



Registration of a Charge

Company name: **MORECAMBE FOOTBALL CLUB.LIMITED**

Company number: **00224792**



X3D49FXD

Received for Electronic Filing: **29/07/2014**

Details of Charge

Date of creation: **28/07/2014**

Charge code: **0022 4792 0013**

Persons entitled: **GRAHAM HODGSON**

Brief description: **FIXED AND FLOATING CHARGES OVER THE UNDERTAKING AND ALL PROPERTY AND ASSETS PRESENT AND FUTURE INCLUDING GOODWILL BOOKDEBTS UNCALLED CAPITAL BUILDINGS FIXTURES FIXED PLANT AND MACHINERY**

Contains fixed charge(s).

Contains floating charge(s) (floating charge covers all the property or undertaking of the company).

Contains negative pledge.

Chargor acting as a bare trustee for the property.

Authentication of Form

This form was authorised by: **a person with an interest in the registration of the charge.**

Authentication of Instrument

Certification statement: **I CERTIFY THAT THE ELECTRONIC COPY INSTRUMENT
DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION
IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **PETTER MCGUIGAN**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 224792

Charge code: 0022 4792 0013

The Registrar of Companies for England and Wales hereby certifies that a charge dated 28th July 2014 and created by MORECAMBE FOOTBALL CLUB.LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 29th July 2014 .

Given at Companies House, Cardiff on 30th July 2014

The above information was communicated by electronic means and authenticated by the Registrar of Companies under section 1115 of the Companies Act 2006



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

Dated

28th July

2014

MORECAMBE FOOTBALL CLUB. LIMITED

and

GRAHAM HODGSON

DEBENTURE

This Debenture is subject to the terms of a deed of priority of even date entered into between Barclays Bank plc (1) Bay Business Consultancy Limited (2) Graham Hodgson (3) P McGuigan, R Taylor, G Howse, M Dixon and P Cross (4) and Morecambe Football Club Limited (5)



naphthens
solicitors

THIS DEED IS DATED

2014

BETWEEN

- (1) **MORECAMBE FOOTBALL CLUB. LIMITED** incorporated and registered in England and Wales with company number 00224792 whose registered office is at Globe Arena, Morecambe, Lancashire, LA4 3AD ("**Borrower**"); and
- (2) **GRAHAM HODGSON** of 174 Bare Lane, Torrisholme, Morecambe, Lancashire, LA4 6RU ("**Lender**").

BACKGROUND

- (A) The Lender has agreed, pursuant to the Deed of Variation, to reschedule and vary the repayment terms of the Loan.
- (B) In consideration of the Lender entering into the Deed of Variation, the Borrower under this deed has agreed to provide security to the Lender for the Loan.

IT IS HEREBY AGREED

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

The following definitions apply in this deed:

"Administrator"	an administrator, administrative Administrator, Administrator and manager or other administrator or Administrator appointed pursuant to the Lender's rights arising under this deed in respect of the Borrower or over all or any of the Secured Assets.
"Book Debts"	all present and future book and other debts, and monetary claims due or owing to the Borrower, and the benefit of all security, guarantees and other rights of any nature enjoyed or held by the Borrower in relation to any of them.
"Business Day"	a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business.
"Deed of Variation"	the deed of variation dated the date hereof between the Borrower and the Lender setting out the rescheduling and variation of the terms of the Loan.
"Equipment"	all present and future equipment, plant, machinery, tools, vehicles, furniture, fittings, installations and apparatus and other tangible moveable property for the time being owned by the Borrower, including any part of it and all spare parts, replacements, modifications and additions.
"Event of Default"	has the meaning given to that expression in the Deed of Variation.
"Excluded Property"	each leasehold property held by the Borrower under a lease that either precludes absolutely, or requires consent of a third party to, the creation of Security over the Borrower's leasehold interest in that property.

"Insurance Policy"	each contract and policy of insurance effected or maintained by the Borrower from time to time in respect of its assets or business (including, without limitation, any contract or policy of insurance relating to the Properties or the Equipment).
"Intellectual Property"	the Borrower's present and future patents, trade marks, service marks, trade names, designs, copyrights, inventions, topographical or similar rights, confidential information and know-how and any interest in any of these rights, whether or not registered, including all applications and rights to apply for registration and all fees, royalties and other rights derived from, or incidental to, these rights.
"Investments"	all present and future certificated stocks, shares, loan capital, securities, bonds and investments (whether or not marketable) for the time being owned (at law or in equity) by the Borrower.
"LPA 1925"	Law of Property Act 1925.
"Loan"	the outstanding directors' loan owed by the Borrower to the Lender (together with any future or further advance made by the Lender to the Borrower under the terms of the Deed of Variation or otherwise).
"Permitted Security"	the security specified in Schedule 2
"Properties"	all freehold and leasehold properties (whether registered or unregistered) and all commonhold properties, now or in the future (and from time to time) owned by the Borrower, or in which the Borrower holds an interest (including, but not limited to, the properties specified in Schedule 1), and "Property" means any of them.
"Secured Assets"	all the assets, property and undertaking for the time being subject to the Security created by, or pursuant to, this deed.
"Secured Liabilities"	all present and future monies, obligations and liabilities of the Borrower to the Lender, whether actual or contingent and whether owed jointly or severally, as principal or surety or in any other capacity, under or in connection with the Loan, the Deed of Variation, this deed or otherwise (including, without limitation, those arising under clause 21.3(b)), together with all interest, costs and expenses incurred in connection with the enforcement of this deed or the terms of the Deed of Variation (including, without limitation, default interest) accruing in respect of those monies, obligations or liabilities.
"Security"	any mortgage, charge (whether fixed or floating, legal or equitable), pledge, lien, assignment by way of security or other security interest securing any obligation of any person, or any other agreement or arrangement having a similar effect.

"Security Period" the period starting on the date of this deed and ending on the date on which the Lender is satisfied that all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full and no further Secured Liabilities are capable of being outstanding.

