



Registration of a Charge

Company name: **PORTHAVEN PROPERTIES NO 2 LIMITED**

Company number: **08167504**



X6IV8NRU

Received for Electronic Filing: **09/11/2017**

Details of Charge

Date of creation: **07/11/2017**

Charge code: **0816 7504 0021**

Persons entitled: **CBRE LOAN SERVICES LIMITED (SECURITY AGENT AND TRUSTEE FOR THE SECURED PARTIES)**

Brief description: **FREEHOLD PROPERTY KNOWN AS THE LAND ON THE NORTH-EAST SIDE OF CHESHAM LANE, CHALFONT ST PETER, GERRARDS CROSS REGISTERED AT HM LAND REGISTRY UNDER TITLE NUMBER BM388303 AND ALL THE OTHER PLOTS OF LAND THE PROPERTY OF THE COMPANY LISTED IN THE INSTRUMENT. FOR MORE DETAILS PLEASE REFER TO THE INSTRUMENT.**

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: **EXCEPT FOR MATERIAL REDACTED PURSUANT TO S.859G OF THE COMPANIES ACT 2006, 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: **ALLEN & OVERY LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 8167504

Charge code: 0816 7504 0021

The Registrar of Companies for England and Wales hereby certifies that a charge dated 7th November 2017 and created by PORTHAVEN PROPERTIES NO 2 LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 9th November 2017 .

Given at Companies House, Cardiff on 13th November 2017

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**

EXECUTION VERSION

**SECURITY AGREEMENT
(DEBENTURE)**

DATED 07 November 2017

**THE ENTITIES LISTED IN SCHEDULE 1
as Chargors**

and

**CBRE LOAN SERVICES LIMITED
as Security Agent**

**relating to
a portfolio of UK care homes**

ALLEN & OVERY

Allen & Overy LLP

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THIS DEED is dated 07 November 2017 and is made

BETWEEN:

- (1) **THE ENTITIES** listed in Schedule 1 (The Chargors) as chargors (the **Chargors** and each a **Chargor**); and
- (2) **CBRE LOAN SERVICES LIMITED** (the **Security Agent**) as security agent and trustee for the Secured Parties (as defined in the Facility Agreement, defined below).

BACKGROUND:

- (A) Each Chargor enters into this Deed in connection with the Facility Agreement (as defined below).
- (B) It is intended that this document takes effect as a deed notwithstanding the fact that a party may only execute this document under hand.
- (C) The Security Agent acknowledges:
 - (a) the existence of the Intra-Group Charges (as defined below); and
 - (b) that the security created under this Deed over the assets of each Chargor whose assets are also charged under the terms of an Intra-Group Charge shall rank second in priority to the security created under the relevant Intra-Group Charge over the same assets.

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Deed:

Act means the Law of Property Act 1925.

Deed of Covenant means a deed of covenant substantially in the form of Schedule 7 (Form of Deed of Covenant).

Excluded Disposal means, in relation to the Carshalton Property:

- (a) the grant of a charge provided that the grantor has ensured that any charge (or document ancillary to the charge) contains an agreement that the chargee will not exercise its power of sale without procuring that the person to whom it is selling enters into a Deed of Covenant with the grantee;
- (b) the grant of a lease for a term of 31 years or less at a rack rent and not at a premium for use as a care home or nursing home within Use Class C2 of the Town and Country Planning (Use Classes) Order 1987;
- (c) the grant of standard care home licences or tenancies of individual bedrooms to care home residents and occupiers;

- (d) the grant of any easements, leases wayleaves or transfers of part to statutory or service supply undertakers in relation to any utilities or services and service apparatus service media or conduits at under through on or over the Property; and
- (e) any transfer or disposition for compulsory purchase or equivalent statutory acquisition process.

Facility Agreement means the facility agreement dated on or about the date of this Deed between (among others) FRC Star Group Bidco Limited and the Security Agent.

Head Office Lease means the lease of ground floor, 1 High Street Windsor dated 13 January 2016 made between (1) Englefield Estate Trust Corporation Limited and (2) Porthaven Management Limited.

Hedging Arrangement means:

- (a) a Hedging Agreement; or
- (b) any other hedging transaction referred to in clause 8.3 (Hedging) of the Facility Agreement.

Intra-Group Charge means each charge listed in Part 2 of Schedule 3 (OpCo Leases and Intra-Group Charges).

Investments means all shares (including without limitation all of the shares in the share capital of any member of the Group), stocks, Membership Interests, debentures, bonds or other securities or investments which are Security Assets.

Members' Agreement means, in respect of a limited liability partnership formed under the Limited Liability Partnerships Act 2000, the agreement(s) between its members in relation to its organisation and the rights and obligations of the members in relation to it.

Membership Interest means the rights, title and interests in a limited liability partnership formed under the Limited Liability Partnerships Act 2000 including, without limitation,:

- (a) any rights, title and interests arising under any Members' Agreement, the Limited Liability Partnership Act 2000 (or other law or regulation relating to limited liability partnerships); and
- (b) all interests in the capital of, rights to receive the profits of, and rights to receive any distribution of the assets of, such limited liability partnership.

OpCo Lease means each lease listed in Part 1 of Schedule 3 (OpCo Leases and Intra-Group Charges).

Party means a party to this Deed.

Receiver means a receiver, a receiver and manager or an administrative receiver, in each case, appointed under this Deed.

Relevant Contract means each of the following:

- (a) each Lease Document (other than the Head Office Lease and each OpCo's rights under an OpCo Lease);
- (b) each Care Contract;

- (c) each appointment of a Manager or any other manager, property manager or asset manager in relation to a Property, if any;
- (d) any Acquisition Document, other than a Vendor Security Agreement;
- (e) any document evidencing an Intra-Group Charge;
- (f) any Consulting Agreement;
- (g) each Construction Contract;
- (h) each collateral warranty relating to a Construction Contract;
- (i) any document evidencing Subordinated Debt;
- (j) any guarantee of any amounts payable under any documents at (a)-(i) above; and
- (k) any other agreement, instrument, certificate or report on title or other document to which it is a party or which is addressed to it or benefits it except to the extent that it is subject to any fixed security created under any term of this Deed other than Clause 2.9 (Relevant Contracts).

Secured Liabilities 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 each Transaction Obligor to any Secured Party under each Finance Document.

Security Asset means each asset of each Chargor which is, or is intended to be, subject to the Security created by this Deed.

Security Period means the period beginning on the date of this Deed and ending on the date on which all the Secured Liabilities have been fully, finally, unconditionally and irrevocably paid and discharged.

Supplemental Security Agreement means a security agreement substantially in the form of Schedule 10 (Supplemental Security Agreement).

1.2 Construction

- (a) Capitalised terms defined in the Facility Agreement have the same meaning in this Deed unless expressly defined in this Deed.
- (b) The provisions of clause 1.2 (Construction) of the Facility Agreement apply to this Deed as though they were set out in full in this Deed except that references to the Facility Agreement will be construed as references to this Deed.
- (c) Any reference in this Deed to:
 - (i) a Finance Document or other agreement or instrument includes (without prejudice to any restriction on amendments) any amendment to that Finance Document or other agreement or instrument, including any change in the purpose of, any extension of or any increase in the amount of a facility or any additional facility;
 - (ii) any **rights** in respect of an asset include all amounts and proceeds paid or payable, all rights to make any demand or claim, and all powers, remedies, causes of action, security, guarantees and indemnities, in each case, in respect of or derived from that asset;

- (iii) any **share, stock, debenture, bond or other security** or **investment** includes:
 - (A) any dividend, interest or other distribution paid or payable; and
 - (B) any right, money or property accruing or offered at any time by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise;in each case, in relation to that share, stock, debenture, bond or other security or investment;
- (iv) **this Security** means any security created by this Deed; and
- (v) an agreement, instrument or other document **to which it is a party** includes any agreement, instrument or other document issued in the relevant person's favour or of which it otherwise has the benefit (in whole or in part).
- (d) Any covenant of a Chargor under this Deed (other than a payment obligation) remains in force during the Security Period.
- (e) The terms of the other Finance Documents and of any side letters between any Parties in relation to any Finance Document are incorporated in this Deed to the extent required to ensure that any purported disposition of any freehold or leasehold property contained in this Deed is a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.
- (f) If the Security Agent considers that an amount paid to a Secured Party under a Finance Document is capable of being avoided or otherwise set aside on the liquidation or administration of the payer or otherwise, then that amount will not be considered to have been irrevocably paid for the purposes of this Deed.
- (g) Unless the context otherwise requires, a reference to a Security Asset includes the proceeds of any disposal of that Security Asset.
- (h) Notwithstanding anything to the contrary set out in this Deed, nothing in this Deed shall prohibit any action, or a Chargor otherwise dealing in relation to any asset the subject of this Deed, that is expressly permitted by the terms of the Facility Agreement.

1.3 Third party rights

- (a) Unless expressly provided to the contrary in this Deed, a person who is not a Party has no right under the Third Parties Act to enforce or to enjoy the benefit of any term of this Deed.
- (b) Notwithstanding any term of this Deed, the consent of any person who is not a Party is not required to rescind or vary this Deed at any time.
- (c) Any Secured Party that is not a Party may enforce and enjoy the benefit of any Clause which expressly confers rights on it, subject to paragraph (b) above and the provisions of the Third Parties Act.

2. CREATION OF SECURITY

2.1 General

- (a) All the security created under this Deed:
 - (i) is created in favour of the Security Agent;

- (ii) is created over present and future assets of each Chargor;
 - (iii) is security for the payment and satisfaction of all the Secured Liabilities; and
 - (iv) is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.
- (b) The Security Agent holds the benefit of this Deed on trust for the Secured Parties.

2.2 Land

- (a) Each Chargor charges:
- (i) by way of a first legal mortgage all estates or interests in any freehold or leasehold property owned by it save for:
 - (A) the leasehold property owned by an OpCo and subject to an OpCo Lease; or
 - (B) the leasehold property subject to the Head Office Lease;
 this includes the real property (if any) specified in Schedule 2 (Real Property); and
 - (ii) (to the extent that they are not the subject of a mortgage under paragraph (i) above) by way of a first fixed charge all estates or interests in any freehold or leasehold property owned by it save for:
 - (A) the leasehold property owned by an OpCo and subject to an OpCo Lease; or
 - (B) the leasehold property subject to the Head Office Lease;

save that:

- I. the priority of the above mortgages or charge over any Development Property subject to security created by a Vendor Security Agreement shall be determined in accordance with the relevant Deed of Priorities; and
 - II. upon release of the security created by a Vendor Security Agreement in relation to any Development Property, the above mortgage or charge over that Development Property shall rank in accordance with clauses (i) or (ii) above.
- (b) A reference in this Clause to a mortgage or charge of any freehold or leasehold property includes:
- (i) all buildings, fixtures, fittings and fixed plant and machinery on that property to the extent owned by the Chargor; and
 - (ii) the benefit of any covenants for title given or entered into by any predecessor in title of that Chargor in respect of that property or any monies paid or payable in respect of those covenants.

2.3 Securities

- (a) Each Chargor charges by way of a first legal mortgage all its Membership Interests, shares (including without limitation all of the shares in the share capital of any member of the Group),

stocks, debentures, bonds or other securities or investments owned by it or held by any nominee or trustee on its behalf.

- (b) Other than as effectively mortgaged under paragraph (a) above, each Chargor charges by way of a first fixed charge all its Membership Interests, shares (including without limitation all of the shares in the share capital of any member of the Group), stocks, debentures, bonds or other securities or investments owned by it or held by any nominee or trustee on its behalf.
- (c) Other than as effectively mortgaged or charged under paragraphs (a) or (b) above, each Chargor assigns absolutely all its present and future rights and benefits in respect of its Membership Interests, including all moneys which at any time may be or become payable to it and the proceeds of any claims, awards and judgments which at any time may be or become receivable by it pursuant thereto.
- (d) Porthaven Properties Limited confirms for the purposes of Clause 16 (Assignment of members' interests) of the Members' Agreement that it consents to the above charges and/or assignments of Membership Interests.

2.4 Plant and machinery

Each Chargor charges by way of a first fixed charge all plant and machinery owned by that Chargor and its interest in any plant or machinery in its possession.

2.5 Credit balances

Each Chargor charges by way of a first fixed charge all of its rights in respect of any account (including any account contemplated by the Facility Agreement or this Deed) it has with any person, any amount standing to the credit of that account and the debt represented by that account.

2.6 Book debts etc.

Each Chargor charges by way of a first fixed charge:

- (a) all of its book and other debts;
- (b) all other monies due and owing to it; and
- (c) the benefit of all rights, securities or guarantees of any nature enjoyed or held by it in relation to any item under paragraph (a) or (b) above.

2.7 Insurances

Each Chargor charges by way of a first fixed charge all of its rights in respect of any contract or policy of insurance taken out by it or on its behalf or in which it has an interest but excluding any rights under any liability insurance contract or policy in respect of liabilities of that Chargor to third parties.

2.8 Hedging

Each Chargor assigns absolutely all of its rights under any Hedging Arrangements *provided that*, following a release in accordance with Clause 22 (Release), the Security Agent shall re-assign the relevant Hedging Agreements to that Chargor (or as it shall direct).

2.9 Relevant Contracts

- (a) Each Chargor assigns absolutely all of its rights under a Relevant Contract and in respect of all amounts payable under a Relevant Contract save for a Construction Contract, or collateral warranty relating to a Construction Contract, where assignment is prohibited *provided that* following a release in accordance with Clause 22 (Release), the Security Agent shall re-assign the Relevant Contract to that Chargor (or as it shall direct).
- (b) Each Chargor charges by way of first fixed charge all of its rights and all amounts payable under a Construction Contract, or collateral warranty relating to a Construction Contract, under which assignment is prohibited.

2.10 Intra-Group Charges

- (a) Each Chargor charges:
 - (i) at law with the payment of the Secured Liabilities, the indebtedness secured by the Intra-Group Charges; and
 - (ii) by way of a first fixed charge the Intra-Group Charges and all rights arising under them or relating to them.

2.11 Miscellaneous

Each Chargor charges by way of a first fixed charge:

- (a) any beneficial interest, claim or entitlement it has in any pension fund;
- (b) its goodwill;
- (c) the benefit of any Authorisation (statutory or otherwise) held in connection with its use of any Security Asset;
- (d) the right to recover and receive compensation which may be payable to it in respect of any Authorisation referred to in paragraph (c) above;
- (e) its uncalled capital.

2.12 Floating charge

- (a) Each Chargor charges by way of a first floating charge all its assets not otherwise effectively mortgaged, charged or assigned by way of fixed mortgage, charge or assignment under this Clause, save for:
 - (i) each OpCo's rights under an OpCo Lease;
 - (ii) the leasehold property owned by an OpCo and subject to an OpCo Lease;
 - (iii) each Vendor Security Agreement; and
 - (iv) the leasehold property subject to the Head Office Lease.
- (b) Except as provided below, the Security Agent may by written notice to the relevant Chargor convert the floating charge created by this Clause into a fixed charge as regards any of that Chargor's assets specified in that notice, if:

- (i) an Event of Default:
 - (A) has occurred and is continuing; and
 - (B) the Security Agent has given notice to the relevant Chargor of its intention to exercise any of its rights under this Deed; or
 - (ii) the Security Agent considers those assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy.
- (c) The floating charge created by this Clause may not be converted into a fixed charge solely by reason of:
- (i) the obtaining of a moratorium; or
 - (ii) anything done with a view to obtaining a moratorium,
- under section 1A of the Insolvency Act 1986.
- (d) The floating charge created by this Clause will (in addition to the circumstances when this may occur under the general law) automatically convert into a fixed charge over all of a Chargor's assets that are subject to it if an administrator is appointed or the Security Agent receives notice of an intention to appoint an administrator.
- (e) The floating charge created by this Clause is a **qualifying floating charge** for the purpose of paragraph 14 of Schedule B1 to the Insolvency Act 1986.

3. REPRESENTATIONS - GENERAL

3.1 Representations

- (a) Subject to the Legal Reservations and Perfection Requirements, each Chargor represents and warrants to each Secured Party that:
- (i) this Deed creates those Security Interests it purports to create and is not liable to be avoided or otherwise set aside on the liquidation or administration of a Chargor or otherwise;
 - (ii) there is no prohibition on assignment or other restriction on the creation of security by the Chargor in respect of any Security Asset other than the Head Office Lease, each OpCo Lease, or as disclosed in the Construction Report in relation to a Construction Contract; and
 - (iii) it is not in default of any of its material obligations in relation to any Security Asset.

3.2 Times for making representations

- (a) The representations and warranties set out in this Deed (including in this Clause) are made on the date of this Deed.
- (b) Unless a representation or warranty is expressed to be given at a specific date, each representation or warranty under this Deed is deemed to be repeated by each Chargor on the date of each Utilisation Request, on each Utilisation Date and on the first day of each Interest Period.
- (c) When a representation or warranty is repeated, it is applied to the facts and circumstances existing at the time of repetition.

4. RESTRICTIONS ON DEALINGS AND EXERCISE OF RIGHTS

4.1 Security

Except as expressly allowed in the other Finance Documents, no Chargor may create or permit to subsist any Security Interest on any Security Asset (except for this Security and any Permitted Security).

4.2 Disposals

Except as expressly allowed in the other Finance Documents, no Chargor may sell, transfer, licence, lease or otherwise dispose of any Security Asset, except for the disposal in the ordinary course of trading of any Security Asset subject to the floating charge created under this Deed.

4.3 Intra-Group Charges

Except as expressly allowed under the Facility Agreement or this Deed:

- (i) no Chargor may nor is it entitled to exercise any rights in relation to an Intra-Group Charge or take any steps to enforce an Intra-Group Charge and agrees that only the Security Agent is entitled to exercise those rights, take any steps to enforce an Intra-Group Charge or release or discharge an Intra-Group Charge or any related security and the indebtedness secured by an Intra-Group Charge; and
- (ii) no Chargor will without the prior consent in writing of the Security Agent take any steps or proceedings (including any action in relation to a composition, judicial or otherwise, or lodging an appeal in any proceedings) to procure the bankruptcy, winding-up, administration or liquidation of any Tenant (under and as defined in the relevant Intra-Group Charge).

5. LAND

5.1 General

In this Clause:

Mortgaged Property means all freehold or leasehold property included in the definition of Security Asset and, where the context so requires, includes any buildings on that property, save for the leasehold property subject to an OpCo Lease or the Head Office Lease.

5.2 Chalfont Property

- (a) The Security Agent acknowledges that the Chalfont Blue Land is subject to an option to purchase in favour of the owner of the Chalfont Adjacent Land contained in Schedule 2 of the transfer dated 27 March 2014 made between (1) The National Society for Epilepsy and (2) Porthaven Properties No.2 Limited. The Security Agent agrees that any exercise of its power of sale over the Chalfont Blue Land shall be made subject to that option to purchase.
- (b) Promptly following the date of this Deed, the Security Agent shall provide Porthaven Properties No.2 Limited an executed notice of charge, substantially in the form of Part 1 of Schedule 3 (Form of Letter relating to Real Estate).
- (c) Porthaven Properties No.2 Limited must, within 1 Business Day of receipt from the Security Agent of an executed copy of the notice provided pursuant to paragraph (b) above, serve that notice on the Chalfont Adjacent Land Owner.

5.3 Carshalton Property

- (a) The Security Agent acknowledges that the Carshalton Property is subject to a planning overage deed dated 30 November 2015 in favour of TNO Bedrijven B.V. and its successors in title (the **Overage Beneficiary**) (the **Overage Deed**).
- (b) Subject to paragraph (c) below, the Security Agent agrees that in conjunction with the exercise its power of sale over the Carshalton Property it must procure that the purchaser executes and delivers to the Overage Beneficiary a Deed of Covenant.
- (c) Paragraph (b) above shall not apply if the disposal of the Carshalton Property is an Excluded Disposal.
- (d) Following delivery of a Deed of Covenant to the Overage Beneficiary in accordance with paragraph (b) above, the relevant Chargor shall use reasonable endeavours to assist in obtaining from the Overage Beneficiary a certificate addressed to the purchaser of the Carshalton Property (or any part thereof) and H.M. Land Registry confirming that the provisions of Clause 13.16 of the Overage Deed have been complied with or do not apply to the disposition.

5.4 Acquisitions

If a Chargor acquires any freehold or leasehold property after the date of this Deed it must:

- (a) notify the Security Agent promptly, and in any case within 2 Business Days of such acquisition;
- (b) promptly on demand and at the cost of the relevant Chargor, execute and deliver to the Security Agent a Supplemental Security Agreement;
- (c) if the title to that freehold or leasehold property is registered at H.M. Land Registry or required to be so registered, give H.M. Land Registry written notice of this Security; and
- (d) if applicable, ensure that this Security is correctly noted in the Register of Title against that title at H.M. Land Registry.

5.5 Compliance with applicable laws and regulations

Each Chargor must perform all its obligations under any law or regulation in any way related to or affecting the Mortgaged Property.

5.6 H.M. Land Registry

Each Chargor consents to a restriction in the following terms being entered into on the Register of Title relating to any Mortgaged Property registered at H.M. Land Registry:

"No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the charge dated _____ in favour of CBRE Loan Services Limited referred to in the charges register or their conveyancer. (Standard Form P)".

5.7 Deposit of title deeds

Each Chargor must ensure that all deeds and documents of title relating to the Mortgaged Property and all local land charges and Land Registry search certificates received by or on behalf of that Chargor are:

- (i) immediately deposited with the Security Agent; or
- (ii) held to the order of the Security Agent by a firm of solicitors approved by the Security Agent.

6. SECURITIES

6.1 General

6.2 Investments

Each Chargor represents and warrants (to the extent applicable) to each Secured Party that:

- (a) all shares and Membership Interests included in the definition of Security Asset and, to the extent applicable, its other Investments are fully paid; and
- (b) it is the sole legal and beneficial owner of the Investments.

6.3 Deposit

In relation to Investments:

- (a) owned by a Chargor at the date of this Deed; or
- (b) acquired by a Chargor after the date of this Deed,

the relevant Chargor must:
 - (i) within 1 Business Day of the date referred to in (i) or (ii) above, as applicable, deposit with the Security Agent, or as the Security Agent may direct, all certificates and other documents of title or evidence of ownership in relation to any Investment; and
 - (ii) promptly execute and deliver to the Security Agent all share transfers and other documents which may be requested by the Security Agent in writing in order to enable the Security Agent or its nominees to be registered as the owner or otherwise obtain a legal title to any Investment.

6.4 Changes to rights

No Chargor may take any action or allow the taking of any action on its behalf which may result in the rights attaching to any of the Investments being altered or further Investments being issued.

6.5 Calls

- (a) Each Chargor must pay all calls or other payments due and payable in respect of any Investment.
- (b) If a Chargor fails to do so, the Security Agent may pay the calls or other payments in respect of any Investment on behalf of a Chargor. The Chargors must, promptly on written demand, reimburse the Security Agent for any payment made by the Security Agent under this Clause.

6.6 Other obligations in respect of Investments

- (a) Each Chargor must promptly copy to the Security Agent and comply with all requests for information which is within its knowledge and which are made under any law or regulation or by

any listing or other authority or any similar provision contained in any articles of association or other constitutional document relating to any of the Investments. If it fails to do so, the Security Agent may, upon prior written notice to the relevant Chargor, elect to provide such information as it may have on behalf of a Chargor.

- (b) Each Chargor must comply with all other conditions and obligations assumed by it in respect of any Investment.
- (c) The Security Agent is not obliged to:
 - (i) perform any obligation of a Chargor;
 - (ii) make any payment;
 - (iii) make any enquiry as to the nature or sufficiency of any payment received by it or a Chargor; or
 - (iv) present or file any claim or take any other action to collect or enforce the payment of any amount to which it may be entitled under this Deed,

in respect of any Investment.

6.7 Voting rights and dividends

- (a) Before this Security becomes enforceable in accordance with Clause 12.1 (Event of Default):
 - (i) each Chargor may continue to exercise (or refrain from exercising) the voting rights and any other rights or powers in respect of its Investments in accordance with the terms of the Facility Agreement;
 - (ii) if the voting rights or other rights or powers are exercisable by the Security Agent, the Security Agent must exercise (or refrain from exercising) them as the relevant Chargor may direct in writing; and
 - (iii) all dividends, distributions or other income paid or payable in relation to the Investments must be paid to the General Account.
- (b) Each Chargor must indemnify the Security Agent against any cost, loss or liability incurred by the Security Agent as a consequence of the Security Agent acting (or refraining from acting) in respect of any Investments as directed by a Chargor.
- (c) After this Security has become enforceable in accordance with Clause 12.1 (Event of Default):
 - (i) the Security Agent may exercise (or refrain from exercising) (in the name of the relevant Chargor and without any further consent or authority on the part of that Chargor) any voting rights and any other rights or powers which may be exercised by the legal or beneficial owner of any Investment, any person who is the holder of any Investment or otherwise; and
 - (ii) if any Investments remain registered in the name of a Chargor, that Chargor irrevocably appoints the Security Agent as its proxy to exercise the voting rights and other rights or powers in respect of the Investments.

7. ACCOUNTS

7.1 General

In this Clause **Account Bank** means a person with whom an Account is maintained under the Facility Agreement.

7.2 Book debts and receipts

(a) Each Chargor must get in and realise its:

- (i) rent and other amounts due from tenants of the Mortgaged Property; and
- (ii) book and other debts and other monies due and owing to it,

in the ordinary course of its business and hold the proceeds of the getting in and realisation (until payment into an Account if required in accordance with paragraph (b) below) on trust for the Security Agent.

(b) Each Chargor must, except to the extent that the Security Agent otherwise agrees, pay all the proceeds of the getting in and realisation into an Account in accordance with the Facility Agreement.

7.3 Notices of charge

In relation to each Account:

- (a) open at the date of this Deed; or
- (b) opened after the date of this Deed,

the relevant Chargor must:

- (i) within 1 Business Day of the date referred to in (i) or (ii) above, as applicable, serve a notice of charge, substantially in the form of Part 1 of Schedule 4 (Forms of Letter for Account Bank), on each Account Bank; and
- (ii) use reasonable endeavours to ensure that each Account Bank acknowledges the notice, substantially in the form of Part 2 of Schedule 4 (Forms of Letter for Account Bank).

8. INSURANCES

In the case of each contract of insurance:

- (a) entered into on or prior to the date of this Deed; or
- (b) entered into after the date of this Deed,

the relevant Chargor must:

- (i) within 1 Business Day of the date referred to in (i) or (ii) above, as applicable, serve (or procure the service of) a notice of assignment, substantially in the form of Part 1 of Schedule 5 (Forms of Letter for Insurer) on each counterparty to a contract of insurance; and

- (ii) use reasonable endeavours to ensure that such counterparty acknowledges that notice, substantially in the form of Part 2 of Schedule 5 (Forms of Letter for Insurer).

9. HEDGING

In the case of each Hedging Arrangement:

- (a) entered into on or prior to the date of this Deed; or
- (b) entered into after the date of this Deed,

the relevant Chargor must:

- (i) within 1 Business Day of the date referred to in (i) or (ii) above, as applicable, serve (or procure the service of) a notice of assignment, substantially in the form of Part 1 of Schedule 5 (Forms of Letter for Hedge Counterparty) on each counterparty to a Hedging Arrangement; and
- (ii) use reasonable endeavours to ensure that such counterparty acknowledges that notice, substantially in the form of Part 2 of Schedule 5 (Forms of Letter for Hedge Counterparty).

10. RELEVANT CONTRACTS

- (a) In the case of each Relevant Contract other than a Care Contract:

- (i) entered into on or prior to date of this Deed; or
- (ii) entered into after the date of this Deed,

the relevant Chargor must:

- (A) within 1 Business Day of the date referred to in (i) or (ii) above, as applicable, serve (or procure the service of) a notice of assignment, substantially in the form of Part 1 of Schedule 8 (Forms of Letter for Relevant Contracts), on each counterparty to a Relevant Contract; and
- (B) use reasonable endeavours to ensure that the counterparty acknowledges that notice, substantially in the form of Part 2 of Schedule 8 (Forms of Letter for Relevant Contracts),

- (b) In relation to each Care Contract entered into at any time, the Security Agent may at any time request that the relevant Chargor serves a notice of assignment, substantially in the form of Part 1 of Schedule 8 (Forms of Letter for Relevant Contracts), on any counterparty to 15 or more Care Contracts. Within five Business Days of such a request the relevant Chargor must serve such notice on the relevant counterparty and use reasonable endeavours to ensure that the counterparty acknowledges that notice substantially in the form of Part 2 of Schedule 8 (Forms of Letter for Relevant Contracts), *provided that* no notice of assignment shall be served on a Resident at any time pursuant to this Clause 10(b).

11. INTRA-GROUP CHARGES

11.1 Land Registry

Each relevant Chargor consents to a restriction in the following terms being entered into on the Register of Title relating to each property charged by an Intra-Group Charge registered at the Land Registry:

"No disposition of the registered estate by the proprietor of any registered charge is to be registered without a written consent signed by the proprietor for the time being of the charge dated _____ in favour of CBRE Loan Services Limited referred to in the charges register or their conveyancer. (Standard Form P)".

11.2 Deposit of title deeds

Each relevant Chargor must ensure that all deeds and documents necessary to show good and marketable title to the Intra-Group Charges (the **Title Documents**) are:

- (a) immediately deposited with the Security Agent; or
- (b) held to the order of the Security Agent by a firm of solicitors approved by the Security Agent for that purpose.

12. WHEN SECURITY BECOMES ENFORCEABLE

12.1 Event of Default

This Security will become immediately enforceable if:

- (a) an Event of Default occurs and is continuing; and
- (b) the Security Agent has given notice to the relevant Chargor of its intention to exercise any of its rights under this Deed.

12.2 Discretion

After this Security has become enforceable, the Security Agent may in its absolute discretion enforce all or any part of this Security in any manner it sees fit or as the Majority Lenders direct.

12.3 Statutory powers

The power of sale and other powers conferred by section 101 of the Act, as amended by this Deed, will be immediately exercisable at any time after this Security has become enforceable.

13. ENFORCEMENT OF SECURITY

13.1 General

- (a) For the purposes of all powers implied by statute, the Secured Liabilities are deemed to have become due and payable on the date of this Deed.
- (b) Section 103 of the Act (restricting the power of sale) and section 93 of the Act (restricting the right of consolidation) do not apply to this Security.

- (c) The statutory powers of leasing conferred on the Security Agent are extended so as to authorise the Security Agent to lease, make agreements for leases, accept surrenders of leases and grant options as the Security Agent may think fit and without the need to comply with any provision of section 99 or 100 of the Act.
- (d) Porthaven Properties Limited confirms for the purposes of Clause 16 (Assignment of members' interests) of the Members' Agreement that it consents to:

- (i) any transfer of a Membership Interest; and/or
- (ii) any entity becoming a Further Member (as defined in the Members' Agreement),

by way of enforcement of the Security created by this Deed or the exercise of any rights or powers conferred by this Deed.

13.2 No liability as mortgagee in possession

Neither the Security Agent nor any Receiver will be liable, by reason of entering into possession of a Security Asset, to account as mortgagee in possession or for any loss on realisation or for any default or omission for which a mortgagee in possession might be liable.

13.3 No obligation to enforce the Intra-Group Charges

Neither the Security Agent nor any Receiver is under any obligation to call-in or enforce any security for payment of the money secured by any Intra-Group Charge or any part of it and will not be liable for any loss arising from any omission on their part to take any steps to do so.

13.4 Privileges

Each Receiver and the Security Agent is entitled to all the rights, powers, privileges and immunities conferred by the Act on mortgagees and receivers duly appointed under the Act, except that section 103 of the Act does not apply.

13.5 Protection of third parties

No person (including a purchaser) dealing with the Security Agent or a Receiver or its or his agents will be concerned to enquire:

- (a) whether the Secured Liabilities have become payable;
- (b) whether any power which the Security Agent or a Receiver is purporting to exercise has become exercisable or is being properly exercised;
- (c) whether any money remains due under the Finance Documents; or
- (d) how any money paid to the Security Agent or to that Receiver is to be applied.

13.6 Redemption of prior mortgages

- (a) At any time after this Security has become enforceable, the Security Agent may do any one or more of the following:
 - (i) redeem any prior Security Interest against any Security Asset;
 - (ii) procure the transfer of that Security Interest to itself; and

- (iii) settle and pass the accounts of the prior mortgagee, chargee or encumbrancer; any accounts so settled and passed will be, in the absence of manifest error, conclusive and binding on the relevant Chargor.
- (b) Each Chargor must pay to the Security Agent, immediately on demand, the costs and expenses incurred by the Security Agent in connection with any such redemption and/or transfer, including the payment of any principal or interest.

13.7 Contingencies

If this Security is enforced at a time when no amount is due under the Finance Documents but at a time when amounts may or will become due, the Security Agent (or a Receiver) may pay the proceeds of any recoveries effected by it into a suspense account or other account selected by it.

13.8 Financial collateral

- (a) To the extent that the Security Assets constitute "financial collateral" and this Deed and the obligations of each Chargor under this Deed constitute a "security financial collateral arrangement" (in each case, for the purpose of and as defined in the Financial Collateral Arrangements (No. 2) Regulations 2003), the Security Agent will have the right after this Security has become enforceable to appropriate all or any part of that financial collateral in or towards the satisfaction of the Secured Liabilities.
- (b) Where any financial collateral is appropriated:
 - (i) if it is cash, its value will be the amount standing to the credit of the relevant account on the date of appropriation plus any accrued but uncredited interest;
 - (ii) if it is listed or traded on a recognised exchange, its value will be taken as the value at which it could have been sold on the exchange on the date of appropriation; and
 - (iii) in any other case, its value will be such amount as the Security Agent reasonably determines having taken into account advice obtained by it from an independent commercial property adviser, investment bank or accountancy firm of national standing selected by it and, in any event, attributed in a commercially reasonable manner,

and each Finance Party will give credit for the proportion of the value of the financial collateral appropriated to its use.

14. RECEIVER

14.1 Appointment of Receiver

- (a) Except as provided below, the Security Agent may from time to time appoint any one or more persons to be a Receiver of all or any part of the Security Assets if:
 - (i) this Security has become enforceable; or
 - (ii) a Chargor so requests the Security Agent in writing at any time.
- (b) Any appointment under paragraph (a) above may be by deed, under seal or in writing under its hand.
- (c) Except as provided below, any restriction imposed by law on the right of a mortgagee to appoint a Receiver (including under section 109(1) of the Act) does not apply to this Deed.

- (d) The Security Agent is not entitled to appoint a Receiver solely as a result of the obtaining of a moratorium (or anything done with a view to obtaining a moratorium) under section 1A of the Insolvency Act 1986.
- (e) The Security Agent may not appoint an administrative receiver (as defined in section 29(2) of the Insolvency Act 1986) over the Security Assets if the Security Agent is prohibited from so doing by section 72A of the Insolvency Act 1986 and no exception to the prohibition on appointing an administrative receiver applies.

14.2 Removal

The Security Agent may by writing under its hand (subject to any requirement for an order of the court in the case of an administrative receiver) remove any Receiver appointed by it and may, whenever it thinks fit, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated.

14.3 Remuneration

The Security Agent may fix the remuneration of any Receiver appointed by it and the maximum rate specified in section 109(6) of the Act will not apply.

14.4 Agent of each Chargor

- (a) A Receiver will be deemed to be the agent of each Chargor for all purposes and accordingly will be deemed to be in the same position as a Receiver duly appointed by a mortgagee under the Act. Each Chargor alone is responsible for the contracts, engagements, acts, omissions, defaults and losses of a Receiver and for liabilities incurred by a Receiver other than for fraud or wilful misconduct of that Receiver.
- (b) No Secured Party will incur any liability (either to a Chargor or to any other person) by reason of the appointment of a Receiver or for any other reason.

14.5 Relationship with Security Agent

To the fullest extent permitted by law, any right, power or discretion conferred by this Deed (either expressly or impliedly) or by law on a Receiver may after this Security becomes enforceable be exercised by the Security Agent in relation to any Security Asset without first appointing a Receiver and notwithstanding the appointment of a Receiver.

15. POWERS OF RECEIVER

15.1 General

- (a) A Receiver has all of the rights, powers and discretions set out below in this Clause in addition to those conferred on it by any law, this includes:
 - (i) in the case of an administrative receiver, all the rights powers and discretions conferred on an administrative receiver under the Insolvency Act 1986; and
 - (ii) otherwise, all the rights, powers and discretions conferred on a receiver (or a receiver and manager) under the Act and the Insolvency Act 1986.

- (b) If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing it states otherwise) exercise all of the powers conferred on a Receiver under this Deed individually and to the exclusion of any other Receiver.

15.2 Possession

A Receiver may take immediate possession of, get in and collect any Security Asset.

15.3 Carry on business

A Receiver may carry on any business of a Chargor in any manner it thinks fit.

15.4 Employees

- (a) A Receiver may appoint and discharge managers, officers, agents, accountants, servants, workmen and others for the purposes of this Deed on such terms as to remuneration or otherwise as it thinks fit.
- (b) A Receiver may discharge any person appointed by a Chargor.

15.5 Borrow money

A Receiver may raise and borrow money either unsecured or on the security of any Security Asset either in priority to this Security or otherwise and generally on any terms and for whatever purpose which it thinks fit.

15.6 Sale of assets

- (a) A Receiver may sell, exchange, convert into money and realise any Security Asset by public auction or private contract and generally in any manner and on any terms which it thinks fit.
- (b) The consideration for any such transaction may consist of cash or non-cash consideration and any such consideration may be payable in a lump sum or by instalments spread over any period which it thinks fit.
- (c) Fixtures, other than landlord's fixtures, may be severed and sold separately from the property containing them without the consent of the relevant Chargor(s).

15.7 Leases

A Receiver may let any Security Asset for any term and at any rent (with or without a premium) which it thinks fit and may accept a surrender of any lease or tenancy of any Security Asset on any terms which it thinks fit (including the payment of money to a lessee or tenant on a surrender).

15.8 Compromise

A Receiver may settle, adjust, refer to arbitration, compromise and arrange any claim, account, dispute, question or demand with or by any person who is or claims to be a creditor of a Chargor or relating in any way to any Security Asset.

15.9 Legal actions

A Receiver may bring, prosecute, enforce, defend and abandon any action, suit or proceedings in relation to any Security Asset which it thinks fit.

15.10 Receipts

A Receiver may give a valid receipt for any moneys and execute any assurance or thing which may be proper or desirable for realising any Security Asset.

15.11 Subsidiaries

A Receiver may form a Subsidiary of a Chargor and transfer to that Subsidiary any Security Asset.

15.12 Delegation

A Receiver may delegate its powers in accordance with this Deed.

15.13 Lending

A Receiver may lend money or advance credit to any customer of a Chargor.

15.14 Protection of assets

A Receiver may:

- (a) effect any repair or insurance and do any other act which a Chargor might do in the ordinary conduct of its business to protect or improve any Security Asset;
- (b) commence and/or complete any building operations or other works; and
- (c) apply for and maintain any planning permission, building regulation approval or any other Authorisation,

in each case as it thinks fit.

15.15 Other powers

A Receiver may:

- (a) do all other acts and things which it may consider desirable or necessary for realising any Security Asset or incidental or conducive to any of the rights, powers or discretions conferred on a Receiver under or by virtue of this Deed or law;
- (b) exercise in relation to any Security Asset all the powers, authorities and things which it would be capable of exercising if it were the absolute beneficial owner of that Security Asset; and
- (c) use the name of a Chargor for any of the above purposes.

16. APPLICATION OF PROCEEDS

- (a) All amounts from time to time received or recovered by the Security Agent or any Receiver pursuant to the terms of this Deed or in connection with the realisation or enforcement of all or part of this Security will be held by the Security Agent and applied in accordance with Clause 29 (Application of proceeds) of the Facility Agreement.
- (b) This Clause is subject to the payment of any claims having priority over this Security. This Clause does not prejudice the right of any Secured Party to recover any shortfall from any Chargor.

17. DELEGATION

17.1 Power of Attorney

The Security Agent or any Receiver may delegate by power of attorney or in any other manner to any person any right, power or discretion exercisable by it under this Deed.

17.2 Terms

Any such delegation may be made on any terms (including power to sub-delegate) which the Security Agent or any Receiver may think fit.

17.3 Liability

Neither the Security Agent nor any Receiver will be in any way liable or responsible to a Chargor for any cost, loss or liability arising as a result of any act, default, omission or misconduct on the part of any delegate or sub-delegate.

18. FURTHER ASSURANCES

- (a) Each Chargor must, at its own expense, take whatever action the Security Agent or a Receiver may require for:
 - (i) creating, perfecting or protecting any security over any Security Asset; or
 - (ii) facilitating the realisation of any Security Asset, or the exercise of any right, power or discretion exercisable, by the Security Agent or any Receiver or any of their respective delegates or sub-delegates in respect of any Security Asset.
- (b) The action that may be required under paragraph (a) above includes:
 - (i) the execution of any mortgage, charge, transfer, conveyance, assignment or assurance in respect of any asset, whether to the Security Agent or to its nominee; or
 - (ii) the giving of any notice, order or direction and the making of any filing or registration,which, in any such case, the Security Agent may think expedient (acting reasonably).

19. POWER OF ATTORNEY

Each Chargor, by way of security, irrevocably and severally appoints the Security Agent, each Receiver and their respective delegates and sub-delegates to be its attorney with the full power and authority of that Chargor to execute, deliver and perfect all deeds, instruments and other documents in its name and otherwise on its behalf and to do or cause to be done all acts and things, in each case, which may be required or which any attorney in its absolute discretion may deem necessary for carrying out any obligation of that Chargor under or pursuant to this Deed or generally for enabling the Security Agent or any Receiver to exercise the respective powers conferred on them under this Deed or by law. Each Chargor ratifies and confirms whatever any attorney does or purports to do under its appointment under this Clause.

20. PRESERVATION OF SECURITY

20.1 Reinstatement

If any discharge, release or arrangement (whether in respect of the obligations of any Obligor or any security for those obligations or otherwise) is made by a Secured Party in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, the liability of each Chargor under this Deed will continue or be reinstated as if the discharge, release or arrangement had not occurred.

20.2 Immediate recourse

- (a) Each Chargor waives any right it may have of first requiring any Secured Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from a Chargor under this Deed.
- (b) This waiver applies irrespective of any law or provision of a Finance Document to the contrary.

20.3 Appropriations

Each Secured Party (or any trustee or agent on its behalf) may at any time during the Security Period:

- (a) refrain from applying or enforcing any other moneys, security or rights held or received by that Secured Party (or any trustee or agent on its behalf) in respect of the Secured Liabilities or apply and enforce them in such manner and order as it sees fit (whether against the Secured Liabilities or otherwise) and no Chargor will be entitled to the benefit of such moneys, security or rights; and
- (b) hold in an interest bearing suspense account any moneys received from a Chargor or on account of that Chargor's liability under this Deed.

20.4 Deferral of Chargor's rights

- (a) Unless the Security Period has expired or the Security Agent otherwise directs, no Chargor will exercise any rights which it may have by reason of performance by it of its obligations under this Deed or by reason of any amount being payable, or liability arising under this Clause:
 - (i) to be indemnified by an Obligor;
 - (ii) to claim any contribution from any other person who has provided security or a guarantee in respect of any Obligor's obligations under the Finance Documents;
 - (iii) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Secured Parties under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by any Secured Party;
 - (iv) to bring legal or other proceedings for an order requiring any Obligor to make any payment, or perform any obligation, in respect of which a Chargor has granted security under this Deed;
 - (v) to exercise any right of set-off against any Obligor; and/or

- (vi) to claim or prove as a creditor of any Obligor in competition with any Secured Party.
- (b) If a Chargor receives any benefit, payment or distribution in relation to such rights it must hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Secured Parties by the Obligors under or in connection with the Finance Documents to be repaid in full on trust for the Secured Parties and must promptly pay or transfer them to the Security Agent or as the Security Agent may direct for application in accordance with the terms of this Deed.

20.5 Additional security

- (a) This Security is in addition to and is not in any way prejudiced by any other security or guarantee now or subsequently held by any Secured Party.
- (b) No prior security held by any Secured Party (in its capacity as such or otherwise) over any Security Asset will merge into this Security.

21. MISCELLANEOUS

21.1 Continuing security

This Security is a continuing security and will extend to the ultimate balance of the Secured Liabilities regardless of any intermediate payment or discharge in whole or in part.

21.2 Covenant to pay

Each Chargor must pay or discharge the Secured Liabilities in the manner provided for in the Finance Documents.

21.3 Tacking

Each Lender must perform its obligations under the Facility Agreement (including any obligation to make available further advances).

21.4 New Accounts

- (a) If any subsequent charge or other interest affects any Security Asset, a Secured Party may open a new account with a Chargor.
- (b) If that Secured Party does not open a new account, it will nevertheless be treated as if it had done so at the time when it received or was deemed to have received notice of that charge or other interest.
- (c) As from that time all payments made to that Secured Party will be credited or be treated as having been credited to the new account and will not operate to reduce any Secured Liability.

21.5 Time deposits

Without prejudice to any right of set-off any Secured Party may have under any other Finance Document or otherwise, if any time deposit matures on any account a Chargor has with any Secured Party within the Security Period when:

- (a) this Security has become enforceable; and
- (b) no Secured Liability is due and payable,

that time deposit will automatically be renewed for any further maturity which that Secured Party considers appropriate.

21.6 Notice to Chargor

This Deed constitutes notice in writing to each Chargor of any charge or assignment by way of security that may at any time be created or made under any Security Document by any Transaction Obligor in respect of any obligation or liability under any agreement, instrument or other document to which that Transaction Obligor is a party.

22. RELEASE

The Secured Parties must, at the request and cost of any Chargor, take whatever action is necessary to release the Security Assets from this Security:

- (a) at the end of the Security Period;
- (b) to effect the sale of the Chalfont Blue Land in accordance Clause 22.4(v) (Disposals) of the Facility Agreement; and/or
- (c) in accordance with Clause 27.5 (Release of Security) of the Facility Agreement.

23. GOVERNING LAW

This Deed and any non-contractual obligations arising out of or in connection with it are governed by English law.

24. ENFORCEMENT

24.1 Jurisdiction

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute relating to existence, validity or termination of this Deed or any non-contractual obligations arising out of or in connection with this Deed) (a **Dispute**).
- (b) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.
- (c) This Clause is for the benefit of the Secured Parties only. As a result, to the extent permitted by law:
 - (i) no Secured Party will be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction; and
 - (ii) the Secured Parties may take concurrent proceedings in any number of jurisdictions.

THIS DEED has been entered into as a deed on the date stated at the beginning of this Deed.

SCHEDULE 1
THE CHARGORS

Chargor	Jurisdiction of incorporation	Registration number
Porthaven Group Holdings Limited	England and Wales	07677720
Porthaven Finance Limited	England and Wales	07677751
Porthaven Management Limited	England and Wales	07690757
Porthaven Property Limited	England and Wales	08286517
Porthaven Properties Limited	England and Wales	07690754
Porthaven Care Homes LLP	England and Wales	OC348553
Porthaven Care Homes Limited	England and Wales	07690737
Porthaven Properties No. 2 Limited	England and Wales	08167504
Porthaven Care Homes No. 2 Limited	England and Wales	08167625

SCHEDULE 2
REAL PROPERTY

	Property description	Registered Proprietor	Title Number
(1)	Land known as Avondale Care Home, Gatehouse Road, Aylesbury	Porthaven Properties Limited	BM211324
(2)	Land at Wiltshire Heights Care Home, 16 Cottle Avenue, Bradford on Avon	Porthaven Properties Limited	WT114719, WT8337, WT8339, WT8336, WT8338 and WT302587 (long leasehold)
(3)	Land known as 135 London Road, Buxton	Porthaven Properties Limited	DY264923
(4)	Land on the north-east side of Chesham Lane, Chalfont St Peter, Gerrards Cross	Porthaven Properties No 2 Limited	BM388303
(5)	Thirlestaine Park Care Home being land on the south side of Sandford Road, Cheltenham, GL53 7AL	Porthaven Properties No 2 Limited	GR372321
(6)	Land at Penhurst School, New Street, Chipping Norton	Porthaven Properties No 2 Limited	ON315749
(7)	Land known as Astbury Mere Care Home, Newcastle Road, Astbury, Congleton, CW12 4HP	Porthaven Properties Limited	CH583040
(8)	Land on the west side of Cumberland Street, Macclesfield	Porthaven Properties Limited	CH596355
(9)	Land at former Wiltshire Council Depot, Salisbury Road, Marlborough	Porthaven Properties No 2 Limited	WT412175
(10)	Land known as Chiltern Grange Care Home, Stockwells Yard, Mill Lane, Stokenchurch, High Wycombe	Porthaven Properties Limited	BM366587
(11)	Land on the south side of West Street, Farnham	Porthaven Properties No	SY494181

		2 Limited	
(12)	Kidlington Care Home (at the Pits) The Moors, Banbury Road, Kidlington	Porthaven Properties No 2 Limited	ON104564
(13)	31-35 Quarry Hill Road, Tonbridge	Porthaven Properties No 2 Limited	K338916
(14)	Land and buildings lying to the North East side of Woodmansterne Road, Carshalton, SM5 4DS	Porthaven Properties No 2 Limited	SGL765827
(15)	Land adjoining Haddon Hall Hotel, known as 135 London Road, Buxton, SK17 9XE	Porthaven Property Limited	DY264924

SCHEDULE 3

OPCO LEASES AND INTRA-GROUP CHARGES

PART 1

OPCO LEASES

	Leasehold property description	Date of Lease	Registered Proprietor/ Lessor	Title Number
(1)	Avondale Care Home, Gatehouse Road, Aylesbury, HP19 8EH	14 October 2010	Porthaven Care Homes LLP	BM357284
(2)	Wiltshire Heights Care Home, 16 Cottle Avenue, Bradford on Avon, BA16 1FD	14 March 2014	Porthaven Care Homes Limited	WT315907
(3)	Haddon Hall Care Home, 135 London Road, Buxton, SK17 9NW	25 June 2014	Porthaven Care Homes Limited	DY485573
(4)	Woodlands Manor Care Home, Micholls Avenue, Chalfont St Peter, SL9 0EB	15 December 2016	Porthaven Care Homes No.2 Limited	BM411308
(5)	Thirlestaine Park Care Home, Humphris Place, Cheltenham, GL53 7AW	20 February 2015	Porthaven Care Homes No.2 Limited	GR392785
(6)	Penhurst Gardens Care Home, New Street, Chipping Norton, OX7 5LN	7 July 2017	Porthaven Care Homes No.2 Limited	ON334429
(7)	Astbury Mere Care Home, Newcastle Road, Astbury, Congleton, Cheshire, CW12 4HP	19 March 2010	Porthaven Care Homes LLP	CH595085
(8)	Prestbury House Care Home, West Park Drive (off Cumberland Street), Macclesfield, Cheshire SK10 3GR	22 July 2011	Porthaven Care Homes LLP	CH605370
(9)	Savernake View Care Home, Priory Court, Salisbury Road, Marlborough, SN8 4FE	20 February 2017	Porthaven Care Homes No.2 Limited	WT428162
(10)	Chiltern Grange Care Home, Ibstone Road, Stokenchurch, HP14 3GG	21 June 2013	Porthaven Care Homes Limited	BM381605

PART 2
INTRA-GROUP CHARGES

	Name of Chargor	Name of grantor of Intra-Group Charge	Date of Charge	Description
(1)	Porthaven Properties No.2 Limited	Porthaven Care Homes No.2 Limited	<u>07 November</u> 2017	Fixed and floating charge; includes the following leasehold property: (A) Thirlestaine Park Care Home, Humphris Place, Cheltenham, GL53 7AW (registered at the Land Registry with title number GR392785); (B) Woodlands Manor Care Home, Micholls Avenue, Chalfont St Peter, SL9 0EB (registered at the Land Registry with title number BM411308); (C) Savernake View Care Home, Priory Court, Salisbury Road, Marlborough, SN8 4FE (registered at the Land Registry with title number WT428162); and (D) Penhurst Gardens Care Home, New Street, Chipping Norton, OX7 5LN (registered at the Land Registry with title number ON334429).
(2)	Porthaven Properties Limited	Porthaven Care Homes Limited	<u>07 November</u> 2017	Fixed and floating charge; includes the following leasehold property: (A) Chiltern Grange Care Home, Ibstone Road, Stokenchurch, HP14 3GG (registered at the Land Registry with title number BM381605); (B) Wiltshire Heights Care Home, 16 Cottle Avenue, Bradford on Avon, BA16 1FD (registered at the Land Registry with title

				number WT315907); and (C) Haddon Hall Care Home, 135 London Road, Buxton, SK17 9NW (registered at the Land Registry with title number DY485573).
(3)	Porthaven Properties Limited	Porthaven Care Homes LLP	<u>07 November</u> 2017	Fixed and floating charge; includes the following leasehold property: (A) Prestbury House Care Home, West Park Drive (off Cumberland Street), Macclesfield, Cheshire SK10 3GR (registered at the Land Registry with title number CH605370); (B) Astbury Mere Care Home, Newcastle Road, Astbury, Congleton, Cheshire, CW12 4HP (registered at the Land Registry with title number CH595085); and (C) Avondale Care Home, Gatehouse Road, Aylesbury, HP19 8EH (registered at the Land Registry with title number BM357284).

SCHEDULE 4

FORM OF LETTER RELATING TO REAL ESTATE

FORM OF LETTER FOR CHALFONT BLUE LAND

To: [CHALFONT ADJACENT LAND OWNER]

Attention: [ATTENTION]

Copy: PORTHAVEN PROPERTIES NO.2 LIMITED (the **Owner**)

[Date]

Dear Sirs,

Re: [*Description of the Chalfont Blue Land*] (the **Property**)

Security Agreement dated [] 2017 between, among others, Porthaven Properties No.2 Limited and [SECURITY AGENT] (the Security Agreement)

We refer to the option agreement contained in Schedule 2 of the transfer dated 27 March 2014 made between (1) The National Society for Epilepsy and (2) Porthaven Properties No.2 Limited (the **Option**).

This letter constitutes notice to you that under the Security Agreement the Owner has charged (by way of a first legal mortgage) in favour of us (as security trustee for the Secured Parties as referred to in the Security Agreement, the **Security Agent**) all its estates or interests in the Property.

We confirm that we consent to the Option, and that we are aware of the requirement contained in the Option that any sale of the Property whilst the Option remains in force must be made subject to the Option.

This letter and any non-contractual obligations arising out of or in connection with it are governed by English law.

Yours faithfully,

.....

For

[SECURITY AGENT] (as Security Agent)

SCHEDULE 5
FORMS OF LETTER FOR ACCOUNT BANK

PART 1

NOTICE TO ACCOUNT BANK

To: [ACCOUNT BANK]

Copy: [SECURITY AGENT] (as Security Agent)

[Date]

Dear Sirs,

**Security Agreement dated [] 2017 between [Chargor]
and [SECURITY AGENT] (the Security Agreement)**

This letter constitutes notice to you that under the Security Agreement we have charged (by way of a first fixed charge) in favour of [SECURITY AGENT] (as security trustee for the Secured Parties as referred to in the Security Agreement, the **Security Agent**) all our rights in respect of any account maintained by us with you (the **Accounts**), any amount standing to the credit of those Accounts and the debt represented by those Accounts.

We irrevocably instruct and authorise you to:

- (a) disclose to the Security Agent any information relating to any Account requested from you by the Security Agent;
- (b) comply with the terms of any written notice or instruction relating to any Account received by you from the Security Agent; and
- (c) [pay or release any sum standing to the credit of any Account in accordance with the written instructions of the Security Agent].¹

We acknowledge that you may comply with the instructions in this letter without any further permission from us or enquiry by you.

The instructions in this letter may not be revoked or amended without the prior written consent of the Security Agent.

This letter and any non-contractual obligations arising out of or in connection with it are governed by English law.

Please confirm your agreement to the above by sending the attached acknowledgement to the Security Agent at [ADDRESS] with a copy to ourselves.

Yours faithfully,

¹ Include for agent-controlled Accounts.

.....
(Authorised Signatory)
[CHARGOR]

PART 2

ACKNOWLEDGEMENT OF ACCOUNT BANK

To: [SECURITY AGENT] (as Security Agent)

Copy: [CHARGOR]

[Date]

Dear Sirs,

**Security Agreement dated [] 2017 between [Chargor]
and [SECURITY AGENT] (the Security Agreement)**

We confirm receipt from [Chargor] (the **Chargor**) of a notice dated [] 2017 (the **Notice**) of a charge on the terms of the Security Agreement over all the rights of the Chargor to any of the Chargor's accounts with us (the **Accounts**), any amount standing to the credit of those Accounts and the debt represented by those Accounts.

We confirm that we:

- (a) accept the instructions contained in the Notice and agree to comply with the notice;
- (b) have not received notice of the interest of any third party in any Account;
- (c) have neither claimed nor exercised, nor will claim or exercise, any security interest, set-off, counter-claim or other right in respect of any Account; and
- (d) [will not permit any amount to be withdrawn from any Account without your prior written consent]².

The Accounts maintained with us are:

[Specify accounts and account numbers]

This letter and any non-contractual obligations arising out of or in connection with it are governed by English law.

Yours faithfully,

.....
(Authorised signatory)
[ACCOUNT BANK]

² Include for agent-controlled Accounts.

SCHEDULE 6
FORMS OF LETTER FOR INSURER
PART 1
NOTICE TO INSURER

To: [INSURER]

Copy: [SECURITY AGENT] (as Security Agent)

[Date]

Dear Sirs,

**Security Agreement dated [] 2017 between [Chargor]
and [SECURITY AGENT] (the Security Agreement)**

This letter constitutes notice to you that under the Security Agreement we have assigned by way of security to [SECURITY AGENT] (as security trustee for the Secured Parties as referred to in the Security Agreement, the **Security Agent**) all our rights in respect of [insert details of insurance] (the **Insurance**).

We confirm that:

- (a) we will remain liable under the Insurance to perform all the obligations assumed by us under the Insurance; and
- (b) none of the Security Agent, its agents, any receiver or any other person will at any time be under any obligation or liability to you under or in respect of the Insurance.

We will also remain entitled to exercise all the rights, powers and discretions which under the terms of the Insurance were vested in us, and you should continue to send communications under the Insurance to us, unless and until you receive notice from the Security Agent to the contrary stating that the security under the Security Agreement has become enforceable. In this event, all the rights, powers and discretions will be exercisable by, and communications must be sent to, the Security Agent or as it directs.

The contact details for the Security Agent are as set out below or as otherwise notified to you from time to time. However, we have agreed with the Security Agent that in no event will we amend or waive any provision of, or terminate, the Insurance without its prior consent.

We irrevocably instruct and authorise you to disclose to the Security Agent any information relating to the Insurance requested from you by the Security Agent.

This letter and any non-contractual obligations arising out of or in connection with it are governed by English law.

Please acknowledge receipt of this letter by sending the attached acknowledgement to the Security Agent at [ADDRESS] with a copy to ourselves.

Yours faithfully,

.....
(Authorised signatory)
[CHARGOR]

PART 2

ACKNOWLEDGEMENT OF INSURER

To: [SECURITY AGENT] (as Security Agent)

Copy: [CHARGOR]

[Date]

Dear Sirs,

**Security Agreement dated [] 2017 between [Chargor]
and [SECURITY AGENT] (the Security Agreement)**

We confirm receipt from [the Chargor] (the **Chargor**) of a notice dated [] 2017 (the **Notice**) of an assignment on the terms of the Security Agreement of all the Chargor's rights in respect of [insert details of the insurance] (the **Insurance**).

We confirm that we will send communications under the Insurance as directed in the Notice.

We confirm that no amount payable by us under the Insurance is subject to any set-off, counterclaim or other similar right and we will not exercise or claim any such right.

We also confirm that we have not received notice of the interest of any third party in the Insurance.

This letter and any non-contractual obligations arising out of or in connection with it are governed by English law.

Yours faithfully,

.....
(Authorised signatory)
[INSURER]

SCHEDULE 7
FORMS OF LETTER FOR HEDGE COUNTERPARTY
PART 1

NOTICE TO HEDGE COUNTERPARTY

To: [HEDGE COUNTERPARTY]

Copy: [SECURITY AGENT] (as Security Agent)

[Date]

Dear Sirs,

**Security Agreement dated [] 2017 between [Chargor]
and [SECURITY AGENT] (the Security Agreement)**

This letter constitutes notice to you that under the Security Agreement we assigned (by way of security) to [SECURITY AGENT] (as security trustee for the Secured Parties as referred to in the Security Agreement, the **Security Agent**) all our rights under any hedging arrangements between yourselves and ourselves (the **Hedging Arrangements**).

We irrevocably instruct and authorise you to:

- (a) disclose to the Security Agent without any reference to or further authority from us and without any enquiry by you as to the justification for the disclosure, any information relating to the Hedging Arrangements which the Security Agent may request from you; and
- (b) pay any sum payable by you under the Hedging Arrangements to the account with the Security Agent at [], Sort Code [], Account No. [].

The instructions in this letter apply until you receive notice from the Security Agent to the contrary and notwithstanding any previous instructions given by us.

The instructions in this letter may not be revoked or amended without the prior written consent of the Security Agent.

This letter and any non-contractual obligations arising out of or in connection with it are governed by English law.

Please confirm your agreement to the above by signing the attached acknowledgement and returning it to the Security Agent at [ADDRESS] with a copy to ourselves.

Yours faithfully,

.....
(Authorised signatory)
[CHARGOR]

PART 2

ACKNOWLEDGEMENT OF HEDGE COUNTERPARTY

To: [SECURITY AGENT] (as Security Agent)

Copy: [CHARGOR]

[Date]

Dear Sirs,

Re: [PROPERTY]

**Security Agreement dated [] 2017 between [Chargor]
and [SECURITY AGENT] (the Security Agreement)**

We confirm receipt from [the Chargor] (the **Chargor**) of a notice dated [] 2017 (the **Notice**) of a charge on the terms of the Security Agreement of all the Chargor's rights under the Hedging Arrangements (as defined in the Notice).

We confirm that we:

- (a) have not received notice of the interest of any third party in the Hedging Arrangements;
- (b) must pay any amount payable by us under the Hedging Arrangements to the account with you at [], Sort Code [], Account No. []; and
- (c) must accept your instructions in relation to the Chargor's rights under the Hedging Arrangements.

This letter and any non-contractual obligations arising out of or in connection with it are governed by English law.

Yours faithfully,

.....
(Authorised signatory)
[HEDGE COUNTERPARTY]

SCHEDULE 8
FORMS OF LETTER FOR RELEVANT CONTRACTS

PART 1

NOTICE TO COUNTERPARTY

To: [CONTRACT COUNTERPARTY]

Copy: [SECURITY AGENT] (as Security Agent)

[Date]

Dear Sirs,

**Security Agreement dated [] 2017 between [Chargor]
and [SECURITY AGENT] (the Security Agreement)**

This letter constitutes notice to you that under the Security Agreement we have charged or assigned by way of security to [SECURITY AGENT] (as security trustee for the Secured Parties as referred to in the Security Agreement, the **Security Agent**) all our rights in respect of [insert details of Contract] (the **Contract**).

We confirm that:

- (d) we will remain liable under the Contract to perform all the obligations assumed by us under the Contract; and
- (e) none of the Security Agent, its agents, any receiver or any other person will at any time be under any obligation or liability to you under or in respect of the Contract.

We will also remain entitled to exercise all the rights, powers and discretions which under the terms of the Contract were vested in us, and you should continue to send communications under the Contract to us, unless and until you receive notice from the Security Agent to the contrary stating that the security under the Security Agreement has become enforceable. In this event, all the rights, powers and discretions will be exercisable by, and communications must be sent to, the Security Agent or as it directs.

The contact details for the Security Agent are as set out below or as otherwise notified to you from time to time. However, we have agreed with the Security Agent that in no event will we amend or waive any provision of, or terminate, the Contract without its prior consent.

We irrevocably instruct and authorise you to disclose to the Security Agent any information relating to the Contract requested from you by the Security Agent.

This letter and any non-contractual obligations arising out of or in connection with it are governed by English law.

Please acknowledge receipt of this letter by sending the attached acknowledgement to the Security Agent at [ADDRESS] with a copy to ourselves.

Yours faithfully,

.....
(Authorised signatory)
[CHARGOR]

PART 2

ACKNOWLEDGEMENT OF COUNTERPARTY

To: [SECURITY AGENT] (as Security Agent)

Copy: [CHARGOR]

[Date]

Dear Sirs,

**Security Agreement dated [] 2017 between [Chargor]
and [SECURITY AGENT] (the Security Agreement)**

We confirm receipt from [the Chargor] (the **Chargor**) of a notice dated [] 2017 (the **Notice**) of an charge or assignment by way of security on the terms of the Security Agreement of all the Chargor's rights in respect of [insert details of the Contract] (the **Contract**).

We confirm that we will send communications under the Contract as directed in the Notice.

We confirm that no amount payable by us under the Contract is subject to any set-off, counterclaim or other similar right and we will not exercise or claim any such right.

We also confirm that we have not received notice of the interest of any third party in the Contract.

This letter and any non-contractual obligations arising out of or in connection with it are governed by English law.

Yours faithfully,

.....
(Authorised signatory)
[CONTRACT COUNTERPARTY]

SCHEDULE 9
FORM OF DEED OF COVENANT

THIS DEED is made on _____

BETWEEN:

- (1) _____ (No _____) of/whose registered office is at _____
_____ (the “**New Owner**”); and
- (2) _____ (No _____) of/whose registered office is at _____
_____ (the “**Covenantee**”).

BACKGROUND:

- (A) This Deed is entered into by the New Owner pursuant to the obligations contained in the Overage Deed.
- (B) The New Owner has purchased the Property from the [Original Covenantor/Outgoing Owner].

IT IS AGREED as follows:

1. DEFINITIONS

In this Deed:

“Original Covenantee”	means TNO Bedrijven B.V.;
“Original Covenantor”	means Porthaven Properties No. 2 Limited;
"Outgoing Owner"	means <i>[insert details of the outgoing covenant provider Grantor of Property]</i> ;
"Overage Deed"	means the overage deed dated 30 November 2015 and made between (1) the Original Covenantee and (2) the Original Covenantor;
“Property”	means the freehold property at North East side of Woodmansterne Road, Carshalton SM5 4DS registered at the Land Registry under Title Number SGL765827 [transferred by the [Original Covenantor/Outgoing Owner] to the New Owner by a transfer dated the same date as this Deed].

2. COVENANT

- 2.1 The New Owner [jointly and severally] covenants with the Covenantee but only so that they are liable in respect of the period from and including the date of this Deed to observe and perform the obligations on the part of the Grantor contained in the Overage Deed (including for the avoidance of doubt all obligations arising from clause 2.2.5 or 2.2.10 of the Overage Deed³ where the date(s) as referred to in clauses 2.2.5, 2.2.10 and 2.2.11 occur(s) on or after the date of this Deed) and so far as they relate to the Property.

3. GOVERNING LAW AND JURISDICTION

- 3.1 This Deed 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) will be governed by and construed in accordance with the laws of England and Wales.
- 3.2 Subject to Clause 7 of the Overage Deed, the parties irrevocably agree that the courts of England and Wales have exclusive jurisdiction to settle any dispute or claim that arises out of, or in connection with, this Deed or its subject matter or formation (including non-contractual disputes or claims).

EXECUTED AS A DEED by the New Owner on the date which first appears in this Deed

EXECUTED (but not delivered)
until the date hereof)
AS A DEED by)
_____)
acting by a director and its secretary)
or two directors)

Director

Director/Secretary

SCHEDULE 10

SUPPLEMENTAL SECURITY AGREEMENT

THIS DEED is dated _____ and is made

BETWEEN:

- (1) _____ (Registered number _____) (the **Chargor**); and
- (2) _____ as security agent and trustee for the Secured Parties (the **Security Agent**).

BACKGROUND:

- (A) Under a Security Agreement dated _____ 2017 (the **Original Security Agreement**) between, among others, the Chargor and the Security Agent, the Chargor charged by way of first legal mortgage, first mortgage, first fixed charge and assignment by way of security certain of its assets as security for, amongst other things, the present and future obligations and liabilities of each Obligor under the Finance Documents (as amended or supplemented).
- (B) In accordance with the Facility Agreement, the Chargor has acquired an additional leasehold interest in real estate and, accordingly, the Chargor has agreed to enter into this Deed in connection with the Facility Agreement.
- (C) This Deed is supplemental to the Original Security Agreement.
- (D) It is intended that this document takes effect as a deed notwithstanding the fact that a party may only execute this document under hand.

IT IS AGREED as follows:

4. INTERPRETATION

4.1 Definitions

Capitalised terms defined in the Original Security Agreement have the same meaning in this Deed unless expressly defined in this Deed.

4.2 Construction

- (a) The provisions of clause 1.2 (Construction) of the Facility Agreement apply to this Deed as though they were set out in full in this Deed except that references to the Facility Agreement will be construed as references to this Deed.
- (b) Any reference in this Deed to:
 - (i) a Finance Document or other agreement or instrument includes (without prejudice to any restriction on amendments) any amendment to that Finance Document or other agreement or instrument, including any change in the purpose of, any extension of or any increase in the amount of a facility or any additional facility;

- (ii) any rights in respect of an asset include all amounts and proceeds paid or payable, all rights to make any demand or claim, and all powers, remedies, causes of action, security, guarantees and indemnities, in each case, in respect of or derived from that asset;
- (iii) any **share, stock, debenture, bond or other security or investment** includes:
 - (A) any dividend, interest or other distribution paid or payable; and
 - (B) any right, money or property accruing or offered at any time by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise;
 in each case, in relation to that share, stock, debenture, bond or other security or investment;
- (iv) **this Security** means any security created by this Deed; and
- (v) an agreement, instrument or other document **to which it is a party** includes any agreement, instrument or other document issued in the relevant person's favour or of which it otherwise has the benefit (in whole or in part).
- (c) Any covenant of the Chargor under this Deed (other than a payment obligation) remains in force during the Security Period.
- (d) The terms of the other Finance Documents and of any side letters between any Parties in relation to any Finance Document are incorporated in this Deed to the extent required to ensure that any purported disposition of any freehold or leasehold property contained in this Deed is a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.
- (e) If the Security Agent considers that an amount paid to a Secured Party under a Finance Document is capable of being avoided or otherwise set aside on the liquidation or administration of the payer or otherwise, then that amount will not be considered to have been irrevocably paid for the purposes of this Deed.
- (f) Unless the context otherwise requires, a reference to a Security Asset includes the proceeds of any disposal of that Security Asset.
- (g) Notwithstanding anything to the contrary set out in this Deed, nothing in this Deed shall prohibit any action, or a Chargor otherwise dealing in relation to any asset the subject of this Deed, that is expressly permitted by the terms of the Facility Agreement.

4.3 Third party rights

- (a) Unless expressly provided to the contrary in this Deed, a person who is not a Party has no right under the Third Parties Act to enforce or to enjoy the benefit of any term of this Deed.
- (b) Notwithstanding any term of this Deed, the consent of any person who is not a Party is not required to rescind or vary this Deed at any time.
- (c) Any Secured Party that is not a Party may enforce and enjoy the benefit of any Clause which expressly confers rights on it, subject to (b) above and the provisions of the Third Parties Act.

5. CREATION OF SECURITY

5.1 General

- (a) All the security created under this Deed:
 - (i) is created in favour of the Security Agent;
 - (ii) is created over present and future assets of the Chargor;
 - (iii) is security for the payment and satisfaction of all the Secured Liabilities; and
 - (iv) is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.
- (b) The Security Agent holds the benefit of this Deed on trust for the Secured Parties.

5.2 Land

- (a) The Chargor charges by way of a first legal mortgage the property specified in the Schedule under the heading **Real Property** (the **New Property**).
- (b) A reference in this Clause to a mortgage or charge of any freehold or leasehold property includes:
 - (i) all buildings, fixtures, fittings and fixed plant and machinery on that property to the extent owned by the Chargor; and
 - (ii) the benefit of any covenants for title given or entered into by any predecessor in title of that Chargor in respect of that property or any monies paid or payable in respect of those covenants.

5.3 Confirmation

The Chargor confirms that, as security for the payment of the Secured Liabilities:

- (a) it has charged in favour of the Security Agent by way of first fixed charge the assets relating to the New Property referred to in clauses 2.3 (Securities) to 2.7 (Insurances) (inclusive) and clause 2.10 (Miscellaneous) of the Original Security Agreement; and
- (b) it has assigned to the Security Agent by way of security the assets relating to the New Property referred to in clauses 2.8 (Hedging) to 2.9 (Relevant Contracts) (inclusive) of the Original Security Agreement.

6. INCORPORATION

The provisions of Clause 3 (Representations - general) to 22 (Release) (inclusive) and Clause 24 (Enforcement), other than Clause 11.1 (Land registry), of the Original Security Agreement are deemed to be incorporated into this Deed with all necessary modifications as if they were set out in full in this Deed.

7. LAND REGISTRY

- (a) The Chargor consents to a restriction in the following terms being entered into on the Register of Title relating to the New Property registered at H.M. Land Registry:

- (b) "No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the charge dated [] in favour of CBRE Loan Services Limited referred to in the charges register or their conveyancer. (Standard Form P)".

8. CONTINUATION

- (a) Except insofar as supplemented by this Deed, the Original Security Agreement will remain in full force and effect.
- (b) References in the Original Security Agreement to **this Deed** and expressions of similar import are deemed to be references to the Original Security Agreement as amended by this Deed and to this Deed.

9. GOVERNING LAW

This Deed and any non-contractual obligations arising out of or in connection with it are governed by English law.

THIS DEED has been entered into as a deed on the date stated at the beginning of this Deed.

APPENDIX 1
REAL PROPERTY AND OPCO LEASES
PART 1
REAL PROPERTY

	Property description	Freehold/Leasehold	Title Number
(1)			

PART 2
OPCO LEASES

	Leasehold property description	Date of Lease	Registered Proprietor/ Lessor	Title Number
(1)				

SIGNATORIES

Chargors

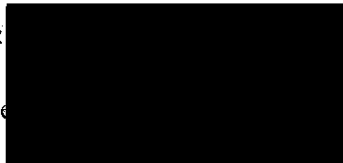
EXECUTED AS A DEED by)
PORTHAVEN GROUP HOLDINGS LIMITED)
acting by a director:)



Director _____

In the presence of:

Witness's signature

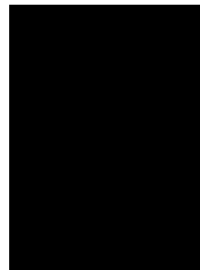


Name (in capitals): SOPHIE DAVIES

GIBSON ROAD

Address of witness: 2-4 Temple Avenue,
EC4Y 0HB.

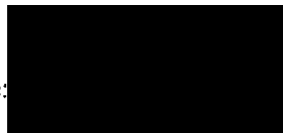
EXECUTED AS A DEED by)
PORTHAVEN FINANCE LIMITED)
acting by a director:)



Director _____

In the presence of:

Witness's signature:



Name (in capitals): SOPHIE DAVIES

GIBSON ROAD

Address of witness: 2-4 Temple Avenue
EC4Y 0HB.

EXECUTED AS A DEED by
PORTHAVEN MANAGEMENT LIMITED
acting by a director:

)
)
)



Director _____

In the presence of:

Witness's signature _____

Name (in capitals): SOPHIE DAVIES

Address of witness: GIBSON DOWN,
2-4 Temple Avenue
EC4Y 0HB.

EXECUTED AS A DEED by
PORTHAVEN PROPERTY LIMITED
acting by a director:

)
)
)



Director _____

In the presence of:

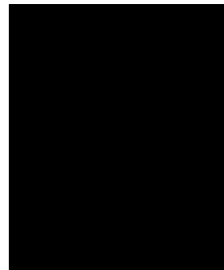
Witness's signature _____

Name (in capitals): SOPHIE DAVIES

Address of witness: GIBSON DOWN,
2-4 Temple Avenue,
EC4Y 0HB

EXECUTED AS A DEED by
PORTHAVEN PROPERTIES LIMITED
acting by a director:

)
)
)



Director _____

In the presence of:



Witness's signature _____

Name (in capitals): SOPHIE DAVIES

Address of witness: GIBSON DUNN,
2-4 Temple Avenue,
EC4Y 0HB.

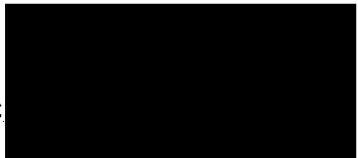
EXECUTED AS A DEED by
PORTHAVEN CARE HOMES LIMITED
acting by a director:

)
)
)



Director _____

In the presence of:



Witness's signature: _____

Name (in capitals): SOPHIE DAVIES

Address of witness: GIBSON DUNN
2-4 Temple Avenue.
EC4Y 0HB.

EXECUTED AS A DEED by)
PORTHAVEN PROPERTIES NO.2 LIMITED)
acting by a director:)

Director _____

In the presence of:

Witness's signature

Name (in capitals): SOPHIE DAVIES

Address of witness: GIBSON DUNN,
2-4 Temple Avenue,
EC4Y 0HB.

EXECUTED AS A DEED by)
PORTHAVEN CARE HOMES NO.2 LIMITED)
acting by a director:)

Director _____

In the presence of:

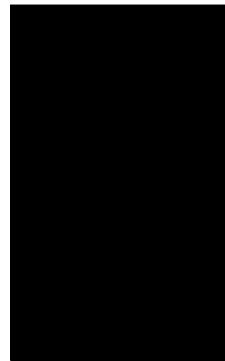
Witness's signature:

Name (in capitals): SOPHIE DAVIES

Address of witness: GIBSON DUNN,
2-4 Temple Avenue,
EC4Y 0HB.

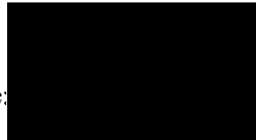
EXECUTED AS A DEED by
PORTHAVEN CARE HOMES LLP
acting by a member:

)
)
)



Member _____

In the presence of:



Witness's signature: _____

Name (in capitals): SOPHIE DAVIES

Address of witness: GIBBON DUNN,
2-4 Temple Avenue
EE4 4 OHB.

Security Agent

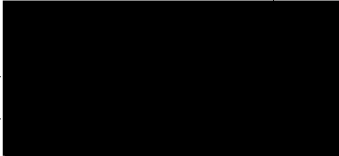
CBRE LOAN SERVICES LIMITED

B



STEVEN AMBRIDGE
Authorised Signatory

By:



STEVEN HARLE
Authorised Signatory