

MR01

Particulars of a charge

700 884/13

Oyez

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 with
an instrument. Use form

For further information please

This form **must be delivered to the Registrar for registration**
21 days beginning with the day after the date of creation of the
delivered outside of the 21 days it will be rejected unless it is ac
court order extending the time for delivery

☐ You **must** enclose a certified copy of the instrument with this form,
scanned and placed on the public record



A09 16/07/2013 #201
COMPANIES HOUSE

TUESDAY

1 Company details

Company number 08435581

Company name in full BLUESTONE RESORTS HOLDINGS 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 08/07/2013

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 ANDREW PROBERT

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

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Description

Please give a short description of any land (including buildings), ship, aircraft or intellectual property registered (or required to be registered) in the UK which is subject to this fixed charge or fixed security

Continuation page

Please use a continuation page if you need to enter more details

Description

ALL FREEHOLD AND LEASEHOLD PROPERTY, LICENCES, RIGHTS OF OCCUPATION AND OTHER INTERESTS WHATSOEVER IN REAL PROPERTY OF THE COMPANY VESTED IN IT AT THE DATE HEREOF AND AT ANY TIME HEREAFTER TOGETHER IN EACH CASE WITH THE BUILDING, FIXED PLANT AND MACHINERY AND OTHER FIXTURES (INCLUDING TENANT'S FIXTURES) FROM TIME TO TIME THEREON AND THE PROCEEDS OF SALE OF ANY OF THE FOREGOING

ALL INVENTIONS, IMPROVEMENTS, MODIFICATIONS, PROCESSES, FORMULAE, KNOW HOW, DESIGNS, MODELS, SKETCHES, DRAWINGS, PLANS, PATENTS, TRADE OR SERVICE MARKS, DESIGN RIGHTS, COPYRIGHTS, TRADE AND BRAND NAMES AND OTHER INTELLECTUAL PROPERTY RIGHTS (WHETHER OR NOT CAPABLE OF PROTECTION BY PATENT, REGISTERED DESIGN, DESIGN COPYRIGHT, REGISTERED TRADE MARK, SERVICE MARK OR OTHER RIGHTS IN THE NATURE OF INTELLECTUAL PROPERTY AND WHETHER OR NOT SO PROTECTED) TO WHICH THE COMPANY IS ENTITLED AT THE DATE HEREOF OR AT ANY TIME HEREAFTER INCLUDING ALL APPLICATIONS IN RESPECT OF ANY OF THE FOREGOING

5

Fixed charge or fixed security

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

☒ 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 chargor from creating any 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

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

Nell Evans

X

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

MR01

Particulars of a charge

Presenter information

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

Contact name

MB

Company name

Acuity Legal Limited

Address

3 Assembly Square

Britannia Quay

Cardiff Bay

Post town

Cardiff

County/Region

Postcode

C F 1 0 4 P L

Country

DX

DX 200750 CARDIFF BAY

Telephone

+44 (0)29 20482288

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



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 8435581

Charge code: 0843 5581 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 8th July 2013 and created by BLUESTONE RESORTS HOLDINGS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 16th July 2013

DX

Given at Companies House, Cardiff on 18th July 2013



DATED

8th July

2013

(1) MANDACO 763 LIMITED (to be renamed BLUESTONE RESORTS HOLDINGS LIMITED)

(2) ANDREW PROBERT

DEBENTURE

CERTIFIED A
TRUE COPY
OF THE
ORIGINAL
Acuity Legal Limited

Acuity Legal Limited
3 Assembly Square
Britannia Quay
Cardiff Bay
Cardiff
CF10 4PL

Tel (029) 20482288
Fax: (029) 20495588

DEBENTURE made on this

8th day of July

2013

THIS DEBENTURE IS MADE BY:

- (1) **MANDACO 763 LIMITED (to be renamed BLUESTONE RESORTS HOLDINGS LIMITED)** a company incorporated and registered in England and Wales (company number 08435581) whose registered office is at c/o 3 Assembly Square, Britannia Quay, Cardiff Bay, Cardiff, CF10 4PL (the "Company")

IN FAVOUR OF:

- (2) **ANDREW PROBERT** of The Brew House, The Old Grammar School, Church Street, Cowbridge, CF71 7BB (the "Security Trustee").

