with the Accounting Principles;
- (f) receivables sold or discounted (otherwise than on a non-recourse basis);
- (g) the acquisition cost of any asset to the extent payable after its acquisition or possession by the party liable where the deferred payment is arranged primarily as a method of raising finance or financing the acquisition of that asset;
- (h) any derivative transaction protecting against or benefiting from fluctuations in any rate or price (and, except for non-payment of an amount, the then mark to market value of the derivative transaction will be used to calculate its amount);
- (i) any other transaction (including any forward sale or purchase agreement) which has the commercial effect of a borrowing;
- (j) any counter-indemnity obligation in respect of any guarantee, indemnity, bond, letter of credit or any other instrument issued by a bank or financial institution; or
- (k) any guarantee, indemnity or similar assurance against financial loss of any person in respect of any item referred to in the above paragraphs.

First Amendment Agreement means the amendment agreement dated 21 June, 2004 entered into in connection with the Facility Agreement.

Group means the Parent and its Subsidiaries.

Guarantor means the Company or any Additional Guarantor.

Hedging Bank means any bank or financial institution party to the Hedging Documents which is a party to the Priority Deed as a hedging counterparty.

Hedging Documents means any ISDA master agreement or other interest hedging agreements or documents which may be entered into with a Hedging Bank by a member of the Group as contemplated in the Hedging Letter.

Hedging Letter means a letter dated on or about the date of the Facility Agreement between the Company and the Facility Agent relating to the interest hedging to be effected by the Group.

Intercompany Loans means all Financial Indebtedness payable or owing by one member of the Group to another member of the Group.

Leaseback has the meaning given to that term in the Sale and Purchase Agreement.

Lease Document means:

- (a) the Agreement for Sale and Leaseback;
- (b) a Permitted Occupational Lease; or
- (c) any other document designated as such by the Facility Agent and the Company.

Lender means:

- (a) an Original Lender; or
- (b) any person which becomes a Lender after the date of the Facility Agreement.

Loan means, unless otherwise stated in the Facility Agreement, the principal amount of each borrowing under the Facility Agreement or the principal amount outstanding of that borrowing and when designated:

- (a) **Facility A** means a loan under Facility A; and
- (b) **Facility B** means a loan under Facility B.

Majority Lenders means:

- (a) at any time when there are Facility A Loans outstanding or undrawn Facility A Commitments or, in respect of sub-paragraph (iii) below, at any time after Facility A Commitments have been reduced to zero, Lenders:
 - (i) whose share in the outstanding Facility A Loans then aggregate 66²/₃ per cent. or more of the outstanding Facility A Loans;
 - (ii) if there is no Facility A Loan outstanding, whose undrawn Facility A Commitments then aggregate 66²/₃ per cent. or more of the aggregate Facility A Commitments of all the Lenders; or
 - (iii) if there is no Facility A Loan outstanding and the aggregate Facility A Commitments have been reduced to zero, whose Facility A Commitments aggregated 66²/₃ per cent. or more of the aggregate Facility A Commitments of all

the Lenders immediately before the reduction (provided that sub-paragraph (iii) shall cease to apply when all amounts owing under the Finance Documents to such Lenders have been unconditionally and irrevocably paid and discharged in full); and

- (b) at any other time, Lenders:
- (i) whose share in the outstanding Facility B Loans then aggregate 662/3 per cent. or more of the outstanding Facility B Loans;
 - (ii) if there is no Facility B Loan outstanding, whose undrawn Facility B Commitments then aggregate 662/3 per cent. or more of the aggregate Facility B Commitments of all the Lenders; or
 - (iii) if there is no Facility B Loan outstanding and the aggregate Facility B Commitments have been reduced to zero, whose Facility B Commitments aggregated 662/3 per cent. or more of the aggregate Facility B Commitments of all the Lenders immediately before the reduction.

Mandated Lead Arranger means The Company and Governor of the Bank of Scotland as mandated lead arranger.

Newco means each of:

- (a) PW London Limited;
- (b) PW No 1 Limited;
- (c) PW No 2 Limited;
- (d) PW No 3 Limited;
- (e) PW No 4 Limited;
- (f) PW No 5 Limited;
- (g) PW No 6 Limited;
- (h) PW No 7 Limited;
- (i) PW No 8 Limited; and
- (j) PW Scotland Limited.

Obligor means the Company or an Additional Guarantor.

Original Lender means The Governor and Company of the Bank of Scotland.

Parent means Prestbury Wentworth Holdings Limited (registered number 4892230).

Permitted Occupational Lease means any Leaseback or Substitute Leaseback, in each case granted by Sunningdale or, as the case may be, a Newco to any Relevant Spirit Tenant on the terms set out in the Agreement for Sale and Leaseback or the Sale and Purchase Agreement.

Priority Deed means the priority deed dated 25 March, 2004 between, among others, the parties to the Facility Agreement and certain other investors in and creditors of the Group.

Relevant Contract means:

- (a) in relation to the Chargor, any Hedging Document to which it is a party;
- (b) in relation to the Chargor, any Lease Document to which it is a party; and
- (c) any other agreement to which the Chargor is a party and which the Security Agent has designated a Relevant Contract by notice in writing to the Chargor.

Relevant Spirit Tenants means each of:

- (a) Huggins and Company Limited;
- (b) The Chef & Brewer Group Limited;
- (c) Spirit Group Retail Limited;
- (d) Freshwild Limited;
- (e) Partstripe Limited;
- (f) CPH (R&L) No. 2 Limited;
- (g) Aspect Ventures Limited;
- (h) Spirit Group Retail (Pubs) No. 2 Limited; and
- (i) AVL (Pubs) No. 2 Limited.

Rental Income means any amounts payable to or for the account of any member of the Group under or in connection with any Lease Document.

Sale and Purchase Agreement means the sale and purchase agreement in the agreed form between the Company, Spirit Acquisitions Holdings Limited, Spirit Acquisitions Guarantee Limited and Spirit Intermediate Holdings Limited relating to the sale and purchase of the shares in Target.

Second Amendment Agreement means the amendment agreement dated on or around 29 July, 2005 entered into in connection with the Facility Agreement.

Security Agreement means the security agreement dated 25 March, 2004 between, among others, the Company and the Security Agent.

Security Assets means all assets of the Chargor the subject of any security created by the Security Agreement or any document entered into pursuant thereto.

Security Document means:

- (a) the Security Agreement;
- (b) each Standard Security;

- (c) each Assignment of Rents; and
- (d) any other document designated as such by the Facility Agent and the Company.

Security Interest means any mortgage, pledge, lien, charge, assignment, assignment in security, hypothecation, standard security or security interest or any other agreement or arrangement having a similar effect.

Standard Security means a Standard Security by an Obligor in favour of the Security Agent in security of the Secured Liabilities (as that term is defined in the Security Agreement) over all Scottish heritable or long leasehold property held by that Obligor in a form satisfactory to the Security Agent.

Subsidiary means an entity of which a person has direct or indirect control or owns directly or indirectly more than 50 per cent. of the voting capital or similar right of ownership.

Substitute Leaseback has the meaning given to that term in the Sale and Purchase Agreement.

Sunningdale means Prestbury Wentworth Portfolio Limited (formerly Spirit Sunningdale Limited), a company incorporated in England and Wales under registered number 4930446.

Target means Prestbury Wentworth Intermediate Limited (formerly Spirit Intermediate Acquisitions Limited), a company incorporated in England and Wales under registered number 4914723.

Transfer Certificate means a certificate, substantially in the form of Schedule 5 (Form of Transfer Certificate) of the Facility Agreement, with such amendments as the Facility Agent may approve or reasonably require or any other form agreed between the Facility Agent and the Company.

APPENDIX

PART 1

Title Number	Property
EX486859	Old Orleans High Road Epping CM16 5HW
LT309191	Yews London Road Great Glen LE8 9FL
LA946760	Shovels 260 Common Edge Road Blackpool FY4 5DH
WM273303	Corn Exchange Amblecote Road Brierley Hill DY5 2YJ
DT66016	Spyglass & Kettle 25-27 Stourwood Avenue Southbourne BH6 3PW
HD301543	Red Lion Water End Hemel Hempstead HP1 3BD
MS454531	Bear & Staff 24-26 Gateacre Brow Liverpool L25 3PB
NN161066	Spencer Arms Northampton Road Northampton NN6 8AE
SY337135	Marquis of Granby Portsmouth Road Esher KT10 9AL
TY198696 & TY406896	Cumberland Arms 17 Front Street Tynemouth NE30 4DZ
HP469043	Highfield 47 Highfield Lane Southampton SO17 1QD
CH500224	Merlin Hotel Bradfield Road Leighton CW1 3RH
CB160749	Wheatsheaf 322 Eastfield Road Peterborough PE1 4RA
BM205492	Red Lion Langley Park Road Iver SL0 0JZ
GM645297	Carousel 158 Reddish Road Stockport SK5 7HR
TY406913	Willow Pond Inn Hylton Road Sunderland SR4 7YF
AV28845 & AV255852	Black Castle Castle Court Bristol BS4 3BD
WYK538019	Lupset Hotel 328 Horbury Road Wakefield WF2 8LF
HP368743	Millers Holt Pound Farnham GU10 4LA
MS487928	Mount Pleasant 107 Manchester Road Southport PR9 9BD
CH453470	Butley Ash London Road Butley SK10 4EA
WSX184197	Lamb Inn 73 The Street Littlehampton BN16 3NU
NN130225	Woolcomber St Johns Road Kettering NN15 5AZ

Continuation Sheet
PW No 4 Limited
Registered Number: 05504001

Page 12

Title Number	Property
GM846812	George 15 Wellington Road North Stockport SK4 1AF

PART 2

Description

The £67,274,000 intercompany loan agreement dated on or around 29th July, 2005 between Prestbury Wentworth Portfolio Limited and PW No 4 Limited

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 05504001

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A DEED OF ACCESSION DATED THE 29th JULY 2005 AND CREATED BY PW NO4 LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY TO ANY FINANCE PARTY 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 5th AUGUST 2005.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 10th AUGUST 2005.



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



Companies House

— for the record —

P.
Daw.