



Registration of a Charge

Company name: **PEEL REAL ESTATE (PROPERTIES) LIMITED**

Company number: **05776761**



X750KJ96

Received for Electronic Filing: **01/05/2018**

Details of Charge

Date of creation: **30/04/2018**

Charge code: **0577 6761 0015**

Persons entitled: **THE ROYAL BANK OF SCOTLAND PLC**

Brief description: **LEASEHOLD LAND AND BUILDINGS KNOWN AS KRISPY KREME SITE,
BARTON DOCK ROAD, TRAFFORD PARK - TITLE NUMBER MAN81313
LEASEHOLD LAND AND BUILDINGS KNOWN AS PHASE IV STOCKPORT
RETAIL PARK BEING LAND AND BUILDINGS ON THE SOUTH SIDE OF ST
MARY'S WAY, PORTWOOD - TITLE NUMBER GM719597**

Contains fixed 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:

SQUIRE PATTON BOGGS (UK) LLP



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 5776761

Charge code: 0577 6761 0015

The Registrar of Companies for England and Wales hereby certifies that a charge dated 30th April 2018 and created by PEEL REAL ESTATE (PROPERTIES) LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 1st May 2018 .

Given at Companies House, Cardiff on 3rd May 2018

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

**ENGROSSMENT
VERSION**

DATED 30 April 2018

PEEL REAL ESTATE (PROPERTIES) LIMITED (1)
as the Charging Company

and

THE ROYAL BANK OF SCOTLAND PLC (2)
as Security Agent

SUPPLEMENTAL LEGAL MORTGAGE

SQUIRE PATTON BOGGS (UK) LLP
No 1 Spinningfields
1 Hardman Square
Manchester
M3 3E
United Kingdom
DX 14347 Manchester 1

O +44 161 830 5000
F +44 161 830 5001

Reference CAS3/ROY.292-0976

014-4043-6712/2/EUROPE

CONTENTS

1	DEFINITIONS AND INTERPRETATION	1
2	COVENANTS TO PAY	5
3	GRANT OF SECURITY	5
4	NO OTHER SECURITY INTERESTS OR DISPOSALS.....	6
5	COVENANTS RELATING TO INSURANCES	7
6	COVENANTS RELATING TO THE PROPERTIES.....	7
7	COVENANTS RELATING TO THE EQUIPMENT.....	10
8	PRESERVATION OF CHARGED ASSETS.....	10
9	POWER TO REMEDY.....	10
10	REPRESENTATIONS AND WARRANTIES	11
11	ENFORCEMENT.....	11
12	ADMINISTRATOR OR RECEIVER	12
13	POWERS OF ADMINISTRATOR AND RECEIVER.....	13
14	APPLICATION OF PROCEEDS.....	16
15	INDEMNITY.....	16
16	POWERS OF THE SECURITY AGENT	16
17	POWER OF ATTORNEY; CONFIRMATION	17
18	INDEPENDENT AND CONTINUING SECURITY	18
19	FURTHER ASSURANCE	19
20	INDULGENCE.....	19
21	COSTS.....	19
22	NEW ACCOUNTS; SET-OFF.....	19
23	MISCELLANEOUS.....	20
24	DEMANDS AND NOTICES	20
25	RIGHTS CUMULATIVE.....	22
26	CONSOLIDATION.....	22

27	NO SET-OFF.....	22
28	SMALL COMPANY MORATORIUM	22
29	ASSIGNMENT AND TRANSFER	22
30	DISCLOSURE	23
31	SEVERABILITY	23
32	RELEASE.....	23
33	GOVERNING LAW.....	23
34	COUNTERPARTS.....	23
	SCHEDULE 1 PROPERTIES.....	25
	SCHEDULE 2 PART I FORM OF NOTICE TO INSURERS	26
	PART II FORM OF ACKNOWLEDGEMENT FROM INSURERS	27

DATE OF SUPPLEMENTAL LEGAL MORTGAGE

30 April

2018

PARTIES

- (1) **PEEL REAL ESTATE (PROPERTIES) LIMITED** a company incorporated in England and Wales (registered number 05776761) whose registered office is at Peel Dome, Intu Trafford Centre, Traffordcity, Manchester M17 8PL (the "**Charging Company**"); and
- (2) **THE ROYAL BANK OF SCOTLAND PLC** acting through its office at 1 Spinningfields Square, Manchester M3 3AP as agent and trustee for the Beneficiaries (as defined below) (the "**Security Agent**").

OPERATIVE PROVISIONS

IT IS AGREED THAT:

1 DEFINITIONS AND INTERPRETATION

Unless otherwise provided in this Deed, terms defined in the Facility Agreement shall have the same meaning where used in this Deed.

1.1 Definitions

In this Deed, unless the context otherwise requires:

"Administrator" shall bear the meaning in Clause 12.1(a);

"Beneficiaries" means the Security Agent and each Finance Party;

"Charged Assets" means all the assets for the time being subject to the Security Interests created by this Deed (and references to the Charged Assets include references to any part of it);

"Enforcement Date" means the date on which the Agent gives notice to the Company under clause 24.17 (*Acceleration*) of the Facility Agreement;

"Equipment" means all equipment, plant, machinery, tools, vehicles, furniture and other tangible moveable property now or at any time hereafter (and from time to time) owned by the Charging Company, and any part thereof, together with all spare parts, replacements, modifications and additions thereto and the benefit of all contracts and warranties relating to the same;

"Facility Agreement" means the agreement dated 28 November 2014 and made between, among others, Peel Holdings (Leisure) Limited (now Peel Holdings (Real Estate) Limited) as Company, Peel Leisure (Properties) Limited (now Peel Real Estate (Properties) Limited) as Original Borrower and The Royal Bank of Scotland plc (as Arranger, Original Lender, Hedge Counterparty, the Agent and the Security Agent) as subsequently amended and/or restated;

"Insurance Policies" means all contracts and policies of insurance or assurance (including any insurance relating to the Properties or the Equipment) and all moneys payable under or pursuant to such policies and all rights and interests in such contracts and policies including the right to the refund of any premium, in each case, now or at any time hereafter (and from time to time) owned or taken out by the Charging Company or in which the Charging Company has an interest excluding in each case insurance policies maintained for the benefit of or payable to third parties;

