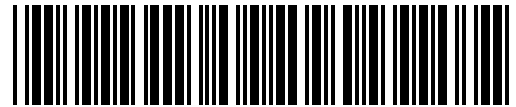




Registration of a Charge

Company Name: **79TH LUXURY LIVING FIVE LTD**

Company Number: **14254854**



Received for filing in Electronic Format on the: **07/09/2022**

XBC2THBS

Details of Charge

Date of creation: **24/08/2022**

Charge code: **1425 4854 0001**

Persons entitled: **CASTLE TRUST & MANAGEMENT SERVICES LIMITED**

Brief description:

Contains fixed charge(s).

Contains floating charge(s) (floating charge covers all the property or undertaking of the company).

Contains negative pledge.

Chargor acting as a bare trustee for the property.

Authentication of Form

This form was authorised by: **a person with an interest in the registration of the charge.**

Authentication of Instrument

Certification statement: **I CERTIFY THAT THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **KATIE WESTWOOD**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 14254854

Charge code: 1425 4854 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 24th August 2022 and created by 79TH LUXURY LIVING FIVE LTD was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 7th September 2022 .

Given at Companies House, Cardiff on 9th September 2022

The above information was communicated by electronic means and authenticated by the Registrar of Companies under section 1115 of the Companies Act 2006



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

Dated:

24 August 2022

**79TH LUXURY LIVING FIVE LIMITED
(THE COMPANY)**

**CASTLE TRUST AND MANAGEMENT SERVICES LIMITED
(AS SECURITY TRUSTEE)**

DEBENTURE DEED

THIS DEBENTURE is made on:

24th day of August 2022

By:

79TH LUXURY LIVING FIVE LIMITED incorporated in England and Wales with incorporation number 14254854 and having its registered office situated at Southport Business Park, Wight Moss Way, Southport, England, PR8 4HQ (the "Company").

In favour of:

Castle Trust and Management Services Limited, incorporated in Gibraltar with incorporation number 46030 and having its registered office at Suite 932, Europort, Gibraltar, as security trustee on behalf, and for the benefit of, the Loan Note Holders (as defined below) (the "Security Trustee").

Pursuant to the Loan Notes (as defined below), the Loan Note Holders have made or intend to make sums available to the Company.

In consideration of the Loan Note Holders giving or continuing to give credit and/or lending facilities to the Company through the subscription of Loan Notes, the Company enters into this Debenture with the Security Trustee.

The Security Trustee agrees to hold the security created by this Debenture as security trustee on behalf, and for the benefit, of the Loan Note Holders pursuant to the terms of the Security Trust Deed.

IT IS AGREED as follows

1 Interpretation

1.1 Definitions

In this Debenture, each of the following expressions has, except where the context otherwise requires, the meaning shown opposite it

Administrator means an administrator for the purposes of Schedule B1 to the Insolvency Act 1986 (as inserted by section 248 of, and Schedule 16 to, the Enterprise Act 2002);

Assets means all of the Company's undertaking, property, assets, rights and revenues, whatever and wherever in the world, present and future, and includes each of any of them;

Company Business means development and construction of residential and commercial property directly or indirectly via subsidiaries of The 79TH GRP Limited;

Debts means all book and trade debts, other debts, rental and other income, receivables and liabilities of any kind whatsoever now or at any time in the future (and from time to time) due, owing, outstanding, or payable to, or for the benefit of, the Company including but without limitation all monies from time to time standing to the credit of its accounts with any bank, financial institution or other person;

Event of Default means any of the following events or circumstances:

- (a) the Security Trustee or any Loan Note Holder demands the payment or discharge of all or any part of the Secured Liabilities in accordance with the Loan Notes and the Company fails to make payment in accordance with such demand;

