



Registration of a Charge

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

Company number: **08167504**



X3NVN9TU

Received for Electronic Filing: **31/12/2014**

Details of Charge

Date of creation: **23/12/2014**

Charge code: **0816 7504 0009**

Persons entitled: **HSBC BANK PLC (AS SECURITY TRUSTEE)**

Brief description: **THIRLESTAIN PARK CARE HOME, HUMPHRIS PLACE, OFF SANDFORD ROAD, CHELTENHAM, GL53 7GA REGISTERED WITH TITLE NUMBER GR372321**

Contains fixed charge(s).

Contains floating charge(s) .

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

Certification statement: **I CERTIFY THAT SAVE FOR MATERIAL REDACTED PURSUANT TO S.859G OF THE COMPANIES ACT 2006 THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION**

**FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL
INSTRUMENT.**

Certified by:

ANDREW PARSONS, CMS CAMERON MCKENNA LLP



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 8167504

Charge code: 0816 7504 0009

The Registrar of Companies for England and Wales hereby certifies that a charge dated 23rd December 2014 and created by PORTHAVEN PROPERTIES NO 2 LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 31st December 2014 .

Given at Companies House, Cardiff on 2nd January 2015

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



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

DATED 23 December 2014

(1) PORTHAVEN PROPERTIES NO. 2 LIMITED

- and -

(2) HSBC BANK PLC

LEGAL CHARGE

relating to

THIRLESTINE PARK CARE HOME,
HUMPHRIS PLACE, OFF SANDFORD
ROAD, CHELTENHAM, GL53 7GA

HSBC 

HSBC Bank plc
70 Pall Mall
London SW1Y 5EZ

BETWEEN

- (1) **PORTHAVEN PROPERTIES NO. 2 LIMITED**, a company incorporated and registered under the laws of England and Wales with registered number 07690754 whose registered office is at 1 High Street, Windsor, Berkshire, SL4 1LD (the **Chargor**); and
- (2) **HSBC BANK PLC** as security trustee for itself and the Secured Parties (the **Security Trustee**).

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

Terms defined in the Facilities Agreement shall, unless otherwise defined in this Deed, have the same meanings when used in this Deed and in addition in this Deed:

Affiliate means a Subsidiary of a company, a Holding Company of that company or any other Subsidiary of that Holding Company;

Debenture means the debenture dated on or around the date of this Deed and made between, amongst others, the Chargor and the Security Trustee;

Expenses bears the meaning given to that term in the Debenture.

Facilities Agreement means the facilities agreement dated on or around the date of this Deed and made between (1) Porthaven Management Limited (the "**Company**"), (2) the subsidiaries of the Company listed in Part 1 of Schedule 1 to the Facilities Agreement as borrowers, (3) the subsidiaries of the Company listed in Part 1 of Schedule 1 to the Facilities Agreement as guarantors, (4) HSBC Bank plc as mandated lead arranger, (5) the financial institutions listed in Part 2 of Schedule 1 to the Facilities Agreement as lenders, (6) the financial institutions listed in Part 3 of Schedule 1 to the Facilities Agreement as hedge counterparties, (7) HSBC Bank plc as agent of the other Finance Parties and (7) the Security Trustee;

Hedging Agreement means any master agreement, confirmation, schedule or other agreement entered into or to be entered into by the Chargor for the purpose of hedging interest rate liabilities and/or any exchange rate or other risks in relation to all or part of the Secured Liabilities and shall include all trades conducted thereunder;

Holding Company has the meaning given in section 1159 of the Companies Act 2006;

Interest Rate means the rate of interest payable on any facility secured by the Security;

Lease means any lease, underlease, tenancy, licence or other right of occupation to which the Property is from time to time subject together with any related guarantee or other security for the performance of the lessee's obligations;

Property means all the real property specified in the schedule (*The Property*);

Receiver means a receiver and/or manager of any or all of the Chargor's assets appointed by the Security Trustee under the Security;

Secured Liabilities means all monies from time to time due or owing and all other actual or contingent liabilities from time to time incurred by each Obligor to the Finance Parties under the Finance Document;

Security means the Security Interests created or intended to be created by or pursuant to this Deed;

Security Assets means all the Chargor's assets from time to time the subject of Security;

Security Interest means a mortgage, charge, assignment, pledge, lien, standard security, assignation or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect; and

Subsidiary has the meaning given in section 1159 of the Companies Act 2006.

1.2 Construction

- (a) Unless a contrary indication appears, any reference in this Deed to:
- (i) **assets** includes present and future properties, revenues and rights of every description;
 - (ii) the **Security Trustee** or a **Finance Party** shall be construed to include its successors in title, permitted assigns and permitted transferees;
 - (iii) a **disposal** includes a lease, licence, transfer, sale or other disposal of any kind;
 - (iv) **includes** or **including** shall be read and construed as including the phrase **without limitation**;
 - (v) this **Deed** or any other agreement or instrument is a reference to this Deed, or other agreement or instrument as amended, supplemented, extended, restated, novated and/or replaced in any manner from time to time (however fundamentally and even if any of the same increases the Chargor's obligations or provides for further advances);
 - (vi) a provision of law is a reference to that provision as amended or re-enacted;
 - (vii) the singular includes the plural and vice versa.
 - (viii) any real property includes:
 - (A) all or any part of it;
 - (B) all buildings, fixtures (including trade fixtures), fittings and fixed plant or machinery at any time on that property;
 - (C) all easements, servitudes, rights and agreements in respect of that property;
 - (D) all rents from and proceeds of sale of that property; and
 - (E) the benefit of all covenants given in respect of that property.

- (b) When any provision of this Deed refers to an approval or consent by the Security Trustee or any other Secured Party that provision shall be construed so as to require that consent or approval to be given in writing.
- (c) References to clauses and paragraphs are to be construed, unless otherwise stated, as references to clauses and paragraphs of this Deed.
- (d) Clause headings are for ease of reference only and shall not affect the construction of this Deed.
- (e) If the Security Trustee or any other Secured Party reasonably considers that an amount paid by an Obligor is capable of being avoided or otherwise set aside on the bankruptcy, liquidation or administration of that Obligor, then that amount shall not be considered to have been irrevocably paid for the purposes of this Deed.
- (f) Where there is any conflict between the terms of this Deed and the Facilities Agreement, the terms of the Facilities Agreement shall prevail as between the Chargor and the Finance Parties.

1.3 Third party rights

Only a Receiver has any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Deed.

1.4 Law of Property (Miscellaneous Provisions) Act 1989

The terms of all other Finance Documents are incorporated in this Deed to the extent required to ensure that any disposition of the Property contained in this Deed is a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

1.5 Delivery

The parties intend this Deed to be delivered on the first date specified on page 1 of this Deed and that this document shall take effect as a deed notwithstanding the fact that the Security Trustee may only execute this document under hand.

2. COVENANT TO PAY

2.1 Covenant to pay

The Chargor shall pay or discharge each of the Secured Liabilities when the same fall due for payment in accordance with the terms of the Finance Documents or, in the absence of any such express terms, on demand.

2.2 Further advances

This Deed is made to secure any further advances or other facilities but it does not create any obligation on any Finance Party to make any further advances or make other facilities available.

2.3 Default interest

The Chargor covenants with the Security Trustee to pay interest on any amounts due under clause 2.1 (Covenant to Pay) from day to day until full discharge (whether before or after judgment, liquidation, winding-up or administration of that Chargor) at the rate and in the manner specified in clauses 8.18 to

8.21 (Default Interest) of the Facilities Agreement, provided that, in the case of any Expense, such interest shall accrue and be payable as from the date on which the relevant Expense arose without the necessity for any demand being made for payment.

3. NATURE OF SECURITY

3.1 Nature of security

All Security and dispositions created or made by or pursuant to this Deed are created or made in favour of the Security Trustee (as trustee for the Secured Parties) with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994, save that the covenants set out in section 2(1)(a), section 3 and section 4 of that Act shall extend to the Chargor without, in each case, the benefit of section 6(2) of that Act, as security for the discharge of the Secured Liabilities.

3.2 Qualifying floating charge

- (a) Paragraph 14 of schedule B1 to the Insolvency Act 1986 applies to any floating charge created by or pursuant to this Deed.
- (b) Each floating charge created by this Deed is a qualifying floating charge for the purposes of the Insolvency Act 1986.

4. GRANT OF SECURITY

4.1 Charges

The Chargor charges and agrees to charge in favour of the Security Trustee (as trustee for the Secured Parties):

- (a) by way of first legal mortgage all the Chargor's present and future right, title and interest in or to the Property;
- (b) by way of first fixed charge:
 - (i) all licences to enter upon or use land and the benefit of all other agreements relating to land;
 - (ii) the proceeds of sale of the Property; and
 - (iii) the benefit of any rental deposit given or charged to the Chargor by any occupier of the Property;
- (c) by way of first fixed charge (insofar as not mortgaged by clause 4.1(a) or charged by clause 4.1(b)):
 - (i) all present and future rents and other sums due to the Chargor under any Lease;
 - (ii) all plant and machinery and the benefit of all contracts, licences and warranties relating to the same; and
- (d) by way of floating charge all moveable plant, machinery, implements, utensils, furniture and equipment now or from time to time placed on or used in or upon the Property and the benefit of all licences, contracts and warranties in connection with the same.

4.2 Security assignments

- (a) The Chargor assigns and agrees to assign absolutely (subject to a proviso for reassignment on redemption) all of its present and future right, title and interest in and to:
 - (i) (to the extent not mortgaged or charged by clause 4.1 (*Charges*)) all present and future rents and other sums due to the Chargor under any Lease;
 - (ii) all insurance policies relating to the Property; claims under those insurance policies and all proceeds of those claims under the insurance policies;
 - (iii) all present and future book debts and other debts, royalties, fees, VAT and monetary claims and all other amounts at any time recoverable or receivable by the Chargor or due or owing to it in respect of the Property (whether actual or contingent and whether arising under contract or in any other manner whatsoever);
 - (iv) the benefit of all rights, guarantees, Security Interests and remedies relating to any of the foregoing; and
 - (v) all proceeds of any of the foregoing not otherwise assigned under this clause 4.2.
- (b) To the extent that any right referred to in clause 4.2(a) is not assignable, the assignment which that clause purports to effect shall operate as an assignment of all the Chargor's present and future rights and claims to any proceeds of such rights.

4.3 Notice of Security

- (a) The Chargor must give notice of the grant of the Security to:
 - (i) each tenant under a Lease;
 - (ii) each insurer under any insurance policy in which it has an interest,and it shall use its reasonable endeavours to procure that the recipient of each notice acknowledges it in writing. The obligations of the Chargor to serve notice on any tenant under a Lease and to use reasonable endeavours to procure that such tenant acknowledges such notice in writing shall, where that tenant is another Obligor, be satisfied where such notice and acknowledgement are deemed to be given pursuant to the terms of the Debenture.
- (b) A notice pursuant to clause 4.3(a) must be given:
 - (i) promptly in respect of each Lease and insurance policy in existence at the date of this Deed; and
 - (ii) promptly after the entry into a new Lease or insurance policy after the date of this Deed.

4.4 Preservation of assets

Neither the Security Trustee nor any other Secured Party is obliged to take any steps necessary to preserve any of the Chargor's assets, to enforce any term of any contract or to make any enquiries as to the nature or sufficiency of any payment received by it pursuant to this Deed.

4.5 Conversion of floating charge

- (a) The Security Trustee may, by written notice to the Chargor, convert the floating charge created under this Deed into a fixed charge as regards all or any of the Chargor's assets specified in the notice.
- (b) The floating charge created under this Deed shall not convert into a fixed charge solely by reason of a moratorium being obtained in respect of the Chargor under the Insolvency Act 2000 (or anything done with a view to obtaining such a moratorium).
- (c) The floating charge created under this Deed shall (in addition to the circumstances in which the same will occur under general law) automatically convert into a fixed charge:
 - (i) in relation to any asset which is subject to a floating charge if:
 - (A) the Chargor creates or attempts or purports to create any Security on or over the relevant asset save to the extent that such action is expressly permitted by the terms of the Facilities Agreement; or
 - (B) any third party levies or attempts to levy any distress, execution, attachment or other legal process against any such asset; and
 - (ii) over all the Chargor's assets which are subject to a floating charge if a resolution is passed or an order is made for the winding up, dissolution, administration or re-organisation of the Chargor an administrator under the Insolvency Act 1986 is appointed in respect of the Chargor or the Security Trustee or any other Secured Party receives notice of intention to appoint such an administrator.
- (d) The giving of a notice by the Security Trustee pursuant to clause 4.5(a) in relation to any class of the Chargor's assets shall not be construed as a waiver or abandonment of the rights of the Security Trustee to serve similar notices in respect of any other class of assets or of any other right of the Security Trustee.

5. REPRESENTATIONS

5.1 General

The Chargor makes the representations and warranties set out in this clause 5 (*Representations*) to the Security Trustee on the date of this Deed and on each day the Secured Liabilities are outstanding.

5.2 Status

If the Chargor is a limited liability corporation duly incorporated and validly existing under the law of its jurisdiction of incorporation. The Chargor has the power to own its assets and carry on its business as it is being conducted.

5.3 Binding obligations

- (a) The Chargor's obligations in this Deed are legal, valid, binding and enforceable obligations.

- (b) The Security Interests which this Deed purports to create are valid and effective and are not liable to be avoided or otherwise set aside on the Chargor's bankruptcy, liquidation, death or administration.

5.4 Non-conflict with other obligations

The entry into and performance by the Chargor of its obligations under this Deed and the granting of the Security do not and will not conflict with:

- (a) any law or regulation applicable to it;
- (b) its constitutional documents; or
- (c) any agreement or instrument binding upon the Chargor or any of its assets or constitute a default or termination event (however described) under any such agreement or instrument.

5.5 Power and authority

- (a) The Chargor has the power to enter into, perform and deliver, and have taken all necessary action to authorise its entry into, performance and delivery of, this Deed and the grant of the Security.
- (b) No limit on the Chargor's powers will be exceeded as a result of the grant of the Security.

5.6 Validity and admissibility in evidence

All authorisations, consents, approvals, resolutions, licences, exemptions, filings, notarisations and registrations required or desirable to enable the Chargor lawfully to enter into, and comply with its obligations under this Deed and to grant the Security have been obtained or effected and are in full force and effect.

5.7 Solvency

As at the date of this Deed the Chargor is able to meet its debts as they fall due and is not deemed unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986.

5.8 Environmental Laws

- (a) In relation to the Property the Chargor is complying with any applicable law or regulation which relates to:
 - (i) the pollution or protection of the environment;
 - (ii) the conditions of the workplace; or
 - (iii) the generation, handling, storage, use, release or spillage of any substance which, alone or in combination with any other, is capable of causing harm to the environment, including, any waste.
- (b) The Chargor is not aware of any claim which has been commenced or is threatened against it in respect of any breach or alleged breach of any such laws or regulations, so far as they relate to the Property.

- (c) So far as the Chargor is aware no dangerous substance has been used, disposed of, generated, stored, dumped, released, deposited, buried or emitted at, on, from or under the Property.

5.9 Security

- (a) No Security Interest exists over the Security Assets other than as permitted by this Deed.
- (b) The Security has or will have first ranking priority and it is not subject to any prior ranking or *pari passu* ranking Security Interest.
- (c) The Chargor has a good and marketable title to and is the sole legal and beneficial owner of the Security Assets.

5.10 Centre of main interest and establishments

For the purposes of The Council of the European Union Regulation No. 1346/2000 on Insolvency Proceedings (the **Regulation**), the Chargor's "*centre of main interest*" (as that term is used in Article 3(1) of the Regulation) is situated in England and Wales and it has no "*establishment*" (as that term is used in Article 2(h) of the Regulation) in any other jurisdiction.

6. GENERAL UNDERTAKINGS

6.1 Negative pledge

The Chargor shall not create or permit to subsist any Security Interest over the Security Assets without the consent of the Security Trustee.

6.2 No disposals

Unless the Security Trustee consents, the Chargor shall not make any disposal of any Security Assets even if the disposal is involuntary.

6.3 Covenants and payments

The Chargor must:

- (a) observe and perform all covenants and other obligations and matters (whether or not contained in any agreement or other document) from time to time affecting any of the Security Assets or their use or enjoyment and on the Security Trustee's reasonable request produce evidence to satisfy the Security Trustee that the Chargor is complying with this obligation;
- (b) promptly inform the Security Trustee if it becomes aware of any steps taken or proceedings commenced by any person with a view to obtaining forfeiture of or determining any lease, underlease, tenancy or licence comprised in the Security Assets;
- (c) not permit any breach of any bye-laws, other laws and regulations affecting any of the Security Assets; and
- (d) pay or procure the payment of all rents, rates, taxes, charges, assessments, impositions and other outgoings of any kind which are from time to time payable (whether by the owner or the occupier) in respect of any of the Security Assets.

6.4 Enforcement of rights

The Chargor must:

- (a) use its best endeavours to ensure prompt observance and performance of the terms of each lease under which it holds the Property by the lessor; and
- (b) use its best endeavours to enforce any rights and institute, continue or defend any proceedings relating to any of the Security Assets which the Security Trustee may require from time to time,

in each case at the Chargor's cost.

7. INSURANCE UNDERTAKINGS

7.1 Maintenance of insurance

- (a) The Chargor must ensure that at all times it benefits from insurance against third party and public liability risks and the Property is insured against:

- (i) loss or damage by fire, storm, tempest, flood, earthquake, lightning, explosion, impact, aircraft (other than hostile aircraft) and other aerial devices and articles dropped from them, riot, terrorism, civil commotion and malicious damage, bursting or overflowing of water tanks, apparatus or pipes, subsidence; and
- (ii) such other risks and contingencies as are insured in accordance with sound commercial practice or which the Security Trustee may direct from time to time,

to the full reinstatement value thereof with adequate provision also being made for:

- (A) the cost of clearing the site and architects', engineers', surveyors' and other professional fees incidental thereto (together with provision for future inflation); and
- (B) the loss of rents or prospective rents for a period of not less than three years or such other period as the Security Trustee may direct and having regard to any potential increases in rent as a result of reviews.

- (b) The Chargor must ensure at all times that all insurance policies:
 - (i) contain a mortgagee clause whereby such insurance policy will not be vitiated or avoided as against a mortgagee or security holder in the event of or as a result of any misrepresentation, act or neglect or failure to make disclosure on the part of the insured party;
 - (ii) contain a "*tenant's clause*" in the following or similar terms:

"the insurance hereby effected shall not be prejudiced by any act or omission unknown to or beyond the control of the insured on the part of any tenant occupying or using the premises, provided that the insured immediately on becoming aware thereof shall give notice to the insurers and pay an additional premium if required";

- (iii) contain terms providing that it will not be invalidated so far as the Security Trustee is concerned for failure to pay any premium due without the insurer first giving to the Security Trustee not less than 28 days' written notice;
 - (iv) contain terms providing that the Security Trustee shall have no duty of disclosure to the insurance company or underwriters and have no liability to pay any unpaid premium;
 - (v) are in an amount and form acceptable to the Security Trustee; and
 - (vi) are with an insurance company or underwriters acceptable to the Security Trustee.
- (c) If the Security Trustee requests the Chargor must promptly provide:
 - (i) a copy or sufficient extract of each insurance policy;
 - (ii) each premium receipt or other evidence of payment of premiums; and
 - (iii) any other information in connection with the insurance policies.
- (d) If the Security Trustee considers that the amount insured, or the risks covered, by any insurance policy are inadequate, the Chargor must increase the amount insured by it and/or require the category of risks covered by it to be amended to such extent and in such manner as the Security Trustee may consider appropriate.
- (e) The Chargor must:
 - (i) ensure all premiums and other monies payable under each insurance policy are paid punctually;
 - (ii) ensure that all things necessary to keep all the insurance policies in force are done promptly; and
 - (iii) notify the Security Trustee of premiums paid, renewals made, material variations and cancellations of insurance policies made or, to the knowledge of the insured, threatened or pending.
- (f) The Chargor must not allow anything to be done which may make any insurance policy void or voidable.
- (g) The Chargor must at all times ensure that each insurance policy names the Security Trustee as a co-insured and first loss payee in respect of any monies paid out in excess of £10,000.
- (h) If the Chargor does not comply the Security Trustee may (without any obligation to do so) effect or renew any such insurance policy either in its own name, or together with the Chargor in such sum and on such terms as which the Security Trustee may reasonably think expedient and all monies expended by the Security Trustee will be deemed to be properly paid by the relevant person and shall be reimbursed by the Chargor on demand.

7.2 Application of insurance monies

The Chargor must apply sums received under any insurance policy as follows:

- (a) if the Chargor is required by a Lease to apply the sums in a particular way then it must do so;
- (b) otherwise the Chargor must either:
 - (i) apply the sums towards making good the loss or damage to which they relate; or
 - (ii) apply the sums towards the discharge of the Secured Liabilities.

8. PROPERTY UNDERTAKINGS

8.1 Property management

The Chargor must diligently manage or procure the management of the Property in accordance with the principles of good estate management and promptly notify the Security Trustee of any material default by any lessee or other occupier of the Property.

8.2 Leases

In addition to the restrictions in clause 6.2 (*No disposals*) the Chargor must not:

- (a) grant any Lease;
- (b) accept any surrender of a Lease;
- (c) terminate (whether by forfeiture or otherwise) any Lease;
- (d) vary any terms of a Lease; or
- (e) waive any rights it has under any Lease,

without the Security Trustee's prior consent and may not enter into any agreement to do so.

8.3 Works

The Chargor must ensure that no person:

- (a) demolishes any buildings or erections on the Property;
- (b) makes any structural alteration to the Property; or
- (c) removes any fixtures from the Property;

without the prior consent of the Security Trustee.

8.4 Repair

The Chargor must:

- (a) ensure all buildings and erections from time to time upon the Property and all fittings, plant and machinery on the Property are in good and substantial repair;
- (b) when necessary replace, or procure the replacement of, the same with items of similar quality and value.

8.5 Pay outgoings

The Chargor must ensure all rates, rents, outgoings and other sums payable out of or in respect of the Property are promptly paid.

8.6 Development of Property

Without the prior consent of the Security Trustee, the Chargor shall not:

- (a) carry out or permit to be carried out any development on the Property for which planning permission is required;
- (b) make (or permit others to make) any application for planning permission relating to the Property;
- (c) implement any planning permission relating to the Property.

8.7 Registration at the Land Registry

- (a) The Chargor must do all things to facilitate the registration of this Deed against any relevant title registered at the Land Registry.
- (b) The Chargor consents to an application being made by the Security Trustee to the Land Registrar for the following restriction to be registered against its title to the Property in the following terms:

"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 2014, in favour of HSBC Bank Plc referred to in the charges register".

- (c) The Chargor must not permit any other person to be registered at the Land Registry as proprietor of the Property; and
- (d) The Chargor must not create or permit to arise any interest which falls within any of the paragraphs of schedule 3 of the Land Registration Act 2002 or any interest preserved by the transitional provisions of schedule 12 of the Land Registration Act 2002 to the extent and for so long as any interest is so preserved in or over the Property.

8.8 Title documents

The Chargor must deposit with the Security Trustee promptly all title documents, planning and statutory consents from time to time relating to the Security Assets.

8.9 Notices received

The Chargor shall:

- (a) provide to the Security Trustee a copy of any notice or order (or any proposal for a notice or order) given, issued or made by any local or other authority relating to any of the Security Assets;
- (b) take all necessary steps to comply with that notice, order or proposal; and
- (c) make or join in making any representations which the Security Trustee requests in respect of that notice, order or proposal.

8.10 Compensation

Any compensation received as a result of a notice, order or proposal must be held on trust for the Security Trustee (as trustee for the Secured Parties), and promptly paid to the Security Trustee who shall apply the sums needed in discharge of the Secured Liabilities as it thinks fit.

8.11 Negotiations with local or other authority

The Chargor shall not conduct any negotiations or make any agreement with any local or other authority concerning the acquisition of the Property without the consent of the Security Trustee.

8.12 Entry

- (a) The Security Trustee (and anyone authorised by the Security Trustee) may enter the Property to verify that the Chargor has performed all of its obligations under this Deed and to carry out any works.
- (b) Subject to clause 8.12(d) the right to enter shall be exercised within normal working hours upon reasonable notice and may be made with or without workmen, plant and materials.
- (c) Exercise of the right of entry shall not cause the Security Trustee or any person authorised by it to be liable as a mortgagee in possession.
- (d) The right to entry may be made at any time without notice in the case of emergency.

9. FURTHER ASSURANCE

The Chargor shall at its own expense ensure any documents are executed and any acts and things are done which the Security Trustee or a Receiver may reasonably require from time to time for:

- (a) giving effect to, perfecting or protecting the Security;
- (b) facilitating the realisation of any Security Asset;
- (c) facilitating the exercise of all powers, authorities and discretions vested in the Security Trustee or in any Receiver; or
- (d) perfecting any Security over any assets acquired by the Chargor after the date of this Deed.

10. ENFORCEMENT

10.1 Remedying defaults

The Security Trustee or a Receiver may (but is not obliged to) take any action to remedy a failure by the Chargor to observe and perform the provisions of this Deed at the Chargor's cost.

10.2 Timing of enforcement

- (a) The security constituted by this Deed shall:
 - (i) become immediately enforceable; and
 - (ii) the power of sale and other powers conferred by section 101 of the Law of Property Act 1925, as varied or extended by this Deed, shall be immediately exercisable,

upon and at any time after the occurrence of an Event of Default.

- (b) For the purposes of all powers implied by the Law of Property Act 1925, such powers shall arise (and the Secured Liabilities shall be deemed to have become due and payable for that purpose) on the date of this Deed.
- (c) Neither section 93 nor section 103 of the Law of Property Act 1925 shall apply to this Deed.
- (d) The statutory powers of leasing conferred on the Security Trustee are extended so as to authorise the Security Trustee and any Receiver at any time after the security constituted by this Deed has become enforceable to make any lease or agreement for lease, accept surrenders of leases and/or grant options on such terms as it or he shall think fit, without the need to comply with any restrictions imposed by Sections 99 and 100 of the Law of Property Act 1925.

10.3 Powers of the Security Trustee

- (a) At any time after the Security becomes enforceable or if requested by the Chargor, the Security Trustee may without further notice (unless required by law):
 - (i) in its absolute discretion enforce all or any part of that security at the times, in the manner and on the terms it thinks fit and take possession of and hold or dispose of all or any part of the Security Assets;
 - (ii) appoint free from the restrictions imposed by section 109(1) of the Law of Property Act 1925 either under seal or in writing under its hand any one or more persons to be a receiver of the whole or any part or parts of the Security Assets in like manner in every respect as if the Security Trustee had become entitled under the Law of Property Act 1925 to exercise the power of sale conferred under the Law of Property Act 1925; and/or
 - (iii) appoint any person (or persons) to be a receiver and manager or administrative receiver of all or any part of the Security Assets and/or of the income of the Security Assets; and/or
 - (iv) appoint or apply for the appointment of any person as the Chargor's administrator (if the Chargor is a company); and/or
 - (v) exercise all or any of the powers conferred on mortgagees by the Law of Property Act 1925 (as amended or extended by this Deed) and/or all or any of the powers which are conferred by this Deed on a Receiver, in each case without first appointing a Receiver or notwithstanding the appointment of any Receiver.
- (b) The Security Trustee is not entitled to appoint a Receiver in respect of any Security Assets which are subject to Security which (as created) was a floating charge solely by reason of a moratorium being obtained under the Insolvency Act 2000 or anything done with a view to obtaining such a moratorium.

10.4 No liability

Neither the Security Trustee nor any Receiver shall be liable as a mortgagee in possession or otherwise to account in relation to the Security Assets for any loss on realisation or for any other default or omission. No exercise of the right in clause 10.1 (*Remedying defaults*) shall render the Security Trustee or a Receiver a mortgagee in possession.

11. RECEIVER

11.1 Removal and replacement

The Security Trustee may from time to time remove any Receiver appointed by it (subject, in the case of an administrative receivership, to section 45 of the Insolvency Act 1986) and, whenever it may deem appropriate, may appoint a new Receiver in the place of any Receiver whose appointment has terminated.

11.2 Multiple Receivers

If at any time there is more than one Receiver of all or any part of the Security Assets and/or the income of the Security Assets, each Receiver shall have power to act individually (unless otherwise stated in the appointment document).

11.3 Remuneration

Any Receiver shall be entitled to remuneration for his services at a rate to be fixed by agreement between him and the Security Trustee (or, failing such agreement, to be fixed by the Security Trustee).

11.4 Payment by Receiver

Only monies actually paid by a Receiver to a Finance Party in relation to the Secured Liabilities shall be capable of being applied by that Finance Party in discharge of the Secured Liabilities.

11.5 Chargor's agent

Any Receiver shall be the Chargor's agent and the Chargor shall (subject to the Companies Act 2006 and the Insolvency Act 1986) be solely responsible for his acts and defaults and for the payment of his remuneration. The Security Trustee shall not incur any liability (either to the Chargor or to any other person) by reason of the appointment of a Receiver or for any other reason.

12. POWERS OF RECEIVER

12.1 General powers

Any Receiver shall have:

- (a) all the powers which are conferred by the Law of Property Act 1925 on mortgagees in possession and receivers appointed under that Act;
- (b) (whether or not he is an administrative receiver) all the powers which are listed in schedule 1 of the Insolvency Act 1986; and
- (c) all powers which are conferred by any other law conferring power on receivers.

12.2 Additional powers

In addition to the powers referred to in clause 12.1 (*General powers*), a Receiver shall have the following powers:

- (a) to take possession of, collect and get in all or any part of the Security Assets and/or income in respect of which he was appointed;
- (b) to manage the Security Assets as he thinks fit;
- (c) to redeem any Security Interest and to borrow or raise any money and secure the payment of any money in priority to the Secured Liabilities for the purpose of the exercise of his powers and/or defraying any costs or liabilities incurred by him in such exercise;
- (d) to enter into, terminate or vary any Hedging Agreement;
- (e) to sell or concur in selling, leasing or otherwise disposing of all or any part of the Security Assets in respect of which he was appointed without the need to observe the restrictions imposed by section 103 of the Law of Property Act 1925, and, without limitation:
 - (i) fixtures may be severed and sold separately from the Property containing them, without the Chargor's consent;
 - (ii) the consideration for any such transaction may consist of cash, debentures or other obligations, shares, stock or other valuable consideration (and the amount of such consideration may be dependent upon profit or turnover or be determined by a third party); and
 - (iii) any such consideration may be payable in a lump sum or by instalments spread over such period as he thinks fit;
- (f) to alter, improve, develop, complete, construct, modify, refurbish or repair any building or land and to abandon, complete or undertake or concur in the completion or undertaking (with or without modification) of any project in which the Chargor was concerned or interested before his appointment (being a project for the alteration, improvement, development, completion, construction, modification, refurbishment or repair of any building or land);
- (g) to carry out any sale, lease or other disposal of all or any part of the Security Assets by conveying, transferring, assigning or leasing the same in the Chargor's name and, for that purpose, to enter into covenants and other contractual obligations in the Chargor's name and so as to bind it;
- (h) to take any such proceedings in the Chargor's name as he shall think fit in respect of the Security Assets and/or income in respect of which he was appointed (including proceedings for recovery of rent or other monies in arrears at the date of his appointment);
- (i) to enter into or make any such agreement, arrangement or compromise as he shall think fit;
- (j) to insure, and to renew any insurances in respect of, the Security Assets as he shall think fit (or as the Security Trustee shall direct);

- (k) to appoint and employ such managers, officers and workmen and engage such professional advisers as he shall think fit (including, without prejudice to the generality of the foregoing power, to employ any firm, partner, company or other entity with which he is associated);
- (l) to form one or more subsidiaries of the Chargor and to transfer to any such subsidiary all or any part of the Security Assets;
- (m) to operate any rent review clause in any Lease or lease under which the Property is held in respect of which he was appointed and to apply for any new or extended lease; and
- (n) to:
 - (i) give valid receipts for all monies and to do all such other things as may seem to him to be incidental or conducive to any other power vested in him or necessary or desirable for the realisation of any Security Asset;
 - (ii) exercise in relation to each Security Asset all such powers and rights as he would be capable of exercising if he were the absolute beneficial owner of the Security Assets; and
 - (iii) use the Chargor's name for any of the above purposes.

12.3 Limitation

- (a) The Security Trustee may in the instrument by which a Receiver is appointed limit the powers of the Receiver.
- (b) The Receiver shall be under no duty to the Chargor to exercise any power he may have and shall not incur any liability to the Chargor either by virtue of the exercise of such powers or by virtue of a failure to exercise such powers.

13. APPROPRIATION OF RECEIPTS

13.1 Application

- (a) Subject to clause 29.2 (*Prospective Liabilities*) of the Facilities Agreement, all moneys received or recovered by the Security Trustee or any Receiver pursuant to this Deed, after the security constituted by this Deed has become enforceable, shall be held by the Security Trustee on trust to apply them at any time as the Security Trustee (in its discretion) sees fit to the extent permitted by law in the following order (but without prejudice to the right of the Security Trustee to recover any shortfall from the Chargor):
 - (i) in discharging any sums owing to the Security Trustee or any Receiver;
 - (ii) in or towards payment of all costs and expenses incurred by the Agent or any Secured Party in connection with any realisation or enforcement of the Transaction Security taken in accordance with the terms of this Agreement; and
 - (iii) in or towards payment of all other Secured Liabilities or such part of them as is then due and payable to the Finance Parties in accordance with the order of application set out in clauses 32.8 and 32.10 (*Partial Payments*) of the Facilities Agreement.

- (b) Clause **Error! Reference source not found.** overrides any appropriation made by the Chargor.

13.2 Suspense account

Any monies received by the Security Trustee or any other Finance Party or any Receiver may be placed in an interest bearing suspense or securities realised account and kept there for so long as that Security Trustee, Finance Party or Receiver considers prudent.

14. SET-OFF

- (a) The Security Trustee (as trustee for the Secured Parties) and/or any other Finance Party may (but shall not be obliged to) set off any obligation which is due and payable by the Chargor and unpaid or any contingent obligation from the Chargor against any obligation (whether or not matured) owed by the Security Trustee or, as the case may be, that Finance Party, to the Chargor, regardless of the place of payment, booking branch or currency of either obligation.
- (b) If either obligation is unliquidated or unascertained, the Security Trustee and/or any other Finance Party may set off in an amount estimated by it in good faith to be the amount of that obligation.

15. CURRENCY CONVERSION

For the purpose of or pending the discharge of any of the Secured Liabilities, the Security Trustee and each other Finance Party may (in its absolute discretion) convert any moneys received or recovered by it or any Receiver pursuant to this Deed or any moneys subject to application by it or any Receiver pursuant to this Deed from one currency to another and any such conversion shall be made at the Security Trustee's (or that Finance Party's) spot rate of exchange for the time being for obtaining such other currency with the first currency and the Secured Liabilities shall be discharged only to the extent of the net proceeds of such conversion realised by the Security Trustee or that Finance Party. Nothing in this Deed shall require the Security Trustee to make, or shall impose any duty of care on the Security Trustee or any other Finance Party in respect of, any such currency conversion

16. NEW ACCOUNT

- (a) If the Security Trustee (acting in its capacity as trustee for the Secured Parties or otherwise) or any other Finance Party at any time receives, or is deemed to have received, notice of any subsequent Security or other interest affecting any Security Assets (other than as permitted by the Facilities Agreement), the Security Trustee and/or any other relevant Finance Party may open a new account with the Chargor.
- (b) If the Security Trustee and/or any other Finance Party does not open a new account, it shall nevertheless be treated as if it had done so at the time when it received, or was deemed to have received, such notice. As from that time all payments made by or on behalf of the Chargor to the Security Trustee (whether in its capacity as trustee for the Secured Parties or otherwise) and/or any other Finance Party shall be credited or be treated as having been credited to the new account of that Chargor and not as having been applied in reduction of the Secured Liabilities.

17. DELEGATION AND APPOINTMENT OF ATTORNEYS

17.1 Delegation

- (a) The Security Trustee or any Receiver may delegate to any person or persons all or any of the powers, authorities and discretions which are exercisable under this Deed. A delegation may be made in any manner (including by power of attorney) in and on any terms (including power to sub-delegate) which the Security Trustee or Receiver thinks fit.
- (b) The Security Trustee or, as the case may be, Receiver shall not be liable or responsible to the Chargor for any loss or damage arising from any act, default, omission or misconduct on the part of any of its delegates or sub-delegates.

17.2 Attorneys

- (a) The Chargor, by way of security, irrevocably appoints the Security Trustee and every Receiver severally and independently to be its attorney and in its name, on its behalf and as its act and deed to execute, deliver and perfect all documents and do all things which the attorney may consider to be required, at any time after the Security constituted by this Deed has become enforceable, for:
 - (i) carrying out any obligation imposed on the Chargor by this Deed; and/or
 - (ii) enabling the Security Trustee or any Receiver to exercise, or delegate the exercise of, any of the rights, powers, authorities and discretions conferred on it or him by or pursuant to this Deed or by law (including the exercise of any right of an absolute legal or beneficial owner of the Security Assets).
- (b) The Chargor ratifies and confirms anything which any of its attorneys does in the proper and lawful exercise or purported exercise of all or any of the powers, authorities and discretions referred to in this clause 17.2 (*Attorneys*).

18. REDEMPTION OF PRIOR SECURITY INTERESTS

18.1 Redemption

The Security Trustee may at any time redeem, or procure the transfer to it of, any prior Security Interest over any Security Assets at the Chargor's cost.

18.2 Costs of redemption

All principal monies, interest, costs, charges and expenses incurred in and incidental to any redemption or transfer under clause 18.1 (*Redemption*) shall be paid by the Chargor on demand, in each case together with interest calculated in the manner referred to in clause 22 (*Indemnities*).

19. RELEASES

19.1 Releases conditional

- (a) Any release, settlement, discharge, re-assignment or arrangement in respect of the Security (in this clause 19 (*Releases*), a **release**) made by the Security Trustee or any other Secured Party on the faith of any assurance, security or payment shall be conditional on that assurance,

security or payment not being avoided, reduced, clawed back or ordered to be repaid under any law relating to liquidation, bankruptcy or insolvency.

- (b) If any avoidance, reduction, or clawback occurs or any order is made as referred to in clause 19.1(a), then the release shall have no effect and shall not prejudice the Security Trustee's right to enforce the Security in respect of the Secured Liabilities. As between the Chargor and the Security Trustee, the Security shall (notwithstanding the release) be deemed to have remained at all times in effect and held by the Security Trustee (as trustee for the Secured Parties) as security for the Secured Liabilities.

19.2 Retention

- (a) If and for so long as any assurance, security or payment as is mentioned in clause 19.1 (*Releases conditional*) remains in the reasonable opinion of the Security Trustee or any other Secured Party susceptible of being avoided, reduced, clawed back or ordered to be repaid under any law relating to liquidation, bankruptcy or insolvency, the Security Trustee may in its absolute discretion retain all or part of the Security and other rights under this Deed as security for the Secured Liabilities after they have been paid and discharged in full.
- (b) If, at any time while all or part of the Security Trustee's rights under this Deed are so retained:
 - (i) an application is made to a competent court for a winding-up or bankruptcy order to be made in respect of the Chargor;
 - (ii) steps are taken to wind the Chargor up or make the Chargor bankrupt;
 - (iii) an application is made to a competent court for an administration order to be made in respect of the Chargor;
 - (iv) a notice of intention to appoint an administrator to the Chargor is filed at court; or
 - (v) the appointment of an administrator to the Chargor takes effect,then the Security Trustee may continue to retain all or part of its rights under this Deed for any further period as the Security Trustee may determine in its absolute discretion.

20. CONTINUING SECURITY

20.1 Continuing security

The Security is continuing security and shall secure the ultimate balance of the Secured Liabilities, notwithstanding:

- (a) intermediate payment or discharge of the whole or part of the Secured Liabilities;
- (b) the Chargor's death, bankruptcy, liquidation or other incapacity or any change in its constitution, name or style;
- (c) any change in the constitution, name or style of any Secured Party, its absorption in or amalgamation with any other person or the acquisition of all or part of its undertaking by any other person; or
- (d) any other event, matter or thing.

20.2 Additional to other rights

The Security is in addition to (and shall not merge with, otherwise prejudice or affect or be prejudiced or affected by) any other remedy, guarantee, indemnity, Security Interest or other right which may be or have been created (by the Chargor or otherwise) in favour of the Security Trustee or any other Secured Party. Accordingly, the Chargor's liability under this Deed shall not be prejudiced or affected by, and this Deed may be enforced notwithstanding:

- (a) the existence or invalidity of all or any of those rights; or
- (b) at any time, the Security Trustee or any other Secured Party exchanging, releasing, varying, abstaining from perfecting or enforcing or otherwise dealing or omitting to deal with all or any of those rights.

21. THIRD PARTY PROTECTION

No purchaser, mortgagee or other person dealing with a Secured Party shall be concerned:

- (a) to enquire whether any of the Secured Liabilities have become due or payable or remain unpaid or undischarged;
- (b) whether the power which the Security Trustee or Receiver is purporting to exercise has become exercisable; or
- (c) to see to the application of any money paid to the Security Trustee or to a Receiver.

22. INDEMNITIES

The Chargor agrees to fully indemnify the Security Trustee and any Receiver (and in the case of legal costs and Expenses on a solicitor and own client basis) on demand against all liabilities, losses, claims, actions, damages, costs and Expenses incurred by, made or brought against the Security Trustee or Receiver (or any manager or agent appointed by the Security Trustee or Receiver):

- (a) as a result of the Chargor's failure to perform any of its obligations under this Deed;
- (b) in the exercise (or purported exercise) of any of the powers or other rights conferred by this Deed;
- (c) in respect of any costs, charges or Expenses incurred in connection with clause 15 (*Currency conversion*);
- (d) in respect of the redemption of any prior Security Interest over any Security Asset under clause 18 (*Redemption of prior Security Interests*);
- (e) as a result of the Chargor's breach of any current or other obligation or matter relating to the Property; or
- (f) in respect of any other matter or thing done or omitted relating to the Security Assets,

together in each case with interest at the Interest Rate calculated on a daily basis from the date it is incurred or becomes payable to the Security Trustee or the Receiver until the date of payment, whether before or after any judgment.

23. CALCULATIONS AND CERTIFICATES

Any certificate of or determination by the Security Trustee specifying the amount of the Secured Liabilities is, in the absence of manifest error, conclusive evidence against the Chargor of the matters to which it relates.

24. PARTIAL INVALIDITY

All the provisions of this Deed are severable and distinct from one another and if at any time any provision is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of any of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

25. REMEDIES AND WAIVERS

No failure to exercise nor any delay in exercising any right or remedy under this Deed against the Chargor shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise, or the exercise of any other right or remedy. The rights and remedies provided are cumulative and not exclusive of any rights or remedies provided by law.

26. AMENDMENTS AND WAIVERS

Any provision of this Deed may be amended only if the Chargor and the Security Trustee agree in writing and any breach of this Deed may be waived before or after it occurs only if the Security Trustee so agrees in writing. A waiver given or consent granted by the Security Trustee under this Deed will be effective only if given in writing and then only in the instance and for the purpose for which it is given.

27. TRANSFER AND CONFIDENTIALITY

27.1 Transfer

- (a) The Security Trustee may assign and/or transfer its rights and obligations under this Deed.
- (b) The Chargor shall not assign any of its rights or transfer any of its obligations under this Deed.

27.2 Confidentiality

The Security Trustee may disclose to:

- (a) any transferee or potential transferee;
- (b) any assignee or potential assignee;
- (c) any person with (or through) whom it enters into (or may potentially enter into), whether directly or indirectly, any sub-participation in relation to or including the Secured Liabilities;
- (d) any ratings agency;
- (e) any of the officers, directors, employees, professional advisers, auditors, partners and representatives of the persons referred to in sub-clauses 27.2(a) to 27.2(d);
- (f) any of its Affiliates and to any of its or their officers, directors, employees, professional advisers, auditors, partners and representatives; and

- (g) any person to whom information is required or requested to be disclosed by any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation,

such confidential information as the Security Trustee shall consider appropriate if any person to whom the confidential information is to be given is informed in writing of its confidential nature.

28. COUNTERPARTS

This Deed may be executed in any number of counterparts, all of which, taken together, shall constitute one and the same instrument and any party may enter into this Deed by executing a counterpart.

29. NOTICES

29.1 Communications in writing

Any communication to be made under or in connection with this Deed shall be made in writing in the English language and, unless otherwise stated, must be made by letter.

29.2 Addresses

The Security Trustee may deliver any communication, document or notice to the Chargor relating to this Deed to its registered office, to any address to which a notice under any facility relating to the Secured Liabilities might be sent or any additional address the Chargor may notify to the Security Trustee by not less than five business days' notice.

29.3 Delivery

- (a) Any communication or document made or delivered by one person to another under or in connection with this Deed will only be effective when it has been left at the relevant address or five business days after being deposited in the post, postage prepaid, in an envelope addressed to it at that address.
- (b) Any communication or document to be made or delivered to the Security Trustee will be effective only when actually received by the Security Trustee and then only if it is expressly marked for the attention of the department or officer identified with Security Trustee's signature below (or any substitute department or officer as the Security Trustee shall specify for this purpose).

30. GOVERNING LAW

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

In witness whereof the Chargor has executed this Deed as a deed the year and date appearing on the first page of it.

SCHEDULE

The Property

Registered land

Address	Administrative Area	Title number
Thirlestaine Park Care Home, Humphris Place, Off Sandford Road, Cheltenham, GL53 7GA	Cheltenham	GR372321

EXECUTION PAGE

EXECUTED AS A DEED by)
PORTHAVEN PROPERTIES)
NO. 2 LIMITED on being signed by)
a director in the presence of:)



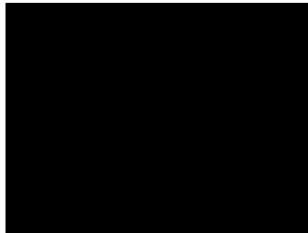
Signature of witness



Name of witness

CLIVE SNELLGROVE

Address



Occupation

THE SECURITY TRUSTEE

SIGNED for and on behalf of)

HSBC BANK plc)

EXECUTION PAGE

EXECUTED AS A DEED by)
PORTHAVEN PROPERTIES)
NO. 2 LIMITED on being signed by)
a director in the presence of:)

Signature of witness

Name of witness

Address

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Occupation

THE SECURITY TRUSTEE

SIGNED for and on behalf of)

HSBC BANK plc)

