

MR01

Particulars of a charge

010908/12

Oyez

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

You can use the Web
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 the charge
instrument Use form M



A05 16/09/2015 #323
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. Do not send the original

1 Company details

Company number 09691750

Company name in full BOBBY YOUNG LIMITED

For official use

Filing 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 15/09/2015

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 DAVID LEE

Name ANNE MARGARET LEE

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

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4

Brief description

Please give a short description of any land, ship, aircraft or intellectual property registered or required to be registered in the UK subject to a charge (which is not a floating charge) or fixed security included in the instrument

Brief description

Land all freehold and leasehold properties (whether registered or unregistered) and all commonhold properties, now or at any time after the date of this deed owned by the Borrower
Intellectual Property the Borrower's present and future patents, rights to inventions and copyright.
For more details, please refer to the instrument

Please submit only a short description. If there are a number of plots of land, aircraft and/or ships, you should simply describe some of them in the text field and add a statement along the lines of, "for more details please refer to the instrument"

Please limit the description to the available space

5

Other charge or fixed security

Does the instrument include a charge (which is not a floating charge) or fixed security over any tangible or intangible or (in Scotland) corporeal or incorporeal property not described above? Please tick the appropriate box

- ☒ Yes
☐ No

6

Floating charge

Is the instrument expressed to contain a floating charge? Please tick the appropriate box

- ☒ Yes Continue
☐ No Go to Section 7

Is the floating charge expressed to cover all the property and undertaking of the company?

- ☒ Yes

7

Negative Pledge

Do any of the terms of the charge prohibit or restrict the company from creating further security that will rank equally with or ahead of the charge?
Please tick the appropriate box

- ☒ Yes
☐ No

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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  X

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

MR01

Particulars of a charge



Presenter information

You do not have to give any contact information, but if you do, it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name

AS/MF

Company name

Turner Parkinson LLP

Address

Hollins Chambers

64a Bridge Street

Manchester

Post town

County/Region

Postcode

M

3

3

B

A

Country

United Kingdom

DX

14373, Manchester

Telephone

0161 8331212



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: 9691750

Charge code: 0969 1750 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 15th September 2015 and created by BOBBY YOUNG LTD was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 16th September 2015

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Given at Companies House, Cardiff on 22nd September 2015



Companies House



**THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES**



Turner Parkinson

DATED 15 SEPTEMBER 2015

BOBBY YOUNG LIMITED

and

DAVID LEE and ANNE MARGARET LEE

DEBENTURE

We hereby certify this to be a true and
complete copy of the original

Signature Chris Date Sept 15

For and on behalf of
turner parkinson LLP
solicitors /

Ref
Draft
Date

turner parkinson LLP
Hollins Chambers
64a Bridge Street
Manchester
M3 3BA

Tel + 44 (0) 161 833 1212
Fax + 44 (0) 161 834 9098
www.tp.co.uk

THIS DEED is dated 15 SEPTEMBER 2015

Parties:

- (1) **BOBBY YOUNG LIMITED** (a company incorporated and registered in England and Wales with company number 9691750 whose registered office is at 16 Brown Street North, Leigh, Lancashire WN7 1BU (the "**Borrower**"), and
- (2) **DAVID LEE** and **ANNE MARGARET LEE** of 22 Smithy Brow, Croft, Warrington, Cheshire WA3 7BZ (each a "**Lender**" and together the "**Lenders**")

Background:

- (A) The Lenders have agreed to provide the Borrower with a loan on a secured basis to enable the Borrower to complete the purchase of the entire issued share capital of Priority Roofing (North West) Limited
- (B) This deed provides security which the Borrower has agreed to give to the Lenders

Agreed terms:

1. Definitions and interpretation

- 1.1 The following definitions apply in this deed

"Administrator"	an administrator appointed to manage the affairs, business and property of the Borrower pursuant to paragraph 15 of Schedule 2,
"Book Debts"	all present and future book and other debts and monetary claims due or owing to the Borrower and the benefit of all security, guarantees and other rights of any nature enjoyed or held by the Borrower in relation to any of them,
"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 Rate"	5% above the base lending rate from time to time of National Westminster Bank plc,
"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 Borrower, including any part of it and all spare parts, replacements, modifications and additions,
"Financial Collateral"	shall have the meaning given to that expression in the Financial Collateral Regulations,

"Financial Collateral Regulations"

the Financial Collateral Arrangements (No 2) Regulations 2003 (*SI 2003/3226*),

"Intellectual Property"

the Borrower'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 Borrower, including all rights accruing or incidental to those investments from time to time,

"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 Borrower, or in which the Borrower 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 2,

"Secured Liabilities"

all present and future monies, obligations and liabilities owed by the Borrower to the Lenders, whether actual or contingent and whether owed jointly or severally, as principal or surety and/or in any other capacity together with all interest (including, without limitation, default interest) accruing in respect of such monies 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

1 2 In this deed

- 1 2 1 clause and Schedule headings shall not affect the interpretation of this deed,
- 1 2 2 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,
- 1 2 3 unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular,
- 1 2 4 unless the context otherwise requires, a reference to one gender shall include a reference to the other genders,
- 1 2 5 a reference to a party shall include that party's successors, permitted assigns and permitted transferees,
- 1 2 6 a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time,
- 1 2 7 a reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision,
- 1 2 8 a reference to writing or written includes fax but not e-mail,
- 1 2 9 an obligation on a party not to do something includes an obligation not to allow that thing to be done,
- 1 2 10 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,
- 1 2 11 unless the context otherwise requires, a reference to a clause or Schedule is to a clause of, or Schedule to, this deed,
- 1 2 12 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,
- 1 2 13 a reference to an amendment includes a novation, re-enactment, supplement or variation (and amended shall be construed accordingly),
- 1 2 14 a reference to assets includes present and future properties, undertakings, revenues, rights and benefits of every description,
- 1 2 15 a reference to an authorisation includes an approval, authorisation, consent, exemption, filing, licence, notariation, registration and resolution,
- 1 2 16 a reference to continuing in relation to an Event of Default means an Event of Default that has not been remedied or waived,
- 1 2 17 a reference to determines or determined means, unless the contrary is indicated, a determination made at the absolute discretion of the person making it,

- 1 2 18 a reference to indebtedness includes any obligation for the payment or repayment of money, whether as principal or as surety and whether present or future, actual or contingent,
- 1 2 19 a reference to transactions entered into in the ordinary course of business excludes
- (a) any unprecedented or exceptional transactions,
 - (b) any transaction entered into in breach of directors' duties, and
 - (c) any transaction that may be classified as being a preference or at an undervalue, and
- 1 2 20 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
- 1 3 If any Lender considers that an amount paid by the Borrower in respect of the Secured Liabilities is capable of being avoided, or otherwise set aside, on the liquidation or administration of the Borrower or otherwise, then that amount shall not be considered to have been irrevocably paid for the purposes of this deed
- 1 4 A reference in this deed to a **charge** or **mortgage** of any freehold, leasehold or commonhold property includes
- 1 4 1 all buildings and fixtures (including trade and tenant's fixtures) which are situated on that property at any time,
 - 1 4 2 the proceeds of the sale of any part of that property, and
 - 1 4 3 the benefit of any covenants for title given, or entered into, by any predecessor in title of the Borrower in respect of that property, and any monies paid or payable in respect of those covenants
- 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)
- 1 7 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
- 1 8 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**
- The Borrower shall, on demand, pay to the Lenders and discharge the Secured Liabilities when they become due
- 3. Grant of security**
- 3 1 As a continuing security for the payment and discharge of the Secured Liabilities, the Borrower, with full title guarantee
- 3 1 1 charges to the Lenders, by way of first legal mortgage, all the Properties,
 - 3 1 2 charges to the Lenders, by way of first fixed charge
 - (a) all Properties acquired by the Borrower after the date of this deed,
 - (b) all present and future interests of the Borrower not effectively mortgaged or charged under the preceding provisions of this clause 3 in, or over, freehold or leasehold property,

- (c) all present and future rights, licences, guarantees, rents, deposits, contracts, covenants and warranties relating to the Properties,
 - (d) all licences, consents and authorisations (statutory or otherwise) held or required in connection with the Borrower's business or the use of any Charged Property, and all rights in connection with them,
 - (e) all present and future goodwill and uncalled capital for the time being of the Borrower,
 - (f) all the Equipment,
 - (g) all the Intellectual Property,
 - (h) all the Book Debts,
 - (i) all the Investments, and
 - (j) all monies from time to time standing to the credit of its accounts with any bank, financial institution or other person,
- 3 1 3 assigns to the Lenders, 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
- 3 1 4 charges to the Lenders, by way of first floating charge, all the undertaking, property, assets and rights of the Borrower at any time not effectively mortgaged, charged or assigned pursuant to clause 3 1 1 to clause 3 1 3 inclusive
- 3 2 The floating charge created by clause 3 1 4 shall automatically and immediately (without notice) be converted into a fixed charge over the relevant Charged Property if
- 3 2 1 the Borrower
- (a) creates, or attempts to create, a Security without the prior written consent of the Lenders, or any trust in favour of another person, over all or any part of the Charged Property, or
 - (b) 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
- 3 2 2 a receiver is appointed over all or any of the Charged Property that is subject to the floating charge, or
- 3 2 3 any person levies (or attempts to levy) any distress, attachment, execution or other process against all or any part of the Charged Property, or
- 3 2 4 any of the Lenders receives notice of the appointment of, or a proposal or an intention to appoint, an administrator of the Borrower
- 3 3 Each Lender may, in his sole discretion, at any time by written notice to the Borrower, convert the floating charge created under this deed into a fixed charge as regards any part of the Charged Property specified by such Lender in such notice
- 3 4 Any asset acquired by the Borrower 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 the Lenders confirm in writing to the contrary) be charged to the Lenders by way of first fixed charge

4. Liability of the Borrower

- 4.1 The Borrower's liability under this deed in respect of any of the Secured Liabilities shall not be discharged, prejudiced or affected by
- 4.1.1 any security, guarantee, indemnity, remedy or other right held by, or available to, the Lenders being or becoming wholly or partially illegal, void or unenforceable on any ground, or
 - 4.1.2 the Lenders 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
 - 4.1.3 any other act or omission which but for this clause 4.1 might have discharged or otherwise prejudiced or affected the liability of the Borrower
- 4.2 The Borrower waives any right it may have to require the Lenders 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 Borrower

5. Warranty

The Borrower warrants to the Lenders that it has full power and authority to enter into this deed

6. Powers of the Lenders

The Lenders shall have the powers set out in Schedule 1

7. Enforcement

- 7.1 The security constituted by this deed shall be immediately enforceable in any of the circumstances set out in paragraph 1 of Schedule 2. The parties to this deed agree that the provisions of Schedule 2 shall apply to this deed and shall be binding between them
- 7.2 A Receiver shall have, in addition to the powers conferred on receivers by statute, the further powers set out in Schedule 3
- 7.3 To the extent that the Charged Property constitutes Financial Collateral and this deed and the obligations of the Borrower hereunder constitute a Security Financial Collateral Arrangement, the Lenders shall have the right, at any time after the security constituted by 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 the Lenders in their 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 the Lenders may select (including independent valuation). *The Borrower 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

- 8.1 The Borrower shall, promptly on demand pay to, or reimburse, the Lenders and any Receiver, on a full indemnity basis, all Costs incurred by the Lenders and/or any Receiver in relation to
- 8.1.1 this deed or the Charged Property,
 - 8.1.2 protecting, perfecting, preserving or enforcing (or attempting to do so) any of the Lenders' or Receiver's rights under this deed, or
 - 8.1.3 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 8.1.2 and clause 8.1.3 at the Default Rate

8.2 The Lenders, 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

8.2.1 the exercise, or purported exercise, of any of the powers, authorities or discretions vested in them under this deed,

8.2.2 any matter or thing done, or omitted to be done, in relation to the Charged Property under those powers, or

8.2.3 any default or delay by the Borrower in performing any of its obligations under this deed

9. Release

On the expiry of the Security Period (but not otherwise) the Lenders shall, at the request and cost of the Borrower, take whatever action is necessary to release the Charged Property from the security constituted by this deed

10. Assignment and transfer

10.1 At any time, without the consent of the Borrower, the Lenders may assign or transfer any or all of its rights and obligations under this deed

10.2 The Lenders may disclose to any actual or proposed assignee or transferee any information in its possession that relates to the Borrower, the Secured Assets and this deed that the Lenders consider appropriate

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

11. Set-off

11.1 The Lenders may at any time set off any liability of the Borrower to the Lenders against any liability of the Lenders to the Borrower, 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, the Lenders may convert either liability at a market rate of exchange for the purpose of set-off. Any exercise by the Lenders of any rights under this clause 11 shall not limit or affect any other rights or remedies available to it under this deed or otherwise

11.2 The Lenders are not obliged to exercise any rights under clause 11.1. If any Lender does exercise those rights it must promptly notify the Borrower of the set-off that has been made

12. Amendments, waivers and consents

12.1 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)

12.2 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

12.3 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 the Lenders shall be effective unless it is in writing.

- 12.4 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.

13. 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.

14. Counterparts

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

- 14.2 No counterpart shall be effective until each party has executed at least one counterpart.

15. Third party rights

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.

16. Further provisions

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

- 16.2 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 the Lenders discharge this deed in writing.

- 16.3 Any release, discharge or settlement between the Borrower and the Lenders shall be deemed conditional on no payment or security received by the Lenders 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

16.3.1 the Lenders or their 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 the Lenders deem necessary to provide the Lenders with security against any such avoidance, reduction or order for refund, and

16.3.2 the Lenders may recover the value or amount of such security or payment from the Borrower subsequently as if such release, discharge or settlement had not occurred.

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

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

- 16.6 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.

17. Notices

17.1 Any notice or other communication given to a party under or in connection with this deed shall be in writing and delivered by hand, by pre-paid first-class post or other next working day delivery service to the relevant party at the address first set out in this deed or to such other address as is notified in writing by one party to the other from time to time.

17.2 Any notice or other communication that either party gives to the other shall be deemed to have been received

17.2.1 if delivered by hand, at the time it is left at the relevant address, and

17.2.2 if posted by pre-paid first-class post or other next working day delivery service, on the second Business Day after posting.

A notice or other communication given as described in clause 17.2.1 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.

17.3 This clause 17 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.

18. Governing law and jurisdiction

18.1 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.

18.2 Each party irrevocably agrees that, subject as provided in this clause, 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 the Lenders to take proceedings against the Borrower 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.

18.3 The Borrower irrevocably consents to any process in any legal action or proceedings being served on it in accordance with the provisions of this deed relating to service of notices. Nothing contained in this deed shall affect the right to serve process in any other manner permitted by law.

This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

Schedule 1 Powers of the Lenders

1. Power to remedy

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

2. Exercise of rights

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

3. Power to dispose of chattels

At any time after the security constituted by this deed has become enforceable, the Lenders or any Receiver

- 3 1 may dispose of any chattels or produce found on any Property as agent for the Borrower; and
- 3 2 without prejudice to any obligation to account for the proceeds of any sale of such chattels or produce, shall be indemnified by the Borrower against any liability arising from such disposal

4. Prior Security

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, the Lenders may

- 4 1 redeem such or any other prior Security or procure its transfer to itself, and
- 4 2 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 Borrower. All monies paid by the Lenders to an encumbrancer in settlement of such an account shall, as from its payment by the Lenders, be due from the Borrower to the Lenders on current account and shall bear interest at the Default Rate and be secured as part of the Secured Liabilities

5. Indulgence

The Lenders may, at their 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 Borrower) 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 Borrower for the Secured Liabilities

6. Investments: voting rights prior to enforcement

Until the security constituted by this deed becomes enforceable the Lenders shall, in exercising all voting and other rights and powers of the Lenders or their nominee attaching to the Investments, act in accordance with the directions of the Borrower from time to time, if acting in accordance with those directions would not, in the Lenders' opinion, prejudice the Lenders' security under this deed or the value of the Investments or contravene any agreement between the Lenders and the Borrower

Schedule 2 Enforcement

1. Enforcement events

This deed shall be enforceable if

- 1.1 any of the Secured Liabilities are not paid or discharged when the same ought to be paid or discharged by the Borrower (whether on demand, at scheduled maturity, or by acceleration or otherwise, as the case may be), or
- 1.2 the Borrower is in breach of any of its obligations under this deed or under any other agreement between the Borrower and the Lenders, and that breach (if capable of remedy) has not been remedied to the satisfaction of the Lenders within 14 days of notice by the Lenders to the Borrower to remedy the breach, or
- 1.3 the Borrower
 - 1.3.1 becomes unable to pay its debts as they fall due (and/or the value of the Borrower's assets is less than the amount of its liabilities, taking into account the Borrower's contingent and prospective liabilities), or
 - 1.3.2 commences negotiations with any one or more of its creditors with a view to the general readjustment or rescheduling of its indebtedness, or
 - 1.3.3 makes a general assignment for the benefit of or a composition with its creditors, or
- 1.4 the Borrower 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
- 1.5 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 Borrower and remains undischarged for seven days, or
- 1.6 any event occurs in relation to the Borrower that is analogous to those set out in paragraph 1.3, paragraph 1.4 or paragraph 1.5 of this Schedule 2, or
- 1.7 any representation, warranty or statement made or deemed to be made by the Borrower under this deed is or proves to have been incorrect or misleading in any material respect when made or deemed to be made,

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

2. Statutory power of sale

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

3. Extension of statutory powers

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 the Lenders under this deed and are extended so as to authorise the Lenders, whether in their own name or in that of the Borrower, 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 Borrower with whatever rights relating to other parts of it, containing

whatever covenants on the part of the Borrower, 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 the Lenders think fit

4. Protection of third parties

No purchaser, mortgagee or other person dealing with the Lenders or any Receiver shall be concerned

4 1 to enquire whether any of the Secured Liabilities have become due or payable, or remain unpaid or undischarged, or whether the power the Lenders or a Receiver is purporting to exercise has become exercisable, or

4 2 to see to the application of any money paid to the Lenders or any Receiver

5. No liability as mortgagee in possession

Neither of the Lenders, 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 Borrower, the Lenders may, without further notice

6 1 1 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

6 1 2 (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 the Lenders specifies to the contrary)

6 3 The Lenders 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 the Lenders

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 the Lenders 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 the Lenders despite any prior appointment in respect of all or any part of the Charged Property

8. Agent of the Borrower

Any Receiver appointed by the Lenders under this deed shall be the agent of the Borrower and the Borrower shall be solely responsible for his acts and remuneration, as well as for any defaults committed by him

9. Powers of Receiver

Any Receiver appointed by the Lenders 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 3

10. Order of application of proceeds

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

- 10.1 first, in paying all unpaid fees, costs and other liability incurred by or on behalf of the Lenders (and any Receiver, attorney or agent appointed by them),
- 10.2 second, in paying the remuneration of any Receiver (as agreed between the Receiver and the Lenders),
- 10.3 third, in or towards discharge of the Secured Liabilities in such order and manner as the Lenders determine, and
- 10.4 finally, in paying any surplus to the Borrower or any other person entitled to it

11. Appropriation

Neither the Lenders 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

All monies received by the Lenders or a Receiver under this deed may, at the discretion of the Lenders 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 the Lenders and the Borrower, and may be held in such account for so long as the Lenders or Receiver thinks fit

13. Power of attorney

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

- 13.1 the Borrower is required to execute and do under this deed, and
- 13.2 any attorney may deem proper or desirable in exercising any of the powers, authorities and discretions conferred by this deed or by law on the Lenders or any Receiver

14. Ratification of acts of attorney

The Borrower 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 paragraph 13 of this Schedule 2

15. Appointment of an Administrator

- 15.1 The Lenders may, without notice to the Borrower, appoint any one or more persons to be an administrator of the Borrower pursuant to Paragraph 14 Schedule B1 of the Insolvency Act 1986 if this deed becomes enforceable
- 15.2 Any appointment under this paragraph 15 of Schedule 2 shall
 - 15.2.1 be in writing signed by a duly authorised signatory of the Lenders, and
 - 15.2.2 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

- 15.3 The Lenders may (subject to any necessary approval from the court) end the appointment of an Administrator by notice in writing in accordance with this paragraph 15 of Schedule 2 and appoint a replacement for any Administrator whose appointment ends for any reason under that paragraph

Schedule 3 Further powers of a Receiver

1. Power to repair and develop Properties

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

2. Power to surrender leases

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

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

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

5. Power to charge for remuneration

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

6. Power to realise Charged Property

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 Borrower's business

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 Borrower

8. Power to dispose of Charged Property

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 Borrower 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 Borrower), 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

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

A Receiver may make any arrangement, settlement or compromise between the Borrower and any other person which he may think expedient

11. Power to improve the Equipment

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

12. Power to make calls on Borrower members

A Receiver may make calls, conditionally or unconditionally, on the members of the Borrower 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 Borrower on its directors in respect of calls authorised to be made by them

13. Power to appoint

A Receiver may appoint managers, officers, servants, workmen and agents for the purposes of this Schedule 3 at such salaries, for such periods and on such terms as he may determine

14. Power to insure

A Receiver may, if he thinks fit, 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

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

A Receiver may, for any of the purposes authorised by this Schedule 3, raise money by borrowing from the Lenders (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 the Lenders consent, terms under which such security ranks in priority to this deed)

17. Power to redeem prior Security

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 Borrower and the monies so paid shall be deemed to be an expense properly incurred by him

18. Incidental powers

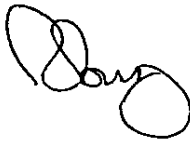
A Receiver may do all such other acts and things as he may consider incidental or conducive to any of the matters or powers in this Schedule 3 or which he lawfully may or can do as agent for the Borrower

19. Scope of powers

Any exercise of any of the powers given by this Schedule 3 may be on behalf of the Borrower, the directors of the Borrower (in the case of the power contained in paragraph 12 of this Schedule 3) or himself

EXECUTED as a DEED by BOBBY
YOUNG LIMITED acting by ROBERT
GRAHAM YOUNG (Director) in the
presence of

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A. Sye
ANDREW STURGE
SOLICITOR
TURNER PARKMAN LLP

SIGNED and DELIVERED as a DEED
by DAVID LEE in the presence of

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A. Sye
ANDREW STURGE
SOLICITOR
TURNER PARKMAN LLP

SIGNED and DELIVERED as a DEED
by ANNE MARGARET LEE in the
presence of

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A. Sye
ANDREW STURGE
SOLICITOR
TURNER PARKMAN LLP.