- (b) the Company is or becomes unable to pay its debts as they fall due, or the Company commences negotiations with any one or more of its creditors with a view to the general readjustment or rescheduling of its indebtedness or makes a general assignment for the benefit of, or a composition with, its creditors;
- (c) the Company passes any resolution or takes any corporate action, or a petition is presented or proceedings are commenced, or any step is taken by the Company or any other person for its winding-up, dissolution, administration or re-organisation or for the appointment of a receiver, administrative receiver, administrator, trustee or similar officer of it or of any or all of its revenues or assets;
- (d) a distress, execution, attachment or other legal process is levied, or enforced on or sued against, all or any part of the assets of the Company and remains undischarged for 5 business days;
- (e) an encumbrancer takes possession of the whole or any part of the revenues or assets of the Company; or
- (f) on the convening of any meeting of the members or directors of the Company to consider a resolution to wind up the Company or put it into administration;
- (g) on a resolution being passed or an order being made for the winding up, dissolution, administration or re-organisation of the Company;
- (h) on the appointment of a liquidator or an administrator (whether out of court or otherwise) to the Company;
- (i) on any persons levying or attempting to levy any distress, execution or other process against any Security Assets;
- (j) on the Company ceasing to carry on business or a substantial part of it or ceasing to be a going concern;
- (k) on the Company stopping making payments to its creditors or giving notice to creditors that it intends to stop payment;
- (l) on the Company creating or attempting to create a trust over any of the Floating Charge Assets;
- (m) on the holder of any other Security Interest whether ranking in priority to or pari passu with or after the charges and security contained in the Debenture or the Company appointing requesting the appointment of, and administrator, an administrative receiver, receiver, manager or receiver and manager in respect of the Company; or
- (n) any floating charge granted by the Company to any person crystallizing for any reason whatsoever;
- (o) any event occurs in relation to the Company which is analogous to any of those set out in paragraphs (a) to (n) above;

Floating Charge Assets means those of the Assets that for the time being comprised in the floating charge created by clause 4.1 (Floating charges) but only insofar as concerns that floating charge;

Further Loan Notes any loan notes issued by the Company from time to time after the date of this Deed (other than the Original Loan Notes) and expressed to be secured by this Deed;

Insurance Contracts means all insurance and assurance contracts and policies now or in the future held by or otherwise benefiting the Company;

(a) which relate to Assets; or

(b) which are now or in the future deposited by the Company;

Intellectual Property Rights means patents, trademarks service marks, and registered designs, and any applications for any of them. unregistered design rights, copyright, database rights and rights, title, interest and benefits in respect of domain names, logo, get-up, computer and software, brand and trade names know-how and trade secrets and all other intellectual property rights and all rights under any agreements relating to the use of exploitation of any such rights (including for the avoidance of doubt the right to receive revenue or royalties) and, in each case, any extensions or renewals of and any applications for, these rights;

Land includes freehold and leasehold and any other estate in, land and (outside England and Wales) immovable property and in each case all buildings and structures upon and all things affixed to Land (include trade and tenant's fixtures) now or in the future owned or held by, or otherwise benefiting, the Company;

Loan Notes means the Original Loan Notes and any Further Loan Notes;

Loan Note Holders mean the holders of any Loan Notes from time to time; and **Loan Note Holder** means any one of them;

Original Loan Notes means the 79th Luxury Living Five Limited £37,500,000 Series A and Series B Loan Notes for 1 year plus Series C and Series D Loan Notes for 2 years issued by the Company pursuant to respective instruments executed by the Company and dated on or around 24 August 2022 for the purpose of raising finance for property acquisition, investment and/or development;

Receivables means all sums of money receivable by the Company now or in the future consisting of or payable under or derived from any Secured Assets;

Receiver means a duly qualified receiver or receiver and manager or, where permitted by law, an administrative receiver of the whole or any part of the Secured Assets and that term will include any appointee made under a joint and/or several appointments;

Secured Liabilities means all amounts which are or may become payable in respect of principal, interest or otherwise and all liabilities, present or future, actual or contingent, incurred solely or jointly and whether as principal or surety by the Company to the Loan Note Holders pursuant to the Loan Notes, together with interest, discount, commission and all other charges, costs and expenses and references to the Secured Liabilities include references to any of them;

