



Registration of a Charge

Company name: **42 SQUARE (LONDON) LIMITED**

Company number: **09055283**

Received for Electronic Filing: **03/07/2014**



X3BBHWPT

Details of Charge

Date of creation: **24/06/2014**

Charge code: **0905 5283 0001**

Persons entitled: **HS 634 LIMITED**

Brief description: **ALL PRESENT AND FUTURE INTERESTS OF THE COMPANY IN OR OVER LAND OR THE PROCEEDS OF FUTURE LICENCES OF THE COMPANY TO ENTER UPON OR USE LAND AND THE BENEFIT OF ALL OTHER AGREEMENTS RELATING TO LAND TO WHICH IT IS OR MAY BECOME PARTY OR OTHERWISE ENTITLED.**

Contains fixed charge(s).

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

Contains negative pledge.

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: **FIELD FISHER WATERHOUSE LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 9055283

Charge code: 0905 5283 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 24th June 2014 and created by 42 SQUARE (LONDON) LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 3rd July 2014 .

Given at Companies House, Cardiff on 4th July 2014

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

Date: 24 June..... 2014

42 SQUARE PARENTCO LIMITED and 42 SQ LIMITED

as Chargors

HS 634 LIMITED **VF**
~~INSANELY SQUARE LIMITED~~

as Lender

Guarantee and Debenture

**WE HEREBY CERTIFY
THIS TO BE A TRUE
COPY OF THE ORIGINAL**
FIELD FISHER WATERHOUSE
LLP

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THIS DEED is made the ...*24th*... day of ...*June*..... 2014

BETWEEN:

- (1) **42 SQUARE PARENTCO LIMITED** a company registered in England and Wales with company number 9055283 whose registered office is at 41A Maltby Street, London, SE1 1PA and **42 SQ LIMITED** a company registered in England and Wales with company number 9065316 (each a "Chargor" and together the "Chargors"); and
- HS 634 LIMITED*
(2) ~~INSANELY SQUARE LIMITED~~ a company registered in England and Wales with company number 09077638 whose registered office is at c/o Jigsaw24, The Old Mill, High Church Street, New Basford, Nottingham, Nottinghamshire NG7 7JL (the "Lender").

BACKGROUND:

- (A) The Lender has agreed, pursuant to the Loan Agreement, to provide 42 Square Parentco Limited with a loan facility on a secured basis.
- (B) Under this guarantee and debenture the Chargors provide security to the Lender for the loan facility made available under the Loan Agreement.

AGREED TERMS:

1. Definitions and Interpretation

- 1.1 In this guarantee and debenture the definitions and rules of interpretation in this clause apply:

"Administrator"	an administrator appointed to manage the affairs, business and property of the Chargors pursuant to paragraph 15 of Schedule 4;
"Assets"	means the whole of the property (including uncalled capital) which is or may be from time to time comprised in the property and undertaking of the Chargors;
"Borrower"	means 42 Square Parentco Limited;
"Business Day"	a day (other than a Saturday or Sunday) on which commercial banks are open for general business in London and deposits are dealt with on the London Interbank Market;
"Charged Property"	all the assets, property and undertaking for the time being subject to the security interests created by this guarantee and debenture (and references to the Charged Property include references to any part of it);
"Costs"	all costs, charges, expenses and liabilities of any kind including, without limitation, costs and damages in connection with litigation, professional fees, disbursements and any value added tax charged on Costs;

“Encumbrance”	any mortgage, charge (whether fixed or floating, legal or equitable), pledge, lien, assignment by way of security, or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect save and excluding trading liens or other encumbrances incurred in the ordinary course of the trading business of the Chargors;
“Equipment”	all present and future equipment, plant, machinery, tools, vehicles, furniture, fittings, installations and apparatus and other tangible moveable property for the time being owned by Chargors at any of the Properties, including any part of them and all spare parts, replacements, modifications and additions;
“Financial Collateral”	shall have the meaning given to that expression in the Financial Collateral Regulations;
“Financial Collateral Regulations”	the Financial Collateral Arrangements (no. 2) Regulations 2003 (<i>SI 2003/3226</i>);
“Loan Agreement”	the loan agreement of even date herewith (and as the same may be amended and restated from time to time) made between the Lender and the Chargors;
“Properties”	all freehold, heritable and leasehold properties (whether registered or unregistered) and all commonhold properties, now or in the future (and from time to time) owned by each Chargor, or in which each Chargor holds an interest and “Property” means any of them;
“Receiver”	an administrative receiver, a receiver and/or manager or other receiver appointed pursuant to this guarantee and debenture of any or all of the Charged Property appointed under paragraph 6 of Schedule 3;
“Secured Liabilities”	all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or alone in any other capacity whatsoever) and whether as principal or surety of the: <ol style="list-style-type: none"> 1. either of the Chargors to the Lender pursuant to the Loan Agreement; and 2. any other amounts howsoever arising from time to time arising from either of the Chargors to the Lender;

together with all interest accruing thereon;

“Security Financial Collateral Arrangement”

shall have the meaning given to that expression in the Financial Collateral Regulations;

“Security Period”

the period starting on the date of this guarantee and debenture and ending on the date on which all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full and no further Secured Liabilities are capable of being outstanding; and

“Transaction Documents”

means this guarantee and debenture and the Loan Agreement.

- 1.2 Unless the context otherwise requires, in this guarantee and debenture:
- 1.2.1 any reference to any statute or statutory provision includes a reference to any subordinate legislation made under that statute or statutory provision, to any modification, re-enactment or extension of that statute or statutory provision and to any former statute or statutory provision which it consolidated or re-enacted before the date of this guarantee and debenture;
 - 1.2.2 a reference to one gender includes a reference to the other genders;
 - 1.2.3 words in the singular include the plural and in the plural include the singular;
 - 1.2.4 a reference to a clause or Schedule is to a clause or Schedule of or to this guarantee and debenture;
 - 1.2.5 a reference to this guarantee and debenture (or any specified provision of it) or any other document shall be construed as a reference to this guarantee and debenture, that provision or that document as in force for the time being and as amended or novated from time to time;
 - 1.2.6 a reference to a person shall be construed as including a reference to an individual, firm, corporation, unincorporated body of persons or any state or any agency of a person;
 - 1.2.7 a reference to an amendment includes a supplement, variation, novation or re-enactment (and amended shall be construed accordingly);
 - 1.2.8 a reference to assets includes present and future, undertakings, revenues, rights and benefits of every description;
 - 1.2.9 a reference to an authorisation includes an authorisation, consent, licence, approval, resolution, exemption, filing, registration and notarisation;
 - 1.2.10 a reference to a regulation includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation; and
 - 1.2.11 the headings do not form part of this guarantee and debenture or any part of it and do not affect its interpretation.
- 1.3 **Nature of security over real property**

A reference in this guarantee and debenture to a charge or mortgage of any freehold, leasehold or commonhold property includes:

- 1.4 all buildings and fixtures (including trade and tenant's fixtures) which are at any time situated on that property;
- 1.5 the proceeds of sale of any part of that property; and
- 1.6 the benefit of any covenants for title given or entered into by any predecessor in title of the Chargors in respect of that property or any monies paid or payable in respect of those covenants.

1.7 Law of Property (Miscellaneous Provisions) Act 1989

For the purposes of section 2 of the Law of Property (Miscellaneous Provisions) Act 1989 the terms of the Loan Agreement are incorporated in this guarantee and debenture.

1.8 Insolvency Act 1986

Paragraph 14 of Schedule B1 to the Insolvency Act 1986 (as inserted by section 248 of, and Schedule 16 to, the Enterprise Act 2002) applies to the floating charge created by this guarantee and debenture.

2. Covenant to Pay

Each Chargor covenants with the Lender that it will pay or and discharge on demand the Secured Liabilities as and when they become due.

3. Guarantee and Indemnity

Each Chargor irrevocably and unconditionally jointly and severally:

- 3.1 guarantees to the Lender punctual performance of each other Chargor of all that Chargor's obligations under the Transaction Documents;
- 3.2 undertakes with the Lender that whenever another Chargor does not pay any amount when due under or in connection with any Transaction Documents, that Chargor shall immediately on demand pay that sum as if it was the principal obligor; and
- 3.3 agrees with the Lender that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal, it will, as an independent and primary obligation, indemnify the Lender immediately on demand against any cost, loss or liability it incurs as a result of a Chargor not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it under any Transaction Document on the date when it would have been due.

4. Charging Provision

4.1 Each Chargor with full title guarantee hereby charges to the Lender as a continuing security for the payment or discharge of the Secured Liabilities:

- 4.1.1 by way of legal mortgage all estates or interests in the Properties;
- 4.1.2 by way of fixed charge:

- (a) all estates or interests in any freehold or leasehold property belonging to a Chargor now or at any time after the date of this guarantee and debenture (other than the Property charged in terms of clause 4.1.1 above);
- (b) all present and future interests of a Chargor in or over land or the proceeds of sale of it and all present and future licences of a Chargor to enter upon or use land and the benefit of all other agreements relating to land to which it is or may become party or otherwise entitled;
- (c) all present and future plant and machinery of a Chargor and all other present and future chattels of a Chargor (excluding any of the same for the time being forming part of a Chargor's stock in trade or work in progress);
- (d) all present and future stocks, shares and other securities owned (at law or in equity) by a Chargor and all rights and interests accruing or offered at any time in relation to them;
- (e) all rights and interests in and claims under all policies of insurance and assurance held or to be held by or inuring to the benefit of a Chargor and the benefit of all rights and claims to which a Chargor is now or may be entitled under any contracts;
- (f) all patents, patent applications, trade marks, trade mark applications, trading names, brand names, service marks, copyrights, rights in the nature of copyright, moral rights, inventions, design rights, registered designs, all trade secrets and know-how, computer rights, programmes, systems, tapes, disks, software, all applications for registration of any of them and other intellectual property rights held or to be held by a Chargor or in which it may have an interest and the benefit of all present and future agreements relating to the use of or licensing or exploitation of any such rights (owned by a Chargor or others) and all present and future fees, royalties or similar income derived from or incidental to any of the foregoing in any part of the world;
- (g) all a Chargor's goodwill and uncalled capital for the time being;
- (h) all present and future book and other debts and monetary claims of a Chargor whether payable now or in the future and the benefit of all present and future rights and claims of a Chargor against third parties relating to them and capable of being satisfied by the payment of money (save as charged under sub-clause (e));
- (i) all present and future bank accounts, cash at bank and credit balances of a Chargor with any bank or other person whatsoever and all rights relating or attaching to them (including the right to interest);

4.1.3 by way of floating charge all the Assets not effectively otherwise mortgaged, charged or assigned by this clause 4.1.

4.2 Any mortgage, fixed charge or other fixed security created by a Chargor in favour of the Lender shall have priority over the floating charge created by this guarantee and debenture, except insofar as the Lender shall declare otherwise whether at or after the time of creation of such fixed security.

4.3 **Automatic conversion of floating charge**

The floating charge created by clause 4.1.3 shall automatically and immediately (without notice) be converted into a fixed charge over the relevant Charged Property if in the future:

4.3.1 either a Chargor :

- (a) creates, or attempts to create, over all or any part of the Charged Property an Encumbrance without the prior written consent of the Lender or any trust in favour of another person; or
- (b) disposes or attempts to dispose of all or any part of the Charged Property (other than property subject only to the floating charge while it remains uncrystallised which property may be disposed of in the ordinary course of business); or
- (c) a receiver is appointed over all or any of the Charged Property that is subject to the floating charge; or
- (d) any person levies or attempts to levy any distress, attachment, execution or other process against all or any part of the Charged Property; or
- (e) the Lender receives notice of the appointment of, or a proposal or an intention to appoint, an administrator of a Chargor.

4.4 **Conversion of floating charge by notice**

The Lender may in its sole discretion at any time by written notice to a Chargor convert the floating charge created under this guarantee and debenture into a fixed charge as regards any part of the Charged Property specified by the Lender in that notice.

4.5 **Assets acquired after any floating charge crystallisation**

Any asset acquired by a Chargor after any crystallisation of the floating charge created under this guarantee and debenture which but for such crystallisation would be subject to a floating charge shall (unless the Lender confirms in writing to the contrary) be charged to the Lender by way of first fixed charge.

5. **Covenants**

Each of the Chargors covenant with the Lender in the terms set out in Schedule 1.

6. **Powers of The Lender**

The Lender shall have the powers set out in Schedule 2.

7. **Enforcement**

7.1 **Enforcement events**

The security constituted by this guarantee and debenture shall be immediately enforceable in any of the circumstances set out in paragraph 1 of Schedule 3. The parties to this guarantee and debenture agree that the provisions of Schedule 3 shall apply to this guarantee and debenture and shall be binding between them.

7.2 **Receiver's powers**

A Receiver shall have, in addition to the powers conferred on receivers by statute, the further powers set out in Schedule 4.

7.3 **Right of appropriation**

To the extent that the Charged Property constitutes Financial Collateral and this guarantee and debenture and the obligations of a Chargor hereunder constitute a Security Financial Collateral Arrangement, the Lender shall have the right, at any time after the security constituted by this guarantee and debenture has become enforceable, to appropriate all or any of that Charged Property in or towards the payment and/or discharge of the Secured Liabilities in such order as the Lender in its absolute discretion may from time to time determine. The value of any Charged Property appropriated in accordance with this clause shall be the price of that Charged Property at the time the right of appropriation is exercised as listed on any recognised market index, or determined by such other method as the Lender may select (including independent valuation). The Lender agrees that the methods of valuation provided for in this clause are commercially reasonable for the purposes of the Financial Collateral Regulations.

8. Costs and Indemnity

8.1 Costs

The Chargors shall pay to or reimburse the Lender and any Receiver on demand, on a full indemnity basis, all Costs incurred by them and/or any Receiver in relation to:

- 8.1.1 this guarantee and debenture or the Charged Property; or
- 8.1.2 protecting, perfecting, preserving or enforcing (or attempting to do so) any of the Lender's or the Receiver's rights under this guarantee and debenture; or
- 8.1.3 suing for, or recovering, any of the Secured Liabilities,

(including, without limitation, the Costs of any proceedings in relation to this guarantee and debenture or the Secured Liabilities) together with, in the case of clause 8.1.2 and clause 8.1.3, interest on the amount due at the default rate of interest of 5% above the base rate of Barclays Bank PLC (from time to time).

8.2 Indemnity

The Lender and any Receiver and their respective employees and agents shall be indemnified on a full indemnity basis out of the Charged Property in respect of all actions, liabilities and Costs incurred or suffered in or as a result of:

- 8.2.1 the exercise or purported exercise of any of the powers, authorities or discretions vested in them under this guarantee and debenture; or
- 8.2.2 any matter or thing done or omitted to be done in relation to the Charged Property under those powers; or
- 8.2.3 any default or delay by a Chargor in performing any of its obligations under this guarantee and debenture.

9. Release

9.1 Release

Subject to clause 11.3, upon the expiry of the Security Period (but not otherwise) the Lender, shall take whatever action is necessary to release the Charged Property from the security constituted by this guarantee and debenture, upon demand.

10. Assignment and Transfer

10.1 Assignment

The Chargors may not at any time, without the consent of the Lender, assign or transfer the whole or any part of the Chargor's rights and/or obligations under this guarantee and debenture to any person.

11. Further Provisions

11.1 Independent security

This guarantee and debenture shall be in addition to and independent of every other security or guarantee which the Lender may at any time hold for any of the Secured Liabilities and no prior security held by the Lender over the whole or any part of the Charged Property shall merge in the security created by this guarantee and debenture.

11.2 Continuing security

This guarantee and debenture shall remain in full force and effect as a continuing security for the Secured Liabilities, notwithstanding any settlement of account or intermediate payment or other matter or thing whatsoever, unless and until the Lender discharges this guarantee and debenture fully in writing.

11.3 Discharge conditional

Any release, discharge or settlement of a Chargor shall be deemed conditional upon no payment or security received by the Lender in respect of the Secured Liabilities being avoided, reduced or ordered to be refunded pursuant to any law relating to insolvency, bankruptcy, winding-up, administration, receivership or otherwise and, notwithstanding any such release, discharge or settlement:

11.3.1 the Lender shall be at liberty to retain this guarantee and debenture and the security created by or pursuant to this guarantee and debenture, including all certificates and documents relating to the whole or any part of the Charged Property, for such period as the Lender shall deem necessary to provide the Lender with security against any such avoidance, reduction or order for refund; and

11.3.2 the Lender shall be entitled to recover the value or amount of such security or payment from a Chargor subsequently as if such release, discharge or settlement had not occurred.

11.4 Certificates

A certificate or determination by the Lender as to any amount for the time being due to it from a Chargor shall (in the absence of any manifest error) be conclusive evidence of the amount due.

11.5 Rights cumulative

The rights and powers of a Chargor conferred by this guarantee and debenture are cumulative, may be exercised as often as the Lender considers appropriate, and are in addition to its rights and powers under the general law.

11.6 Waivers

Any waiver or variation of any right by the Lender (whether arising under this guarantee and debenture or under the general law) shall only be effective if it is in writing and signed by the

Lender and applies only in the circumstances for which it was given and shall not prevent the Lender from subsequently relying on the relevant provision.

11.7 Further exercise of rights

No act or course of conduct or negotiation by or on behalf of the Lender shall in any way preclude the Lender from exercising any right or power under this guarantee and debenture or constitute a suspension or variation of any such right or power.

11.8 Delay

No delay or failure to exercise any right or power under this guarantee and debenture shall operate as a waiver.

11.9 Single or partial exercise

No single or partial exercise of any right under this guarantee and debenture shall prevent any other or further exercise of that or any other such right.

11.10 Consolidation

The restriction on the right of consolidation contained in section 93 of the Law of Property Act 1925 shall not apply to this guarantee and debenture.

11.11 Partial invalidity

The invalidity, unenforceability or illegality of any provision (or part of a provision) of this guarantee and debenture under the laws of any jurisdiction shall not affect the validity, enforceability or legality of the other provisions. If any invalid, unenforceable or illegal provision would be valid, enforceable or legal if some part of it were deleted, the provision shall apply with any modification necessary to give effect to the commercial intention of the parties.

11.12 Counterparts

This guarantee and debenture may be executed and delivered in any number of counterparts, each of which is an original and which together have the same effect as if each party had signed the same document.

11.13 Third party rights

A third party has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce, or to enjoy the benefit of, any term of this guarantee and debenture.

11.14 Perpetuity period

If the rule against perpetuities applies to any trust created by this guarantee and debenture, the perpetuity period shall be 125 years (as specified by section 5(1) of the Perpetuities and Accumulations Act 2009).

12. Notices

12.1 Any communication to be made under or in connection with this guarantee and debenture shall be made in writing and, unless otherwise stated, may be made by fax or letter.

12.2 The address of the Lender for any communication or document under or in connection with this guarantee and debenture is its registered office at the time such communication or document is made or delivered. The fax number of the Lender for any communication or document to be made or delivered under or in connection with this guarantee and debenture is the fax number most recently provided to a Chargor by the Lender.