1.2 Interpretation

In this deed:

- (a) clause and Schedule clause, Schedule and paragraph headings shall not affect the interpretation of this deed;
- (b) a reference to a **person** shall include a reference to an individual, firm, company, corporation, partnership, unincorporated body of persons, government, state or agency of a state or any association;
- (c) unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular;
- (d) unless the context otherwise requires, a reference to one gender shall include a reference to the other genders;
- (e) a reference to a party shall include that party's successors, permitted assigns and permitted transferees;
- (f) a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time;
- (g) a reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision;
- (h) a reference to **writing** or **written** does but not include fax or e-mail;
- (i) an obligation on a party not to do something includes an obligation not to allow that thing to be done;
- (j) a reference to **this deed** (or any provision of it) or to any other agreement or document referred to in this deed is a reference to this deed, that provision or such other agreement or document as amended (in each case, other than in breach of the provisions of this deed) from time to time;
- (k) unless the context otherwise requires, a reference to a clause or Schedule is to a clause of, or Schedule to, this deed and a reference to a paragraph is to a paragraph of the relevant Schedule;
- (l) a reference to an **amendment** includes a novation, re-enactment, supplement or variation (and amended shall be construed accordingly);
- (m) a reference to **assets** includes present and future properties, undertakings, revenues, rights and benefits of every description;
- (n) a reference to an **authorisation** includes an approval, authorisation, consent, exemption, filing, licence, notarisation, registration and resolution;
- (o) a reference to **continuing** in relation to an Event of Default means an Event of Default that has not been remedied or waived;
- (p) a reference to **determines** or **determined** means, unless the contrary is indicated, a determination made at the absolute discretion of the person making it; and

- (q) a reference to a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation.

1.3 Clawback

If the Lender considers that an amount paid by the Borrower in respect of the Secured Liabilities is capable of being avoided or otherwise set aside on the liquidation or administration of the Borrower or otherwise, then that amount shall not be considered to have been irrevocably paid for the purposes of this deed.

1.4 Nature Of Security Over Real Property

A reference in this deed to a charge or mortgage of or over any Property includes:

- (a) all buildings and fixtures and fittings (including trade and tenant's fixtures and fittings) that are situated on or form part of that Property at any time;
- (b) the proceeds of the sale of any part of that Property and any other monies paid or payable in respect of or in connection with that Property;
- (c) the benefit of any covenants for title given, or entered into, by any predecessor in title of the Borrower in respect of that Property, and any monies paid or payable in respect of those covenants; and
- (d) all rights under any licence, agreement for sale or agreement for lease in respect of that Property.

1.5 Law of Property (Miscellaneous Provisions) Act 1989

For the purposes of section 2 of the Law of Property (Miscellaneous Provisions) Act 1989, the terms of the Deed of Variation and of any side letters between any parties in relation to the Deed of Variation are incorporated into this deed.

1.6 Perpetuity Period

If the rule against perpetuities applies to any trust created by this deed, the perpetuity period shall be 125 years (as specified by section 5(1) of the Perpetuities and Accumulations Act 2009).

2. COVENANT TO PAY

The Borrower shall pay to the Lender and discharge the Secured Liabilities when they become due.

3. GRANT OF SECURITY

3.1 Legal Mortgage

- 3.1** As a continuing security for the payment and discharge of the Secured Liabilities, the Borrower with full title guarantee charges to the Lender, by way of legal mortgage, each Property specified in Schedule 1.

3.2 Fixed Charges

As a continuing security for the payment and discharge of the Secured Liabilities, the Borrower with full title guarantee charges to the Lender by way of fixed charge:

- (a) all Properties acquired by the Borrower in the future;

- (b) all present and future interests of the Borrower not effectively mortgaged or charged under the preceding provisions of this clause 3 in, or over, freehold or leasehold property;
- (c) all present and future rights, licences, guarantees, rents, deposits, contracts, covenants and warranties relating to each Property;
- (d) all licences, consents and authorisations (statutory or otherwise) held or required in connection with the Borrower's business or the use of any Secured Asset, and all rights in connection with them;
- (e) all its present and future goodwill and all its uncalled capital;
- (f) all the Equipment;
- (g) all the Intellectual Property;
- (h) all the Book Debts;
- (i) all the Investments;
- (j) all monies from time to time standing to the credit of its accounts with any bank, financial institution or other person; and
- (k) all its rights in each Insurance Policy, including all claims, the proceeds of all claims and all returns of premium in connection with each Insurance Policy.

3.3 Floating Charge

As a continuing security for the payment and discharge of the Secured Liabilities, the Borrower with full title guarantee charges to the Lender, by way of floating charge, all the undertaking, property, assets and rights of the Borrower at any time not effectively mortgaged, charged or assigned pursuant to clauses 3.1 and 3.2 (inclusive).

3.4 Qualifying Floating Charge

Paragraph 14 of Schedule B1 to the Insolvency Act 1986 (as inserted by section 248 of, and Schedule 16 to, the Enterprise Act 2002) applies to the floating charge created by this deed.

3.5 Leasehold Security Restrictions

- (a) Subject to clause 3.5(b), the security created by clause 3 shall not apply to an Excluded Property until the Borrower obtains any relevant consent, or waiver of prohibition, to the creation of security over that Excluded Property.
- (b) In relation to each Excluded Property, the Borrower undertakes to:
 - (i) apply for the relevant consent or waiver of prohibition within five Business Days of the date of this deed, and to use its best endeavours to obtain that consent or waiver of prohibition as soon as possible;
 - (ii) keep the Lender informed of its progress in obtaining that consent or waiver; and
 - (iii) immediately on receipt of the consent or waiver, provide the Lender with a copy of that consent or waiver.
- (c) Immediately on receipt by the Borrower of the relevant consent or waiver, that Excluded Property shall become the subject of a mortgage or charge (as appropriate) pursuant to clause 3.

3.6 Automatic Crystallisation Of Floating Charge

The floating charge created by clause 3.3 shall automatically and immediately (without notice) convert into a fixed charge over the relevant Secured Assets if:

(a) the Borrower:

(iv) creates, or attempts to create, without the prior written consent of the Lender, a Security or a trust in favour of another person over all or any part of the Secured Assets (except as expressly permitted by the terms of this deed or the Deed of Variation); or

(v) disposes, or attempts to dispose of, all or any part of the Secured Assets (other than Secured Assets that are only subject to the floating charge while it remains non crystallised);

(b) any person levies (or attempts to levy) any distress, attachment, execution or other process against all or any part of the Secured Assets; or

(c) a resolution is passed or an order is made for the winding-up, dissolution, administration or re-organisation of the Borrower.

3.7 Crystallisation Of Floating Charge By Notice

The Lender may, in its sole discretion, by written notice to the Borrower, convert the floating charge created under this deed into a fixed charge as regards any part of the Secured Assets specified by the Lender in that notice if an Event of Default occurs and is continuing.

3.8 Assets Acquired after any Floating Charge has Crystallised

Any asset acquired by the Borrower after any crystallisation of the floating charge created under this deed that, but for that crystallisation, would be subject to a floating charge under this deed, shall (unless the Lender confirms otherwise to the Borrower in writing) be charged to the Lender by way of first fixed charge.

4. LIABILITY OF THE BORROWER

4.1 Liability not Discharged

The Borrower's liability under this deed in respect of any of the Secured Liabilities shall not be discharged, prejudiced or affected by:

(a) any security, guarantee, indemnity, remedy or other right held by, or available to, the Lender that is, or becomes, wholly or partially illegal, void or unenforceable on any ground;

(b) the Lender renewing, determining, varying or increasing any facility or other transaction in any manner or concurring in, accepting or varying any compromise, arrangement or settlement, or omitting to claim or enforce payment from any other person; or

(c) any other act or omission that, but for this clause 4.1, might have discharged, or otherwise prejudiced or affected, the liability of the Borrower.

4.2 Immediate Recourse

The Borrower waives any right it may have to require the Lender to enforce any security or other right, or claim any payment from, or otherwise proceed against, any other person before enforcing this deed against the Borrower.

5. COVENANTS

The Borrower covenants with the Lender during the Security Period in the terms set out at Schedule 3.

6. POWERS OF THE LENDER

In addition to any other provision of this deed, the Lender shall have the powers set out in Schedule 4.

7. ENFORCEMENT

7.1 Enforcement Events

This deed shall be enforceable if:

- (a) any of the Secured Liabilities shall not be paid or discharged when the same ought to be paid or discharged by the Borrower (whether on demand or at scheduled maturity or by acceleration or otherwise, as the case may be); or
- (b) the Borrower shall be in breach of any of its obligations under this debenture or under any other agreement between the Borrower and the Lender and that breach (if capable of remedy) has not been remedied to the satisfaction of the Lender within 7 days of notice by the Lender to the Borrower to remedy the breach; or
- (c) the Borrower passes any resolution or takes any corporate action or a petition is presented or proceedings are commenced or any action is taken by any person for its winding-up, dissolution, administration or re-organisation or for the appointment of an Administrator, trustee or similar officer of it or of any or all of its revenues and assets; or
- (d) a distress, execution, attachment or other legal process is levied or enforced upon or sued against all or any part of the assets of the Borrower and remains undischarged for seven days; or
- (e) any event occurs in relation to the Borrower that is analogous to those set out in clause 7.1(c) or clause 7.1(d) or clause 7.1(e); or
- (f) an Event of Default occurs,

and in any such event (whether or not the event is continuing), without prejudice to any other rights of the Lender, the powers of sale under the Law of Property Act 1925 shall immediately be exercisable and the Lender may in its absolute discretion enforce all or any part of the security created by this deed as it sees fit.

7.2 Statutory Powers of Sale

- (a) The power of sale and other powers conferred by section 101 of the LPA 1925 (as varied or extended by this deed) shall, as between the Lender and a purchaser from the Lender, arise on and be exercisable at any time after the execution of this deed, but the Lender shall not exercise such power of sale or other powers until the security constituted by this deed has become enforceable under clause 7.1.
- (b) Section 103 of the LPA 1925 does not apply to the security constituted by this deed.

7.3 Extension of Statutory Powers

The statutory powers of leasing and accepting surrenders conferred on mortgagees under the LPA 1925 and by any other statute are extended so as to authorise the Lender and any Administrator, at any time after the security constituted by this deed has become enforceable, whether in its own name or in that of the Borrower, to:

- (a) grant a lease or agreement to lease;
- (b) accept surrenders of leases; or
- (c) grant any option of the whole or any part of the Secured Assets with whatever rights relating to other parts of it,

whether or not at a premium and containing such covenants on the part of the Borrower, and on such terms and conditions (including the payment of money to a lessee or tenant on a surrender) as the Lender or Administrator thinks fit without the need to comply with any of the restrictions imposed by sections 99 and 100 of the LPA 1925.

7.4 Access on Enforcement

- (a) At any time after the Lender has demanded payment of the Secured Liabilities or if the Borrower defaults in the performance of its obligations under this deed or the Deed of Variation, the Borrower will allow the Lender or its Administrator, without further notice or demand, immediately to exercise all its rights, powers and remedies in particular (and without limitation) to take possession of any Secured Asset and for that purpose to enter on any premises where a Secured Asset is situated (or where the Lender or an Administrator reasonably believes a Secured Asset to be situated) without incurring any liability to the Borrower for, or by any reason of, that entry.
- (b) At all times, the Borrower must use its best endeavours to allow the Lender or its Administrator access to any premises for the purpose of clause 7.4(a) (including obtaining any necessary consents or permits of other persons) and ensure that its employees and officers do the same.

7.5 Prior Security

At any time after the security constituted by this deed has become enforceable, or after any powers conferred by any Security having priority to this deed shall have become exercisable, the Lender may:

- (a) redeem that or any other prior Security;
- (b) procure the transfer of that Security to it; and
- (c) settle and pass any account of the holder of any prior Security.

Any accounts so settled and passed shall be, in the absence of any manifest error, conclusive and binding on the Borrower. All monies paid by the Lender to a beneficiary of any such Security in settlement of any of those accounts shall, as from its payment by the Lender, be due from the Borrower to the Lender on current account and shall bear interest at the default rate of interest specified in the Deed of Variation and be secured as part of the Secured Liabilities.

7.6 Protection of Third Parties

No purchaser, mortgagee or other person dealing with the Lender or any Administrator shall be concerned to enquire:

- (a) whether any of the Secured Liabilities have become due or payable, or remain unpaid or undischarged;
- (b) whether any power the Lender or an Administrator is purporting to exercise has become exercisable or is properly exercisable; or
- (c) how any money paid to the Lender or any Administrator is to be applied.