Security Assets means all assets, rights, interests, undertakings and property of the Company or any of them the subject of any security created or expressed to be created by or pursuant to this Debenture;

Security Trust Deed means the security trust deed entered into between the Security Trustee, the Company, and the Loan Note Holders and dated the same date as this Debenture;

Securities means all loan notes (including the Loan Notes), stocks, shares, debentures, debenture stock, loan stock, bonds and securities issues by any company or person (other than the Company) and all other investments (as listed in Part II of Schedule 2 to the Financial Services and Markets Act 2000) including all rights and benefits arising and all money payable in respect of them, whether by way of conversion, redemption, bonus, option dividend interest or otherwise; now or in the future held or owned by, or otherwise benefiting, the Company;

Security Interest means any mortgage charge, pledge; lien, assignment, encumbrance, right of set off or security interest whatsoever howsoever created or arising or any other agreement arrangement or court order having substantially the same economic effect as the foregoing; and

Security Period means the period beginning on the date of this Debenture and ending on the date on which the Security Trustee is satisfied that all Secured Liabilities have been unconditionally and irrevocably paid and discharged in full.

1.2 Construction

In this Debenture, except where the context otherwise requires;

- (a) references to the Loan Note Holders, the Security Trustee and to the Company include references to their respective successors in title and assigns;
- (b) references to any deed, instrument, certificate, agreement, or contract (including this Debenture) or a provision thereof shall be construed as a reference to that deed, instrument certificate, agreement or contract or provision as from time to time varied, notated, amended, supplemented or replaced;
- (c) references to any statute or other legislative provision shall include any statutory or legislative modification, re-enactment or any substitution of such statute or provision and, where applicable, any equivalent statute or legislation in another jurisdiction;
- (d) a time of day is reference to London time;
- (e) words importing the plural include the singular and vice versa;
- (f) references to person shall be construed as a reference to any person, firm, company corporation, government state or agency of a state or any association or partnership (whether or not having separate legal personality) of two or more of the above; and
- (g) a person who is not a party to this Debenture has no right under the Contracts (Rights of Third Parties) Act 1999 or any similar applicable legislation to enforce or to enjoy the benefits of this Debenture.

1.3 Headings

The headings in this Debenture shall not affect its interpretation.

2. Covenant to pay

- 2.1 The Company as surety, covenants with the Security Trustee that it will pay or discharge on demand the Secured Liabilities on the date(s) on which such Secured Liabilities are expressed to become due or apply and in the manner provided for in the document under which liability for such Secured Liability arises.

3. Fixed security

- 3.1 The Company as continuing security for the payment, discharge and performance of all Secured Liabilities at any time owed or due to the Loan Note Holders, charges in favour of the Security Trustee for it to hold on behalf, and for the benefit, of the Loan Note Holders pursuant to and in accordance with the terms of the Security Trust Deed, by way of first fixed charge:

- (a) all Land;
- (b) to the extent that they are not Land all plant, machinery, computers, vehicles, furniture, office or other equipment, and other tangible moveable property, now or at any time in the future (and from time to time) owned or held by, or otherwise benefiting, the Company (and any part thereof, together with all spare parts, replacements, modifications and additions thereto) and the benefit of all contracts, licenses and warranties relating to them;
- (c) all Debts;
- (d) all claims which are due or owing to the Company now or in the future (and from time to time);
- (e) all Securities;
- (f) the Insurance Contracts together with all rights and interest in the Insurance Contracts;
- (g) all of the Company's present and future goodwill;
- (h) all of the Company's present and future uncalled capital;
- (i) all of the Company's present and future Intellectual Property Rights and, to the extent that any Intellectual Property Rights are not capable of being charged, whether by reason of lack of any third party consent which is required, or otherwise, the Company assigns and agrees to assign in favour of the Security Trustee all its right, title and interest (if any) in and to any all damages, compensation, remuneration, profit, rent, fees, royalties or income which the Company may derive from such Intellectual Property rights or be awarded or entitled to in respect of such Intellectual Property Rights;
- (j) all trade secrets, confidential information and know-how owned or enjoyed by the Company now or in the future in any part of the world; and
- (k) the benefit of all instruments, guarantees, charges, pledges and other rights now or in the future available to the Company as security in respect of any Asset itself subject to a fixed charge in favour of the Security Trustee.

4. **Floating charges**

4.1 The Company as continuing security for the payment, discharge and performance of the Secured Liabilities, charges in favour of the Security Trustee for it to hold on behalf, and for the benefit, of the Loan Note Holders pursuant to and in accordance with the terms of the Security Trust Deed, by way of first floating charge all the Assets which are not effectively charged by the fixed charges detailed above.

4.2 The Company undertakes to the Security Trustee that, save as expressly permitted by the Security Trustee in writing, it will not:

- (a) take any other step referred to in clause 9 (Covenants relating to land and other assets) with respect to any of the Floating Charge Assets; or
- (b) sell, transfer, part with or dispose of any of the Floating Charge Assets except by way of sale in the ordinary course of business; or
- (c) create any mortgage or any fixed or floating charge or other security over any of the Floating Charge Assets (whether having priority over, or ranking pari passu with or subject to, this floating charge).

4.3 **Conversion of Floating Charges**

- (a) **By notice:** Subject to the Insolvency Act 1986, the Security Trustee may by notice to the Company convert the floating charges created by this Debenture into specific charges as regards all or any of the Company's assets, rights and property specified in the notice at any time.
- (b) **Automatic conversion:** Subject to the Insolvency Act 1986 and clause 4.3(c) below, the floating charges created by this Debenture shall (in addition to the circumstances in which the same will occur under general law) automatically be converted (without any notice) into fixed charges over the assets, rights and property of the Company upon the occurrence or happening of an Event of Default.
- (c) **Moratorium:** the floating charges created pursuant to clause 4.1 (Floating Charges) may not be converted into fixed charges solely by reason of:
 - (i) the obtaining of a moratorium; or
 - (ii) anything done with a view to obtaining a moratorium under Schedule A1 of the Insolvency Act 1986.

4.4 Paragraph 14 of Schedule 81 to the Insolvency Act 1986 (incorporated by Schedule 16 of the Enterprise Act 2000) shall apply to all floating charges created pursuant to this Debenture.

4.5 At any time after the floating charges have been converted to specific charges, the Security Trustee may by notice subsequently reconvert it into a floating charge by notice in writing.

5. **Delivery of documents of title etc. and registration**

5.1 The Company shall on the date of this Debenture hold and retain during the Security Period, all deeds, certificates and other documents of title relating to the property charged pursuant to this Debenture (including any lease of licenses relating to it).

- 5.2 The Company shall at any time as required by the Security Trustee make available upon request, or have available, documentation relating to Loan Notes and the Security Assets to facilitate inspection at any reasonable time and give any instructions and take any actions the Security Trustee may require to achieve this.
- 5.3 The Company shall, if requested by the Security Trustee in the event of a default only, execute all such documents and do all acts that the Security Trustee may reasonably require to record the interest of the Security Trustee in any registers relating to any registered intellectual property rights.
- 5.4 The Company undertakes to register all property interests on a prompt basis in its own name or of that of a wholly owned company under its management and control.
- 5.5 The Company certifies that the security interest created under or pursuant to this Debenture does not contravene any of the provisions of the memorandum of articles of association or other constitutive documents of the Company.
- 5.6 The Company undertakes not to amend, vary or waive the terms and conditions relating to any insurance contract without the prior written consent of the Security Trustee.

6. Rights under Securities

- 6.1 Unless and until this Debenture becomes enforceable or the Security Trustee directs otherwise all and any cash dividends paid in respect of the Securities or any of them received by the Security Trustee (or its nominee) (if any) shall, on request by the Company, be released to the Company.
- 6.2 Subject to clause 6.1:
- (a) all and any dividends and other distributions accruing on or deriving from the Securities, loans or other financial transaction (notwithstanding that they may have accrued in respect of an earlier period) shall if received by the Company be held on account and paid a first priority payment to the Security Trustee on or before the due dates agreed until all amounts due to the Security Trustee in respect of that accounting period are full discharged;
 - (b) all amounts paid will be sent to the Security Trustee by faster payment or CHAPS bank transfer;
 - (c) the Security Trustee may in the event of default exceeding 30 days exercise (and may only then exercise) all voting and other rights and powers (by statute or otherwise) attached to or conferred on the Securities in such a manner as the Security Trustee (in its reasonable discretion) thinks fit and the Company shall, and shall procure that any nominee of the Company shall, comply with any such directions of the Security Trustee; and
 - (d) the Company, only in the event of a default exceeding 30 days, shall call any meetings or class meetings of the holder of the Securities, to appoint proxies and exercise all voting and other rights and powers which may at any time be exercisable by the holders of the Securities as the Security Trustee may from time to time direct.

6.3 The rights and powers attached to the Securities shall include (without limitation) all powers given to trustees by sections 10(3) and 10(4) of the Trustee Act 1925 (as amended) in respect of securities subject to a trust and shall be exercisable without any need for any further consent or authority of the Company.

7. **Priority of charges**

7.1 Any fixed charge or other fixed security the Company creates in the Security Trustee's favour will have priority over the floating charge created by clause 4.1 (floating charges) unless the Security Trustee states otherwise.

7.2 Any debentures, mortgages or charges (fixed or floating) which the Company creates in the future shall be expressed to be subject to this Debenture and shall rank in order of priority behind the charges created pursuant to this Debenture save for those created in the ordinary course of the Company's business and save as where agreed otherwise by the Security Trustee.

8. **Collection of receivables**

8.1 Subject to clause 6 (Rights under Securities), the Company shall collect and realise all Receivables and immediately on receipt pay all money which it receives in respect of them into the Company's bank account which may only be used to pay the on-going operational costs of the business as approved by the board of directors of the Company. The Company expressly undertakes not to charge, factor, discount, assign, postpone, subordinate or waive its rights in respect of any Receivables in favour of any other person or purpose to do so.

9. **Covenants relating to land and other assets**

9.1 The Company shall:

- (a) keep its land, plant, machinery, computers, vehicles, office or other equipment in good and substantial repair and condition;
- (b) perform and observe in all material respects all the covenants, conditions and stipulations (whether as landlord or tenant) in any lease, agreement for lease or other right to occupy in respect of any of its Land and shall not do or permit to subsist any act or thing as result of which any such lease, agreement for lease or other right to occupy may be subject to determination or right of re-entry or forfeiture prior to the expiration of its term;
- (c) not at any time sever or remove any of the fixtures forming part of its Land or any of the plant or machinery (other than stock in trade or work in progress) on or in its Land if to do so would reasonably be expected to have a materially adverse effect of the value, saleability or use of the Land;
- (d) comply with all planning laws and regulations and the terms of any authorization in respect of any such planning laws and regulations, in each case relating to any of its Land; and
- (e) promptly notify the Security Trustee of any indication that any of the Land is or may be listed in a register of contaminated land or contaminative use, or similar register or if any environmental or other condition exists which could have a material adverse effect on the value of the Land or the Company's business.

9.2 The Company shall not in the ordinary course of business, unless agreed by the Security Trustee:

- (a) grant or agree to grant (whether in exercise of or independently of any statutory power) any lease or tenancy;
- (b) agree to any amendment or waiver or surrender of any lease or tenancy;
- (c) commence any forfeiture proceedings in respect of any lease or tenancy;
- (d) part with possession or confer upon any person any contractual license or right to occupy;
- (e) consent to any assignment of any tenant's interest under any lease or tenancy;
- (f) agree to any rent review in respect of any lease or tenancy; or
- (g) serve any notice on any former tenant under any lease or tenancy (or any guarantor of that former tenant) which would entitle it to a new lease or tenancy in respect of all or any part of its land.

9.3 If the Company fails to comply with any of the undertakings in this Clause 9 and a loss of income arises to the Security Trustee as a direct result of departure from the declared business plan and method of approved operations then, and only then, will the Security Trustee be entitled to do such things as it considers are necessary or desirable to remedy such failure. The Company shall pay the costs and expenses of the Security Trustee incurred in connection with any action taken under this Clause 9.

10. Negative Pledge

10.1 The Company shall not, without prior written consent of the Security Trustee:

- (a) create, agree to create or permit to exist any trust, interest or Security Interest (howsoever ranking in point of priority) of any nature whatsoever (including such as arises by operation of law or any enactment) in, over or affecting all or any part of its assets, rights or property which would adversely affect the income rights of the Security Trustee; or
- (b) part with, grant or enter into a lease of, sell transfer, assign or otherwise dispose of (including by way of declaration of trust) all or any part of its assets, rights or property or any interest in them or agree to do so which would adversely affect the income rights of the Security Trustee.

11. Further Assurances

11.1 The Company shall upon request from a Security Trustee in the event of a default exceeding 30 days consider to execute any document and do any other act or thing (in either case, at the expense of the Company) which the Security Trustee may reasonably specify for protecting, preserving or perfecting any security created or intended to be created by this Debenture.

12. Enforcement

12.1 On or after the occurrence or happening of an Enforcement Event, the Security Trustee, without prejudice to the powers conferred on it by virtue of the Law of Property Act 1925, shall be entitled to sell and/or dispose of all or any of the Security Assets subject to and in accordance with the terms of the Security Trust Deed. The Security Trustee is authorised to transfer or otherwise dispose of any security asset and to give good discharge for any monies received by the Security Trustee in exercise of such power of sale and or disposal.

13. Continuing Security

13.1 The security constituted by this Debenture shall be continuing, is made for securing further advances and will extend to the ultimate balance of the Secured Liabilities, regardless of any intermediate payment or discharge in whole or in part.

14. Insurance

14.1 The Company must insure all insurable Assets with an insurance office or underwriter acceptable to the Security Trustee against loss or damage by fire and such other risks as the Security Trustee may specify from time to time. This insurance cover must be for the full replacement value and be index-linked. The Company must also maintain all other insurances normally maintained by prudent companies with similar activities to it.

14.2 The Company must punctually make all premium and other payments necessary to effect or maintain these insurances and produce receipts for these payments at the request of the Security Trustee. If, at any time, the Company fails to have the required insurance cover in place or to produce any receipt on request or to deposit any policy with the Security Trustee under Clause 5 (Delivery of Documents of Title etc and Registration) or on request, the Security Trustee may take out or renew any insurance in any sum and on terms the Security Trustee thinks appropriate and recover the costs of doing so from the Company.

15. Administrator

15.1 Appointment of administrator

- (a) Subject to the Insolvency Act 1986, at any time, but only from when Company has been in default for more than 90 days after this security becomes enforceable, the Security Trustee may appoint anyone 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).
- (b) Any such appointment may be made pursuant to an application to the court under paragraph 12 of schedule B1 of the Insolvency Act 1986 (appointment of administrator by holder of floating charge).
- (c) In this clause 15, qualified person means a person who, under Insolvency Act 1986, is qualified to act as an Administrator of any company with respect to which he is appointed.

16 Receiver

16.1 Appointment of receiver

- (a) Subject to the Insolvency Act 1986, at any time, but only after 90 days following a default by the Company such that this security becomes enforceable the Security Trustee may further notice appoint under seal or in writing any one or more qualified persons to be a Receiver of all or any part of the Security Assets, to act together or independently of the other or others to the extent applicable.
- (b) In this clause 16, a qualified person means a person who, under Insolvency Act 1986, is qualified to act as a Receiver of the property of any company with respect to which he is appointed or (as the case may require) an administrative receiver of such Company.

16.2 Powers of receiver

- (a) Every receiver appointed in accordance with clause 16.1 (Appointment of Receiver) shall have and be entitled to exercise all of the powers set out in clause 16.2 (b) below in addition to those conferred by the Law of Property Act 1925 on any receiver appointed under the Law of Property Act 1925. If at any time there is more than one Receiver of all or any part of the Security Assets, each Receiver may (unless otherwise stated in any document appointing him) exercise all of the powers conferred on a Receiver under this Debenture individually and to the exclusion of each other Receiver.
- (b) The powers referred to in the first sentence of Clause 16.2 (a) above are:
 - (i) Take possession: to take immediate possession of, get in and collect the Security Assets whether accrued before or after the date of his appointment
 - (ii) Carry on business: to carry on or manage the business of the Company as he may think fit or to concur in or authorize the management of, or appoint a manager of the whole or any part of the business of the Company;
 - (iii) Protection of assets: to make and effect all repairs, alterations, improvements replacements, developments, demolitions and insurances (including indemnity insurance and performance bonds and guarantees) and do all other acts which the Company might do in the ordinary conduct of its business as well for the protection as for the improvement of the Security Assets and to commence and/or complete any building operations on any Land secured pursuant to this Debenture and to apply for and maintain any planning permissions, building regulation approvals and any other permissions, consents or license, in each case as he may in his absolute discretion think fit or concur in any of the foregoing
 - (iv) Employees and advisers: to appoint and discharge managers, officers, agents, accountants, servants, workmen and other advisers for the purposes of this Debenture upon such terms as to remuneration or otherwise as he may think proper and to discharge any such persons appointed by the Company;

- (v) **Borrow money:** for the purpose of exercising any of the powers, authorities and discretions conferred on him by or pursuant to this Debenture and/or of defraying any costs, charges, losses or expenses (including his remuneration) which shall be incurred by him in the exercise of such powers, authorities and discretions or for any other purpose, to raise and borrow money either unsecured or on the security of the Security Assets or any part of the Security Assets either in priority to the security constituted by this Debenture or otherwise and generally on such terms and conditions as he may think fit and no person lending such money shall be concerned to enquire as to the propriety or purpose of the exercise of such power or to see to the application of any money so raised or borrowed;
- (vi) **Sell business:** to sell or concur in selling the whole or any part of any Company's business whether as a going concern or otherwise;
- (vii) **Sell assets:** to sell, exchange grant options to purchase, license, surrender release disclaim, abandon, return, or otherwise dispose of, convert into money or realize all or any part of the Security Assets by public auction or private contract and generally in such a manner and on such terms as he shall think proper or to concur in any such transaction. Without prejudice to the generality of the foregoing he may do any of these things for a consideration consisting of cash, debentures or other obligations, shares, stock or other valuable consideration and any such consideration may be payable in a lump sum or by instalments spread over such a period as he may think fit. Fixtures, other than landlords' fixtures, may be severed and sold separately from the property containing them without the consent of the Company; and
- (viii) **General powers:** to do all such other acts and things as he may consider desirable or necessary for realizing the Security Assets or any part of them or incidental or conducive to any of the matters, powers or authorities and things as he would be capable of exercising if he were the absolute beneficial owner of them and to use the name of the Company for all or any of such purposes.

16.3 Remuneration

- (a) The Security Trustee may from time to time, subject to Section 26 of the Insolvency Act 1986, fix the remuneration of any Receiver appointed by it.
- (b) The amount of such remuneration shall form part of the secured liabilities and accordingly be secured on the Security Assets under the security contained in this Debenture.

17 Expenses and Indemnities

- 17.1 The Company shall be able to make such payments and give such indemnities that enable it to properly operate its business consistent with accepted practice undertaken by other reputable entities operating in the same business sector.

18 Transfer and disclosure

18.1 The Security Trustee may not assign or transfer all or any of its rights and/or obligations in respect of this Debenture, in whole or in part, to any person or persons without the written permission of the Company.

19 Notices, communications and demands

19.1 Subject to clause 19.3, any notice, communication or demand under or in connection with this Debenture shall be in writing and shall be delivered personally, or by post to the addresses given in this Debenture or at such other address as the recipient may have notified to the other party in writing and, if given by the Security Trustee, may be made or given by any manager, officer or agent of the Security Trustee.

19.2 Proof of posting or dispatch of any notice, communication or demand on the Company shall be deemed to be proof of receipt in the case of a letter which is sent by first class pre-paid post and is posted before the last collection of letters from the letter box in which it was posted has been made on any day, at 10.00am on the next succeeding day upon which a delivery of letters is made.

19.3 The Security Trustee is not incorporated in England or Wales, so shall always maintain an agent for service of process and any other documents in proceedings in England and Wales or any other proceedings in connection with this Debenture. Such agent shall be Preston Turnbull LLP, 2 Seething Lane, London, EC3N 4AT. Any claim form, judgment or other notice of legal process shall be sufficiently served on the Security Trustee if delivered to such agent at its address for the time being. The Security Trustee irrevocably undertakes not to revoke such appointment without notifying the Company of the appointment of a replacement agent for service. It shall be service for the Company to serve the process on the last known address in England or Wales of the last known process agent for the Security Trustee notified to the Company notwithstanding that such process agent is no longer found at such address or has ceased to act.

20 Illegality and counterparts

20.1 If any of the provisions of this Debenture is or becomes in any respect invalid, illegal or unenforceable the validity legality and enforceability of the remaining provisions of this Debenture shall not in any way be affected or impaired thereby.

20.2 This Debenture may be executed in any number of counterparts and by different parties to it in separate counterparts each of which when executed and delivered shall be an original. All such counterparts will together constitute one and the same instrument.

21 Security Trust Deed

21.1 The Security Trustee holds all obligations and liabilities of the Company and all the Security Trustee's rights under this Debenture as trustee on behalf of the Loan Note Holders pursuant to the terms of the Security Trust Deed.

21.2 The security created by this Debenture is created with the benefit of and subject to the provisions of the Security Trust Deed, the provisions of which the Company hereby acknowledges including the Security Trustee's right to use monies received by it in respect of the Secured Liabilities to reduce the Secured liabilities in accordance with the terms of the Security Trust Deed.

21.3 In the event of any conflict or inconsistency between the terms or provisions of the Security Trust Deed and this Debenture, the terms and provisions of the Security Trust Deed shall at all times prevail and take precedence.

22 **Governing law and jurisdiction**

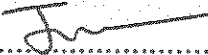
22.1 This Debenture is governed by, and shall be construed in accordance with, the laws of England and Wales.

22.2 The Company irrevocably agrees that the courts of England are to have non-exclusive jurisdiction to settle any dispute (including claims for set off and counter claims) which may arise in connection with the validity, effect, interpretation or performance of, or the legal relationships established by, this Debenture or otherwise in connections with this Debenture and for such purposes irrevocably submits to the jurisdiction of such courts.

IN WITNESS whereof this document has been entered into and executed as a deed by the parties hereto on the date stated at the beginning.

**EXECUTED as a DEED by 79TH LUXURY
LIVING FIVE LIMITED**
acting by a director in the presence of
a witness

)
)
)

Director.....

Witness signature.....

Witness name.....Katie.....Westwood

Witness address.....The.....79th.....Group
.....Southport.....Business.....park
.....Wight.....MOSS.....Way.....
.....P.R. 8.....4.....HQ.....

Witness occupation.....Paralegal.....

**THE COMMON SEAL OF CASTLE TRUST AND
MANAGEMENT SERVICES LIMITED**)
was affixed hereto in the presence of:)

Director..... *[Signature]*

Director/secretary..... *[Signature]*

