

MR01

Particulars of a charge

146152/26.

A fee is payable with this form.
Please see 'How to pay' on the
last page

You can use the WebFiling service to file this form online.
Please go to www.companieshouse.gov.uk

☒ **What this form is for**
You may use this form to register
a charge created or evidenced by
an instrument

☒ **What this form is NOT for**
You may not use this form to
register a charge where there is
instrument Use form MR08

WEDNESDAY



A3KYDGJD

A07

19/11/2014

#352

COMPANIES HOUSE

This form must be delivered to the Registrar for registration within
21 days beginning with the day after the date of creation of the charge. If
delivered outside of the 21 days it will be rejected unless it is accompanied by a
court order extending the time for delivery



You must enclose a certified copy of the instrument with this form. This will be
scanned and placed on the public record

1 Company details

Company number 0 3 0 0 6 5 1 0

Company name in full BOB RUDD LEISURE LIMITED

4

For official use

→ **Filling in this form**
Please complete in typescript or in
bold black capitals

All fields are mandatory unless
specified or indicated by *

2 Charge creation date

Charge creation date d 3 d 0 m 1 m 0 y 2 y 0 y 1 y 4

3 Names of persons, security agents or trustees entitled to the charge

Please show the names of each of the persons, security agents or trustees
entitled to the charge

Name ROBERT RUDD

Name SHARON RUDD

Name

Name

If there are more than four names, please supply any four of these names then
tick the statement below

☐ I confirm that there are more than four persons, security agents or
trustees entitled to the charge

MRO1

Particulars of a charge

4	Description	
Description	<p>Please give a short description of any land (including buildings), ship, aircraft or intellectual property registered (or required to be registered) in the UK which is subject to this fixed charge or fixed security</p>	<p>Continuation page Please use a continuation page if you need to enter more details</p>
5	Fixed charge or fixed security Does the instrument include a fixed charge or fixed security over any tangible or intangible (or in Scotland) corporeal or incorporeal property not described above? Please tick the appropriate box <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
6	Floating charge Is the instrument expressed to contain a floating charge? Please tick the appropriate box <input checked="" type="checkbox"/> Yes Continue <input type="checkbox"/> No Go to Section 7 Is the floating charge expressed to cover all the property and undertaking of the company? <input checked="" type="checkbox"/> Yes	
7	Negative Pledge Do any of the terms of the charge prohibit or restrict the chargor from creating any further security that will rank equally with or ahead of the charge? Please tick the appropriate box <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

MR01

Particulars of a charge

8

Trustee statement ^①

You may tick the box if the company named in Section 1 is acting as trustee of the property or undertaking which is the subject of the charge

☐

^① This statement may be filed after the registration of the charge (use form MR06)

9

Signature

Please sign the form here

Signature

Signature

X

Mincoff

X

This form must be signed by a person with an interest in the charge

MR01

Particulars of a charge



Presenter information

We will send the certificate to the address entered below. All details given here will be available on the public record. You do not have to show any details here but, if none are given, we will send the certificate to the company's Registered Office address.

Contact name CHRIS HUGHES (27584 1)

Company name MINCOFFS SOLICITORS LLP

Address

Post town

County/Region

Postcode

Country

DX DX 62550 JESMOND

Telephone



Certificate

We will send your certificate to the presenter's address if given above or to the company's Registered Office if you have left the presenter's information blank.



Checklist

We may return forms completed incorrectly or with information missing

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register
- ☐ You have included a certified copy of the instrument with this form
- ☐ You have entered the date on which the charge was created
- ☐ You have shown the names of persons entitled to the charge
- ☐ You have ticked any appropriate boxes in Sections 3, 5, 6, 7 & 8
- ☐ You have given a description in Section 4, if appropriate
- ☐ You have signed the form
- ☐ You have enclosed the correct fee
- ☐ Please do not send the original instrument, it must be a certified copy



Important information

Please note that all information on this form will appear on the public record.



How to pay

A fee of £13 is payable to Companies House in respect of each mortgage or charge filed on paper.

Make cheques or postal orders payable to 'Companies House'



Where to send

You may return this form to any Companies House address. However, for expediency, we advise you to return it to the appropriate address below:

For companies registered in England and Wales:
The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ
DX 33050 Cardiff

For companies registered in Scotland:
The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post)

For companies registered in Northern Ireland:
The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG
DX 481 N R Belfast 1



Further information

For further information, please see the guidance notes on the website at www.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 3006510

Charge code: 0300 6510 0007

The Registrar of Companies for England and Wales hereby certifies that a charge dated 30th October 2014 and created by BOB RUDD LEISURE LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 19th November 2014.

Given at Companies House, Cardiff on 24th November 2014



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

DATED 30th October 2014

Debenture

- (1) BOB RUDD LEISURE LIMITED
- (2) ROBERT RUDD and SHARON RUDD

WE HEREBY CERTIFY THAT THIS IS
A TRUE COPY OF THE ORIGINAL

SIGNED Mincoffs
MINCOFFS SOLICITORS LLP
NEWCASTLE UPON TYNE NE2 1SQ

mincoffs
SOLICITORS

5 Osborne Terrace, Newcastle upon Tyne NE2 1SQ
DX 62550 Jesmond
T 0191 281 6151 F 0191 281 8069
www.mincoffs.co.uk info@mincoffs.co.uk

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THIS DEBENTURE is dated

30th October

2014

PARTIES

- (1) **Bob Rudd Leisure Limited** (incorporated and registered in England and Wales with company number 03006510) whose registered office is at 23 Westminster Road, Church Green, Newcastle upon Tyne, NE7 7EU (**Company**).
- (2) **Robert Rudd** and **Sharon Rudd** both of 23 Westminster Way, Church Green, Newcastle upon Tyne, NE7 7YU (together **RSR**)

BACKGROUND

- (A) Pursuant to the Guarantee, the Company has guaranteed to RSR, the obligations of [NEWCO] Limited (**Buyer**) to RSR under the Agreement.
- (B) This deed provides the security which the Company has agreed to provide to RSR to support the Guarantee

AGREED TERMS

1 Definitions and interpretation

Unless the context otherwise requires, the definitions and rules of interpretation in this clause 1 apply in this deed

Definitions

- 1.1 The following definitions shall have the meaning set out opposite them:

Administrator.	an administrator appointed to manage the affairs, business and property of the Company pursuant to paragraph 13 of Schedule 3
Agreement	a share purchase agreement dated on or around the date of this deed and made between RSR (1) and the Buyer (2)
Book Debts.	all present and future book and other debts and monetary claims due or owing to the Company and the benefit of all security, guarantees and other rights of any nature enjoyed or held by the Company in relation to any of them.
Borrowed Money:	any indebtedness of the Company for or in respect of <ol style="list-style-type: none">(a) borrowing or raising money (with or without security), including any premium and any capitalised interest on that money;(b) any bond, note, loan stock, debenture, commercial paper or similar instrument,(c) any acceptances under any acceptance credit or bill discounting facility (or dematerialised equivalent) or any note purchase or documentary credit facilities;(d) monies raised by selling, assigning or discounting receivables or other financial assets on terms that recourse may be had to the Company in the event of non-payment of such receivables or financial assets when due;(e) any deferred payment for assets or services acquired, other than trade credit that is given in the ordinary course of trading and which does not involve any deferred payment of any

	amount for more than 60 days;
	(f) any rental or hire charges under any finance lease (whether for land, machinery, equipment or otherwise);
	(g) any counter-indemnity obligation in respect of any guarantee, bond, indemnity, standby letter of credit or other instrument issued by a third party in connection with the Company's performance of a contract,
	(h) any other transaction that has the commercial effect of borrowing (including any forward sale or purchase agreement and any liabilities which are not shown as borrowed money on the Company's balance sheet because they are contingent, conditional or otherwise);
	(i) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and when calculating the value of any derivative transaction, only the mark to market value shall be taken into account), and
	(j) any guarantee, counter-indemnity or other assurance against financial loss that the Company has given for any Indebtedness of the type referred to in any other paragraph of this definition incurred by any person
Business Day:	a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business
Charged Property.	all the assets, property and undertaking for the time being subject to the Security created by this deed (and references to the Charged Property shall include references to any part of it).
Costs.	all costs, charges, expenses and liabilities of any kind including, without limitation, costs and damages in connection with litigation, professional fees, disbursements and any value added tax charged on Costs
Default Interest Rate:	4% above the base rate from time to time of Royal Bank of Scotland PLC.
Environment.	the natural and man-made environment including all or any of the following media, namely air, water and land (including air within buildings and other natural or man-made structures above or below the ground) and any living organisms (including man) or systems supported by those media
Environmental Law:	all applicable laws, statutes, regulations, secondary legislation, bye-laws, common law, directives, treaties and other measures, judgments and decisions of any court or tribunal, codes of practice and guidance notes in so far as they relate to or apply to the Environment.
Equipment	all present and future equipment, plant, machinery, tools, vehicles, furniture, fittings, installations,

apparatus and other tangible moveable property for the time being owned by the Company, including any part of it and all spare parts, replacements, modifications and additions

Event of Default:

any of the following events:

- (a) the Company fails to pay any of the Secured Liabilities when due,
- (b) the Company is in breach of any of its obligations to RSR and that breach (if capable of remedy) has not been remedied to the satisfaction of RSR within 14 days of notice by RSR to the Company to remedy the breach;
- (c) any Borrowed Money is not paid when due or within any originally applicable grace period;
- (d) any Borrowed Money becomes due, or capable of being declared due and payable prior to its stated maturity by reason of an event of default however described,
- (e) any commitment for Borrowed Money is cancelled or suspended by a creditor of the Company by reason of an event of default however described;
- (f) any creditor of the Company becomes entitled to declare any Borrowed Money due and payable prior to its stated maturity by reason of an event of default (however described),
- (g) the Company stops or suspends payment of any of its debts or is unable to, or admits its inability to, pay its debts as they fall due,
- (h) the value of the Company's assets is less than its liabilities (taking into account contingent and prospective liabilities),
- (i) a moratorium is declared in respect of any Indebtedness of the Company;
- (j) any action, proceedings, procedure or step is taken for the suspension of payments, a moratorium of any Indebtedness, winding up, dissolution, administration or reorganisation (using a voluntary arrangement, scheme of arrangement or otherwise) of the Company,
- (k) any action, proceedings, procedure or step is taken for the composition, compromise, assignment or arrangement with any creditor of the Company,
- (l) any action, proceedings, procedure or step is taken for the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Company or any of its assets,
- (m) the Company commences negotiations, or enters into any composition, compromise, assignment or arrangement, with one or more

		of its creditors with a view to rescheduling any of its Indebtedness (because of actual or anticipated financial difficulties);
	(n)	any event occurs in relation to the Company similar to those set out in paragraphs (j) to (n) (inclusive) under the laws of any applicable jurisdiction;
	(o)	a distress, attachment, execution, expropriation, sequestration or another analogous legal process is levied, enforced or sued out on, or against, the Company's assets and is not discharged or stayed within 21 days;
	(p)	any Security on or over the assets of the Company becomes enforceable;
	(q)	any provision of this deed or any document under which the Company owes obligations to RSR is or becomes, for any reason, invalid, unlawful, unenforceable, terminated, disputed or ceases to be effective or to have full force and effect;
	(r)	the Company repudiates or shows an intention to repudiate this deed or any document under which the Company owes obligations to RSR;
	(s)	the Company ceases, or threatens to cease, to carry on all or a substantial part of its business; and
	(t)	any event occurs (or circumstances exist) which, in the reasonable opinion of RSR, has or is likely to materially and adversely affect the Company's ability to perform all or any of its obligations under, or otherwise comply with the terms of, this deed or any document under which the Company owes obligations to RSR
Excluded Property		any leasehold property held by the Company under a lease which precludes, either absolutely or conditionally (including requiring the consent of any third party), the Company from creating any charge over its leasehold interest in that property
Financial Collateral		shall have the meaning given to that expression in the Financial Collateral Regulations.
Financial Regulations:	Collateral	the Financial Collateral Arrangements (No 2) Regulations 2003 (<i>SI 2003/3226</i>)
Guarantee:		a guarantee and indemnity dated on or around the date of this deed and made between the Company (1) and RSR (2)
Indebtedness:		any obligation to pay or repay money, present or future, whether actual or contingent, sole or joint and any guarantee or indemnity of any of those obligations
Insurance Policies:		the insurance policies referred to in clause 3 1(c).
Intellectual Property:		the Company's present and future patents, rights to

inventions, copyright and related rights, trade marks, business names and domain names, rights in get-up, goodwill and the right to sue for passing off, rights in designs, database rights, rights to use, and protect the confidentiality of, confidential information (including know-how), and all other intellectual property rights, in each case whether registered or unregistered and including all applications and rights to apply for and be granted, renewals or extensions of, and rights to claim priority from, such rights and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world, together with all fees, royalties and other rights derived from, or incidental to, these rights

Investments

all present and future stocks, shares, loan capital, securities, bonds and investments (whether or not marketable) for the time being owned (at law or in equity) by the Company, including all rights accruing or incidental to those investments from time to time

Permitted Security:

any Security:

- (a) created under this deed;
- (b) created or outstanding with the Lender's prior written consent;
- (c) existing over any of the Charged Assets at the date of this deed,
- (d) being a lien arising by operation of law and in the ordinary course of trade, as long as any amount in respect of that lien is not overdue for payment; and
- (e) arising under any normal title retention arrangements included in a supplier's standard conditions of supply of goods acquired by any Group Company in the ordinary course of trade.

Properties:

all freehold and leasehold properties (whether registered or unregistered) and all commonhold properties, now or at any time after the date of this deed (and from time to time) owned by the Company, or in which the Company holds an interest (and **Property** means any of them).

Receiver.

a receiver and/or manager of any or all of the Charged Property appointed under paragraph 6 of Schedule 3

Secured Liabilities:

all present and future obligations and liabilities of the Company to RSR pursuant to the Guarantee, whether actual or contingent and whether owed jointly or severally, as principal or surety or in any other capacity and whether or not RSR was an original party to the relevant transaction and in whatever name or style, together with all interest (including, without limitation, default interest) accruing in respect of those obligations or liabilities.

Security:

any mortgage, charge (whether fixed or floating, legal or equitable), pledge, lien, hypothecation, assignment

	as security, title retention or any other type of arrangement that has a similar effect to any of them
Security Financial Collateral Arrangement.	shall have the meaning given to that expression in the Financial Collateral Regulations
Security Period	the period starting on the date of this deed and ending on the date on which all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full and no further Secured Liabilities are capable of being outstanding.

Interpretation

1 2 the following rules of interpretation shall apply.

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

- (r) a reference to transactions entered into **in the ordinary course of business** excludes.
 - (i) any unprecedented or exceptional transactions;
 - (ii) any transaction entered into in breach of directors' duties; and
 - (iii) any transaction that may be classified as being a preference or at an undervalue, and
- (s) a reference to a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation

Clawback

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

Nature of security over real property

- 1.4 A reference in this deed to a **charge** or **mortgage** of any freehold, leasehold or commonhold property includes:
 - (a) all buildings and fixtures (including trade and tenant's fixtures) which are situated on that property at any time;
 - (b) the proceeds of the sale of any part of that property; and
 - (c) the benefit of any covenants for title given, or entered into, by any predecessor in title of the Company in respect of that property, and any monies paid or payable in respect of those covenants.

Perpetuity period

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

Insolvency Act 1986

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

Schedules

- 1.7 The Schedules form part of this deed and shall have effect as if set out in full in the body of this deed. Any reference to this deed includes the Schedules

2. Covenant to pay

Covenant to pay

- 2.1 The Company shall, on demand, pay to RSR and discharge the Secured Liabilities when they become due

Interest

- 2.2 The Company covenants with RSR to pay interest on any amounts due under clause 2.1 from day to day until full discharge (whether before or after judgment, liquidation, winding-up or administration of the Company) at the Default Interest Rate, provided that, in the case of any cost or expense, such interest shall accrue and be payable as from the date on which the relevant cost or expense arose without the necessity for any demand being made for payment.

3 Grant of security

Charging clause

- 3.1 As a continuing security for the payment and discharge of the Secured Liabilities, the Company, with full title guarantee:
- (a) charges to RSR, by way of first legal mortgage (or second fixed charge in respect of those Properties subject to a Permitted Security), all the Properties which the Company has acquired or has an interest in as at the date of this deed,
 - (b) charges to RSR, by way of first fixed charge:
 - (i) all Properties acquired by the Company after the date of this deed,
 - (ii) all present and future interests of the Company not effectively mortgaged or charged under the preceding provisions of this clause 3 in, or over, freehold or leasehold property,
 - (iii) all present and future rights, licences, guarantees, rents, deposits, contracts, covenants and warranties relating to the Properties,
 - (iv) all licences, consents and authorisations (statutory or otherwise) held or required in connection with the Company's business or the use of any Charged Property, and all rights in connection with them,
 - (v) all present and future goodwill and uncalled capital for the time being of the Company;
 - (vi) all the Equipment;
 - (vii) all the Intellectual Property; and
 - (viii) all the Book Debts.
 - (c) assigns to RSR, by way of first fixed mortgage, all its rights in any policies of insurance or assurance present or future (including, without limitation, any insurances relating to the Properties or the Equipment), and
 - (d) charges to RSR, by way of first floating charge, all the undertaking, property, assets and rights of the Company at any time not effectively mortgaged, charged or assigned pursuant to clause 3 1(a) to clause 3 1(c) inclusive.

Leasehold security restrictions

- 3.2 The charges created by clause 3.1 shall not apply to Excluded Property so long as any relevant consent or waiver of prohibition has not been obtained, but:
- (a) for each Excluded Property, the Company undertakes to
 - (i) apply for the relevant consent or waiver of prohibition or conditions within five Business Days of the date of this deed and to use its best endeavours to obtain that consent or waiver of prohibition as soon as possible,
 - (ii) keep RSR informed of its progress in obtaining such consent or waiver, and
 - (iii) immediately on receipt of such consent or waiver, provide RSR with a copy; and
 - (b) immediately on receipt of the relevant waiver or consent, the relevant formerly Excluded Property shall stand charged to RSR under clause 3 1. If required by RSR at any time following receipt of that waiver or consent, the Company shall execute a valid fixed charge in such form as RSR requires

Automatic conversion of floating charge

- 3.3 The floating charge created by clause 3 1(d) shall automatically and immediately (without notice) be converted into a fixed charge over the relevant Charged Property if:
- (a) the Company
 - (i) creates, or attempts to create, a Security which is not a Permitted Security or without the prior written consent of RSR, or any trust in favour of another person, over all or any part of the Charged Property, or
 - (ii) disposes, or attempts to dispose of, all or any part of the Charged Property (other than property that is only subject to the floating charge while it

remains uncrystallised which property may be disposed of in the ordinary course of business); or

- (b) a receiver is appointed over all or any of the Charged Property that is subject to the floating charge, or
- (c) any person levies (or attempts to levy) any distress, attachment, execution or other process against all or any part of the Charged Property, or
- (d) RSR receives notice of the appointment of, or a proposal or an intention to appoint, an administrator of the Company.

Conversion of floating charge by notice

- 3.4 RSR may, in its sole discretion, at any time by written notice to the Company, convert the floating charge created under this deed into a fixed charge as regards any part of the Charged Property specified by RSR in that notice

Assets acquired after any floating charge crystallisation

- 3.5 Any asset acquired by the Company after any crystallisation of the floating charge created under this deed which, but for such crystallisation, would be subject to a floating charge shall (unless RSR confirms in writing to the contrary) be charged to RSR by way of first fixed charge

4 Liability of the Company

Liability not discharged

- 4.1 The Company's liability under this deed in respect of any of the Secured Liabilities shall not be discharged, prejudiced or affected by
- (a) any security, guarantee, indemnity, remedy or other right held by, or available to, RSR being or becoming wholly or partially illegal, void or unenforceable on any ground, or
 - (b) RSR renewing, determining, varying or increasing any facility or other transaction in any manner or concurring in, accepting or varying any compromise, arrangement or settlement or omitting to claim or enforce payment from any other person; or
 - (c) any other act or omission which but for this clause 0 might have discharged or otherwise prejudiced or affected the liability of the Company

Immediate recourse

- 4.2 The Company waives any right it may have to require RSR to enforce any security or other right or claim any payment from or otherwise proceed against any other person before enforcing this deed against the Company.

5. Covenants

The Company covenants with RSR in the terms set out in Schedule 1.

6. Powers of RSR

RSR shall have the powers set out in Schedule 2.

7 Enforcement

Enforcement events

- 7.1 The security constituted by this deed shall be immediately enforceable in any of the circumstances set out in paragraph 1 of Schedule 3. The parties to this deed agree that the provisions of Schedule 3 shall apply to this deed and shall be binding between them

Receiver's powers

- 7.2 A Receiver shall have, in addition to the powers conferred on receivers by statute, the further powers set out in Schedule 4.

Right of appropriation

- 7.3 To the extent that the Charged Property constitutes Financial Collateral and this deed and the obligations of the Company hereunder constitute a Security Financial Collateral Arrangement, RSR shall have the right, at any time after the security constituted this deed has become enforceable, to appropriate all or any of that Charged Property in or towards the payment and/or discharge of the Secured Liabilities in such order as RSR in its absolute discretion may from time to time determine. The value of any Charged Property appropriated in accordance with this clause shall be the price of that Charged Property at the time the right of appropriation is exercised as listed on any recognised market index, or determined by such other method as RSR may select (including independent valuation). The Company agrees that the methods of valuation provided for in this clause are commercially reasonable for the purposes of the Financial Collateral Regulations

8 Costs and indemnity

Costs

- 8.1 The Company shall, within five Business Days of demand pay to, or reimburse, RSR and any Receiver, on a full indemnity basis, all Costs incurred by RSR and/or any Receiver in relation to
- (a) this deed or the Charged Property;
 - (b) protecting, perfecting, preserving or enforcing (or attempting to do so) any of RSR's or Receiver's rights under this deed, or
 - (c) suing for, or recovering, any of the Secured Liabilities,
- (including, without limitation, the Costs of any proceedings in relation to this deed or the Secured Liabilities), together with interest on any amount due under clause 8.1(b) and clause 8.1(c) at the Default Interest Rate

Indemnity

- 8.2 RSR, any Receiver and their respective employees and agents shall be indemnified on a full indemnity basis out of the Charged Property in respect of all actions, liabilities and Costs incurred or suffered in or as a result of:
- (a) the exercise, or purported exercise, of any of the powers, authorities or discretions vested in them under this deed;
 - (b) any matter or thing done, or omitted to be done, in relation to the Charged Property under those powers; or
 - (c) any default or delay by the Company in performing any of its obligations under this deed

9 Release

Subject to clause 18.3, on the expiry of the Security Period (but not otherwise) RSR shall, at the request and cost of the Company, take whatever action is necessary to release the Charged Property from the security constituted by this deed

10. Assignment and transfer

Assignment by Lender

- 10.1 At any time, without the consent of the Company, RSR may assign or transfer any or all of its rights and obligations under this deed
- 10.2 RSR may disclose to any actual or proposed assignee or transferee any information in its possession that relates to the Company, the Secured Assets and this deed that RSR considers appropriate

Assignment by Company

- 10.3 The Company may not assign any of its rights, or transfer any of its rights or obligations, under this deed

11. Further assurance

The Company, at its own cost, shall prepare and execute such further legal or other mortgages, charges or transfers (containing a power of sale and such other provisions as RSR may reasonably require) in favour of RSR as RSR, in its absolute discretion, requires from time to time over all or any part of the Charged Property and give all notices, orders and directions which RSR may require in its absolute discretion for perfecting, protecting or facilitating the realisation of its security over the Charged Property.

12 Power of attorney

Power of attorney

12 1 By way of security, the Company irrevocably appoints RSR and every Receiver separately, to be the attorney of the Company and, in its name, on its behalf and as its act and deed, to execute any documents and do any acts and things which

- (a) the Company is required to execute and do under this deed, (including, but not limited to, the execution of any document required by RSR under clause 11), and
- (b) any attorney may deem proper or desirable in exercising any of the powers, authorities and discretions conferred by this deed or by law on RSR or any Receiver

Ratification of acts of attorney

12.2 The Company ratifies and confirms, and agrees to ratify and confirm, anything which any of its attorneys may do in the proper and lawful exercise or purported exercise of all or any of the powers, authorities and discretions referred to in clause 12 1

13. Set-off

Lender's right of set-off

13 1 RSR may at any time set off any liability of the Company to RSR against any liability of RSR to the Company, whether either liability is present or future, liquidated or unliquidated, and whether or not either liability arises under this deed. If the liabilities to be set off are expressed in different currencies, RSR may convert either liability at a market rate of exchange for the purpose of set-off. Any exercise by RSR of its rights under this clause 13 shall not limit or affect any other rights or remedies available to it under this deed or otherwise

No obligation to set off

13 2 RSR is not obliged to exercise its rights under clause 13 1. If, however, it does exercise those rights it must promptly notify the Company of the set-off that has been made

14 Amendments, waivers and consents

Amendments

14 1 No amendment of this deed shall be effective unless it is in writing and signed by, or on behalf of, each party (or its authorised representative)

Waivers and consents

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

14 3 A failure or delay by a party to exercise any right or remedy provided under this deed or by law shall not constitute a waiver of that or any other right or remedy, prevent or restrict any further exercise of that or any other right or remedy or constitute an election to affirm this deed. No single or partial exercise of any right or remedy provided under this deed or by law shall prevent or restrict the further exercise of that or any other right or remedy. No election to affirm this deed by RSR shall be effective unless it is in writing.

Rights and remedies

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

15 Severance

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

16. Counterparts

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

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

17 Third party rights

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

18 Further provisions

Independent security

- 18.1 This deed shall be in addition to, and independent of, every other security or guarantee which RSR may hold for any of the Secured Liabilities at any time. No prior security held by RSR over the whole or any part of the Charged Property shall merge in the security created by this deed.

Continuing security

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

Discharge conditional

- 18.3 Any release, discharge or settlement between the Company and RSR shall be deemed conditional on no payment or security received by RSR in respect of the Secured Liabilities being avoided, reduced or ordered to be refunded pursuant to any law relating to insolvency, bankruptcy, winding-up, administration, receivership or otherwise. Despite any such release, discharge or settlement:
- (a) RSR or its nominee may retain this deed and the security created by or pursuant to it, including all certificates and documents relating to the whole or any part of the Charged Property, for such period as RSR deems necessary to provide RSR with security against any such avoidance, reduction or order for refund; and
 - (b) RSR may recover the value or amount of such security or payment from the Company subsequently as if such release, discharge or settlement had not occurred.

Certificates

- 18.4 A certificate or determination by RSR as to any amount for the time being due to it from the Company shall (in the absence of any manifest error) be conclusive evidence of the amount due.

Consolidation

- 18.5 The restriction on the right of consolidation contained in section 93 of the Law of Property Act 1925 shall not apply to this deed

Partial invalidity

- 18.6 The invalidity, unenforceability or illegality of any provision (or part of a provision) of this deed under the laws of any jurisdiction shall not affect the validity, enforceability or legality of the other provisions. If any invalid, unenforceable or illegal provision would be valid, enforceable or legal if some part of it were deleted, the provision shall apply with any modification necessary to give effect to the commercial intention of the parties

19 Notices

Delivery

- 19.1 Any notice or other communication given to a party under or in connection with this deed shall be
- (a) in writing,
 - (b) delivered by hand, by pre-paid first-class post or other next working day delivery service or sent by fax, and
 - (c) sent to:
 - (i) the Company at
 - (1) *Address:* Hawthorne House, Brunswick Industrial Estate, Brunswick Village, Newcastle upon Tyne, Tyne and Wear NE13 7BA
 - (2) *Attention:* The Directors
 - (ii) RSR at
 - (1) *Address:* 23 Westminster Road, Church Green, Newcastle upon Tyne, NE7 7EU
 - (2) *Attention:* Mr and Mrs R Rudd
- or to any other address or fax number as is notified in writing by one party to the other from time to time.

Receipt by Company

- 19.2 Any notice or other communication that RSR gives to the Company shall be deemed to have been received.
- (a) if delivered by hand, at the time it is left at the relevant address;
 - (b) if posted by pre-paid first-class post or other next working day delivery service, on the second Business Day after posting, and
 - (c) if sent by fax, when received in legible form
- 19.3 A notice or other communication given as described in clause 19.2(a) or clause 19.2(c) on a day that is not a Business Day, or after normal business hours, in the place it is received, shall be deemed to have been received on the next Business Day.

Receipt by RSR

- 19.4 Any notice or other communication given to RSR shall be deemed to have been received only on actual receipt.

Service of proceedings

- 19.5 Subject to clause 19.6, this clause 19 does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution

- 19 6 The Company irrevocably consents to any process in any proceedings being served on it in accordance with the provisions of clause 19 1. Nothing contained in this deed shall affect the right to serve process in any other matter permitted by law.

No notice by e-mail

- 19 7 A notice or other communication given under or in connection with this deed is not valid if sent by e-mail.

20. Governing law and jurisdiction

- 20 1 This deed and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales.
- 20 2 Each party irrevocably agrees that, subject as provided below, the courts of England and Wales shall have exclusive jurisdiction over any dispute or claim arising out of or in connection with this deed or its subject matter or formation (including non-contractual disputes or claims). Nothing in this clause shall limit the right of RSR to take proceedings against the Company in any other court of competent jurisdiction, nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdictions, whether concurrently or not, to the extent permitted by the law of such other jurisdiction

IN WITNESS WHEREOF this debenture has been executed and delivered as a **Deed** on the date first stated above

Schedule 1 Covenants

Part 1. General covenants

1 Negative pledge and disposal restrictions

- 1 1 The Company shall not, at any time, except with the prior written consent of RSR:
- (a) create, purport to create or permit to subsist any Security on or in relation to the Charged Property other than Permitted Security, or
 - (b) sell, assign, transfer, part with possession of or otherwise dispose of in any manner (or purport to do so) all or any part of, or any interest in, the Charged Property except disposals in the ordinary course of business of assets which are only subject to the floating charge under clause 3 1(d) at a time when the floating charge has not crystallised, or
 - (c) create or grant (or purport to create or grant) any interest in the Charged Property in favour of a third party.

2 Preservation of Charged Property

- 2 1 The Company shall not do, or permit to be done, any act or thing which would or might depreciate, jeopardise or otherwise prejudice the security held by RSR or materially diminish the value of any of the Charged Property or the effectiveness of the security created by this deed

3 Enforcement of rights

- 3 1 The Company shall use its best endeavours to:
- (a) procure the prompt observance and performance of the covenants and other obligations imposed on the Company's counterparties, and
 - (b) enforce any rights and institute, continue or defend any proceedings relating to any of the Charged Property which RSR may require from time to time

4 Compliance with laws

- 4 1 The Company will at all times comply with all laws in respect of or affecting the Charged Property

5 Notice of breaches

- 5 1 The Company shall within two Business Days of becoming aware of any of the same give RSR notice in writing of any breach of any covenant set out in this Schedule 1

6 Conduct of business

- 6 1 The Company shall carry on its trade and business in accordance with the standards of good management from time to time current in such trade or business

7 Title documents

- 7 1 The Company shall, at the option of RSR, deposit with RSR and RSR shall, for the duration of this deed, be entitled to hold
- (a) all deeds and documents of title relating to the Charged Property which are in the possession or control of the Company (if these are not within the possession and/or control of the Company, the Company undertakes to obtain possession of all such deeds and documents of title), and
 - (b) all Insurance Policies and any other insurance policies relating to any of the Charged Property to which the Company is entitled to possession.

8 Appointment of accountants

- 8 1 The Company shall

- (a) at its own cost, if at any time so required by RSR, appoint an accountant or firm of accountants nominated by RSR to investigate the financial affairs of the Company and report to RSR, and
 - (b) co-operate fully with any accountants so appointed and immediately provide such accountants with all information requested
- 8 2 The Company authorises RSR to make such appointment as it shall think fit at any time, without further authority from the Company. In every such case, the fees and expenses of those accountants shall be paid by the Company but, if paid by RSR on the Company's behalf, those fees and expenses shall be fully reimbursed to RSR under clause 8
- 9 **Company's waiver of set-off**
- 9 1 The Company waives any present or future right of set-off it may have in respect of the Secured Liabilities (including sums payable by the Company under this deed).
- 10 **Disclosure**
- 10 1 The Company consents to the disclosure by RSR of any information about the Company, this deed, the Charged Property and the Secured Liabilities to
- (a) any person to whom RSR has assigned or transferred, or proposes or may propose to assign or transfer, all or any of its rights and benefits under this deed or the Secured Liabilities; or
 - (b) any person with whom RSR has entered into, or proposes or may propose to enter into, any contractual arrangements in connection with this deed or the Secured Liabilities, or
 - (c) any subsidiary or agent of RSR; or
 - (d) any other person if required or permitted by law to do so.

Part 2. Book Debts and insurance covenants

- 1 **Preservation of Book Debts**
- 1 1 The Company shall not (except as provided by paragraph 2 of Part 2 of Schedule 1 or with the prior written consent of RSR) release, exchange, compound, set-off, grant time or indulgence in respect of, or in any other manner deal with, all or any of the Book Debts.
- 2 **Realising Book Debts**
- 2 1 The Company shall
- (a) as an agent for RSR, collect in and realise all Book Debts and hold those proceeds in trust for RSR;
 - (b) if called on so to do by RSR, execute a legal assignment of the Book Debts to RSR in such terms as RSR may require and give notice of that assignment to the debtors from whom the Book Debts are due, owing or incurred
- 3 **Insurance Policies' proceeds**
- 3 1 All sums payable under any of the Insurance Policies at any time (whether or not the security constituted by this deed has become enforceable) shall immediately be paid to RSR and until such payment is made to RSR the proceeds will be held by the Company as trustee of the same for the benefit of RSR.

Part 3. Property covenants

- 1 **Maintenance and insurance**
- 1 1 The Company shall
- (a) keep all buildings and all fixtures belonging to the Company on each Property in good and substantial repair and condition; and
 - (b) insure, and keep insured, those buildings and fixtures with such insurer and against such risks and in such amounts and otherwise on such terms as RSR may require

(and, failing such requirement, in accordance with the practice in respect of items of the same type current amongst prudent businessmen from time to time)

2 Compliance with covenants and payment of rent

2 1 The Company shall:

- (a) observe and perform all covenants, stipulations and conditions to which each Property, or the use of it, is or may be subjected and (if RSR so requires) produce to RSR evidence sufficient to satisfy RSR that those covenants, stipulations and conditions have been observed and performed; and
- (b) (without prejudice to the generality of the foregoing), where a Property, or part of it, is held under a lease, duly and punctually pay all rents due from time to time and perform and observe all the tenant's covenants and conditions.

3 Maintenance of interests in Properties

3 1 The Company shall not, without the prior written consent of RSR

- (a) grant, or agree to grant, any licence or tenancy affecting the whole or any part of any Property or exercise the statutory powers of leasing (or agreeing to lease) or of accepting (or agreeing to accept) surrenders under sections 99 or 100 of the Law of Property Act 1925, or
- (b) in any other way dispose of, or agree to dispose of, surrender or create any legal or equitable estate or interest in the whole or any part of any Property

4 Development restrictions

4 1 The Company shall not, without the prior written consent of RSR, carry out or permit or suffer to be carried out on any Property any development as defined in the Town and Country Planning Act 1990 or change or permit or suffer to be changed the use of any Property

5 No restrictive obligations

5 1 The Company shall not, without the prior written consent of RSR, enter into any onerous or restrictive obligations affecting the whole or any part of any Property or create or permit to arise any overriding interest, easement or right whatever in or over the whole or any part of any Property.

6 Proprietary rights

6 1 The Company shall procure that no person shall become entitled to assert any proprietary or other like right or interest over the whole or any part of any Property, without the prior written consent of RSR

7 Inspection

7 1 The Company shall permit RSR and any Receiver and any person appointed by either of them, to enter on and inspect any Property on reasonable prior notice

8 Property information

8 1 The Company shall inform RSR promptly of any acquisition by the Company of, or contract made by the Company to acquire, any freehold, leasehold or other interest in any property.

9 HM Land Registry disposal restriction

9 1 In respect of any Property, or part of or interest in any Property title, which is registered at HM Land Registry, the Company will apply (within 15 Business Days of the date of this deed) to HM Chief Registrar to enter the following restriction on the Proprietorship Register of the title to such Property:

"Except under an order of the Registrar, no disposition or dealing is to be registered without the consent of the proprietor for the time being of the deed dated [DATE] in favour of Robert Rudd and Sharon Rudd"

Part 4. Equipment covenants

1 Equipment information

1 1 The Company shall

- (a) give RSR such information concerning the location, condition, use and operation of the Equipment as RSR may require; and
- (b) permit any persons designated by RSR to inspect and examine the Equipment, and the records relating to the Equipment, at all reasonable times.

2 Equipment insurance

2 1 The Company shall:

- (a) at its own expense, procure that the Equipment is covered, and kept covered, by insurance of a kind satisfactory to RSR with insurers approved by RSR (such approval not to be unreasonably withheld) for full comprehensive insurance cover, which shall include (but not be limited to) fire, theft and accident, for an amount which is not less than the aggregate cost of reinstating or replacing such Equipment;
- (b) if RSR so requires, procure that the interest of RSR is noted on all such insurance policies or, at the option of RSR, that such insurance policies are issued in the joint names of RSR and the Company; and
- (c) maintain insurance for third party liabilities in such amount, and on such terms, as is usual for users of equipment of the same type as the Equipment

3 Notice of charge

3 1 The Company shall, if so requested by RSR, place and maintain on each item of Equipment, in a conspicuous place, a clearly legible identification plate containing the following wording

"NOTICE OF CHARGE

This [DESCRIPTION OF ITEM] and ancillary equipment is subject to a fixed charge dated [DATE] in favour of Robert Rudd and Sharon Rudd"

Part 5. Intellectual Property covenants

1 Registration of Intellectual Property

1 1 The Company shall use all reasonable efforts to effect registration of applications for registration of any Intellectual Property (capable of being so registered) and keep RSR informed of all matters relating to such registration

Schedule 2 Powers of RSR

1 Power to remedy

- 1 1 RSR shall be entitled (but shall not be bound) to remedy a breach at any time by the Company of any of its obligations contained in this deed and the Company irrevocably authorises RSR and its agents to do all such things as are necessary or desirable for that purpose

2 Exercise of rights

- 2 1 The rights of RSR under paragraph 1 of this Schedule 2 are without prejudice to any other rights of RSR under this deed. The exercise of those rights shall not make RSR liable to account as a mortgagee in possession

3 Power to dispose of chattels

- 3 1 At any time after the security constituted by this deed has become enforceable, RSR or any Receiver:
- (a) may dispose of any chattels or produce found on any Property as agent for the Company, and
 - (b) without prejudice to any obligation to account for the proceeds of any sale of such chattels or produce, shall be indemnified by the Company against any liability arising from such disposal

4 Prior Security

- 4 1 At any time after the security constituted by this deed has become enforceable, or after any powers conferred by any Security having priority to this deed shall have become exercisable, RSR may
- (a) redeem such or any other prior Security or procure its transfer to itself, and
 - (b) settle any account of the holder of any prior Security

Any accounts shall be, in the absence of any manifest error, conclusive and binding on the Company. All monies paid by RSR to an encumbrancer in settlement of such an account shall, as from its payment by RSR, be due from the Company to RSR on current account and shall bear interest at the Default Interest Rate and be secured as part of the Secured Liabilities.

5 New accounts

- 5 1 If RSR receives notice of any subsequent Security, or other interest, affecting all or part of the Charged Property, RSR may open a new account for the Company in RSR's books. Without prejudice to RSR's right to combine accounts, no money paid to the credit of the Company in any such new account shall be appropriated towards, or have the effect of discharging, any part of the Secured Liabilities
- 5 2 If RSR does not open a new account immediately on receipt of notice under paragraph 5.1 of this Schedule 2, then, unless RSR gives express written notice to the contrary to the Company, all payments made by the Company to RSR shall be treated as having been credited to a new account of the Company and not as having been applied in reduction of the Secured Liabilities as from the time of receipt of the relevant notice by RSR

6 Lender's set-off rights

- 6 1 If RSR has more than one account for the Company in its books, RSR may, at any time after:
- (a) the security constituted by this deed has become enforceable, or
 - (b) RSR has received notice of any subsequent Security or other interest affecting all or any part of the Charged Property,
- transfer, without prior notice, all or any part of the balance standing to the credit of any account to any other account which may be in debit (but RSR shall notify the Company of the transfer once made)

7 **Indulgence**

RSR may, at its discretion, grant time or other indulgence or make any other arrangement, variation or release with any person or persons not being a party to this deed (whether or not such person or persons is jointly liable with the Company) in respect of any of the Secured Liabilities or of any other security for them without prejudice either to this deed, or to the liability of the Company for the Secured Liabilities

Schedule 3 Enforcement

1 Enforcement events

1 1 This deed shall be enforceable if.

- (a) any of the Secured Liabilities are not paid or discharged when the same ought to be paid or discharged by the Company (whether on demand, at scheduled maturity, or by acceleration or otherwise, as the case may be), or
- (b) the Company is in breach of any of its obligations under this deed or under any other agreement between the Company and RSR (including, but not limited to, the Facility Agreement), and that breach (if capable of remedy) has not been remedied to the satisfaction of RSR within 14 days of notice by RSR to the Company to remedy the breach, or
- (c) the Company.
 - (i) becomes unable to pay its debts as they fall due (and/or the value of the Company's assets is less than the amount of its liabilities, taking into account the Company's contingent and prospective liabilities), or
 - (ii) commences negotiations with any one or more of its creditors with a view to the general readjustment or rescheduling of its Indebtedness; or
 - (iii) makes a general assignment for the benefit of or a composition with its creditors; or
- (d) the Company passes any resolution or takes any corporate action, or a petition is presented or proceedings are commenced, or any action is taken by any person for its winding-up, dissolution, administration or re-organisation or for the appointment of a receiver, administrative receiver, administrator, trustee or similar officer of it or of any or all of its revenues or assets; or
- (e) a distress, execution, attachment or other legal process is levied or enforced on, or sued out against, all or any part of the assets of the Company and remains undischarged for seven days, or
- (f) any event occurs in relation to the Company that is analogous to those set out in paragraph 1 1(c), paragraph 1 1(d) or paragraph 1.1(e) of this Schedule 3; or
- (g) any representation, warranty or statement made or deemed to be made by the Company under this deed is or proves to have been incorrect or misleading when made or deemed to be made, or
- (h) an Event of Default occurs,

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

2 Statutory power of sale

2 1 The statutory powers of sale conferred by the Law of Property Act 1925 shall, as between RSR and a purchaser from RSR, arise on and be exercisable at any time after, the execution of this deed but RSR shall not exercise such power of sale until the security constituted by this deed has become enforceable under paragraph 1 of this Schedule 3

3 Extension of statutory powers

3 1 The statutory powers of sale, leasing and accepting surrenders conferred on mortgagees under the Law of Property Act 1925 and/or by any other statute shall be exercisable by RSR under this deed and are extended so as to authorise RSR, whether in its own name or in that of the Company, to grant a lease or agreement to lease, accept surrenders of lease or grant any option of the whole or any part of the freehold and leasehold property of the Company with whatever rights relating to other parts of it, containing whatever covenants on the part of the Company, generally on such terms and conditions (including the payment of money to a lessee or tenant on a surrender) and whether or not at a premium, as RSR thinks fit.

4 **Protection of third parties**

4 1 No purchaser, mortgagee or other person dealing with RSR or any Receiver shall be concerned

(a) to enquire whether any of the Secured Liabilities have become due or payable, or remain unpaid or undischarged, or whether the power RSR or a Receiver is purporting to exercise has become exercisable; or

(b) to see to the application of any money paid to RSR or any Receiver

5 **No liability as mortgagee in possession**

5 1 Neither RSR, nor any Receiver nor any Administrator shall be liable to account as mortgagee in possession in respect of all or any of the Charged Property, nor shall any of them be liable for any loss on realisation of, or for any neglect or default of any nature in connection with, all or any of the Charged Property for which a mortgagee in possession might be liable as such.

6 **Appointment of Receiver**

6 1 At any time after the security constituted by this deed has become enforceable, or at the request of the Company, RSR may, without further notice:

(a) appoint by way of deed, or otherwise in writing, any one or more person or persons to be a receiver or a receiver and manager, of all or any part of the Charged Property; and

(b) (subject to section 45 of the Insolvency Act 1986) from time to time, by way of deed, or otherwise in writing, remove any person appointed to be Receiver and may, in a similar manner, appoint another in his place.

6 2 Where more than one person is appointed Receiver, they shall have power to act separately (unless the appointment by RSR specifies to the contrary)

6 3 RSR may fix the remuneration of any Receiver appointed by it without the restrictions contained in section 109 of the Law of Property Act 1925 and the remuneration of the Receiver shall be a debt secured by this deed which shall be due and payable immediately upon its being paid by RSR

7 **Power of sale additional**

7 1 The powers of sale and appointing a Receiver conferred by this deed shall be in addition to all statutory and other powers of RSR under the Insolvency Act 1986, the Law of Property Act 1925 or otherwise, and shall be exercisable without the restrictions contained in Sections 103 and 109 of the Law of Property Act 1925 or otherwise

7 2 The power to appoint a Receiver (whether conferred by this deed or by statute) shall be, and remain, exercisable by RSR despite any prior appointment in respect of all or any part of the Charged Property

8 **Agent of the Company**

8 1 Any Receiver appointed by RSR under this deed shall be the agent of the Company and the Company shall be solely responsible for his acts and remuneration, as well as for any defaults committed by him.

9 **Powers of Receiver**

9 1 Any Receiver appointed by RSR under this deed shall, in addition to the powers conferred on him by the Law of Property Act 1925 and the Insolvency Act 1986, have the power to do all such acts and things as an absolute owner could do in the management of such of the Charged Property over which the Receiver is appointed and, in particular, the powers set out in Schedule 4.

10 **Order of application of proceeds**

10 1 All monies received by RSR or a Receiver in the exercise of any enforcement power conferred by this deed shall be applied

- (a) first, in paying all unpaid fees, costs and other liability incurred by or on behalf of RSR (and any Receiver, attorney or agent appointed by it);
- (b) second, in paying the remuneration of any Receiver (as agreed between the Receiver and RSR);
- (c) third, in or towards discharge of the Secured Liabilities in such order and manner as RSR determines; and
- (d) finally, in paying any surplus to the Company or any other person entitled to it

11 **Appropriation**

- 11 1 Neither RSR nor any Receiver shall be bound (whether by virtue of section 109(8) of the Law of Property Act 1925, which is varied accordingly, or otherwise) to pay or appropriate any receipt or payment first towards interest rather than principal or otherwise in any particular order between any of the Secured Liabilities.

12 **Suspense account**

- 12 1 All monies received by RSR or a Receiver under this deed may, at the discretion of RSR or Receiver, be credited to any suspense or securities realised account and shall bear interest at such rate, if any, as may be agreed in writing between RSR and the Company, and may be held in such account for so long as RSR or Receiver thinks fit.

13 **Appointment of an Administrator**

- 13 1 RSR may, without notice to the Company, appoint any one or more persons to be an administrator of the Company pursuant to Paragraph 14 Schedule B1 of the Insolvency Act 1986 if this deed becomes enforceable.
- 13 2 Any appointment under this paragraph 13 of Schedule 3 shall:
- (a) be in writing signed by a duly authorised signatory of RSR, and
 - (b) take effect, in accordance with paragraph 19 of Schedule B1 of the Insolvency Act 1986, when the requirements of paragraph 18 of that Schedule B1 are satisfied
- 13 3 RSR may (subject to any necessary approval from the court) end the appointment of an Administrator by notice in writing in accordance with this paragraph 13 of Schedule 3 and appoint a replacement for any Administrator whose appointment ends for any reason under that paragraph

Schedule 4 Further powers of a Receiver

1 Power to repair and develop Properties

1 1 A Receiver may undertake or complete any works of repair, building or development on the Properties.

2 Power to surrender leases

2 1 A Receiver may grant, or accept surrenders of, any leases or tenancies affecting the Properties on such terms and subject to such conditions as he thinks fit

3 Power to employ personnel and advisors

3 1 A Receiver may provide services and employ or engage such managers, contractors, and other personnel and professional advisors on such terms as he deems expedient

4 Power to make VAT elections

4 1 A Receiver may make such elections for value added tax purposes as he thinks fit

5 Power to charge for remuneration

5 1 A Receiver may charge and receive such sum by way of remuneration (in addition to all costs, charges and expenses incurred by him) as RSR may prescribe or agree with him

6 Power to realise Charged Property

6 1 A Receiver may collect and get in the Charged Property, or any part of it, in respect of which he is appointed and make such demands and take such proceedings as may seem expedient for that purpose, and to take possession of the Charged Property with like rights

7 Power to manage or reconstruct the Company's business

7 1 A Receiver may carry on, manage, develop, reconstruct, amalgamate or diversify or concur in carrying on, managing, developing, reconstructing, amalgamating or diversifying the business of the Company

8 Power to dispose of Charged Property

8 1 A Receiver may grant options and licences over all or any part of the Charged Property, sell or concur in selling, assign or concur in assigning, lease or concur in leasing and accept or concur in accepting surrenders of leases of all or any of the property of the Company in respect of which he is appointed in such manner, and generally on such terms and conditions, as he thinks fit (fixtures and plant and machinery may be severed and sold separately from the premises in which they are contained without the consent of the Company), and to carry any such sale, assignment, leasing or surrender into effect. Any such sale may be for such consideration as the Receiver thinks fit and he may promote, or concur in promoting, a company to purchase the property to be sold.

9 Power to sell Book Debts

9 1 A Receiver may sell and assign all or any of the Book Debts in respect of which he is appointed in such manner, and generally on such terms and conditions, as he thinks fit.

10 Power to make settlements

10 1 A Receiver may make any arrangement, settlement or compromise between the Company and any other person which he may think expedient.

11 Power to improve the Equipment

11 1 A Receiver may make substitutions of, or improvements to, the Equipment as he may think expedient

12 Power to make calls on Company members

12 1 A Receiver may make calls, conditionally or unconditionally, on the members of the Company in respect of the uncalled capital with such and the same powers for that purpose, and for

the purpose of enforcing payments of any calls so made, as are conferred by the articles of association of the Company on its directors in respect of calls authorised to be made by them.

13 Power to appoint

- 13 1 A Receiver may appoint managers, officers, servants, workmen and agents for the purposes of this Schedule 4 at such salaries, for such periods and on such terms as he may determine.

14 Power to insure

- 14 1 A Receiver may, if he thinks fit, but without prejudice to the indemnity in clause 0, effect with any insurer any policy of insurance, either in lieu or satisfaction of, or in addition to, such insurance

15 Powers under Law of Property Act 1925

- 15 1 A Receiver may exercise all powers provided for in the Law of Property Act 1925 in the same way as if he had been duly appointed under that act, and exercise all powers provided for an administrative receiver in Schedule 1 of the Insolvency Act 1986.

16 Power to borrow

- 16 1 A Receiver may, for any of the purposes authorised by this Schedule 4, raise money by borrowing from RSR (or from any other person) on the security of all or any of the Charged Property in respect of which he is appointed on such terms as he shall think fit (including, if RSR consents, terms under which such security ranks in priority to this deed).

17 Power to redeem prior Security

- 17 1 A Receiver may redeem any prior Security and settle and pass the accounts to which the Security relates. Any accounts so settled and passed shall be, in the absence of any manifest error, conclusive and binding on the Company and the monies so paid shall be deemed to be an expense properly incurred by him

18 Incidental powers


- 18 1 A Receiver may do all such other acts and things as he may consider incidental or conducive to any of the matters or powers in this Schedule 4 or which he lawfully may or can do as agent for the Company

19 Scope of powers

- 19 1 Any exercise of any of the powers given by this Schedule 4 may be on behalf of the Company, the directors of the Company (in the case of the power contained in paragraph 12 of Schedule 4) or himself.

Signed as a Deed by
(a director) for and on behalf of
Bob Rudd Leisure Limited
in the presence of


Witness Signature: ..
Name JOHN NICHOLSON ..
Address ..
Occupation: SOLICITOR ..


.....
Director

Mincoffs Solicitors LLP
5 Osborne Terrace
Newcastle Upon Tyne
NE2 1SQ
Tel: 0191 281 6151 DX 62550 Jesmond

Signed as a Deed by
Robert Rudd
in the presence of:

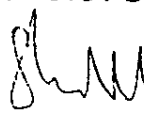
Witness Signature: ..
Name JOHN NICHOLSON ..
Address ..
Occupation SOLICITOR ..


R. Rudd

Mincoffs Solicitors LLP
5 Osborne Terrace
Newcastle Upon Tyne
NE2 1SQ
Tel 0191 281 6151 DX 62550 Jesmond

Signed as a Deed by
Sharon Rudd
in the presence of:

Witness Signature: ..
Name JOHN NICHOLSON ..
Address ..
Occupation: SOLICITOR ..


S. Rudd

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5 Osborne Terrace
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