

GALLEON

Centre

DEED OF TRUST

by

KILMARNOCK AND LOUDOUN
DISTRICT COUNCIL

1985

Subject: The Kilmarnock Leisure Centre
Trust

A C McFadzean
Depute Chief Executive
Kilmarnock and Loudoun
District Council
P O Box 13
Civic Centre
KILMARNOCK
KAL LBY ,

Registers of Scotland

1449
AT EDINBURGH the Sixteenth day of January
Nineteen hundred and eighty six the Deed hereinafter
reproduced was presented for registration in the Books
of the Lords of Council and Session for preservation and
is registered in the said Books as follows:-

MINUTE OF AGREEMENT

between

KILMARNOCK AND LOUDOUN
DISTRICT COUNCIL
incorporated in terms
of the Local Government
(Scotland) Act 1973

(hereinafter referred to
as "The Council")

OF THE FIRST PART

and

The Trustees of
THE KILMARNOCK
LEISURE CENTRE TRUST
appointed in terms of Deed of
Trust by the Council dated
30 October 1985

(who and whose successors as
Trustees under the said Deed
of Trust are hereinafter
referred to as "The Trustees")

OF THE SECOND PART

WHEREAS the Council have caused the formation of a Trust for the purpose of providing and managing a Leisure Centre in Kilmarnock and the Council wish to enter into an agreement with the Trustees in terms of Sections 15 and 16 of the Local Government and Planning (Scotland) Act 1982 for the provision of facilities for recreational, sporting and social activities for the inhabitants of Kilmarnock and Loudoun District; CONSIDERING that the Trustees, to fulfil the purposes of the said Deed of Trust will require financial assistance and a Lease of the site of the proposed Leisure Centre; THEREFORE as is evidenced by their execution hereof the Council and the Trustees HAVE AGREED and DO HEREBY AGREE as follows:-

First

The Council shall lease to the Trustees the site for the proposed Leisure Centre in terms of the draft Lease annexed and signed as relative hereto, which comprises Annexation I.

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- Second The Trustees shall arrange for the development of a Leisure Centre on the said site in accordance with the said Lease which Leisure Centre the Trustees shall use their best endeavours to procure to be available for use within two years from the date of commencement of the said Lease.
- Third The Council hereby undertakes irrevocably to the Trustees that the Council will out of its current revenue and by payments which do not fall to be charged to a capital or borrowing account indemnify and reimburse the Trustees to the extent of any loss incurred by the Trustees (including loss of a capital nature as well as loss of a revenue nature) arising from the construction, maintenance, management and operation of the Leisure Centre in each financial year for the stipulated duration of the said Lease and any extension thereof in accordance with the procedures specified in clause "Fourth" hereof except any part of such loss which both (a) would not have occurred but for a breach of the terms of this Agreement by the Trustees and (b) is in excess of the Trustees liabilities under any agreement(s) into which the Trustees shall enter with the Council's consent. The financial year shall commence on the first day of April in each year and shall terminate on the thirtyfirst day of March in the subsequent year.
- Fourth Within fourteen days from the commencement of each financial year after the date hereof, the Council shall pay to the Trustees and/or any person/s specified in a mandate/s signed by a majority of the Trustees for the time being, a sum equivalent to the estimated loss (not taking account of rent payable under the said Lease), if any, anticipated to be incurred by the Trustees in that financial year as specified in annexation II hereto or in any revised Cash Flow Forecast substituted therefor in accordance with the provisions of annexation II or any higher sum which may be agreed to by the Council and the Trustees and in addition that during the period from the date hereof until the thirty first day of March following the date of practical completion of the Leisure Centre the Council shall, within fourteen days of receipt of a written demand therefor, pay to the Trustees any reasonable costs to be met by the Trustees which cannot be met by the Trustees at that time. At the end of each financial year the Trustees shall, within seven days, submit to the proper Officer of the Council responsible for the administration of the Council's financial affairs in terms of Section 95 of the said Act of 1973 all books, receipts, accounts and bank statements and other documents reasonably specified by the said proper Officer in connection with the loss and shall supply such further information as may be reasonably required by said proper Officer thereafter in connection with the loss. The said proper Officer shall, within five weeks of the end