7.7 Privileges

Each Administrator and the Lender is entitled to all the rights, powers, privileges and immunities conferred by the LPA 1925 on mortgagees and Administrators.

7.8 No Liability as Mortgagee in Possession

Neither the Lender or any Administrator shall be liable to account as mortgagee in possession in respect of all or any of the Secured Assets, nor shall any of them be liable for any loss on realisation of, or for any neglect or default of any nature in connection with, all or any of the Secured Assets for which a mortgagee in possession might be liable as such.

7.9 Conclusive Discharge to Purchasers

The receipt of the Lender or any Administrator shall be a conclusive discharge to a purchaser and, in making any sale or other disposal of any of the Secured Assets or in making any acquisition in the exercise of their respective powers, the Lender, and every Administrator may do so for any consideration, in any manner and on any terms that it or he thinks fit.

8. ADMINISTRATOR

8.1 Appointment

At any time after the security constituted by this deed has become enforceable, or at the request of the Borrower, the Lender may, without further notice, appoint by way of deed, or otherwise in writing, any one or more persons to be an Administrator of all or any part of the Secured Assets.

8.2 Removal

The Lender may, without further notice (subject to section 45 of the Insolvency Act 1986), from time to time, by way of deed, or otherwise in writing, remove any Administrator appointed by it and may, whenever it thinks fit, appoint a new Administrator in the place of any Administrator whose appointment may for any reason have terminated.

8.3 Remuneration

The Lender may fix the remuneration of any Administrator appointed by it without the restrictions contained in section 109 of the LPA 1925, and the remuneration of the Administrator shall be a debt secured by this deed, to the extent not otherwise discharged.

8.4 Power of Appointment Additional to Statutory Powers

The power to appoint a Administrator conferred by this deed shall be in addition to all statutory and other powers of the Lender under the Insolvency Act 1986, the LPA

1925 or otherwise, and shall be exercisable without the restrictions contained in sections 103 and 109 of the LPA 1925 or otherwise.

8.5 Power of Appointment Exercisable Despite Prior Appointments

The power to appoint a Administrator (whether conferred by this deed or by statute) shall be, and remain, exercisable by the Lender despite any prior appointment in respect of all or any part of the Secured Assets.

8.6 Agent of The Borrower

Any Administrator appointed by the Lender under this deed shall be the agent of the Borrower and the Borrower shall be solely responsible for the contracts, engagements, acts, omissions, defaults, losses and remuneration of that Administrator and for liabilities incurred by that Administrator. The agency of each Administrator shall continue until the Borrower goes into liquidation and after that the Administrator shall act as principal and shall not become the agent of the Lender.

9. POWERS OF ADMINISTRATOR

9.1 General

- (a) Any Administrator appointed by the Lender under this deed shall, in addition to the powers conferred on him by statute, have the powers set out in clause 9.1 to clause 9.23.
- (b) If there is more than one Administrator holding office at the same time, each Administrator may (unless the document appointing him states otherwise) exercise all of the powers conferred on an Administrator under this deed individually and to the exclusion of any other Administrator.
- (c) Any exercise by an Administrator of any of the powers given by clause 9 may be on behalf of the Borrower, the directors of the Borrower (in the case of the power contained in clause 9.16) or himself.

9.2 Repair and Develop Properties

An Administrator may undertake or complete any works of repair, building or development on the Properties and may apply for and maintain any planning permission, development consent, building regulation approval or any other permission, consent or licence to carry out any of the same.

9.3 Surrender Leases

An Administrator may grant, or accept surrenders of, any leases or tenancies affecting any Property and may grant any other interest or right over any Property on any terms, and subject to any conditions, that he thinks fit.

9.4 Employ Personnel and Advisors

An Administrator may provide services and employ or engage any managers, officers, servants, contractors, workmen, agents, other personnel and professional advisers on any terms, and subject to any conditions, that he thinks fit. A Administrator may discharge any such person or any such person appointed by the Borrower.

9.5 Make VAT Elections

An Administrator may make, exercise or revoke any value added tax option to tax as he thinks fit.

9.6 Remuneration

An Administrator may charge and receive any sum by way of remuneration (in addition to all costs, charges and expenses incurred by him) that the Lender may prescribe or agree with him.

9.7 Realise Secured Assets

An Administrator may collect and get in the Secured Assets or any part of them in respect of which he is appointed, and make any demands and take any proceedings as may seem expedient for that purpose, and take possession of the Secured Assets with like rights.

9.8 Manage or Reconstruct the Borrower's Business

An Administrator may carry on, manage, develop, reconstruct, amalgamate or diversify or concur in carrying on, managing, developing, reconstructing, amalgamating or diversifying the business of the Borrower.

9.9 Dispose of Secured Assets

An Administrator may sell, exchange, convert into money and realise all or any of the Secured Assets in respect of which he is appointed in any manner (including, without limitation, by public auction or private sale) and generally on any terms and conditions as he thinks fit. Any sale may be for any consideration that the Administrator thinks fit and an Administrator may promote, or concur in promoting, a company to purchase the Secured Assets to be sold.

9.10 Sever Fixtures and Fittings

An Administrator may sever and sell separately any fixtures or fittings from any Property without the consent of the Borrower.

9.11 Sell Book Debts

An Administrator may sell and assign all or any of the Book Debts in respect of which he is appointed in any manner, and generally on any terms and conditions, that he thinks fit.

9.12 Valid Receipts

An Administrator may give valid receipt for all monies and execute all assurances and things that may be proper or desirable for realising any of the Secured Assets.

9.13 Make Settlements

An Administrator may make any arrangement, settlement or compromise between the Borrower and any other person that he may think expedient.

9.14 Bring Proceedings

An Administrator may bring, prosecute, enforce, defend and abandon all actions, suits and proceedings in relation to any of the Secured Assets as he thinks fit.

9.15 Improve The Equipment

An Administrator may make substitutions of, or improvements to, the Equipment as he may think expedient.

9.16 Make Calls On Borrower Members

An Administrator may make calls conditionally or unconditionally on the members of the Borrower in respect of uncalled capital with (for that purpose and for the purpose of enforcing payments of any calls so made) the same powers as are conferred by the articles of association of the Borrower on its directors in respect of calls authorised to be made by them.

9.17 Insure

An Administrator may, if he thinks fit, but without prejudice to the indemnity in clause 12, effect with any insurer any policy of insurance either in lieu or satisfaction of, or in addition to, the insurance required to be maintained by the Borrower under this deed.

9.18 Powers Under the LPA 1925

An Administrator may exercise all powers provided for in the LPA 1925 in the same way as if he had been duly appointed under the LPA 1925, and exercise all powers provided for an Administrator in Schedule 1 to the Insolvency Act 1986.

9.19 Borrow

An Administrator may, for any of the purposes authorised by this clause 9, raise money by borrowing from the Lender (or from any other person) either unsecured or on the security of all or any of the Secured Assets in respect of which he is appointed on any terms that he thinks fit (including, if the Lender consents, terms under which that security ranks in priority to this deed).

9.20 Redeem Prior Security

An Administrator may redeem any prior Security and settle and pass the accounts to which the Security relates. Any accounts so settled and passed shall be, in the absence of any manifest error, conclusive and binding on the Borrower, and the monies so paid shall be deemed to be an expense properly incurred by the Administrator.

9.21 Delegation

An Administrator may delegate his powers in accordance with this deed.

9.22 Absolute Beneficial Owner

An Administrator may, in relation to any of the Secured Assets, exercise all powers, authorisations and rights he would be capable of exercising, and do all those acts and things, as an absolute beneficial owner could exercise or do in the ownership and management of the Secured Assets or any part of the Secured Assets.

9.23 Incidental Powers

An Administrator may do any other acts and things:

- (a) that he may consider desirable or necessary for realising any of the Secured Assets;
- (b) that he may consider incidental or conducive to any of the rights or powers conferred on an Administrator under or by virtue of this deed or law; or
- (c) that he lawfully may or can do as agent for the Borrower.

10. DELEGATION

10.1 Delegation

The Lender or any Administrator may delegate (either generally or specifically) by power of attorney or in any other manner to any person any right, power, authority or discretion conferred on it by this deed (including the power of attorney granted under clause 14.1).

10.2 Terms

The Lender and each Administrator may make a delegation on the terms and conditions (including the power to sub-delegate) that it thinks fit.

10.3 Liability

Neither the Lender nor any Administrator shall be in any way liable or responsible to the Borrower for any loss or liability arising from any act, default, omission or misconduct on the part of any delegate.

11. APPLICATION OF PROCEEDS

11.1 Order of Application of Proceeds

All monies received by the Lender or an Administrator pursuant to this deed, after the security constituted by this deed has become enforceable, shall (subject to the claims of any person having prior rights and by way of variation of the LPA 1925) be applied in the following order of priority:

- (a) in or towards payment of or provision for all costs, charges and expenses incurred by or on behalf of the Lender (and any Administrator, attorney or agent appointed by it) under or in connection with this deed, and of all remuneration due to any Administrator under or in connection with this deed;
- (b) in or towards payment of or provision for the Secured Liabilities in any order and manner that the Lender determines; and
- (c) in payment of the surplus (if any) to the Borrower or other person entitled to it.

11.2 Appropriation

Neither the Lender nor any Administrator shall be bound (whether by virtue of section 109(8) of the LPA 1925, which is varied accordingly, or otherwise) to pay or appropriate any receipt or payment first towards interest rather than principal or otherwise in any particular order between any of the Secured Liabilities.

11.3 Suspense Account

All monies received by the Lender or an Administrator under this deed:

- (a) may, at the discretion of the Lender or an Administrator, be credited to any suspense or securities realised account;
- (b) shall bear interest, if any, at the rate agreed in writing between the Lender and the Borrower; and
- (c) may be held in that account for so long as the Lender or an Administrator thinks fit.

12. COSTS AND INDEMNITY

12.1 Costs

The Borrower shall, within five Business Days of demand, pay to, or reimburse, the Lender and any Administrator, on a full indemnity basis, all costs, charges, expenses, taxes and liabilities of any kind (including, without limitation, legal, printing and out-of-pocket expenses) incurred by the Lender or any Administrator in connection with:

- (a) this deed or the Secured Assets;
- (b) protecting, perfecting, preserving or enforcing (or attempting to do so) any of the Lender's or an Administrator's rights under this deed; or
- (c) taking proceedings for, or recovering, any of the Secured Liabilities, together with interest, which shall accrue and be payable (without the need for any demand for payment being made) from the date on which the relevant cost or expense arose until full discharge of that cost or expense (whether before or after judgment, liquidation, winding up or administration of the Borrower) at the rate and in the manner specified in the Deed of Variation.

12.2 Indemnity

The Borrower shall indemnify the Lender and each Administrator, and their respective employees and agents against all liabilities, costs, expenses, damages and losses (including but not limited to any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal costs (calculated on a full indemnity basis) and all other professional costs and expenses) suffered or incurred by any of them arising out of or in connection with:

- (a) the exercise or purported exercise of any of the rights, powers, authorities or discretions vested in them under this deed or by law in respect of the Secured Assets;
- (b) protecting, perfecting, preserving or enforcing (or attempting to do so) the security constituted by this deed; or
- (c) any default or delay by the Borrower in performing any of its obligations under this deed.

Any past or present employee or agent may enforce the terms of this clause 12.2 subject to and in accordance with the provisions of the Contracts (Rights of Third Parties) Act 1999.

13. FURTHER ASSURANCE

13.1 Further Assurance

The Borrower shall, at its own expense, take whatever action the Lender or any Administrator may reasonably require for:

- (a) creating, perfecting or protecting the security intended to be created by this deed;
- (b) facilitating the realisation of any Secured Asset; or
- (c) facilitating the exercise of any right, power, authority or discretion exercisable by the Lender or any Administrator in respect of any Secured Asset,

including, without limitation (if the Lender or an Administrator thinks it expedient) the execution of any transfer, conveyance, assignment or assurance of all or any of the assets forming part of (or intended to form part of) the Secured Assets (whether to the Lender or to its nominee) and the giving of any notice, order or direction and the making of any registration.

14. POWER OF ATTORNEY

14.1 Appointment of Attorneys

By way of security, the Borrower irrevocably appoints the Lender and every Administrator separately to be the attorney of the Borrower and, in its name, on its behalf and as its act and deed, to execute any documents and do any acts and things that:

- (a) the Borrower is required to execute and do under this deed; or
- (b) any attorney deems proper or desirable in exercising any of the rights, powers, authorities and discretions conferred by this deed or by law on the Lender or any Administrator.

14.2 Ratification of Acts of Attorneys

The Borrower ratifies and confirms, and agrees to ratify and confirm, anything that any of its attorneys may do in the proper and lawful exercise, or purported exercise, of all or any of the rights, powers, authorities and discretions referred to in clause 14.1.

15. RELEASE

Subject to clause 21.3, on the expiry of the Security Period (but not otherwise), the Lender shall, at the request and cost of the Borrower, take whatever action is necessary to:

- (a) release the Secured Assets from the security constituted by this deed; and
- (b) reassign the Secured Assets to the Borrower.

16. ASSIGNMENT AND TRANSFER

16.1 Assignment by Lender

The Lender may not assign or transfer any or all of its rights and obligations under this deed.

16.2 Assignment by Borrower

The Borrower may not assign any of its rights, or transfer any of its rights or obligations, under this deed.

17. AMENDMENTS, WAIVERS AND CONSENTS

17.1 Amendments

No amendment of this deed shall be effective unless it is in writing and signed by, or on behalf of, each party (or its authorised representative).

17.2 Waivers and Consents

(a) A waiver of any right or remedy under this deed or by law, or any consent given under this deed, is only effective if given in writing by the waiving or consenting party and shall not be deemed a waiver of any other breach or default. It only applies in the circumstances for which it is given and shall not prevent the party giving it from subsequently relying on the relevant provision.

(b) A failure to exercise, or a delay in exercising, any right or remedy provided under this deed or by law shall not constitute a waiver of that or any other right or remedy, prevent or restrict any further exercise of that or any other right or remedy or constitute an election to affirm this deed. No single or partial exercise of any right or remedy provided under this deed or by law shall prevent or restrict the further exercise of that or any other right or remedy. No election to affirm this deed by the Lender shall be effective unless it is in writing.

17.3 Rights and Remedies

The rights and remedies provided under this deed are cumulative and are in addition to, and not exclusive of, any rights and remedies provided by law.

18. SEVERANCE

If any provision (or part of a provision) of this deed is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision (or part of a provision) shall be deemed deleted. Any modification to or deletion of a provision (or part of a provision) under this clause shall not affect the legality, validity and enforceability of the rest of this deed.

19. COUNTERPARTS

19.1 This deed may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all the counterparts shall together constitute one deed.

19.2 Transmission of an executed counterpart of this deed (but for the avoidance of doubt not just a signature page) by fax or e-mail (in PDF, JPEG or other agreed format) shall take effect as delivery of an executed counterpart of this deed. If either method of delivery is adopted, without prejudice to the validity of the deed thus made, each party shall provide the others with the original of such counterpart as soon as reasonably possible thereafter.

19.3 No counterpart shall be effective until each party has executed and delivered at least one counterpart.

20. THIRD PARTY RIGHTS

20.1 Except as expressly provided in this deed, a person who is not a party to this deed shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce, or enjoy the benefit of, any term of this deed. This does not affect any right or remedy of a third party which exists, or is available, apart from that Act.

20.2 The rights of the parties to rescind or agree any amendment or waiver under this deed are not subject to the consent of any other person.

21. FURTHER PROVISIONS

21.1 Independent Security

The security constituted by this deed shall be in addition to, and independent of, any other security or guarantee that the Lender may hold for any of the Secured Liabilities at any time. No prior security held by the Lender over the whole or any part of the Secured Assets shall merge in the security created by this deed.

21.2 Continuing Security

The security constituted by this deed shall remain in full force and effect as a continuing security for the Secured Liabilities, despite any settlement of account, or intermediate payment, or other matter or thing, unless and until the Lender discharges this deed in writing.

21.3 Discharge Conditional

Any release, discharge or settlement between the Borrower and the Lender shall be deemed conditional on no payment or security received by the Lender in respect of the Secured Liabilities being avoided, reduced or ordered to be refunded pursuant to any law relating to insolvency, bankruptcy, winding-up, administration, receivership or otherwise. Despite any such release, discharge or settlement:

- (a) the Lender or its nominee may retain this deed and the security created by or pursuant to it, including all certificates and documents relating to the whole or any part of the Secured Assets, for any period that the Lender deems necessary to provide the Lender with security against any such avoidance, reduction or order for refund; and
- (b) the Lender may recover the value or amount of such security or payment from the Borrower subsequently as if the release, discharge or settlement had not occurred.

21.4 Certificates

A certificate or determination by the Lender as to any amount for the time being due to it from the Borrower under this deed shall be, in the absence of any manifest error, conclusive evidence of the amount due.

21.5 Consolidation

The restriction on the right of consolidation contained in section 93 of the LPA 1925 shall not apply to this deed.

22. NOTICES

22.1 Delivery

Any notice or other communication required to be given to a party under or in connection with this deed shall be:

- (a) in writing;
 - (b) delivered by hand, by pre-paid first-class post or other next working day delivery service; and
 - (c) sent to:
 - (vi) the Borrower at:
Globe Arena, Morecambe, Lancashire, LA4 3AD
Attention: The Directors
 - (vii) the Lender at:
174 Bare Lane, Torrisholme, Morecambe, Lancashire, LA4 6RU
- or to any other address or as is notified in writing by one party to the other from time to time.

22.2 Receipt by Borrower

Any notice or other communication that the Lender gives to the Borrower shall be deemed to have been received:

- (a) if delivered by hand, at the time it is left at the relevant address; and
- (b) if posted by pre-paid first-class post or other next working day delivery service, on the second Business Day after posting.

A notice or other communication given as described in clause 22.2(a) on a day that is not a Business Day, or after normal business hours, in the place it is received, shall be deemed to have been received on the next Business Day.

22.3 Receipt by Lender

Any notice or other communication given to the Lender shall be deemed to have been received only on actual receipt.

22.4 Service of Proceedings

This clause 22 does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.

22.5 No Notice by E-Mail

A notice or other communication given under or in connection with this deed is not valid if sent by e-mail.

23. GOVERNING LAW AND JURISDICTION

23.1 This deed and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales.

23.2 Each party irrevocably agrees that, subject as provided below, the courts of England and Wales shall have exclusive jurisdiction over any dispute or claim arising out of or in connection with this deed or its subject matter or formation (including non-contractual disputes or claims). Nothing in this clause shall limit the right of the

Lender to take proceedings against the Borrower in any other court of competent jurisdiction, nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdictions, whether concurrently or not, to the extent permitted by the law of such other jurisdiction.

This agreement has been entered into as a deed on the date stated at the beginning of it.

Schedule 1
Property
Part 1
Registered Property

Part 2
Unregistered Property

**Schedule 2
Permitted Security**

Chargee	Document	Date created	Date Registered	Short Particulars
Barclays Bank plc	Debenture	29th November 1998	7th December 1998	Fixed and Floating Charge over the undertaking and all property and assets, present and future, including goodwill, uncalled capital, buildings, fixtures, fixed plant and machinery
Barclays Bank plc	Legal Charge	30th May 2013	17th June 2013	Fixed Charge over the freehold property known as the land at the Globe Arena, Christie Westgate Way, Morecambe being part of the land comprised in the land registry title number: LAN107232.
Barclays Bank plc	Legal Charge	30th May 2013	17th June 2013	Fixed Charge over the leasehold property known as Globe Arena, Christie, Westgate Way, Morecambe being all of the land comprised in land registry title number: LAN109788.

Peter McGuigan	Debenture	On or around the date hereof	On or around the date hereof	Fixed and Floating charge over the undertaking and all property and assets, present and future, including goodwill, uncalled capital, buildings, fixtures, fixed plant and machinery.
Rodney Harold Taylor	Debenture	On or around the date hereof	On or around the date hereof	Fixed and Floating charge over the undertaking and all property and assets, present and future, including goodwill, uncalled capital, buildings, fixtures, fixed plant and machinery.
Graham Alan Howse	Debenture	On or around the date hereof	On or around the date hereof	Fixed and Floating charge over the undertaking and all property and assets, present and future, including goodwill, uncalled capital, buildings, fixtures, fixed plant and machinery.

Mark Andrew William Dixon	Debenture	On or around the date hereof	On or around the date hereof	Fixed and Floating charge over the undertaking and all property and assets, present and future, including goodwill, uncalled capital, buildings, fixtures, fixed plant and machinery.
Peter Michael Cross	Debenture	On or around the date hereof	On or around the date hereof	Fixed and Floating charge over the undertaking and all property and assets, present and future, including goodwill, uncalled capital, buildings, fixtures, fixed plant and machinery.
Graham Hodgson	Debenture	On or around the date hereof	On or around the date hereof	Fixed and Floating charge over the undertaking and all property and assets, present and future, including goodwill, uncalled capital, buildings, fixtures, fixed plant and machinery.

Bay Business Consultancy Limited	Debenture	On or around the date hereof	On or around the date hereof	Fixed and Floating charge over the undertaking and all property and assets, present and future, including goodwill, uncalled capital, buildings, fixtures, fixed plant and machinery.
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Schedule 3

Covenants

1. TRADING AND PRESERVATION OF SECURED ASSETS

1.1 The Borrower will not, without the Lender's prior written consent:

- (a) permit or create any mortgage, standard security, charge or lien on any Secured Assets;
- (b) sell, assign, transfer, grant options over or otherwise dispose of any of the Secured Assets specified in clause 3.1 or 3.2;
- (c) sell, assign, transfer, grant options over or otherwise dispose of any of the Secured Assets specified in clause 3.3 other than in the ordinary course of business;
- (d) call on, or accept payment of, any uncalled capital;
- (e) deal with its book and other debts, except by collecting them in the ordinary course of its business. In particular, the Borrower will not realise its book and other debts by means of invoice discounting or factoring arrangements;
- (f) grant, or accept a surrender of, any lease or licence of any Property or consent to a tenant assigning or sub-letting; or
- (g) dispose of, part with or share possession or occupation of any Property.

1.2 The Borrower shall:

- (a) carry on its trade and business in accordance with the standards of good management from time to time current in such trade or business on those parts (if any) of the Properties as are, or may be, used for the purposes of trade or business; and
- (b) not do, or permit to be done, any act or thing, which will or might depreciate, jeopardise or otherwise prejudice the security held by the Lender or materially diminish the value of any of the Secured Assets or the effectiveness of the security created by this debenture.

2. STATUTORY COMPLIANCE

The Borrower shall comply with all statutes, byelaws and regulations relating to its trade or business and the whole or any part of the Secured Assets.

3. PROVISION OF INFORMATION

3.1 The Borrower shall:

- (a) promptly provide to the Lender whatever information, documents or papers relating to the Secured Assets as the Lender may from time to time request; and
- (b) inform the Lender promptly of any acquisition by the Borrower of, or contract made by the Borrower to acquire, any freehold, leasehold or other interest in Property.

4. INSURANCE

4.1 The Borrower shall:

- (a) insure and keep insured all of its undertaking and assets with reputable and responsible insurers previously approved by the Lender in such manner and to such extent as is reasonable and customary for an enterprise engaged in the same or similar business and in the same or similar localities against such

risks and contingencies as the Lender shall from time to time request;

(b) procure that the interest of the Lender is noted on all its policies of insurance in such manner as the Lender may in its absolute discretion require; and

(c) duly and punctually pay all premiums and any other monies necessary for maintaining its insurance in full force and effect.

4.2 The Borrower shall apply all monies received by virtue of any insurance of the whole or any part of the Secured Assets:

(a) in making good or in recouping expenditure incurred in making good any loss or damage; or

(b) following the debenture becoming enforceable, if the Lender in its discretion so requires, towards the discharge of the Secured Liabilities.

5. REPAIR

5.1 The Borrower shall:

(a) at all times keep in good and substantial repair and condition all the Secured Assets including, without limitation, all buildings, erections, structures and fixtures and fittings on and in the Property;

(b) keep all Equipment in good repair, working order and condition and fit for its purpose; and

(c) where it is uneconomic to repair any part of the Charged Property, replace such part by another similar asset of equal or greater quality and value.

6. NOTICE OF BREACH

The Borrower shall promptly upon becoming aware of the same give the Lender notice in writing of any breach of any covenant set out in this paragraph 6.

7. TITLE DOCUMENTS

The Borrower shall (if requested by the Lender) deposit with the Lender and the Lender shall during the continuance of this debenture be entitled to hold all deeds and documents of title relating to the Secured Assets which are in the possession or control of the Borrower (and, if not within the possession and/or control of the Borrower, the Borrower undertakes to obtain possession of all such deeds and documents of title).

8. ADDITIONAL REGISTRATION OBLIGATIONS

The Borrower grants and agrees to:

(a) procure as necessary, all consents, waivers, approvals and permissions which are necessary, under the articles of association of any issuer (not being a public company) or otherwise, for the transfer of any shares or other securities comprised within the Secured Assets to the Lender or its nominee or to a purchaser upon enforcement of this debenture; and

(b) procure the amendment of the share transfer provisions of the articles of association of each issuer (not being a public company) in such manner as the Lender may require in order to permit such a transfer.

9. FURTHER ASSURANCE

The Borrower, at its own cost, shall prepare and execute such further legal or other mortgages, charges or transfers (containing a power of sale and such other provisions as the Lender may reasonably require) in favour of the Lender as the Lender shall in its absolute discretion from time to time require over all or any part

of the Secured Assets and give all notices, orders and directions which the Lender may require in its absolute discretion for perfecting, protecting or facilitating the realisation of its security over the Secured Assets.

10. INSPECTION

The Borrower shall permit the Lender and any Administrator and any person appointed by either of them to enter upon and inspect any Property during normal business hours upon reasonable prior notice.

11. BORROWER'S WAIVER OF SET-OFF

The Borrower waives any present or future right of set-off it may have in respect of the Secured Liabilities (including sums payable by the Borrower under this debenture).

Schedule 4
Lender's Powers

1. POWER TO REMEDY

- 1.1 The Lender shall be entitled (but shall not be obliged) to remedy, at any time, a breach by the Borrower of any of its obligations contained in this deed.
- 1.2 The Borrower irrevocably authorises the Lender and its agents to do all things that are necessary or desirable for that purpose.
- 1.3 Any monies expended by the Lender in remedying a breach by the Borrower of its obligations contained in this deed shall be reimbursed by the Borrower to the Lender on a full indemnity basis and shall carry interest in accordance with clause 7.5.

2. EXERCISE OF RIGHTS

- 2.1 The rights of the Lender under clause paragraph 1 are without prejudice to any other rights of the Lender under this deed.
- 2.2 The exercise of any rights of the Lender under this deed shall not make the Lender liable to account as a mortgagee in possession.

3. POWER TO DISPOSE OF CHATTELS

- 3.1 At any time after the security constituted by this deed has become enforceable, the Lender or any Administrator may, as agent for the Borrower, dispose of any chattels or produce found on any Property.
- 3.2 Without prejudice to any obligation to account for the proceeds of any disposal made under clause 3.1, the Borrower shall indemnify the Lender and any Administrator against any liability arising from any disposal made under clause 3.1.

4. LENDER HAS ADMINISTRATOR'S POWERS

To the extent permitted by law, any right, power or discretion conferred by this deed on an Administrator may, after the security constituted by this deed has become enforceable, be exercised by the Lender in relation to any of the Secured Assets whether or not it has taken possession of any Secured Assets and without first appointing an Administrator or notwithstanding the appointment of an Administrator.

5. NEW ACCOUNTS

- 5.1 If the Lender receives, or is deemed to have received, notice of any subsequent Security, or other interest, affecting all or part of the Secured Assets, the Lender may open a new account for the Borrower in the Lender's books. Without prejudice to the Lender's right to combine accounts, no money paid to the credit of the Borrower in any such new account shall be appropriated towards, or have the effect of discharging, any part of the Secured Liabilities.
- 5.2 If the Lender does not open a new account immediately on receipt of the notice, or deemed notice, under clause 5.1, then, unless the Lender gives express written notice to the contrary to the Borrower, all payments made by the Borrower to the Lender shall be treated as having been credited to a new account of the Borrower and not as having been applied in reduction of the Secured Liabilities, as from the time of receipt or deemed receipt of the relevant notice by the Lender.

6. INDULGENCE

The Lender may, at its discretion, grant time or other indulgence, or make any other arrangement, variation or release with any person not being a party to this deed (whether or not any such person is jointly liable with the Borrower) in respect of any

of the Secured Liabilities, or of any other security for them without prejudice either to this deed or to the liability of the Borrower for the Secured Liabilities.

Executed as a deed by
MORECAMBE FOOTBALL CLUB.
LIMITED acting by

a director, in the presence of:

.....
Director

Witness
signature

Name.....

Address.....

.....
Occupation.....

Executed as a deed by **GRAHAM**
HODGSON in the presence of:

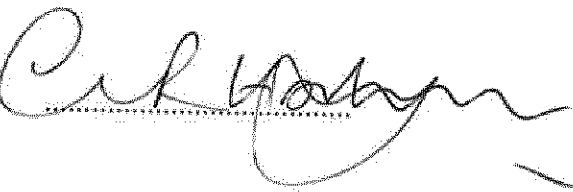
Witness
signature

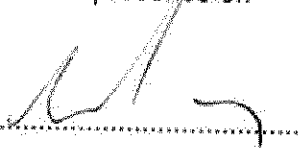
Name CASSA MORA WONG

Address 33 WINDMILL AVENUE

WESTCLIFFE MORECAMBE LANE LULLS


Occupation PA TO THE DIRECTORS





Executed as a deed by **MORECAMBE
FOOTBALL CLUB. LIMITED** acting by
a director, in the presence of:


Director

Witness signature 

Name Toby Greenwood

Address 4 Bare Lane, Bare Village,
Morecambe, LA4 6DE

Occupation Unemployed

Executed as a deed by **GRAHAM
HODGSON** in the presence of:

.....

Witness signature

Name

Address

.....

Occupation