"Properties" means all estates or interests in any freehold and leasehold properties (whether registered or unregistered) and all commonhold or other immoveable properties now or at any time hereafter (and from time to time) owned by the Charging Company wheresoever situate and all buildings, structures and fixtures and the proceeds of sale of all or any part thereof (including the properties which are briefly described in Schedule 1 (*Properties*));

"Property Interests" means all interests in or over the Properties and all rights, licences, guarantees, rents, deposits, contracts, covenants and warranties relating to the Properties, in each case, now or at any time hereafter (and from time to time) owned or held by the Charging Company;

"Receiver" shall bear the meaning in Clause 12.1(b);

"Secured Liabilities" means all present and future moneys, obligations and liabilities owed by the Obligors to the Beneficiaries, whether actual or contingent and whether owed jointly or severally, as principal or surety and/or in any other capacity whatsoever under or in connection with the Finance Documents and (for the avoidance of doubt) such monies, obligations and liabilities include all those which may arise pursuant to Clause 18.3(b); and

"Security Period" means the period starting on the date of this Deed and ending on the date on which the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full.

1.2 Construction

- (a) In this Deed (unless the context requires otherwise) any reference to:
- (i) the Charging Company, each Beneficiary or any other person shall be construed so as to include their successors in title, permitted assigns and permitted transferees;
 - (ii) **"assets"** includes present and future properties, revenues and rights of every description;
 - (iii) an **"amendment"** includes a supplement, restatement, variation, novation or re-enactment (and "amended" is to be construed accordingly);
 - (iv) an **"authorisation"** includes an authorisation, consent, licence, approval, resolution, exemption, filing, registration and notarisation;
 - (v) a Finance Document or any other agreement or instrument is a reference to that Finance Document or other agreement or instrument

as amended from time to time with the agreement of the relevant parties and (where such consent is, by the terms of this Deed or the relevant document, required to be obtained as a condition to such amendment being permitted) the prior consent of the Security Agent;

- (vi) **"including"** means **"including without limitation"**;
 - (vii) **"indebtedness"** includes any obligation for the payment or repayment of money, whether as principal or as surety and whether present or future, actual or contingent;
 - (viii) **"owned"** includes having legal or equitable title to or a right to have legal or equitable title transferred;
 - (ix) a **"person"** includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust or partnership (whether or not having separate legal personality) or two or more of the foregoing;
 - (x) a **"regulation"** includes any regulation, rule, official directive, request, guideline or concession (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
 - (xi) a **"law"** includes a reference to the common law, any statute, bye-law, regulation or instrument and any kind of subordinate legislation, and any order, requirement, code of practice, circular, guidance note, licence, consent or permission made or given pursuant to any of the foregoing;
 - (xii) a provision of law is a reference to that provision as amended or re-enacted from time to time;
 - (xiii) a time of day is a reference to London time;
 - (xiv) any gender includes a reference to the other genders;
 - (xv) the singular includes a reference to the plural and vice versa; and
 - (xvi) a Clause or Schedule is to a Clause or Schedule (as the case may be) of or to this Deed.
- (b) Clause and Schedule headings are for case of reference only.

1.3 Clawback

If the Security Agent considers (acting reasonably) that an amount paid by an Obligor in respect of the Secured Liabilities is capable of being avoided or otherwise set aside on the liquidation or administration of such Obligor or otherwise, then that amount shall not be considered to have been irrevocably paid for the purposes of this Deed.

1.4 Nature of security over real property

A reference in this Deed to any freehold, leasehold or commonhold property includes:

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

1.5 Section 2(1) Law of Property (Miscellaneous Provisions) Act 1989

The terms of the Finance Documents and of any side letters between any parties in relation to the Finance Documents are incorporated in this Deed to the extent required to ensure that any purported disposition of the Charged Assets contained in this Deed is a valid disposition in accordance with Section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

1.6 Third party rights

Save as expressly provided to the contrary in a Finance Document, third party (being any person other than the Charging Company, the Guarantor and the Beneficiaries and their permitted successors and assigns) has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Deed.

1.7 Perpetuity period

The perpetuity period applicable to all trusts declared by this Deed shall be 125 years.

1.8 Trustee Act 2000

The Charging Company and the Security Agent agree that the Security Agent shall not be subject to the duty of care imposed on the trustees by the Trustee Act 2000.

1.9 Enterprise Act 2002

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

1.10 Secured Liabilities

References in this Deed to the Secured Liabilities shall be construed in relation to the Finance Documents so as to include (i) any increase or reduction in any amount made available thereunder and/or any alteration and/or addition to the purposes for which any such amount, or increased or reduced amount, may be used, (ii) any ancillary facilities provided in substitution for or in addition to the facilities originally made available thereunder, (iii) any rescheduling of the indebtedness incurred

thereunder whether in isolation or in connection with any of the foregoing and (iv) any combination of any of the foregoing.

2 COVENANTS TO PAY

2.1 Covenant to pay

The Charging Company hereby covenants with the Security Agent (as trustee for the Beneficiaries) that it will on demand pay and discharge all Secured Liabilities owing or incurred from or by it to the Beneficiaries and when the same become due whether by acceleration or otherwise, together with interest to the date of payment at such rates and upon such terms as may from time to time be agreed, commission, fees and other charges and all legal and other costs, charges and expenses, on a full and unqualified indemnity basis, which may be incurred by the Beneficiaries in relation to any such Secured Liabilities or generally in respect of the Charging Company.

2.2 Statement of account

Any statement of account of the Charging Company, signed as correct by the Security Agent showing the amount of the Secured Liabilities of the Charging Company shall, in the absence of manifest error, be binding and conclusive.

2.3 Further advances

This Deed secures further advances made under or pursuant to the terms of the Finance Documents and the Lenders are, subject to and upon the terms and conditions of the Finance Documents, under an obligation to make further advances.

3 GRANT OF SECURITY

3.1 Charging clause

As a continuing security for the payment or discharge of the Secured Liabilities, the Charging Company with full title guarantee hereby:

- (a) charges to the Security Agent (as trustee for the Beneficiaries), by way of first legal mortgage, all its Properties which are listed in Schedule 1 (*Properties*);
- (b) charges to the Security Agent (as trustee for the Beneficiaries), by way of first fixed charge, all its:
 - (i) Property Interests; and
 - (ii) Equipment;
- (c) assigns to the Security Agent (as trustee for the Beneficiaries) by way of first fixed mortgage all of its right, title and interest in and to the Insurance Policies;
- (d) assigns to the Security Agent (as trustee for the Beneficiaries) by way of first fixed mortgage all of its rights, title and interest in and to:-
 - (i) the Rental Income; and

- (ii) any guarantee of Rental Income contained in or relating to any of the Properties.

3.2 Title documents

The Charging Company shall on the execution of this Deed (or, if later, the date of acquisition of the relevant Charged Assets) deposit with the Security Agent (and the Security Agent shall during the continuance of this security be entitled to hold):

- (a) to the extent available all deeds and documents of title relating to the Charged Assets which are in its possession or control (and, if not within its possession and/or control, the Charging Company hereby undertakes to obtain possession of such deeds and documents of title); and
- (b) copies of all insurance policies relating to any of the Charged Assets to which policies it is entitled to possession.

3.3 Security notices

The Charging Company shall forthwith upon the execution of this Deed give notice in the form set out in Part I of Schedule 2 (Form of notice to insurers) to the relevant insurers of the assignment pursuant to clause 3.1(c) of its rights and interest in and under the Insurance Policies and use its reasonable endeavours to procure that each addressee of such notice will provide an acknowledgement to the Security Agent in the form set out in Part I of Schedule 2 (Form of acknowledgement from insurers).

4 NO OTHER SECURITY INTERESTS OR DISPOSALS

4.1 Negative pledge and disposal restrictions

The Charging Company hereby covenants with the Security Agent that it will not at any time, except with the prior consent of the Security Agent or in accordance with the terms of the Facility Agreement:

- (a) create or purport to create or permit to subsist any Security Interest on or in relation to the Charged Assets other than this Deed; or
- (b) sell, assign, transfer, lease, licence, share occupation of, part with possession or otherwise dispose of (or purport to sell, assign, transfer, lease, licence, share occupation of, part with possession or otherwise dispose of) all or any part of the Charged Assets or of the equity of redemption of the Charged Assets or any interest in the Charged Assets; or
- (c) create or grant (or purport to create or grant) any interest in the Charged Assets in favour of a third party.

4.2 Disposal restriction

- (a) In respect of any Property or part of or interest in any Property title to which is registered at the Land Registry the Charging Company hereby consents to the entry of the following restriction on the register of its title to such Property:

"No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the charge dated [] in favour of The Royal Bank of Scotland plc referred to in the charges register".

- (b) The Charging Company authorises the Security Agent to make any application which the Security Agent deems appropriate for the designation of this Deed, the Facility Agreement or any other Finance Document as an exempt information document under rule 136 of the Land Registration Rules 2003 and will use its reasonable endeavours to assist with any such application made by or on behalf of the Security Agent. The Charging Company will notify the Security Agent in writing as soon as it receives notice of any person's application under rule 137 of the Land Registration Rules 2003 for the disclosure of this Deed, the Facility Agreement or any other Finance Document, following its designation as an exempt information document and will not make any application under rule 138 of the Land Registration Rules 2003 for the removal of the designation of any such document as an exempt information document.

5 COVENANTS RELATING TO INSURANCES

The Charging Company hereby covenants with the Security Agent that it will:

- (a) promptly pay all premiums and do all other things necessary to keep all of the Insurance Policies in force; and
- (b) following the security constituted by this Deed becoming enforceable, pay all sums at any time payable under any of the Insurance Policies to the Security Agent (and if the same are not paid directly to the Security Agent by the insurers then the Charging Company shall be trustee of the same for the benefit of the Security Agent (as trustee for the Beneficiaries) and shall account to the Security Agent accordingly) and shall at the option of the Security Agent be applied in making good or recouping expenditure in respect of the loss or damage for which such monies are received or (but subject to Clause 16.4 (*Suspense account*)) in or towards discharge or reduction of any of the Secured Liabilities.

6 COVENANTS RELATING TO THE PROPERTIES

The Charging Company hereby covenants with the Security Agent that it will:

6.1 Maintenance and insurance

- (a) keep all buildings on each Property and all fixtures belonging to it thereon and therein in good and substantial repair and condition (to the extent that the construction of any building and any fixtures thereon have been completed) and insure and keep insured all such buildings and fixtures in accordance with the terms of the Facility Agreement;

6.2 Preservation of property, fixtures and equipment

not without the prior consent of the Security Agent and other than as permitted pursuant to the terms of the Facility Agreement or required pursuant to the terms of a

Franchise Agreement or an Occupational Lease pull down or remove the whole or any part of any buildings forming part of any Property make any alterations to any Property or sever or unfix or remove any of the fixtures thereto nor (except for the purpose of effecting necessary repairs thereto or of replacing the same with new or improved models or substitutes) remove or make any alterations to any of the Equipment thereon or therein belonging to it or in use by it and will whenever any of the said Equipment is destroyed or damaged or deteriorates forthwith repair, replace and make good the same;

6.3 Conduct of business on Properties

carry on its trade and business on such parts (if any) of the Properties as are now or may hereafter be used for the purposes of trade or business in accordance with the standards of good management from time to time current in such trade or business;

6.4 Information

within five Business Days after becoming aware thereof give full particulars to the Security Agent of any notice, order, direction, designation, resolution or proposal having specific application to any Property or to the locality in which it is situated given or made by any planning authority or other public body or authority whatsoever and (if the Security Agent so requires after consulting with the Charging Company) forthwith and at the cost of the Charging Company take all reasonable and necessary steps to comply with any such notice, order, direction, designation or resolution and make or join with the Security Agent in making such objections or representations in respect of any such proposal as the Security Agent may reasonably require;

6.5 Compliance with covenants; payment of rent

observe and perform all covenants, stipulations and conditions to which each Property or the user thereof is now or may hereafter be subjected and (if the Security Agent so requires) produce to the Security Agent evidence sufficient to satisfy the Security Agent (acting reasonably) that such covenants, stipulations and conditions have been observed and performed and (without prejudice to the generality of the foregoing) as regards any lease under which any Property or part of a Property is held duly and punctually pay all rents due or to become due thereunder and perform and observe all the covenants and conditions on the part of the tenant which are therein contained;

6.6 Maintenance of interests in Properties

not without the prior consent of the Security Agent or as otherwise permitted pursuant to the terms of the Facility Agreement grant or agree to grant any licence or tenancy affecting any Property or part of a Property nor exercise the powers of leasing or agreeing to lease or of accepting or agreeing to accept surrenders conferred by Sections 99 or 100 of the Law of Property Act 1925 nor in any other way dispose or agree to dispose of or surrender or create any legal or equitable estate or interest in any Property or any part thereof;

6.7 Registration restrictions

procure that no person shall be registered under the Land Registration Act 2002 as proprietor of any Property or any part thereof without the prior consent of the Security

Agent and the Charging Company shall be liable for the costs incurred by the Security Agent in lodging from time to time cautions against first registration of the title to any Property or any part thereof;

6.8 Development restrictions

not without the prior consent of the Security Agent or as otherwise permitted pursuant to the terms of the Facility Agreement carry out or permit or suffer to be carried out on any Property any development as defined in the Town and Country Planning Act 1990 or change or permit or suffer to be changed the user of any Property;

6.9 Environment

properly discharge all duties of care and responsibility placed upon it by Environmental Law and observe and perform all the requirements of Environmental Law both in the conduct of its general business and in the management possession or occupation of each Property and apply for and obtain all authorisations necessary to ensure that it does not breach Environmental Law;

6.10 No Restrictive Obligations

not without the prior consent of the Security Agent enter into any onerous or restrictive obligations affecting any Property or any part thereof or create or permit to arise any overriding interest or easement or right whatever in or over any Property or any part thereof;

6.11 Proprietary rights

save as permitted pursuant to the terms of the Facility Agreement, procure that no person shall become entitled to assert any proprietary or other like right or interest over any Property or any part thereof without the prior consent of the Security Agent;

6.12 Payment of property taxes

promptly pay all taxes, fees, duties, rates, charges and other outgoings in respect of the Properties and if so requested by the Security Agent produce evidence of payment to the Security Agent;

6.13 Inspection

permit the Security Agent, any Administrator and any Receiver (as each of those terms is defined in Clause 12.1 (*Appointment of Administrator or Receiver*)) and any person appointed by either of them to enter upon and inspect any Property upon reasonable prior notice and during normal business hours; and

6.14 Property information

inform the Security Agent promptly of any acquisition by it of, or contract made by it to acquire, any freehold or leasehold property or any interest therein.

7 COVENANTS RELATING TO THE EQUIPMENT

The Charging Company hereby covenants with the Security Agent as follows:

7.1 Maintenance of equipment

to maintain the Equipment in good and serviceable condition (fair wear and tear excepted) and use its best endeavours not to permit the same to be used or handled other than by persons properly qualified and trained or to be overloaded or to be used for any purpose for which the Equipment is not designed or reasonably suitable;

7.2 Payment of equipment taxes

promptly to pay all taxes, fees, licence duties, registration charges, insurance premiums and other outgoings in respect of the Equipment and within 3 Business Days of demand produce evidence thereof to the Security Agent;

7.3 Equipment information

to give the Security Agent such information concerning the location, condition, use and operation of the Equipment as the Security Agent may reasonably require and to permit any persons designated by the Security Agent at all reasonable times during normal business hours to inspect and examine the Equipment and the records maintained in connection therewith; and

7.4 Equipment insurance

at the expense of the Charging Company, procure that the Equipment shall be covered and kept covered by insurance of a kind satisfactory to the Security Agent (acting reasonably) with insurers approved by the Security Agent (such approval not to be unreasonably withheld or delayed) for full comprehensive insurance cover, which shall include but not be limited to fire, theft and accident, in an amount agreed with the Security Agent (acting reasonably), and shall if the Security Agent so requires procure that the interest of the Security Agent is noted upon all such policies of insurance or at the option of the Security Agent that such policies are issued in the joint names of the Security Agent and the Charging Company. The Charging Company shall with respect to third party liabilities maintain insurance in such amount and on such terms as is usual for users of the equipment of the same type as the Equipment.

8 PRESERVATION OF CHARGED ASSETS

The Charging Company shall not do, or permit to be done, any act or thing which will or might materially diminish the value of any of the Charged Assets or the effectiveness of the security created by this Deed.

9 POWER TO REMEDY

If the Charging Company is at any time in breach of any of its obligations contained in this Deed, the Security Agent shall be entitled (but shall not be bound) to remedy such breach and the Charging Company hereby irrevocably authorises the Security Agent and its agents to do all such things necessary or desirable in connection therewith. The Charging Company shall be liable to the Security Agent for the

expenses of the Security Agent in so doing. The rights of the Security Agent contained in this Clause 9 are without prejudice to any other rights of the Security Agent hereunder. The exercise by the Security Agent of its rights under this Clause shall not make the Security Agent liable to account as a mortgagee in possession.

10 REPRESENTATIONS AND WARRANTIES

10.1 Representations and warranties

The Charging Company represents and warrants to the Security Agent as follows:

- (a) it has not received or acknowledged notice of any adverse claim by any person in respect of the Charged Assets or any interest in it;
- (b) no facility necessary for the enjoyment and use of the Charged Assets is subject to terms entitling any person to terminate or curtail its use;
- (c) nothing has arisen or has been created or is subsisting which would be an overriding interest in any Property;
- (d) there is no prohibition on assignment in the insurances referred to in Clause 3.1(c), or the relevant clauses of them as the case may be, and the Charging Company entering into this Deed will not constitute a breach of any such insurances, agreements or authorisations; and
- (e) this Deed creates the Security it purports to create and is not liable to be amended or otherwise set aside on its liquidation or otherwise.

10.2 Repetition

The representations and warranties set out in Clause 10.1 (*Representations and warranties*) will be deemed to be repeated by the Charging Company on each day of the Security Period by reference to the facts and circumstances then existing.

10.3 Notice of breach

The Charging Company will promptly upon becoming aware of the same give the Security Agent notice in writing of any breach of any representation or warranty set out in Clause 10.1 (*Representations and warranties*).

11 ENFORCEMENT

11.1 Enforcement events

The security constituted by this Deed shall become enforceable on and after the Enforcement Date and thereupon and at any time thereafter, without prejudice to any other rights of the Security Agent, the powers of sale under the Law of Property Act 1925 and all other powers of the Security Agent shall immediately be exercisable and the Security Agent may in its absolute discretion enforce all or any part of the security created by this Deed as it sees fit.

11.2 Statutory power of sale

The statutory power of sale shall, as between the Security Agent and a purchaser from the Security Agent, arise on and be exercisable at any time after the execution of this Deed, provided that the Security Agent shall not exercise such power of sale until the security constituted by this Deed has become enforceable pursuant to Clause 11.1 (*Enforcement events*).

11.3 Extension of statutory powers

The statutory powers of sale, leasing and accepting surrenders exercisable by the Security Agent under this Deed are extended so as to authorise the Security Agent, whether in its own name or in that of the Charging Company, to grant a lease or leases of the whole or any part or parts of the freehold and leasehold property of the Charging Company with whatever rights relating to other parts of it and containing whatever covenants on the part of the Charging Company and generally on such terms and conditions (including the payment of money to a lessee or tenant on a surrender) and whether or not at a premium as the Security Agent thinks fit.

11.4 No obligation to enquire

No person dealing with the Security Agent, any Administrator or any Receiver appointed hereunder, or its agents or brokers, shall be concerned to enquire whether the security constituted by this Deed has become enforceable, or whether any power exercised or purported to be exercised has become exercisable, or whether any money remains due upon this Deed, or as to the necessity or expediency of the stipulations and conditions subject to which any sale of any Charged Assets shall be made, or otherwise as to the propriety or regularity of any sale of any of the Charged Assets, or to see to the application of any money paid to the Security Agent, such Administrator or such Receiver, or its agents or brokers, and such dealing shall be deemed to be within the powers hereby conferred and to be valid and effectual accordingly.

11.5 No liability as mortgagee in possession

None of the Security Agent, the Administrator or the Receiver shall be liable to account as mortgagee in possession in respect of all or any of the Charged Assets nor shall any of them be liable for any loss upon realisation of, or for any neglect or default of any nature whatsoever in connection with, all or any of the Charged Assets for which a mortgagee in possession might as such be liable.

12 ADMINISTRATOR OR RECEIVER

12.1 Appointment of Administrator or Receiver

At any time after the security constituted by this Deed becomes enforceable, or at the request of the Charging Company, the Security Agent may without further notice, under seal or by writing under hand of a duly authorised officer of the Security Agent:

- (a) appoint any person or persons to be an administrator of the Charging Company pursuant to the Insolvency Act 1986 (the "Administrator", which expression shall, where the context so admits, include any person substituted as administrator under the power herein contained); or

- (b) appoint any person or persons to be a receiver or a receiver and manager or (if permitted by law) an administrative receiver of all or any part of the Charged Assets of the Charging Company (the "Receiver", which expression shall, where the context so admits, include any person substituted as receiver or receiver and manager or administrative receiver under the power herein contained); and
- (c) (subject to Section 45 of the Insolvency Act 1986) from time to time remove any person appointed to be Receiver and appoint another in his place.

12.2 More than one appointment

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

12.3 Additional powers

- (a) The powers of sale and appointing an Administrator or a Receiver conferred by this Deed shall be in addition to all statutory and other powers of the Security Agent under the Insolvency Act 1986 and the Law of Property Act 1925 or otherwise and shall be exercisable without the restrictions contained in Sections 103 and 109 of that Act or otherwise.
- (b) The power to appoint an Administrator or a Receiver (whether conferred by this Deed or by statute) shall be and remain exercisable by the Security Agent notwithstanding any prior appointment in respect of all or any part of the Charged Assets.

12.4 Agent of the Charging Company

Any Administrator or Receiver shall be the agent of the Charging Company and the Charging Company shall be solely responsible for his acts and remuneration as well as for any defaults committed by him.

13 POWERS OF ADMINISTRATOR AND RECEIVER

Any Administrator or Receiver shall in addition to the powers conferred on him by the Law of Property Act 1925 and (if applicable) the Insolvency Act 1986 have power to do all such acts and things as an absolute owner could do in the management of such of the Charged Assets over which he is appointed and in particular:

13.1 Power to repair and develop the Properties

to undertake or complete any works of repair, building or development on any Property;

13.2 Power to surrender leases

to grant or to accept surrenders of any leases or tenancies affecting any Property upon such terms and subject to such conditions as he thinks fit;

13.3 Power to employ

to provide services and employ or engage such managers, contractors and other personnel and professional advisors on such terms as he deems expedient;

13.4 Power to make VAT elections

to make such elections for value added tax purposes as he thinks fit;

13.5 Power to charge for remuneration

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

13.6 Power to realise Charged Assets

to collect and get in such Charged Assets or any part thereof and for that purpose to make such demands and take any proceedings as may seem expedient and to take possession of such Charged Assets with like rights;

13.7 Power to manage

to carry on, manage, develop, reconstruct, amalgamate or diversify or concur in carrying on, managing, developing, reconstructing, amalgamating or diversifying the business of the Charging Company;

13.8 Power to dispose of Charged Assets

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

13.9 Power to sell Debts

to sell and assign all or any of the Debts in respect of which he is appointed in such manner and generally on such terms and conditions as he thinks fit;

13.10 Power to make settlements

to make any arrangement, settlement or compromise between the Charging Company and any other person which he may think expedient;

13.11 Power to improve Equipment

to make and effect such substitutions of or improvements to the Equipment as he may think expedient;

13.12 Power to make calls on company members

to make calls conditionally or unconditionally on the members of the Charging Company in respect of the uncalled capital with such and the same powers for that purpose and for the purpose of enforcing payments of any calls so made as are conferred by the Articles of Association of the Charging Company on its directors in respect of calls authorised to be made by them;

13.13 Power to appoint

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

13.14 Power to insure

if he thinks fit, but without prejudice to the indemnity contained in Clause 15 (*Indemnity*), to effect with any insurer any policy or policies of insurance either in lieu or satisfaction of or in addition to such indemnity;

13.15 Powers under statute

to exercise all powers provided for in the Law of Property Act 1925 in the same way as if he had been duly appointed thereunder and to exercise all powers provided for an administrative receiver in Schedule 1 to the Insolvency Act 1986;

13.16 Power to borrow

for any of the purposes authorised by this Clause to raise money by borrowing from the Security Agent or from any other person on the security of all or any of the Charged Assets in respect of which he is appointed upon such terms (including, if the Security Agent shall consent, terms under which such security ranks in priority to this Deed) as he shall think fit;

13.17 Power to redeem prior Security Interests

to redeem any prior Security Interest and to settle and pass the accounts to which the Security Interest relates and any accounts so settled and passed will be conclusive and binding on the Charging Company and the moneys so paid will be deemed to be an expense properly incurred by him;

13.18 Incidental powers

to do all such other acts and things as he may consider to be incidental or conducive to any of the matters or powers aforesaid or which he lawfully may or can do as agent for the Charging Company; and

13.19 Scope of powers

to exercise any of the above powers on behalf of the Charging Company or on his own behalf or in the case of the power contained in Clause 13.12 (*Power to make calls on company members*) on behalf of the directors of the Charging Company.

14 APPLICATION OF PROCEEDS

14.1 Order of application

The Receiver shall apply all monies received by him (other than insurance monies):

- (a) first in paying all rents, taxes, rates and outgoings affecting any Charged Assets;
- (b) secondly in paying all costs, charges and expenses of and incidental to his appointment and the exercise of his powers and all outgoings paid by him;
- (c) thirdly in paying his remuneration (as agreed between him and the Security Agent);
- (d) fourthly in or towards discharge of the Secured Liabilities in such order and manner as provided for in the Finance Documents; and
- (e) finally in paying any surplus to the Charging Company or any other person entitled to it.

14.2 Section 109(8) Law of Property Act 1925

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

15 INDEMNITY

The Charging Company hereby agrees to indemnify and hold harmless the Security Agent, any Administrator and any Receiver from and against all actions, claims, expenses, demands and liabilities whether arising out of contract or in tort or in any other way incurred or which may at any time be incurred by him or by any manager, agent, officer, servant or workman for whose debt, default or miscarriage he may be answerable for anything done or omitted to be done in the exercise or purported exercise of his powers under the provisions of this Deed or pursuant hereto.

16 POWERS OF THE SECURITY AGENT

16.1 Power to dispose of chattels

At any time after the security constituted by this Deed shall have become enforceable pursuant to Clause 11.1 (*Enforcement events*) the Security Agent, any Administrator or any Receiver may dispose of any chattels or produce found on any Property as agent for the Charging Company and, without prejudice to any obligation to account for the proceeds of any sale of such chattels or produce the Security Agent, the Administrator or the Receiver shall be indemnified by the Charging Company against any liability arising from such disposal

16.2 Prior Security Interests

At any time after the security constituted by this Deed shall have become enforceable pursuant to Clause 11.1 (*Enforcement events*) or after any powers conferred by any Security Interest having priority to this Deed shall have become exercisable the Security Agent may redeem such or any other prior Security Interest or procure the transfer thereof to itself and may settle and pass the accounts of the encumbrancer and any account so settled and passed shall be conclusive and binding on the Charging Company and all monies paid by the Security Agent to the encumbrancer in accordance with such accounts shall as from such payment be due from the Charging Company to the Security Agent on current account and shall bear interest and be secured as part of the Secured Liabilities.

16.3 Currencies of denomination

For the purpose of or pending the discharge of any of the Secured Liabilities the Security Agent may convert any monies received, recovered or realised by the Security Agent under this Deed (including the proceeds of any previous conversion under this Clause) from their existing currencies of denomination into such other currencies of denomination as the Security Agent may think fit and any such conversion shall be effected at the Security Agent's then prevailing spot selling rate of exchange for such other currency against the existing currency. Each previous reference in this Clause to a currency extends to funds of that currency and for the avoidance of doubt funds of one currency may be converted into different funds of the same currency.

16.4 Suspense account

All monies received recovered or realised by the Security Agent under this Deed (including the proceeds of any conversion pursuant to Clause 16.3 (*Currencies of denomination*)) may at the discretion of the Security Agent be credited to any suspense or impersonal account and shall bear interest at such rate, if any, as may be agreed in writing between the Security Agent and the Charging Company and may be held in such account for so long as the Security Agent thinks fit pending the application from time to time (as the Security Agent shall be entitled to do as it may think fit) of such monies and accrued interest thereon (if any) in or towards the discharge of any of the Secured Liabilities.

17 POWER OF ATTORNEY; CONFIRMATION

17.1 Power of attorney

The Charging Company hereby irrevocably appoints the Security Agent and (jointly and severally) each and every Administrator or Receiver of this Deed to be the attorney of the Charging Company and in its name and on its behalf and as its act and deed or otherwise to sign, execute, seal, deliver, complete any blanks in and otherwise perfect any deed, transfer, assurance, agreement, instrument or act which such Administrator or Receiver or the Security Agent may consider expedient in the exercise of any of his or its powers or in respect of the Charging Company's obligations under this Deed. The power of attorney hereby granted is to secure the performance of obligations owed to the donees within the meaning of the Powers of Attorney Act 1971.

17.2 Confirmation

The Charging Company covenants with the Security Agent and with any Administrator or Receiver that if required to do so it shall ratify and confirm:

- (a) all transactions entered into by the Security Agent and/or any Administrator or Receiver in the proper exercise of its or their powers in accordance with this Deed; and
- (b) all transactions entered into by the Security Agent and/or any Administrator or Receiver in signing, sealing, delivering and otherwise perfecting any assignment, mortgage, charge, security, document or other act.

18 INDEPENDENT AND CONTINUING SECURITY

18.1 Independent security

This Deed shall be in addition to and independent of every other security or guarantee which the Security Agent or any other Beneficiary may at any time hold for any of the Secured Liabilities and it is hereby declared that no prior security held by the Security Agent or any other Beneficiary over the whole or any part of the Charged Assets shall merge in the security created by this Deed.

18.2 Continuing security

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

18.3 Discharge conditional

Any release, discharge or settlement between the Charging Company and the Security Agent shall be deemed conditional upon no payment or security received by the Security Agent in respect of the Secured Liabilities being avoided or reduced or ordered to be refunded pursuant to any provision of any enactment relating to insolvency, bankruptcy, winding-up, administration or receivership and, notwithstanding any such release, discharge or settlement:

- (a) the Security Agent or its nominee shall be at liberty to retain this Deed and the security created by or pursuant to this Deed, including all certificates and documents relating to the Charged Assets or any part thereof, for such period as the Security Agent shall deem necessary (acting reasonably) to provide the Security Agent with security if there is a reasonable possibility (in the Security Agent's reasonable opinion) that any such avoidance or reduction or order for refund may occur; and
- (b) the Security Agent shall be entitled to recover the value or amount of such security or payment from the Charging Company subsequently as if such settlement, discharge or release had not occurred and the Charging Company agrees with the Security Agent accordingly and charges the Charged Assets and the proceeds of sale thereof with any liability under this Clause whether actual or contingent.

19 FURTHER ASSURANCE

As and when required by the Security Agent or Receiver the Charging Company in order to create, perfect or protect the Security intended to be created by this Deed, at its own cost, shall execute such further legal or other mortgages, charges, transfers or other in favour of the Security Agent (as trustee for the Beneficiaries) as the Security Agent or Receiver shall from time to time require over all or any part of the Charged Assets, or the property intended to be the subject of this Deed, further to secure the payment of the Secured Liabilities, such further mortgages, charges or transfers to be prepared at the cost of the Charging Company and to contain a power of sale and such other clauses for the benefit of the Security Agent as the Security Agent or Receiver may reasonably require and take whatever action required for the perfecting and protecting of any Security intended to be created by this Deed or facilitating the realisation of any Charged Assets or the exercise of any right, power or discretion exercisable by the Security Agent or Receiver or any of its delegates or subsidiaries in respect of any Charged Assets.

20 INDULGENCE

The Security Agent may in its discretion grant time or other indulgence or make any other arrangement, variation or release with any person or persons not party hereto (whether or not such person or persons are jointly liable with the Charging Company) in respect of any of the Secured Liabilities or of any other security therefor without prejudice either to this Deed or to the liability of the Charging Company for the Secured Liabilities.

21 COSTS

The Charging Company shall pay or reimburse to the Security Agent and any Administrator or Receiver on demand, on a full indemnity basis, all costs, charges and expenses (including legal fees) in any way incurred by the Security Agent and/or the Administrator or Receiver in relation to this Deed or the Charged Assets or in protecting, perfecting preserving or enforcing (or attempting to do so) any of the Security Agent's rights under this Deed or in suing for or recovering any of the Secured Liabilities (including, without limitation, the costs of any proceedings in relation to this Deed or the Secured Liabilities).

22 NEW ACCOUNTS; SET-OFF

22.1 New accounts

If the Security Agent receives notice of any subsequent charge or other interest affecting all or part of the Charged Assets the Security Agent may open a new account or accounts for the Charging Company in its books and (without prejudice to the Security Agent's right to combine accounts) no money paid to the credit of the Charging Company in any such new account will be appropriated towards or have the effect of discharging any part of the Secured Liabilities. If the Security Agent does not open a new account or accounts immediately on receipt of such notice then unless the Security Agent gives express notice to the contrary to the Charging Company as from the time of receipt of such notice by the Security Agent all payments made by the Charging Company to the Security Agent in the absence of any express appropriation by the Charging Company to the contrary shall be treated

as having been credited to a new account of the Charging Company and not as having been applied in reduction of the Secured Liabilities.

22.2 Security Agent set-off rights

If the Security Agent shall have more than one account for the Charging Company in its books the Security Agent may at any time after the security constituted by this Deed has become enforceable pursuant to Clause 11.1 (*Enforcement events*) or the Security Agent has received notice of any subsequent charge or other interest affecting all or any part of the Charged Assets and without prior notice in that behalf forthwith transfer all or any part of the balance standing to the credit of any such account to any other such account which may be in debit but the Security Agent shall notify the Charging Company of the transfer having been made.

23 MISCELLANEOUS

23.1 Benefit of Deed

The benefit of this Deed will be held by the Security Agent on and subject to the terms of the Finance Documents for the benefit of itself as security for the Secured Liabilities.

23.2 Certificates conclusive

A certificate by the Security Agent as to any amount for the time being due to it from the Charging Company shall be conclusive evidence of the amount so due in the absence of any manifest error.

24 DEMANDS AND NOTICES

24.1 Communications in writing

Any communication to be made under or in connection with the Finance Documents shall be made in writing and, unless otherwise stated, may be made by fax or letter.

24.2 Addresses

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each party hereto for any communication or document to be made or delivered under or in connection with the Finance Documents is:

- (a) in the case of the Charging Company to:

Peel Dome
Intu Trafford Centre, Traffordcity
Manchester M17 8PL

Fax No.: 0161 629 8330

Attention: Steven Underwood

- (b) in the case of the Security Agent to:

1 Spinningfields Square
Manchester
M3 3AP

Fax: 0161 862 4002

Tel: 0161 862 4127

Attention: Martin Skinner,

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

24.3 Delivery

- (a) Any communication or document made or delivered by one person to another under or in connection with the Finance Documents will only be effective;
 - (i) if by way of fax, when received in legible form; or
 - (ii) 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; or

and, if a particular department or officer is specified as part of its address details provided under Clause 24.2 (*Addresses*), if addressed to that department or officer.

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

24.4 English language

- (a) Any notice given under or in connection with any Finance Document must be in English.
- (b) All other documents provided under or in connection with any Finance Document must be:
 - (i) in English; or
 - (ii) if not in English, and if so required by the Security 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.

25 RIGHTS CUMULATIVE

The rights and powers which this Deed confers on the Security Agent are cumulative, may be exercised as often as the Security Agent considers appropriate, and are in addition to its rights and powers under the general law. The rights of the Security Agent (whether arising under this Deed or under the general law) shall not be capable of being waived or varied otherwise than by an express waiver or variation in writing; and, in particular, any failure to exercise or any delay in exercising any such right shall not operate as a variation or waiver of that or any other such right; any defective or partial exercise of any such right shall not preclude any other or further exercise of that or any other such right; and no act or course of conduct or negotiation on its part or on its behalf shall in any way preclude the Security Agent from exercising any such right or constitute a suspension or variation of any such right.

26 CONSOLIDATION

The restriction on the right of consolidating mortgages contained in Section 93 of the Law of Property Act 1925 shall not apply to this Deed.

27 NO SET-OFF

The Charging Company waives any right of set-off it may have now or at any time in the future in respect of the Secured Liabilities (including sums payable by the Charging Company under this Deed).

28 SMALL COMPANY MORATORIUM

Notwithstanding any other provision of this Deed, the obtaining of a moratorium under section 1A of the Insolvency Act 1986, or anything done with a view to obtaining such a moratorium (including any preliminary decision or investigation), shall not be an event causing any floating charge created by this deed to crystallise or causing restrictions which would not otherwise apply to be imposed on the disposal of property by the Charging Company or a ground for the appointment of a Receiver.

29 ASSIGNMENT AND TRANSFER

29.1 Assignment by Security Agent

The Security Agent may at any time (after consultation with the Charging Company and the Parent), assign or transfer the whole or any part of its rights under this Deed in accordance with the terms of the Facility Agreement.

29.2 Assignment by Charging Company

The Charging Company may not assign any of its rights or transfer any of its obligations under this Deed or enter into any transaction which would result in any of these rights or obligations passing to another person.

30 DISCLOSURE

The Charging Company hereby consents to the disclosure by the Security Agent or any other Beneficiary of any information about it, this Deed, the Charged Assets and the Secured Liabilities:

30.1 Disclosure to assignee

to any person to whom the Security Agent or any other Beneficiary has assigned or transferred or proposes or may propose to assign or transfer all or any of its rights and benefits under this Deed or the Secured Liabilities provided that such person agrees to keep such information confidential; or

30.2 Disclosure to contracting parties

to any person with whom the Security Agent has entered or proposes or may propose to enter into any contractual arrangements in connection with this Deed or the Secured Liabilities provided that such person agrees to keep such information confidential; or

30.3 Disclosure to Security Agent's agent

to any subsidiary or agent of the Security Agent provided that such person agrees to keep such information confidential; or

30.4 Other disclosure

to any other person if required or permitted by law to do so.

31 SEVERABILITY

If any of the provisions of this Deed is or becomes invalid or unenforceable, the validity and enforceability of the remaining provisions shall not be affected or impaired thereby.

32 RELEASE

Subject to Clause 18.3 (*Discharge conditional*), upon the expiry of the Security Period (but not otherwise) the Security Agent shall at the request and cost of the Charging Company, take whatever action is necessary to release the Charged Assets from the security constituted by this Deed.

33 GOVERNING LAW

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

34 COUNTERPARTS

This Deed may be executed in one or more counterparts all of which when taken together shall be deemed to constitute one and the same instrument.

In Witness whereof this Deed has been executed by the Charging Company and is intended to be and is hereby delivered as a deed the day and year first above written and has been signed on behalf of the Security Agent.

SCHEDULE 1
Properties

Leasehold land and buildings known as Krispy Kreme Site, Barton Dock Road, Trafford Park registered at the Land Registry with title number MAN81313

Leasehold land and buildings known as Phase IV Stockport Retail Park being land and buildings on the south side of St Mary's Way, Portwood registered at the Land Registry with title number GM719597

SCHEDULE 2
Part I
Form of notice to insurers

From: Peel Real Estate (Properties) Limited (the "Company")

To: [insurer]

[] 20[]

Dear Sirs

We refer to the [*describe policy and its number*] (the "**Policy**").

We hereby give notice that, pursuant to a Supplemental Legal Mortgage dated [] 20[], we have assigned and mortgaged to The Royal Bank of Scotland Plc as Security Agent (as trustee for the Beneficiaries) (as defined therein) (the "**Security Agent**") by way of security all our right, title, interest and benefit in and to the Policy.

Until you are notified to the contrary by the Security Agent, you are authorised to deal with us in all matters relating to the Policy.

Please sign and return to us the enclosed copy of this letter by way of acknowledgement of receipt and acceptance of its terms.

Yours faithfully

.....
for and on behalf of
Peel Real Estate (Properties) Limited

Part II
Form of acknowledgement from insurers

From: [insurer]

To: [Security Agent] (the "Security Agent")

Dear Sirs

We acknowledge receipt of a notice dated [] (the "Notice") and addressed to us by Peel Real Estate (Properties) Limited (the "Company") regarding the Policy (as defined in the Notice) and we accept the instructions and authorisations contained in the Notice.

We acknowledge and confirm that

- (a) we have not, as at the date of this acknowledgement, received any notice that any third party has or will have any right or interest in, or has made, or will be making any claim or demand or taking any action in respect of, the rights of the Company under or in respect of the Policy (as defined in the Notice);
- (b) we will pay or release all or part of the amounts from time to time due and payable by us under the Policy in accordance with the written instructions given to us by the Security Agent from time to time;
- (c) we confirm that the [Security Agent is named as co-insured on the Policy]/[Security Agent's interest is noted on the Policy as first priority mortgagee and first loss payee]; and
- (d) we will provide you with all information in connection with the policy which we would ordinarily provide to the Company and we will notify you of any renewals, variations or cancellations of the Policy made, threatened or pending.

This letter shall be governed by and construed in accordance with English law.

Yours faithfully

[Insurer]

EXECUTED as a deed, and delivered
when dated, by **PEEL REAL ESTATE
(PROPERTIES) LIMITED** by a director
in the presence of:



Director





Witness

Signature

Name

Occupation

Address

: 
: 
: 
: 

THE ROYAL BANK OF SCOTLAND PLC
as Security Agent

By: