

# M

## COMPANIES FORM No. 395

### Particulars of a mortgage or charge

# 395

A fee of £13 is payable to Companies House in respect of each register entry for a mortgage or charge.

CHFP025

Please do not write in this margin

Please complete legibly, preferably in black type, or bold block lettering

\*insert full name of Company

Pursuant to section 395 of the Companies Act 1985

To the Registrar of Companies  
(Address overleaf - Note 6)

For official use

Company number

220992/13

6969533

Name of company

\* Tesco Atrato Depot Propco Limited (the **Chargor**)

Date of creation of the charge

23 September 2009

Description of the instrument (if any) creating or evidencing the charge (note 2)

A deed of charge dated 23 September 2009 entered into by the Chargor and the other parties listed in Schedule 1 hereto (the **Depot Propco Deed of Charge**).

Amount secured by the mortgage or charge

The amount secured by the mortgage or charge is set out in Schedule 2 hereto.

Names and addresses of the mortgagees or persons entitled to the charge

HSBC Corporate Trustee Company (UK) Limited a company incorporated in England and Wales with limited liability (registered number 06447555), and having its registered office at 8 Canada Square, London (the **Partnership Security Trustee**).

Postcode E14 5HQ

Presenter's name address and reference (if any):

VALK/VLH 13427-02726

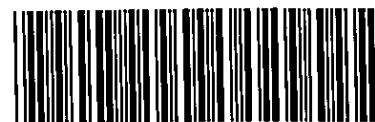
Valentina Kovaluk  
Allen & Overy LLP  
One Bishops Square  
London  
E1 6AD

Time critical reference

For official Use (06/2005)  
Mortgage Section

Post room

FRIDAY



LD3

\*LZSHRDYV\*

09/10/2009

259

COMPANIES HOUSE

Short particulars of all the property mortgaged or charged

- \*The short particulars of all the property mortgaged or charged are listed in Schedule 3 hereto.
- \*The capitalised terms used in this Form 395 and not otherwise defined have the meaning given in Schedule 4 hereto.

Please do not  
write in  
this margin

*Please complete  
legibly, preferably  
in black type, or  
bold block  
lettering*

Particulars as to commission allowance or discount (note 3)

Nil.

Signed

*Allen & Overy LLP*

Date

9 October 2009

On behalf of ~~XXXXXX~~ [mortgagee/chargee] †

*A fee is payable  
to Companies  
House in  
respect of each  
register entry  
for a mortgage  
or charge.  
(See Note 5)*

† delete as  
appropriate

Notes

- 1 The original instrument (if any) creating or evidencing the charge, together with these prescribed particulars correctly completed must be delivered to the Registrar of Companies within 21 days after the date of creation of the charge (section 395). If the property is situated and the charge was created outside the United Kingdom delivery to the Registrar must be effected within 21 days after the date on which the instrument could in due course of post, and if dispatched with due diligence, have been received in the United Kingdom (section 398). A copy of the instrument creating the charge will be accepted where the property charged is situated and the charge was created outside the United Kingdom (section 398) and in such cases the copy must be verified to be a correct copy either by the company or by the person who has delivered or sent the copy to the Registrar. The verification must be signed by or on behalf of the person giving the verification and where this is given by a body corporate it must be signed by an officer of that body. A verified copy will also be accepted where section 398(4) applies (property situate in Scotland or Northern Ireland) and Form No. 398 is submitted.
- 2 A description of the instrument, eg "Trust Deed", "Debenture", "Mortgage", or "Legal charge", etc, as the case may be, should be given.
- 3 In this section there should be inserted the amount or rate per cent. of the commission, allowance or discount (if any) paid or made either directly or indirectly by the company to any person in consideration of his;  
(a) subscribing or agreeing to subscribe, whether absolutely or conditionally, or  
(b) procuring or agreeing to procure subscriptions, whether absolute or conditional,  
for any of the debentures included in this return. The rate of interest payable under the terms of the debentures should not be entered.
- 4 If any of the spaces in this form provide insufficient space the particulars must be entered on the prescribed continuation sheet.
- 5 A fee of £13 is payable to Companies House in respect of each register entry for a mortgage or charge. Cheques and Postal Orders must be made payable to **Companies House**.
- 6 The address of the Registrar of Companies is: Companies House, Crown Way, Cardiff CF14 3UZ

## **SCHEDULE 1**

### **PARTIES TO THE DEPOT PROPCO DEED OF CHARGE**

- (1) **TESCO ATRATO DEPOT PROPCO LIMITED**, a limited liability company incorporated in England and Wales with registered number 6969533 and having its registered office at Tesco House, Delamare Road, Cheshunt, Waltham Cross, Hertfordshire EN8 9SL (**Depot Propco** or the **Chargor**);
- (2) **THE PARTNERSHIP SECURED CREDITORS** (as defined in Schedule 4 hereto); and
- (3) **HSBC CORPORATE TRUSTEE COMPANY (UK) LIMITED**, as trustee for the Partnership Secured Creditors (the **Partnership Security Trustee** which expression shall include such company and all other persons and companies for the time being acting under the Partnership Deed of Charge in the capacity of the Partnership Security Trustee pursuant to the terms of the Partnership Deed of Charge).

## **SCHEDULE 2**

### **AMOUNT SECURED BY THE MORTGAGE OR CHARGE**

The aggregate of:

- (a) all present and future monies, obligations and Liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) which from time to time are or may become due, owing or payable by the Partnership to each, some or any of the Partnership Secured Creditors under the Partnership Transaction Documents;
- (b) all present and future monies, obligations and Liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) which from time to time are or may become due, owing or payable by the Nominees to each, some or any of the Partnership Secured Creditors under the Partnership Transaction Documents;
- (c) all present and future monies, obligations and Liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) which from time to time are or may become due, owing or payable by Nominees HoldCo to each, some or any of the Partnership Secured Creditors under the Partnership Transaction Documents;
- (d) all present and future monies, obligations and Liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) which from time to time are or may become due, owing or payable by the General Partner to each, some or any of the Partnership Secured Creditors under the Partnership Transaction Documents; and
- (e) all present and future monies, obligations and Liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) which from time to time are or may become due, owing or payable by Depot Propco to each, some or any of the Partnership Secured Creditors under the Partnership Transaction Documents,

(the **Partnership Secured Obligations**).

### **SCHEDULE 3**

#### **SHORT PARTICULARS OF ALL PROPERTY MORTGAGED OR CHARGED**

## **2. COVENANT TO PAY, GUARANTEE AND INDEMNITY BY CHARGOR**

### **2.1 Covenant to pay, guarantee and indemnity**

Pursuant to Clause 2.1 (Covenant to pay, guarantee and indemnity) of the Depot Propco Deed of Charge, the Chargor irrevocably and unconditionally:

- (a) guaranteed to the Partnership Secured Creditors each and every Partnership Secured Obligation and covenanted to pay to the Partnership Security Trustee from time to time on demand the amount (of principal, interest or otherwise) now or after the date of the Depot Propco Deed of Charge owing, due or incurred by any Charging Party in respect of any such Partnership Secured Obligation, in accordance with, or under any Partnership Transaction Document to be held on trust for the Partnership Secured Creditors as if it were the principal obligor in respect of that amount;
- (b) agreed as a primary obligation to indemnify the Partnership Secured Creditors from time to time on demand from and against any loss or liability suffered by any Partnership Secured Creditor as a result of any Partnership Secured Obligation guaranteed by it being or becoming void, voidable, unenforceable or ineffective as against any Charging Party for any reason whatsoever, whether or not known to any Partnership Secured Creditor, the amount of such loss or liability being the amount which such Partnership Secured Creditor would otherwise have been entitled to recover from such Charging Party; and
- (c) covenanted with the Partnership Secured Creditors that it shall on the due date therefor discharge each and every Partnership Secured Obligation under or pursuant to, and in accordance with, the terms of the Depot Propco Deed of Charge and each other Partnership Transaction Document to which it is a party,

provided that none of the covenants or undertakings in Clause 2.1 (Covenant to pay, guarantee and indemnity) of the Depot Propco Deed of Charge nor the security constituted by or pursuant to the Depot Propco Deed of Charge shall extend to or include any liability or sum which would, but for this proviso, cause such covenants, undertakings or security to be unlawful or prohibited by any applicable law.

### **2.2 Continuing guarantee**

Pursuant to Clause 2.2 (Continuing guarantee) of the Depot Propco Deed of Charge, the guarantee in Clause 2.1 (Covenant to pay, guarantee and indemnity) of the Depot Propco Deed of Charge is a continuing guarantee and will extend to the ultimate balance of all sums payable by the Chargor in respect of the Partnership Secured Obligation, regardless of any intermediate payment or discharge in whole or in part.

### **2.3 Reinstatement**

- (a) Pursuant to Clause 2.3 (Reinstatement) of the Depot Propco Deed of Charge, if any discharge (whether in respect of the Partnership Secured Obligations or any security for those obligations or otherwise) or arrangement is made in whole or in part on the faith of any payment, security or other disposition which is avoided or must be restored on insolvency, liquidation, administration or similar event, the liability of the Chargor under Clause 2.1 (Covenant to pay, guarantee and indemnity) of

the Depot Propco Deed of Charge will continue or be reinstated as if the discharge or arrangement had not occurred.

- (b) Pursuant to Clause 16.4 (Retention of Issuer Security) of the Issuer Deed of Charge, the Partnership Security Trustee may concede or compromise any claim that any payment, security or other disposition is liable to avoidance or restoration.

## **2.4 Waiver of defences**

Pursuant to Clause 2.4 (Waiver of defences) of the Depot Propco Deed of Charge, the obligations of the Chargor under Clause 2.1 (Covenant to pay, guarantee and indemnity) of the Depot Propco Deed of Charge will not be affected by any act, omission, circumstance, matter or thing (without limitation and whether or not known to it or any Partnership Secured Creditor) which, but for this provision, would reduce, release or prejudice any of its obligations under Clause 2.1 (Covenant to pay, guarantee and indemnity) of the Depot Propco Deed of Charge. This includes:

- (a) any time, indulgence or waiver granted to, or composition with, any person;
- (b) any release of any person under the terms of any composition or arrangement;
- (c) any postponement, discharge, reduction, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any person;
- (d) 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;
- (e) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or partners or status or constitution of any person;
- (f) any amendment, reinstatement, supplement, extension (whether of maturity or otherwise) or reinstatement (in each case however fundamental and of whatsoever nature) or replacement of a Partnership Transaction Document or any other document or security;
- (g) any unenforceability, illegality, invalidity or non-provability of any obligation of any person under any Partnership Transaction Document or any other document or security; or
- (h) any insolvency or similar proceedings.

## **2.5 Immediate recourse**

Pursuant to Clause 2.5 (Immediate recourse) of the Depot Propco Deed of Charge, the Chargor waived any right it may have of first requiring the Partnership Security Trustee to proceed against or enforce any other rights or security or claim payment from any person before claiming from the Chargor under Clause 2.1 (Covenant to pay, guarantee and indemnity) of the Depot Propco Deed of Charge. This waiver applies irrespective of any law or any provision of any Partnership Transaction Document to the contrary.

## **2.6 Appropriations**

Pursuant to Clause 2.6 (Appropriations) of the Depot Propco Deed of Charge, until all amounts which may be or become payable by the Chargor under or in connection with the Partnership Transaction Documents have been irrevocably paid in full, the Partnership Security Trustee may

without affecting the liability of the Chargor under Clause 2.1 (Covenant to pay, guarantee and indemnity) of the Depot Propco Deed of Charge:

- (a) (i) refrain from applying or enforcing any other moneys, security or rights held or received by it against those amounts; or
- (ii) apply and enforce them in such manner and order as it sees fit (whether against those amounts or otherwise) and the Chargor shall be entitled to the benefit of the same; and
- (b) hold in an interest-bearing suspense account any moneys received from the Chargor or on account of the Chargor's liability under Clause 2.1 (Covenant to pay, guarantee and indemnity) of the Depot Propco Deed of Charge.

## **2.7 Non-competition**

Pursuant to Clause 2.7 (Non-competition) of the Depot Propco Deed of Charge, unless:

- (a) all amounts which may be or become payable by the Chargor under or in connection with the Partnership Transaction Documents have been irrevocably paid in full; or
- (b) the Partnership Security Trustee otherwise directs,

the Chargor will, after a claim has been made or by virtue of any payment or performance by it under Clause 2.1 (Covenant to pay, guarantee and indemnity) of the Depot Propco Deed of Charge:

- (i) be subrogated to any rights, security or moneys held, received or receivable by the Partnership Security Trustee;
- (ii) be entitled to any right of contribution or indemnity in respect of any payment made or moneys received on account of the Chargor's liability under Clause 2.1 (Covenant to pay, guarantee and indemnity) of the Depot Propco Deed of Charge;
- (iii) claim, rank, prove or vote as a creditor of the Chargor or its estate in competition with any Partnership Secured Creditor (or any trustee or agent on its behalf); or
- (iv) receive, claim or have the benefit of any payment, distribution or security from or on account of the Chargor, or exercise any right of set-off as against the Chargor.

The Chargor must hold in trust for and immediately pay or transfer to the Partnership Security Trustee any payment or distribution or benefit of security received by it contrary to Clause 2.1 (Covenant to pay, guarantee and indemnity) of the Depot Propco Deed of Charge or in accordance with any directions given by the Partnership Security Trustee under Clause 2.1 (Covenant to pay, guarantee and indemnity) of the Depot Propco Deed of Charge.

## **2.8 Additional security**

Pursuant to Clause 2.8 (Additional security) of the Depot Propco Deed of Charge, the covenants or undertakings in Clause 2.1 (Covenant to pay, guarantee and indemnity) of the Depot Propco Deed of Charge and the security constituted by or pursuant to the Depot Propco Deed of Charge is in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by any Partnership Secured Creditor.

### 3. FIXED SECURITY AND ASSIGNMENT

#### 3.1 Creation of fixed security

Pursuant to Clause 3.1 (Creation of fixed security) of the Depot Propco Deed of Charge, the Chargor, as continuing security for the payment and discharge of all the Partnership Secured Obligations, charged or mortgaged absolutely as set out below with full title guarantee in favour of the Partnership Security Trustee (as trustee for the Partnership Secured Creditors) the Benefit of any Interest that the Chargor holds from time to time in and to each of the following assets (to the extent of that Interest but excluding any such assets situated in Scotland or otherwise governed by Scots law) by way of a first fixed charge (to the extent they are not subject to an effective assignment under Clause 3.2 (Assignment) of the Depot Propco Deed of Charge):

- (i) any account held by it with any person from time to time, and any Related Rights;
- (ii) all of its book and other debts and all Related Rights;
- (iii) its goodwill;
- (iv) its uncalled capital;
- (v) each of the Partnership Transaction Documents;
- (vi) its rights to recover VAT on any supplies made to it relating to the Depot Propco Charged Property and any sums so recovered; and
- (vii) its rights in respect of the proceeds of any order of the court made pursuant to Sections 238(3), 239(3) or 244 of the Insolvency Act.

#### 3.2 Assignment

Pursuant to Clause 3.2 (Assignment) of the Depot Propco Deed of Charge, the Chargor, as continuing security for the payment and discharge of the Partnership Secured Obligations, assigned absolutely (subject to any reassignment on release of the security under Clause 23 (Release and Winding-Up of Trust) of the Partnership Deed of Charge incorporated by reference in the Depot Propco Deed of Charge) of the Depot Propco Deed of Charge with full title guarantee to the Partnership Security Trustee (as trustee for the Partnership Secured Creditors) the Benefit of any Interest that the Chargor holds from time to time in and to each of the following assets (to the extent of that Interest):

- (a) all of its book and other debts and all Related Rights;
- (b) any account held by it with any person from time to time, and any Related Rights; and
- (c) each of the Partnership Transaction Documents.

#### 3.3 Scottish Security

Pursuant to clause 3.3 (Scottish security) of the Depot Propco Deed of Charge, the Chargor, as continuing security for the payment and discharge of all the Partnership Secured Obligations, undertook and bound and obliges itself to execute and deliver to the Partnership Security Trustee:

- (i) a Standard Security over its right, title and interest in the leasehold property comprised in a lease among Santon Group Developments Limited and Depot Propco and dated on or before



the date of these presents in respect of the DC Depot Propco Lease to which it holds legal and beneficial title and all buildings, structures, heritable fixtures and fittings substantially in the form set out in Schedule 1 (Form of Standard Security) of the Depot Propco Deed of Charge;

- (ii) an Assignment of Rents over the whole Rental Income of the Occupational Lease under the DC Depot Propco Lease and income arising from the DC Day Licence 2 to which it holds legal and beneficial title substantially in the form set out in Schedule 2 (Form of Assignment of Rents) of the Depot Propco Deed of Charge; and
- (iii) without prejudice to any notice which the Partnership Security Trustee may require pursuant to Clause 4.2 (Conversion of floating charge by notice), a signed and dated intimation addressed to TSL as the Occupational Tenant under the DC Depot Propco Lease in respect of the Assignment of Rents referred to in Clause 3.3(ii) of the Depot Propco Deed of Charge forthwith upon its execution and delivery, which intimation will be in the form set out in Part 1 of the schedule to the Assignment of Rents.

#### 4. FLOATING CHARGE

##### 4.1 Creation of floating charge

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- (a) Pursuant to Clause 4.1 (Floating charge) of the Depot Propco Deed of Charge, the Chargor, with full title guarantee and (in respect of any assets or undertaking located in Scotland or otherwise governed by Scots law) with absolute warrandice, charged in favour of the Partnership Security Trustee (as trustee for the Partnership Secured Creditors), with the payment and discharge of the Partnership Secured Obligations, by way of floating charge (to the extent permitted by applicable law) all its present and future assets and undertaking.
  - (b) Pursuant to Clause 16.4 (Retention of Issuer Security) of the Issuer Deed of Charge, the floating charge created by Clause 4.1(a) of the Depot Propco Deed of Charge shall be deferred in point of priority to all fixed security validly and effectively created by the Chargor under the Partnership Security Documents (including the Depot Propco Deed of Charge) in favour of the Partnership Security Trustee (as trustee for the Partnership Secured Creditors) as security for the Partnership Secured Obligations.
  - (c) Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created by Clause 4.1(a) of the Depot Propco Deed of Charge.

##### 4.2 Conversion of floating charge by notice

- (a) Pursuant to Clause 4.2 (Conversion of floating charge by notice) of the Depot Propco Deed of Charge, the Partnership Security Trustee may, in its absolute discretion, by the delivery of the Security Protection Notice (to the extent permitted by applicable law) to the Chargor, convert the floating charge created by the Chargor pursuant to the Depot Propco Deed of Charge into a fixed charge as regards all or any of the Chargor's assets specified in such Security Protection Notice, if:
  - (i) a Partnership Event of Default occurs and is continuing, except where a Partnership Event of Default has occurred solely due to the Chargor obtaining or taking steps to obtain a moratorium pursuant to Section 1A of the Insolvency Act;
  - (ii) those assets are in danger of being seized or sold under any form of distress, attachment, diligence, execution or other legal process or to be otherwise in jeopardy; or
  - (iii) the interests of the Instructing Party may be prejudiced,

and the Chargor shall forthwith on demand execute and deliver to the Partnership Security Trustee a first fixed charge or security over any such assets specified in the Security Protection Notice.

- (b) Pursuant to Clause 16.4 (Retention of Issuer Security) of the Issuer Deed of Charge, the Partnership Security Trustee may by notice to the Chargor (to the extent permitted by applicable law) reconvert any charge over any assets specified in the Security Protection Notice into a floating charge.

#### **4.3 Automatic conversion of floating charge**

- (a) Pursuant to Clause 16.4 (Retention of Issuer Security) of the Issuer Deed of Charge, notwithstanding Clause 4.2 (Conversion of floating charge by notice) of the Depot Propco Deed of Charge and without prejudice to any law which may have a similar effect, the floating charge created pursuant to the Depot Propco Deed of Charge will (to the extent permitted by applicable law) automatically be converted (without notice) with immediate effect into a fixed charge as regards all the assets subject to the floating charge:

- (i) if the Chargor creates or attempts to create any Security Interest (other than a Permitted Security Interest) over any of the assets subject to the floating charge;
- (ii) if a resolution is passed or an order is made for the winding-up, dissolution, administration or re-organisation of the Chargor (other than for the purposes of or pursuant to a solvent amalgamation or reconstruction) or an Administration Event occurs in respect of the Chargor; or
- (iii) upon the delivery of a Partnership Enforcement Notice by the Partnership Security Trustee,

- (b) and the Chargor shall forthwith on demand, execute and deliver to the Partnership Security Trustee a first fixed charge or security over any such assets in such form as is satisfactory to the Partnership Security Trustee. The Partnership Security Trustee may by notice to the Chargor (to the extent permitted by applicable law) reconvert any charge over any assets the subject of an automatic conversion into a floating charge.

#### **4.4 Restriction on conversion of floating charge**

Pursuant to Clause 4.4 (Restriction on conversion of floating charge) of the Depot Propco Deed of Charge, the floating charge created by Clause 4.1 (Creation of floating charge) of the Depot Propco Deed of Charge may not be converted into a fixed charge solely by reason of:

- (a) the obtaining of a moratorium; or
- (b) anything done with a view to obtaining a moratorium,

under Section 1A of the Insolvency Act 1986.

### **5. NEGATIVE PLEDGE**

Pursuant to Clause 7.3 (Negative pledge) of the Depot Propco Deed of Charge, the Chargor shall not create or permit to subsist:

- (a) any Security Interest on any Depot Propco Charged Property other than any Security Interest created by or pursuant to the Depot Propco Deed of Charge or otherwise created in favour of the Partnership Security Trustee pursuant to the other Partnership Transaction Documents or any Permitted Security Interest; or

- (b) any restriction on the ability of the Partnership Security Trustee to transfer or realise, all or any part of the Depot Propco Charged Property, except as created by or pursuant to the Partnership Transaction Documents.

## SCHEDULE 4

### DEFINITIONS

Capitalised terms used in this Form 395 and not otherwise defined have the following meaning:

**"Accession Letter"** has the meaning given to it in Paragraph 19.2.2 of Part 1 (*General Legal Terms*) of Schedule 2 (*Common Terms*) to the Common Terms and Definitions Deed

**"Account Bank"** means HSBC Bank plc, a company incorporated in England and Wales with registered number 14259 or such other Eligible Bank from time to time that replaces it as the Account Bank in accordance with the Account Bank Agreement.

**"Account Bank Agreement"** means the agreement so named dated on or about the Bond Closing Date between, amongst others, the Account Bank, the Issuer, the Nominees, the Partnership, the General Partner, the Partnership Security Trustee, the Issuer Security Trustee and the Cash Manager.

**"Account Bank Termination Event"** has the meaning given to it in Clause 18.2 (*Termination of Account Bank*) of the Account Bank Agreement.

**"Account Details"** means the details of each of the Rent Accounts, the Partnership Accounts, the Corporation Tax Reserve Account and the Issuer Accounts, which details as at the date of the Common Terms and Definitions Deed are as set out in Schedule 4 (*Account Details*) of the Common Terms and Definitions Deed.

**"Accounts"** means the Rent Accounts, the Partnership Accounts, the Corporation Tax Reserve Account and the Issuer Accounts, and **"Account"** means any of them.

**"Account Statements"** means the statements in respect of an Account.

**"Acquiring Unitholders"** means the Atrato Firth Limited Partnership (a limited partnership incorporated in Scotland with registered number SL006946 and having its registered office at Edinburgh Quay, 133 Fountainbridge, Edinburgh EH3 9AG) and Wealthtime Trustees Limited (a limited liability company incorporated in England and Wales with registered number 06243467 and having its registered office at The Oak House, Barford Lane, Downton, Salisbury, Wiltshire SP5 3QA), who will acquire all of the Atrato Units on or about the date hereof.

**"Acquisition Facility"** means the term loan facility made available by Finco to the Partnership pursuant to Clause 2 (*The Facilities*) of the Partnership Loan Agreement.

