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legibly, preferably
in black type, or
bold block lettering

*insert full name
of Company

COMPANIES FORM No. 395

Particulars of a mortgage or charge

A fee of £13 is payable to Companies House in respect
of each register entry for a mortgage or charge.

395

230082 | 20.

Pursuant to section 395 of the Companies Act 1985

To the Registrar of Companies
(Address overleaf - Note 6)

For official use

8

Company number

5040367

Name of company

* BLUESTONE HOLDINGS LIMITED (the "Chargor")

Date of creation of the charge

27 January 2009

Description of the instrument (if any) creating or evidencing the charge (note 2)

DEBENTURE (the "Debenture")

Amount secured by the mortgage or charge

All indebtedness, liabilities and obligations which are now or may at any time in the future be due, owing or incurred in any manner whatsoever to the Secured Beneficiaries by the Chargor, whether solely or jointly with any other person, whether as principal, or surety and whether or not the Secured Beneficiaries shall have been an original party to the relevant transaction and in whatever currency denominated (the "Secured Liabilities").

Capitalised terms used in this Companies Form 395 are defined, unless the context otherwise requires, in the attached Schedule of Definitions.

Names and addresses of the mortgagees or persons entitled to the charge

FINANCE WALES INVESTMENTS LIMITED (the "Security Trustee")
3RD FLOOR, OAKLEIGH HOUSE, PARK PLACE
CARDIFF

Postcode CF10 3DG

Presenter's name address and
reference (if any):

Eversheds LLP
1 Callaghan Square, Cardiff
CF10 5BT

2/PDV/LG # 2766547

Time critical reference

For official Use (06/2005)

Mortgage Section

Post room

WEDNESDAY



A35

A5Q6N738

04/02/2009

199

COMPANIES HOUSE

Short particulars of all the property mortgaged or charged

1. With full title guarantee and as continuing security for the payment and discharge of all the Secured Liabilities, the Chargor charges in favour of the Security Trustee:

1.1 by way of legal mortgage all its freehold and leasehold interest in the properties specified in Schedule 1 of the Debenture,

(Please see continuation sheet)

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Please complete legibly, preferably in black type, or bold block lettering

Particulars as to commission allowance or discount (note 3)

Nil

Signed Eushale UP

Date 03.02.2009

On behalf of ~~XXXXXXXXXXXX~~ [chargee] †

A fee is payable to Companies House in respect of each register entry for a mortgage or charge. (See Note 5)

† delete as appropriate

Notes

- 1 The original instrument (if any) creating or evidencing the charge, together with these prescribed particulars correctly completed must be delivered to the Registrar of Companies within 21 days after the date of creation of the charge (section 395). If the property is situated and the charge was created outside the United Kingdom delivery to the Registrar must be effected within 21 days after the date on which the instrument could in due course of post, and if dispatched with due diligence, have been received in the United Kingdom (section 398). A copy of the instrument creating the charge will be accepted where the property charged is situated and the charge was created outside the United Kingdom (section 398) and in such cases the copy must be verified to be a correct copy either by the company or by the person who has delivered or sent the copy to the Registrar. The verification must be signed by or on behalf of the person giving the verification and where this is given by a body corporate it must be signed by an officer of that body. A verified copy will also be accepted where section 398(4) applies (property situated in Scotland or Northern Ireland) and Form No. 398 is submitted.
- 2 A description of the instrument, eg "Trust Deed", "Debenture", "Mortgage", or "Legal charge", etc, as the case may be, should be given.
- 3 In this section there should be inserted the amount or rate per cent. of the commission, allowance or discount (if any) paid or made either directly or indirectly by the company to any person in consideration of his;
 - (a) subscribing or agreeing to subscribe, whether absolutely or conditionally, or
 - (b) procuring or agreeing to procure subscriptions, whether absolute or conditional,for any of the debentures included in this return. The rate of interest payable under the terms of the debentures should not be entered.
- 4 If any of the spaces in this form provide insufficient space the particulars must be entered on the prescribed continuation sheet.
- 5 A fee of £13 is payable to Companies House in respect of each register entry for a mortgage or charge. Cheques and Postal Orders must be made payable to **Companies House**.
- 6 The address of the Registrar of Companies is: Companies House, Crown Way, Cardiff CF14 3UZ

COMPANIES FORM No. 395 (Cont.)