12.3 The address of a Chargor for any communication or document under or in connection with this guarantee and debenture is that Chargor's registered office at the time such communication or document is made or delivered. The fax number of a Chargor for any communication or document to be made or delivered under or in connection with this guarantee and debenture is the fax number most recently provided to the Lender by that Chargors.

12.4 Any communication made or document made or delivered by one person to another under or in connection with this guarantee and debenture will only be effective:-

12.4.1 if by way of fax, when received in legible form; or

12.4.2 if by way of letter, when it has been delivered to the relevant address or 3 Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address.

12.5 E-mail invalid

Notice given under this guarantee and debenture shall not be validly served if sent by e-mail.

13. Governing Law and Jurisdiction

13.1 Governing law

This guarantee and debenture and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed according to the law of England and Wales.

13.2 Jurisdiction

The parties to this guarantee and debenture irrevocably agree that, subject as provided below, the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this guarantee and debenture or its subject matter or formation (including non-contractual disputes or claims).

THIS DOCUMENT has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

Schedule 1

Covenants

1. Negative Pledge and Disposal Restrictions

The Chargors shall not at any time in the future, except with the prior written consent of the Lender or otherwise as permitted under the Loan Agreement:

- 1.1 create, purport to create or permit to subsist any Encumbrance on, or in relation to, any Charged Property other than any Encumbrances created by this guarantee and debenture; or
- 1.2 sell, assign, transfer, part with possession of or otherwise dispose of in any manner (or purport to do so) all or any part of, or any interest in, the Charged Property, except for the disposal in the ordinary course of business of any of the Charged Property subject to the floating charge created under this guarantee and debenture; or
- 1.3 create or grant (or purport to create or grant) any interest in any Charged Property in favour of a third party; or
- 1.4 in any way dispose of the equity of redemption of any Asset or any interest in such Asset.

2. Statutory Compliance

The Chargors shall comply with all statutes, byelaws and regulations relating to its trade or business and the whole or any part of the Charged Property.

3. Provision of Information

The Chargors shall:

- 3.1 promptly provide to the Lender whatever information, documents or papers relating to the Charged Property as the other Lender may from time to time request; and
- 3.2 inform the Lender promptly of any acquisition by a Chargor of, or contract made by a Chargor to acquire, any freehold, leasehold or other interest in property.

4. Insurance

4.1 The Chargors shall:

- 4.1.1 insure and keep insured all of its undertaking and assets with reputable and responsible insurers in such manner and to such extent as is reasonable and customary for an enterprise engaged in the same or similar business and in the same or similar localities against such risks and contingencies as any Chargor shall from time to time request; and
 - 4.1.2 duly and punctually pay all premiums and any other monies necessary for maintaining its insurance in full force and effect.
- 4.2 The Chargors shall apply all monies received by virtue of any insurance of the whole or any part of the Charged Property in making good or in recouping expenditure incurred in making good any loss or damage.

5. Repair

The Chargors shall:

- 5.1.1 at all times keep in good and substantial repair and condition all the Charged Property including, without limitation, all buildings, erections, structures and fixtures and fittings on and in each of the Properties;
- 5.1.2 keep all Equipment in good repair, working order and condition and fit for its purpose; and
- 5.1.3 where it is uneconomic to repair any part of the Charged Property, replace such part by another similar asset of equal or greater quality and value.

6. Notice of Breach

The Chargors shall promptly upon becoming aware of the same give the Lender notice in writing of any breach of any covenant set out in this Schedule 1.

7. Further Assurance

The Chargors shall prepare and execute such further legal or other mortgages, charges or transfers (containing a power of sale and such other provisions as the Lender may reasonably require) as the Lender shall in its absolute discretion from time to time require over all or any part of the Charged Property and give all notices, orders and directions which the Lender may require in its absolute discretion for perfecting, protecting or facilitating the realisation of its security over the Charged Property.

Schedule 2

Powers of the Lender

1. Power to Remedy

The Lender shall be entitled (but shall not be bound) to remedy a breach at any time by the Chargors of any of its obligations contained in this guarantee and debenture and the Chargors irrevocably authorise the Lender and its agents to do all such things as are necessary or desirable for that purpose.

2. Exercise of Rights

The rights of the Lender under paragraph 1 of this Schedule 2 are without prejudice to any other rights of the Lender under this guarantee and debenture and the exercise of those rights shall not make the Lender liable to account as a mortgagee in possession.

3. Power to Dispose of Chattels

At any time after the security constituted by this guarantee and debenture shall have become enforceable, the Lender or any Receiver:

3.1 may dispose of any chattels or produce found on any Property as agent for the Chargors; and

3.2 without prejudice to any obligation to account for the proceeds of any sale of such chattels or produce, shall be indemnified by the Chargors against any liability arising from such disposal.

4. Prior Encumbrances

4.1 At any time after the security constituted by this guarantee and debenture shall have become enforceable or after any powers conferred by any Encumbrance having priority to this guarantee and debenture shall have become exercisable, the Lender may:

4.1.1 redeem such or any other prior Encumbrance or procure its transfer to itself; and

4.1.2 settle any account of the holder of any prior Encumbrance.

4.2 Any accounts so settled and passed shall be, in the absence of any manifest error, conclusive and binding on the Chargors and all monies paid by the Lender to an encumbrancer in settlement of such an account shall, as from its payment by the Lender, be due from the Chargors and shall bear interest and be secured as part of the Secured Liabilities.

Schedule 3

Enforcement

1. Enforcement Events

This guarantee and debenture shall be enforceable if:

- 1.1 any of the Secured Liabilities shall not be paid or discharged when the same ought to be paid or discharged (whether on demand or at scheduled maturity or by acceleration or otherwise, as the case may be); or
- 1.2 the Chargors shall be in breach of any of its obligations under this guarantee and debenture or under any other agreement and that breach (if capable of remedy) has not been remedied to the satisfaction of the Lender within 14 days of notice to remedy the breach; or
- 1.3 the Chargors:
 - 1.3.1 become unable to pay its debts as they fall due (and/or the value of any of the Chargors assets is less than the amount of its liabilities, taking into account the contingent and prospective liabilities); or
 - 1.3.2 commences negotiations with any one or more of its creditors with a view to the general readjustment or rescheduling of its indebtedness; or
 - 1.3.3 makes a general assignment for the benefit of, or a composition with, its creditors; or
- 1.4 the Chargors pass any resolution or take any corporate action or a petition is presented or proceedings are commenced or any action is taken by any person for its winding-up, dissolution, administration or re-organisation or for the appointment of a receiver, administrative receiver, administrator, Lender or similar officer of it or of any or all of its revenues and assets; or
- 1.5 a distress, execution, attachment or other legal process is levied or enforced upon or sued against all or any part of the assets of Chargors and remains undischarged for seven days,

and in any such event (whether or not the event is continuing), without prejudice to any other rights of the Lender, the powers of sale under the Law of Property Act 1925 shall immediately be exercisable and the Lender may in its absolute discretion enforce all or any part of the security created by this guarantee and debenture as it sees fit.

2. Statutory Power of Sale

The powers of sale conferred upon mortgagees under the Law of Property Act 1925 shall, as between the Lender and a purchaser from an Enforcing Chargor, arise on and be exercisable at any time after the execution of this guarantee and debenture, but the Lender shall not exercise such power of sale until the security constituted by this guarantee and debenture has become enforceable under paragraph 1 of this Schedule 2.

3. Extension of Statutory Powers

The statutory powers of sale, leasing and accepting surrenders conferred upon mortgagees under the Law of Property Act 1925 and/or by any other statute shall be exercisable by the Lender under this guarantee and debenture and are extended so as to authorise the Lender

whether in its own name or in that of the Chargors to make any lease or agreement for lease, accepts surrenders of lease or grant any option of the whole or any part or parts of the freehold and leasehold property of the Chargors with whatever rights relating to other parts of it and containing whatever covenants on the part of the Chargors and generally on such terms and conditions (including the payment of money to a lessee or tenant on a surrender) and whether or not at a premium as the Lender thinks fit.

4. Protection of Third Parties

No purchaser, mortgagee or other person dealing with the Lender or any Receiver shall be concerned:

- 4.1 to enquire whether any of the Secured Liabilities have become due or payable or remain unpaid or undischarged, or whether the power the Lender or a Receiver is purporting to exercise has become exercisable; or
- 4.2 to see to the application of any money paid to the Lender or any Receiver.

5. No Liability as Mortgagee in Possession

Neither the Lender nor any Receiver nor any Administrator shall be liable to account as mortgagee in possession in respect of all or any of the Charged Property nor shall any of them be liable for any loss upon realisation of, or for any neglect or default of any nature whatsoever in connection with, all or any of the Charged Property for which a mortgagee in possession might as such be liable.

6. Appointment of Receiver

- 6.1 At any time after the security constituted by this guarantee and debenture has become enforceable, or at the request of the Chargors, the Lender may without further notice:
 - 6.1.1 appoint by way of deed, or otherwise in writing, any one or more person or persons to be a receiver or a receiver and manager of all or any part of the Charged Property; and
 - 6.1.2 (subject to section 45 of the Insolvency Act 1986) from time to time by way of deed, or otherwise in writing, remove any person appointed to be Receiver and may in like manner appoint another in his place.

Where more than one person is appointed Receiver, they will have power to act separately (unless the appointment by the Lender specifies to the contrary).

- 6.2 The Lender may fix the remuneration of any Receiver appointed by it without the restrictions contained in section 109 of the Law of Property Act 1925 and the remuneration of the Receiver shall be a debt secured by this guarantee and debenture which shall be due and payable immediately upon its being paid by the Lender.

7. Powers Additional

- 7.1 The powers of sale and appointing a Receiver conferred by this guarantee and debenture shall be in addition to all statutory and other powers of the Lender under the Insolvency Act 1986, the Law of Property Act 1925 or otherwise and shall be exercisable without the restrictions contained in sections 103 and 109 of the Law of Property Act 1925 or otherwise.
- 7.2 The power to appoint a Receiver (whether conferred by this guarantee and debenture or by statute) shall be and remain exercisable by the Lender notwithstanding any prior appointment in respect of all or any part of the Charged Property.

8. Agent of the Chargors

Any Receiver appointed by the Lender under this guarantee and debenture shall be the agent of the Chargors and that the Chargors shall be solely responsible for his acts and remuneration as well as for any defaults committed by him.

9. Powers of Receiver

Any Receiver appointed under this guarantee and debenture shall in addition to the powers conferred on him by the Law of Property Act 1925 and the Insolvency Act 1986 have power to do all such acts and things as an absolute owner could do in the management of such of the Charged Property over which the Receiver is appointed and in particular the powers set out in Schedule 4.

10. Order of Application of Proceeds

All monies received by the Lender or a Receiver in the exercise of any enforcement powers conferred by this guarantee and debenture shall be applied:

- 10.1 first in paying all unpaid fees, costs and other liability incurred by or on behalf of the Lender (and any Receiver, attorney or agent appointed by it);
- 10.2 second in paying the remuneration of any Receiver (as agreed between him and the Lender);
- 10.3 third in or towards discharge of the Secured Liabilities in such order and manner as the Lender shall determine; and
- 10.4 finally in paying any surplus to the Chargors or any other person entitled to it.

11. Section 109(8) Law of Property Act 1925

Neither the Lender nor any Receiver shall be bound (whether by virtue of section 109(8) of the Law of Property Act 1925, which is varied accordingly, or otherwise) to pay or appropriate any receipt or payment first towards interest rather than principal or otherwise in any particular order as between any of the Secured Liabilities.

12. Suspense Account

All monies received by the Lender or a Receiver under this guarantee and debenture may, at the discretion of the Lender or Receiver, be credited to any suspense or securities realised account and shall bear interest at such rate, if any, as may be agreed in writing between the Lender and the Chargors and may be held in such account for so long as the Lender or Receiver thinks fit.

13. Power of Attorney

By way of security the Chargors irrevocably appoints the Lender (whether or not a Receiver has been appointed) and also, as a separate appointment, every Receiver severally to be the attorney of the Chargor's and in its name and on its behalf and as it to act and deed to execute any documents, and do any acts and things which:

- 13.1 the Chargors are required to execute and do under this guarantee and debenture; and/or

13.2 any attorney may deem proper or desirable in exercising any of the powers, authorities and discretions conferred by this guarantee and debenture or by law on the Lender or any Receiver.

14. Ratification of Acts of Attorney

The Chargors ratifies and confirms and agrees to ratify and confirm anything which any of its attorneys may do in the proper and lawful exercise or purported exercise of all or any of the powers, authorities and discretions referred to in paragraph 13 of this Schedule 3.

15. Appointment of an Administrator

15.1 The Lender may without notice appoint any one or more persons to be an administrator of the Chargors pursuant to paragraph 14 Schedule B1 of the Insolvency Act 1986 if this guarantee and debenture becomes enforceable.

15.2 Any appointment under this paragraph 15 shall:

15.2.1 be in writing signed by a duly authorised signatory of the Lender, and

15.2.2 take effect, in accordance with paragraph 19 of Schedule B1 of the Insolvency Act 1986, when the requirements of paragraph 18 of that Schedule B1 are satisfied.

15.3 The Lender may (subject to any necessary approval from the court) end the appointment of an Administrator by notice in writing in accordance with this paragraph 15 and appoint under that paragraph a replacement for any Administrator whose appointment ends for any reason.

Schedule 4

Further Powers of Receiver

1. To Repair and Develop Properties

A Receiver may undertake or complete any works of repair, building or development on any of the Properties.

2. To Surrender Leases

A Receiver may grant or accept surrenders of any leases or tenancies affecting any of the Properties upon such terms and subject to such conditions as he thinks fit.

3. To Employ Personnel and Advisors

A Receiver may provide services and employ, or engage, such managers contractors and other personnel and professional advisors on such terms as he deems expedient.

4. To Make VAT Elections

A Receiver may make such elections for value added tax purposes as he thinks fit.

5. To Charge Remuneration

A Receiver may charge and receive such sum by way of remuneration (in addition to all costs, charges and expenses incurred by him) as the Lender may prescribe or agree with him.

6. To Realise Charged Property

A Receiver may collect and get in the Charged Property in respect of which he is appointed or any part thereof and for that purpose make such demands and take any proceedings as may seem expedient and to take possession of the Charged Property with like rights.

7. To Manage or Reconstruct the Chargors' Business

A Receiver may carry on, manage, develop, reconstruct, amalgamate or diversify or concur in carrying on, managing, developing, reconstructing, amalgamating or diversifying the business of the Chargors.

8. To Dispose of Charged Property

A Receiver may grant options and licences over all or any part of the Charged Property, sell or concur in selling, assign or concur in assigning, lease or concur in leasing and accept or concur in accepting surrenders of leases of, all or any of the property of the Chargors in respect of which he is appointed in such manner and generally on such terms and conditions as he thinks fit (fixtures and plant and machinery may be severed and sold separately from the premises in which they are contained without the consent of the Chargors) and to carry any such sale, assignment, leasing or surrender into effect. Any such sale may be for such consideration as he shall think fit and he may promote or concur in promoting a company to purchase the property to be sold.

9. To Make Settlements

A Receiver may make any arrangement, settlement or compromise between the Chargors and any other person which he may think expedient.

10. To Improve Equipment

A Receiver may make substitutions of, or improvements to, the Equipment as he may think expedient.

11. To Make Calls on Chargor Members

A Receiver may make calls conditionally or unconditionally on the members of the Chargors in respect of the uncalled capital with such and the same powers for that purpose and for the purpose of enforcing payments of any calls so made as are conferred by the articles of association of the Chargors on their directors in respect of calls authorised to be made by them.

12. To Appoint Staff and Agents

A Receiver may appoint managers, officers, servants, workmen and agents for the aforesaid purposes at such salaries and for such periods and on such terms as he may determine.

13. To Insure

A Receiver may, if he thinks fit, but without prejudice to the indemnity contained in clause 8, effect with any insurer any policy or policies of insurance either in lieu or satisfaction of, or in addition to, such insurance.

14. Law Of Property Act 1925

A Receiver may exercise all powers provided for in the Law of Property Act 1925 in the same way as if he had been duly appointed under that act and exercise all powers provided for an administrative receiver in Schedule 1 of the Insolvency Act 1986.

15. To Borrow

A Receiver may for any of the purposes authorised by this Schedule 4 raise money by borrowing from the Lender or from any other person on the security of all or any of the Charged Property in respect of which he is appointed upon such terms (including if an enforcing Chargor shall consent to terms under which such security ranks in priority to this guarantee and debenture) as he shall think fit.

16. To Redeem Prior Encumbrances

A Receiver may redeem any prior Encumbrance and settle and pass the accounts to which the Encumbrance relates and any accounts so settled and passed shall be, in the absence of any manifest error, conclusive and binding on the Chargors and the monies so paid will be deemed to be an expense properly incurred by him.

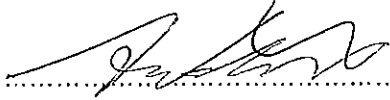
17. Incidental Powers

A Receiver may do all such other acts and things as he may consider incidental or conducive to any of the matters or powers in this Schedule 4 or which he lawfully may or can do as agent for the Chargors.

18. Scope of Powers

Any exercise of any of these powers may be on behalf of the Chargors, the directors of the Chargors (in the case of the power contained in paragraph 11 of this Schedule 4) or himself.

EXECUTED as a DEED (but not delivered until the date hereof) by 42 SQUARE PARENTCO LIMITED acting by a director in the presence of:


.....

Signature of director

Signature of witness.....


Print name..... KIERAN VAN BUSSEL

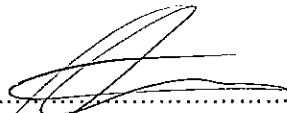
Address..... 48 Chancery Lane, London
WC2A 1DF

Occupation..... Trainee Solicitor

EXECUTED as a DEED (but not delivered until the date hereof) by 42 SQ LIMITED acting by a director in the presence of:


.....

Signature of director

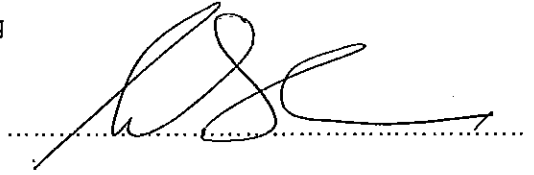
Signature of witness.....


Print name..... KIERAN VAN BUSSEL

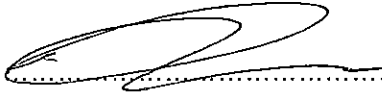
Address..... 48 Chancery Lane, London
WC2A 1DF

Occupation..... Trainee Solicitor.

EXECUTED as a DEED (but not delivered until the date hereof) by ~~INSANELY SQUARE~~ LIMITED acting by a director in the presence of: HS 684 ~~FF~~



Signature of director

Signature of witness 

Print name DANIEL MURPHY

Address 2 SWAN LANE

LONDON

EC4R 3TT

Occupation TRANCE DJ