



Registration of a Charge

Company name: **LA LEISURE LIMITED**

Company number: **01728962**



X3B8UGS0

Received for Electronic Filing: **02/07/2014**

Details of Charge

Date of creation: **26/06/2014**

Charge code: **0172 8962 0032**

Persons entitled: **THE ROYAL BANK OF SCOTLAND (AS SECURITY TRUSTEE)**

Brief description: **ALL THE PROPERTY OF THE COMPANY WHATSOEVER AND WHERESOVER BOTH PRESENT AND FUTURE, INCLUDING: 1. ALL THE LANDS AND PREMISES COMPRISED IN AN INDENTURE OF SUB-LEASE DATED 25 SEPTEMBER 2002 MADE BETWEEN LA FITNESS LIMITED (FORMERLY CALLED LA FITNESS PLC) AND LA LEISURE LIMITED BEING LANDS AND PREMISES AT 22 ADELAIDE STREET, BELFAST, CO. ANTRIM; AND 2. ALL THE LANDS AND PREMISES COMPRISED IN FOLIOS DN102644L CO. DOWN BEING THE LANDS AND PREMISES COMPRISED IN AN INDENTURE OF LEASE DATED 7 NOVEMBER 2002 MADE BETWEEN LA FITNESS PLC AND LA LEISURE LIMITED, COMPRISING A HOTEL FITNESS CENTRE AT SHAWS BRIDGE BELFAST; AND 3. ALL THE LANDS AND PREMISES COMPRISED IN FOLIO AR96420L CO ARMAGH BEING THE LANDS AND PREMISES COMPRISED IN AN INDENTURE OF LEASE DATED 19 SEPTEMBER 2003 MADE BETWEEN ARMAGH CITY HOTEL LIMITED LA LEISURE LIMITED AND LA FITNESS PLC BEING LANDS AND PREMISES AT ARMAGH CITY HOTEL, FRIARY ROAD, ARMAGH, CO. ARMAGH.**

Contains fixed charge(s).

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

Contains negative pledge.

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 SAVE FOR MATERIAL REDACTED PURSUANT TO S.859G OF THE COMPANIES ACT 2006 THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **A&L GOODBODY**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 1728962

Charge code: 0172 8962 0032

The Registrar of Companies for England and Wales hereby certifies that a charge dated 26th June 2014 and created by LA LEISURE LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 2nd July 2014 .

Given at Companies House, Cardiff on 2nd 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 26 June 2014

Execution Version

The Chargers listed in Schedule 1

and

The Royal Bank of Scotland plc
(the Security Trustee)

DEBENTURE

THIS DEBENTURE IS SUBJECT TO THE TERMS OF THE INTERCREDITOR AGREEMENT

I certify that, save for material redacted pursuant to s.859G of the Companies Act 2006, this copy instrument is a correct copy of the original instrument.

Dated this 1 day of July 2014

A&L Goodbody
A&L Goodbody Northern Ireland
6th Floor, 42-46 Fountain Street, Belfast, BT1 5EF

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Debenture

Dated 26 June 2014

Between

- (1) THE COMPANIES listed in Schedule 1 (*The Chargors*) (each a **Chargor** and together the **Chargors**);
- (2) The Royal Bank of Scotland plc of 280 Bishopsgate, London EC2M 4RB as trustee for the Finance Parties (the **Security Trustee**).

Recitals

- A. The Finance Parties have agreed to make credit facilities available on the terms of the Facility Agreements.
- B. The Chargors have agreed to provide Security to the Security Trustee (as trustee for the Secured Parties) to secure the payment and discharge of the Secured Liabilities.

This deed witnesses

1. DEFINITIONS AND INTERPRETATION

1.1. Definitions

Words and expressions defined in the Intercreditor Agreement shall have the same meanings in this Debenture unless they are expressly defined in it and, in addition, in this Debenture:

Act means the Conveyancing and Law of Property Act 1881.

Account means a Current Account, a Capital Reserve Account, a Holding Account or a Mandatory Prepayment Account.

Assigned Agreements means the Hedging Agreements, the Intra-Group Loan Agreements and the Key-Man Policy.

Bidco means MOP Acquisitions (LAF) Limited, a company incorporated under the laws of England and Wales with registered number 5384582;

Bidco Intra-Group Loan Agreement means the loan agreement in the agreed form between Bidco and certain other members of the Group pursuant to which those members of the Group will make loans to each other and Bidco.

Book Debts means, in relation to a Chargor, all its book debts arising in the ordinary course of trading.

Chargor means each company listed in Schedule 1 (*The Chargors*) and each other company which grants Security over its assets in favour of the Security Trustee by executing a Security Accession Deed in accordance with Clause 21 (Additional Chargors).

Criminal Damage Claim means a claim made by or on behalf of a Chargor under the Criminal Damage Order in relation to damage caused to the Land located in Northern Ireland after the date hereof;

Criminal Damage Order means the Criminal Damage (Compensation) (Northern Ireland) Order 1977 (as amended) (or any statutory successor scheme for the compensation of criminal damage to property for the time being in force);

Current Account means each account of the Chargors set out in schedule 6 (*Current Accounts*).

Default means any event or circumstance which would (with the expiry of a grace period, the giving of notice or the making of any determination under the Finance Documents or any combination of any of the foregoing) be an Event of Default.

Default Rate means the rate of interest specified in, and calculated in accordance with, clause 13.4 (*Default Interest*) of the Senior Facility Agreement.

Distribution Rights means all allotments, accretions, offers, options, rights, bonuses, benefits and advantages, whether by way of conversion, redemption, preference, option or otherwise which at any time accrue to or are offered or arise in respect of any Investments or Shares, and includes all dividends, interest and other distributions paid or payable on or in respect of them.

Event of Default has the meaning given to the term Event of Default in the Facility Agreement.

Facility Agreement means each of the Senior Facility Agreement and the Mezzanine Facility Agreement.

Insurance means, in relation to a Chargor, each contract or policy of insurance (other than in relation to third party liabilities (which shall include reference to employees and directors/officers liabilities) or consequential loss policies) to which that Chargor is a party or in which it has an interest.

Intellectual Property Rights means:

- (a) any patents, petty patents, trade marks, service marks, trade names, domain names, rights in designs, software rights, utility models, database rights, copyrights, rights in the nature of copyright, and all other forms of intellectual or industrial property;
- (b) any rights in or to inventions, formulae, confidential or secret processes and information, know-how and similar rights, goodwill and any other rights and assets of a similar nature; and
- (c) any application to register or protect, any of the items listed in paragraphs (a) or (b) above,

arising or subsisting in any jurisdiction and whether registered or not.

Intercreditor Agreement means the intercreditor agreement originally dated 6th May 2005 and made between Bidco, The Royal Bank of Scotland plc as Security Trustee, The Royal Bank of Scotland plc as senior agent, Lloyds TSB Bank plc as mezzanine agent, the Senior Lenders, the Ancillary Lender, the Hedge Counterparties, the Mezzanine Lenders (as defined in the Intercreditor Agreement), the Original Investors (as defined in the Facility Agreement), the Mezzanine Borrowers (as defined in the Intercreditor Agreement) and certain others and as amended and restated from time to time.

Intra-Group Loan means a loan made under an Intra-Group Loan Agreement.

Intra-Group Loan Agreement means an agreement under which a Group Company has or will make available a facility to another Group Company (and includes the Bidco Intra-Group Loan Agreement).

Investments means all or any stocks, shares (other than any Shares), bonds and securities of any kind (marketable or otherwise), negotiable instruments and warrants and any other financial instruments (as defined in the Regulations).

Land has the same meaning as it has in section 2 of the Act.

Material Trade Mark Application means each application for the United Kingdom registration of a Material Trade Mark.

Material Trade Mark means any Trade Mark identified as such in a Security Accession Deed or any other Trade Mark which is material in the context of the business or trading of a Chargor.

Mezzanine Facility Agreement means the mezzanine facility agreement dated 6th May 2005 and made between Bidco as original borrower and as original guarantor, Lloyds TSB Bank plc as the mezzanine agent, The Royal Bank of Scotland plc, Calyon and Lloyds TSB Bank plc as mandated lead arrangers, The Royal Bank of Scotland plc as security trustee and the persons named in that mezzanine facility agreement as Lenders or any loan agreement entered into between Bidco, the relevant lenders and the relevant agent in connection with a Permitted Mezzanine Refinancing.

Non Trading Debts means all debts and moneys due or payable to a Chargor except for Book Debts and those referred to in Clause 3.7 (*Accounts held with Finance Parties*) and Clause 3.13 (*Accounts held with third parties*).

Plant and Machinery means, in relation to a Chargor, all its fixed and moveable plant, machinery, tools, vehicles, computers and office and other equipment and the benefit of all related Authorisations, agreements and warranties.

Receiver means a receiver appointed pursuant to this Debenture or to any applicable law, whether alone or jointly, and includes a receiver and/or manager and, if the Security Trustee is permitted by law to appoint an administrative receiver, includes also an administrative receiver.

Regulations means the Financial Collateral Arrangements (No 2) Regulations 2003 (S.I. 2003/3226) or equivalent legislation in any applicable jurisdiction bringing into effect Directive 2002/47/EC on financial collateral arrangements, and **Regulation** means any of them.

Secured Liabilities means the liabilities of the Obligor to the Finance Parties under or pursuant to the Finance Documents except for any liabilities which, if secured by this Debenture, would result in a contravention by a Chargor of sections 678-680 of the Companies Act 2006.

Security Accession Deed means a deed executed by an Obligor substantially in the form set out in schedule 8 (*Form of Security Accession Deed*), with those amendments which the Security Trustee may approve or reasonably require.

Security Assets means, in relation to a Chargor, all of its assets which are the subject of any Security created or to be created by this Debenture.

Senior Facility Agreement means the senior facility agreement dated 6th May 2005 and made between Bidco as original borrower and as original guarantor, the Security Trustee and the other Finance Parties (as defined in that agreement).

Shares means all shares held by a Chargor in its Subsidiaries.

Trade Mark means each United Kingdom registered trade mark registered in the name of that Chargor.

Trade Mark Chargor means a Chargor that owns Trade Mark Property.

Trade Mark Property means:

- (a) all Material Trade Marks;
- (b) all Material Trade Mark Applications;
- (c) any goodwill associated with any Material Trade Mark; and
- (d) any other right which may arise from, relate to, or be associated with any Material Trade Mark or Material Trade Mark Application or, in either case, its use in a Chargor's business.

1.2. Construction

- 1.2.1. The principles of construction set out in clause 1.2 (*Construction*) of the Intercreditor Agreement shall apply to this Debenture, insofar as they are relevant to it, as they apply to the Intercreditor Agreement.
- 1.2.2. Unless a contrary intention appears, any reference in this Debenture to:
- (a) this **Debenture** is a reference to this Debenture as amended, varied, novated, supplemented and replaced from time to time;
 - (b) a **Chargor**, the **Security Trustee** or any other **Finance Party** or a **Receiver** includes any one or more of its assigns, transferees and successors in title (in the case of a Chargor, so far as any such is permitted); and
 - (c) the **Security Trustee** or any other **Finance Party** or a **Receiver** (except for the references in Clause 17 (*Power of attorney*)), includes its duly appointed nominees, attorneys, correspondents, trustees, advisers, agents, delegates and sub-delegates.
- 1.2.3. The liabilities of the Chargors under this Debenture are joint and several.

1.3. Third party rights

- 1.3.1. Each Finance Party, any Receiver and their respective officers, employees and agents may enforce any term of this Debenture which purports to confer a benefit on that person, but no other person who is not a party to this Debenture has any right under the Contracts (Rights of Third Parties) Act 1999 (the **Third Parties Act**) to enforce or to enjoy the benefit of any term of this Debenture.
- 1.3.2. Notwithstanding any term of any Finance Document, the parties to this Debenture and any Receiver may rescind, vary, waive, release, assign, novate or otherwise dispose of all or any of their respective rights or obligations under this Debenture without the consent of any person who is not a party to this Debenture.

1.4. Effect as a deed

This Debenture shall take effect as a deed even if it is signed under hand on behalf of the Security Trustee.

2. COVENANT TO PAY

The Chargors covenant with the Security Trustee and the other Finance Parties that they will on demand pay and discharge the Secured Liabilities when due.

3. CREATION OF SECURITY

3.1. Land

- 3.1.1. Each Chargor, subject to Clause 7.2.4:

- (1) **HEREBY GRANTS, AND CONVEYS**, unto the Security Trustee (for the benefit of itself and the other Secured Parties) **ALL THAT AND THOSE** the Land referred to opposite its name in schedule 2, Part 1 (*Unregistered Freehold Land*) **TO HOLD** the same unto the Security Trustee in fee simple subject to the proviso for redemption contained in this Debenture;
- (2) **HEREBY DEMISES** unto the Security Trustee (for the benefit of itself and the other Secured Parties) **ALL THAT AND THOSE** the Land referred to opposite its name in schedule 2, Part 2 (*Unregistered Leasehold Land*) **TO HOLD** the same unto the

Security Trustee for the residues of the respective terms of years for which the Chargor now holds the same less the last three days thereof of each such term the subject to the proviso for redemption contained in this Debenture;

- (3) As registered owner or as the person entitled to be registered as owner **HEREBY CHARGES** all Land referred to opposite its name in schedule 2, Part 3 (*Registered Land*) the ownership of which is registered in the Land Registry of Northern Ireland or is required to be so registered pursuant to the Land Registration (Northern Ireland) Act 1970 and **HEREBY ASSENTS** to the registration of the charge as a burden on the relevant folio(s).

- (d) subject to Clause 7.2.4, by way of fixed charge any right, title or interest which it has now or may subsequently acquire to or in any other Land.

- 3.1.2. Each Chargor **HEREBY DECLARES** that in respect of all Land referred to in Clauses 3.1.1(1) and 3.1.1(2) it will stand possessed of the reversion or respective reversions hereby reserved of the term or several terms of years for which the same are held **IN TRUST** for the Security Trustee (subject to any equity of redemption subsisting under this Debenture) and will dispose of the same as the Security Trustee may reasonably direct and **HEREBY AUTHORISES** the Security Trustee to appoint a new trustee or trustees of such reversion or respective reversions in place of the relevant Chargor or any trustee or trustees appointed under this power as if it, he, she or they were incapable of acting in the trusts hereby declared and the relevant Chargor **HEREBY IRREVOCABLY APPOINTS** the Security Trustee the attorney of such Chargor to assign the said reversion or respective reversions in the name of such Chargor and on its behalf to the Security Trustee or as it may direct subject to such equity of redemption (if any), as may for the time being be subsisting as aforesaid and to execute and do all deeds, documents and acts reasonably necessary or proper for that purpose.

3.2. Shares

Each Chargor mortgages or (if or to the extent that this Debenture does not take effect as a mortgage) charges by way of fixed charge:

- (a) all Shares; and
- (b) all related Distribution Rights.

3.3. Investments

Each Chargor mortgages or (if and to the extent that this Debenture does not take effect as a mortgage) charges by way of fixed charge:

- (a) all Investments; and
 - (b) all related Distribution Rights,
- including those held for it by any nominee.

3.4. Plant and Machinery

Each Chargor charges by way of fixed charge all Plant and Machinery in so far as it is not charged by way of mortgage under Clause 3.1 (*Land*).

3.5. Book Debts

Each Chargor charges by way of fixed charge:

- (a) all Book Debts; and

- (b) all benefits, rights and Security held in respect of, or to secure the payment of, the Book Debts.

3.6. Non Trading Debts

Each Chargor charges by way of fixed charge:

- (a) all Non Trading Debts; and
- (b) all benefits, rights and Security held in respect of, or to secure the payment of, the Non Trading Debts.

3.7. Accounts held with Finance Parties

3.7.1. Each Chargor charges by way of fixed charge all amounts standing to the credit of:

- (a) each Account held with the Security Trustee and each other Finance Party; and
- (b) any other account in its name held with the Security Trustee and each other Finance Party or to which it is beneficially entitled.

3.7.2. Regardless of the terms on which moneys are credited to any account in the name of a Chargor held with any Finance Party, no amount standing to the credit of that account will be or accrue due or payable to that Chargor until:

- (a) the Secured Liabilities have been paid and discharged in full; and
- (b) no Finance Party is under any obligation to make banking or other facilities available to any Chargor,

and until that time the relevant Chargor shall not request, demand or claim to be entitled to withdraw any amount from the account except (without prejudice to the Finance Parties' rights under this Debenture) as the Security Trustee may in its absolute discretion from time to time permit.

3.7.3. The Security Trustee agrees, subject to Clause 3.7.4, to permit the relevant Chargor who is an account holder in respect of each Current Account full access to balances credited to such Current Account to be applied in the ordinary course of business.

3.7.4. The Security Trustee may at any time by notice to the relevant Chargor terminate or limit the permission set out in Clause 3.7.3.

3.7.5. The relevant Chargor shall be entitled to apply sums standing to the credit of a Mandatory Prepayment Account, a Holding Account and a Capital Reserve Account for the purposes and as expressly permitted under the terms of the Facility Agreement.

3.8. Intellectual Property Rights

Each Chargor charges by way of fixed charge all Intellectual Property Rights, including, where a Chargor is a Trade Mark Chargor:

- (a) the Trade Mark Property which belongs to it now or at any time during the Security Period; and
- (b) all fees, royalties and other rights of every kind deriving from the Trade Mark Property.

3.9. Goodwill

Each Chargor charges by way of fixed charge its goodwill.

3.10. Uncalled capital

Each Chargor charges by way of fixed charge its uncalled capital.

3.11. Authorisations

Each Chargor charges by way of fixed charge the benefit of all Authorisations held by it in relation to any Security Asset.

3.12. Assigned Agreements

3.12.1. Each Chargor assigns absolutely all its rights and interests under the Assigned Agreements to which it is party.

3.12.2. Until an Enforcement Event occurs, but subject to Clause 7.6 (*Assigned Agreements and Insurances*), the relevant Chargor may continue to deal with the counterparties to the relevant Assigned Agreements.

3.13. Accounts held with third parties

On or immediately following the transfer of all bank accounts and transmission banking business in accordance with Clause 26.30 and Clause 26.31 of the Facility Agreement each Chargor assigns absolutely or (if and to the extent that the assignment is not effective) charges by way of fixed charge all amounts from time to time standing to the credit of each account (including any Account) held with a party, other than a Finance Party, in its name or to which it is beneficially entitled.

3.14. Insurances

3.14.1. Each Chargor assigns absolutely all its rights and interests in the Insurances.

3.14.2. Until an Enforcement Event occurs and subject to Clause 7.6 (*Assigned Agreements and Insurances*), the Chargors may continue to deal with the counterparties to the Insurances.

3.15. Contractual rights

Each Chargor charges by way of fixed charge all its rights under any agreement to which it is a party other than the Assigned Agreements which are effectively assigned by Clause 3.12 (*Assigned Agreements*).

3.16. Criminal Damage

Each Chargor charges and assigns absolutely all its rights, title and interests in any Criminal Damage Claim and any proceeds in respect of the same.

3.17. Other assets

3.17.1. Each Chargor charges by way of floating charge all its present and future business, undertaking and assets which are not effectively mortgaged, charged by way of fixed charge or assigned under this Clause 3.

3.17.2. Paragraph 15 of Schedule B1 to the Insolvency (Northern Ireland) Order 1989 shall apply to any floating charge created by this Debenture.

3.18. Trust

3.18.1. Subject to Clause 3.18.2, if or to the extent that for any reason the assignment or charging of any Security Asset is prohibited, the relevant Chargor holds it on trust for the Security Trustee.

3.18.2. If the reason referred to in Clause 3.18.1 is that:

- (a) a consent, waiver or amendment must be obtained; or
- (b) a condition must be satisfied,

then:

- (i) subject to Clause 3.18.3, the Chargor shall apply for the consent, waiver or amendment; and
 - (ii) the Chargor shall use all reasonable endeavours to satisfy the condition,
- in each case as soon as practicable.

3.18.3. Where the consent or waiver is not to be unreasonably withheld, the Chargor shall:

- (a) use all reasonable endeavours to obtain it as soon as possible; and
- (b) when requested by the Security Trustee, keep the Security Trustee informed of the progress of the negotiations to obtain it,

provided that compliance with paragraph (a) shall not require the relevant Chargor to incur excessive expenditure or time relative to the value of the relevant Security Asset to the business, trading, prospects or financial business of the Group as a whole.

3.18.4. On the waiver or consent being obtained, or the condition being satisfied, the Security Asset shall be mortgaged, charged or assigned (as appropriate) under this Clause 3 and the trust referred to in Clause 3.18.1 shall terminate.

4. NATURE OF SECURITY CREATED

The Security created under this Debenture is created:

- (a) as a continuing security to secure the payment and discharge of the Secured Liabilities;
- (b) (except in the case of assets which are the subject of a legal mortgage under this Debenture) over all present and future assets of the kind described which are owned by the relevant Chargor and, to the extent that it does not own those assets, shall extend to any right or interest which it may have in them;
- (c) in favour of the Security Trustee as trustee for the Finance Parties; and
- (d) by each Chargor as legal and beneficial owner.

5. CONVERSION OF FLOATING CHARGE

5.1. Conversion on notice

Subject to Clause 5.2 (*Limitation*), the Security Trustee may by notice to a Chargor at any time during the Security Period convert the floating charge created by that Chargor under this Debenture into a fixed charge in respect of any Security Asset specified in that notice if:

- (a) an Enforcement Event is continuing; or
- (b) the Security Trustee (acting reasonably) considers that Security Asset to be in danger of being seized, attached, charged, taken possession of or sold under any form of distress, sequestration, execution or other process or otherwise to be in jeopardy.

5.2. Limitation

Clause 5.1 (*Conversion on notice*) shall not apply by reason only of a moratorium being obtained, or anything being done with a view to a moratorium being obtained, under article 14A of the Insolvency (Northern Ireland) Order 1989.

5.3. Automatic conversion

The floating charge created by a Chargor under this Debenture will convert automatically into fixed charges:

- (a) if the Security Trustee receives notice of an intention to appoint an administrator of that Chargor;
- (b) if any steps are taken, (including the presentation of a petition, the passing of a resolution or the making of an application) to appoint a liquidator, provisional liquidator, administrator or Receiver in respect of that Chargor over all or any part of its assets, or if such person is appointed;
- (c) if that Chargor creates or attempts to create Security over all or any of the Security Assets, other than Permitted Security;
- (d) on the crystallisation of any other floating charge over the Security Assets;
- (e) if any person seizes, attaches, charges, takes possession of or sells any Security Asset under any form of distress, sequestration, execution or other process, or attempts to do so; and
- (f) in any other circumstances prescribed by law.

6. REPRESENTATIONS AND WARRANTIES

6.1. General

The Security Trustee has entered into this Debenture in reliance on the representations of each Chargor set out in this Clause 6, and each Chargor or, in the case of Clause 6.3 (*Material Trade Marks*), each Trade Mark Chargor warrants to the Security Trustee on the date of this Debenture, as set out in this Clause 6.

6.2. Shares

All of the Shares and, to the extent applicable, all Investments are fully paid.

6.3. Material Trade Marks

It is the legal, beneficial and registered owner of each Material Trade Mark.

6.4. Repetition

The representations and warranties set out in this Clause 6 shall survive the execution of this Debenture and are deemed to be repeated by reference to the facts and circumstances then existing on each date on which the Repeating Representations are deemed to be repeated.

7. POSITIVE COVENANTS

The covenants in this Clause 7 remain in force from the date of this Debenture until the expiry of the Security Period.

7.1. Preservation of the Security Assets

Each Chargor shall:

- (a) keep all Land, all Plant and Machinery and all other tangible assets which form part of the Security Assets in good and substantial repair, fair wear and tear excepted and permit the Security Trustee free access at all reasonable times and on reasonable notice to view their state and condition;
- (b) preserve, maintain and renew as and when necessary all Intellectual Property Rights which form part of the Security Assets;
- (c) at its own cost, defend any proceedings (including proceedings to seize, attach, charge, take possession of or sell) brought by a third party relating to any Security Asset.

7.2. Land

7.2.1. Each Chargor shall promptly notify the Security Trustee in writing if it:

- (a) intends to acquire any estate or interest in Land; or
- (b) acquires any estate or interest in Land.

7.2.2. Each Chargor shall give immediate notice in writing to the Security Trustee if:

- (a) it receives any notice under section 14 of the Act; or
- (b) any proceedings are commenced against it for the forfeiture of any lease of any Land.

7.2.3. Subject to the provisions of Clause 26.35 (New Property) of the Senior Facilities Agreement and clause 26.35 of the Mezzanine Facility Agreement, if a Chargor acquires any Land located in Northern Ireland after the date of this Debenture it shall:

- (a) subject to Clause 7.2.4 below, promptly on request by the Security Trustee and at the cost of that Chargor, execute and deliver to the Security Trustee a legal mortgage in favour of the Security Trustee of that property substantially in the form set out in schedule 9 (Supplemental Debenture) or in any other form which the Security Trustee may require;
- (b) if the title to the same is registered at the Land Registry or required to be so registered, give the Land Registry written notice of this Security; and
- (c) if applicable, ensure that the provisions of Clause 16.1 (*Application to Land Registrar*) are complied with in relation to that legal mortgage.

7.2.4. Clause 3.18 shall apply in any situation where the consent of the landlord in whom the reversion of a lease is vested is required for a Chargor to execute a legal mortgage over it.

7.2.5. Each Chargor shall:

- (a) perform all its obligations under any law or regulation in any way related to or affecting its Land, except to the extent that non-performance of those obligations would not materially adversely affect the occupation of its Land and the operation of its business located on such Land; and
- (b) must, within 20 days after receipt by it of any material application, requirement, order or notice served or given by any public or local or any other authority with respect to its Land (or any part of it):

- (i) deliver a copy to the Security Trustee; and
- (ii) inform the Security Trustee of the steps taken or proposed to be taken to comply with the relevant requirements.

7.2.6. Following an Enforcement Event, upon the request of the Security Trustee, each Chargor shall:

- (a) grant the Security Trustee or its lawyers on request all facilities within the power of that Chargor to enable the Security Trustee or its lawyers (at the expense of that Chargor) to:
 - (i) carry out investigations of title to the Land; and
 - (ii) make such enquiries in relation to any part of the Land as a prudent mortgagee might carry out; and
- (b) if reasonably required by the Security Trustee, provide it with a report on title of that Chargor to the Land concerning those items which may properly be sought to be covered by a prudent mortgagee in a lawyer's report of that nature.

7.3. Book Debts and Non Trading Debts

Each Chargor shall:

- (a) collect in the Book Debts and Non Trading Debts when they fall due for payment; and
- (b) pay the Book Debts and the Non Trading Debts into its Current Account or into any other account which the Security Trustee may specify.

7.4. Accounts

7.4.1. If on or after the transfer of all bank accounts and transmission banking business in accordance with Clause 26.30 and Clause 26.31 of the Facility Agreement a Chargor holds an account other than an Account, it shall:

- (a) notify the Security Trustee immediately; and
- (b) immediately on request by the Security Trustee and at the cost of that Chargor execute and deliver to the Security Trustee an assignment in favour of the Security Trustee of that account in any form which the Security Trustee may require.

7.4.2. If on or after the transfer of all bank accounts and transmission banking business in accordance with Clause 26.30 and Clause 26.31 of the Facility Agreement, an Account is not maintained with the Security Trustee, the relevant Chargor shall:

- (a) promptly give notice substantially in the form set out in schedule 7 (*Form of notice for accounts*) to the bank with which that Account is maintained; and
- (b) use all reasonable endeavours to ensure that each bank served with a notice under paragraph (a) countersigns and returns it to the Security Trustee.

7.5. Shares and Investments

Each Chargor covenants that, at all times during the Security Period:

- (a) if it forms or acquires any Subsidiary after the date of this Debenture, it shall promptly notify the Security Trustee; and

- (b) as soon as any Shares or Investments are registered in, or transferred into the name of, that Chargor, or held by or in the name of the Security Trustee (and in any event as soon as the Security Trustee so requests), it shall deposit with the Security Trustee, in respect of or in connection with those Shares or Investments:
 - (i) all stock and share certificates and documents of or evidencing title;
 - (ii) signed undated transfers, completed in blank and, if the Security Trustee so requires, pre-stamped; and
 - (iii) any other documents which the Security Trustee may from time to time require for perfecting its title, or the title of any purchaser,

all of which will be held by the Security Trustee.

7.6. Assigned Agreements and Insurances

7.6.1. Each Chargor shall:

- (a) perform all its material obligations under the Assigned Agreements and Insurances in a diligent and timely manner;
- (b) promptly after the execution of this Debenture, or (as the case may be) promptly after the execution of any Assigned Agreement or Insurance entered into after the date of this Debenture, give notice to the other parties to the Assigned Agreements and Insurances:
 - (i) in the case of Assigned Agreements substantially in the form set out in schedule 4 (*Form of notice for Assigned Agreements*) (or such other form acceptable to the Security Trustee); and
 - (ii) in the case of Insurances, substantially in the form set out in schedule 5 (*Form of notice for Insurances*) (or such other form acceptable to the Security Trustee),

and deliver to the Security Trustee a copy of each notice; and

- (c) use all reasonable endeavours to ensure that each party served with a notice under paragraph (b) above countersigns and returns it to the Security Trustee.

7.6.2. Until an Enforcement Event occurs, the relevant Chargor may exercise all its rights in respect of the Assigned Agreements and the Insurances (in each case to which it is a party) including (subject to the Facility Agreements and the Intercreditor Agreement) receiving and exercising all rights relating to proceeds of those Assigned Agreements and Insurances.

7.6.3. Each Chargor which is the borrower of an Intra-Group Loan acknowledges receipt of notice of assignment under Clause 3.12 (*Assigned Agreements*) of the relevant Intra-Group Loan Agreement.

7.7. Trade Marks

Each Trade Mark Chargor shall at all times during the Security Period promptly notify the Security Trustee if it receives notification, or otherwise becomes aware, of:

- (a) any actual, alleged, threatened or suspected material infringement of any Material Trade Mark;
- (b) any actual, alleged, threatened or suspected material infringement of any third party's trade marks or other intellectual or other rights arising from the use of any Material Trade Mark; or

- (c) any actual, threatened or suspected cancellation or other material legal action in respect of any Material Trade Mark.

7.8. Criminal Damage Claims

7.8.1. Each Chargor shall:

- (1) notify the Security Trustee in writing as soon as practicable and in any event within ten days after becoming aware of any event or circumstance which will give rise to a Criminal Damage Claim specifying in reasonable detail the nature of the event or circumstance which will give rise to the claim and the extent of the damage to the Land located in Northern Ireland;
- (2) at the Chargor's cost take such action (including legal proceedings) and give such information and access to personnel, premises, chattels, documents and records to the Security Trustee and its professional advisors as the Security Trustee may reasonably request in order to make, dispute, settle or appeal any Criminal Damage Claim or any adjudication in respect thereto;
- (3) at the reasonable request of the Security Trustee allow the Security Trustee to take sole conduct of such actions as the Security Trustee may deem appropriate in connection with any Criminal Damage Claim by or in the name of the Chargor and in that connection give or cause to be given to the Security Trustee all such assistance as the Security Trustee may reasonably require in disputing, settling or appealing any such claim, and shall instruct such solicitors and other professional advisers as the Security Trustee and the Chargor shall agree to act on behalf of the Chargor but to act in accordance with the Security Trustee's sole instructions;

7.8.2. If requested by the Security Trustee, pay all monies received in relation to or arising out of any Criminal Damage Claim to the Security Trustee (or if not paid directly to the Security Trustee) hold or procure that such monies shall be held on trust for the Security Trustee; and

7.8.3. ensure that the Land located in Northern Ireland is properly insured with the appropriate terrorism insurance available on the market at that time should the Criminal Damage Order ever be repealed in Northern Ireland and notify the Security Trustee immediately upon having put such insurance in place.

7.9. Payments without deduction

Each Chargor covenants with the Finance Parties that all payments to be made by it under this Debenture shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

8. NEGATIVE COVENANTS

The covenants in this Clause 8 remain in force from the date of this Debenture until the expiry of the Security Period.

8.1. Disposals

8.1.1. Except as permitted by the Facility Agreements, no Chargor shall enter into a single transaction or a series of transactions (whether related or not), whether voluntary or involuntary and whether at the same time or over a period of time, to sell, lease, transfer, loan (and, in the case of the Book Debts, factor or discount them), nor otherwise dispose of any Security Asset, nor enter into an agreement to make any such disposal.

8.1.2. Provided no Enforcement Event is continuing, Clause 8.1.1 does not apply to a disposal in the ordinary course of trading of a Chargor of any Security Asset which, at the time of that disposal, is subject to the floating charge created by it under this Debenture.

8.2. Negative pledge

No Chargor shall create or permit to subsist any Security over any of its assets except for Security which is expressly permitted by the Facility Agreement.

8.3. Preservation of the Security Assets

Other than as expressly permitted under the terms of the Facility Agreement, no Chargor shall, without the prior written consent of the Security Trustee:

- (a) enter into any onerous obligation or restriction affecting any Security Asset; or
- (b) in relation to any Land forming part of the Security Assets:
 - (i) part with possession of it, confer on any other person any right or licence to occupy it or grant any licence to assign, sub-let or create any Security over it;
 - (ii) exercise any of the powers conferred by section 18 of the Act and section 3 of the Conveyancing and Law of Property Act 1911 of leasing, letting, entering into agreements for leases or lettings or accepting or agreeing to accept surrenders of leases;
 - (iii) vary, assign or otherwise dispose of or allow to be forfeited any leasehold interest;
 - (iv) make any structural or material alteration, or do or allow anything to be done which falls within the definition of development in article 11 of the Planning (Northern Ireland) Order 1991;
 - (v) allow any person other than itself to be registered as owner under the Land Registration Act (Northern Ireland) 1970 (the "1970 Act") and/or the Registration (Land and Deeds) (Northern Ireland) Order 1992, or create or permit to arise any interest which overrides under the 1970 Act (and each Chargor shall reimburse the Security Trustee for its reasonable costs of lodging (aa) a caution against first registration of the title to that Land or (bb) if that Land is unregistered, a mortgage); or
 - (vi) make an application, consent to or acquiesce in the application by any third party, to the Land Registry to enter any matter on the register of title.

8.4. Trade Marks

No Trade Mark Chargor shall:

- (a) permit any Material Trade Mark to lapse for non-payment of any renewal or other fee necessary to maintain its registration and validity or allow any thing to be done or left undone the effect of which will, or may be to, imperil or prejudice any Material Trade Mark, its registration, subsistence, validity, reputation or integrity;
- (b) permit any Material Trade Mark to fall into disuse or to be used in such a way that they are put at risk by becoming generic;
- (c) without the prior written consent of the Security Trustee, assign, licence, sub-licence, sever, dispose of or otherwise part with control of a Material Trade Mark or Material Trade Mark Application;

- (d) change the specification of any Material Trade Mark or permit any disclaimer, condition or restriction to be entered on the Register of Trade Marks the effect of which will or may be to detrimentally affect the value of any Material Trade Mark; or
- (e) do or cause or permit to be done anything which may in any way depreciate, jeopardise or otherwise prejudice the value to the Security Trustee of a Material Trade Mark and/or the Security over any Material Trade Mark created by Clause 3.8 (*Intellectual Property Rights*).

9. DIVIDENDS AND VOTING RIGHTS

9.1. Before the occurrence of an Enforcement Event:

Until the occurrence of an Enforcement Event:

- (a) no Chargor shall exercise any voting and other rights and powers attached to the Shares and Investments in a manner which the Security Trustee considers may prejudice the interests of the Finance Parties under the Finance Documents; and
- (b) promptly following receipt, each Chargor shall forward to the Security Trustee copies of all notices, documents and other communications received in connection with the Shares and Investments.

9.2. After the occurrence of an Enforcement Event which is continuing:

After the occurrence of an Enforcement Event which is continuing each Chargor shall promptly pay over to the Security Trustee all monies arising from the Distribution Rights relating to the Shares and Investments which it may receive and, following an Enforcement Event, exercise all voting and other rights and powers attached to the Shares and Investments in any manner which the Security Trustee may direct.

9.3. Other obligations in respect of Shares and Investments

Each Chargor shall:

- (a) promptly copy to the Security Trustee, and comply with, all requests for information which is within its knowledge and which are made under section 793 of the Companies Act 2006 or any similar provision contained in any articles of association or other constitutional document relating to any of its Shares and Investments; and
- (b) comply with all other conditions and obligations assumed by it in respect of any of the Shares and Investments where failure to so comply would adversely affect the interests of the Finance Parties.

10. ENFORCEMENT

10.1. When Security becomes enforceable

The Security created by a Chargor under this Debenture shall become enforceable:

- (a) on the occurrence of an Enforcement Event; or
- (b) if any Chargor so requests.

10.2. Powers on enforcement

At any time after the Security created by a Chargor under this Debenture has become enforceable, the Security Trustee may (without prejudice to any other of its rights and remedies and without notice to the Chargor) do all or any of the following:

- (a) exercise all the powers and rights conferred on mortgagees by the Act, as varied and extended by this Debenture, without the restrictions contained in sections 20 or 24(1) of the Act;
- (b) exercise the power of leasing, letting, entering into agreements for leases or lettings or accepting or agreeing to accept surrenders of leases in relation to any Security Asset, without the restrictions imposed by section 18 of the Act and section 3 of the Conveyancing and Law of Property Act 1911;
- (c) to the extent that any Security Asset constitutes Financial Collateral, as defined in the Regulations, appropriate it and transfer the title in and to it to the Security Trustee insofar as not already transferred, subject to paragraphs (1) and (2) of Regulation 18;
- (d) subject to Clause 11.1.1 (*Method of appointment and removal*), appoint one or more persons to be a Receiver or Receivers of all or any of the Security Assets; and
- (e) appoint an administrator of any Chargor.

10.3. Disposal of the Security Assets

In exercising the powers referred to in Clause 10.2(a) (*Powers on enforcement*), the Security Trustee or any Receiver may sell or dispose of all or any of the Security Assets at the times, in the manner and order, on the terms and conditions and for the consideration determined by it.

10.4. Application of moneys

10.4.1. The Security Trustee or any Receiver shall apply moneys received by them under this Debenture after the Security created under this Debenture has become enforceable in the following order:

- (a) **first**, in or towards the payment pro rata of, or the provision pro rata for, any unpaid costs and expenses of the Security Trustee and any Receiver under this Debenture or which are incidental to any Receiver's appointment, together with interest at the Default Rate (both before and after judgment) from the date those amounts became due until the date they are irrevocably paid in full;
- (b) **secondly**, in or towards the payment pro rata of, or the provision pro rata for, any unpaid fees, commission or remuneration of the Security Trustee and any Receiver;
- (c) **thirdly**, in or towards the discharge of all liabilities having priority to the Secured Liabilities;
- (d) **fourthly**, in or towards the discharge of the Secured Liabilities in accordance with the Intercreditor Agreement; and
- (e) **fifthly**, in the payment of any surplus to the relevant Chargor or other person entitled to it,

and section 24(8) of the Act shall not apply.

10.4.2. The Chargors shall hold on trust for the Security Trustee all moneys received by virtue of the Insurances and, at the option of the Security Trustee, the Chargors shall apply those moneys:

- (a) in replacing or reinstating the assets destroyed, damaged or lost (any deficiency being made good by the relevant Chargor); or
- (b) (except in the case of leasehold premises) in reduction of the Secured Liabilities.

10.4.3. Clause 10.4.1 will override any appropriation made by a Chargor.

11. APPOINTMENT AND POWERS OF RECEIVERS

11.1. Method of appointment and removal

11.1.1. The Security Trustee may not appoint a Receiver by reason only of a moratorium being obtained, or anything being done with a view to a moratorium being obtained, under article 14A of the Insolvency (Northern Ireland) Order 1989.

11.1.2. Every appointment or removal of a Receiver, of any delegate or of any other person by the Security Trustee pursuant to this Debenture may be made in writing under the hand of any officer or manager of the Security Trustee (subject to any requirement for a court order in the removal of an administrative receiver).

11.1.3. A Receiver may be appointed on the request of any Chargor.

11.2. Powers of Receiver

Every Receiver shall have all the powers:

- (a) of the Security Trustee under this Debenture;
- (b) conferred by the Act on mortgagees in possession and on receivers appointed under the Act;
- (c) in relation to, and to the extent applicable to, the Security Assets or any of them, the powers specified in Schedule 1 of the Insolvency (Northern Ireland) Order 1989 (whether or not the Receiver is an administrative receiver within the meaning of that Act); and
- (d) in relation to any Security Asset, which he would have if he were its only beneficial owner.

11.3. Joint or several

If two or more persons are appointed as Receivers of the same assets, they may act jointly and/or severally so that (unless any instrument appointing them specifies to the contrary) each of them may exercise individually all the powers and discretions conferred on Receivers by this Debenture.

11.4. Receiver as agent

Every Receiver shall be the agent of the relevant Chargor which shall be solely responsible for his acts and defaults and for the payment of his remuneration.

11.5. Receiver's remuneration

Every Receiver shall be entitled to remuneration for his services at a rate to be fixed by agreement between him and the Security Trustee, and the maximum rate specified in section 24(6) of the Act shall not apply.

12. PROTECTION OF PURCHASERS

No purchaser or other person dealing with the Security Trustee or any Receiver shall be bound or concerned:

- (a) to see or enquire whether the right of the Security Trustee or any Receiver to exercise any of the powers conferred by this Debenture has arisen or not;
- (b) with the propriety of the exercise or purported exercise of those powers; or

- (c) with the application of any moneys paid to the Security Trustee, to any Receiver or to any other person.

13. PROTECTION OF THE FINANCE PARTIES AND RECEIVERS

13.1. Exclusion of liability

None of the Security Trustee, the other Finance Parties, any Receiver or any of their respective officers or employees shall have any responsibility or liability:

- (a) for any action taken, or any failure to take any action, in relation to all or any of the Security Assets;
- (b) to account as mortgagee in possession or for any loss upon realisation of any Security Asset;
- (c) for any loss resulting from any fluctuation in exchange rates in connection with any purchase of currencies under Clause 18 (*Currency*); or
- (d) for any other default or omission in relation to all or any of the Security Assets for which a mortgagee in possession might be liable,

except in the case of gross negligence or wilful misconduct on the part of that person.

13.2. General indemnity

13.2.1. Each Chargor shall indemnify the Security Trustee, the other Finance Parties, any Receiver and their respective officers and employees against all actions, proceedings, demands, claims, costs, expenses, and other liabilities incurred by them in respect of all or any of the following:

- (a) any act or omission by any of them in relation to all or any of the Security Assets;
- (b) any payment relating to or in respect of all or any of the Security Assets which is made at any time by any of them;
- (c) any stamp, registration or similar Tax or duty which becomes payable in connection with the entry into, or the performance or enforcement of, this Debenture;
- (d) carrying out or purporting to carry out any of the rights, powers and discretions conferred on them by or permitted under this Debenture; and
- (e) any breach by that Chargor of any of its covenants or other obligations to the Security Trustee or any other Finance Party,

except in the case of gross negligence or wilful misconduct on the part of that person.

13.2.2. Each Chargor shall pay interest at the Default Rate on the sums payable under this Clause from the date on which the liability was incurred to the date of actual payment (both before and after judgment).

13.3. Indemnity out of the Security Assets

The Security Trustee, the other Finance Parties, any Receiver and their respective officers and employees shall be entitled to be indemnified out of the Security Assets in respect of the actions, proceedings, demands, claims, costs, expenses and liabilities referred to in Clause 13.2 (*General indemnity*).

14. PRESERVATION OF SECURITY

14.1. Reinstatement

If any payment by a Chargor or discharge given by the Security Trustee (whether in respect of the obligations of any Obligor or any Security for those obligations or otherwise) is avoided or reduced as a result of insolvency, liquidation, administration or any similar event:

- (a) the liability of the Chargor and the Security created by the Chargor under this Debenture shall continue as if the payment, discharge, avoidance or reduction had not occurred; and
- (b) the Finance Parties shall be entitled to recover the value or amount of that Security or payment from the Chargor, as if the payment, discharge, avoidance or reduction had not occurred.

14.2. Waiver of defences

Neither the Security created by this Debenture nor the obligations of any Chargor under this Debenture will be affected by an act, omission, matter or thing which, but for this Clause, would reduce, release or prejudice that Security or any of those obligations (whether or not known to it, the Security Trustee or any other Finance Party) including:

- (a) any time, waiver or consent granted to, or composition with, any Obligor or other person;
- (b) the release of any Obligor or any other person under the terms of any composition or arrangement with any person;
- (c) the taking, variation, compromise, exchange, renewal, enforcement or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or Security over, assets of any Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any Security;
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor or any other person;
- (e) any amendment (however fundamental), replacement, variation, novation, assignment or the avoidance or termination of a Finance Document or any other document or Security;
- (f) any unenforceability, illegality or invalidity of any obligation of, or any Security created by, any person under any Finance Document or any other document; or
- (g) any insolvency, liquidation, administration or similar procedure.

14.3. Immediate recourse

Each Chargor waives any right it may have of first requiring the Security Trustee (or any trustee or agent on its behalf) to proceed against or enforce any other rights or Security or claim payment from any person before claiming from the Chargors under this Debenture. This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

14.4. Appropriations

During the Security Period the Security Trustee may:

- (a) refrain from applying or enforcing any moneys, Security or rights held or received by it (or any trustee or agent on its behalf) in respect of the Secured Liabilities, or, subject to Clause 10.4.1 (*Application of moneys*), apply and enforce the same in such manner and order as it sees fit (whether against the Secured Liabilities or otherwise) and no Chargor shall be entitled to the benefit of the same; and

- (b) hold in an interest-bearing suspense account any moneys received from any Chargor or on account of the Secured Liabilities.

14.5. Deferral of Chargor's rights

During the Security Period and unless the Security Trustee otherwise directs, no Chargor shall exercise any rights which it may have by reason of performance by it of its obligations under this Debenture or the enforcement of the Security created by this Debenture:

- (a) to receive or claim payment from, or be indemnified by an Obligor;
- (b) to claim any contribution from any guarantor of, or provider of Security in respect of, any Obligor's obligations under the Finance Documents;
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of any Finance Party under any Finance Document or of any guarantee or Security taken pursuant to, or in connection with, the Finance Documents by any Finance Party;
- (d) to exercise any right of set-off against any Obligor; and/or
- (e) to claim or prove as a creditor of any Obligor in competition with any Finance Party.

14.6. Additional Security

This Debenture is in addition to, is not in any way prejudiced by and shall not merge with any contractual right or remedy or other Security now or in the future held by or available to any Finance Party.

14.7. New accounts

If any Finance Party receives notice (actual or otherwise) of any subsequent Security over or affecting all or any of the Security Assets it may open a new account or accounts with the relevant Chargor and, if it does not do so, it shall nevertheless be treated as if it had done so at the time when it received or was deemed to have received notice of that subsequent Security, and as from that time all payments made by the Chargor to that Finance Party:

- (a) shall be credited or be treated as having been credited to the new account; and
- (b) shall not operate to reduce the Secured Liabilities at the time when the Finance Party received or was deemed to have received such notice.

15. TACKING

For the purposes of section 43 of the 1970 Act the Security Trustee confirms on behalf of the Lenders that the Lenders shall make further advances to the Chargors on the terms and subject to the conditions of the Finance Documents.

16. FURTHER ASSURANCE

16.1. Application to Land Registrar

Each Chargor consents to the registration against the registered land specified opposite its name in schedule 2 (*Land charged by way of mortgage or charge*) of:

- (a) An inhibition in the following terms:

"No disposition of the registered estate by the registered owner of the registered estate is to be registered without a written consent signed by the registered owner for the time being of

the debenture dated ** [date of Debenture] in favour of ** [insert name of Security Trustee] (as trustee for the Finance Parties referred to in that debenture) referred to in the charges register or, if appropriate, signed on such registered owner's behalf by an authorised signatory of ** [insert name of Security Trustee]"; and

16.2. Further action

Each Chargor shall, at its own expense, promptly take any action and sign or execute any further documents which the Security Trustee may require in order to:

- (a) give effect to the requirements of this Debenture;
- (b) protect, preserve and perfect the Security intended to be created by or pursuant to this Debenture;
- (c) protect and preserve the ranking of the Security intended to be created by or pursuant to this Debenture with any other Security over any assets of any Chargor; or
- (d) facilitate the realisation of all or any of the Security Assets or the exercise of any rights, powers and discretions conferred on the Security Trustee, any Receiver or any administrator in connection with all or any of the Security Assets,

and any such document may (i) disapply section 17 of the Act and (ii) contain an assignment to the Security Trustee of the Book Debts in any manner reasonably required by the Security Trustee.

16.3. Deposit of documents

Each Chargor covenants that, on the date of this Debenture and at all times during the Security Period as soon as it receives them (and in any event as soon as the Security Trustee so requests), it shall deposit with the Security Trustee, in respect of or in connection with the Security Assets:

- (a) all deeds, certificates and other documents of or evidencing title;
- (b) in respect of Shares and Investments mortgaged under Clause 3.2 (*Shares*) and 3.3 (*Investments*) respectively, signed undated transfers, completed in blank and, if the Security Trustee so requires, pre-stamped; and
- (c) any other documents which the Security Trustee may from time to time require for perfecting its title, or the title of any purchaser,

all of which will be held by the Security Trustee at the expense and risk of the Chargors.

16.4. Registration of Trade Marks

16.4.1. Each Trade Mark Chargor acknowledges the right of the Security Trustee, or any duly authorised agent of the Security Trustee following the execution of this Debenture or the relevant Security Accession Deed in respect of the Material Trade Marks, to apply to the Comptroller-General of Patents, Designs and Trade Marks to register the charge created over the Material Trade Marks by Clause 3.8 (*Intellectual Property Rights*) pursuant to the provisions of section 25 of the Trade Marks Act 1994.

16.4.2. Each Trade Mark Chargor shall provide all possible assistance to enable the registration of the charge pursuant to Clause 16.4.1 and shall pay all fees and costs necessary to make such registrations.

16.5. Law of Property (Miscellaneous Provisions) Act 1994

The covenant set out in section 7 of the Act shall extend to the provisions set out in this Clause 16.

17. POWER OF ATTORNEY

Each Chargor irrevocably and by way of security appoints each of:

- (a) the Security Trustee;
- (b) any delegate or sub-delegate of, or other person nominated in writing by, an officer of the Security Trustee; and
- (c) any Receiver,

jointly and severally as the Chargor's attorney, in the Chargor's name, on its behalf and in such manner as the attorney may in its or his absolute discretion think fit following the occurrence of an Enforcement Event or following the failure by the Chargor to comply with a request from the Security Trustee, to take any action and sign or execute any further documents which the Chargor is required to take, sign or execute in accordance with this Debenture. The Chargor agrees, promptly on the request of the Security Trustee or any Receiver, to ratify and confirm all such actions taken and documents signed or executed.

18. CURRENCY

18.1. The Spot Rate

In this Clause 18, the **Spot Rate** means, in relation to the Security Trustee or any other Finance Party, the spot rate of exchange of that Finance Party for the purchase of any currency with any other currency in the London foreign exchange market.

18.2. Conversion of moneys received

The Security Trustee or any other Finance Party may convert any moneys received, recovered or realised in any currency under this Debenture (including the proceeds of any previous conversion under this Clause 18.2) from their existing currency into any other currency, by purchasing that other currency at the Spot Rate.

19. DISCHARGE OF SECURITY

Upon the irrevocable and unconditional payment and discharge in full of the Secured Liabilities, the Security Trustee shall, or shall procure that its appointees will, at the request and cost of the Chargors:

- (a) release the Security Assets from this Debenture; and
- (b) re-assign to the relevant Chargor those Security Assets that have been assigned to the Security Trustee under Clause 3 (*Creation of Security*).

Section 17 of the Act shall not apply to this Debenture.

20. COSTS AND EXPENSES

Enforcement costs

The Chargors shall, within three Business Days of demand, pay to the Security Trustee or any Receiver the amount of all costs and expenses (including legal fees) incurred by the Security Trustee or any Receiver in connection with the enforcement of, or the preservation of any rights under, this Debenture or the investigation of any possible Default.

21. ADDITIONAL CHARGORS

21.1. Delivery of Security Accession Deed

21.1.1. Bidco may request that any other company (the **New Chargor**) becomes a Chargor.

21.1.2. The New Chargor shall become a Chargor if:

- (a) Bidco and the New Chargor deliver to the Security Trustee a duly completed and executed Security Accession Deed; and
- (b) Bidco confirms that no Default is continuing or would occur as a result of the New Chargor becoming a Chargor.

21.2. Repetition of representations

Delivery of a Security Accession Deed constitutes confirmation by the New Chargor that the Repeating Representations are true and correct to the extent applicable to it as at the date of delivery as if made by reference to the facts and circumstances then existing.

22. NOTICES

22.1. Communications in writing

Any communication to be made under or in connection with this Debenture shall be made in writing and, unless otherwise stated, may be made by fax or letter.

22.2. Addresses

22.2.1. The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each party for any communication or document to be made or delivered under or in connection with this Debenture is that identified with its name below or any substitute address, fax number or department or officer as either party may notify to the other by not less than five Business Days' notice.

22.2.2. The addresses referred to in Clause 22.2.1 are:

(a) The Chargors

Sandall Stones Road

Kirk Sandall

Doncaster

DN3 1QR

Attention: The Company Secretary,

Fax: + 44 (0)1302 892395

(b) The Security Trustee:

The Royal Bank of Scotland plc

3rd Floor, 2½ Devonshire Square

London

EC2M 4BA

Attention: 

Fax: +44 20 7786 5247

22.3. Delivery

22.3.1. Any communication or document made or delivered by one person to another under or in connection with this Debenture will only be effective:

- (a) if by way of fax, when received in legible form; or
- (b) if by way of letter, (i) when it has been left at the relevant address or (ii) two Business Days (or, in the case of airmail, five Business Days) after being deposited in the post postage prepaid (or, as the case may be, airmail postage prepaid), in an envelope addressed to it at that address,

and, if a particular department or officer is specified as part of its address details provided under Clause 22.2 (Addresses), if addressed to that department or officer.

22.3.2. Any communication or document to be made or delivered to the Security Trustee will be effective only when actually received by the Security Trustee and then only if it is expressly marked for the attention of the department or officer identified with the Security Trustee's signature below (or any substitute department or officer as the Security Trustee shall specify for this purpose).

22.4. English language

22.4.1. Any notice given under or in connection with this Debenture must be in English.

22.4.2. All other documents provided under or in connection with this Debenture must be:

- (a) in English; or
- (b) if not in English, and if so required by the Security Trustee accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

23. CALCULATIONS AND CERTIFICATES

23.1. Accounts

In any litigation or arbitration proceedings arising out of or in connection with this Debenture, the entries made in the accounts maintained by the Security Trustee or any other Finance Party are *prima facie* evidence of the matters to which they relate.

23.2. Certificates and determinations

Any certification or determination by the Security Trustee or any other Finance Party of a rate or amount under this Debenture is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

24. PARTIAL INVALIDITY

If, at any time, any provision of this Debenture is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

25. REMEDIES AND WAIVERS

No failure to exercise, nor any delay in exercising, on the part of the Security Trustee, any right or remedy under this Debenture shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Debenture are cumulative and not exclusive of any rights or remedies provided by law.

26. AMENDMENTS AND WAIVERS

Any term of this Debenture may be amended or waived only with the written consent of the Chargors and the Security Trustee.

27. COUNTERPARTS

This Debenture may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Debenture.

28. GOVERNING LAW AND ENFORCEMENT

28.1. Governing law

This Debenture is governed by Northern Irish law.

28.2. Jurisdiction

28.2.1. The courts of Northern Ireland have exclusive jurisdiction to settle any dispute arising out of or in connection with this Debenture (including a dispute regarding the existence, validity or termination of this Debenture) (a **Dispute**).

28.2.2. The parties agree that the courts of Northern Ireland are the most appropriate and convenient courts to settle Disputes and accordingly no party will argue to the contrary.

28.2.3. This Clause 28.2 is for the benefit of the Security Trustee and the other Finance Parties only. As a result, neither the Security Trustee nor any other Finance Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Security Trustee and the other Finance Parties may take concurrent proceedings in any number of jurisdictions.

Executed as a deed and delivered on the date appearing at the beginning of this Debenture.

SCHEDULE 1

The Chargors

Name of Chargor	Registered Number	Registered Address
LA Leisure Limited	01728962	c/o LA Fitness Limited Sandall Stones Road Kirk Sandall Doncaster South Yorkshire DN13 1QR
LA Fitness Limited	03224406	c/o LA Fitness Limited Sandall Stones Road Kirk Sandall Doncaster South Yorkshire DN13 1QR

SCHEDULE 2

Land charged by way of mortgage or charge

Part 1 – Unregistered Freehold Land

None specified

Part 2 - Unregistered Leasehold Land

Chargor	Land
LA Fitness Limited	All the lands and premises comprised in an Indenture of Lease dated 30 May 2002 made between Straben Developments Limited (1) and LA Fitness Plc (2) being lands and premises at 22 Adelaide Street, Belfast, Co Antrim
LA Leisure Limited	All the lands and premises comprised in an Indenture of Sub- Lease dated 25 September 2002 made between LA Fitness Limited (formerly called LA Fitness Plc) (1) and LA Leisure Limited (2) being lands and premises at 22 Adelaide Street, Belfast, Co Antrim

Part 3 – Registered Land

Chargor	Land
LA Leisure Limited	All the lands and premises comprised in folios DN 102644 L County Down being the lands and premises comprised in an Indenture of Lease dated 07 November 2002 made LA Fitness Plc (1) and LA Leisure Limited, comprising a hotel fitness centre at Shaws Bridge, Belfast
LA Fitness Limited	All the lands and premises comprised in folios DN 97429L County Down (registered owner LA Fitness Limited, formerly called LA Fitness plc)
LA Leisure Limited	All the lands and premises comprised in folio AR96420L County Armagh being the lands and premises comprised in an Indenture of Lease dated 19 September 2003 made between Armagh City Hotel Limited (1) LA Leisure Limited (2) and LA Fitness Plc (3) being lands and premises at Armagh City Hotel, Friary Road, Armagh, Co Armagh

SCHEDULE 3

Shares

Name of Chargor	Subsidiary	Number and class of shares	Details of nominees (if any) holding legal title to shares

SCHEDULE 4

Form of notice for Assigned Agreements

To: ** *[insert name and address of counterparty]*

Attention: **

Date: **

Dear Sirs

Notice of assignment

1. We refer to the ** *[specify the relevant Assigned Agreement]* dated ** between us and you (the Agreement)
2. We notify you that:
 - (a) under a debenture dated ** between, among others, us and The Royal Bank of Scotland plc (the **Security Trustee**) we have assigned to the Security Trustee for the benefit of itself and certain other banks and financial institutions (together with the Security Trustee, the **Secured Parties**) all our right, title and interest in and to, and all benefits accruing under, the Agreement as security for certain obligations owed to the Secured Parties;
 - (b) we may not agree to amend or terminate the Agreement without the prior written consent of the Security Trustee;
 - (c) until you receive written notice to the contrary from the Security Trustee, you may continue to deal with us in relation to the Agreement and credit all moneys to which we are entitled under the Agreement to the following account in our name: ** *[insert details of account]*. After receipt we will cease to have any right to deal with you in relation to the Agreement and from that time you should deal only with the Security Trustee; and
 - (d) you are authorised to disclose information relating to the Agreement to the Security Trustee on request.
3. We request that you:
 - (a) after receipt of written notice in accordance with paragraph 2(c), ensure that all moneys to which we are entitled under the Agreement are credited to the account of the Security Trustee specified in that notice (and are not paid to us);
 - (b) give the Security Trustee written notice of any breach of the Agreement as soon as you become aware of it; and
 - (c) give the Security Trustee not less than 30 days' written notice of your giving notice to terminate the Agreement.
4. Please sign and return the enclosed copy of this notice to the Security Trustee (with a copy to the Chargor) to confirm that you:
 - (a) agree to the terms of this notice and to act in accordance with its provisions;

- (b) have not received notice that the Chargor has assigned its rights under the Agreement to a third party or created any other interest (whether by way of security or otherwise) in the Agreement in favour of a third party; and
- (c) have not claimed or exercised, nor do you have any outstanding right to claim or exercise against the Chargor, any right of set-off, counter-claim or other right relating to the Agreement.

5. The provisions of this notice are governed by Northern Irish law.

Yours faithfully

.....

for and on behalf of

[Insert name of Chargor]

Copy to: Security Trustee

[On acknowledgement copy]

To: **[Insert name and address of Security Trustee]**

Copy to: **[insert name and address of Chargor]**

We acknowledge receipt of the above notice and confirm the matters set out in paragraph 4.

.....

for and on behalf of

[Insert name of counterparty]

Date: **

SCHEDULE 5

Form of notice for Insurances

To: ** *[insert name and address of insurance company]*

Attention: **

Date: **

Dear Sirs

Notice of assignment

1. We refer to the ** *[specify the relevant insurance policy]* dated ** between us and you (the Policy)
2. We notify you that:
 - (a) under a debenture dated ** between, among others, us and The Royal Bank of Scotland plc (the **Security Trustee**) we have assigned to the Security Trustee for the benefit of itself and certain other banks and financial institutions (together with the Security Trustee, the **Secured Parties**) all our right, title and interest in and to, and all benefits accruing under, the Policy as security for certain obligations owed to the Secured Parties;
 - (b) until you receive written notice to the contrary from the Security Trustee, you may continue to deal with us in relation to the Policy and credit all moneys to which we are entitled under the Policy to the following account in our name: ** *[insert details of account]*. After receipt we will cease to have any right to deal with you in relation to the Policy and from that time you should deal only with the Security Trustee; and
 - (c) you are authorised to disclose information relating to the Policy to the Security Trustee on request.
3. We request that you:
 - (a) after receipt of written notice in accordance with paragraph 2(b), ensure that all moneys to which we are entitled under the Policy are credited to the account of the Security Trustee specified in that notice (and are not paid to us);
 - (b) note on the Policy the Security Trustee's security interest under the Debenture; and
 - (c) give the Security Trustee not less than 30 day's written notice of your giving notice to terminate the Policy or allowing the Policy to lapse.
4. Please sign and return the enclosed copy of this notice to the Security Trustee (with a copy to the Chargor) to confirm that you:
 - (a) agree to the terms of this notice and to act in accordance with its provisions;
 - (b) have not received notice that the Chargor has assigned its rights under the Policy to a third party or created any other interest (whether by way of security or otherwise) in the Policy in favour of a third party; and
 - (c) have not claimed or exercised, nor do you have any outstanding right to claim or exercise against the Chargor, any right of set-off, counter-claim or other right relating to the Policy.

5. The provisions of this notice are governed by Northern Irish law.

Yours faithfully

.....

for and on behalf of

[insert name of Chargor]

Copy to: Security Trustee

[On acknowledgement copy]

To: ***[insert name and address of Security Trustee]***

Copy to: ***[insert name and address of Chargor]***

We acknowledge receipt of the above notice and confirm the matters set out in paragraph 4.

.....

for and on behalf of

[insert name of insurance company]

Date: **

SCHEDULE 6

Current Accounts

Name of Chargor	Account bank	Sort code	Account number
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SCHEDULE 7

Form of notice for accounts

To: ** *[insert name and address of account bank]*

Attention: **

Date: **

Dear Sirs

Notice of assignment

1. We refer to the accounts specified in the Schedule to this notice (the Accounts).
2. We notify you that:
 - (a) under a debenture dated ** between, among others, us and The Royal Bank of Scotland plc (the **Security Trustee**) we have charged in favour of the Security Trustee for the benefit of itself and certain other banks and financial institutions (together with the Security Trustee, the **Secured Parties**):
 - (i) all amounts from time to time standing to the credit of the Accounts [and to any other accounts from time to time maintained with you by us or to which we are beneficially entitled] (together the **Charged Accounts**); and
 - (ii) all interest (if any) arising in respect of those amounts;
 - (b) the Security Trustee has agreed to permit us full access to the balances credited to the Charged Accounts (being the accounts we are account holders in respect of) to be applied in the ordinary course of business. The Security Trustee may at any time on notice to us terminate or limit this permission;
 - (c) there is a prohibition in the Debenture on the creation of any further security interest over the Charged Accounts; and
 - (d) you are authorised to disclose information relating to us and the Charged Accounts to the Security Trustee on request.
3. We irrevocably authorise and instruct you to:
 - (a) hold all moneys from time to time standing to the credit of the Charged Accounts to the order of the Security Trustee;
 - (b) pay all or any part of those moneys to the Security Trustee (or as it may direct) promptly following receipt of written instructions from the Security Trustee to that effect; and
 - (c) disclose to the Security Trustee any information relating to us and the Charged Accounts which the Security Trustee may from time to time request you to provide.
4. Please sign and return the enclosed copy of this notice to the Security Trustee (with a copy to the Chargor) to confirm that you:
 - (a) agree to the terms of this notice and to act in accordance with its provisions;

- (b) have not received notice that we have assigned our rights to the moneys standing to the credit of the Charged Accounts or otherwise granted any security or other interest over those moneys in favour of any third party;
- (c) will not exercise any right to combine accounts or any rights of set-off or lien or any similar rights in relation to the moneys standing to the credit of the Charged Accounts, except for the netting of credit and debit balances pursuant to current account netting arrangements previously approved in writing by the Security Trustee; and
- (d) you have not claimed or exercised, nor do you have outstanding any right to claim or exercise against us, any right of set-off, counter-claim or other right relating to the Charged Accounts.

5. [By counter-signing this notice the Security Trustee confirms that we may make withdrawals from the Charged Accounts until such time as the Security Trustee shall notify you (with a copy to us) in writing that their permission is withdrawn. That permission may be withdrawn or modified by the Security Trustee in its absolute discretion at any time].

6. The provisions of this notice are governed by Northern Irish law.

Schedule

Name of Chargor	Account number	Sort code
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**	**	**
----	----	----

**	**	**
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Yours faithfully,

.....

for and on behalf of

[Insert name of Chargor]

Counter-signed by

.....

for and on behalf of

[Insert name of Security Trustee]

[On acknowledgement copy]

To: **[Insert name and address of Security Trustee]**

Copy to: **[Insert name and address of Chargors]**

We acknowledge receipt of the above notice and confirm the matters set out in paragraph 4.

.....

for and on behalf of

[Insert name of account bank]

Date: **

SCHEDULE 8

Form of Security Accession Deed

Security Accession Deed

Dated

Between

1. ** **Limited**, a company incorporated under the laws of [Northern Ireland] with registered number ** **(the New Chargor)**;
2. **MOP Acquisitions (LAF) Limited**, a company incorporated under the laws of England and Wales with registered number 5384582 (Bidco) for itself and as agent for and on behalf of each of the existing Chargors; and
3. **The Royal Bank of Scotland plc** as trustee for itself and the Finance Parties (the **Security Trustee**).

Recitals

This deed is supplemental to a debenture dated ** between, among others, the Chargors named in it] and the Security Trustee (as supplemented and amended from time to time, the **Debenture**).

This deed witnesses

1. Definitions and interpretation

1.1. Definitions

Words and expressions defined in the Debenture shall have the same meanings in this Deed.

1.2. Construction

The principles of construction set out in clause 1.2 (*Construction*) of the Debenture shall apply to this Deed, insofar as they are relevant to it, as they apply to the Debenture.

2. Accession of New Chargor

The New Chargor agrees to be a Chargor for the purposes of the Debenture with immediate effect and agrees to be bound by all of the terms of the Debenture as if it had originally been a party to it as a Chargor.

3. Covenant to Pay

The New Chargor covenants with the Security Trustee and the other Finance Parties that it will on demand pay and discharge the Secured Liabilities when due.

4. Creation of Security

The New Chargor mortgages, charges and assigns to the Security Trustee all its business, undertaking and assets on the terms of clause 3 (*Creation of Security*) of the Debenture provided that:

- (a) the Land charged by way of mortgage and/or charge shall be the Land referred to in Schedule 1 (*Land*);

- (b) the Shares mortgaged or (if and to the extent that the mortgage does not take effect as a mortgage) charged by way of fixed charge shall include the Shares referred to in Schedule 2 (*Shares*);
- (c) the Accounts charged by way of fixed charge shall be those set out in Schedule 3 (*Accounts*);
- (d) the Material Trade Marks charged by way of fixed charge shall include those set out in Schedule 4 (*Material Trade Marks*);
- (e) the Assigned Agreements assigned or (if and to the extent that the assignment does not take effect as an assignment) charged by way of fixed charge shall include the Assigned Agreements set out in Schedule 5 (*Assigned Agreements*); and
- (f) the Insurances assigned or (if and to the extent that the assignment does not take effect as an assignment) charged by way of fixed charge shall include the Insurances set out in Schedule 6 (*Insurances*).

5. Consent of existing Chargors

The existing Chargors agree to the terms of this Deed and agree that its execution will in no way prejudice or affect the Security granted by each of them under (and covenants given by each of them in) the Debenture.

6. Notices

The New Chargor confirms that its address details for notices in relation to clause 22 (*Notices*) of the Debenture are as follows:

Address: **

Attention: **

Fax: **

7. Law

This Deed is governed by Northern Irish law.

Executed as a deed and delivered on the date appearing at the beginning of this Deed.

Schedule 1 - Land

Schedule 2 - Shares

Schedule 3 – Accounts

Schedule 4 – Material Trade Marks

Schedule 5 - Assigned Agreements

Schedule 6 - Insurances

Signatories to Security Accession Deed

New Chargor

Executed as a deed by)

** [New Chargor])

acting by two Directors or)

one Director and its Secretary)

Director

Director/Secretary

Bidco

Executed as a deed by)

MOP Acquisitions (LAF) Limited)

acting by two Directors or)

one Director and its Secretary)

Director

Director/Secretary

Security Trustee

Signed for and on behalf of)

The Royal Bank of Scotland plc)

as Security Trustee)

SCHEDULE 9

Supplemental Debenture

Supplemental Debenture

Dated

[Chargor]

(as Chargor)

The Royal Bank of Scotland plc

(as Security Trustee)

Dated

Between

1. **[Chargor]**, a company incorporated under the laws of [Northern Ireland] with registered number [] having its registered office at [] (the **Chargor**); and
- 1.1. The Royal Bank of Scotland plc, as trustee for the Finance Parties (the **Security Trustee**).

Recitals

- A. This Deed is supplemental to the Debenture.
- B. This Deed is a Security Document.

It is agreed

1. Definitions

Words and expressions defined in the Debenture shall have the same meanings in this Deed unless they are expressly defined in it and, in addition, in this Deed:

Debenture means the debenture dated [] made between (1) the Chargors named in it], and (2) The Royal Bank of Scotland plc (as Security Trustee) to which the Chargor acceded pursuant to a Security Accession Deed dated [].

Further Land means the Land referred to in Schedule 1 (*Further Land*).

2. Creation of Security

2.1. The Chargor:

- (a) **HEREBY GRANTS AND CONVEYS**, unto the Security Trustee (for the benefit of itself and the other Secured Parties) **ALL THAT AND THOSE** the Further Land referred to opposite its name in schedule 21 (*Further Land*), Part 1 (*Unregistered Freehold Land*) **TO HOLD** the same unto the Security Trustee in fee simple subject to the proviso for redemption contained in the Debenture;
- (b) **HEREBY DEMISES** unto the Security Trustee (for the benefit of itself and the other Secured Parties) **ALL THAT AND THOSE** the Further Land referred to opposite its name in schedule 21 (*Further Land*), Part 2 (*Unregistered Leasehold Land*) **TO HOLD** the same unto the Security Trustee for the residues of the respective terms of years for which the Chargor now holds the same less the last three days thereof of each such term the subject to the proviso for redemption contained in the Debenture;
- (c) As registered owner or as the person entitled to be registered as owner **HEREBY CHARGES** all Further Land referred to opposite its name in schedule 21 (*Further Land*), Part 3 (*Registered Land*) the ownership of which is registered in the Land Registry of Northern Ireland or is required to be so registered pursuant to the Land Registration (Northern Ireland) Act 1970 and **HEREBY ASSENTS** to the registration of the charge as a burden on the relevant folio(s).

- 2.2. Each Chargor **HEREBY DECLARES** that in respect of all Further Land referred to in Clauses 2.1(a) and 2.1 (b) it will stand possessed of the reversion or respective reversions hereby reserved of the term or several terms of years for which the same are held **IN TRUST** for the Security Trustee (subject to any equity of redemption subsisting under the Debenture) and will dispose of the same as the Security Trustee may reasonably direct and **HEREBY AUTHORISES** the Security Trustee to appoint a new

trustee or trustees of such reversion or respective reversions in place of the Chargor or any trustee or trustees appointed under this power as if it, he, she or they were incapable of acting in the trusts hereby declared and the Chargor **HEREBY IRREVOCABLY APPOINTS** the Security Trustee the attorney of the Chargor to assign the said reversion or respective reversions in the name of the Chargor and on its behalf to the Security Trustee or as it may direct subject to such equity of redemption (if any), as may for the time being be subsisting as aforesaid and to execute and do all deeds, documents and acts reasonably necessary or proper for that purpose.

3. Security to be included in Debenture

For the purposes of this Deed and the Debenture and with effect from the date of this Deed, the property and assets of the Chargor mortgaged, charged or assigned to the Security Trustee (whether by way of legal mortgage, assignment or fixed or floating charge) by or pursuant to this Deed shall form part of the Security Assets and references in the Debenture to the Security created by or pursuant to the Debenture shall be deemed to include the Security created by or pursuant to this Deed.

4. Further assurance

4.1. Application to Land Registrar

The Chargor consents to the registration against the registered titles specified in Schedule 1 (*Further Land*) of an inhibition in the form set out in paragraph (a) of clause 16.1 (*Application to Land Registrar*) of the Debenture.

4.2. Further action and deposit of documents

Clauses 16.2 (*Further action*) and 16.3 (*Deposit of documents*) of the Debenture shall apply in relation to this Deed as if the reference in those clauses to the Debenture were a reference to this Deed.

5. Continuing Debenture

The Debenture shall continue in full force and effect as supplemented by this Deed.

6. Further provisions

The provisions of clauses 1.2 (Construction), 1.3 (Third Party rights), 1.4 (Effect as a deed), 4 (Nature of security created), 20 (Costs and expenses), 22 (Notices), 27 (Counterparts) and 28 (Governing law and enforcement) of the Debenture shall apply to this Deed as they apply to the Debenture.

Executed as a deed and delivered on the date appearing at the beginning of this Deed.

Schedule 1 – Further Land

Part 1 – Unregistered Freehold Land

Part 2 – Unregistered Leasehold Land

Part 3 - Registered Land

Description and address

Folio number

Executed as a deed by)
[Chargor])
acting by two Directors or)
one Director and its Secretary)
Signed for and on behalf of)

The Royal Bank of Scotland plc)
as Security Trustee)

Signatories to Debenture

Executed as a deed by)
LA Leisure Limited)
acting by two Directors or)
one Director and its Secretary)

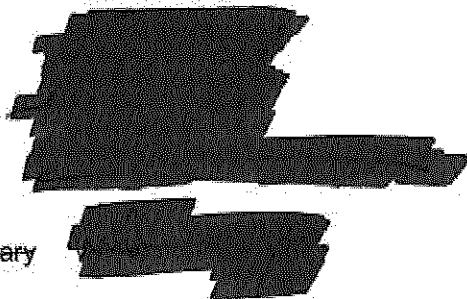
Director



Director/Secretary

Executed as a deed by)
LA Fitness Limited)
acting by two Directors or)
one Director and its Secretary)

Director



Director/Secretary

Signed for and on behalf of)
The Royal Bank of Scotland)
plc as Security Trustee)