IT IS AGREED as follows

1 Definitions and Interpretation

- 1.1 In this Debenture the following words and expressions shall have the following meanings

"Business Day" means a day (not being a Saturday or Sunday) when UK clearing banks are open for business in the City of London for the transaction of normal banking business,

"Charged Property" mean all of the undertaking property and assets of the Company charged by this Debenture (whether by way of legal mortgage or fixed or floating charge) and includes each part thereof and any interest therein,

"Costs" means 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,

"Cross Company Guarantee" means the cross company guarantee entered into between the Company, Bluestone Resorts Group Limited, Bluestone Resorts Limited and the Security Trustee on or around the date of this Debenture,

"Deed of Priority" means any deed of priority entered into after the date of this Debenture to regulate the ranking of debt and security granted by the Company and others,

"Default Rate" means three per cent per annum above the base rate from time to time of Barclays Bank plc (or such other bank as the Security Trustee may select from time to time for this purpose)

"Encumbrance" means any mortgage, charge (whether fixed or floating), pledge, lien, assignment by way of security, hypothecation, standard security or any other type of security interest or encumbrance or agreement or agreement having the effect of conferring security,

"enforcing" means the taking of any of the following actions

- (a) appointing a receiver or administrative receiver pursuant to or in respect of the security constituted by this deed,
- (b) exercising a power of sale or otherwise exercising the rights of a creditor under this deed,
- (c) declaring prematurely due, accelerating payment or suing for payment of the Secured Liabilities,
- (d) making an application for an administration order or appointing an administrator pursuant to this deed or petitioning for or taking any other action or proceedings for the administration, liquidation, winding-up or dissolution of the Company,
- (e) commencing or supporting any legal proceedings against the Company in respect of the Secured Liabilities,

and the terms **"enforce"** and **"enforcement"** shall be construed accordingly,

"Event of Default" has the meaning given to it in clause 9 1;

"Loan Note Instrument" means the instrument constituting the Loan Notes entered into by the Company Limited on or around the date of this Debenture,

"Loan Notes" means up to £12,490,970 64 non-interest bearing secured loan notes constituted by the Loan Note Instrument or, as the case may be, the amount of such loan notes for the time being issued and outstanding,

"Noteholders" means the holders of Loan Notes from time to time,

"Permitted Encumbrances" means -

- (a) any Encumbrance in favour of Barclays Bank plc to secure working capital facilities,
- (b) any Encumbrance contemplated by the Loan Note Instrument,
- (c) any Encumbrance to which the Security Trustee consents,
- (d) any liens arising by operation of law or in the ordinary course of the Company's business;
- (e) any retention of title or lien over stock arising in the ordinary course of the Company's business,

"Receiver" has the meaning given to it in clause 10,

"Secured Liabilities" means all present and future moneys, obligations and liabilities (whether actual or contingent and whether as principal or surety) now or at any time in the future due owing or incurred by the Company to the Noteholders, whether as principal or surety, under or in connection with the Loan Notes, the Cross Company Guarantee, or this Debenture (each a **"Secured Liability"**); and

"Security Period" means the period starting on the date of this Debenture and ending on the date on which the Security Trustee confirms to the Company that all Secured Liabilities have been unconditionally and irrevocably paid and discharge in full

1 2 Unless the context otherwise requires

1 2 1 a reference to a clause or Schedule is to a clause of, or Schedule to, this Debenture and references to paragraphs are to paragraphs of the relevant Schedule,

1 2 2 a reference to **this Debenture** (or any specified provision of it) or any other document shall be construed as a reference to this debenture, that provision or that document as in force for the time being and as amended (in accordance with its terms) or novated from time to time,

1 2 3 the terms "subsidiary" and "holding company" shall have the meanings ascribed by section 1159 of the Companies Act 2006 save that for the purposes thereof, a company will be treated as a member of another company even if its shares in that other company are registered in the name of another person by way of security, or in connection with the taking of security; and

1 2 4 the terms "subsidiary undertaking" and "parent undertaking" shall have the meanings ascribed by section 1162 of the Companies Act 2006 save that for the purposes thereof, an undertaking will be treated as a member of another undertaking even if its shares in that other undertaking are registered in the name of another person by way of security, or in connection with the taking of security

1 2.5 the singular shall include the plural and vice versa, the masculine shall include the feminine gender and references to persons shall include corporations and unincorporated bodies.

1 3 The headings are inserted for convenience only and shall not affect the interpretation of this Debenture

2 **Covenant for Payment**

The Company undertakes to the Security Trustee that

2 1 it will pay and discharge each Secured Liability on demand made on or at any time after the due date for payment, and

2 2 it will on demand pay to the Security Trustee and any Receiver all Costs and expenses reasonably and properly incurred by the Security Trustee and any Receiver in relation to

2 2 1 this Debenture and the Charged Property,

2 2 2 the protection, perfection, preservation and enforcement of the Security Trustee's and any Receiver's rights under this Debenture, and

2 2 3 suing for or recovering any of the Secured Liabilities;

and for the avoidance of doubt, such Costs shall form part of the Secured Liabilities.

2 3 Any amount (other than an amount due under the Loan Notes) which is not paid under this Debenture on the due date shall bear interest (both before and after judgment) payable on demand at the Default Rate from time to time from the due date until the date of actual unconditional and irrevocable payment and discharge of such amount in full, and itself constitutes part of the Security Liability Interest (if any) shall be payable on the Loan Notes in accordance with the terms of the Loan Note Instrument

3 Charging Clause

3.1 The Company with full title guarantee hereby charges with the payment of all monies and liabilities and other sums hereby covenanted to be paid or discharged by it or intended to be hereby secured and so that the charge hereby created shall be a continuing security

3 1 1 by way of fixed charge, all freehold and leasehold property, licences, rights of occupation and other interests whatsoever in real property of the Company vested in it at the date hereof and at any time hereafter together in each case with the building, fixed plant and machinery and other fixtures (including tenant's fixtures) from time to time thereon and the proceeds of sale of any of the foregoing,

3 1 2 by way of equitable mortgage, all other freehold and leasehold property, licences, rights of occupation and other interests whatsoever in real property of the Company vested in it at the date hereof and at any time hereafter together in each case with the building, fixed plant and machinery and other fixtures (including tenant's fixtures) from time to time thereon and the proceeds of sale of any of the foregoing,

3 1 3 by way of fixed charge, all plant machinery and other equipment of the Company (if any) which is owned by the Company at the date hereof or at any time hereafter,

3.1 4 by way of fixed charge

3 1 4 1 all stocks and shares and other interests (including without prejudice to the generality of the foregoing loan capital indebtedness or liabilities on any account or in any manner owing to the Company) both present and future of the Company (and from) any company which

now is or may hereafter become a subsidiary of the Company, and

- 3 1 4 2 all of the book debts and other debts revenues and claims now or at any time hereafter due or owing to or purchased or otherwise acquired by the Company together with the full benefit of all guarantees and securities therefore and indemnities in respect thereof, and all liens, reservations of title, rights of tracing and other rights and remedies whatsoever;
- 3 1 4 3 all policies of insurance and assurance effected by the Company at the date hereof or at any time hereafter and all proceeds, claims or other rights of the Company in respect of any policy of insurance or assurance whether effected by the Company or any other person,
- 3 1 4 4 all inventions, improvements, modifications, processes, formulae, know-how, designs, models, sketches, drawings, plans, patents, trade or service marks, design rights, copyrights, trade and brand names and other intellectual property rights (whether or not capable of protection by patent, registered design, design copyright, registered trade mark, service mark or other rights in the nature of intellectual property and whether or not so protected) to which the Company is entitled at the date hereof or at any time hereafter including all applications in respect of any of the foregoing,
- 3 1 5 by way of fixed charge, all of the goodwill and the uncalled capital of the Company both present and future; and
- 3 1 6 by way of floating charge
 - 3 1 6 1 the undertaking and the whole of the property and assets of the Company both present and future, and
 - 3 1 6 2 the property described in 3 1 1 to 3 1 5 to the extent that the charges thereon or any part or parts thereof shall not be, or shall for any reason be ineffective as fixed charges
- 3 2 The Company shall not at any time without the prior written consent of the Security Trustee create or permit to subsist or arise any Encumbrance on or affecting the Charged Property or any part thereof unless it is a Permitted Encumbrance
- 3 3 The Company shall not at any time without the prior written consent of the Security Trustee sell, transfer, assign or otherwise dispose of in

any manner (or purport to do so) any part of the Charged Property or any part thereof or interest therein or to enter into any agreement to do so

- 3.4 Any legal mortgage, fixed charge or other security or right hereafter created by the Company in favour of the Security Trustee or otherwise arising in favour of the Security Trustee shall, unless otherwise agreed by the Security Trustee in writing, have priority over the floating charge created under clause 3.1.6 above
- 3.5 This Debenture shall be a continuing security to the Security Trustee to secure all indebtedness, obligations and liabilities of the Company to the Security Trustee, pursuant to clause 2
- 3.6 The floating charge created by clause 3.1.6 shall automatically and immediately (without notice) be converted into a fixed charge over the relevant Charged Property if
 - 3.6.1 a receiver is appointed over all or any of the Charged Property that is subject to the floating charge, or
 - 3.6.2 any person levies (or attempts to levy) any distress, attachment, execution or other process against all or any part of the Charged Property, or
 - 3.6.3 the Security Trustee receives notice of the appointment of, or a proposal or an intention to appoint, an administrator of the Company, or
 - 3.6.4 the Company creates or attempts to create, without the prior written consent of the Security Trustee, an Encumbrance (other than a Permitted Encumbrance) or a trust in favour of another person on all or part of the Charged Property, or
 - 3.6.5 the Company disposes or attempts to dispose of, without the prior written consent of the Security Trustee or to the extent otherwise permitted by this Debenture, all or any part of the Charged Property
- 3.7 The Security Trustee may at any time by notice in writing to the Company convert the floating charge hereby created into a fixed charge as regards any assets specified in the notice if it is necessary to do so in order to protect or preserve the security hereby created. The Company shall at any time upon the written request of the Security Trustee pursuant to provisions of this clause, execute any other or further charge or other instrument conveying a fixed charge in such form as the Security Trustee may reasonably require on all or any part or parts of the Charged Property
- 3.8 Each such mortgage assignment or charge shall be prepared completed and registered by or on behalf of the Security Trustee and shall contain, inter alia, an immediate power of sale without notice, in the case of freehold and leasehold property a clause excluding

Section 93 of the Law of Property Act 1925, and such other provisions as the Security Trustee may properly and reasonably require

- 3 9 Paragraph 14 of Schedule B1 to the Insolvency Act 1986 (incorporated by Schedule 16 of the Enterprise Act 2002) shall apply to all floating charges created pursuant to this Debenture

4 Covenants by the Company

- 4 1 The Company covenants with the Security Trustee that during the continuance of this security

4 1 1 the Company will keep the Charged Property and all buildings, fixtures, plant and machinery, equipment and other effects hereby charged in reasonable repair and in reasonable working order and condition (fair wear and tear excepted in the case of fixtures, plant and machinery);

4 1 2 the Company shall at its own expense take steps to establish and protect its rights in respect of, and the priority and value of, all patents trade and service marks, brand names, copyrights and other intellectual property rights;

4 1 3 the Company shall punctually pay all rates, taxes, assessments and other outgoings charged on or payable by the Company in respect of the Charged Property,

4.1 4 pay and indemnify the Security Trustee and as a separate covenant any Receiver or Receivers appointed by it against all existing and future rents rates taxes duties charges assessments impositions and outgoings whatever (whether imposed by deed or statute or otherwise and whether of a nature of capital or revenue and even though of a wholly novel character) now or at any time during the continuance of this security payable in respect of the premises hereby charged or any part thereof or by the owner or occupier thereof If any such sums shall be paid by the Security Trustee or any such Receiver or Receivers the same shall be repaid by the Company on demand and the payment of any such sum by the Security Trustee shall not constitute it a mortgagee in possession of the property or properties in respect of which such payment is made;

4 1 5 the Company shall insure and keep insured to the full reinstatement or replacement value (taking account of the effects of inflation in relation to such value) such of the Charged Property as is insurable against loss or damage by fire and other usual risks,

4 1 6 the Company shall punctually pay all premiums and other moneys necessary for effecting and maintaining the insurances in respect of the Charged Property referred to in clause 4 1 5 above and shall not deliberately do or

permit to be done any act or thing as a result of which such policy is likely to be or become invalidated or altered, and

4 1 7 the Company shall (unless the Security Trustee otherwise directs) apply all moneys received under any insurance of the Charged Property (whether or not effected pursuant to the foregoing provisions) in replacing, restoring or reinstating the property destroyed or damaged (the Company making up any deficiency for this purpose out of its own moneys).

4 2 The Company shall be deemed to comply with the covenant contained in clause 4 1 in relation to any part of the Charged Property which is held by the Company under a lease or is the subject of a prior mortgage if it is insured and is under an obligation to use its reasonable endeavours to procure the performance of those obligations referred to above to ensure that any moneys received under any insurance are applied in accordance with the provisions of the lease or the prior mortgage

5 Representations of the Company

5 1 The Company hereby warrants to the Security Trustee as at the date of this Debenture that

5 1 1 it is a company duly formed and existing under the laws of England and Wales and the execution of this Debenture and the creation of the security hereunder has been properly approved and authorised by resolution of the directors of the Company and all other necessary corporate action of the Company and does not contravene the articles of association of the Company,

5 1 2 it has power to execute this Debenture and perform and discharge its duties and liabilities under this Debenture and no limitation on its powers to borrow or grant security rights will be exceeded as a result of this Debenture,

5 1 3 no action, suit or proceeding is pending or threatened against the Company before any court, arbitration tribunal or administrative agency which is likely to result in any material adverse change in the financial condition, business or assets of the Company,

5 1 4 it is the legal and beneficial owner of the Charged Property,

5 1 5 the Charged Property is free from any Encumbrance other than the Encumbrances created by this Debenture and the Permitted Encumbrances

6 Indemnity

6.1 The Company hereby undertakes and covenants with the Security Trustee to indemnify and keep indemnified the Security Trustee and any Receiver appointed by the Security Trustee hereunder (on a full

complete and unqualified basis) from and against all losses, claims, proceedings, expenses or liabilities of any kind which they may suffer as a result of:

- 6 1 1 any breach of any of the covenants or representations of the Company contained in clauses 3, 4 or 5 above or of any other covenant, representation, warranty undertaking or obligation of the Company under this Debenture, or
- 6 1 2 anything done or omitted to be done in relation to the Charged Property by the Security Trustee or any Receiver appointed by it, or
- 6 1 3 anything omitted to be done hereunder by the Company in breach of the terms hereof, or
- 6 1.4 any payment or discharge in respect of any monies hereby secured (whether made by the Company or a third party) being impeached or declared void for any reason whatsoever

7 Events of Default

- 7 1 Notwithstanding the provisions of clause 2, the Secured Liabilities shall become immediately payable without demand, together with accrued interest (if applicable) to the date of payment and this security shall become immediately enforceable, if.
 - 7 1 1 the Company shall fail to pay any principal amount owing by it to the Noteholders in respect of the Loan Notes within 5 Business Days after the due date for payment,
 - 7 1 2 a petition is presented which is not withdrawn within 15 Business Days or an order is made or an effective resolution is passed for the winding up of the Company or a board or member's resolution is passed or an application being made for the dissolution or striking off of the Company,
 - 7 1 3 the Company applies for or enters into any compromise, composition, arrangement or agreement with the creditors of the Company (or any class of them) in relation to the payment of its debts (other than as approved by the Security Trustee),
 - 7 1 4 a receiver, administrative receiver, trustee, liquidator or similar officer is appointed in respect of or over, or an encumbrancer takes possession of all or a material part of the undertaking or assets of the Company, or if an administrator is appointed, or documents are filed with the court for the appointment of an administrator or a notice of intention to appoint an administrator is given by the Company or its directors or by a qualifying floating charge holder (as defined in paragraph 14 of Schedule B1 to the Insolvency Act 1986),

7 1 5 an event or circumstance occurs in relation to the Company similar to any of those referred to in paragraphs 7 1 2 to 7.1 4 above in any jurisdiction other than England and Wales,

each an "Event of Default"

8 Power of Sale

8.1 Any money liability or other sum hereby secured shall be deemed to have become due and payable on the date of this Debenture for the purposes of section 101 of the Law of Property Act 1925 and the power of sale and other powers conferred by section 101 of the Law of Property Act 1925 (as varied or extended by this Debenture) and all other powers shall be deemed to arise immediately after execution of this Debenture

8 2 The security constituted by the Debenture shall (subject always to the terms of any Deed of Priority) become immediately exercisable following the occurrence of an Event of Default or at any time thereafter whilst the same is continuing or on the appointment of a Receiver

8.3 At any time after any money liability or other sum hereby secured shall have become payable the Security Trustee may.

8 3 1 exercise in respect of the Charged Property the power of sale conferred upon mortgagees by Section 101 of the Law of Property Act 1925, without the restriction imposed by Section 103 of that Act and on the basis that the said power of sale may if the Security Trustee so wishes, in addition to its other rights, be exercised by the Security Trustee surrendering or retaining the Charged Property or any part of it,

8 3 2 without the consent of the Company being obtained, sever plant, machinery and other fixtures from the premises containing them to be sold,

8 3 3 exercise any of the options assigned to it as part of the Charged Property and any consideration paid and all costs and expenses incurred in exercising any such option shall form part of the moneys hereby secured and agreed to be paid, and

8 3 4 grant options of any nature whatsoever in respect of all or any of the premises hereby charged or any part or parts of any of them whether or not contained in or in conjunction with any lease granted pursuant to this Debenture

8 4 If and when the said power of sale shall become exercisable the Security Trustee may (by way of extension of and not in substitution for the powers conferred by law) grant or agree to grant a lease or leases or a tenancy or tenancies of all or part of the Charged Property for such term of years or from year to year or other period less than a

year at such rent and subject to such agreements, covenants and conditions and either with or without premium as the Security Trustee thinks fit and accept surrenders of any lease or tenancy of all or part of the Charged Property upon such terms as the Security Trustee thinks fit and such a surrender shall be valid notwithstanding that no lease of the land comprised in this surrender is granted to take effect in possession after the date of the surrender or that any such lease granted fails to comply with the provisions of Section 100(5) of the Law of Property Act 1925 or any of them

- 8 5 In favour of a purchaser the said power of sale shall be deemed to arise and become exercisable on the date hereof, provided that for the protection of the Company only and so as not to affect a purchaser or put him on enquiry the said power of sale shall not be exercised unless an Event of Default has occurred and is continuing

9 **Appointment of Administrator**

- 9 1 Subject to the Insolvency Act 1986, at any time and from time to time after this security becomes enforceable, the Security Trustee may appoint one or more qualified persons to be an administrator of the Company to act together or independently of the other or others appointed (to the extent applicable).
- 9 2 Any such appointment shall be made pursuant to an application to court under paragraph 12 of Schedule B1 of the Insolvency Act 1986 (Administration application) or by filing specified documents with the court under paragraphs 14-21 of Schedule B1 of the Insolvency Act 1986 (Appointment of administrator by the holder of a floating charge)
- 9.3 In this clause 9 "**qualified person**" means a person who, under the Insolvency Act 1986, is qualified to act as an administrator of any company with respect to which he is appointed

10 **Receivers**

- 10 1 At any time after any liability, money or other sum hereby secured shall have become payable or this security shall have become enforceable or at the request of the Company, the Security Trustee may by writing under hand of any officer of the Security Trustee appoint any person or persons to be a receiver or receivers (the "**Receiver**") of all or any part of the Charged Property and remove any Receiver so appointed and appoint another or others in his or their place or in addition to the Receiver so appointed.
- 10 2 When two or more persons are appointed to act as the Receiver hereunder each of them shall exercise all powers conferred upon the Receiver severally or jointly with the other Receiver
- 10 3 The Security Trustee shall determine the remuneration of the Receiver without being limited by the maximum rate set in Section 109(6) of the Law of Property Act 1925
- 10 4 The Receiver shall be the agent of the Company (which shall alone be liable for his acts, defaults and remuneration) and shall have and be

entitled to exercise all powers set out in Schedule 1 of the Insolvency Act 1986 and in particular (by way of addition to and without limiting those powers and without prejudice to the Security Trustee's power of sale) the Receiver shall have power

- 10 4 1 to take possession of, collect and get in any of the premises hereby charged and for that purpose take, defend or otherwise conduct, settle and/or dispose of any proceedings in the name of the Company or otherwise and to carry on, manage or concur in carrying on and managing the business of the Company or any part thereof and for any of those purposes raise or borrow any money (including money for the completion with or without modification of any building in the course of construction or any alteration or addition to any building and any development or project in which the Company was engaged) from or incur any other liability with the Security Trustee or any other person and on such terms as to interest or otherwise and with or without security as the Receiver may think expedient and so that any such security may be or include a charge on the whole or any part of the premises hereby charged and to make any arrangement or compromise which the Receiver shall think fit,
- 10 4 2 to promote the formation of a subsidiary or subsidiaries of the Company with a view to such subsidiary or subsidiaries purchasing all or any of the assets or interests in assets of the Company,
- 10 4 3 to appoint a receiver or receivers (who may be or include the Receiver himself) to be a receiver or receivers under any mortgage or charge for the time being held for the benefit of the Company,
- 10 4 4 to sell or concur in selling any of the Charged Property to sever and sell any plant, machinery and other fixtures from the property to which they are attached on such terms as the Receiver shall think fit but without restrictions imposed by Sections 103 and 108 of the Law of Property Act 1925,
- 10 4 5 to redeem any charge or encumbrance ranking in priority to this security and settle and pass the accounts of the relevant chargee or encumbrancer and any such settlement and accounts shall be conclusive and binding on the Company;
- 10 4 6 to acquire any freehold leasehold or other interest in any land adjoining or contiguous to the freehold or leasehold property of the Company (the "**Adjoining Land**") as he shall in his absolute discretion think fit,
- 10.4 7 to obtain all planning permissions, building regulation approvals and other permissions consents or licences for the development of the freehold or leasehold property of

the Company and/or the Adjoining Land or any part thereof and to effect complete and/or carry out any development building or other works (including any works in progress on the said property of the Company or any part thereof at the date of his appointment) as he shall in his absolute discretion think fit,

10.4 8 generally to do anything in relation to the Charged Property which he could do if he was absolutely entitled thereto including without limitation surrendering leases, exercising options, creating tenancy agreements, and

10 4 9 to do all other acts and things which may be considered to be incidental or conducive to any of the matters or powers aforesaid and which he lawfully may or can do.

10 5 No purchaser, mortgagor, mortgagee or other person dealing with the Receiver shall be concerned to enquire whether any power exercised or purported to be exercised has become exercisable or whether any money is due on the security hereof or as to the propriety or regularity of any sale by or other dealing with the Receiver.

10 6 The Receiver shall in the exercise of his powers aforesaid comply with any lawful directions and instructions given by the Security Trustee

10 7 Neither the Security Trustee nor the Receiver shall be responsible or liable to account as mortgagee in possession or otherwise for any loss or diminution in value caused to the Charged Property in the exercise of such powers or the exercise of any of the powers or rights conferred on each of them in relation to the Charged Property or otherwise including, without limitation, the sale or other realisation of any property or assets at an undervalue

11 Power of Attorney

The Company hereby irrevocably and by way of security appoints the Security Trustee and the Receiver jointly and severally to be its attorney and attorneys (with power to appoint sub-attorneys) in its name and on its behalf and as its act and deed to sign execute and/or do any deed, document, assurance, agreement, instrument or act which the Company is required to do hereunder but is in default of such obligation and such appointment shall operate as a general power of attorney under the Powers of Attorney Act 1971

12 Application of proceeds of realisation

Any moneys received under the powers hereby conferred shall (subject to the payment of any claims having priority to this Debenture) be paid or applied in the following order of priority

12 1 FIRST in satisfaction of all costs, charges and expenses properly incurred and payments properly made by the Security Trustee or the Receiver and of the remuneration of the Receiver,

12 2 SECOND in or towards satisfaction of the moneys outstanding and secured by this Debenture, and

12 3 THIRD the surplus (if any) shall be paid to the Company or to whomsoever else shall be entitled thereto

13 Further assurance

The Company undertakes to sign and/or execute and do (where required) such further deeds, documents and acts as the Security Trustee or any Receiver appointed by the Security Trustee may from time to time reasonably require to perfect the Security Trustee's rights under this Debenture and to give effect and validity to and realisation of the security hereby constituted which documents shall be prepared by or on behalf of the Security Trustee at the Security Trustee's cost Provided that so far as this clause 14 relates to any real property or any interest therein it shall be a separate and distinct undertaking and as such shall not be deemed to form part of this Debenture but the provisions of this Debenture shall be deemed to be incorporated therein

14 Other security

This Debenture is in addition to and shall not be merged with or in any way be affected or prejudiced by and may be enforced notwithstanding any other means of payment, bill, note, guarantee, indemnity, or other security, or other right, power or remedy which the Security Trustee may at any time have whether from the Company or any other person in respect of the indebtedness and obligations or other sums due or incurred by the Company to the Security Trustee and the Security Trustee may (but is under no duty to) enforce any of them without reducing or discharging such indebtedness and obligations

15 Remedies

If there is an event of default, it shall not be necessary for the Security Trustee before enforcing this Debenture or exercising any of his rights and powers hereunder to endeavour to take proceedings or obtain judgment against the Company or any other person or endeavour to enforce any other guarantee or security whether from the Company or any other person The Security Trustee shall have the right and power to claim all amounts due and payable in respect of the Secured Liabilities from the Company or any other person in such order and at such times as the Security Trustee may in his absolute discretion consider appropriate

16 Discharge & Release

16 1 Once all the Secured Liabilities have been unconditionally and irrevocably discharged in full, the Security Trustee shall give written confirmation of that fact to the Company

16 2 On the expiry of the Security Period (but not otherwise), the Security Trustee shall, at the request and cost of the Company, take whatever action is necessary to release the Charged Property from the security constituted by this Debenture and to reassign absolutely, all right, title and interest in and to the Charged Property to the Company

17 Preservation of the Security Trustee's rights

17.1 Any release, discharge or settlement between the Company and the Security Trustee shall be deemed conditional on no payment or security received by the Security Trustee 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 the Security Trustee may recover the value or amount of such security or payment from the Company subsequently as if such release, discharge or settlement had not occurred.

17.2 This Debenture is and shall remain the property of the Security Trustee

18 Conflict

18.1 This Debenture shall be subject to the terms of any Deed of Priority

18.2 If there is any conflict or inconsistency between the provisions of

18.2.1 the Loan Note Instrument and the provisions of this Debenture, the provisions of the Loan Note Instrument shall prevail,

18.2.2 any

18.2.3 Deed of Priority and the provisions of this Debenture, the provisions of any Deed of Priority shall prevail

19 Waivers

19.1 No waiver or release of any rights, powers or privileges of the Security Trustee or any consent to be given by the Security Trustee shall be valid unless in writing signed by the Security Trustee or any person who is his duly appointed attorney or legal personal representatives

19.2 No failure or delay on the part of the Security Trustee to exercise any power or right under this Debenture shall operate as a waiver thereof nor shall any single or partial exercise by the Security Trustee of any power, privilege or right under this Debenture preclude any other or further exercise thereof or the exercise of any other power or right. The powers and rights provided herein are cumulative and are not exclusive of any powers and rights provided by law

20 Validity

The Company hereby undertakes to obtain and maintain in full force, validity and effect all governmental and other approvals, authorities, licences and consents required in connection with this Debenture

21 Expenses

21.1 Each party shall bear its or his own costs in connection with the drafting, preparation and execution of this Debenture and any

document relative thereto and of any amendment variation or extension thereof or the granting of any waiver or consent under this Debenture or otherwise (subject to clause 21 2)

- 21.2 The Company agrees to pay to the Security Trustee upon demand all costs, charges and expenses (including legal fees) incurred by the Security Trustee in connection with the preservation and enforcement or attempted enforcement of the Security Trustee's rights and powers under this Debenture

22 Partial invalidity

In the event that any term or condition of this Debenture is rendered or declared illegal invalid or unenforceable in whole or in part for any reason by any statute, rule or regulation or any decision of any court or tribunal of competent jurisdiction then such term or condition shall be severed from the other terms and conditions of this Debenture and validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired and will remain in full force and effect.

23 Corporate Certificate

The Company hereby certifies that the execution of this Debenture and the creation of the security hereunder has been approved by resolution of the directors of the Company at a duly convened meeting of such directors and does not contravene any of the provisions of the articles of association of the Company

24 Miscellaneous

The restriction on the right of consolidation mortgage securities, which are contained in Section 93 of the Law of Property Act 1925, shall not apply to this Debenture

25 Constitution of the Security Trustee

References to the "Security Trustee" in this Debenture shall include his successors and permitted assigns. This Debenture shall continue to secure the Secured Liabilities of the Company to the Security Trustee including those incurred after any amalgamation, merger or assignment

26 Assignment

The Security Trustee may assign the benefit of this Debenture to any person to whom he is permitted to assign or transfer (and does so assign or transfer) all Loan Notes, but otherwise this Debenture shall not be assigned

27 Law and Jurisdiction

- 27 1 This Debenture and any dispute or claim (whether contractual or non-contractual) arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the law of England and Wales

- 27 2 The parties hereto irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim (whether contractual or non-contractual) that arises out of or in connection with this Debenture or its subject matter or formation

28 Notices

- 28 1 Each notice, request, demand or other communication under this Debenture shall be -
- 28 1 1 in writing, delivered personally, sent by pre-paid first-class letter or courier, and
- 28 1 2 sent to the relevant addresses stated above or to any other addresses that are notified by one party to the other in writing
- 28 2 A notice given as described in Clause 28 1 on a day which is not a Business Day (or after normal business hours in the place of receipt) shall be deemed to have been received on the next Business Day
- 28 3 Every notice, demand or other communication shall be sent to the relevant party at its or his address as specified in this Debenture or in the case of a company to its registered office for the time being and shall be deemed to have been received if given by hand or courier, on the day of actual delivery or if sent by first class post to an address in the United Kingdom, on the second Business Day after the same is posted or, if sent by airmail post to an address outside the United Kingdom, on the fifth Business Day after the same is posted

29 Counterparts

- 29 1 This deed may be executed in any number of counterparts, and by the parties on separate counterparts, but shall not be effective until each party has executed at least one counterpart
- 29 2 Each counterpart shall constitute an original of this deed, but all the counterparts shall together constitute but one and the same instrument

IN WITNESS whereof this Debenture remains undelivered until the date set out above

SIGNED as a DEED
(but not delivered until the
date appearing on page 1)
by **MANDACO 763**
LIMITED (to be renamed BLUESTONE
RESORTS HOLDINGS LIMITED
acting by

a director,

in the presence of

Witness signature

Name

Address.

Occupation





Matthew Bowen

3 Assembly Square, Britannia Quay, Cardiff
Bay, Cardiff CF10 4PL

Trainee Solicitor

SIGNED as a DEED
(but not delivered until the
date appearing on page 1)
by **ANDREW PROBERT**
in the presence of



Witness signature

Name

Address

Occupation



Matthew Bowen

As above

Trainee Solicitor