**Particulars of a mortgage or charge
(continued)**

Continuation sheet No 1

Company Number

5040367

Name of Company

BLUESTONE HOLDINGS LIMITED (the "Chargor")

Short particulars of all the property mortgaged or charged (continued)

together with all buildings, fixtures (excluding in the case of leasehold property landlord's fixtures but including other trade fixtures and excluding in the case of freehold property and leasehold property which is let or sub-let to a third party, tenant's and trade fixtures and fittings of such third party) and its fixed plant and machinery at any time on such property; and

- 1.2 all estates and interests not effectively charged under clause 1.1 now or in the future belonging to the Chargor in or over land wherever situate or the proceeds of sale of land and all trade and tenants' fixtures, plant and machinery owned by the Chargor now or in the future annexed to all freehold and leasehold Property its estate or interest in which stands charged under the Debenture.

- 1.3 by way of fixed charge:

- 1.3.1 all present and future freehold and leasehold Property of the Chargor not otherwise charged by way of legal charge pursuant to clause 1.1 together with all buildings, fixtures (excluding in the case of leasehold property landlord's fixtures but including trade fixtures and excluding in the case of freehold property and leasehold property which is let or sub-let to a third party, tenant's and trade fixtures and fittings of such third party) and its fixed plant and machinery at any time thereon;

- 1.3.2 all estates and interests not effectively charged under clause 1.3.1 now or in the future belonging to the Chargor in or over land wherever situate or the proceeds of sale of land and all licences now or in the future held by the Chargor to enter upon or use land and the benefit of all other agreements relating to land to which the Chargor is or may become a party or otherwise entitled and all trade and tenants' fixtures, plant and machinery owned by the Chargor now or in the future annexed to all freehold and leasehold property its estate or interest in which stands charged under the Debenture;

- 1.3.3 all present and future plant, vehicles and machinery owned by the Chargor and to the extent legally possible its interest in any plant, vehicle or machinery in its possession;

- 1.3.4 all present and future goodwill and uncalled capital of the Chargor;

- 1.3.5 all present and future Intellectual Property Rights of the Chargor

- together with all fees, royalties, and other rights derived from or incidental to such Intellectual Property Rights;
- 1.3.6 all the Investments of the Chargor, all rights and options of the Chargor to acquire and/or receive investments and all rights derived from or incidental to them including, without limitation, all dividends, interest and other distributions and all accretions, benefits and advantages including rights accruing or offered to any shares by way of redemption, substitution, exchange, bonus or preference;
- 1.3.7 all Book Debts and Receivables;
- 1.3.8 to the extent legally possible the benefit of all licences, consents and authorisations (statutory or otherwise) held in connection with the Works or the use of any Charged Property specified in clause 1 and the right to recover and receive all compensation which may be payable to it in respect of them;
- 1.3.9 all chattels now or at any time hereafter hired, leased or rented by the Chargor, to the extent of its interest therein to any other person together in each case subject to and with the benefit of the related hiring, leasing or rental contract and any guarantee, indemnity or other security for the performance of the obligations of any person under or in respect of such contract;
- 1.3.10 all rights to which the Chargor is now or may hereafter become entitled in respect of the proceeds of any order of the court made pursuant to Sections 238(3), 239(3) or 244 of the Insolvency Act 1986; and
- 1.3.11 all its right, title and interest in any bank accounts held from time to time by the Chargor (together the "Accounts") and all moneys standing to the credit of the Accounts from time to time.
- 1.4 Leasehold Interests Containing Prohibition on Charging
- 1.4.1 Until the relevant consent shall have been obtained, there shall be excluded from the charge created by Clause 1.1 above (and further assurance provisions as set out in Clause 3.2 below) any leasehold property held by the Chargor under a lease the terms of which either preclude absolutely the Chargor from creating any charge over its leasehold interest in such property or require the consent of any third party prior to the creation of such charge and such consent shall not have been previously obtained (each an "Excluded Property").
- 1.4.5 With regard to each Excluded Property, the Chargor undertakes to make application for the consent of the relevant third party to the creation of the charge contained in Clause 1.1 above (or Clause 3.2 below) within 14 days of the date of the Debenture and, in respect of each lease which provides that the relevant third party will not unreasonably withhold its consent (for this purpose a "Relevant Property") to use all its best endeavours to obtain such consent as soon as possible and to keep the Security Trustee informed of the progress of its negotiations with such third parties and any arising developments on an ongoing basis.
- 1.4.6 Immediately upon receipt of the relevant third party's consent, the relevant Excluded Property shall be charged to the Security Trustee

pursuant to the terms of Clause 1.1 above (or Clause 3.2 below, as the case may be). If required by the Security Trustee in respect of any Excluded Property at any time following receipt of such consent or, in respect of any Relevant Property, at any time following such receipt or, if earlier, the date falling 60 days after the date of the Debenture, the Chargor will execute a valid legal mortgage in such form as the Security Trustee may reasonably require and ensure that the terms of the mortgage are consistent with the security intended to be taken pursuant to the Debenture.

1.5 Intellectual Property Interests Containing Prohibition on Charging

1.5.1 Until the relevant consent shall have been obtained, there shall be excluded from the charge created by Clause 1.3.5 above (and further assurance provisions as set out in Clause 3.2 below) any Intellectual Property in which the Chargor has an interest pursuant to any contract, and any Intellectual Property owned by the Chargor which is subject to any contract, where in either case the terms of such contract either preclude in any way the Chargor from assigning or creating any charge over its interest in or title to such Intellectual Property or require the consent of any third party prior to the making of such assignment or creation of such charge and such consent shall not have been previously obtained (each an "Excluded Intellectual Property Right").

1.5.2 With regard to each Excluded Intellectual Property Right, the Chargor undertakes to make application for the consent of the relevant third party (where the identity of the relevant third party is known to the Chargor) to the creation of the charge contained in Clause 1.3.5 above (or Clause 3.2 below) within 14 days of the date of the Debenture and, in respect of any contract which provides that the relevant third party will not unreasonably withhold its consent (for this purpose a "Relevant Intellectual Property Right"), to use its best endeavours to obtain such consent as soon as possible and to keep the Security Trustee informed of the progress of its negotiations with such third parties and any arising developments on an ongoing basis.

1.5.3 Immediately upon receipt of the relevant third party's consent, the relevant Excluded Intellectual Property Right shall be charged to the Security Trustee pursuant to the terms of Clause 1.3.5 above (or Clause 3.2 below), as the case may be). If required by the Security Trustee in respect of any Excluded Intellectual Property Right at any time following receipt of such consent or, in respect of any relevant Intellectual Property Right, at any time following such receipt or, if earlier, the date falling 60 days after the date of the Debenture, the Chargor will execute a valid equitable charge or legal assignment in such form as the Security Trustee may reasonably require and ensure that the terms of the equitable charge or legal assignment are consistent with the security to be taken - pursuant to the Debenture.

2. FLOATING CHARGE

2.1 Creation of Floating Charge

The Chargor charges to the Security Trustee (for the benefit of the Secured Beneficiaries) by way of floating charge all its present and future undertakings property and rights whatever and wherever situated, including, without limitation, all property, rights and assets described in Clause 1.1 above (if and in

so far as the fixed charges or mortgages under the Debenture are for any reason ineffective as fixed charges or mortgages) and the proceeds of the collection of any Receivables.

2.2 Crystallisation of Floating Charge

2.2.1 The Security Trustee may by notice in writing to the Chargor convert the floating charge created pursuant to Clause 2.1 into a fixed charge as regards all or any of the Charged Property charged under Clause 2.1 and specified in the notice if:

2.2.1.1 an Enforcement Event occurs which remains unremedied or unwaived; or

2.2.1.2 it considers that such undertaking, property and assets may be subject to distress, attachment, execution or other legal process or otherwise be in jeopardy.

2.2.2 The floating charge created by the Chargor under the Debenture shall (in addition to the circumstances in which the same will occur under general law) be automatically converted into a fixed charge on the Charged Property:

2.2.2.1 if the Chargor fails to comply with its obligations under Clause 3.1 and/or 3.2;

2.2.2.2 if any person levies or attempts to levy any distress, attachment, execution or other legal process against any of the Charged Property,

2.2.2.3 the Chargor ceases to carry on its business or a substantial part of its business ceases to be a going concern;

2.2.2.4 the Chargor stops making payments to its creditors or gives notice to creditors that it proposes or intends to stop payment unless such failure is due to a failure in the banking system;

2.2.2.5 on the convening of any meeting of the members of the Chargor to consider a resolution to wind up the Chargor (other than a bona fide reconstruction or amalgamation of the Chargor that has been approved by the Security Trustee in writing);

2.2.2.6 on the presentation of a petition to appoint an administrator to the Chargor.

2.3 Service by the Security Trustee of a notice pursuant to Clause 2.2 above in relation to any class of assets of the Chargor shall not be construed as a waiver or abandonment of the Security Trustee's rights to serve similar notices in respect of any other class of assets or of any other of the rights of the Security Trustee under the Debenture.

3. NEGATIVE PLEDGE AND FURTHER SECURITY

3.1 The Chargor covenants with and undertakes to the Security Trustee (for the

benefit of the Secured Beneficiaries) that during the continuance of the security it shall not without the consent in writing of the Security Trustee:

3.1.1 create, appoint, extend or permit to subsist any Security Interest upon any of the Charged Property to secure any liability, actual or contingent; or

3.1.2 save as permitted or required under the Debenture, sell, discount, factor, transfer, dispose, assign, lease, lend or otherwise dispose of, whether by means of one or a number of transactions related or not and whether at one time or over a period of time, the whole or, save in the normal course of trading, any part of the Charged Property,

except as contemplated by the Intercreditor Deed.

3.2 The Chargor shall from time to time, at the written request of the Security Trustee, do any act or execute in favour of the Security Trustee or as it may direct such further or other assignments, transfers, mortgages, charges or securities as in each case the Security Trustee shall reasonably stipulate, in such form as the Security Trustee may require, for the improvement or perfection of the security intended to be conferred on the Security Trustee by or pursuant to the Debenture including any act or any document which may be required under the laws of any jurisdiction in which any property and assets may be located in order to confer on the Security Trustee security over such property and assets equivalent or similar to the security intended to be conferred by or pursuant to the Debenture, or to facilitate the realisation of such security or the exercise of any and all powers, authorities and discretions intended to be vested in the Security Trustee or any Administrator or Receiver by or pursuant to this Deed.

3.3 Save as otherwise agreed by the Security Trustee, the Chargor shall take all such action as is available to it:

3.3.1 to protect and maintain the security intended to be conferred in the Security Trustee by or pursuant to the Debenture; and

3.3.2 to make all such filings and registrations and to take all such other steps as may be necessary in connection with the creation, perfection, protection or maintenance of any security which it may, or may be required to create in connection with the Charged Property.

3.4 Immediately upon the Chargor entering into any policy of insurance, contract, agreement or instrument after the date of the Debenture the Chargor shall deposit a duplicate original of that policy of insurance, contract, agreement or, as the case may be, instrument with the Security Trustee and for the avoidance of doubt, the provisions of the Debenture shall thereafter apply in respect of any such policy, contract, agreement or, as the case may be, instrument.

4. The fact that no details of properties are included in Schedule 1 of the Debenture (at the time of signing the Debenture) does not affect the enforceability of any security created by the Debenture.

SCHEDULE OF DEFINITIONS

The following definitions shall have the following meaning:

"Acceleration Event" means one of the following events:

(a) if the Chargor fails to pay within 7 Business Days of the due

- date any amounts due under the BHL Documents;
- (b) if the Chargor otherwise fails to comply with any of the covenants, undertakings, conditions or provisions contained in the BHL Documents and, such default being capable of remedy, fails to so remedy within 7 Business Days of receipt of a written notice from the Security Trustee to the Chargor requiring such remedy;
 - (c) an order is made or an effective resolution is passed for the winding up of the Chargor (other than by its members voluntarily for the purpose of an amalgamation or reconstruction whereunder a successor company undertakes to perform the obligations of the Chargor under the BHL Documents);
 - (d) the sale or listing of the Chargor;
 - (e) the Chargor ceasing or threatening to cease to carry on all or a material part of the business of the Chargor;
 - (f) the Chargor stopping payment of its debts generally or becoming unable to pay its debts within the meaning of Section 123(1), Insolvency Act 1986 or the Chargor ceasing to carry on all or substantially all its business, or any compromise, composition, arrangement or agreement being made with the creditors of the Chargor in relation to the payment of its debts;
 - (g) the appointment of a receiver, administrative receiver or administrator in respect of or over all or a material part of the undertaking or assets of the Chargor; or
 - (h) any distress or execution (or other similar process) being levied upon, or enforced against all or a material part of the assets or property of the Chargor which is not fully paid out or discharged within 14 days unless and for so long as the same is being contested in good faith,
 - (i) any attachment, distress, execution, expropriation or sequestration, or any analogous process in any jurisdiction, affects any asset of the Chargor and is not discharged within 14 days,
 - (j) the BHL Documents do not create valid and effective security,
 - (k) it is unlawful, to any extent, for the Chargor to perform its obligations or to exercise its rights under the BHL Documents or any obligation of the Chargor under the BHL Documents is not legal, valid, binding and enforceable;
 - (l) any similar event of default set out in any other Subordinated Financing Document to which the Chargor or

BMEL is a party.;

"BHL Documents" means:

- (a) this Debenture;
- (b) a guarantee of even date herewith granted by the Chargor in favour of the Security Trustee;
- (c) the debenture dated 22 November 2006 granted by the Chargor in favour of the Security Trustee;
- (d) the guarantee dated 22 November 2006 granted by the Chargor in favour of the Security Trustee.

"BMEL" means Bluestone Mansford Estates Limited (company number 5833200)

"BMEL Security Documents" means debentures dated 22 November 2006 and another dated on or around 27 January 2009 granted by BMEL in favour of the Chargor

"Book Debts" means all book and other debts of any kind, now or in the future due or owing to the Chargor including, for the avoidance of doubt, all cash deriving from investments or rights attaching or relating to Investments and the benefit of all negotiable instruments, rights, security, guarantees and indemnities of any kind now or in the future enjoyed or held by it in relation to them;

"Business Day" means a day (other than a Saturday or Sunday) on which (a) banks are open for business in London and (b) sterling deposits may be dealt with on the London interbank market;

"Charged Property" means the property referred to in clause 1 (fixed security) and all other property of whatever nature as may from time to time be subject or expressed to be subject to the Debenture;

"Enforcement Event" means any of the following events: (a) an Acceleration Event; or (b) the occurrence of any event or any other matter or thing whatsoever which causes the Security Trustee reasonably to believe that all or any material part of the Charged Property is in danger of seizure;

"Intellectual Property" means copyrights, database rights, patents and registered and unregistered designs (including applications and rights to apply for and all extensions and renewals of them), inventions and service marks whether registered or not (including all registrations of them), confidential information and know-how and all other intellectual property and all rights or forms of protection of a similar nature or having similar effect to any of them which may subsist anywhere in the world now or at any time in the future in each case owned by the Chargor or in which the Chargor has an interest to the extent only of that interest, including all such trade marks and applications and all extensions and renewals of them ("Intellectual Property Rights");

"Intercreditor Deed" means the intercreditor deed dated 27 January 2009 between amongst other parties the Chargor, BMEL, the Security Trustee and The Bank of Scotland plc;

"Investments" means stocks, shares (including but not limited to shares in any Subsidiary), debentures and other securities together with all rights to and relating to each such assets;

"Loan Note Instruments" means together the Loan Note Instruments (Series C) and the Loan Note Instruments (Series D);"

"Loan Note Instruments (Series C)" means the secured Loan Note Instruments created by BMEL on 22nd November 2006 constituting £2,000,000 nominal value secured Loan Notes (Series C);

"Loan Notes (Series C)" means the secured loan notes of BMEL constituted by the Loan Note Instruments (Series C);

"Loan Note Instruments (Series D)" means the secured Loan Note Instruments created by BMEL on 22nd November 2006 constituting £2,000,000 nominal value secured Loan Notes (Series D);

"Loan Notes (Series D)" means the secured loan notes of BMEL constituted by the Loan Note Instruments (Series D);

"Noteholders" means any holder from time to time of loan note constituted by the Loan Note Instruments;

"Receivables" means all present and future book debts, rentals, royalties, fees, proceeds of insurance policies, VAT and all other amounts recoverable or receivable by the Chargor from other persons due or owing to the Chargor (whether actual or contingent and whether arising under contract or in any other manner) and the benefit of all rights relating to them including, without limitation, negotiable instruments, legal and equitable charges, security, reservations of property rights, rights of tracing and unpaid vendor's liens and similar associated rights and all proceeds of any of the them;

"Secured Beneficiaries" means, at any time, the Noteholders and the Security Trustee (acting on its own behalf and its capacity as trustee for the Secured Beneficiaries) together with their respective successors, assigns and permitted transferees (each a "Secured Beneficiary")

"Security Interest" means any mortgage, charge, pledge, lien, assignment, encumbrance, right of set-off, guarantee, title transfer or retention arrangement, or any security interest whatsoever, however created or arising, including any "flawed asset" arrangement and "secured" will be construed accordingly.

"Subordinated Financing Documents" means the Loan Note Instruments (and any loan notes issued pursuant thereto), the BHL Documents the BMEL Security Documents and any other document evidencing any indebtedness owed by the Chargor or BMEL to the Security Trustee from time to time;

"Works" means the construction of a high quality holiday village briefly comprising a variety of timber lodges, a waterworld complex, a sportsworld leisure facility, central amenities and residential village in Pembrokeshire.



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

Pursuant to section 401(2) of the Companies Act 1985

**COMPANY NO. 5040367
CHARGE NO. 8**

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES
HEREBY CERTIFIES THAT A DEBENTURE DATED 27 JANUARY
2009 AND CREATED BY BLUESTONE HOLDINGS LIMITED FOR
SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE
COMPANY TO THE SECURED BENEFICIARIES ON ANY
ACCOUNT WHATSOEVER UNDER THE TERMS OF THE
AFOREMENTIONED INSTRUMENT CREATING OR EVIDENCING
THE CHARGE WAS REGISTERED PURSUANT TO CHAPTER 1
PART XII OF THE COMPANIES ACT 1985 ON THE 4 FEBRUARY
2009

GIVEN AT COMPANIES HOUSE, CARDIFF THE 6 FEBRUARY
2009



Companies House
— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES