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COMPANIES FORM No. 395

Particulars of a mortgage or charge

395

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

FEE PAID
13.00
2007/04/19
COMPANIES HOUSE

CHFP025

Please do not write in this margin

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

Pursuant to section 395 of the Companies Act 1985

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

For official use

Company number

13

2907496

Name of company

* FLANESFORD PRIORY LIMITED (the "Company")

Date of creation of the charge

16 April 2007

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

A Guarantee and Debenture (the "Guarantee and Debenture") dated 16 April 2007 between

(1) Sunterra Corporation as chargee (the "Chargee"), and (please see Annex 1 attached)

Amount secured by the mortgage or charge

All present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of ~~the Company~~ under the Finance Documents (or any of them) together with all costs, charges and expenses incurred by the Chargee in connection with the protection, preservation or enforcement of its respective rights under the Finance Documents (or any of them) PROVIDED THAT no obligation or liability shall be included in the definition of "Secured Obligations" to the extent that, if it were so included, the Guarantee and Debenture (or any part thereof) would constitute unlawful financial assistance within the meaning of Sections 151 and 152 of the Companies Act 1985

For all definitions in this Form 395, see Annex 2 attached

* Sunterra Europe (Holdings) Limited

(Fax rec'd)

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

Sunterra Corporation (as Chargee),
3865 W. Cheyenne Avenue, North Las Vegas, Nevada, USA, 89032

Postcode

Presentor's name address and reference (if any)

Weil, Gotshal & Manges
One South Place
London EC2M 2WG
Attn Blandine Davies
Tel: 020 7903 1174
#632995

For official Use (06/200
Mortgage Section



PMO

PGKKD00M
24/4/2007
COMPANIES HOUSE

2713

A51

A003GOVC
20/04/2007
COMPANIES HOUSE

388

Time critical reference

Short particulars of all the property mortgaged or charged

Please see Annex 3 attached.

Please do not write in this margin
Please complete legibly, preferably in black type, or bold block lettering

01
05

Particulars as to commission allowance or discount (note 3)

Nil

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

Signed

Blandine Dume

Date

18/4/07

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

†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 situate 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

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ANNEX 1

**DESCRIPTION OF THE INSTRUMENT (IF ANY) CREATING OR
EVIDENCING THE CHARGE**

(2) Sunterra Europe (Holdings) Limited, Sunterra Europe (Group Holdings) Plc, LSI (Wychnor Park) Limited, Vacation Research Limited, Sunterra Clubs (Europe) Limited, Canaryroute Limited, Sunterra Title Limited, Grand Vacation Company (Europe) Limited, GVC Nominee Limited, Grand Vacation Travel Limited, Sunterra Travel Limited, Andalucian Realty Limited, LS Interval Ownership Limited, Thurnham Vacation Club Management Limited, LS Financial Services Limited, LSI Developers Limited, LSI Properties Limited, Go-Sunterra Limited, Flanesford Priory Limited, Broome Park Estates Limited, Pine Lake Management Services Limited, Sunterra Management Limited, Vacation Club Partnerships Limited, Pine Lake Plc, Club Via Limited, and LS International Resort Management Limited (together with the Company, the "**Chargors**" and each a "**Chargor**")

FORM 395

ANNEX 2

DEFINITIONS

In this Form 395, the following terms have the meanings given to them in this Annex 2, except where the context otherwise requires

“Account Bank” means National Westminster Bank Plc or such other bank as the Chargors may notify the Chargee from time to time, with which the Security Accounts are from time to time

“Charged Assets” means all the assets, rights and property of each Chargor which are the subject of any security constituted or intended to be constituted by the Guarantee and Debenture

“Collateral Account” means each account maintained from time to time by the Chargors for the purposes of Clause 9 5(a) of the Guarantee and Debenture (*Book Debts and Receipts*) at such branch of the Account Bank as the Chargee may from time to time approve (acting reasonably)

“Encumbrance” means any mortgage, pledge, lien, charge, assignment for the purpose of providing security, hypothecation, right in security, security interest or trust arrangement for the purpose of providing security and any other security agreement or another arrangement having the affect of providing security (including, without limitation, the deposit of monies or property with a person with the primary intention of affording such person a right of set-off or lien)

“Event of Default” means any of the events of default set out in Clause 5 1 of the US Facilities

“Facility Agreements” means the amended and restated £16,000,000 revolving credit facility agreement dated 5 March 2007 between the Company (as borrower) and the Sunterra Corporation (as lender), the amended and restated £33,000,000 term credit agreement dated 5 March 2007 between the Company (as borrower) and the Sunterra Corporation (as lender) (together, the **“US Facilities”**) and the Junior Facility Agreement, each as amended from time to time, and any other documents designated a **“Facility Agreement”** by the Company and Chargee

“Finance Documents” means the Facility Agreements, the Guarantee and Debenture, the Junior Debenture and any other document designated as a **“Finance Document”** by the Chargors and the Chargee

“Fixtures” means, in relation to any freehold or leasehold property charged by or pursuant to the Guarantee and Debenture, all fixtures and fittings (including trade fixtures and fittings) and fixed plant and machinery from time to time thereon owned by the Chargors

“Floating Charge Assets” means each Chargor, as owner with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994 and by way of a first floating charge, charges in favour of the Chargee as continuing security for the payment, discharge and performance of the Secured Obligations, all its undertaking, property, assets and rights whatsoever and wheresoever both present and future to the extent such assets have not otherwise been validly and effectively mortgaged or charged pursuant to Clause 3 of the Guarantee and Debenture (*Creation of Fixed Security*) or Clause 4 of the Guarantee and Debenture (*Assignments*)

“Insurances” means all contracts and policies of insurance (including, for the avoidance of doubt, all cover notes) of whatever nature which are, from time to time, taken out by or on behalf of each of the Chargors or (to the extent of such interest) in which such Chargor has an interest

“Intellectual Property Rights” means all know-how, patents, trade marks, service marks, designs, utility models, business names, domain names, topographical or similar rights, copyrights (including rights in computer software), moral rights, inventions, confidential information and other intellectual property monopoly rights and all interests (including by way of licence) subsisting anywhere in the world in any of the foregoing (in each case whether registered or not and including all applications for the same)

“Junior Debenture” means the debenture dated 2 February 2007 between the Company and Sunterra Europe Limited in relation to the Junior Facility Agreement

“Junior Facility Agreement” means the amended and restated £16,000,000 revolving credit facility agreement dated 2 February 2007 between the Company and Sunterra Europe Limited

“Premises” means all buildings and erections for the time being comprised within the Charged Assets

“Receiver” means an administrative receiver and manager or other receiver, in either case, appointed pursuant to the Guarantee and Debenture

“Realisations Accounts” means each account maintained from time to time by the Chargors for the purposes of Clause 11.5 of the Guarantee and Debenture (*Contingencies*) at such branch of the Account Bank as the Chargee may from time to time approve

“Related Rights” means

- (a) any dividend or interest paid or payable in relation to any of the Shares,
- (b) any stock, shares, securities, rights, moneys or property accruing or offered at any time, (whether by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise) to or in respect of any of the Shares or in substitution or exchange for or otherwise derived from any of the Shares, and
- (c) any dividend, interest or other income in respect of any asset referred to in paragraph (b) above

“Secured Obligations” means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of the Company under the Finance Documents (or any of them) together with all costs, charges and expenses incurred by the Chargee in connection with the protection, preservation or enforcement of its respective rights under the Finance Documents (or any of them), PROVIDED THAT no obligation or liability shall be included in the definition of **“Secured Obligations”** to the extent that, if it were so included, the Guarantee and Debenture (or any part thereof) would constitute unlawful financial assistance within the meaning of Sections 151 and 152 of the Companies Act 1985

“Security Accounts” means the Collateral Accounts and the Realisations Accounts

“Shares” means the stocks, shares, debentures, bonds or (without limitation) other securities issued by any subsidiary of any of the Chargors and owned either legally or beneficially at any time now or in the future by any of the relevant Chargors

“Uncalled Capital” means any balance per share remaining uncalled upon the shares issued from time to time by any of the Chargors

FORM 395

ANNEX 3

**SHORT PARTICULARS OF ALL THE PROPERTY MORTGAGED OR
CHARGED**

- 1 Fixed Charges** Each Chargor, as continuing security for the payment, discharge and performance of all the Secured Obligations, hereby charges and agrees to charge in favour of the Chargee with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994
- (a) by way of first legal mortgage, all estates or interests in any freehold, leasehold or other immovable property wherever situated now belonging to it and ~~all Premises and Fixtures thereon~~, the proceeds of sale of all or any part thereof and the benefit of any covenants for title given or entered into by any predecessor in title of the Chargors and any moneys paid or payable in respect of such covenants subject, in the case of any leasehold properties, to obtaining any necessary third party's consent to such mortgage,
 - (b) by way of first fixed charge (to the extent that the same are not the subject of a mortgage under paragraph (a) above) all present and future estates or interests in any freehold, leasehold or other immovable property and any rights under any licence or other agreement or document which gives the Chargors a right to occupy or use property, wherever situated, now or hereafter belonging to it and all Premises and Fixtures thereon, all proceeds of sale thereof and the benefit of any covenants for title given or entered into by any predecessor in title of the Chargors and any moneys paid or payable in respect of such covenants subject, in the case of any leasehold properties, to obtaining any necessary third party's consent to such mortgage,
 - (c) by way of first fixed charge
 - (i) its present and future interest in all stocks, shares, debentures, bonds, warrants, coupons or other securities and investments now or in the future owned by each Chargor from time to time together with all Related Rights accruing thereto not charged pursuant to Clause 3 of the Guarantee and Debenture (*Charge on Shares*),
 - (ii) all plant and machinery now or in the future owned by each Chargor and its interest in any plant and machinery in such Chargor's possession other than any part of such Chargor's stock in trade or work in progress from time to time,
 - (iii) all computers and vehicles now or in the future owned by each Chargor and its interest in any computers and vehicles in such Chargor's

possession other than any part of such Chargor's stock in trade or work in progress from time to time,

- (iv) all moneys (including interest) from time to time standing to the credit of each of each Chargor's present and future accounts (including each Security Account) with any bank, financial institution or other person in any jurisdiction and all rights in relation thereto and the debts represented thereby provided that without prejudice to any other provision of Clause 3 of the Guarantee and Debenture, any monies paid out of such accounts without breaching the terms of any Finance Document and not paid into another such account in the name of the Chargor shall be released from the fixed charge hereby effected upon the proceeds so being paid out,
- (v) to the extent not effectively assigned under Clause 5 of the Guarantee and Debenture (*Assignments*) all rights, interests and benefits to and in respect of the Insurances and all claims (and proceeds thereof) and returns of premiums in respect thereof to which each Chargor is now or may at any future time become entitled,
- (vi) all of each Chargor's present and future book and other debts, and all other moneys due and owing to each Chargor or which may become due and owing to it at any time in the future and the benefit of all rights, securities and guarantees of any nature whatsoever now or at any time enjoyed or held by it in relation to any of the foregoing including, in each case, the proceeds of the same, all liens, reservations of title, rights of tracing and other rights enabling each Chargor to enforce such debts provided that without prejudice to any other provision of this Clause 3 of the Guarantee and Debenture (including paragraph (c)(iii) thereof) such proceeds shall be released automatically from the fixed charge effected by this paragraph (vi) upon these proceeds being credited to any Collateral Account,
- (vii) (to the extent that the same do not fall within any other sub-paragraph of this paragraph (c) and are not effectively assigned under Clause 5 of the Guarantee and Debenture (*Assignments*)) all of the Company's rights and benefits under all material contracts,
- (viii) any beneficial interest, claim or entitlement of each Chargor to any assets in any pension fund,
- (ix) each Chargor's present and future goodwill (including all brand names not otherwise subject to a fixed charge under the Guarantee and Debenture),
- (x) the benefit of all present and future licences, consents and authorisations (statutory or otherwise) held in connection with each Chargor's business or the use of any of the Charged Assets and the right to recover and

receive all compensation which may at any time become payable to it in respect thereof, and

- (xi) all of each Chargor's present and future Intellectual Property Rights, subject to any necessary third party's consent to such charge being obtained. To the extent that any such Intellectual Property Rights are not capable of being charged (whether by reason of lack of any such consent as aforesaid or otherwise) and, if the same is required, pending the grant of any such consent as aforesaid or otherwise the charge thereof purported to be effected by this sub-paragraph (xi) shall operate as an assignment of any and all damages, compensation, remuneration, profit, rent or income which the relevant Chargor may derive therefrom or be awarded or entitled to in respect thereof, as continuing security for the payment, discharge and performance of the Secured Obligations,
- (d) by way of first legal mortgage each Chargor's present and future Uncalled Capital

2 Leasehold Interests Containing Prohibition on Charging

- (a) Until the relevant consent has been obtained, there shall be excluded from the charge created by Clause 3.1 of the Guarantee and Debenture (*Fixed Charges*) any leasehold property held by each Chargor under a lease the terms of which either preclude absolutely each 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 has not previously been obtained (each an "Excluded Property")
- (b) With regard to each Excluded Property each Chargor undertakes to (i) (A) provide the Chargee with a list of all consents needed as soon as practicable after the date hereof and (B) make an application for the consent of the relevant third party to the creation of the charge contained in Clause 3.1 of the Guarantee and Debenture (*Fixed Charges*) or to be created pursuant to Clause 9.7 of the Guarantee and Debenture (*Maintenance of Property*) or Clause 13 of the Guarantee and Debenture (*Further Assurances*) within 14 days of the date hereof, or if later within 14 days of the date on which the obligation to create such charge arises, and (ii) use all reasonable endeavours to obtain such consent as soon as possible and keep the Chargee informed of the progress of each Chargor's negotiations with such third parties
- (c) Forthwith, upon receipt of the relevant third party's consent as aforesaid, the relevant Excluded Property shall thereupon stand charged to the Chargee pursuant to the terms of Clause 3.1 of the Guarantee and Debenture (*Fixed Charges*). If required by the Chargee at any time following receipt of such consent, each Chargor will execute a valid legal mortgage in such form as the Chargee shall reasonably require.

- 3 Charge on Shares** Each Chargor, as continuing security for the payment, discharge and performance of all the Secured Obligations, hereby with full title guarantee
- (a) mortgages and charges and agrees to mortgage and charge to the Chargee the Shares held now or in the future by it and/or any nominee on its behalf, by way of first legal mortgage, and
 - (b) mortgages and charges and agrees to mortgage and charge to the Chargee the Related Rights held now or in the future by it and/or any nominee on its behalf, by way of first legal mortgage, and
 - (c) (to the extent they are not effectively mortgaged or charged pursuant to paragraph (a) or (b) above), charges the Shares and the Related Rights held now or in the future by it and/or any nominee on its behalf, by way of first fixed charge,

PROVIDED THAT

- (i) whilst no Event of Default has occurred and is continuing, each Chargor shall be entitled (notwithstanding the security contemplated to be created hereby) to receive all dividends, interest and income from and any property accruing or in respect of the Charged Assets, and
- (ii) whilst no Event of Default has occurred and is continuing, each Chargor shall be entitled (notwithstanding the security contemplated to be created hereby) to exercise, or direct the Chargee (or any nominee of the Chargee) to exercise, any voting or other rights attached to any of the Charged Assets, provided that if a resolution is proposed which, in the opinion of the Chargee (acting reasonably), might reasonably be expected to prejudice the security created under the Guarantee and Debenture in any material respect, then such votes will be exercised by each Chargor only in accordance with the instructions of the Chargee,

and the Chargee shall, if requested by each Chargor, appoint such Chargor its proxy to exercise such rights and powers or, insofar as necessary the Chargee will comply with or procure that any nominee of the Chargee shall comply with such instructions of the Chargor in respect thereof, in either case as soon as reasonably practicable

- 4 Assignments** Each Chargor hereby assigns and agrees to assign to the Chargee, with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994 and as continuing security for the payment, discharge and performance of all Secured Obligations
- (a) all of its rights, title, interests (if any) to all proceeds of the Insurances received by each Chargor, and

(b) all of its rights under the Junior Debenture (where relevant),

in each case, together with the benefit of all powers and remedies for enforcing the same

5 Insurances Whilst no Event of Default exists (and subject always to the terms of the relevant Facility Agreement(s)) each Chargor may exercise its rights under the Insurances, provided that the exercise of those rights in the manner proposed would not reasonably be expected to result in a default

6 Creation of Floating Charge Each Chargor, as owner with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994 and by way of a first floating charge, charges in favour of the Chargee as continuing security for the payment, discharge and performance of the Secured Obligations, all its undertaking, property, assets and rights whatsoever and wheresoever both present and future to the extent such assets have not otherwise been validly and effectively mortgaged or charged pursuant to Clause 3 of the Guarantee and Debenture (*Creation of Fixed Security*) or Clause 4 of the Guarantee and Debenture (*Assignments*) (the "**Floating Charge Assets**")

7 Conversion of Floating Charge

(a) Notwithstanding anything expressed or implied in the Guarantee and Debenture, the Chargee may, by notice to each Chargor, convert the floating charge created by Clause 7 of the Guarantee and Debenture (*Creation of Floating Charge*) with immediate effect into a fixed charge as regards all or any of the Charged Assets specified in such notice if

- (i) an Event of Default has occurred and is continuing,
- (ii) any Chargor creates or attempts to create any Encumbrance over all or any of the Floating Charge Assets save as permitted by the relevant Facility Agreement,
- (iii) the Chargee considers such Charged Assets to be in danger of being seized or sold under or pursuant to any form of distress, attachment, execution or other legal process or otherwise to be in jeopardy,
- (iv) the Chargee becomes aware or has reason to believe that steps have been or are being taken which, in the opinion of the Chargee, are reasonably likely to lead to the making of an application to appoint an administrator in relation to any Chargor (or such administrator has been appointed) or the making of a petition to wind up any Chargor or that any application has been made or any petition has been presented, which in the reasonable opinion of the Chargee is reasonably likely to result in the winding up of any Chargor or the appointment of such administrator, or

- (v) any Chargor fails to comply, or takes or threatens to take any action which in the reasonable opinion of the Chargee is likely to result in such Chargor failing to comply, with its obligations under Clause 9 4 of the Guarantee and Debenture (*Restrictions on Dealing*)
- (b) The floating charge created by Clause 7 of the Guarantee and Debenture (*Creation of Floating Charge*) shall (in addition to the circumstances in which the same will occur under general law) automatically be converted into a fixed charge
 - (i) if an administrator is appointed or the Chargee receives notice of an intention to appoint an administrator, or
 - (ii) upon the convening of any meeting of the members of any Chargor to consider a resolution to voluntarily wind up such Chargor (or not to wind up such Chargor), or
 - (iii) upon the presentation of a petition to compulsorily wind up any Chargor, or
 - (iv) if there occurs in relation to any Chargor or any of its assets in any country or territory in which it is incorporated or carries on business or to the jurisdiction of whose courts it or any of its assets is subject any event which corresponds in that country or territory with any of those mentioned in paragraphs (i) to (iii) (inclusive) of this Clause, or
 - (v) if any Chargor fails to comply with its obligations under Clause 9 4 of the Guarantee and Debenture (*Restrictions on Dealing*)
- (c) The floating charge by the Guarantee and Debenture created is a qualifying floating charge for the purpose of paragraph 14 of Schedule B1 to the Insolvency Act 1986
- (d) Service by the Chargee of a notice pursuant to Clause 8(a) of the Guarantee and Debenture (*Conversion of Floating Charge*) in relation to any of the Charged Assets shall not be construed as a waiver or abandonment of the Chargee's rights to serve similar notices in respect of any other of the Charged Assets or of its rights under any Finance Document and shall remove from the relevant Chargor any right which such Chargor has to deal with the relevant assets without the prior written permission (in the case of dealing) of the Chargee

8 Receiver

The Chargors have agreed that at any time after the security constituted by the Guarantee and Debenture becomes enforceable in accordance with its terms or if an application is made for the appointment of or notice is given of intention to appoint an administrator in

respect of any Chargor or if requested by any Chargor, the Chargee may without further notice appoint under seal or in writing under its hand any one or more qualified persons to be a Receiver of all or any part of the Charged Assets in like manner in every respect as if the Chargee had become entitled under the Law of Property Act 1925 to exercise the power of sale thereby conferred

9 Guarantee and Indemnity

Each Chargor hereby

- (a) irrevocably and unconditionally guarantees to the Chargee
- (i) the due and punctual performance by the Company and each Chargor of all its obligations under or pursuant to the Finance Documents to which it is a party, and
 - (ii) the payment of all moneys and discharge of all liabilities now or hereafter due, owing or incurred to the Chargee by the Company and each Chargor under or pursuant to the Finance Documents to which it is a party,

in each case when the same become due for payment or discharge whether by acceleration or otherwise, and whether such moneys, obligations or liabilities are express or implied, present, future or contingent, joint or several, incurred as principal or surety, originally owing to a Chargee or purchased or otherwise acquired by any of them, denominated in Sterling or in any other currency, or incurred on any banking account or in any other manner whatsoever,
- (b) undertakes that if for any reason any Chargor fails to discharge any such obligation or liability or to pay any such moneys as is referred to in Clause 6(a) of the Guarantee and Debenture (i.e. sub-clause (a) above), such Chargor shall immediately on demand by the Chargee discharge such obligation or liability or, as the case may be, pay such moneys to the Chargee, and
- (c) as a separate and independent stipulation and as a primary obligation, irrevocably and unconditionally agrees that if any purported obligation or liability of any member of the Company's group which would have been the subject of Clause 6(a) of the Guarantee and Debenture and/or Clause 6(b) of the Guarantee and Debenture had it been valid and enforceable is not or ceases to be valid or enforceable against such Chargor on any ground whatsoever whether or not known to the Chargee (including, without limitation, any irregular exercise or absence of any corporate power or lack of authority of, or breach of duty by, any person purporting to act on behalf of such Chargor or any legal or other limitation, whether under the Limitation Acts or otherwise, any disability or incapacity or any change in the constitution of such Chargor) it shall nevertheless be liable in respect of that purported obligation or liability as if the same were

fully valid and enforceable and it were a principal debtor in respect thereof Each Chargor hereby irrevocably and unconditionally agrees to indemnify and keep indemnified the Chargee against any loss or liability arising from any failure of any Chargor to perform or discharge any such purported obligation or liability or from any invalidity or unenforceability of any of the same against any Chargor

10 Further Assurances

- (a)** Each Chargor shall, at its own expense from time to time, execute and give all such assurances and do all acts and things as the Chargee may require or consider desirable under the laws of any jurisdiction governing the Charged Assets to enable the Chargee to perfect or protect the security intended to be created over the Charged Assets by the Guarantee and Debenture or any part thereof or to facilitate the sale of the Charged Assets or any part thereof or the exercise by the Chargee of any of the rights, powers, authorities and discretions vested in it or any Receiver of the Charged Assets or any part thereof or any such delegate or sub-delegate as aforesaid, including to facilitate vesting all or part of such assets in the name of the Chargee or in the names of its nominee, agent or any purchaser To that intent, without prejudice to the generality of the foregoing and subject to the terms and conditions set out in the other Clauses of the Guarantee and Debenture, each Chargor shall execute all transfers, sales, dispositions and appropriations (whether to the Chargee or otherwise) and shall give all notices, orders and directions and make all registrations which the Chargee may (in its absolute discretion) consider expedient
- (b)** Without prejudice to the generality of Clause 10(a) but subject to the other terms and conditions of the Guarantee and Debenture, each Chargor will forthwith at the request of the Chargee execute a legal mortgage, charge or other security at any time over all or any of the Charged Assets subject to or intended to be subject to the security constituted by the Guarantee and Debenture in such form as the Chargee may require but containing terms no more onerous than those in the Guarantee and Debenture

FILE COPY



**CERTIFICATE OF THE REGISTRATION
OF A MORTGAGE OR CHARGE**

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

COMPANY No 02907496

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT GUARANTEE & DEBENTURE DATED THE 16th APRIL 2007 AND CREATED BY FLANESFORD PRIORY LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM SUNTERRA EUROPE (HOLDINGS) LIMITED TO SUNTERRA CORPORATION 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 24th APRIL 2007

GIVEN AT COMPANIES HOUSE, CARDIFF THE 25th APRIL 2007

Angela



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



Companies House

— for the record —