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CHFP025

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legibly, preferably
in black type, or
bold block lettering

*insert full name
of Company

COMPANIES FORM No. 395

Particulars of a mortgage or charge

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

Pursuant to section 395 of the Companies Act 1985

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

Name of company

* Northwood Developments Limited

Date of creation of the charge

27 January 2004

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

See Rider One

Amount secured by the mortgage or charge

See Rider Two

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

Lloyds TSB Bank plc, 25 Gresham Street, London EC2V 7HN

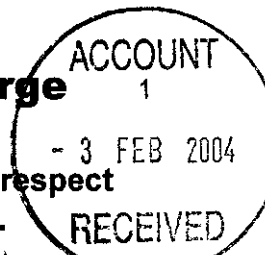
Postcode

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

CMS Cameron McKenna
Mitre House
160 Aldersgate Street
London
EC1A 4DD

FBA/102826.148 (20904664)

Time critical reference



395

alc 00000041/10

For official use

Company number

[1][2]

2832351

Please return via
CH London Counter

For official Use
Mortgage Section

Post room



LD3
COMPANIES HOUSE

0096
03/02/04

Short particulars of all the property mortgaged or charged

See Rider Three

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legibly, preferably
in black type, or
bold block
lettering

Particulars as to commission allowance or discount (note 3)

Nil

Signed CMS Cameron McHenry Date 2 Feb 2004

On behalf of [company] [mortgagee/chargee]

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

† delete as
appropriate

Notes

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

Companies House, Crown Way, Cardiff CF14 3UZ

DEBENTURE FORM 395 RIDERS

Northwood Developments Limited

(Company No. 2832351)

RIDER ONE

Description of the Instrument

Debenture (the "Debenture") dated 27 January 2004 and made between Health and Fitness Holdings Limited (04374665) (the "Borrower") (1), the companies set out below (collectively the "Chargors" and each a "Chargor") (together with the Borrower the "Charging Group") (2) and Lloyds TSB Bank plc (the "Agent") as trustee and agent for the Finance Parties (as defined below)(3)

"Chargors": means the following companies:

Riverside Racquet Centre Limited	1944659
Esporta Health & Fitness Limited	2999311
Invicta Leisure (Manchester) Limited	2926259
Northwood Developments Limited	2832351
Invicta Leisure (Brentwood) Limited	4064756
Royal County of Berkshire Racquets and Health Club PLC	2500623
Invicta Leisure (Tennis) Limited	2825228
Invicta Leisure (Plymouth) Limited	3787905
Invicta Leisure (Sunderland) Limited	3349538
DSCLI Holdings Limited	4374605
Duke Street Capital Leisure Investments Limited	4290601
Esporta Limited	3286677
Esporta Interco	3848865
ISL Leisure Limited	2314523
Riverside Limited	2837693
Esporta Chislehurst Limited	1181999
Invicta Leisure (Brighton) Limited	3269510

Invicta Leisure (Swansea) Limited	3785227
Invicta Leisure (Overseas) Limited	4286248
Invicta Leisure Limited	2464159
Invicta (Club Indigo) Limited	3787893
Ocean Park Leisure Limited	2933538
Humberston Country Club Limited	1731768
Riverside Chiswick Limited	3340560
Riverside Croydon Limited	3340555
Vitalblade Limited	3765731

“Finance Parties”: means the Agent, Lloyds TSB Bank Plc, The Royal Bank of Scotland Plc, The Governor and Company of the Bank of Scotland, Clydesdale Bank Plc, Alliance and Leicester Commercial Bank Plc, Allied Irish Banks PLC and Credit Agricole Indosuez as the Mandated Lead Arrangers, any Lender (being The Royal Bank of Scotland plc, Lloyds TSB Bank plc, National Australia Bank Limited ABN 12 004 044 937, Alliance & Leicester Commercial Bank plc, Allied Irish Banks p.l.c., The Governor and Company of the Bank of Scotland, Credit Agricole Indosuez and National Westminster Bank plc and such other banks and/or financial institutions to whom indebtedness and/or liabilities (whether present, future, actual or contingent) of the Borrower and the Chargors may from time to time subsist under the Facilities Agreement) and any Hedge Counterparty (as defined in the Facilities Agreement))

“Facilities Agreement”: means a senior term and revolving facilities agreement of up to £155,000,000 dated 27 January 2004 and made between Health and Fitness Holdings Limited (1), the companies listed in Part 1 of Schedule 1 of the Facilities Agreement as original borrowers (2), the companies listed in Part 1 of Schedule 1 of the Facilities Agreement as original guarantors (3), The Mandated Lead Arrangers (4), the financial institutions listed in Part 2 of Schedule 1 of the Facilities Agreement as original lenders (5), Lloyds TSB Bank Plc Capital Markets as agent of the other Finance Parties(6), and Lloyds TSB Bank Plc in its capacity as issuing bank for Letters of Credit (as therein defined) (7) the Royal Bank of Scotland plc acting as agent for National Westminster Bank plc in its capacity as a provider of ancillary facilities (8).

RIDER TWO

Amount Secured

- A. All indebtedness, monies, obligations and liabilities of the Borrower, the Charging Group and/or any member of the Group (meaning the Borrower or its subsidiaries from time to time) to the Finance Parties or any of them under the Debenture and each of the other Finance Documents (as defined in the Facilities Agreement and being, inter alia, the Facilities Agreement pursuant to which the Chargors guaranteed all the obligations of the Borrower, the Debenture and an intercreditor agreement dated 27 January 2004 between, among others, the Agent, Electra Private Equity Partners 1995 and RIT Capital Partners Plc (the “Intercreditor Agreement”)) at the time of creation of the Debenture or thereafter,

in whatever currency denominated whether actual or contingent, present or future and whether owed jointly or severally or as principal or as surety together with the Finance Parties' charges and commission, interest and Expenses (as defined below) (the "Secured Liabilities").

- B. All expenses (on a full indemnity basis) including costs, legal costs, charges, expenses and damages sustained or properly incurred by the Agent or any receiver, receiver and manager or administrative receiver (a "Receiver") appointed under the Debenture at any time in connection with the Secured Assets (assets of the Charging Group which are the subject of any security created by the Debenture) or the Secured Liabilities or in taking or perfecting the Debenture or in protecting, preserving, defending or enforcing the security created by the Debenture or in exercising any power under the Debenture (including any payments made on the Charging Group's behalf under any terms of the Debenture) or otherwise with interest from the date they are incurred (the "Expenses")
- C. Each member of the Charging Group shall keep the Agent any Receiver and any delegate or sub-delegate indemnified against any failure or delay by such member of the Charging Group in meeting any obligation under the Debenture, (including any arising from any actual or alleged breach by any person of any Environmental Law or Environmental Licences (as defined in the Debenture)).
- D. All costs incurred by a Receiver in the appointment and discharge of managers, officers, agents, advisers, accountants, servants, workmen, contractors, surveyors, architects, lawyers and others for the purposes of the Debenture upon such terms as to remuneration or otherwise as he may think proper and in the discharge of any such persons appointed by any member of the Charging Group shall be reimbursed to the Receiver by the relevant member of the Charging Group on demand on a full indemnity basis and until so reimbursed shall carry interest at the rate referred to in clause 2.2 of the Debenture.

RIDER THREE

Particulars of all the Property Charged

- 1.1 Each member of the Charging Group as security for the payment, discharge and performance of all the respective liabilities and obligations described above has charged to the Agent:

- 1.1.1 **Scheduled Property** - by way of a first legal mortgage the freehold and leasehold property specified in Schedule 2 of the Debenture ("Real Property")(as set out in the table below):

<u>Premises at:</u>	<u>County/District</u>	<u>Registered at HM Land Registry under Title No:</u>	<u>Name of Relevant member of the Charging Group</u>
Dukes Meadow Chiswick	London Borough of Hounslow	NGL147830	Riverside Racquet Centre Limited
Imperial Way Croydon	Surrey	SGL454522	Riverside Racquet Centre Limited

Llandarcy Neath	Swansea	CYM43829, WA953690	Invicta Leisure (Swansea) Limited
Bowlee Park	Manchester	GM 751251	Invicta Leisure (Manchester) Limited Invicta Leisure Limited
Riverside Health and Fitness Club, Northwood	Middlesex	NGL64709, NGL223145, NGL57858	Northwood Developments Limited
Clearview Health and Racquet Club	Essex	EX 651904	Invicta Leisure (Brentwood) Limited
Esporta Health Club, Poole	Dorset	DT 233748	Esporta Health and Fitness Limited
Devonshire Health and Racquet Club, Plymouth	Devon	DN 455858	Invicta Leisure (Plymouth) Limited
Esporta Health and Racquets Club	Berkshire	BK 306965	Royal County of Berkshire Racquets and Health Club PLC
Hampshire Tennis & Health Club, Southampton	Hampshire	HP 484107	Invicta Leisure (Tennis) Limited
Sunderland Tennis & Racquets Club	Tyne & Wear	TY 361757	Invicta Leisure (Sunderland) Limited
Brighton Health & Racquets Club	Sussex	ESX 236538	Invicta Leisure (Brighton) Limited
Swiss Cottage Unit 2 at 02, 255 Finchley Road	London	NGL773250	Esporta Health & Fitness Limited
Gloucester Health & Fitness Club	Gloucestershire	GR211716	Esporta Health & Fitness Limited
Chelmsford New Writtle Street	Essex	EX651881	Esporta Health & Fitness Limited

- 1.1.2 **Unscheduled Property** - by way of first fixed charge all estates or interests in any other freehold or leasehold property (other than any subject to an Exclusion (meaning a legal, valid and binding restriction on the creation of a security interest over an asset existing as at the date of the Debenture without the consent of a third party other than any member of the Group, breach of which would

materially impair or destroy property or other rights of the Chargor in relation to or in connection with such asset) unless and until the same is satisfied) both present and future (together with the Real Property the "Mortgaged Property");

1.1.3 by way of first fixed charge:

- (a) **Rental income** - any amounts owing to it by way of rent, licence fee, service charge, dilapidations, ground rent and rent charge in respect of the Mortgaged Property;
- (b) **Fixed or other plant and machinery** - all fixed and other plant and machinery, computers, vehicles and office equipment owned by it and its interest in any such items in its possession (but excluding any of those items to the extent that they are part of its stock in trade);
- (c) **Insurances** - the benefit of its rights and interests in and in connection with all Insurances (as such term is defined in the Debenture) including all claims, the proceeds of all claims and returns of premium;
- (d) **Licences on land** - all licences both present and future held by it to enter upon or use land and/or to carry on the business carried on on that land and the benefit of all other agreements relating to land to which it is or may become a party or be otherwise entitled;
- (e) **Rights as Tenant** - where any such Mortgaged Property is leasehold, any present or future right or interest conferred upon it by virtue of any enfranchising legislation which confers upon a tenant(s) of property whether individually or collectively with other tenants of that or other properties the right to acquire a new lease of that property or to acquire or require the acquisition by a nominee of the freehold or any intermediate reversionary interest in that property including the Leasehold Reform Act 1967 and the Leasehold Reform Housing and Urban Development Act 1993 but does not include Part II of the Landlord and Tenant Act 1954;
- (f) **Book Debts** - all of its book debts at the time of entering the Debenture and thereafter (and in each case, any cheque, bill, note, negotiable instrument or other document representing the same);
- (g) **Other Debts** - all of its other debts or monetary claims, including all choses in action which may give rise to a debt (and, in each case, any cheque, bill, note, negotiable instrument or other document representing the same);
- (h) **Bank Accounts and Deposits** - all money from time to time deposited with or standing to the credit of any bank account of such member of the Charging Group with any person (including the Agent), or in which such member of the Charging Group is interested, including any rent deposit given to secure liabilities of or to such member of the Charging Group in relation to land, any retention or similar sum arising out of a construction contract or any other contract (and in each case, any

cheque, bill, note, negotiable instrument or other document representing the same) and its Blocked Account (defined as:

“Blocked Account”: means the Blocked Account Prepayments; the Blocked Account PSLB, the Blocked Account VLN1 and the Blocked Account VLN2, each an interest bearing blocked account held in the UK and governed by English law.

“Blocked Account Prepayments”: means the blocked account with Lloyds TSB Bank plc, sort code 30-00-02 account no. 2275894 - LTSB Bank plc re Health & Fitness Holdings Ltd prepayments in the names of the Agent and the Borrower.

“Blocked Account PSLB”: means the blocked account with Lloyds TSB Bank plc, sort code 30-00-02 account no. 2275924 - LTSB Bank plc re Health & Fitness Holdings Ltd permitted sale & leaseback in the names of the Agent and the Borrower.

“Blocked Account VLN1”: means the blocked account with Lloyds TSB Bank plc, sort code 30-00-02 account no. 2281576 - LTSB Bank plc re Health & Fitness Holdings Ltd secured vendor loan note 1 in the names of the Agent and the Borrower or any other account with Lloyds TSB Bank plc Financial Markets Division in the names of the Agent and the Borrower designated as a **“Blocked Account VLN1”**.

“Blocked Account VLN2”: means the blocked account with Lloyds TSB Bank plc, sort code 30-00-02 account no. 2290818 - LTSB Bank plc re Health & Fitness Holdings Ltd secured vendor loan notes 2 in the names of the Agent and the Borrower or any other account with Lloyds TSB Bank plc Financial Markets Division in the names of the Agent and the Borrower designated as a **“Blocked Account VLN2”**.)

- (i) **Charged Securities** - all stocks, shares, loan notes, bonds, certificates of deposit, depository receipts, loan capital indebtedness, debentures or other securities from time to time legally or beneficially owned by any member of the Charging Group in any other member of the Charging Group and including all Related Rights (the “Securities”) and in relation to the Securities all dividends, interest, benefits, property, rights, accretions, moneys, advantages, credits, rebates, refunds (including rebates and refunds in respect of any tax, duties, imposts or charges) and other distributions paid or payable in respect of the Securities whether by way of bonus, capitalisation, conversion, preference, option, substitution, exchange, redemption or otherwise (the “Related Rights”);
- (j) **Uncalled Capital** – its present and future uncalled capital;
- (k) **Goodwill** - its present and future goodwill;
- (l) **Intellectual Property** – all patents, trade marks, service marks, designs, business names, copyrights, design rights, moral rights, inventions, confidential information, knowhow and other intellectual property rights

and interests, whether registered or unregistered, the benefit of all applications and rights to use such assets of each member of the Group ("Intellectual Property").

- (m) **Other I.P. Rights** - all know-how, confidential information and trade secrets (the "Other I.P. Rights");
- (n) **Licences etc.** - the benefit of all licences, consents and authorisations (statutory or otherwise) held in connection with its business or the use of any other assets of the Chargor which are the subject of any security taken by the Debenture and the right to recover and receive all compensation which may be payable to it in respect of them; and
- (o) **Credit Agreements** - the benefit of any agreements entered into by or of which it has the benefit under which credit is provided to any person of any amount.
- (p) **Contracts** - the benefit of
 - (i) all contracts referred to in Schedule 6 of the Debenture (the "Specified Contracts");
 - (ii) any currency or interest swap or any other interest or currency protection, hedging or financial futures transaction or arrangement whether entered into with any of the Finance Parties or any other person;
 - (iii) all contracts, guarantees, appointments, warranties and other documents to which it is a party or in its favour or of which it has the benefit relating to any letting, development, sale, purchase or the operation of any Mortgaged Property or Premises (as defined in the Debenture);
 - (iv) all of the contracts for the supply of goods and/or services by or to it or of which it has the benefit, including any contracts of hire or lease of chattels,

including, but not limited to:

- A the right to demand and receive all monies whatsoever payable to or for its benefit under or arising from them;
- B all remedies provided for in them or available at law or in equity;
- C its right to compel performance of them; and
- D all other rights, interests and benefits whatsoever accruing to or for the benefit of the Chargor arising from them.

- 1.2 As security for the payment, discharge and performance of all the respective liabilities and obligations described above, each Chargor assigns to the Agent absolutely by way of a first legal assignment all of its rights in respect of the Keyman Policies (as defined in the Debenture).
- 1.3 by way of a first floating charge all the undertaking of each Chargor and all their other property, assets and rights whatsoever, all the stock in trade of each Chargor and the property, assets and rights not otherwise effectively mortgaged, charged or assigned by way of first legal or equitable mortgage, first fixed charge or first legal or equitable assignment in Clause 3 (Fixed Security) of the Debenture
- 1.4 The provisions of paragraph 14 of Schedule B1 to the Insolvency Act 1986 apply to the floating charge created by the Debenture.
- 1.5 **N.B.** The Debenture also contains the following provisions whereby each Member of the Charging Group undertakes that it shall not:
- 1.5.1 create or permit to subsist any mortgage, charge (fixed or floating), pledge, lien, assignment or hypothecation or any other type of preferential right or arrangement (including set-off, title transfer, title retention and trust arrangements), the economic or commercial effect of which is, in the reasonable opinion of the Lender, similar to conferring security (a "Security Interest") on any asset charged pursuant to the Debenture (a "Security Asset") other than one expressly permitted under the Finance Documents or the Debenture or with the prior written consent of the Agent; or
- 1.5.2 sell, transfer, grant, lease, factor, discount or otherwise dispose of any Security Asset or permit the same to occur, except for the disposal in the ordinary course of its trade (as conducted by such member of the Charging Group at the date of the Debenture) of any Security Asset which is subject only to the floating charge created by the Debenture or any sale, transfer lease or disposal where expressly permitted under the Finance Documents.

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 02832351

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A DEBENTURE DATED THE 27th JANUARY 2004 AND CREATED BY NORTHWOOD DEVELOPMENTS LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE BORROWER, THE CHARGING GROUP AND/OR ANY MEMBER OF THE GROUP (MEANING THE BORROWER OR ITS SUBSIDIARIES FROM TIME TO TIME) TO THE FINANCE PARTIES (OR ANY OF THEM) UNDER THE TERMS OF THE AFOREMENTIONED INSTRUMENT CREATING OR EVIDENCING THE CHARGE WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 3rd FEBRUARY 2004.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 6th FEBRUARY 2004.

Handwritten signature



Companies House

— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES