

MR01

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Laserform

Particulars of a charge

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
an instrument. Use form MR08

For further information, please see



RCS 08/07/2016 #2
COMPANIES HOUSE
SCT 05/07/2016 #305
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 must be
scanned and placed on the public record. **Do not send the original.**

1 Company details

Company number 1 0 1 2 9 7 0 2

☒ Company name in full Flaxby Park Limited

3 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 2 4 0 6 2 0 1 6

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 Legacy Real Estate Ltd

Name

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

MR01

Particulars of a charge

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

*

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

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)

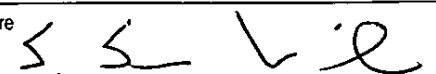
9

Signature

Please sign the form here

Signature

Signature

X  X
for and on behalf of Burness Paul LLP

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 KAY HUNTER (HIG/3007/00010)

Company name BURNES PAULL LLP

Address 120 BOTHWELL STREET

Post town GLASGOW

County/Region

Postcode G 2 7 J L

Country

DX GW154 GLASGOW

Telephone 0141 248 4933



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 enquires@companieshouse.gov.uk

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

PROFORMA

Company Number	10129702
Company Name	FLAXBY PARK LIMITED
Contact Name/ Organisation	GARY GRAY, BURNES PAULL LLP
Address	50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ

The following details will need to be added to, amended or deleted from the Form MR01/LLMR01/MR08/LLMR08

Particulars of the charge to be added, amended or deleted (please tick as appropriate)

- ☐ Company /LLP number
- ☐ Company/LLP name
- ☐ Date of creation of charge
- ☐ Persons entitled to the charge
- ☒ Description of property
- ☐ Fixed charge tick box (applies only to MR01/LLMR01)
- ☐ Floating charge tick box (applies only to MR01/LLMR01)
- ☐ Negative pledge tick box (applies only to MR01/LLMR01)
- ☐ Nature of the charge
(applies only to MR08/LL MR08)
- ☐ Obligations secured by the charge
(applies only to MR08/LL MR08)

- **The following details will need to be added to, amended or deleted from the Form MR02/LLMR02/MR09/LLMR09**

Particulars of the charge to be added, amended or deleted (please tick as appropriate)

- ☐ Company /LLP number
- ☐ Company/LLP name
- ☐ Date of creation of charge

- ☐ Date that property or undertaking was acquired
- ☐ Persons entitled to the charge
- ☐ Description of property.
- ☐ Fixed charge tick box (applies only to MR02/LLMR02)
- ☐ Floating charge tick box (applies only to MR02/LLMR02)
- ☐ Negative pledge tick box (applies only to MR02/LLMR02)
- ☐ Nature of the charge
(applies only to MR09/LL MR09)
- ☐ Obligations secured by the charge
(applies only to MR09/LL MR09)

- **The following details will need to be added to, amended or deleted from the Form MR03/MR10/LLMR03/LLMR10**

Particulars of the charge to be added, amended or deleted (please tick as appropriate)

- ☐ Company /LLP number
- ☐ Company/LLP name
- ☐ Date of creation of charge
- ☐ Date of resolution or determination
- ☐ Date of covering instrument
- ☐ Names of trustees for debenture holders
- ☐ Description of property.
- ☐ Fixed charge tick box (applies only to MR03/LLMR03)
- ☐ Floating charge tick box (applies only to MR03/LLMR03)
- ☐ Negative pledge tick box (applies only to MR03/LLMR03)
- ☐ Nature of the charge
(applies only to MR10/LL MR10)
- ☐ Obligations secured by the charge
(applies only to MR10/LL MR10)

Please give the instructions in the box below)

"All that freehold land belonging to the Owner situated at Knaresborough Flaxby, North Yorkshire and comprising all of the land registered with title absolute at the Land Registry under Title Numbers NYK55289, NYK293354 and NYK293353 "



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 10129702

Charge code: 1012 9702 0003

The Registrar of Companies for England and Wales hereby certifies that a charge dated 24th June 2016 and created by FLAXBY PARK LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 8th July 2016.

Given at Companies House, Cardiff on 8th July 2016



Companies House



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

DATED: 24 June 2016

FLAXBY PARK LIMITED
as the Chargor

and

LEGACY REAL ESTATE LTD
as the Loan Note Holder

DEBENTURE



DWF LLP, Bridgewater Place
Water Lane, Leeds LS11 5DY

I certify that this is a true copy of the original

Signed [Signature]

Name Louise Parker

Date 1 July 2016

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THIS DEBENTURE is dated

24 June

2016

and made by

- (1) **FLAXBY PARK LIMITED**, a company incorporated under the Companies Act 2006 with registered number 10129702 and having its registered office at Wynyard Park House, Wynyard Avenue, Wynyard, England, TS22 5TB (the “**Chargor**”),

in favour of

- (2) **LEGACY REAL ESTATE LTD**, a company incorporated under the Companies Acts with registered number 09882723 and having its registered office at 2 Berkeley Square, London, England, W1J 6EB (the “**Loan Note Holder**”)

CONSIDERING THAT

- (i) the Loan Note Holder has agreed or will agree to subscribe to the Loan Notes (as defined below),
- (ii) one of the conditions upon which the Loan Note Holder has agreed or will agree to subscribe to the Loan Notes (as defined below) is that the Chargor grants to the Loan Note Holder this Debenture

NOW IT IS HEREBY AGREED AND DECLARED AS FOLLOWS

1 DEFINITIONS AND INTERPRETATION

1.1 In this Debenture

“**Administrator**” means any administrator appointed pursuant to this Debenture,

“**Business Day**” means a day (other than a Saturday or Sunday) on which banks are open for general business in London and Edinburgh,

“**Event of Default**” means any of the events listed in Condition 3 (Repayment on Default) to the Loan Note Instrument;

“**Financial Collateral**” shall have the meaning given to that expression in the Financial Collateral Regulations,

“**Financial Collateral Regulations**” means the Financial Collateral Arrangements (No 2) Regulations 2003 (S.I. 2003 No. 3226),

“**Insurances**” means the Chargor’s interest in all contracts and policies of insurance which are from time to time taken out or effected by or on behalf of the Chargor in connection with the Secured Assets,

“Loan Notes” means the loan notes constituted by the Loan Note Instrument,

“Loan Note Instrument” means the secured loan note instrument issuing up to £1,500,000 Series B Secured Loan Notes in the Chargor entered into on or around the date of this Debenture,

“Property” means all that freehold land belonging to the Owner situated at Knaresborough Flaxby, North Yorkshire and comprising all of the land registered with title absolute at the Land Registry under Title Numbers NYK55289, NYK293354 and NYK293353,

“Receiver” means any receiver or administrative receiver appointed in respect of the Secured Assets (whether pursuant to this Debenture, pursuant to any statute, by a court or otherwise) and includes joint receivers;

“Secured Assets” means the property rights, assets and income of the Chargor charged to the Loan Note Holder (whether by way of fixed or floating charge) by this Debenture and each and every part of those and shall, where the context admits or requires, include either the whole or any part of those,

“Secured Liabilities” means all present and future obligations and liabilities of the Chargor to the Loan Note Holder, whether actual, contingent, sole, joint and/or several or otherwise, including, without prejudice to the foregoing generality, all obligations to indemnify the Loan Note Holder,

“Security” means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect, and

“Security Financial Collateral Arrangements” shall have the meaning given to that expression in the Financial Collateral Regulations

1 2 Unless a contrary indication appears, any reference in this Debenture to.

1 2 1 the **“Chargor”** and the **“Loan Note Holder”** shall be construed so as to include their respective successors in title, permitted assigns and permitted transferees; and

1.2 2 a **“person”** includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality)

1 3 Unless any provision of this Debenture or the context otherwise requires, any reference in this Debenture to a provision of law is a reference to that provision as amended or re-enacted

1 4 In this Debenture the singular includes the plural and *vice versa* Clause headings are for ease of reference only and a reference to a Clause is to be construed as a reference to a clause of this Debenture

- 1.5 Any appointment of a Receiver under Clause 7 (Enforcement) may be made by any successor in title or permitted assign or permitted transferee of the Loan Note Holder and the Chargor by its execution of this Debenture irrevocably appoints each such successor or assign or transferee to be its attorney in the terms and for the purposes stated in Clause 12 (Attorney)
- 1.6 Any reference to, or to any specified provision of, this Debenture, the Loan Note Instrument, the Loan Notes, or any other document shall be construed as reference to, or to such specified provision of, this Debenture, the Loan Note Instrument, the Loan Notes, or such other document as in force for the time being and as amended, novated, supplemented, extended or restated which, as the Chargor specifically agrees and acknowledges in relation to the Loan Note Instrument or the Loan Notes may include, without limitation (i) any increase or reduction in any amount made available under the Loan Note Instrument or the Loan Notes and/or any alteration and/or any addition to the purposes for which any such amount or increased or reduced amount may be used, (ii) any ancillary facilities provided in substitution for or in addition to the facilities originally made available under the Loan Note Instrument or the Loan Notes, (iii) any rescheduling of the indebtedness incurred under the Loan Note Instrument or Loan Notes or change in the final repayment of such indebtedness, whether in isolation or in connection with any of the foregoing, (iv) any substitution of any existing borrower under the Loan Note Instrument or the Loan Notes for any other borrower and/or any addition of any new borrowers under the Loan Note Instrument or the Loan Notes, and (v) any combination of any of the foregoing) in each case in accordance with the terms of the Loan Note Instrument or the Loan Notes or, as the case may be, with the agreement of the relevant parties and (where any consents are required to be obtained as a condition to such amendment, novation, supplement, extension or restatement being permitted) with the requisite consents Any appointment of a Receiver under Clause 7 (Enforcement) may be made by any successor in title or permitted assign or permitted transferee of the Loan Note Holder and the Chargor, by its execution of this Debenture, irrevocably appoints each such successor or assign or transferee to be its attorney in the terms and for the purposes stated in Clause 12 (Attorney)
- 1.7 The provisions of this Debenture shall continue notwithstanding the earlier termination of the Loan Note Instrument or the Loan Notes or the Loan Note Instrument or the Loan Notes being declared void If the Loan Note Instrument or the Loan Notes is terminated or declared void, any reference in this Debenture to the Loan Note Instrument or the Loan Notes (or a provision of the Loan Note Instrument or the Loan Notes) shall be construed as a reference to the Loan Note Instrument or the Loan Notes or that provision in its form as of the date of this Debenture as subsequently amended, supplemented, varied or replaced by the parties to the Loan Note Instrument or the Loan Notes and for these purposes the provisions of the Loan Note Instrument or the Loan Notes shall be deemed to be valid and binding and this Debenture shall not in any way be affected or impaired if any provisions of the Loan Note Instrument or the Loan Notes are or become invalid, illegal or unenforceable.
- 1.8 The terms of any documentation relating to facilities made available by the Loan Note Holder to the Chargor and of any side letters between any parties in relation to this Debenture are incorporated in this Debenture to the extent required to ensure that any purported disposition

of any of the Secured Assets contained in this Debenture is a valid disposition in accordance with Section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989

- 1 9 The charges and mortgages granted by the Chargor under this Debenture are given with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994
- 1 10 Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to any floating charge created by this Debenture.
- 1 11 A person who is not a party to this Debenture has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Debenture
- 1 12 This Debenture is subject to the terms of an intercreditor deed between, amongst others, the Chargor, the Loan Note Holder and Highland & Universal Land Limited dated on or around the date of this Debenture

2 COVENANT TO PAY

The Chargor undertakes to the Loan Note Holder that it will pay or discharge to the Loan Note Holder all the Secured Liabilities on demand in writing when the Secured Liabilities become due for payment or discharge (whether by acceleration or otherwise)

3 CHARGE

3 1 Fixed Charge (Land)

The Chargor with full title guarantee and as a continuing security for payment and discharge of the Secured Liabilities hereby charges in favour of the Loan Note Holder by way of fixed charge (i) the Property, and (ii) any and all estates or interests in any freehold, leasehold or other immovable property now or after the date of this Debenture belonging to it wherever situated and all buildings, erections and structures (whether in the course of construction or otherwise) and fixtures and fittings and fixed plant and machinery now or after the date of this Debenture on all such property and all improvements and additions to those and with the benefit of all leases, underleases, tenancies, agreements for lease, rights, covenants, undertakings, warranties, guarantees, indemnities and conditions from time to time affecting the same (subject to the provisions of this Debenture) but otherwise free from any Security

3 2 Fixed Charge (Other Assets)

The Chargor with full title guarantee and as a continuing security for payment and discharge of the Secured Liabilities hereby charges in favour of the Loan Note Holder by way of first fixed charge

- 3 2 1 all the goodwill and uncalled capital both present and future of the Chargor (including future calls whether made by the directors of the Chargor or by a receiver, administrative receiver, administrator or liquidator),

- 3 2 2 so far as chargeable, all plant, machinery, vehicles, computers and office and other equipment of the Chargor and all related spare parts, equipment, tools and fuel (excluding stock in trade) and all patents, trade marks, trade and business names, service marks, registered designs, design rights, database rights and copyrights (including any applications to any register) both present and future of the Chargor together with all trade secrets and know-how, confidential or proprietary knowledge and information and all other intellectual property rights now or after the date of this Debenture owned by the Chargor in any country, together, in each and every case, with the benefit of any licences or other agreements relating to the use or exploitation of rights of any such nature owned by the Chargor,
- 3 2 3 all book and other debts now or at any time during the continuance of the security created by this Debenture due or owing to the Chargor and all balances now or after the date of this Debenture standing to the credit of any account of the Chargor with any branch or office of the Loan Note Holder or any other financial institution,
- 3 2 4 so far as chargeable, all the benefit of and rights under or in respect of all contracts, agreements, deeds, undertakings, guarantees, warranties, indemnities, other documents, concessions and franchises now or hereafter entered into by or granted to or vested in or novated or assigned to the Chargor (including any contract for sale of or other dealing with any of the assets charged by this Debenture),
- 3 2 5 all rights, titles and interest of the Chargor to and in the proceeds of all present or future Insurances (including any rights of subrogation arising from such Insurances),
- 3 2 6 all rights to which the Chargor or its liquidator or administrator is now or may hereafter become entitled in respect of the proceeds of any order of a competent court made pursuant to Sections 214, 238(3) 239(3) or 423(2) of the Insolvency Act 1986,
- 3 2 7 all the Chargor's present and future rights to recover any value added tax on any supplies made to it and any sum so recovered,
- 3 2 8 all the proceeds of any payment of any claim, award, judgement, sum or damages payable to the Chargor and all the Chargor's rights and remedies in existence now or after the date of this Debenture arising in respect of those;
- 3 2 9 all rental income, licence fees and any other such income and all the proceeds of sale or other disposal of any property now or after the date of this Debenture owned by the Chargor and all right, title and interest to and in the same and all the benefit of the same and the right to make demand for and receive the same

3 3 Floating Charge

The Chargor with full title guarantee and as a continuing security for payment and discharge of the Secured Liabilities hereby charges in favour of the Loan Note Holder by way of a first

floating charge all the undertaking and assets of the Chargor whatsoever and wheresoever situated both present and future including, but not limited to, its uncalled capital for the time being, its heritable and moveable property and other property, assets and rights in Scotland or governed by the laws of Scotland, together with, (if and insofar as the charges on its undertaking and assets created in this Debenture may for any reason be ineffective as fixed charges or if and insofar as such fixed charges shall for any reason be released) all of the property, assets and rights described in Clauses 3 1 (Fixed Charge (Land)) and 3 2 (Fixed Charge (Other Assets)), but so that the Chargor is not to be at liberty to create any mortgage or charge or other Security on or over, and so that no lien shall in any case or in any manner arise on or affect any part of, its undertaking and assets either in priority to or *pari passu* with the charge created by this Debenture and further that the Chargor shall have no power to part with or dispose of any part of such undertaking and assets without the prior written consent of the Loan Note Holder.

4 PROHIBITION ON OTHER CHARGES

- 4 1 Without prejudice to any other provision of this Debenture, the Chargor shall not without the prior written consent of the Loan Note Holder create or allow to come into being any Security upon any part of the property (including real and leasehold property wherever situated), assets, undertaking or uncalled capital of the Chargor or any of its subsidiaries
- 4.2 The Chargor shall immediately on its execution of this Debenture deposit with the Loan Note Holder and during the continuance of the security created by this Debenture the Loan Note Holder shall be entitled to hold all deeds and documents of title relating to the Secured Assets and the Chargor shall on demand by the Loan Note Holder at the cost of the Chargor execute such documents and such further or other legal or other mortgages, charges, assignments or assurances in such form and in such terms as the Loan Note Holder may reasonably require of any freehold and leasehold properties acquired by it after the date of this Debenture and the fixed plant and machinery on such properties to secure the payment or discharge to the Loan Note Holder of the Secured Liabilities

5 CONVERSION OF FLOATING CHARGE

The Loan Note Holder may at any time by notice in writing to the Chargor convert the floating charge created by this Debenture into a fixed charge with reference to any assets specified in such notice and the Chargor will, if then legally entitled to do so, immediately at its own cost execute over such assets a fixed charge in favour of the Loan Note Holder in such form as the Loan Note Holder shall reasonably require but so that the floating charge created by this Debenture shall automatically without notice convert into a fixed charge in respect of any asset (i) which shall without the prior written consent of the Loan Note Holder become subject to a fixed charge in favour of any person other than the Loan Note Holder instantly upon such fixed charge coming into effect or (ii) in respect of which any person shall levy, or attempt to levy, any distress, execution, sequestration or other process instantly upon such event occurring and shall automatically without notice convert into a fixed charge in respect of all the Secured Assets instantly upon any such event occurring if and when any petition for

the making of an administration order in relation to the Chargor shall be presented provided that this Clause 5 will not apply to any Secured Assets situated in Scotland

6 COVENANTS

The Chargor hereby covenants to the Loan Note Holder that it shall carry on and conduct its business and affairs in a proper and efficient manner and it shall

- 6 1 observe and perform in all material respects all covenants and stipulations from time to time affecting its freehold, leasehold or heritable property or the mode of use or enjoyment of the same and not without the prior consent in writing of the Loan Note Holder enter into any onerous or restrictive obligations affecting any such property or make any structural or material alteration to such property or do or suffer to be done on any such property anything which is "development" as defined in Section 55 of the Town and Country Planning Act 1990 or Section 26 of the Town & Country Planning (Scotland) Act 1997, nor do or suffer or omit to be done any act, matter or thing whereby any provision of any Act of Parliament, order or regulation from time to time in force affecting any such property is materially infringed,
- 6 2 observe and perform all covenants and stipulations from time to time affecting its patents, trade marks and service marks, brand and trade names, registered designs, design rights and copyrights and all other intellectual or intangible property or rights and all applications for the protection of the same and any licence or ancillary or connected rights or benefits from time to time relating to the same and preserve, maintain and renew when necessary or desirable all such licences and rights and not permit the same to be abandoned or cancelled or to lapse,
- 6 3 keep all buildings and erections and all plant, machinery, fixtures, fittings, vehicles, computers and equipment and effects and every part of the same in good and substantial repair and in working order and condition fair wear and tear excepted and not pull down or remove or sell or otherwise dispose of any of the same without the prior consent in writing of the Loan Note Holder,
- 6 4 immediately after being required to do so by the Loan Note Holder, make good any want of repair in such buildings and all other erections, trade and other fixtures and fixed plant and machinery,
- 6 5 pay (not later than the date on which interest, fines or penalties become due), and indemnify the Loan Note Holder and any Receiver against, all existing and future rents, rates, taxes, duties, charges, assessments, impositions and outgoings whatsoever (whether imposed by legally binding agreement, statute or otherwise and whether in the nature of capital or revenue) now or at any time during the continuance of the security created by this Debenture payable by it in respect of the Secured Assets or any part of them. If any such sums shall be paid by the Loan Note Holder or by any such Receiver, the same shall be repaid by the Chargor on demand,
- 6 6 not vary, surrender, cancel, assign, charge or otherwise dispose of or permit to be forfeit its leasehold interest in any premises or any credit sale, hire purchase, leasing, rental licence or

like agreement for any material equipment used in its business or agree any rent review other than, in each case, pursuant to an existing binding obligation which has been disclosed to and accepted by the Loan Note Holder in writing but shall generally fulfil its obligations under every such lease and agreement and when required produce to the Loan Note Holder evidence of all payments from time to time due from the Chargor under such leases or agreements,

- 6 7 pay into an account the Loan Note Holder may direct all monies which it receives in respect of those of the Secured Assets referred to in Clause 3 2.3, Clause 3 2 4 and Clause 3 2 5 and pay or otherwise deal with such monies standing in such account in accordance with the directions (if any) from time to time given by the Loan Note Holder, and
- 6 8 maintain its centre of main interests (COMI) for the purposes of the Council Regulation (EC) No 1346/2000 on Insolvency Proceedings, in the United Kingdom

7 ENFORCEMENT

- 7.1 In addition to the Loan Note Holder's statutory rights, the floating charge created by this Debenture shall become enforceable upon and the Loan Note Holder's powers of appointment and other rights and powers shall become exercisable at any time after.

7 1 1 the occurrence of an Event of Default; or

7 1 2 a breach by the Chargor of any of the provisions of this Debenture, or

7 1 3 the receipt of any request from the board of directors of the Chargor, or

7 1 4 the taking (or purported taking) by any person of any step towards the winding up or dissolution of the Chargor or towards the appointment of any administrator, trustee, administrative receiver, receiver, liquidator or the like to the Chargor or the whole or any part of its property

and the Loan Note Holder may then (or as soon afterwards as permitted by law) by instrument in writing appoint any person or persons (if more than one with power to act both jointly and separately) to be an administrator of the Chargor or (subject, if applicable, to Section 72A of the Insolvency Act 1986) a receiver of the Secured Assets. In addition, and without prejudice to the foregoing provisions of this Clause 7 1, in the event that any person appointed to be a Receiver shall be removed by a court or shall otherwise cease to act as such, then the Loan Note Holder shall be entitled so to appoint another person as Receiver in his place

- 7 2 An Administrator shall have and be entitled to exercise, in addition to and without limiting all the powers of an administrator under the Insolvency Act 1986, all the powers set out in Schedule 2 of the Insolvency Act 1986 and a Receiver appointed in terms of this Debenture shall have and be entitled to exercise all powers conferred by the Insolvency Act 1986 and all the powers set out in Schedule 2 of the Insolvency Act 1986 and, in addition, but without limiting any general powers referred to previously in this Clause 7 2 (and without prejudice to

the Loan Note Holder's power of sale), the Administrator or Receiver (as the case may be) shall have power to do the following things

- 7 2 1 to take possession of, collect and get in all or any part of the Secured Assets and for that purpose to take any proceedings in the name of the Chargor or otherwise,
- 7 2 2 to carry on or concur in carrying on the business of the Chargor and to raise money from the Loan Note Holder or others on the security of any part or parts of the Secured Assets,
- 7 2.3 without the restrictions imposed by Section 103 of the Law of Property Act 1925 or the need to observe the provisions of Sections 99 and 100 of the Law of Property Act 1925, to sell or concur in selling, let or concur in letting and to terminate or to accept surrenders of leases or tenancies or to grant options over or assign any of the Secured Assets on such terms and conditions as he shall in his absolute discretion think fit and to carry any such transactions into effect in the name of and on behalf of the Chargor,
- 7 2 4 to make any arrangement or compromise which the Loan Note Holder or he shall think fit,
- 7 2 5 in respect of freehold and leasehold property
 - (a) to make re-arrangements with any lessees, tenants or other persons from whom any rents may be receivable and to negotiate and agree or refer to arbitration any revision of rent under any leases in respect of which the rental may fall to be reviewed and to accept service or serve any notice received or required or deemed desirable in connection with any such review or with the exercise of any options,
 - (b) to do any repairs and make any structural or other alterations in or to any property which forms part of the Secured Assets;
 - (c) to reconstruct, alter, improve, decorate, furnish and maintain the whole or any part of the buildings on any property forming part of the Secured Assets;
 - (d) to perform, treat as repudiated, rescind or vary any contract or agreement for or which relates in any way to any development, improvement, reconstruction or repair of any property forming part of the Secured Assets or any part of it or which is in any other way connected with it,
 - (e) in connection with any development, to obtain planning permissions, bye-law consents and any other permissions, enter into agreements under the Highways Acts and any other agreements requisite for the development, to enter into and arrange bonds and to dedicate any part of the property forming part of the Secured Assets as a public highway,

- (f) to sell plant, machinery and other fixtures separately from the property to which they may be annexed,
 - (g) without prejudice to the generality of any of the foregoing powers, to continue and perform any development or any part of it, to enter into a building contract or any other contract or agreement for or relating to any development for any such purposes as set out above, to purchase such materials and other articles and things as he may think fit, to discontinue the development or any part of it and to repudiate and rescind any such building contract or such other contract or agreement aforesaid,
- 7 2 6 to appoint managers, officers and agents for the purposes set out above in this Clause 7 2 at such salaries as he may determine;
- 7 2 7 to call up all or any portion of the uncalled capital of the Chargor;
- 7 2 8 to exercise all powers as are described in Schedule 1 to the Insolvency Act 1986,
- 7 2 9 to do all such other acts and things as may be considered to be incidental or conducive to any of the matters or powers aforesaid and which he lawfully may or can do
- 7 3 At any time after an Event of Default has occurred or if requested by the Chargor, the Loan Note Holder may exercise without further notice and without the restrictions contained in Section 103 of the Law of Property Act 1925 and whether or not it shall have appointed a Receiver, all the powers conferred on mortgagees by the Law of Property Act 1925 as varied or extended by this Debenture and all the powers and discretions conferred by this Debenture either expressly or by reference on a Receiver appointed under this Debenture
- 7 4 The statutory powers of leasing conferred on the Loan Note Holder shall be extended so as to authorise the Loan Note Holder to lease and make agreements for leases at a premium or otherwise and accept surrenders of leases and grant options as the Loan Note Holder shall consider expedient and without the need to observe any of the provisions of Sections 99 and 100 of the Law of Property Act 1925.
- 7 5 During the continuance of this security, no statutory or other power of granting or agreeing to grant or of accepting or agreeing to accept surrenders of leases or tenancies of the freehold and leasehold property charged by this Debenture or any part of it shall be capable of being exercised by the Chargor without the previous consent in writing of the Loan Note Holder, nor shall Section 93 of the Law of Property Act 1925 dealing with the consolidation of mortgages apply to the security created by this Debenture
- 7 6 To the extent that Secured Assets constitute Financial Collateral and are subject to a Security Financial Collateral Arrangement created by or pursuant to this Debenture, the Loan Note Holder shall have the right, at any time after this Debenture becomes enforceable, to appropriate all or any part of those Secured Assets in or towards the payment or discharge of

the Secured Liabilities. The value of any Secured Assets appropriated in accordance with this Clause 8.6 shall be the price of those Secured Assets at the time the right of appropriation is exercised as listed on any recognised market index, or determined by such other method as the Loan Note Holder may select (including independent valuation). The Chargor agrees that the methods of valuation provided for in this Clause 8.6 are commercially reasonable for the purposes of Regulation 18 of the Financial Collateral Regulations. To the extent that Secured Assets constitute Financial Collateral, the Chargor agrees that such Secured Assets shall be held or designated so as to be under the control of the Loan Note Holder for all purposes of the Financial Collateral Regulations.

8 OFFICE OF RECEIVER

8.1 Any Receiver appointed under Clause 7 (Enforcement) shall be the agent of the Chargor for all purposes and (subject to the provisions of the Insolvency Act 1986) the Chargor alone shall be responsible for his contracts, engagements, acts, omissions, defaults and losses and for liabilities incurred by him and for his remuneration and his costs, charges and expenses and the Loan Note Holder shall not incur any liability for those (either to the Chargor or any other person) by reason of the Loan Note Holder making his appointment as such Receiver or for any other reason whatsoever.

8.2 Any Receiver appointed under Clause 7 (Enforcement) shall be entitled to remuneration for his services and the services of his firm appropriate to the responsibilities involved. Subject to Section 58 of the Insolvency Act 1986, the remuneration of the Receiver may be fixed by the Loan Note Holder (and may be or include a commission calculated by reference to the gross amount of all money received or otherwise and may include remuneration in connection with claims, actions or proceedings made or brought against the Receiver by the Chargor or any other person or the performance or discharge of any obligation imposed upon him by statute or otherwise) but such remuneration shall be payable by the Chargor alone and the amount of such remuneration shall form part of the Secured Liabilities and accordingly be secured on the Secured Assets under the floating charge constituted by this Debenture.

9 APPLICATION OF ENFORCEMENT PROCEEDS

9.1 All monies received by the Loan Note Holder or any Receiver under or by virtue of this Debenture following enforcement of the security created by this Debenture or of any security interest constituted pursuant to this Debenture shall be applied, subject to the claims of any creditors ranking in priority to or *pari passu* with the claims of the Loan Note Holder under this Debenture, in the following order:

9.1.1 firstly, in or towards payment of all costs, charges and expenses of or incidental to the appointment of the Receiver and the exercise of all or any of his powers, including his remuneration and all outgoings paid by and liabilities incurred by him as a result of such exercise,

9.1.2 secondly, in or towards satisfaction of the Secured Liabilities in such order as the Loan Note Holder shall in its absolute discretion decide, and

9 1 3 thirdly, any surplus shall be paid to the Chargor or any other person entitled to it

- 9 2 Nothing contained in this Debenture shall limit the right of the Receiver or the Loan Note Holder (and the Chargor acknowledges that the Receiver and the Loan Note Holder are so entitled) if and for so long as the Receiver or the Loan Note Holder, in their discretion, shall consider it appropriate, to place all or any monies arising from the enforcement of any security interest constituted pursuant to this Debenture or any security created by this Debenture into a suspense account, without any obligation to apply the same or any part of those monies in or towards the discharge of any of the Secured Liabilities

10 PROTECTION OF SECURITY

- 10 1 The security created by and any security interest constituted pursuant to this Debenture shall be a continuing security notwithstanding any settlement of account or other matter or thing whatsoever and in particular (but without prejudice to the generality of the foregoing) shall not be considered satisfied by an intermediate repayment or satisfaction of part only of the Secured Liabilities and shall continue in full force and effect until total and irrevocable satisfaction of all the Secured Liabilities

- 10 2 The security created by and any security interest constituted pursuant to this Debenture shall be in addition to and shall not in any way prejudice or be prejudiced by any collateral or other security, right or remedy which the Loan Note Holder may now or at any time after the date of this Debenture hold for all or any part of the Secured Liabilities

- 10 3 No failure on the part of the Loan Note Holder to exercise and no delay on its part in exercising any right, remedy, power or privilege under or pursuant to this Debenture or any other document relating to or securing all or any part of the Secured Liabilities will operate as a waiver of such right, remedy, power or privilege, nor will any single or partial exercise of any right or remedy preclude any other or further exercise of it or the exercise of any other right or remedy. The rights and remedies provided in this Debenture and any such other document are cumulative and not exclusive of any right or remedies provided by law

- 10.4 Each of the provisions in this Debenture shall be severable and distinct from one another and if at any time any one or more of such provisions is or becomes or is declared null and void, invalid, illegal or unenforceable in any respect under any law or otherwise howsoever, the validity, legality and enforceability of the remaining provisions of this Debenture shall not in any way be affected or impaired by that occurrence.

- 10.5 Neither the security created by, nor any security interest constituted pursuant to, this Debenture nor the rights, powers, discretions and remedies conferred upon the Loan Note Holder by this Debenture or by law shall be discharged, impaired or otherwise affected by reason of

- 10 5 1 any present or future security, guarantee, indemnity or other right or remedy held by or available to the Loan Note Holder being or becoming wholly or in part void, voidable or unenforceable on any ground whatsoever or by the Loan Note Holder

from time to time exchanging, varying, realising, releasing or failing to perfect or enforce any of the same, or

- 10 5 2 the Loan Note Holder compounding with, discharging or releasing or varying the liability of, or granting any time, indulgence or concession to, the Chargor or any other person or renewing, determining, varying or increasing any accommodation or transaction in any manner whatsoever or concurring in accepting or varying any compromise, arrangement or settlement or omitting to claim or enforce payment from the Chargor or any other person, or
 - 10 5 3 any act or omission which would not have discharged or affected the liability of the Chargor had it been a principal debtor instead of cautioner or by any act or omission which but for this provision might operate to exonerate the Chargor from the Secured Liabilities, or
 - 10 5.4 any legal limitation, disability, incapacity or other similar circumstance relating to the Chargor.
- 10 6 The Loan Note Holder shall not be obliged, before exercising any of the rights, powers or remedies conferred upon it by or pursuant to this Debenture or by law, to
- 10 6.1 take any action or obtain judgement or decree in any court against the Chargor; or
 - 10 6 2 make or file any claim to rank in a winding-up or liquidation of the Chargor, or
 - 10 6 3 enforce or seek to enforce any other security taken, or exercise any right or plea available to the Loan Note Holder, in respect of any of the Chargor's obligations to the Loan Note Holder

11 FURTHER ASSURANCE AND FURTHER SECURITY

- 11 1 The Chargor shall execute and do all such assurances, acts and things as the Loan Note Holder may require for perfecting or protecting the security created by or pursuant to this Debenture over the Secured Assets or for facilitating the realisation of such assets and the exercise of all powers, authorities and discretions conferred on the Loan Note Holder or on any Receiver by this Debenture and shall in particular (but without limitation) promptly after being requested to do so by the Loan Note Holder or any Receiver, execute all assignments and transfers (in favour of the Loan Note Holder or any Receiver or to such nominee as either shall direct) of the Secured Assets which come into existence after the date of this Debenture and give all notices orders and directions which the Loan Note Holder or any Receiver may think expedient for the purposes specified in this Clause 11 1
- 11 2 The Chargor (at its own cost) will on demand in writing by the Loan Note Holder execute and deliver in such form as the Loan Note Holder may require

- 11 2 1 a legal mortgage, standard security or other fixed security over the Chargor's freehold, leasehold, heritable or other property, and/or
- 11 2 2 a fixed charge or assignment in security of any Secured Asset subject to a floating charge under Clause 3 3 (Floating Charge), and/or
- 11 2 3 a chattel mortgage over such chattels, plant and machinery as the Loan Note Holder may specify;

and the Chargor will do and concur in all such other acts or things as the Loan Note Holder may deem necessary to vest in the Loan Note Holder title to all or any of the Secured Assets

12 ATTORNEY

- 12 1 The Chargor hereby irrevocably appoints the Loan Note Holder and any Receiver to be its attorney for it and on its behalf and in its name or otherwise to create or constitute, or to make any alteration or addition or deletion in or to, any documents which the Loan Note Holder or the Receiver may require for perfecting or protecting the title of the Loan Note Holder or the Receiver to the Secured Assets or for vesting any of the Secured Assets in the Loan Note Holder or the Receiver or its nominee or any purchaser and to re-deliver the same thereafter and otherwise generally to sign, seal and deliver and perfect any fixed security, floating charge, transfer, disposition, assignment, security and/or assurance or any writing, assurance, document or act which may be required or may be deemed proper by the Loan Note Holder on or in connection with any sale, lease, disposition, realisation, getting in or other enforcement by the Loan Note Holder or the Receiver of all or any of the Secured Assets.
- 12 2 The Chargor hereby ratifies and confirms and agrees to ratify and confirm whatever any such attorney shall do in the exercise or purported exercise of all or any of the powers, authorities and discretions referred to in this Clause 12.

13 EXPENSES

- 13.1 The Chargor binds and obliges itself for the whole expenses of completing and enforcing the security created by this Debenture and the expenses of any discharge of it
- 13 2 All costs, charges and expenses incurred and all payments made by the Loan Note Holder or any Receiver under this Debenture in the lawful exercise of the powers conferred by this Debenture, whether or not occasioned by any act, neglect or default of the Chargor, shall be payable by the Chargor on demand and shall be a Secured Liability All such costs, charges, expenses and payments shall be paid and secured as between the Loan Note Holder or any Receiver and the Chargor on the basis of a full and unqualified indemnity

14 INDEMNITY

The Loan Note Holder, every Receiver and every attorney, manager, agent or other person appointed by the Loan Note Holder or any such Receiver in connection with this Debenture

shall be entitled to be indemnified out of the Secured Assets in respect of all liabilities and expenses incurred by it or him in the execution or purported execution of any of the powers, authorities or discretions vested in it or him pursuant to this Debenture and against all actions, proceedings, costs, claims and demands in respect of any matter or thing done or omitted in any way relating to the Secured Assets and the Loan Note Holder and any Receiver may retain and pay all sums in respect of the same out of any monies received under the powers conferred by this Debenture

15 AVOIDANCE OF PAYMENTS

15 1 No assurance, security or payment which may be avoided or adjusted under the law, including under any enactment relating to bankruptcy or insolvency and no release, settlement or discharge given or made by the Loan Note Holder on the faith of any such assurance, security or payment, shall prejudice or affect the right of the Loan Note Holder to recover the Secured Liabilities from the Chargor (including any monies which it may be compelled to pay or refund under the provisions of the Insolvency Act 1986 and any costs payable by it pursuant to or otherwise incurred in connection therewith) or to enforce the charges contained in this Debenture to the full extent of the Secured Liabilities.

15 2 Any amount which has been paid by the Chargor to a Receiver or the Loan Note Holder and which is, in the opinion of the Loan Note Holder, capable of being reduced or restored or otherwise avoided, in whole or in part, in the liquidation or administration of the Chargor shall not be regarded as having been irrevocably paid for the purposes of this Debenture

16 NOTICES

16.1 Communications in writing

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

16 2 Addresses

The address (and the department or officer, if any, for whose attention the communication is to be made) of the Chargor and the Loan Note Holder for any communication or document to be made or delivered under or in connection with this Debenture

16 2.1 in the case of the Chargor

Address	Wynyard Park House, Wynyard Avenue, Wynyard, England, TS22 5TB
Attention	Christopher Musgrave / Trevor Cartner

16.2.2 in the case of the Loan Note Holder

Address	Wynyard Park House, Wynyard Avenue, Wynyard, England, TS22 5TB
Attention:	Christopher Musgrave / Trevor Cartner

or any substitute address or fax number or department or officer as the Chargor may notify to the Loan Note Holder (or the Loan Note Holder may notify to the Chargor if a change is made by the Loan Note Holder) by not less than 5 Business Days' notice

16.3 Delivery

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

- (a) if by way of fax, when received in legible form, or
- (b) if by way of letter, when it has been left at the relevant address or 5 Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address;

and, if a particular department or officer is specified as part of its address details provided under Clause 16.2 (Addresses), if addressed to that department or officer

16.3.2 Any communication or document to be made or delivered to the Loan Note Holder will be effective only when actually received by the Loan Note Holder and then only if it is expressly marked for the attention of the department or officer specified as part of its address details provided under Clause 15.2 (Addresses) (or any substitute department or officer as the Loan Note Holder shall specify for this purpose)

16.4 English language

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

17 EVIDENCE OF INDEBTEDNESS

In any action, proceedings or claim relating to this Debenture or the charges contained in this Debenture, a statement as to any amount due to the Loan Note Holder or of the Secured Liabilities or any part of the Secured Liabilities which is certified as being correct by an officer of the Loan Note Holder shall, save in the case of manifest error, be conclusive evidence that such amount is in fact owing

18 COUNTERPARTS

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

19 **GOVERNING LAW AND JURISDICTION**

This Debenture shall be governed by, and construed in all respects in accordance with, the laws of England and, for the benefit of the Loan Note Holder, the Chargor irrevocably submits to the non-exclusive jurisdiction of the English courts but without prejudice to the ability of the Loan Note Holder to proceed against the Chargor in any other appropriate jurisdiction

IN WITNESS WHEREOF the Chargor has executed and delivered this Debenture as a Deed and the Loan Note Holder has executed this Debenture on the day and year first before written

SIGNATORIES

THE CHARGOR

Executed and delivered as a Deed by
FLAXBY PARK LIMITED acting by

IAW MACKIN TUSH
Print Full Name

before this witness



DANIELA PAULUCCI
Print Full Name

Address

50 LOTHIAN ROAD

EDINBURGH

EH3 9WJ



Director
Attorney

D Paulucci
Witness

THE LOAN NOTE HOLDER

Executed and delivered as a Deed by
LEGACY REAL ESTATE LTD
acting by

TREVOR CARTNER

Print Full Name

[Signature]

Director

before this witness

PAUL DIASDAV

Print Full Name

[Signature]

Witness

Address

3 ASHBROOKE CRESCENT

SUNDERLAND

SR2 7HL