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COMPANIES FORM No. 395

Particulars of a mortgage or charge

395

Please do not
write in
this margin

Pursuant to section 395 of the Companies Act 1985

Please complete
legibly, preferably
in black type, or
bold block lettering* insert full name
of company

To the Registrar of Companies

For official use

Company number

15

1258519

Name of company

* BRIGHTON & HOVE SPORTS AND LEISURE LIMITED ("the Company")

Date of creation of the charge

2nd September 1997

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

composite guarantee and debenture (the "Debenture") dated 2nd September 1997 and made between
The Brighton & Hove Albion Football Club Limited (the "Club") (1), Foray 585 Limited and
the Company (2) and Harry Richard Knight (3)

Amount secured by the mortgage or charge

Please see Attachment No.1

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

Harry Richard Knight ("Mr Knight")

10 Barnsby Square

London

Postcode N1 1JL

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

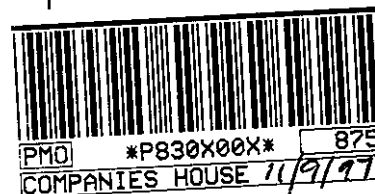
Cameron McKenna
Mitre House
160 Aldersgate Street
London EC1A 4DD

AXH/044910.00001

Time critical reference

For official Use
Mortgage Section

Post room

NOW
PART

Short particulars of all the property mortgaged or charged

Please see Attachment No.2

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 Cameron McKenna

Date 10th September 1997

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

† 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.

FORM M395

Company Number: 1258519

Company Name: Brighton & Hove Sports and Leisure Limited ("the Company")

Debenture

ATTACHMENT NO 1

Amount secured by the mortgage or charge

1. all indebtedness and monies and all obligations and liabilities whatsoever, whether actual or contingent, present or future which was at the time of creation of the Debenture or may thereafter be due owing or incurred by the Club to Mr Knight under or in connection with a loan agreement dated 2nd September 1994 and made between the Club (1) and Mr Knight (2) (the "Loan Agreement") or pursuant to the Debenture (the "Obligations") together with all and any cost (including legal costs), charges, losses, expenses and damages incurred by Mr Knight as a result of any failure by the Club to carry out any of the Obligations or as a result of any of the Obligations being or becoming void, voidable, unenforceable or ineffective for any reason whatsoever;
2. all costs (including legal costs), charges, expenses and damages sustained or incurred in connection with the enforcement or protection or release or proposed release of the security constituted by the Debenture or any guarantee thereunder or the appointment of any receiver, receiver or manager or administrative receiver appointed pursuant to the provisions of the Debenture including any delegate or sub-delegate (the "Receiver"), delegate or sub-delegate thereunder or the pursuit of any rights therein contained or in connection with the Loan Agreement in each case on a full indemnity basis and further covenants to observe, perform, pay and discharge on demand all other obligations and liabilities whether actual or contingent at the time of the Debenture or thereafter due owing or incurred by it under or in connection with the Debenture; and
3. interest on and in respect of the foregoing from day to day until full discharge (whether before or after judgment, liquidation, winding up or administration of the Company at such rate or rates as may from time to time be payable or deemed to be payable and compounded (whether before or after demand or judgment) on such days and each year as Mr Knight shall from time to time fix and in the case of any sum described in paragraph 2 at the rate of 2 per cent over The Co-Operative Bank plc Base Rate from time to time; PROVIDED THAT, in relation to such costs, charges, expenses and damages and other sums as are described in paragraph 2 above interest shall accrue and be payable as from the date on which the same are paid or have become due to Mr Knight, any Receiver, delegate or sub-delegate as therein mentioned or become due to such Receiver, delegate or sub-delegate under the terms of appointment without the necessity for any immediate demand being made for payment thereof provided demand is made within 10 days after there being paid or becoming due.

FORM M395

Company Number: 1258519

Company Name: BRIGHTON & HOVE SPORTS AND LEISURE LIMITED
(the "Company")

Debenture

ATTACHMENT NO 2

Short particulars of all the property mortgaged or charged

- (A) As a continuing security for all the respective liabilities and obligations described above.
- (i) by way of legal mortgage all of the freehold and leasehold property at the time of creation of the Debenture or thereafter from time to time then or in the future vested in the Company and all buildings and fixtures (including trade fixtures and tenant's fixtures) and fixed plant and machinery from time to time therein or thereon and all liens, mortgages, charges, options, agreements and rights, title and interests (whether legal or equitable) of the Company in or over land or the proceeds of sale thereof of whatever description both present and future (the "Legally Mortgaged Property");
 - (ii) by way of fixed equitable charge all estates or interests in any freehold and leasehold property (other than such property effectively mortgaged under sub-clause A(i) above) at the time of creation of the Debenture and at any time during the continuance of the Debenture belonging to or charged to the Company and all licences at the time or creation of the Debenture or thereafter held by the Company to enter upon or use land and the benefit of all other agreements relating to land to which the Company is or may become a party or otherwise entitled and all buildings fixtures (including trade and tenant's fixtures) and fixed plant and machinery owned by the Company and from time to time in or on any freehold or leasehold property an interest in which is charged or mortgaged pursuant to the Debenture and/or the proceeds of sale thereof (the "Equitably Charged Property");
 - (iii) by way of fixed charge all book debts and other monetary debts and claims (including bank deposits and credit balances and the accounts in respect of the same, all rights (and the proceeds of such rights) present or future, actual or contingent, arising under or in connection with any contract whatsoever in which the Company has any right, title or interest and any amounts owing or which may become owing to the Company by way of damages, compensation or otherwise under any judgment or order of any competent authority howsoever arising or by way of settlement or

compromise in any legal proceedings) at the time of creation of the Debenture or from time to time due or owing to the Company (and the proceeds thereof) and the benefit of all rights relating thereto including (without prejudice to the generality of the foregoing) things in action which give rise or may give rise to a debt or debts and including all right, title and interest of the Company to and in any negotiable instruments, legal and equitable charges, reservation of proprietary rights, rights of tracing, unpaid vendor's liens and similar and associated rights and policies of insurance and the proceeds thereof ("the Book and other Debts");

- (iv) by way of fixed charge all stocks, shares, bonds, certificates of deposit, depository receipts, derivatives and/or other securities legally and/or beneficially owned by or in which the Company or any nominee is howsoever interested and all rights in respect of or incidental thereto (including without limitation, those described in clause 8.1.1 of the Debenture (as detailed below)) including without limitations all dividends, benefits, property, rights, accretions, moneys, advantages, credits, rebates, refunds including those in respect of any tax, duties, imposts or charged and other distributions paid or payable in respect thereof whether by way of conversions, bonus, capitalisation, preference, option, redemption or otherwise (the "Securities") including, without limitation, all bills of exchange, promissory notes, negotiable instruments, debentures, loan capital indebtedness or liabilities on any account or in any manner owing to the Company. Clause 8.8.1 of the Debenture states that the Securities include all dividends (which shall include any credits, rebates or refunds in respect of any taxes, duties imposts or charges imposed upon the same at any time from time to time), interest or other distributions thereafter paid on the Securities and all rights, benefits, monies, property or other advantages, accruing, issued or offered at any time (by way of rights, redemption, bonus, preference, option or otherwise) to or in respect of such Securities and the Company undertakes to lodge with Mr Knight all documents thereafter received by the Company in relation to any such right, monies or property;
- (v) by way of fixed charge the uncalled capital and goodwill, both present and future, of the Company and all licences, patents, patent applications, trademarks, service marks, copyrights, rights in the nature of copyright, registered designs, know-how, design rights, brand names, inventions, formulas, confidential information, computer software programmes, computer systems, the benefit of pending applications and all the benefits thereof (including, without limitation, royalties and profits arising therefrom) and all other intellectual property rights arising at the time of creation of the Debenture or at any time during the continuance of the security, whether registered or unregistered in all or any part of the world, in which the Company is legally beneficially or otherwise interested (the "Goodwill and Intellectual Property");
- (vi) by way of fixed charge all amounts realised upon the enforcement or execution of any order of the court under Sections 238, 239 or 244 of the Insolvency Act 1986; and

- (vii) by way of floating charge its undertaking and all its other property, assets and rights whatsoever and wheresoever present or future including, without limitation, heritable property and all other assets situate in Scotland, the stock in trade of the Company and the property, assets and rights mortgaged or charged under paragraph A(i) to A(vi) (inclusive) above if and in so far as the mortgage or charges thereon therein contained shall for any reason be ineffective as fixed charges or security or in the case of the charges contained at paragraph A(iii) above shall be released pursuant to the operation of clause 7.1 of the Debenture (all such property assets and rights thereafter called the "Property charged by way of Floating Charge" and together with the Legally Mortgaged Property, the Equitably Charged Property, the Book and other Debts, the Securities, the Goodwill and Intellectual Property and all other property thereby mortgaged or charged collectively called the "Charged Property" which expression shall be taken to refer to the real and/or the personal in incorporeal property thereby mortgaged or charged as the context may require or admits).

NB: The Debenture contains provisions in clause 4.1 whereby the Company covenants and agrees:

- (i) that it will not, without the consent in writing of Mr Knight create or attempt to create or permit to subsist or arise any mortgage, charge, pledge, lien, encumbrance, assignment by way of security, hypothecation, conditional sale or other title retention agreement or other security interest whatsoever, howsoever created or arising, on or affecting the Charged Property or any part thereof or any interest therein other than:-
- (a) any title transfer or retention arrangement imposed on the Company in relation to its purchases of goods, products or supplies in the ordinary course of business;
 - (b) any lien or right of set-off arising by operation of law or in the ordinary course of business;
 - (c) any encumbrance arising in the ordinary course of payment netting arrangements and other usual ordinary course of business banking transactions;
 - (d) any encumbrance arising over goods and the documents of title in relation thereto in the ordinary course of trade related letter of credit transactions;
- (ii) that it will not, without the consent in writing of Mr Knight sell, assign, license, sub-license, discount, factor or otherwise dispose of, or deal in any other way with, the Charged Property (other than the Property charged byway of Floating Charge) provided that for the avoidance of doubt this sub-clause shall not prevent the Company without such consent collecting proceeds of the book and other debts, monetary claims and chooses in action forming part of the Charged Property in the ordinary course of the Company's business, but the Company shall not without the consent in writing of Mr Knight transfer, sell or otherwise dispose of the whole or any material part of the Property charged by way of Floating Charge

whether by a single transaction or a number of transactions whether related or not except by way of sale at full value in the usual course of trading as transacted at the date thereof; and

NB: The Debenture also contains the following provisions:

- (a) With reference to the Property charged by way of Floating Charge:
 - (i) Mr Knight may (either before or after demand has been made by Mr Knight for payment of any moneys thereby secured) by notice to the Company convert the floating charge into a specific charge with immediate effect as regards any assets specified in the notice which Mr Knight shall consider to be in danger of being seized or sold under any form of distress or execution levied or threatened and may appoint a receiver thereof; and
 - (ii) notwithstanding anything thereafter contained, if the Company mortgages, charges, pledges, hypothecates or otherwise encumbrances in any way the Charged Property, or attempts to do so, without the prior written consent in writing of Mr Knight or as otherwise provided pursuant to clause 4.1 of the Debenture as mentioned above, or if any person levies or attempts to levy any distress execution or sequestration or other process against any of the Charged Property, the floating charge shall automatically without the need for notice operate as a fixed charge the moment any such event occurs.
- (b) The Company shall at any time when required by Mr Knight execute or create at the cost of the Company such further legal or other mortgages fixed or floating charges or assignments or other security interests whatsoever in favour of Mr Knight as Mr Knight shall from time to time require over all or any of the Charged Property both present and future including but not limited to all the freehold, leasehold and eligible properties from time to time of the Company the Securities and the Book and other Debts of the Company and all rights and remedies relating thereto both present and future (including any vendor's lien) reasonably required to secure all moneys, obligations and liabilities thereby covenanted to be paid or otherwise thereby secured and to give notice to such parties as Mr Knight may require of the charges thereby affected and such further mortgages, charges, assignments or security interest and shall take such other steps as Mr Knight may require to perfect any of the same. Such further mortgages, charges, assignments or security interests shall be supplemental thereto, subject to the like rights and powers as are thereby conferred upon Mr Knight in addition to and not in substitution for security thereby created.



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 01258519

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A COMPOSITE GUARANTEE AND DEBENTURE DATED THE 2nd SEPTEMBER 1997 AND CREATED BY BRIGHTON & HOVE SPORTS AND LEISURE LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY AND/OR ALL OR ANY OF THE OTHER COMPANIES NAMED THEREIN TO ROBERT LEONARD PINNOCK ON ANY ACCOUNT WHATSOEVER UNDER OR IN CONNECTION WITH A LOAN AGREEMENT OF EVEN DATE AND THE DEBENTURE WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 11th SEPTEMBER 1997.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 22nd SEPTEMBER 1997 .

M. Cornelius
M. CORNELIUS

for the Registrar of Companies



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

Post
24/9
DP