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of each financial year prepare an audited abstract of accounts of the Trust identifying the actual loss (taking account of rent payable under the said Lease) incurred by the Trustees in that financial year. The Council shall, within fourteen days of the preparation of the said audited abstract of accounts pay to the Trustees and/or the person or persons specified in the said mandate as aforesaid the amount, if any, by which the actual loss in the financial year exceeds the sum of aforementioned estimated loss and any further payments made by the Council to the Trustees during the financial year pursuant to clause FOURTH. In the event of the said loss being less than the said estimated loss, the Council may require the Trustees to pay to the Council or any other person an amount not exceeding the extent by which the said estimated loss exceeded the actual loss.

Fifth

The hours of opening of, the charges for and the staffing establishment for the facilities within the said Leisure Centre shall be generally in accordance with annexation III hereto unless the Trustees and the Council agree otherwise. The Trustees shall not, without the prior consent of the Council, operate the said Leisure Centre in a manner inconsistent with annexation III and shall take all reasonable steps to ensure that the Council are consulted on the operation of the said Leisure Centre if it appears to the Trustees that the loss in any financial year may be in excess of the estimated loss.

Sixth

The Trustees shall not, without the prior consent of the Council, enter into any agreement or incur any liability to pay any sum or meet any expenses nor sign any contract except in so far as may be necessary for the repair and maintenance of the Leisure Centre or is reasonable in connection with the normal operation and management of the leisure facilities therein.

Seventh

In addition to any financial assistance granted by the Council to the Trustees, the Council may arrange for the Trustees to receive advice and assistance; from time to time, from the Council's employees or other persons employed by the Council. However the Trustees may, at their sole discretion, obtain independent advice and assistance and shall do so if they consider that there may be a conflict of interest or a dispute with the Council.

Eighth

In the event of any dispute or difference arising between the parties hereto touching or concerning any matter or thing arising out of this

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agreement (other than with regard to the meaning or construction of the same or as specifically otherwise provided for herein), such dispute or difference whether arising before or after the determination of this agreement shall be referred for decision to some independent and fit person to be agreed between the parties and in default of agreement then to be nominated by the Chairman for the time being of the Royal Institution of Chartered Surveyors on the application of either party hereto but in the event of any such dispute or difference arising over the meaning or construction of this agreement then the matter shall be referred to a Senior Counsel to be agreed between the parties or in default of agreement then to be nominated by the President for the time being of the Law Society of Scotland and the fees and expenses payable to the person so agreed or nominated shall be in the award of the person so appointed; Provided that in every case the person so agreed or nominated shall be entitled to act as an expert and not as an arbiter in any case where such person expresses his willingness in writing so to act and neither party objects in writing to such person so acting within twenty one days of that party receiving the statement that such person is willing to do so.

Ninth

Any notice, request or consent under this agreement shall be in writing and shall be sufficiently served if sent by Recorded Delivery Post to such address as may be specified by the proposed recipient which failing on any premises occupied by the Trustees or the Council, as appropriate.

In this agreement, unless the context otherwise requires, :-

Person shall include an individual natural person or any bodies corporate or incorporate which the law recognises as having a separate legal persona.

The site of the proposed Leisure Centre shall be the subjects of let specified in annexation I hereto.

IN WITNESS WHEREOF these presents typewritten on this and the three preceding pages, together with Annexations I, II and III, are subscribed as follows:- they are sealed with the Common Seal of us the said Kilmarnock and Loudoun District Council and subscribed for and on our behalf by James Mills and John McCrae, two Members of the said Council and by Andrew Colin McFadden, Depute Chief Executive, all at Kilmarnock on the Thirtieth day of October Nineteen hundred and eighty five; and they are subscribed by us the Trustees of this Kilmarnock Leisure Centre at Kilmarnock on the date hereinbefore mentioned before these witnesses Stanley Thomas McBeth Ellery, One The Cross, Kilmarnock and James McAndrew, District Administration Manager, Civic Centre, Kilmarnock. that is to say, they are subscribed by Thomas Ferguson, Provost, Angus Steele and Ian McAlpine, both Councillors, Richard Winston Jenner, Chief Executive and Norman Howard Fowler, District Leisure Services Manager, the present Trustees of the Kilmarnock Leisure Centre Trust as aforesaid in the presence of the said witnesses Stanley Thomas McBeth Ellery and James McAndrew.

J. V. McEllen

John L. Andrew

James Mills

John McCrae

Andrew Colin McFadden

Thomas Ferguson

Angus Steele

Ian McAlpine



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15
1985
1985
1985

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This is Annexation I referred to in the foregoing Minute of Agreement

James Mills
[Signature]



ANNEXATION I

[Signature]
A. S. Stalk
M. A. Alpine
[Signature]
[Signature]

MINUTE of LEASE

between

KILMARNOCK AND LOUDOUN DISTRICT COUNCIL
Incorporated in terms of the Local Government
(Scotland) Act 1973 (hereinafter referred
to as "the Landlords")

and

THE TRUSTEES OF THE KILMARNOCK LEISURE CENTRE
TRUST appointed in terms of Deed of Trust by
Kilmarnock and Loudoun District Council
dated 30 October 1985
(who and whose successors as trustees
under the said Deed of Trust are hereinafter
referred to as "the Tenants")

WHEREAS the Landlords are the heritable proprietors of the subjects of Lease hereinafter referred to AND WHEREAS it has been agreed to lease the said subjects to the Tenants, THEREFORE, We the Parties hereto DO HEREBY AGREE AS FOLLOWS:-

The Landlords shall lease to the Tenants those subjects being ALL and WHOLE that area of land with the buildings thereon extending to Three acres and sixteen decimal or one hundredth parts of an acre or thereby bounded on or towards the east by Titchfield Street along which it extends four hundred and eighty eight feet or thereby, all as the said plot or area of ground is delineated and coloured red and blue on the plan annexed and subscribed as relative hereto; which subjects form part and portion of (In the First Place) ALL and WHOLE that plot or area of ground situated at the corner of Titchfield Street and Old Cast Lane in the Burgh of Kilmarnock and County of Ayr containing fifty four poles and sixteen and one quarter yards Imperial Standard Measure or thereby being the plot or area of ground more particularly described in and disposed by and delineated and shown by the line coloured red on the Plan or sketch annexed and subscribed as relative to a Disposition by James Lorn Lawson in favour of the Territorial Force Association for the County of Ayr dated the Twenty second day of June and recorded in the Division of the General Register of Sasines applicable to the County of Ayr on the Thirtieth day of October both months in the year Nineteen hundred and fourteen; and (In the Second Place) ALL and WHOLE that area of ground on the west of Titchfield Street, Kilmarnock in the Parish of Kilmarnock and in the County of Ayr extending to Two acres and seventy seven decimal or one thousandth parts of an acre or thereby, all as the said plot is more particularly described in delineated and coloured pink on /

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on the plan annexed and subscribed as relative to a Disposition by Saxone Lilley & Skinner (Holdings) Limited in favour of Kilmarnock and Loudoun District Council dated Twenty first day of July and recorded in the said Division of the General Register of Sasines on the Twelfth day of November both months in the year Nineteen hundred and eighty;

TWO

The period of Lease shall be Thirty years from the date of entry which shall be the date of the Landlords' execution of these presents, when vacant possession of the subjects let shall be given to the Tenants save as provided in the remainder of this Clause Two. Declaring that certain premises on the subjects of let are subject to existing Leases which expire as shown in the appendix hereto. The Landlords undertake to terminate each such existing Lease on or before expiry thereof as stated in the said appendix at which time vacant possession will be granted to those premises.

THREE

The initial rent and the provisions for review thereof shall be as determined by the District Valuer, Ayr, acting ex parte on the premise that the consideration for this lease shall be the best that can be reasonably obtained. The rent shall be payable in arrears on thirty first March in each year commencing thirty first March, Nineteen hundred and eighty six.

FOUR

The Tenants bind and oblige themselves at their own expense to maintain the subjects let in a neat and tidy condition to the reasonable satisfaction of the Landlords until the Tenants shall have completed the development of the subjects let in accordance with provisions of Condition Five hereof.

FIVE (a)

The Tenants bind and oblige themselves to develop the subjects let on completion of this Minute of Lease by the demolition of the existing buildings thereon and by erection of buildings, the laying out of a car park and the landscaping of the remainder of the subjects let, all in accordance with the Plans to be submitted for the approval of the Landlords.

(b)

Except for the said development, the Tenants shall not at any time during the currency of this Lease, without the prior written consent of the Landlords, construct or permit to be constructed on the subjects let any building or structure or (without the prior written consent of the Landlords which shall not be unreasonably withheld) alter the layout of the subjects let or any part thereof or permit to be made any structural or external alterations to the buildings or structures on the subjects let or make access to adjoining roads or streets, or change the existing design, elevation or appearance or external decorative scheme of the buildings on the subjects let or the adjoining ground except in accordance with the plans, elevations and specifications previously submitted to, and approved by the Landlords, whose approval shall not be unreasonably withheld nor shall the Tenants save with such approval as aforesaid (which shall not be unreasonably withheld) interfere with any pipes, wires /

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wires, cables, sewers, water courses or conduits which now are or at any time shall be in or through the subjects let or cause access thereto to become more difficult.

SIX

The buildings or structures to be erected by the Tenants in accordance with the provisions of Condition Five (a) hereof shall be used for leisure and recreational purposes and for no other purpose whatsoever without the prior written consent of the Landlords which consent shall not be unreasonably withheld, and shall not be withheld, in relation to a purpose for which planning permission shall be available, in the event of any assignation or disposal of the Trustees interest in the Lease under a heritable security granted with the consent of the Landlords.

SEVEN

The Tenants shall not assign, sub-let or dispose of their interest in this Lease or any part thereof without the prior written consent of the Landlords, which consent shall not be unreasonably withheld.

EIGHT

The Tenants bind and oblige themselves to maintain the buildings to be erected and the remaining ground in good condition and repair during the currency of this Lease and to leave them in good condition and repair at the expiry, or sooner termination hereof all at the sight and to the satisfaction of the Landlords.

NINE

At the expiry or sooner termination of this Lease any buildings erected on the subjects let shall revert to the Landlords and no compensation shall be payable to the Tenants in respect of any buildings so erected.

TEN

The Tenants shall comply in all respects with the provisions of the Town and Country Planning (Scotland) Acts in force during the currency of this Lease and shall obtain such licences and consents as may be necessary and undertake to exhibit the same to the Landlords if called upon to do so.

ELEVEN

The Tenants shall, throughout the whole term of the Lease, insure the subjects let and any buildings erected thereon against loss or damage by fire, storm, tempest, lightning, bursting or overflow of water tanks or pipes, flood, impact, aircraft, explosion, earthquake, subterranean fire, riot and civil commotion, malicious damage, public liability and such other risks as the Landlords may reasonably specify from time to time, with an established Insurance Office of good repute for the full reinstatement value of the subjects let and any addition thereto from time to time, including fixtures forming parts of the buildings erected thereon, Architects and Surveyors' fees and other incidental expenses. The Tenants shall pay the premium for effecting such insurance and shall exhibit the receipt to the Landlords and produce the policy or policies for such insurance when called upon by the Landlords so to do. So often

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often as the buildings or any part thereof erected on the subjects let shall during the term of this Lease be destroyed or damaged by fire or other risks insured against as aforesaid the Tenants shall without delay subject to availability of planning permission rebuild and reinstate the buildings on the subjects let to the satisfaction of the Landlords to their former state and in accordance with plans and specifications submitted to and approved by the Landlords, (such approval not to be unreasonably withheld) and secure that all monies payable by virtue of such insurance shall be applied in so rebuilding, repairing or reinstating the said buildings in accordance with the terms of this Lease or in such manner as may be approved by the Landlords (such approval not to be unreasonably withheld).

TWELVE

The Landlords and their duly authorised Officers, Servants and Agents shall have power to enter upon the subjects let or any part thereof with or without workmen and all necessary appliances at all reasonable times during the currency of this Lease on seven days prior written notice (except in the case of emergency) for all reasonable purposes in connection with the development.

THIRTEEN

The Tenants shall not form any refuse or rubbish dump or scrap heap on the subjects let or any part thereof but shall remove all such refuse, rubbish or scrap so often as is necessary and generally keep the subjects let including all landscaping in a neat and tidy condition and free from noxious deposits of materials or refuse and shall not bring, or permit to be brought on the subject let anything which is untidy, unclean or unsightly.

FOURTEEN

In the event of the parties hereto failing to agree on any of the terms of this Lease including such rent and provisions for review thereof as may be fixed by the District Valuer, then the matter shall be referred to Arbitration. The Arbitrator shall be appointed by mutual consent, which failing, he shall be appointed by the Sheriff of North Strathclyde at Kilmarnock. The decision of the Arbitrator shall be final upon all parties.

LASTLY

The parties hereto consent to registration for preservation and execution:
IN WITNESS WHEREOF

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APPENDIX

This is the appendix referred to in Clause TWO of the foregoing Lease of subjects at Titchfield Street, Kilmarnock.

<u>Subjects</u>	<u>Tenants</u>	<u>Date of Expiry of Lease</u>
81 Titchfield Street	Hugh Anderson & Other trading as All Sports	10th November 1987
83 Titchfield Street	Hector MacDonald & Co	14th May 1988
89/91 Titchfield Street	Rex Porter	14 May 1987
95 Titchfield Street	Mrs Georgina McIlvaney & Others	24th July 1987



James Mills
John
[Signature]

[Signature]
A. Steele
McAlpine
[Signature]
[Signature]

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Registers of Scotland
Books of Council and Session

Extract Registered

MINUTE OF AGREEMENT

between

KILMARNOCK AND LOUDOUN DISTRICT
COUNCIL

and

THE KILMARNOCK LEISURE CENTRE
TRUST

Subjects: Proposed Leisure Centre,
Titchfield Street, Kilmarnock.

Registered 16th January 1986

D & D CARRUTHERS
Box 3
Rutland Exchange
KILMARNOCK

SE/MN

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This is Annexation II referred to in the foregoing Minute of Agreement

ANNEXATION II

CASH FLOW FORECAST - KILMARNOCK LEISURE CENTRE

	1985/86	1986/87	1987/88	1988/89/ FOURTH	1989/90	1980/91	1991/92
RECEIPTS							
Operational Surplus			185881	197034	208856	221387	214670
Estimated Loss payment							
as in clause FOURTH			290000	307400	325844	345395	361118

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ANNEXATION II

CASH FLOW FORECAST - KILMARNOCK LEISURE CENTRE

	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/2000	2000/1	2001/2
RECEIPTS										
Operational Surplus	248751	263676	279496	296299	314042	332885	352858	374029	396471	420259
Estimated Loss payment	388085	411371	436053	462216	489949	519346	550507	583537	618549	655662

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ANNEXATION II

NOTES

1. The above Cash Flow Forecast assumes inter alia the following:-
 - (a) Practical completion of Leisure Centre on 17 August 1987.
 - (b) Total Capital and Rolled up interest on Bank Loan as at 1 September 1987 of £4,100,000.
 - (c) First payment of Capital and Interest by Trustees to the Bank on 1 September 1987.
 - (d) Annual Inflation at the rate of 6%.
 - (e) Loan finance interest rate of 12.8%.
 - (f) Operational Surpluses for the Leisure Centre as identified above.

Accordingly the Trustees shall intimate to the Council and the Council shall not unreasonably refuse to accept revised Cash Flow Forecasts showing increased Estimated Loss payments having regard to any variation in the above or any other assumptions.

2. For the period from 2002/3 until the expiry of said Minute of Agreement, the Council and the Trustees shall agree at least six months prior to the commencement of each financial year a Cash Flow Forecast on the same basis as the above Forecast.

James Mills J.M.
[Signature] M.B.
[Signature] D.C.



[Signature] T.F.
A. Stead A.S.
I. McAlpine I.M.A.
[Signature] P.W.S.
[Signature] N.H.F.

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This is Annexation III referred to in the foregoing Minute of Agreement

ANNEXATION III

1. The Leisure Centre and the facilities therein shall be open for public use as follows:-

Monday to Friday - 10.0 a.m. to 11.0 p.m.
Saturday and Sunday - 9.0 a.m. to 9.0 p.m.

The Trustees may close facilities for necessary maintenance at appropriate times. The Trustees may also, in consultation with the Council, close or restrict the use of facilities at times when seasonal fluctuations in use permit such closure or restriction without a significant reduction of net income from the facility.

The Leisure Centre may close on 1st and 2nd January and 25th and 26th December in each year.

2. The Leisure Centre shall be operated by the following staffing establishment:-

<u>Position</u>	<u>Approximate Annual wages and other benefits illustrated as at November 1985 rates</u>
	£
1 Manager	14,000
1 Assistant Manager	11,000
3 Duty Managers	30,000
1 Admin Officer	7,000
15 Centre Attendants	105,000
2 Reception/Cashier	10,000
1 Clerical	5,000
1 Bar Manager	9,000
1 Plant/Maintenance	8,000
1 Ice	7,000
27	206,000

<i>J. Ferguson</i>	T.F.
<i>A. Steele</i>	A.S.
<i>I. McAlpine</i>	I.M.A.
<i>R. W. J.</i>	R.W.J.
<i>N.H.F.</i>	N.H.F.

James Mills
[Signature]
[Signature]



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Part Time

2 Sauna	8,000
3 Reception/Cashier	15,000
6 Cleaners	12,000
6 Bar (including vending operators)	20,000
1 Nursery Nurse	<u>4,000</u>
	<u>59,000</u>

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Casual Staff
(for Ice Rink)

Disc Jockey, Skate Hire, Ice Stewards, etc.	7,000
TOTAL	<u>272,000</u>

3. The charges for the use of facilities shall be as follows (as at October 1985):-

<u>Charges</u>	Adult	Junior
Swimming	.65	
Skating	1.00	.35
Curling	2.50	.70
Bowling	1.00	
Games Hall (1)	£10/hour peak.	£6/hour off peak
Games Hall (2)	£15/hour peak.	£10/hour off peak
Sauna	1.50	
Fitness Room	£1/hour peak.	£0.60 hour off pk.
Squash	£2/Session peak.	£1.20 off peak

The Trustees shall secure that each other leisure facility provided is charged for at a rate which secures the best net income which can reasonably be obtained.

All charges shall be reviewed at appropriate intervals and shall be increased on an annual basis by an amount not less than the last published percentage increase in the Retail Price Index. For the avoidance of doubt it is declared that the charges applied when the facilities are first made available shall reflect the rise in the Retail Price Index since October 1985.

There will be a charge for membership and for admission of non-members of the Centre.

A. J. Stewart
A. J. Stale
I. McAlpine
J. H. Stewart

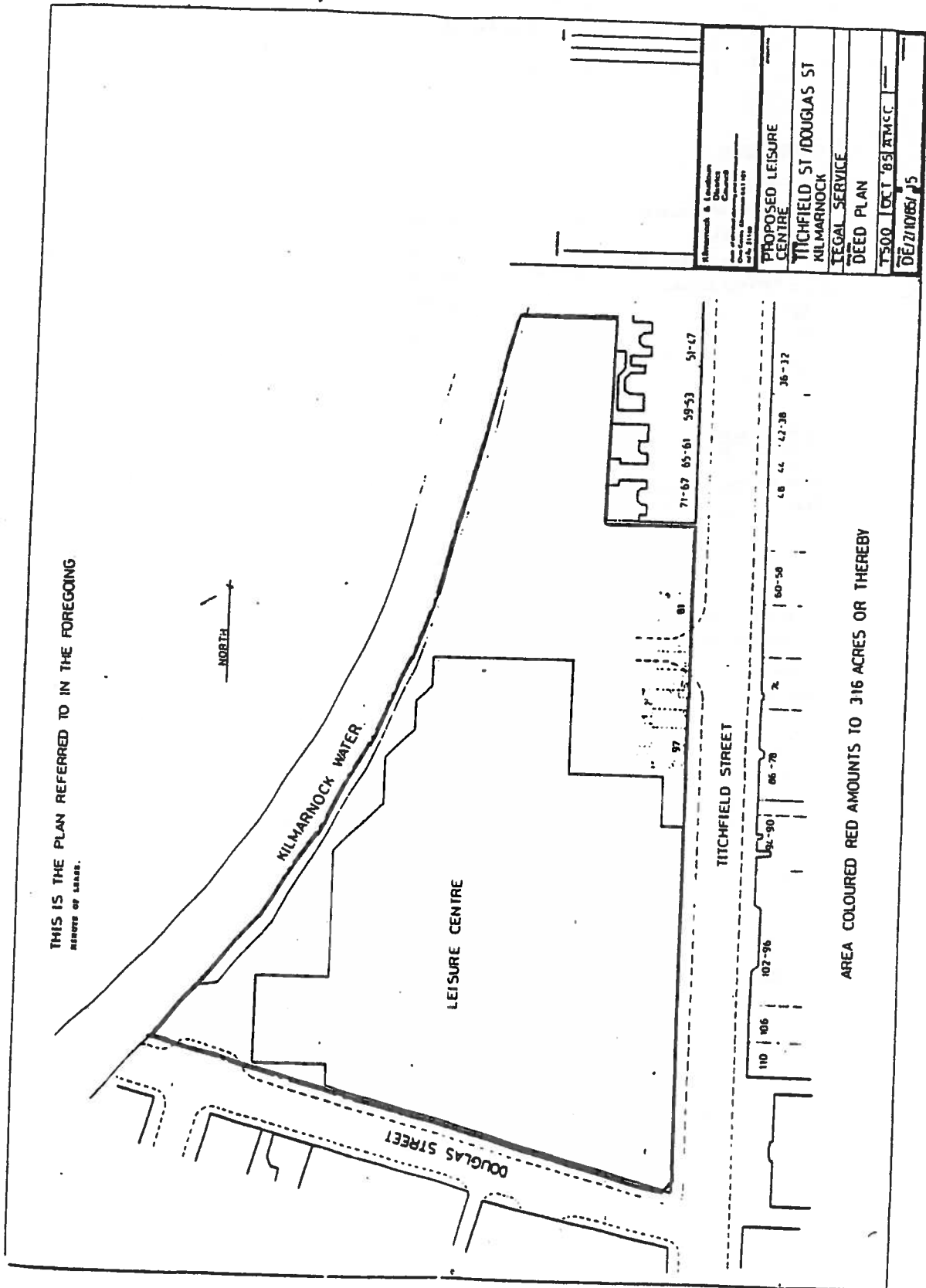
James Mills
J. H. Stewart

EXTRACTED by me having commission to that effect from the Keeper of the Registers of Scotland.

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WE, KILMARNOCK AND LOUDOUN DISTRICT COUNCIL (hereinafter called "the District Council") constituted in terms of the Local Government (Scotland) Act 1973, in order to create a Trust for the purpose of funding, constructing and managing a Leisure Centre on ground owned by us at Titchfield Street, Kilmarnock (hereby declare that

(One)

We Do hereby appoint as Trustees of Kilmarnock Leisure Centre Trust the following persons, namely:-

Provost and Chairman from time to time of Kilmarnock and Loudoun District Council (the holder of that office at the date hereof being Provost Thomas Ferguson).

Convener from time to time of Leisure Committee of Kilmarnock and Loudoun District Council (the holder of that office at the date hereof being Councillor Angus Steele).

Sub-Convener from time to time of Leisure Committee of Kilmarnock and Loudoun District Council (the holder of that office at the date hereof being Councillor Ian McAlpine).

Chief Executive from time to time of Kilmarnock and Loudoun District Council (the holder of that employment at the date hereof being Richard Winston Jenner).

District Leisure Services Manager from time to time of Kilmarnock and Loudoun District Council (the holder of that employment at the date hereof being Norman Howard Fowler).

and such other persons as we may from time to time determine.

(all hereinafter referred to as "the Trustees");

(Two)

The purpose of the Trust shall be to provide a Leisure and Recreation Centre on a site owned by the District Council at Titchfield Street, Kilmarnock; to encourage the widest use of the recreation facilities provided, by residents within and visitors to Kilmarnock and Loudoun District; to provide facilities for the development of sport including coaching and training; to ensure that young persons, the disabled and minority and underprivileged social groups have access to the facilities on reasonable terms and otherwise to promote leisure and recreational activities within the District of Kilmarnock and Loudoun.

(Seven)

The powers, conditions and duties set out in the Schedule annexed and subscribed as relative hereto, shall apply to the administration of this Trust:

IN WITNESS WHEREOF these presents typewritten on this and the two preceding pages are together with the Docquet of Acceptance and the Schedule of Conditions subscribed as follows:- they are sealed with the Common Seal of us the said Kilmarnock and Loudoun District Council and subscribed for and on our behalf by James Mills and John McCrae, two Members of the said Council and by Andrew Colin McFadzean, our Depute Chief Executive, all at Kilmarnock on the Thirtieth day of October Nineteen hundred and eighty five; and the Docquet of Acceptance together with the Schedule of Conditions are subscribed by us the said Trustees at Kilmarnock on the date hereinbefore mentioned.

Kilmarnock 30 October 1985

We hereby accept the office of Trustee conferred on us by the foregoing Trust Deed.

SCHEDULE OF CONDITIONS REFERRED TO IN THE FOREGOING TRUST DEED BY
KILMARNOCK AND LOUDOUN DISTRICT

CONDITIONS:

The Trust shall be administered according to the following conditions:-

- (One) A Majority of the Trustees who may from time to time be in Great Britain shall be a quorum, the power of any Trustee to act being suspended during his or her absence from Great Britain.
- (Two) The Trustees shall not be liable to the District Council for any loss or depreciation of the lands, buildings or other assets vested in or leased to them, nor for any omissions nor for neglect in management, or for insolvency of debtors, nor for acts, omissions, neglect or default of one or other, or of any Banker, Solicitor, Factor or other Agent employed by them.

POWERS AND DUTIES

In the administration of the Trust Estate the Trustees shall, in addition to the powers, privileges, and immunities conferred upon gratuitous Trustees in Scotland by Statute or at common law, have the fullest powers of and in regard to administration, management and division of the Trust Estate as if they were the beneficial owners, and in particular but without prejudice to the foregoing generality, the Trustees shall have in addition to the powers conferred in the foregoing Trust Deed, the following powers and the duties referred to in paragraph (Five) below.

- (One) To borrow and raise money in any manner and to secure the payment of any money borrowed, raised or owing by mortgage charge, Standard Security, lien, or other security upon the whole or any part of the Trust property or assets (whether present or future) and also by similar mortgage charge,

(Ten) To appoint a Management Committee to advise the Trustees on the management and operation of the said Leisure Centre and to undertake such duties as the Trustees may decide.

(Eleven) To appoint any of their number or any other person(s) to authorise and/or instruct on behalf of the Trustees drawings and/or payments under any contract which may be entered into by the Trustees and/or to decide or agree on behalf of the Trustees any matter or thing which falls to be decided or agreed by the Trustees pursuant to any such contract(s).
