



**Registration of a Charge**

Company name: **MARIA MALLABAND 14 LIMITED**

Company number: **08649042**



X51BQQRK

Received for Electronic Filing: **23/02/2016**

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**Details of Charge**

Date of creation: **16/02/2016**

Charge code: **0864 9042 0001**

Persons entitled: **MMCG BISLEY PROPERTY COMPANY LIMITED**

Brief description: **THE REGISTERED LEASEHOLD TITLE TO BE CREATED UNDER THE TERMS OF THE LEASE DATED 16 FEBRUARY 2016 BETWEEN (1) MMCG BISLEY PROPERTY COMPANY LIMITED AND (2) MARIA MALLABAND 14 LIMITED OUT OF ALL THOSE PREMISES KNOWN AS THE MARIA MALLABAND CARE HOME, GUIDLFORD ROAD, BISLEY, SURREY GU24 9AB AND REGISTERED AT THE LAND REGISTRY UNDER TITLE NUMBER SY373055**

**Contains fixed charge(s).**

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

**Contains negative pledge.**

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**Authentication of Form**

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

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## 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: **PINSENT MASONS LLP**



## **CERTIFICATE OF THE REGISTRATION OF A CHARGE**

Company number: 8649042

Charge code: 0864 9042 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 16th February 2016 and created by MARIA MALLABAND 14 LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 23rd February 2016 .

Given at Companies House, Cardiff on 24th February 2016

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 16 February 2015

**(1) MARIA MALLABAND 14 LIMITED**  
**(as Chargor)**

**(2) MMCG BISLEY PROPERTY COMPANY LIMITED**  
**(as the Secured Party)**

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**DEBENTURE**  
**relating to the Maria Mallaband Care Home at, Guildford Road,**  
**Bisley, Surrey GU24 9AB**

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THIS DEBENTURE is made on 16 February

2015/6

**BETWEEN:-**

- (1) **MARIA MALLABAND 14 LIMITED** (company number 8649042) whose registered office is at Westcourt, Gelderd Road, Leeds, West Yorkshire, LS12 6DB (the "**Chargor**"); and
- (2) **MMCG BISLEY PROPERTY COMPANY LIMITED** (a company registered in Jersey under number 113765) whose registered office is at Elizabeth House, 9 Castle Street, St Helier, Jersey JE2 3RT (the "**Secured Party**").

**WHEREAS**

- (A) The Chargor is now or may become from time to time indebted to the Secured Party whether as principal, surety or otherwise.
- (B) It has been agreed between the Chargor and the Secured Party and it is hereby intended that these presents inter alia shall secure such sums of money as may from time to time be owing or become due by the Chargor whether as principal or as surety to the Secured Party together with interest, costs and charges on the terms hereinafter set out.

**THIS DEED WITNESSES as follows:-**

**1. INTERPRETATION**

**1.1 Definitions**

In this Debenture:-

"Account"	means any account opened or maintained by the Chargor at any bank or financial institution;
"Accounting Period"	means the year or part of a year ending on 31 December or on such other date as may from time to time be notified by the Landlord to the Tenant;
"Accounting Policies"	means the accounting policies and accounting practices used in the preparation of the annual audited accounts of the Chargor;
"Business Day"	any day (other than a Saturday, Sunday or public holiday) on which clearing banks in the City of London are open for the transaction of normal banking business;
"Business"	means the ordinary trading activities of the Chargor in providing care to the elderly or other persons in need of residential care at the Premises;
"Capital Repayment"	means such sum as shall result in the Principal Rent being reduced and which may become payable in accordance with Clause 3.4 hereto
"Charged Property"	means all the assets and undertaking of the Chargor which from time to time are, or purport to be, the subject of the security created in favour of the Secured Party by or pursuant to this Debenture;
"Chargor's Accountants"	means the accountants of the Chargor from time to time;
"Distributable Earnings"	means the earnings of the Chargor after deduction of (i) all liabilities relating to the Business expended in the normal course of business; but before payment of dividends;

<b>"Distribution"</b>	means the distribution by the Chargor of Distributable Earnings;
<b>"EBITDARM Secondary Test Date"</b>	means the date 24 months from the date hereof;
<b>"EBITDARM Statement"</b>	means the EBITDARM statement as prepared and agreed in accordance with Schedule 2;
<b>"EBITDARM Test"</b>	<p>means:-</p> <ul style="list-style-type: none"> <li>(i) on the Initial Test Date the annual EBITDARM projection for the 12 months ahead;</li> <li>(ii) on each Test Date thereafter up to and including the EBITDARM Secondary Test Date, the actual EBITDARM for the period commencing on the Initial Test Date and expiring on that Test Date together with the EBITDARM projection for the period from that Test Date and expiring on the EBITDARM Secondary Test Date; and</li> <li>(iii) on each subsequent Test Date the actual EBITDARM for the immediately preceding 12 months;</li> </ul> <p>shall (in each case) be at least 1.6 times the annual Principal Rent</p>
<b>"EBITDARM"</b>	means in respect of the Premises, the profits from the Business before making any deduction or adjustment for interest or other finance charges, taxation, depreciation, amortisation, rent or allocation of head office costs
<b>"Enforcement Action"</b>	<p>means:-</p> <ul style="list-style-type: none"> <li>(a) the acceleration of any Secured Liabilities or any declaration that any Secured Liabilities are prematurely due and payable or payable on demand;</li> <li>(b) the taking of any steps to enforce or require the enforcement of this Debenture (including the crystallisation of any floating charge);</li> <li>(c) the making of any demand against the Chargor in relation to any guarantee, indemnity or other assurance against loss in respect of any Secured Liabilities;</li> <li>(d) the exercise of any right of set-off against the Chargor in respect of any Secured Liabilities excluding any right of set off under a netting arrangement with the Chargor's clearing bank;</li> <li>(e) the suing for, commencing or joining of any legal or arbitration proceedings against the Chargor to recover any Secured Liabilities; or</li> <li>(f) the petitioning, applying or voting for, or the taking of any steps which may lead to any administration, winding-up, insolvency or dissolution of or in relation to the Chargor ;</li> </ul>
<b>"Enforcement Date"</b>	means the date on which the Secured Party first takes Enforcement Action;

<b>"Fixed Plant and Equipment"</b>	means all plant, machinery or equipment of the Chargor of any kind which does not for any reason constitute a Fixture, but is now or at any time directly or indirectly attached by any means and for any purpose to any land or building, whether or not it is removable or intended to form part of the land or building;
<b>"Fixtures"</b>	means all things of any kind now or at any time affixed to the Land for any purpose, including, without limitation, trade and tenants fixtures;
<b>"Group"</b>	means the Chargor and each of its subsidiaries;
<b>"Initial Test Date"</b>	means the date being the earlier of achievement of the EBITDARM Test and 24 months after the date hereof
<b>"Insurances"</b>	means any policy of insurance or assurance in which the Chargor has an interest and all claims and rebates of premium under any such policy;
<b>"Intellectual Property"</b>	means any of the following in which the Chargor has an interest:- <ul style="list-style-type: none"> <li>(a) any registered intellectual property right in any territory or jurisdiction, including, without limitation, patents, trade marks, service marks, registered designs, and any similar right in any territory or jurisdiction and any applications or right to apply for any of the above;</li> <li>(b) any invention, copyright, design right or performance right;</li> <li>(c) any trade secrets, know-how and confidential information; and</li> <li>(d) the benefit of any agreement or licence for the use of any such right;</li> </ul>
<b>"Land"</b>	means any estate (including the Premises), right or interest in or over land, whether legal or equitable, and wherever the land is situated including, without limitation, any buildings and Fixtures on the Land, and the benefit of any covenants or rights owed to any person or enforceable by him by virtue of the ownership possession or occupation of land but for these purposes "Land" excludes heritable property situated in Scotland;
<b>"Lease Documents"</b>	means:- <ul style="list-style-type: none"> <li>(a) the Lease;</li> <li>(b) any document ancillary to the Lease; and</li> <li>(c) any document designated as a Lease Document by the Secured Party and the Chargor;</li> </ul>
<b>"Lease"</b>	means a lease dated the same date as this Debenture entered into between the Secured Party and the Chargor relating to the Premises;
<b>"Loose Plant and Equipment"</b>	means, in relation to the Chargor, all plant, machinery, equipment and motor vehicles now or at any time owned by the Chargor as a capital asset which is not Fixed Plant and Equipment;



<b>"LPA"</b>	means the Law of Property Act 1925;
<b>"Monetary Claims"</b>	means all book and other debts and monetary claims now or in the future owing to the Chargor (whether alone or jointly with any other person), whenever payable and whether liquidated or unliquidated, certain or contingent including, without limitation, credit balances on any Account, and together with all cheques, bills of exchange, negotiable instruments, credits and securities at any time given in relation to, or to secure payment of, any such debt;
<b>"MMCG"</b>	means Maria Mallaband Care Group Limited (Company Number 3135910) whose registered office is at Westcourt, Gelderd Road, Leeds, LS12 6DB
<b>"MMCG Holdings"</b>	means MMCG Holdings Limited (Company Number 09031660) whose registered office is at Westcourt, Gelderd Road, Leeds, LS12 6DB
<b>"MMCG Holdings' Net Assets"</b>	the net assets of MMCG Holdings as shown in the last audited consolidated accounts for that company (comprising a balance sheet and profit and loss account and the notes, reports, statements and other documents which are required by law to be annexed to the accounts and to be sent or made available to its members) filed at the Companies Registry from time to time and based on accounting standards current at the date of this Deed
<b>"MMCG Net Assets"</b>	the net assets of MMCG as shown in the last audited consolidated accounts for that company (comprising a balance sheet and profit and loss account and the notes, reports, statements and other documents which are required by law to be annexed to the accounts and to be sent or made available to its members) filed at the Companies Registry from time to time and based on accounting standards current at the date of this Deed
<b>"Notice of Charge"</b>	means a notice of charge in such form as may be specified by the Secured Party;
<b>"Premises"</b>	means the premises known as Maria Mallaband Care Home, Guildford Road, Bisley, Surrey GU24 9AB as more particularly described in the Lease;
<b>"Principal Rent"</b>	has the meaning given to it in the Lease;
<b>"Quarter Day"</b>	means has the meaning given to it in the Lease;
<b>"Receiver"</b>	means any receiver, receiver and manager or administrative receiver of the whole or any part of the Charged Property;
<b>"Related Rights"</b>	means in relation to any Charged Property: <ul style="list-style-type: none"> <li>(a) the proceeds of sale of any part of that Charged Property;</li> <li>(b) all rights under any licence, agreement for sale or agreement for lease in respect of that Charged Property;</li> <li>(c) all rights, benefits, claims, contracts, warranties, remedies, security, indemnities or covenants for title in respect of that Charged Property; and</li> <li>(d) any moneys and proceeds paid or payable in respect of</li> </ul>

that Charged Property;

<b>"Rental Income"</b>	means the Principal Rent payable by the Chargor to the Secured Party in accordance with the terms of the Lease;
<b>"Secured Liabilities"</b>	means all present and future liabilities and obligations of the Chargor to the Secured Party (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever and whether or not the Secured Party was the original creditor in respect thereof) under the Lease Documents including (without limitation) interest, commission, costs, charges and expenses charged by the Secured Party at rates agreed between it and the Chargor from time to time;
<b>"Secured Party's Accountants"</b>	means the accountants of the Secured Party from time to time;
<b>"Securities"</b>	means all the right, title and interest of the Chargor, now or in the future, in any:- <ul style="list-style-type: none"><li>(a) stocks, shares, bonds, debentures, loan stocks, or other securities issued by any person;</li><li>(b) warrants, options or other rights to subscribe, purchase or otherwise acquire any stocks, shares, bonds, debentures, loan stocks or other securities or investments issued by any person; and</li><li>(c) units or other interests in any unit trust or collective investment scheme; and</li></ul>
<b>"Security"</b>	means a mortgage, charge, pledge, lien or any other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.
<b>"Test Date"</b>	means the Initial Test Date and every Quarter Day thereafter
<b>"Working Hours"</b>	means 9:30am (London time) to 5:30am (London time) on a Business Day

## 1.2 Incorporation of terms

Unless the context otherwise requires or unless defined in this Debenture, all words and expressions defined or whose interpretation is provided for in the Lease Documents shall have the same meanings in this Debenture.

## 1.3 Interpretation

In this Debenture, unless the context otherwise requires:-

- 1.3.1 words importing the singular shall include the plural and vice versa and reference to any gender includes the other gender;
- 1.3.2 the term **"assets"** includes all property, rights and revenues whatsoever, and wheresoever, present and future;
- 1.3.3 references to a **"guarantee"** include an indemnity or any other form of surety;
- 1.3.4 a Default or an Event of Default is **"continuing"** if it has not been remedied or waived;

- 1.3.5 all references to documents include all variations and replacements of such documents and supplements to such documents;
- 1.3.6 all references to a party include references to its personal representatives, permitted assigns and transferees and its successors in title;
- 1.3.7 references to persons include bodies corporate, unincorporated associations and partnerships; and
- 1.3.8 words and phrases defined in the Companies Act 2006 have the same meanings in this Debenture but the word "**company**" includes any body corporate.

#### 1.4 **Statutes and headings**

In this Debenture:-

- 1.4.1 any reference to any statute or statutory instrument includes any enactment replacing or amending it or any instrument, order or regulation made under it and also includes any past statutory provisions (as from time to time modified or re-enacted) which such provision has directly or indirectly replaced; and
- 1.4.2 headings are for reference purposes only and shall not affect the construction of anything in this Debenture.

#### 1.5 **Clauses and Schedules**

In this Debenture references to "**Clauses**" are to the clauses or sub-clauses of this Debenture and references to the "**Schedule**" are to the schedule to this Debenture. The Schedule shall be treated as an integral part of this Debenture and references to this Debenture shall include the Schedule.

- 1.6 obligations shall not constitute a breach of any provision hereunder.

### 2. **COVENANT TO PAY**

#### 2.1 **Secured Liabilities**

The Chargor covenants that they will on demand of the Secured Party pay and discharge any or all of the Secured Liabilities when due.

#### 2.2 **Interest**

The Chargor covenants to pay interest to the Secured Party upon any sum demanded in accordance with Clause 2.1 (*Secured Liabilities*) until payment (both before and after any judgment) at three per cent above LIBOR.

### 3. **EBITDARM OBLIGATIONS AND DISTRIBUTION**

#### 3.1 The Chargor shall provide the Secured Party:-

- 3.1.1 Not less than 14 Business Days prior to the commencement of each Accounting Period with a 12 month financial forecast for the Business (the "**Annual Budget**") including details of projected income, broken down expenditure, occupancy, EBITDARM, capital expenditure, fees, resident mix, staffing information (where the EBITDARM Test has not been achieved and including but not limited to details of the staff rota and hourly rates of pay), rent cover, cash flow, monthly head office central costs and a brief analysis together with commentary on any significant variances to the previous Annual Budget; and
- 3.1.2 Not more than 20 Business Days after each Test Date management accounts for the Business for the preceding Quarter with statements of income, broken down expenditure, occupancy, EBITDARM, capital expenditure, fees, resident mix, staffing information (where the EBITDARM Test has not been achieved and including but not limited to

details of the staff rota and hourly rates of pay), rent cover, cash flow and monthly head office central costs, comparisons against the Annual Budget and a brief analysis together with commentary on any significant variances to the previous management accounts; and

- 3.1.3 Not less than 10 Business Days prior to each Test Date with a rolling 12 month forecast of EBITDARM.
- 3.2 Subject to Clause 3.5, following any Test Date the Chargor shall not make a Distribution if:
- 3.2.1 the Chargor fails the EBITDARM Test on any Test Date; or
- 3.2.2 the obligations at Clause 3.1 above have not been complied with.
- 3.3 Any restriction pursuant to Clause 3.2 shall continue until the Chargor has both (i) passed the EBITDARM Test on 2 consecutive Test Dates and (ii) there are no outstanding obligations under Clause 3.1 above.
- 3.4 [Subject to Clause 3.5, if on any Test Date the EBITDARM Test has not been achieved, the Chargor can elect and provide the Secured Party with at least 10 Business Days notice of its requirement for the Chargor to make a Capital Repayment (the "Election") PROVIDED THAT the Secured Party, at its discretion, can reject the Election prior to the expiry of the notice period set out in the Election and if it does not reject the Election within such period, consent shall be deemed to be given. If the Election is consented to or is deemed consented to such Capital Repayment is to be limited such that actual EBITDARM for the preceding 6 Quarter Days as at the Test Date does not exceed 1.8 times X (or such other higher multiple as determined by the Secured Party acting reasonably) and upon receipt in cleared funds of such Capital Repayment by the Secured Party, the Principal Rent effective from the date of payment, shall be reduced by utilising the following formula:-

$$X = A / B$$

Where: X = Revised Principal Rent

A = Average EBITDARM for the preceeding 6 Quarter Days

B = Rent cover of 1.8 x (or such other higher multiple as determined by the Secured Party acting reasonably)

For example - If the current passing EBITDARM is £950,295, then the Principle Rent is calculated as £950,295/1.8 = £527,942 per annum.

In the event that the Average EBITDARM for the preceeding 6 Quarter Days however reduces to £836,260, then the Revised Principle Rent is calculated as £836,260/1.8 = £464,589

The Capital Repayment shall be calculated as follows:-

$$X = (A-B) \times ((1/C) / (1+D))$$

Where: X = Capital Repayment

A = Principal Rent

B = Revised Principal Rent

C = unless agreed between the parties, the net initial yield (after Standard Purchasers Deductible Costs adopted by the Secured Party's retained surveyors (save in the case of manifest error) calculated as at the preceding Test Date

D = Standard Purchasers Deductible Cost of 5.8%

For example- Assuming a net initial yield of 7.5% the Capital Payment would be:-

$$\text{Capital Repayment} = (527,942 - 464,589) \times (1/0.075)/1.058 = \text{£}798,400$$

3.5 The provisions of and the obligations of the Chargor under Clauses 3.2 and 3.4 respectively shall not apply if and for so long as:-

3.5.1 either MMCG Net Assets or MMCG Holdings' Net Assets exceed £20,000,000.00; and

3.5.2 the Chargor does not fail to achieve the EBITDARM Test for 6 consecutive Test Dates.

#### 4. CHARGES

##### 4.1 Mortgages and Fixed Charges

As a continuing security for payment of the Secured Liabilities, the Chargor with full title guarantee charges to the Secured Party all its right, title and interest from time to time in each of the following assets:

4.1.1 by way of legal mortgage all Land which is described in Schedule 1 (if any) and all other Land now vested in the Chargor;

4.1.2 by way of fixed charge all other Land now vested in the Chargor (to the extent not effectively charged by 4.1.1) and all Land acquired by the Chargor after the date of this Debenture;

4.1.3 by way of fixed charge:

(a) the Securities;

(b) the Intellectual Property;

(c) the Monetary Claims;

(d) the Fixed Plant and Equipment;

(e) the Loose Plant and Equipment;

(f) the Accounts;

(g) the Insurances

(h) the Related rights under or in connection with the Securities, the Accounts, the Insurances, the Intellectual Property, the Monetary Claims, the Fixed Plant and Equipment and the Loose Plant and Equipment; and

(i) goodwill and uncalled capital.

##### 4.2 Floating Charge

4.3 As continuing security for payment of the Secured Liabilities, the Chargor with full title guarantee charges by way of floating charge the whole of the Chargor's undertaking and assets, present and future and wherever situated, which are not for any reason effectively charged (whether in law or equity) by way of fixed security by this Debenture, including, without limitation, any heritable property of the Chargor situated in Scotland.

##### 4.4 Trust

If or to the extent that for any reason the assignment or charging of any Charged Property is prohibited, the Chargor shall hold it on trust for the Secured Party.

**4.5 Qualifying floating charge**

Paragraph 14 of Schedule B1 to the Insolvency Act 1986 will apply to any floating charge created by this Debenture.

**5. CRYSTALLISATION OF FLOATING CHARGE**

**5.1 Crystallisation: By Notice**

The Secured Party may at any time by notice in writing to the Chargor convert the floating charge created by Clause 4.1 (*Floating Charge*) with immediate effect into a fixed charge as regards any property or assets specified in the notice if:-

- 5.1.1 the Enforcement Date has occurred;
- 5.1.2 the Secured Party reasonably considers that any of the Charged Property may be in jeopardy or in danger of being seized or sold pursuant to any form of legal process; or
- 5.1.3 the Secured Party reasonably considers that it is necessary in order to protect the priority of the Security created by or pursuant to this Debenture.

**5.2 Crystallisation: Automatic**

The floating charge created by Clause 4.1 (*Floating Charge*) will automatically be converted (without notice) with immediate effect into a fixed charge as regards all of the undertaking and assets subject to the floating charge if:-

- 5.2.1 the Chargor creates or attempts to create any Security (other than as permitted pursuant to the terms of the Lease Documents) over any of the Charged Property; or
- 5.2.2 any person levies or attempts to levy any distress, execution or other process against any of the Charged Property; or
- 5.2.3 any step is taken (including the presentation of a petition, the passing of a resolution or the making of an application) to appoint a liquidator, provisional liquidator, administrator or Receiver in respect of the Chargor, over all or any part of their assets, or if such person is appointed.

**5.3 Crystallisation: Moratorium where directors propose voluntary arrangement**

The floating charge created by Clause 4.1 (*Floating Charge*) may not be converted into a fixed charge solely by reason of:

- 5.3.1 the obtaining of a moratorium; or
- 5.3.2 anything done with a view to obtaining a moratorium

under Schedule A1 to the Insolvency Act 1986.

**6. PERFECTION OF SECURITY**

**6.1 Notices of Charge**

The Chargor shall, on or at any time after the Enforcement Date, deliver to the Secured Party (or procure delivery of) Notices of Charge duly executed by, or on behalf of, the Chargor:-

- 6.1.1 in respect of the Insurances, on the date of this Debenture and promptly upon purchasing any further Insurance after the date of this Debenture;
- 6.1.2 in respect of each Account, on the date of this Debenture and promptly upon the opening of any further Account after the date of this Debenture; and

6.1.3 in respect of any other asset which is the subject of a charge pursuant to Clause 4.1, promptly upon the request of the Secured Party from time to time,

and in each case shall use all reasonable endeavours to procure that each notice is acknowledged by the party to whom such Notice of Charge is addressed.

## 6.2 Delivery of Documents of Title

The Chargor shall upon the execution of this Debenture (or, if later, upon receipt or entitlement thereof), deposit with the Secured Party and the Secured Party during the continuance of this security shall be entitled to hold all deeds, certificates and other documents of title relating to Land, the Securities and the Insurances. In the case of the Securities, the Chargor shall also deliver such stock transfer forms or other instruments of transfer (stamped and executed in blank by the Chargor) as the Secured Party may request.

## 6.3 Application to the Land Registry

The Chargor and the Secured Party apply to the Land Registry for the following to be entered into on the register of the title to any Land now or in the future owned by the Chargor:

6.3.1 a restriction on the following terms:

"No disposition of the registered estate by the proprietor of the registered estate or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction is to be registered without a written consent signed by the proprietor for the time being of the charge dated *[insert date of charge]* in favour of **MMCG BISLEY PROPERTY COMPANY LIMITED** referred to the charges register, or if appropriate, signed on such proprietor's behalf by an authorised signatory of **MMCG BISLEY PROPERTY COMPANY LIMITED** (Form P).

6.3.2 a notice that the Secured Party is under an obligation to make further advances on the terms and subject to the conditions of the Lease Documents and the security created by the charge dated *[insert date]* in favour of **MMCG BISLEY PROPERTY COMPANY LIMITED** has been created for the purpose of securing such further advances.

## 7. FURTHER ASSURANCE

### 7.1 General

The Chargor shall, at its own expense, at any time when required by the Secured Party, execute and deliver to the Secured Party:-

- 7.1.1 a valid legal mortgage of any Land now or in the future owned by the Chargor;
- 7.1.2 a fixed charge over any interest, not capable of being charged by way of legal mortgage, in any Land now or in the future belonging to the Chargor;
- 7.1.3 a legal assignment or other fixed Security over all or any of the Charged Property;
- 7.1.4 where any of its assets are situated outside England and Wales, such fixed security (or such security in that jurisdiction most closely akin to fixed security) under the law of the place where the asset is situated as the Secured Party may require; and
- 7.1.5 a notice to any third party of any of the charges or assignments created by or pursuant to this Debenture;

in each case, in the Secured Party's standard form or such other form as the Secured Party may reasonably require.

## 7.2 Other acts

Without prejudice to Clause 7.1 (*General*), the Chargor shall, at their own expense, at any time when required by the Secured Party, do and concur in all acts or things as the Secured Party may deem reasonably necessary or desirable for the purpose of the creation, perfection, protection or maintenance of any of the Security intended to be created by this Debenture over all or any of the Charged Property or to facilitate the enforcement of that Security, or the exercise of any powers or discretions intended to be vested in the Secured Party or any Receiver by this Debenture.

## 8. RESTRICTIONS ON DEALING

### 8.1 Negative Pledge

The Chargor undertakes that they shall not, at any time during the subsistence of this Debenture, create or permit to subsist any Security over all or any part of the Charged Property, except as expressly permitted under the terms of the Lease Documents.

### 8.2 Disposals

The Chargor undertakes that they shall not (and shall not agree to) at any time during the subsistence of this Debenture, except as expressly permitted under the terms of the Lease Documents, sell, transfer, assign, lease or hire out, factor, discount, licence, lend, part with its interest in or otherwise dispose of any of the Charged Property or permit the same to occur, or agree to do any of the foregoing, provided that, until:-

8.2.1 the floating charge created by Clause 4.1 (*Floating Charge*) is converted into a fixed charge; or

8.2.2 the occurrence of the Enforcement Date,

the Chargor may hold, enjoy and deal with, in accordance with the Lease Documents, the Charged Property which is not at the relevant time expressed to be subject to a fixed charge or mortgage.

## 9. SECURITIES

### 9.1 Securities: After Enforcement Date

After the occurrence of the Enforcement Date, the Secured Party may at its discretion (in the name of the Chargor or otherwise and without any further consent or authority from the Chargor):-

9.1.1 exercise (or refrain from exercising) any voting rights in respect of the Securities;

9.1.2 apply all dividends, interest and other monies arising from the Securities in accordance with Clause 14 (*Application of Moneys*);

9.1.3 transfer the Securities into the name of such nominee(s) of the Secured Party as it shall require; and

9.1.4 exercise (or refrain from exercising) the powers and rights conferred on or exercisable by the legal or beneficial owner of the Securities,

in each case, in such manner and on such terms as the Secured Party may think fit, and the proceeds of any such action shall form part of the Charged Property.

### 9.2 Securities: Payment of Calls

The Chargor shall pay when due all calls or other payments which may be or become due in respect of any of the Securities which are not fully paid (unless reasonably contested), and in any case of default by the Chargor in such payment, the Secured Party may, if it reasonably thinks fit, make such payment on behalf of the Chargor in which case any sums paid by the Secured Party shall be reimbursed by the Chargor to the Secured Party on demand and shall carry interest from



the date of payment by the Secured Party until reimbursed at the rate notified to the Chargor by the Secured Party.

**9.3 Securities: Exercise of Rights**

The Chargor shall not exercise any of their respective rights and powers in relation to any of the Securities in any manner which, in the reasonable opinion of the Secured Party, would prejudice the effectiveness of, or the ability of the Secured Party to realise, the Security created by or pursuant to this Debenture.

**10. MONETARY CLAIMS**

**10.1 No dealing with Monetary Claims**

The Chargor shall not at any time during the subsistence of this Debenture, without the prior written consent of the Secured Party or as permitted pursuant to the terms of the Lease Documents, sell, factor, discount, transfer, assign, lend or otherwise dispose of any of the Monetary Claims or enter into any agreement to do any of the foregoing.

**10.2 Proceeds of Monetary Claims**

The Chargor shall get in and realise the Monetary Claims in the ordinary course of business and pay the proceeds of those Monetary Claims into an Account.

**11. DEMAND AND ENFORCEMENT**

**11.1 Enforcement**

This Debenture shall become enforceable in respect of and against the Chargor:-

11.1.1 upon any <sup>or discharge</sup> demand being made by the Secured Party under any Lease Document for payment of any of the Secured Liabilities by the Chargor; pm  
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11.1.2 upon the Chargor's failure to comply with Clauses 3.2, and 3.4 of this Debenture;

11.1.3 upon any request being made by the Chargor to the Secured Party for the appointment of a Receiver or for the Secured Party to exercise any other power or right available to it;

11.1.4 upon the occurrence of any event causing, or purporting to cause, the floating charge created by this Debenture to become fixed in relation to any Charged Property; or

11.1.5 upon the passing of any resolution, or the presentation of a petition, for winding up of the Chargor or the making of an application for an administration order in relation to the Chargor or the taking of any steps in relation to the appointment of an administrator of the Chargor.

**11.2 Demand for payment**

Any demand for payment, and any other notice to be given by the Secured Party under this Debenture, shall be in writing and may be signed by any authorised signatory on behalf of the Secured Party, and may be made or given to the Chargor at any place of business of the Chargor, or the registered office of the Chargor:-

11.2.1 by delivering it to any such place; or

11.2.2 by sending it by first class post to any such place (in which case it shall be deemed received at 10.00 am on the next Business Day after posting, and proof of posting shall be proof of delivery); or

11.2.3 by sending it by fax to any fax number of the Chargor (in which case it shall be deemed received when sent, and proof of sending shall be proof of receipt).

### **11.3 Powers on enforcement**

At any time after this Debenture has become enforceable, the Secured Party may (without prejudice to any other rights and remedies and without notice to the Chargor) do all or any of the following:-

- 11.3.1 exercise the power of sale under section 101 of the LPA together with all other powers and rights conferred on mortgagees by the LPA, as varied and extended by this Debenture, without the restrictions contained in sections 103 or 109(1) of the LPA; and
- 11.3.2 exercise the power of leasing, letting, entering into agreements for leases or lettings or accepting or agreeing to accept surrenders of leases in relation to any Charged Property, without the restrictions imposed by sections 99 and 100 of the LPA.

## **12. RECEIVERS**

### **12.1 Appointment**

At any time after this Debenture has become enforceable in respect of and against the Chargor, the Secured Party may appoint any person or persons to be a Receiver or Receivers of all or any part of the Charged Property of the Chargor charged under this Debenture or an administrator of the Chargor. An appointment over part only of such Charged Property shall not preclude the Secured Party from making any subsequent appointment over any other part of such Charged Property.

### **12.2 Appointment in writing**

The appointment of a Receiver shall be in writing, and may be signed by any authorised signatory on behalf of the Secured Party. Where more than one person is acting at any time as Receiver, they shall have power to act severally as well as jointly.

### **12.3 Remuneration**

The Secured Party may from time to time determine the remuneration of the Receiver (which shall not be subject to the limit in section 109(6) of the LPA) and may (subject to the application of section 45 of the Insolvency Act 1986) remove any person from office in relation to all or any part of the Charged Property of which he is the Receiver and at any time appoint a further or other Receiver or Receivers over all or any part of such Charged Property.

### **12.4 Powers**

The Receiver shall be the agent of the Chargor (which shall be solely liable for his acts, defaults and remuneration) unless and until the Chargor goes into liquidation from which time he shall act as principal and shall not become the agent of the Secured Party, and the Receiver shall have and be entitled to exercise the following powers in relation to the Charged Property all the powers

- 12.4.1 conferred by the LPA on mortgagees in possession and on receivers appointed under the LPA;
- 12.4.2 of an administrative receiver set out in Schedule 1 to the Insolvency Act 1986, whether or not the Receiver is an administrative receiver;
- 12.4.3 and rights that an absolute owner would have in relation to any Charged Property; and
- 12.4.4 to do all things incidental or conducive to any functions, powers, authorities or discretions conferred or vested in the Receiver.

**13. POWER OF ATTORNEY**

**13.1 Appointment**

The Chargor hereby irrevocably and by way of security appoints;

13.1.1 the Secured Party (but only after this Debenture has become enforceable in respect of and against the Chargor and whether or not a Receiver has been appointed); and also

13.1.2 (as a separate appointment) each Receiver,

severally as the attorney and attorneys of the Chargor with power to do any act, and execute and deliver any deed or other document, on behalf of and in the name of the Chargor, which the Chargor could be required to do or execute under any provision of this Debenture, or which the Secured Party in its sole opinion may consider necessary or desirable for perfecting the Secured Party's title to any of the Charged Property of the Chargor or enabling the Secured Party or the Receiver to exercise any of its or his rights or powers under this Debenture.

**13.2 Ratification**

The Chargor ratifies and confirms and agrees to ratify and confirm whatever any such attorney as is mentioned in Clause 13.1 (*Appointment*) shall do or purport to do in the proper exercise or purported exercise of all or any of the powers, acts or other matters referred to in Clause 13.1 (*Appointment*).

**14. APPLICATION OF MONEYS**

**14.1 Application of moneys**

All sums received by virtue of this Debenture by the Secured Party or the Receiver shall, subject to the payment of any claim having priority to this Debenture, be paid or applied in the following order of priority:-

14.1.1 first, in or towards satisfaction of all reasonable costs, charges and expenses incurred and payments made by the Secured Party, or the Receiver (including, without limitation, legal expenses) and of the remuneration of the Receiver;

14.1.2 secondly, in or towards payment of the Secured Liabilities in such order as the Secured Party may at its discretion require; and

14.1.3 thirdly, as to the surplus (if any), to the person or persons entitled to such surplus,

and section 109(8) of the LPA shall not apply.

**15. PROTECTION OF THIRD PARTIES**

**15.1 Statutory powers**

In favour of any purchaser, the statutory powers of sale and of appointing a Receiver which are conferred upon the Secured Party, as varied and extended by this Debenture, and all other powers of the Secured Party, shall be deemed to arise (and the Secured Liabilities shall be deemed due and payable for that purpose) immediately after the execution of this Debenture.

**15.2 Purchasers**

No purchaser from or other person dealing with the Secured Party, any person to whom it has delegated any of its powers, or the Receiver shall be concerned to enquire whether any of the powers which they have exercised has arisen or become exercisable, or whether the Secured Liabilities remain outstanding or whether any event has happened to authorise the Receiver to act or as to the propriety or validity of the exercise of any such power, and the title and position of a purchaser or such person shall not be impeachable by reference to any of those matters.

**15.3 Receipts**

The receipt of the Secured Party or the Receiver shall be an absolute and conclusive discharge to a purchaser or any other person dealing with the Secured Party.

**16. PROTECTION OF THE SECURED PARTY AND ANY RECEIVER**

**16.1 No liability**

The Secured Party and any Receiver shall not be liable in respect of any loss or damage which arises out of the exercise, or attempted or purported exercise of, or the failure to exercise any of their respective powers under this Debenture.

**16.2 Not mortgagee in possession**

Without prejudice to any other provision of this Debenture, entry into possession of any Charged Property shall not render the Secured Party or the Receiver liable:

16.2.1 to account as mortgagee in possession;

16.2.2 for any loss on realisation; or

16.2.3 for any default or omission for which a mortgagee in possession might be liable,

and if and whenever the Secured Party or the Receiver enters into possession of any Charged Property it shall be entitled at any time it or he thinks fit to go out of such possession.

**16.3 Indemnity**

The Chargor shall indemnify and keep indemnified the Secured Party, every Receiver, and any person who acts as the servant, agent, delegate or attorney of any of them, against all claims, costs, expenses and liabilities which they may suffer or incur arising in any way out of the taking or holding of this Debenture, the exercise or purported exercise of any right, power, authority or discretion given by it, or any other act or omission in relation to this Debenture or the Charged Property.

**16.4 Currency protection**

If any amount due to be paid to the Secured Party is, for any reason, paid in a currency (the "currency of payment") other than the currency in which it was expressed to be payable (the "contractual currency"), the Secured Party may wherever it thinks fit apply the amount of the currency of payment received by it in the purchase, in accordance with its normal practice, of the contractual currency, and if this results in any shortfall below the amount due in the contractual currency, after deducting all taxes, costs and commissions payable in connection with that purchase, the Chargor shall indemnify the Secured Party against the amount of the shortfall.

**16.5 Continuing protection**

The provisions of this Clause 16 shall continue in full force and effect notwithstanding any release or discharge of this Debenture, or the discharge of any Receiver from office.

**17. PROVISIONS RELATING TO THE SECURED PARTY**

**17.1 Powers and discretions**

The rights, powers and discretions given to the Secured Party in this Debenture:-

17.1.1 may be exercised as often as, and in such manner as, the Secured Party thinks fit;

17.1.2 are cumulative, and are not exclusive of any of its rights under the general law; and

17.1.3 may only be waived in writing and specifically, and any delay in exercising, or non-exercise of, any right, is not a waiver of it.

## 17.2 Certificates

A certificate by an authorised officer of the Secured Party as to any sums payable to the Secured Party under this Debenture shall (save in the case of manifest error) be conclusive and binding upon the Chargor for all purposes.

## 17.3 Assignment

The Secured Party may assign this Debenture to any successor in title to any of the Secured Liabilities and the Secured Party may disclose any information in its possession relating to the Chargor, its affairs or the Secured Liabilities to any actual or prospective assignee.

## 17.4 Delegation

The Secured Party may at any time and from time to time delegate by power of attorney or in any other manner to any person or persons all or any of the rights, powers and discretions which are for the time being exercisable by it under this Debenture.

## 18. PRESERVATION OF SECURITY

### 18.1 Continuing Security

This Debenture shall be a continuing security to the Secured Party until the sooner of:

18.1.1 the lawful assignment of the Lease by the Chargor;

18.1.2 the Termination Date (as defined in the Lease); and

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~~18.1.3 delivery of a duly executed deed of guarantee, to guarantee the Tenant's obligations under the Lease and addressed to the Secured Party, to include the provisions set out in Schedule 2 of the Lease, by a third party which has not met or exceeded the Asset Requirement (as such term is defined in the Lease);~~

whereupon the Secured Party shall immediately enter in to all discharges required by the Chargor to release the security created by this Debenture PROVIDED THAT if on the Termination Date there are outstanding Secured Liabilities the Secured Party shall not be obliged to release the Chargor from the security created by this Debenture until the Chargor has fully discharged such Secured Liabilities

### 18.2 No Merger

This Debenture is in addition to, without prejudice to, and shall not merge with, any other right, remedy, guarantee or Security which the Secured Party may at any time hold for any other Secured Liabilities.

### 18.3 Waiver of Defences

Neither the Security created by this Debenture nor the obligations of the Chargor under this Debenture will be affected by an act, omission, matter or thing which, but for this Clause, would reduce, release or prejudice that Security or any of those obligations (whether or not known to it or the Secured Party) including:-

18.3.1 any time, waiver or consent granted to, or composition with, the Chargor or other person;

18.3.2 the release of the Chargor or any other person under the terms of any composition or arrangement with any person;

- 18.3.3 the taking, variation, compromise, exchange, renewal, enforcement or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or Security over, assets of the Chargor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any Security;
- 18.3.4 any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of the Chargor or any other person;
- 18.3.5 any amendment (however fundamental), replacement, variation, novation, assignment or the avoidance or termination of a Lease Document or any other document or Security;
- 18.3.6 any unenforceability, illegality or invalidity of any obligation of, or any Security created by, any person under any Lease Document or any other document; or
- 18.3.7 an insolvency, liquidation, administration or similar procedure.

#### **18.4 Order of Recourse**

This Debenture may be enforced against the Chargor without the Secured Party first having recourse to any other right, remedy, guarantee or Security held by or available to any of them.

#### **18.5 Suspense Accounts**

The Secured Party may, without prejudice to any other rights it may have, at any time and from time to time place (and keep for such time as it may think prudent) any moneys received, recovered or realised under or by virtue of this Debenture on a separate or suspense account to the credit either of the Chargor or, at the sole discretion of the Secured Party if an Event of Default has occurred and is continuing, of the Secured Party as the Secured Party shall think fit without any intermediate obligation on the Secured Party's part to apply the same or any part of it in or towards the discharge of the Secured Liabilities.

#### **18.6 New Accounts**

If the Secured Party receives notice of any subsequent charge or other security interest affecting any of the Charged Property, the Secured Party shall be entitled to close the Chargor's then current account or accounts and to open a new account or accounts for the Chargor. If the Secured Party does not open a new account or accounts immediately on receipt of such notice it shall nevertheless be treated as if it had done so at the time when it received such notice, and as from that time all payments made for the credit of the Chargor shall be credited or be treated as having been credited to such new account or accounts and shall not operate to reduce the amount due from the Chargor to the Secured Party at the time when it received such notice.

#### **18.7 Tacking**

For the purposes of section 94(1) of the LPA and Section 49(3) of the Land Registration Act 2002 the Secured Party confirms that it shall make further advances to the Chargor on the terms and subject to the conditions of the Lease Documents.

#### **18.8 Reinstatement**

If any payment by the Chargor or discharge given by the Secured Party (whether in respect of the obligations of the Chargor or any Security for those obligations or otherwise) is avoided or reduced as a result of insolvency, liquidation, administration or any similar event:-

- 18.8.1 the liability of the Chargor and the Security created by this Debenture shall continue as if the payment, discharge, avoidance or reduction had not occurred; and
- 18.8.2 the Secured Party shall be entitled to recover the value or amount of that Security or payment from the Chargor, as if the payment, discharge, avoidance or reduction had not occurred.

19. **RELEASE**

19.1 Upon the irrevocable and unconditional payment and discharge in full of the Secured Liabilities, the Secured Party shall, or shall procure that its appointees will, at the request and cost of the Chargor:-

19.1.1 release the Charged Property from this Debenture; and

19.1.2 re-assign the Charged Property that has been assigned to the Secured Party under this Debenture.

19.2 Section 93 of the LPA dealing with the consolidation of mortgages shall not apply to this Debenture.

20. **MISCELLANEOUS PROVISIONS**

20.1 **Severability**

If any provision of this Debenture is illegal, invalid or unenforceable in any jurisdiction, that shall not affect:-

20.1.1 the validity or enforceability of any other provision, in any jurisdiction; or

20.1.2 the validity or enforceability of that particular provision, in any other jurisdiction.

20.2 **Indemnity**

The Chargor shall indemnify and keep indemnified the Secured Party, every Receiver, and any person who acts as the servant, agent, delegate or attorney of any of them, against all claims, costs, expenses and liabilities which they may suffer or incur arising in any way out of the taking or holding of this Debenture, the exercise or purported exercise of any right, power, authority or discretion given by it, or any other act or omission in relation to this Debenture or the Charged Property.

20.3 **Costs, charges and expenses**

All reasonable costs, charges and expenses incurred or paid by the Secured Party or by the Receiver in the exercise of any power or right given by this Debenture or in relation to any consent requested by the Chargor, or in perfecting or otherwise in connection with this Debenture, the other Lease Documents or the Charged Property, all sums recoverable under Clause 16 (*Protection of the Secured Party and any Receiver*) and all costs of the Secured Party (on an indemnity basis) of all proceedings for the enforcement of this Debenture or for obtaining payment of moneys by this Debenture secured, shall be recoverable from the Chargor as debts and shall bear interest until payment at the rate of two per cent.

20.4 **Contracts (Rights of Third Parties) Act 1999**

The Secured Party, any Receiver and their respective officers, employees and agents may enforce any term of this Debenture which purports to confer a benefit on that person, but no other person who is not a party to this Debenture has any right under the Contracts (Rights of Third Parties) Act 1999 (the "**Third Parties Act**") to enforce or to enjoy the benefit of any term of this Debenture.

20.5 **Counterparts**

This Debenture may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Debenture.

## **21. NOTICES**

### **21.1 Communications in Writing**

Each communication to be made under or in connection with this Debenture shall be made in writing and, unless otherwise stated, shall be made by fax or letter.

### **21.2 Addresses**

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) for any communication or document to be made or delivered under or in connection with this Debenture is:

21.2.1 in the case of each Chargor, that identified with its name below; or

21.2.2 in the case of the Secured Party, that identified with its name below,

or any substitute address, fax number, or department or officer as the Chargor may notify to the Secured Party (or the Secured Party may notify to the Chargor, if a change is made by the Secured Party) by not less than five Business Days' notice.

### **21.3 Delivery**

21.3.1 Any communication or document made or delivered by one person to another under or in connection with this Debenture will only be effective:

(a) if by way of fax, when received in legible form; or

(b) if by way of letter, 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,

and, if a particular department or officer is specified as part of its address details provided under Clause 21.2 (*Addresses*) of this Debentures if addressed to that department or officer.

21.3.2 Any communication or document to be made or delivered to the Secured Party will be effective only when actually received by the Secured Party and then only if it is expressly marked for the attention of the department or officer identified with the Secured Party's signature below (or any substitute department or officer as the Secured Party shall specify for this purpose).

### **21.4 English language**

21.4.1 Any notice given under or in connection with this Debenture must be in English.

21.4.2 All other documents provided under or in connection with this Debenture must be:

(a) in English; or

(b) if not in English, and if so required by the Secured Party or Agent, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

## **22. GOVERNING LAW**

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

## **23. GOOD FAITH**



Each party shall at all times act diligently and in good faith in its dealings with the other and in relation to this Deed.

**EXECUTED AND DELIVERED AS A DEED** by the Chargor and executed by the Secured Party on the date set out at the beginning of this Debenture.

## **SCHEDULE 1**

### **DETAILS OF LAND**

#### **REGISTERED LAND**

The registered leasehold title to be created under the terms of the Lease out of all those premises known as Maria Mallaband Care Home, Guildford Road, Bisley, Surrey GU24 9AB and registered at the Land Registry under Title Number SY373055.

## SCHEDULE 2

### EBITDARM TESTING

1. The Chargor shall prepare an EBITDARM Statement on each Test Date, which shall be substantially in the form set out at Part 2 of this Schedule 2 which shall be delivered to the Secured Party. In preparing the EBITDARM Statement the Secured Party shall provide the Chargor with a reconciliation between the amounts set out in the EBITDARM Statement and the amounts set out for the same matters in the consolidated audited accounts of the Chargor.
2. The EBITDARM Statement shall be prepared using and with reference to the Accounting Policies.
3. If (subject to the Secured Party receiving such access, information and explanations as they reasonably require in accordance with Clause 4 below) the Secured Party within the period of five (5) days after delivery of the draft EBITDARM Statement, in accordance with Clause 1 of this Schedule notifies the Chargor in writing (an "Objection Notice") that the Secured Party is not prepared to accept that the draft EBITDARM Statement has been prepared in accordance with this Debenture:-
  - 3.1 the Secured Party shall set out in detail in their Objection Notice their reasons for such non-acceptance and specify the adjustments which, in the Secured Party's opinion, should be made to the draft EBITDARM Statement(s), in order to comply with the requirements of this Debenture; and
  - 3.2 the Secured Party and the Chargor shall use all reasonable endeavours (in conjunction with the Secured Party's Accountants and the Chargor's Accountants) (i) to meet and discuss the objections of the Secured Party contained in the Objection Notice and (ii) to reach agreement upon the adjustments (if any) required to be made to the draft EBITDARM Statement, within a period of four (4) days after receipt of the Objection Notice under this Clause 3.2 of this Schedule 2;
  - 3.3 the Chargor shall give the Secured Party and the Secured Party's Accountants reasonable access at reasonable times during Working Hours to all books and records, accounts and other financial information in its possession relating to Maria Mallaband 12 Limited, including access to management and explanations, to the extent that such is reasonably necessary for the purposes of considering the draft EBITDARM Statement or preparing or dealing with a case referred to the Independent Firm pursuant to Clause 5 of this Schedule 2 until the EBITDARM Statement has been agreed or otherwise determined.
4. If the Secured Party is satisfied with the final draft EBITDARM Statement (either as originally submitted or after adjustments agreed between the Chargor and the Secured Party pursuant to Clause 3.2 of this Schedule 2) or if, subject to Clause 3.1 of this Schedule 2, the Secured Party fails to serve a valid Objection Notice on the Chargor within the five (5) day period referred to in Clause 3.1, then the final draft EBITDARM Statement (incorporating any agreed adjustments) shall constitute the EBITDARM Statement for the purposes of this Debenture.
5. If the Chargor and the Secured Party do not reach agreement within four (4) days of the Secured Party's Objection Notice under Clause 3.2, then:-
  - 5.1 in respect of the draft EBITDARM Statement, the parties shall draw up a list of items that have been raised in an Objection Notice and which are in dispute and follow the procedures and timetable for appointing an Independent Firm set out in Clause 5.2 of this Schedule 2. For the avoidance of doubt (subject to Clauses 5.1, 5.2 and 6 of this Schedule 2):-
    - 5.1.1 once the list of items in dispute has been agreed between the parties no further items may be raised as items in dispute and the amounts in dispute shall not be amended unless such amendment is the result of an agreement between the parties in respect of the disputed item; and

- 5.1.2 any review of the draft EBITDARM Statement shall not include any items not included in the Objection Notice served within five (5) days after delivery of the draft EBITDARM Statement; and
- 5.2 in respect of the draft EBITDARM Statement the matters in dispute may be referred on the application of either the Chargor or the Secured Party, for determination by such independent firm of chartered accountants of international standing as shall be agreed by the Secured Party and the Chargor or, failing agreement within four (4) days, appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales on the application of either the Chargor or the Secured Party (the "**Independent Firm**"). The Secured Party and the Chargor shall use all reasonable endeavours to agree with the Independent Firm the precise terms of reference to apply to its role hereunder as soon as reasonably practicable following a referral to the Independent Firm. The following general terms of reference shall apply in any event:-
- 5.2.1 the Secured Party and Chargor shall each prepare a written statement within three (3) days of the formal appointment of the Independent Firm on the matters in dispute which (together with the relevant documents) shall be submitted to the Independent Firm for determination. Subject to Clause 5.2.3 of this Schedule 2, the matters in dispute shall be limited to the matters specified in the Chargor's Objection Notice as required by Clause 3 of this Schedule 2;
- 5.2.2 at the same time as the Secured Party and Chargor submit their respective written statements to the Independent Firm for determination, each shall deliver to the other a copy of their submission (with all relevant supporting documents);
- 5.2.3 following delivery of their respective submissions, the Secured Party and Chargor shall have the opportunity to comment once only on the other party's submissions by written comment delivered to the Independent Firm not later than three (3) days after the written statement was first submitted to the Independent Firm and copied to the other party pursuant to Clauses 5.2.1 and 5.2.2 of this Schedule 2;
- 5.2.4 any response to a subsequent request by the Independent Firm for information from either the Secured Party or Chargor shall be copied to the other parties at the same time as it is delivered to the Independent Firm and, unless otherwise directed by the Independent Firm, the party receiving a copy of the information may, within three (3) days after receipt of such information, comment once only on the specific information contained in the response to the Independent Firm's subsequent request, and that party shall deliver a copy of such comment to the party who provided the information at the same time as it is delivered to the Independent Firm. Thereafter, neither the Chargor nor the Secured Party nor their respective accountants shall be entitled to make further statements or submissions except insofar as the Independent Firm so requests (in which case it shall, on each occasion, give the other parties (unless otherwise directed) three (3) days to respond to any statements or submissions so made);
- 5.2.5 in giving its determination, the Independent Firm shall state what adjustments (if any) are necessary, solely for the purposes of this Agreement, to the final draft EBITDARM Statement in respect of the matters in dispute in order to comply with the requirements of this Debenture and to determine finally the EBITDARM Statement;
- 5.2.6 the Independent Firm shall determine what assumptions it considers to be reasonable and realistic in the preparation and determination of the EBITDARM Statement;
- 5.2.7 the Independent Firm shall determine (using its own legal advice as appropriate) any question of the legal interpretation of this Debenture but only insofar as it is relevant to the determination of the EBITDARM Statement;

- 5.2.8 the Independent Firm shall act as an expert (and not as an arbitrator) in making any such determination which shall (save in the case of clear or manifest error) be final and binding on the parties;
- 5.2.9 save in the case of clear or manifest error on the part of the Independent Firm the parties expressly waive, to the extent permitted by law, any rights of recourse to the courts they may otherwise have to challenge the Independent Firm's determination, including any determination under Clauses 5.2.7 or 5.2.8 of this Schedule 2; and
- 5.2.10 the Secured Party and the Chargor shall each be responsible for their own costs in connection with the preparation and review of the EBITDARM Statement. The Independent Firm shall determine how the fees and expenses of the Independent Firm shall be borne.

- 6. The Secured Party shall not be deemed to have agreed to the draft EBITDARM Statement nor shall Clauses 5.1.1 and 5.1.2 nor the last sentence of Clause 5.2.1 of this Schedule 2 apply, if the failure of the Secured Party to notify an Objection Notice complying with the provisions of this Agreement is caused by a material breach by the Chargor of its obligations pursuant to Clause 5 of this Schedule 2.

**The Chargor**

EXECUTED (but not delivered until )  
the date hereof) **AS A DEED** by )  
**MARIA MALLABAND 14 LIMITED** acting )  
by:-

Director

Director/Secretary

**The Secured Party**

EXECUTED as a deed on behalf of )  
**MMCG BISLEY** )  
**PROPERTY COMPANY LIMITED** a company )  
Incorporated in Jersey, by **JTC DIRECTORS** )  
**LIMITED**, a director of the company )  
being a person who, in accordance with )  
the laws of that territory is acting under )  
the authority of the company in the presence of:- )

Witness signature

Witness Name:

Address:

Occupation:

.....  
Authorized Signatory of JTC Directors Limited

.....  
Print Name

11/11/11

11/11/11

**The Chargor**

EXECUTED (but not delivered until )  
the date hereof) AS A DEED by )  
MARIA MALLABAND 14 LIMITED acting )  
by:-

IN THE PRESENCE OF A  
WITNESS:

Director

WITNESS SIGNATURE:

~~Director/Secretary~~

NAME & ADDRESS:

JAMES CAMP  
Cumberland Court  
80 Mansel St  
Nottingham  
NG1 6HH



