

**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

**395****M**

CHFP025

Please do not  
write in  
this margin

Please complete  
legibly, preferably  
in black type, or  
bold block lettering

\* insert full name  
of Company

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

For official use

Company number

3340555

Name of company

\* RIVERSIDE CROYDON LIMITED (the "Company")

Date of creation of the charge

27 January 2004

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

DEBENTURE dated 27 January 2004 between the Borrower, the Chargors and the Noteholders' Security Trustee (the "Debenture")

Amount secured by the mortgage or charge

All present and future indebtedness, monies, obligations and liabilities of the Borrower, the Charging Group and/or any other member of the Group to the Note Finance Parties under the Debenture and each of the other Note Finance Documents 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 Note Finance Parties' charges and commission, interest and Expenses (the "Secured Liabilities").

continued on addendum 2/4

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

ELECTRA PARTNERS EUROPE LIMITED, 65 Kingsway London, as noteholders' agent and noteholders' security trustee and noteholders security trust (in such capacity, the "Noteholders' Security Trustee")

Postcode WC2B 6QT

Presentor's name address and  
reference (if any):  
Ashurst  
Broadwalk House  
5 Appold Street  
London EC2A 2HA

IRE/MRR/E450.00081/3306539

Time critical reference

For official Use  
Mortgage Section

Post room



A02  
COMPANIES HOUSE

0652  
07/02/04

Short particulars of all the property mortgaged or charged

**1. FIXED SECURITY**

**Creation of Fixed Security**

1.1 The Company, as security for the payment, discharge and performance of all the Secured Liabilities, charged to the Noteholders' Security Trustee:

1.1.1 Scheduled Property - by way of a first legal mortgage the freehold and leasehold property specified in Schedule 2 (Real Property) of the Debenture, as set out in Schedule 1 hereto (if any);

1.1.2 Unscheduled Property - by way of first fixed charge all estates or interests in any other freehold or leasehold (other than any subject to an Exclusion unless and until the same is Satisfied) property both present and future;

continued on addendum 4/4

Please do not write in this margin

Please complete legibly, preferably in black type, or bold block lettering

Particulars as to commission allowance or discount (note 3)

Nil

Signed

*Ashurst*

Date

6 / 2 / 04

On behalf of mortgagee/chargee]<sup>†</sup>

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

**NOTES**

† delete as appropriate

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

Company number

3340555

Name of company

\* insert full name  
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\* RIVERSIDE CROYDON LIMITED (the "Company")

Addendum 1/4

1. Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

Company number

3340555

Name of company

\* RIVERSIDE CROYDON LIMITED (the "Company")

\* insert full name  
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Addendum 2/4

2. Amount due or owing on the mortgage or charge (continued)

NOTE

In this form 395:

"Blocked Account" means the Blocked Account Prepayments; the Blocked Account PSLB, the Blocked Account VLN1 and the Blocked Account VLN2 (as all such terms are defined in the Debenture), each an interest bearing blocked account held in the UK and governed by English law;

"Borrower" means Health and Fitness Holdings Limited (CRN: 4374665);

"Charging Group" means the Borrower and the Chargors and reference to the Charging Group includes a reference to any one or more of the members of the Charging Group;

"Chargors" means Health and Fitness Holdings Limited (CRN: 4374665), Riverside Racquet Centre Limited (CRN: 1944659), Esporta Health & Fitness Limited (CRN: 2999311), Invicta Leisure (Manchester) Limited (CRN: 2926259), Northwood Developments Limited (CRN: 2832351), Invicta Leisure (Brentwood) Limited (CRN: 4064756), Royal County of Berkshire Racquets and Health Club PLC (CRN: 2500623), Invicta Leisure (Tennis) Limited (CRN: 2825228), Invicta Leisure (Plymouth) Limited (CRN: 3787905), Invicta Leisure (Sunderland) Limited (CRN: 3349538), DSCL Holdings Limited (CRN: 4374605), Duke Street Capital Leisure Investments Limited (CRN: 4290601), Esporta Limited (CRN: 3286677), Esporta Interco (CRN: 3848865), ISL Leisure Limited (CRN: 2314523), Riverside Limited (CRN: 2837693), Esporta Chislehurst Limited (CRN: 1181999), Invicta Leisure (Brighton) Limited (CRN: 3269510), Invicta Leisure (Swansea) Limited (CRN: 3785227), Invicta Leisure (Overseas) Limited (CRN: 4286248), Invicta Leisure Limited (CRN: 2464159), Invicta (Club Indigo) Limited (CRN: 3787893), Ocean Park Leisure Limited (CRN: 2933538), Humberston Country Club Limited (CRN: 1731768), Riverside Chiswick Limited (CRN: 3340560), Riverside Croydon Limited (CRN: 3340555), Vitalblade Limited (CRN: 3765731) (collectively the "Chargors" and each a "Chargor");

"Exclusion" means a legal, valid and binding restriction on the creation of a Security Interest over an asset existing as at 27 January 2004 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;

"Expenses" means all expenses (on a full indemnity basis) including costs, legal costs, charges, expenses and damages sustained or properly incurred by the Noteholders' Security Trustee or any Receiver at any time in connection with the Security Assets 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;

"Facilities Agreement" means the facilities agreement dated 27 January 2004 and made between the Initial Borrower (as defined therein) (1) the Original Borrowers (as defined therein) (2) the Original Guarantors (as defined therein) (3) the Mandated Lead Arrangers (as defined therein) (4) the Original Lenders (as defined therein) (5) Lloyds TSB Bank plc Capital Markets as the Agent (6) and Lloyds TSB Bank plc as the Issuing Bank (7) the Lenders (as defined therein) and (8) The Royal Bank of Scotland plc acting as agent for National Westminster Bank plc as Ancillary Lender

"Group" means the Borrower and its subsidiaries from time to time and "member of the Group" shall be construed accordingly;

"Insurances" means all or any of the contracts and policies of insurance or assurance including (without limitation) life policies or the proceeds thereof together with all bonuses and other moneys, benefits and advantages that may become payable or accrue under them or under any substituted policy or under any new policy effected after 27 January 2004 taken out by the Charging Group or (to the extent of its interest) in which the Charging Group has an interest;

Company number

3340555

Name of company

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"Intercreditor Deed" means the Intercreditor Deed dated January 2004 between, amongst others, Lloyds TSB Bank Plc, Capital Markets, Lloyds TSB Bank Capital Markets, Electra Partners Limited, and the Royal Bank of Scotland plc;

"Intellectual Property" means 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;

"Keyman Policies" means all policies of insurance or assurance taken out by, assigned to or for the benefit of the Charging Group in relation to the lives or health of the persons listed in Schedule 4 (The Keyman Policies) of the Debenture, as set out in Schedule 2 hereto;

"Material Mortgaged Property" means the Mortgaged Property listed at Schedule 2 to the Debenture as set out in Schedule 1 hereto;

"Mortgaged Property" means any freehold or leasehold property the subject of the security created by the Debenture;

"Note Finance Document" means the "Note Finance Documents" (as defined in the Vendor Loan Note Instruments) the Debenture, the Intercreditor Deed and any other document designated as such by the Noteholders' Security Trustee and the Borrower;

"Note Finance Party" has the meaning given to it in the Vendor Loan Note Instruments and "Note Finance Parties" shall be construed accordingly;

"Other I.P. Rights" means all know-how, confidential information and trade secrets;

"Premises" means all buildings and erections on or forming part of the Mortgaged Property;

"Receiver" means a receiver, receiver and manager or administrative receiver appointed under the Debenture;

"Related Rights" means 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;

"Satisfied" means in relation to an Exclusion, the legal, valid and binding satisfaction or removal of such Exclusion as a result of the granting of consent by all relevant third parties;

"Securities" means 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;

"Security Assets" means all assets of the Charging Group which are the subject of any security created by the Debenture;

"Security Interest" means 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 Noteholders' Security Trustee, similar to conferring security;

"Senior Discharge Date" is as defined in the Intercreditor Deed;

"Specified Contracts" means each of the contracts referred to in Schedule 6 (The Specified Contracts) to the Debenture, as set out in Schedule 3 hereto and each other contract, guarantee, appointment, warranty and other document referred to in clause 3.1.3(p) (Contracts) of the Debenture;

Company number

3340555

Name of company

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\* insert full name  
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"Vendor Loan Note Instrument No.1" means the loan note instrument dated 5 September 2002 and made between Health and Fitness Holdings Limited (CRN: 4374665)(formerly known as Sugargrove Limited )(1) Esporta Group Limited (CRN: 4374988)(formerly known as Sugargrange Limited)(2) and Electra Partners Europe Limited (3) in which Health and Fitness Holdings Limited created and authorised the issue of £12,623,330 institutional vendor loan notes due 2005 (as the same may howsoever, from time to time, be varied, amended, supplemented, substituted, novated or assigned, or otherwise howsoever);

"Vendor Loan Note Instrument No.2" means the loan note instrument dated 5 September 2002 and made between Health and Fitness Holdings Limited (CRN: 4375665)(formerly known as Sugargrove Limited) (1) and Electra Partners Europe Limited (2) in which Health and Fitness Holdings Limited created and authorised the issue of £11,510,045 institutional vendor loan notes due 2005 (as the same may howsoever, from time to time, be varied, amended, supplemented, substituted, novated or assigned, or otherwise howsoever);

"Vendor Loan Note Instruments" means Vendor Loan Note Instrument No. 1 and Vendor Loan Note Instrument No.2.

## SCHEDULES

## Schedule 1

## Real Property

## Registered Land

Premises at	County/District	Registered at Land Registry under Title No.	Name of Relevant member of Charging Group
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 WA963690	Invicta Leisure (Swansea) Limited
Bowlee Park	Manchester	GM751251	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	EX651904	Invicta Leisure (Brentwood) Limited
Esporta Health Club, Poole	Dorset	DT 233748	Esporta Health and Fitness Limited
Devonshire Health and Racquet Club, Plymouth	Devon	DN455858	Invicta Leisure (Plymouth) Limited

M395 Continuation

Company number

3340555

Name of company

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Esporta Health and Racquets Club	Berkshire	BK306965	Royal County of Berkshire Racquets and Health Club PLC
Hampshire Tennis & Health Club, Southampton	Hampshire	HP484107	Invicta Leisure (Tennis) Limited
Sunderland Tennis & Racquets Club	Tyne & Wear	TY361757	Invicta Leisure (Sunderland) Limited
Brighton Health & Racquets Club	Sussex	ESX236538	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

Schedule 2

The Keyman Policy

Keyman insurance over the life of Neil Gillis to be taken out pursuant to Clause 24.44 (Keyman Insurance) of the Facilities Agreement

Schedule 3

The Specified Contracts

[Intentionally left blank]

Company number

3340555

Name of company

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Addendum 3/4

3. Names, addresses and description of the mortgagees or persons entitled to the charge (continued)



Company number

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Name of company

\* insert full name  
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## Addendum 4/4

## 4. Short particulars of all the property mortgaged or charged (continued)

## 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 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 present and future book debts (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 the Company with any person (including the Noteholders' Security Trustee), or in which the Company is interested, including any rent deposit given to secure liabilities of or to the Company 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;

(i) Charged Securities - all Securities and Related Rights;

(j) Uncalled Capital - its present and future uncalled capital;

(k) Goodwill - its present and future goodwill;

(l) Intellectual Property - its Intellectual Property;

(m) Other I.P. Rights - its 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 Security Asset and the right to recover and receive all compensation which may be payable to it in respect of them;

(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;

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(p) Contracts - the benefit of

(i) each of the Specified Contracts referred to in Schedule 6 (The Specified Contracts) of the Debenture as set out in Schedule 3 hereto;

(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 Note 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, construction or development, sale, purchase or the operation of any Mortgaged Property or Premises;

(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 Company arising from them.

1.2 After the Senior Discharge Date the Company, as security for the payment, discharge and performance of all the Secured Liabilities, has agreed to assign to the Noteholders' Security Trustee absolutely by way of a first legal assignment all of its rights in respect of the Keyman Policies.

1.3 A reference in the Debenture to a charge, assignment or mortgage of any asset includes:

1.3.1 the proceeds of sale of any part of that asset;

1.3.2 the benefit of any covenants for title given or entered into by any predecessor in title of each member of the Charging Group in respect of that asset or any moneys paid or payable in respect of those covenants; and

1.3.3 in respect of the Mortgaged Property, all Premises and fixtures (including trade fixtures and fittings and tenants' fixtures and fittings) on the Mortgaged Property.

2. FLOATING CHARGE

Creation of Floating Charge

2.1 The Company as security for the payment, discharge and performance of all of the Secured Liabilities, charged in favour of the Noteholders' Security Trustee by way of a first floating charge all its undertaking and all its other property, assets and rights whatsoever, all the stock in trade of the Company 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, as set out in clause 1 above.

Conversion

2.2 The Noteholders' Security Trustee may by notice in writing at any time to the Company convert the floating charge created by the Debenture into a fixed charge as regards all or any of the assets specified in the notice at any time after the security constituted by the Debenture becomes enforceable.

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Qualifying Floating Charge

2.3 The provisions of paragraph 14 of Schedule B1 to the Insolvency Act 1986 shall apply to the floating charge created by the Debenture.

3. FURTHER ASSURANCE

3.1 The Company shall, at its own expense, take whatever action the Noteholders' Security Trustee or a Receiver may reasonably require for:

3.1.1 preserving, perfecting or protecting any Security Asset or the security intended to be created by the Debenture over any Security Asset;

3.1.2 facilitating the realisation of any Security Asset;

3.1.3 facilitating the exercise of any right, power or discretion exercisable, by the Noteholders' Security Trustee or any Receiver or any of its or their delegates or sub-delegates in respect of any Security Asset; and/or

3.1.4 creating any legal mortgage over any Mortgaged Property;

including the execution of any transfer, conveyance, assignment or assurance of any property whether to the Noteholders' Security Trustee or to its nominees, and the giving of any notice, order or direction and the making of any registration, which in any such case, the Noteholders' Security Trustee may think expedient.

4. RESTRICTIONS ON DEALING/NEGATIVE PLEDGE

4.1 The Company shall not:

4.1.1 create or permit to subsist any Security Interest on any Security Asset other than one expressly permitted under the Note Finance Documents or with the prior written consent of the Noteholders' Security Trustee; or

4.1.2 sell, transfer, lease, or otherwise dispose of any Security Asset or permit the same to occur, except for the disposal in the ordinary course of trade (as conducted by the Company as at 27 January 2004) 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 Note Finance Documents.

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## CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 03340555

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A DEBENTURE DATED THE 27th JANUARY 2004 AND CREATED BY RIVERSIDE CROYDON LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE BORROWER, THE CHARGING GROUP AND/OR ANY OTHER MEMBER OF THE GROUP TO THE NOTE FINANCE PARTIES 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 7th FEBRUARY 2004.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 12th FEBRUARY 2004.



THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES



*Companies House*

— for the record —