**"Acquisition Loan"** means the loan made available by Finco to the Partnership pursuant to the Acquisition Facility or, as the context may require, the principal amount outstanding for the time being of that loan.

**"Additional Fee"** means a fee of £17,364 paid by the Partnership to the Issuer in consideration for the Issuer entering into, inter alia, the Partnership Loan Agreement pursuant to Clause 17.1.2 (*Initial Partnership Facility Fee*) of the Partnership Loan Agreement.

**"Adjoining Land Development"** has the meaning given to it in Clause 5.1 of the Substitution Agreement.

**"Administration Event"** means, in relation to a Chargor, the appointment of an administrator or presentation of an application or petition for the making of an administration order in relation to that

Chargor or any person (who is entitled to do so) giving notice of its intention to appoint an administrator to that Chargor or filing such a notice with the court.

**"Affiliate"** in relation to a person means each of its Holding Companies and their Subsidiaries.

**"Agency Agreement"** means the agreement so named dated on or about the Bond Closing Date and made between the Issuer, the Bond Trustee, the Issuer Security Trustee and the Principal Paying Agent.

**"Agreement for DC Day Licence 1"** means the agreement for the DC Day Licence 1.

**"Agreement for DC Day Licence 2"** means the agreement for the DC Day Licence 2.

**"Agreement for DC Parallel Lease"** means the agreement for the DC Parallel Lease.

**"Agreement for Sale"** means:

- (a) any agreement for the grant of Head Lease of a Mortgaged Property (other than those referred to in paragraphs (b) and (c) below) made between TSL, TPHL and the General Partner as the general partner of the Partnership;
- (b) the agreement for sale in respect of the Mortgaged Property known as Burnley Extra between the Fuchsia Nominees, the Fuchsia General Partner acting as the general partner of the Fuchsia LP and the General Partner as general partner of the Partnership; and
- (c) the DC Head Lease Agreement.

**"Alteration"** has the meaning given to it in the Substitution Agreement.

**"Alteration Adjustment Rent"** has the meaning given to it in the Substitution Agreement.

**"Amortisation Amount"** means, in respect of the Acquisition Loan, the amortisation amount set out opposite the relevant Loan Interest Payment Date in the Partnership Loan Amortisation Schedule.

**"Amortisation Commencement Date"** means 10 April 2010.

**"Ancillary Rights"** means, in relation to an Interest, all ancillary rights, accretions and supplements to such Interest, including any guarantees or indemnities in respect of such Interest.

**"Appointee"** means any attorney, manager, agent, delegate, nominee, custodian or other person appointed by the Partnership Security Trustee under the Partnership Security Documents, by the Issuer Security Trustee under the Issuer Security Documents or by the Bond Trustee under the Trust Deed (as applicable).

**"Approved Insurer"** means any insurance office or underwriters with whom the insurance cover taken out pursuant to an Occupational Lease is effected being an insurance company or entity or pool regulated by the Financial Services Authority (or by an equivalent regulatory body with regulatory powers over the insurance industry in the European Union) to carry on insurance business and whose long-term senior unsecured credit rating from the Rating Agencies at the time any insurance policy is placed or renewed is A or better (from S&P and Fitch) and A2 or better (from Moody's) without a negative outlook.

**"Assignment of Rents"** means any assignment in security of Rental Income in respect of Scottish Property in the form of Schedule 4 (*Form of Assignment of Rents*) to the Nominees Deed of Charge

or Schedule 2 (*Form of Assignment of Rents*) to the Depot Propco Deed of Charge with such amendments as may be approved by the Partnership Security Trustee, granted in favour of the Partnership Security Trustee by the Nominees or Depot Propco (as applicable) or (if required) any other Chargor and governed by Scots law.

**"Atrato Units"** means the units in the Tesco Atrato Unit Trust.

**"Atrato Unit Trust"** means the Tesco Atrato Unit Trust, a Jersey property unit trust.

**"Authorised Signatory"** means, in relation to any Transaction Party, any person who is duly authorised and in respect of whom a certificate has been provided signed by a director or another duly authorised person of such Transaction Party setting out the name and signature of such person and confirming such person's authority to act.

**"Beneficiary"** means, in relation to all Mortgaged Properties, the General Partner as the general partner of the Partnership.

**"Beneficiary Undertakings"** means the English Partnership Beneficiary Undertakings.

**"Benefit"** in respect of any Interest held, assigned, conveyed, transferred, charged, sold or disposed of by any person means:

- (a) all right, title, interest and benefit, present and future, actual and contingent (and interests arising in respect thereof) of such person in, to, under and in respect of such Interest and all Ancillary Rights in respect of such Interest;
- (b) all monies and proceeds assured or payable (or to become payable) under, in respect of, or pursuant to such Interest or its Ancillary Rights and the right to receive payment of such monies and proceeds and all payments made including, in respect of any bank account, all sums of money which may at any time be credited to such bank account together with all interest accruing from time to time on such money and the debts represented by such bank account;
- (c) the benefit of all covenants, undertakings, representations, warranties and indemnities in favour of such person contained in or relating to such Interest or its Ancillary Rights;
- (d) the benefit of all powers of and remedies for enforcing or protecting such person's right, title, interest and benefit in, to, under and in respect of such Interest or its Ancillary Rights, including the right to demand, sue for, recover, receive and give receipts for proceeds of and amounts due under or in respect of or relating to such Interest or its Ancillary Rights; and
- (e) all items expressed to be held on trust for such person under or comprised in any such Interest or its Ancillary Rights, all rights to deliver notices and/or make demands and/or take such steps as are required to cause payment to become due and payable in respect of such Interest and its Ancillary Rights, all causes and rights of action in respect of any breach of or in connection with any such Interest and its Ancillary Rights and all rights to receive damages or obtain other relief in respect of such breach.

**"Bond Acceleration Notice"** means a notice given by the Bond Trustee to the Issuer pursuant to Bond Condition 9 (*Bond Events of Default*) that the Bonds are immediately due and repayable.

**"Bond Closing Date"** means the date determined in accordance with the Completion Agreement.

**"Bond Conditions"** means the terms and conditions of the Bonds as set out in Schedule 2 (*Terms and Conditions of the Bonds*) to the Trust Deed.

**"Bond Event of Default"** means any event specified as such in Bond Condition 9.1 (*Bond Acceleration Notice*).

**"Bondholders"** has the meaning given to it in Bond Condition 1.4.

**"Bond Interest Payment Date"** means the 13 January, 13 April, 13 July and 13 October in each year commencing on the Bond Interest Payment Date falling on 13 January 2010, provided that:

- (a) the final Bond Interest Payment Date will fall on 13 October 2039; and
- (b) the final Bond Interest Period will commence on (and include) the Bond Interest Payment Date falling on 13 July 2039 and end on (but exclude) the Bond Interest Payment Date falling on 13 October 2039.

**"Bond Interest Period"** means each of:

- (a) the period from (and including) the Bond Closing Date to (but excluding) the Bond Interest Payment Date falling on 13 January 2010; and
- (b) each successive period from (and including) a Bond Interest Payment Date to (but excluding) the next succeeding Bond Interest Payment Date.

**"Bonds"** means the £564,500,000 secured 6.0517 per cent. Bonds due 13 October 2039 and issued by the Issuer on the Bond Closing Date, and **"Bond"** means any of them.

**"Bond Trustee"** means HSBC Corporate Trustee Company (UK) Limited, a limited liability company incorporated in England and Wales with registered number 6447555 and having its registered office at 8 Canada Square, London E14 5HQ in its capacity as trustee for the Bondholders or such other entity appointed as trustee for the Bondholders in accordance with the Trust Deed, subject to and in accordance with the Trust Deed.

**"Breach of Duty"** means, in relation to any person a default, fraud, illegal dealing, negligence or material breach of any agreement or breach of trust by such person.

**"Burnley Head Leases"** means the head lease of the Mortgaged Property known as Burnley Extra dated 16 October 2006 made between TSL and the Fuchsia General Partner acting as the general partner of the Fuchsia LP and the supplemental head lease of the petrol filling station forming part of the same property dated 17 October 2007 made between TSL, the Fuchsia Nominees and Fuchsia Finco.

**"Burnley Transfer"** means the transfer of the Burnley Head Leases from the Fuchsia Nominees to the General Partner acting as general partner of the Partnership.

**"Business Day"** means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London.

**"Calculation Agent"** means Tesco in its capacity as calculation agent unless specified otherwise.

**"Calculation Date"** means each date falling two Business Days before a Loan Interest Payment Date.

**"Calculation Period"** means (in respect of the first such period) the period from (and including) the Bond Closing Date and ending on (but excluding) the first Calculation Date and (in respect of each subsequent Calculation Period) the period from (and including) the next (or first) Calculation Date to (but excluding) the immediately following Calculation Date.

**"Cash Management Agreement"** means the agreement so named dated on or about the Bond Closing Date between, amongst others, the Account Bank, the Issuer, the Nominees, the Partnership, the General Partner, the Partnership Security Trustee, the Issuer Security Trustee and the Cash Manager.

**"Cash Management Services"** has the meaning given to it in Clause 6.2 of the Cash Management Agreement.

**"Cash Manager"** means initially HSBC Bank plc and from time to time any person appointed as cash manager to the Issuer, the Nominees, the Partnership, the General Partner, the Issuer Security Trustee and the Partnership Security Trustee, subject to and in accordance with the terms of the Cash Management Agreement.

**"Cash Manager Resignation Notice"** has the meaning given to it in Clause 28.1 of the Cash Management Agreement.

**"Cash Manager Termination Event"** has the meaning given to it in Clause 28.6 of the Cash Management Agreement.

**"Cash Manager Termination Notice"** has the meaning given to it in Clause 28.6 of the Cash Management Agreement.

**"Certificates of Title"** means the certificates of title dated on or about the Bond Closing Date produced by Berwin Leighton Paisner LLP in respect of the Mortgaged Properties in England and Wales and Semple Fraser LLP in respect of Mortgaged Properties in Scotland, and **"Certificate of Title"** means any of them.

**"Charging Parties"** and **"Chargors"** means each of the Partnership, the General Partner, the Nominees, Nominees Holdco, Depot Propco, and a **"Charging Party"** or **"Chargor"** means any of them.

**"Closing Date"** means the Bond Closing Date.

**"COMI"** means the "centre of main interests" as that term is used in the EU Insolvency Regulation.

**"Commission and Expenses Side Letter"** has the meaning given to it in the Subscription Agreement.

**"Committed Subordinated Loan Agreement"** means the agreement so named dated on or about the Bond Closing Date between, amongst others, Tesco as lender and the Partnership as borrower pursuant to which Tesco agrees to make a committed facility available to the Partnership in order to fund certain expenses.

**"Common Depositary"** has the meaning given to it in the Subscription Agreement.

**"Common Terms"** means the provisions set out in Schedule 2 (*Common Terms*) to the Common Terms and Definitions Deed.



**"Common Terms and Definitions"** means the common terms and definitions set out in Schedule 1 to the Common Terms and Definitions Deed.

**"Common Terms and Definitions Deed"** means the deed so named dated the Bond Closing Date signed by each of the Transaction Parties.

**"Companies Act"** means the Companies Acts 1948 to 2006.

**"Completion Agreement"** means the agreement dated on the date of the Common Terms and Definitions Deed and entered into between, among others, the Obligors and the Partnership Security Trustee and which sets out the steps to be completed in order for the Bond Closing Date to occur.

**"Conflicts of Interest Policy"** has the meaning given to it in Schedule 5 (*Additional FSA Provisions*) of the Cash Management Agreement.

**"Corporate Certificate"** means a certificate to be delivered by each of the Corporate Obligors, TSL, the Property Pool Manager, TPHL, each of the Occupational Nominees and the Partnership Operator in, or substantially in, the form set out in Schedule 8 (*Form of Corporate Certificate*) to the Common Terms and Definitions Deed.

**"Corporate Incumbency Certificate"** means an incumbency certificate to be delivered by each of the Corporate Obligors, TSL, the Property Pool Manager, TPHL, each of the Occupational Nominees and the Partnership Operator in, or substantially in, the form set out in Schedule 10 (*Form of Corporate Incumbency Certificate*) to the Common Terms and Definitions Deed.

**"Corporate Obligors"** mean the Obligors other than the Partnership, and **"Corporate Obligor"** means any of them.

**"Corporate Solvency Certificate"** means a solvency certificate to be delivered by each of the Corporate Obligors, TSL, TPHL, each of the Occupational Nominees and the Property Pool Manager in, or substantially in, the form set out in Schedule 9 (*Form of Corporate Solvency Certificate*) to the Common Terms and Definitions Deed.

**"Corporation Tax Reserve Account Mandate"** means the General Partner Corporation Tax Reserve Account Mandate.

**"Corporation Tax Reserve Account"** means the General Partner Corporation Tax Reserve Account.

**"CPO Disposal"** means a Disposal of the whole, or part of, a Mortgaged Property which any Obligor effects as a result of any actual or proposed compulsory purchase order made of such Mortgaged Property (but shall exclude a Substitution Disposal).

**"CPO Disposal Proceeds"** means the proceeds of a CPO Disposal.

**"Dangerous Substance"** means any natural or artificial substance (whether in solid or liquid form or in the form of a gas or vapour and whether alone or in combination with any other substance) likely to cause harm to man, the environment or public health including any controlled, special, hazardous, toxic, radioactive or dangerous waste.

**"DC Agreement"** means an agreement for the assignment of the Existing DC Lease and grant of the DC Occupational Leaseback made between the Partnership, TSL and Tesco.

**“DC Day Licence 1”** means the licence granted by the Partnership to TSL out of the Existing DC Lease to occupy Livingston Distribution Centre for the day immediately following the expiry of the DC Occupational Leaseback (expiring on 18 November 2032).

**“DC Day Licence 2”** means the licence granted by Depot Propco to TSL out of the DC Depot Propco Lease to occupy Livingston Distribution Centre for the day immediately following the expiry of the DC Existing Lease (expiring on 19 November 2032).

**“DC Depot Propco Lease”** means an interposed lease of Livingston Distribution Centre granted by the Livingston Developer to Depot Propco (subject to and with the benefit of the Existing DC Lease) for a term commencing on the Bond Closing Date and expiring on 19 November 2032, the day after the Existing DC Lease expires.

**“DC Head Lease”** means an interposed 175 year lease of the Livingston Distribution Centre (subject to and with the benefit of the DC Depot Propco Lease) granted by TPHL to the Partnership for a premium plus VAT.

**“DC Head Lease Agreement”** means the agreement for the grant of the DC Head Lease by TPHL to the Partnership.

**“DC Occupational Leaseback”** means the occupational leaseback of Livingston Distribution Centre granted by the Partnership to TSL out of the Existing DC Lease for a term expiring on 17 November 2032 (being the day immediately preceding the expiry of the term of the Existing DC Lease).

**“DC Parallel Lease”** means the lease of the Livingston Distribution Centre granted by the Partnership to TSL out of the Head Lease of that property for a term expiring on 24 December 2039.

**“Debt Guarantees”** means the guarantees given by each Obligor in the Partnership Security Documents of the Partnership Secured Obligations, and **“Debt Guarantee”** means any of them.

**“Debt Security Period”** means the period beginning on the Bond Closing Date and ending on the Final Discharge Date.

**“Declarations of Trust”** or **“Deeds of Trust”** means the Partnership Declarations of Trust.

**“Deed of Release”** means the Livingston Deed of Release.

**“Deeds of Variation”** means the deeds of variation of the Burnley Head Leases entered into between TSL, the Fuchsia Nominees and Fuchsia Finco.

**“Depot Propco”** means Tesco Atrato Depot Propco Limited, a limited liability company incorporated in England and Wales with registered number 6969533 and having its registered office at Tesco House, Delamere Road, Cheshunt, Hertfordshire, EN8 9SL.

**“Depot Propco Charged Property”** means all Interests of Depot Propco which are subject to the Depot Propco Security.

**“Depot Propco Corporate Services Agreement”** means the agreement so named dated on or about the Bond Closing Date pursuant to which the Depot Propco Corporate Services Provider is appointed to act as corporate services provider in respect of Depot Propco.

**“Depot Propco Corporate Services Provider”** means Mourant & Co. Capital (SPV) Limited, a limited liability company incorporated in England and Wales with company registration number 4092438.

**"Depot Propco Deed of Charge"** means the deed so named dated on or about the Bond Closing Date between Depot Propco, the Partnership Secured Creditors and the Partnership Security Trustee.

**"Depot Propco Power of Attorney"** means the security power of attorney executed by Depot Propco pursuant to the Depot Propco Deed of Charge in the form set out in Schedule 3 (*Form of Depot Propco Power of Attorney*) thereto.

**"Depot Propco Security"** means the Security Interests created by Depot Propco by or pursuant to the Depot Propco Deed of Charge.

**"Disposal"** means any sale, transfer, lease, holding on trust for a third party, parting with possession or other disposal, whether voluntarily or involuntarily and either as a single transaction or in a series of transactions (whether related or not).

**"Disposal Proceeds Account"** means the Partnership Disposal Proceeds Account.

**"Disposal Proceeds Account Mandate"** means the Partnership Disposal Proceeds Account Mandate.

**"Dispute"** means a dispute arising out of or in connection with any Transaction Document (including a dispute regarding the existence, validity or termination of any Transaction Document or the consequences of its nullity).

**"Distribution Account"** means the Partnership Distribution Account.

**"Distribution Account Mandate"** means the Partnership Distribution Account Mandate.

**"Drawdown Date"** means, in relation to the Partnership Loan, the date specified in the Drawdown Request as the proposed date for the making of the Partnership Loan.

**"Drawdown Request"** means a duly completed request substantially in the form set out in Schedule 1 (*Form of Drawdown Request*) to the Partnership Loan Agreement.

**"Eligible Bank"** means an English bank or an English branch of a bank, the short-term, unsecured, unguaranteed and unsubordinated debt obligations of which are rated at least P-1 by Moody's, F1 by Fitch and A1 by S&P (or as is otherwise acceptable to the Rating Agencies).

**"Eligible Guarantee"** has the meaning given to it in the Issuer Swap Agreement.

**"Eligible Investments"** means:

- (a) sterling gilt-edged securities; and
- (b) sterling deposits,

provided that in all cases:

- (i) such investments have a maturity date falling no later than the next following Calculation Date and (A) so long as the Bonds have a rating assigned by S&P of A or lower, 90 days or less or (B) so long as the Bonds have a rating assigned by S&P of A+ or higher, 60 days or less and (in each case) mature on or before the next Calculation Date;

- (ii) the short-term unsecured, unguaranteed and unsubordinated debt obligations of the issuing or guaranteeing entity or the entity with which the demand or time deposits are made (being an authorised bank under FSMA) are rated A-1 by S&P, F-1 by Fitch and P-1 by Moody's or higher; and
- (iii) (save as a result of a change of law after the date of such investments or if interest paid in respect of the Accounts is subject to withholding for or on account of Tax) all amounts paid in respect of such investments are payable without withholding for or on account of Tax.

**"English Declaration of Trust"** means the English law declaration of trust declared by the Nominees in favour of the Partnership on the Bond Closing Date.

**"English Partnership Beneficiary Undertaking"** means the English law beneficiary undertaking given by the Partnership in favour of the Partnership Security Trustee dated on or about the Bond Closing Date.

**"Environmental Claim"** means any claim, proceeding or investigation by any person in respect of any Environmental Law.

**"Environmental Law"** means any law or regulation in force concerning the pollution or protection of human health or the environment or the conditions of the work place or the generation, transportation, storage, treatment or disposal of Dangerous Substances.

**"Environmental Permits"** means any permit, licence, consent, approval and other authorisation and the filing of any notification, report or assessment required under any Environmental Law for the operation of the business of any Obligor conducted on or from the properties owned or used by the relevant Obligor.

**"Environmental Report"** means, collectively, the environmental risk assessment reports prepared by Environ UK Limited in respect of each of the Mortgaged Properties dated between September 2008 to August 2009 and in the case of the Mortgaged Property at Porthmadog the flood risk assessment report dated August 2009.

**"Equity SPA"** means the sale and purchase agreement between the Acquiring Unitholders, GP Buyer, Tesco Plc, TPHL, THL and TPHL2 for the transfer of the Atrato Units and 50% of the issued share capital of the General Partner.

**"EU Insolvency Regulation"** means Council Regulation (EC) No. 1346/2000 of 29 May 2000.

**"Existing DC Lease"** means the occupational lease of the Livingston Distribution Centre dated 13 and 21 November 2007 made between the Livingston Developer and TSL for a term of years expiring on 18 November 2032.

**"Existing DC Lease Deed of Variation"** means the deed of variation of the Existing DC Lease dated before the Bond Closing Date made between Depot Propco and the Partnership to vary the terms of the Existing DC Lease.

**"Expenses Loan"** means a loan made available under the Expenses Loan Facility or the principal amount of that loan.

**"Expenses Loan Facility"** has the meaning given to it in Clause 2 (*Facilities and Purpose*) of the Committed Subordinated Loan Agreement.

**"Expenses Reserve Ledger"** means the Partnership Expenses Reserve Ledger.

**"Expenses Reserve Ledger Maximum Balance"** means the Partnership Expenses Reserve Ledger Maximum Balance.

**"Expenses Shortfall"** means the Partnership Expenses Shortfall.

**"Extraordinary Resolution"** means:

- (a) a resolution passed at a meeting duly convened and held in accordance with the Trust Deed by a majority consisting of not less than three-fourths of the Eligible Persons voting thereat upon a show of hands or, if a poll is duly demanded, by a majority consisting of not less than three-fourths of the votes cast on such poll; or
- (b) a resolution in writing signed by or on behalf of the Bondholders of not less than three-fourths in aggregate Principal Amount Outstanding of the Bonds which resolution may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the Bondholders.

**"Facility Fees"** means the Partnership Facility Fees.

**"Final Discharge Date"** means, in relation to the Partnership Secured Obligations, the date on which the Partnership Security Trustee notifies the Obligors that it is satisfied that such obligations have been unconditionally and irrevocably paid or discharged in full.

**"Final Maturity Date"** of the Partnership Loan means 10 October 2039.

**"Financial Indebtedness"** means, in relation to any Transaction Party, at any time, any indebtedness incurred in respect of:

- (a) the principal amount, and the capitalised element (if any), of money borrowed or raised and debit balances at banks and premia if any and capitalised interest in respect thereof;
- (b) the principal and premia (if any) and capitalised interest in respect of any debenture, bond, note, loan stock or similar debt instrument;
- (c) liabilities in respect of any letter of credit, standby letter of credit, acceptance credit, bill discounting or note purchase facility and any receivables purchase, factoring or discounting arrangements;
- (d) rental or hire payments under any contract between a lessor and a lessee treated as a finance lease in accordance with generally accepted accounting principles in the United Kingdom;
- (e) the deferred purchase price of assets or services save for:
  - (i) any such arrangement entered into in the ordinary course of trading and having a term not exceeding 180 days after the period customarily allowed by the relevant supplier for deferred payment; and/or
  - (ii) where the arrangement is entered into in the ordinary course of trade and the deferred purchase price in respect of assets or services is expressed to be payable in instalments or where the relevant amount is a retention of payment by a party to secure performance of obligations owed to it;

- (f) liabilities in respect of any foreign exchange agreement, currency swap or interest purchase or swap or other derivative transactions or similar arrangements, provided that to the extent that the relevant contract provides for net payments to be made the amount of financial indebtedness shall be the net amount due or the net exposure thereunder (being the amount payable by the party liable thereunder on termination or closing out of such arrangements determined on a mark to market basis);
- (g) all obligations to purchase, redeem, retire, defease or otherwise acquire for value any share capital of any person or any warrants, rights or options to acquire such share capital in respect of transactions which in each such case have the commercial effect of borrowing or which otherwise finance its or the party's operations or capital requirements;
- (h) any other transactions having the commercial effect of borrowing entered into by such party; and
- (i) all financial indebtedness of other persons of the kinds referred to in paragraphs 5(a)(a) to (h) above guaranteed or indemnified directly or indirectly in any manner by such party or having the commercial effect of being guaranteed or indemnified directly or indirectly by such party.

**"Finco"** means Tesco Property Finance 2 PLC, a public limited liability company incorporated in England and Wales with registered number 07004310.

**"Fitch"** means Fitch Ratings Ltd. or any successor to its ratings business.

**"Fixed Rate"** means 6.0517 per cent. per annum.

**"Fixtures"** means all buildings, fixtures and fittings and fixed plant and machinery on the Mortgaged Property.

**"Floor Measurement Survey Report"** means the Floor Area Data Capture Reports prepared by GL Hearn Limited in respect of the Mortgaged Properties dated between August 2007 and November 2008.

**"Foreign Transaction Party"** means a Transaction Party which is incorporated or domiciled in a jurisdiction other than England and Wales.

**"FSA"** means the Financial Services Authority.

**"FSMA"** means the Financial Services and Markets Act 2000.

**"Fuchsia Finco"** means Tesco Fuchsia (Finco1) Limited, a private limited company incorporated in England and Wales with registration number 05888951.

**"Fuchsia General Partner"** means Tesco Fuchsia (GP) Limited, a private limited company incorporated in England and Wales with registered number 05721648.

**"Fuchsia LP"** means The Tesco Fuchsia Limited Partnership Limited, a limited partnership incorporated in England and Wales with registered number LP011518.

**"Fuchsia Nominees"** means Tesco Fuchsia (Nominee 1) Limited (a private limited company incorporated in England and Wales with registration number 05888962) and Tesco Fuchsia (Nominee 2) Limited (a private limited company incorporated in England and Wales with

registration number 05888946) who hold the Burnley Head Leases on trust for the Fuchsia General Partner as general partner of the Fuchsia LP.

**"Fundable Partnership Expenses Shortfall"** has the meaning given to it in the Committed Subordinated Loan Agreement.

**"General Partner"** means Tesco Atrato (GP) Limited, a limited liability company incorporated in England and Wales with registered number 6969536.

**"General Partner Corporation Tax Reserve Account"** means the account identified as such in Schedule 4 (*Account Details*) to the Common Terms and Definitions Deed which has been opened and will be maintained by the General Partner with the Account Bank as required by Clause 9 (*Establishment of Corporation Tax Reserve Accounts*), Clause 11 (*Operation of the Accounts*), Clause 13 (*Maintenance of the Accounts*) and Clause 21 (*The Corporation Tax Reserve Account*) of the Cash Management Agreement or any account at any branch of the Account Bank which replaces the same from time to time.

**"General Partner Corporation Tax Reserve Account Mandate"** means the bank account mandate given by the General Partner to the Account Bank in respect of the General Partner Corporation Tax Reserve Account in the form set out in Part 6 (*Corporation Tax Reserve Account Mandate*) of Schedule 1 (*Form of Account Mandates*) to the Account Bank Agreement.

**"General Partner Power of Attorney"** means the security power of attorney executed by the General Partner pursuant to the Partnership Deed of Charge in the form set out in Schedule 7 (*Form of General Partner Power of Attorney*) thereto.

**"General Partner Shareholders Agreement"** and **"GP Shareholders Agreement"** means the agreement executed on or around Bond Closing Date by the shareholders of the General Partner to govern the relationship between the shareholders of the General Partner.

**"Governmental Authority"** means any entity exercising executive, legislative, judicial, regulatory or administrative functions of government.

**"GP Buyer"** means Consortium Nominees Holdings Limited (a limited liability company incorporated in England and Wales with registered number 6969533 and having its registered office at 27 Soho Square, London W1D 3AY), in its capacity as the purchaser of 50% of the entire issued share capital of the General Partner.

**"GP Charged Property"** means all Interests of the General Partner which are subject to the GP Security.

**"GP Security"** means the Security Interests created by the General Partner by or pursuant to the Partnership Deed of Charge.

**"Headleases"** or **"Head Leases"** means the head leases of the Mortgaged Properties under which the Nominees and Depot Propco hold their interest in the Mortgaged Properties, being, as at the Bond Closing Date, the headleases listed in Part 1 (*Real Property*) of Schedule 1 (*Real Property and Share Deals*) of the Partnership Deed of Charge, Schedule 1 (*Real Property*) of the Nominees Deed of Charge, and Clause 3.1 (*Creation of fixed security*) of the Depot Propco Deed of Charge and includes the head lease of any Incoming Property (in each case, as varied, amended or supplemented, including on the Bond Closing Date pursuant to the Deeds of Variation), and **"Headlease"** or **"Head Lease"** means any of them.

**"Highest Rated Entity Deed"** means the deed so named dated on or about the Bond Closing Date between, amongst others, Tesco, the Issuer, the Obligors, the Partnership Security Trustee and the Issuer Security Trustee.

**"Holding Company"** means a holding company within the meaning of Section 1159 of the Companies Act 2006.

**"Incoming Property"** means a property which has been substituted for an Outgoing Property in accordance with the terms of the Substitution Agreement.

**"Increased Alteration Value"** has the meaning given to it in the Substitution Agreement.

**"Initial Partnership Facility Fee"** means the fee to be paid by the Partnership to Finco on the Bond Closing Date pursuant to Clause 17.1.1 (*Initial Partnership Facility Fee*) of the Partnership Loan Agreement.

**"Insolvency Act"** means the Insolvency Act 1986.

**"Insolvency Event"** means, in relation to a specified party:

- (a) an order is made or an effective resolution passed for the winding up of that party;
- (b) such party ceases or threatens to cease to carry on its business or stops payment or threatens to stop payment of its debts or is deemed unable to pay its debts within the meaning of any applicable insolvency laws in its jurisdiction of incorporation or any other jurisdiction proceedings of the type referred to in paragraph (c) may be commenced against it or becomes unable to pay its debts as they fall due or the value of its assets falls to less than the amounts of its liabilities (taking into account, for both these purposes, contingent and prospective liabilities) or otherwise becomes insolvent; or
- (c) proceedings shall be initiated against such party under any applicable liquidation, insolvency, composition, reorganisation (other than a reorganisation where the party is solvent) or other similar laws (including, but not limited to, presentation of a petition for the appointment of an administrator, examiner or liquidator or the filing of documents with the court for the appointment of an administrator) and such proceedings are not being disputed in good faith with a reasonable prospect of success, or an administration order shall be granted or the appointment of an administrator takes effect or an administrative receiver or other receiver, liquidator or other similar official shall be appointed in relation to that party or in relation to the whole or any substantial part of the undertaking or assets of that party, or an encumbrancer shall take possession of the whole or any substantial part of the undertaking or assets of that party, or a distress, execution, diligence or other process shall be levied or enforced upon or sued against the whole or any substantial part of the undertaking or assets of that party and such possession or process (as the case may be) shall not be discharged or otherwise ceases to apply within 30 days, or that party initiates or consents to judicial proceedings relating to itself under applicable liquidation, insolvency, composition, reorganisation or other similar laws or makes a conveyance or assignment for the benefit of its creditors (or any class thereof) generally or enters into a composition or similar arrangement with its creditors or takes step with a view to obtaining a moratorium in respect of its indebtedness (including, without limitation, the filing of documents with the court), or any event occurs or proceedings are taking with respect to such party in any jurisdiction to which it is subject or in which it has assets which has and effects similar to or any one of the foregoing events.



**"Insolvency Official"** means a liquidator, provisional liquidator, administrator, administrative receiver, receiver or manager or other similar officer or analogous officer.

**"Insolvent"** means, in respect of an Obligor, that an Obligor Insolvency Event has occurred and is continuing.

**"Instructing Party"** has the meaning given to such term in paragraph 2.1 (*Mandatory Enforcement*) of Schedule 8 (*Trust Terms*) of the Partnership Deed of Charge.

**"Insurance Proceeds"** means all monies received or receivable under:

- (a) any Third Party Insurance Policy; and
- (b) in the event that self-insurance applies (pursuant to Clause 3.23.1 (Insurance and Reinstatement) of an Occupational Lease) any sums payable by the Occupational Tenant under Clause 3.23 of that Occupational Lease,

in respect of damage or destruction to any Mortgaged Property.

**"Insurance Proceeds Account"** means the Partnership Insurance Proceeds Account.

**"Insurance Proceeds Account Mandate"** means the Partnership Insurance Proceeds Account Mandate.

**"Interest"** means any asset including any agreement, bank account, property, undertaking or right.

**"Interest Amount"** means:

- (a) (in respect of the Acquisition Loan) the amount of interest for a Loan Interest Period calculated in accordance with Clause 8.2 (Calculation of the interest amount on the Acquisition Loan for each Loan Interest Period) of the Partnership Loan Agreement;

and

- (b) (in respect of the Bonds) the amount of interest for a Bond Interest Period calculated in accordance with Bond Condition 4 (Interest).

**"Investor Presentation Material"** has the meaning given to it in the Subscription Agreement.

**"Issuer"** means Finco.

**"Issuer Account"** means each of:

- (a) the Issuer Transaction Account; and
- (b) any additional account of the Issuer maintained with the Account Bank.

**"Issuer Account Mandate"** means the Issuer Transaction Account Mandate and any mandate to any other Issuer Account in a similar form to the Mandates scheduled to the Account Bank Agreement.

**"Issuer Available Funds"** means, in respect of any Loan Interest Payment Date and the immediately following Bond Interest Payment Date, the aggregate of:

- (a) any amount payable to the Issuer under the Partnership Swap Agreement on such Loan Interest Payment Date;
- (b) (except to the extent satisfied by way of a set-off in accordance with the Partnership Pre-Enforcement Priority of Payments) all interest, principal and other amounts payable to the Issuer in respect of the Partnership Loan on such Loan Interest Payment Date;
- (c) any amount payable to the Issuer under the Issuer Swap Agreement on such Loan Interest Payment Date;
- (d) interest received by the Issuer on the Issuer Transaction Account during the immediately preceding Calculation Period; and
- (e) the earnings and proceeds from the Issuer making any Eligible Investments during the immediately preceding Calculation Period.

**"Issuer Charged Property"** means all Interests of the Issuer which are subject to the Issuer Security.

**"Issuer Deed of Charge"** means the deed of charge so named dated on or about the Bond Closing Date between the Issuer, the Issuer Security Trustee and the other Issuer Secured Creditors.

**"Issuer/Issuer Holdco Corporate Services Agreement"** means the agreement so named dated on or about the Bond Closing Date pursuant to which the Issuer/Issuer Holdco Corporate Services Provider is appointed to act as corporate services provider in respect of the Issuer and Issuer Holdco.

**"Issuer/Issuer Holdco Corporate Services Provider"** means Structured Finance Management Limited, a limited liability company incorporated in England and Wales with company registration number 03853947.

**"Issuer Holdco"** means Atrato Issuer Holdco Limited, a limited liability company incorporated in England and Wales with registered number 06995638.

**"Issuer Level Security"** means the Issuer Security.

**"Issuer Master Definitions and Construction Schedule"** means the schedule so named signed by, *inter alios*, the Issuer, the Bond Trustee and the Issuer Security Trustee on or about the Bond Closing Date setting out certain common terms.

**"Issuer Partnership Swap Termination Amount"** means the amount (if any) due and payable from the Issuer to the Partnership under the Partnership Swap Agreement (a) due to a termination of a Partnership Swap or (b) in respect of a reduction in the notional amount of a Partnership Swap.

**"Issuer Post-Enforcement Priority of Payments"** means the provisions relating to the order of priority of payments by the Issuer set out in paragraph 3 (*Issuer Post-Enforcement Priority of Payments*) of Part 5 (*Payments out of Issuer Transaction Account*) of Schedule 3 (*Payment out of Accounts*) to the Cash Management Agreement.

**"Issuer Power of Attorney"** means the security power of attorney executed by the Issuer pursuant to the Issuer Deed of Charge in the form set out in Schedule 1 thereto.

**"Issuer Pre-Enforcement Priority of Payments"** means the provisions relating to the order of priority of payments by the Issuer set out in paragraph 2 (*Issuer Pre-Enforcement Priority of*

*Payments*) of Part 5 (*Payment out of Issuer Transaction Account*) of Schedule 3 (*Payment out of Accounts*) of the Cash Management Agreement.

**"Issuer Priorities of Payments"** means the Issuer Pre-Enforcement Priority of Payments and the Issuer Post-Enforcement Priority of Payments, and **"Issuer Priority of Payments"** means each of them.

**"Issuer Profit"** means the amount of £750 per quarter to be retained as profit by the Issuer pursuant to the Taxation of Securitisation Companies Regulations 2006 (and from which amount the Issuer shall discharge its liability to corporation tax in respect of that retained profit) and any amounts for which the Issuer is primarily liable in respect of Tax under the laws of any other jurisdiction.

**"Issuer Quarterly Reports"** means, in respect of a Bond Interest Payment Date, the report in the form set out in Schedule 4 (*Form of Quarterly Report*) of the Cash Management Agreement for that Bond Interest Payment Date and the immediately preceding Loan Interest Payment Date and Calculation Period.

**"Issuer Secured Creditors"** means the Issuer Security Trustee and any Appointee thereof, the Bond Trustee and any Appointee thereof, the Paying Agents, the Issuer Swap Provider, the Partnership, the Account Bank, the Cash Manager, the Issuer/Issuer Holdco Corporate Services Provider, the Bondholders, any Receiver appointed by the Issuer Security Trustee under the Issuer Deed of Charge and any other entity that accedes to the Issuer Deed of Charge from time to time in such capacity.

**"Issuer Secured Obligations"** has the meaning given to it in the Issuer Master Definitions and Construction Schedule.

**"Issuer Security"** means the Security Interests created by the Issuer by or pursuant to the Issuer Deed of Charge.

**"Issuer Security Documents"** means the Issuer Deed of Charge, the Issuer Power of Attorney and any other document or instrument granted in favour of the Issuer Security Trustee (on behalf of the Issuer Secured Creditors creating or evidencing security for all or any part of Issuer Secured Obligations, and **"Issuer Security Document"** means any of them.

**"Issuer Security Trustee"** means HSBC Corporate Trustee Company (UK) Limited or such other entity appointed as security trustee for the Bondholders and the other Issuer Secured Creditors, subject to and in accordance with the terms of the Issuer Security Documents.

**"Issuer Swap Agreement"** means the 1992 ISDA Master Agreement (Multicurrency–Cross Border) (including schedule thereto) dated as of 23 September 2009 between the Issuer and the Issuer Swap Provider and the swap confirmations thereunder.

**"Issuer Swap Provider"** means Tesco or such other person that is from time to time the counterparty to the Issuer pursuant to the Issuer Swap Agreement.

**"Issuer Swaps"** means the inflation swap transactions entered into by the Issuer and the Issuer Swap Provider and governed by the Issuer Swap Agreement.

**"Issuer Transaction Account"** means the account identified as such in Schedule 4 (*Account Details*) to the Common Terms and Definitions Deed which has been opened and will be maintained by the Issuer as required by Clause 6 (*Establishment of Issuer Transaction Account*), Clause 11 (*Operation of the Accounts*), Clause 13 (*Maintenance of the Accounts*) and Clause 22 (*The Issuer Transaction Account*) of the Cash Management Agreement or any account at any branch of the Account Bank which replaces the same from time to time.

**“Issuer Transaction Account Mandate”** means the bank account mandate given by the Issuer to the Account Bank in respect of the Issuer Transaction Account in the form set out in Part 1 (*Issuer Transaction Account Mandate*) of Schedule 1 (*Form of Account Mandates*) to the Account Bank Agreement.

**“Issuer Transaction Documents”** means:

- (a) the Subscription Agreement;
  - (b) the Trust Deed and the Global Bonds (as defined therein);
  - (c) the Agency Agreement;
  - (d) the Account Bank Agreement;
  - (e) the Cash Management Agreement;
  - (f) the Issuer Deed of Charge;
  - (g) the Issuer Power of Attorney;
  - (h) the Issuer Swap Agreement;
  - (i) any Eligible Guarantee (as defined in the Issuer Swap Agreement);
  - (j) the Partnership Loan Agreement;
  - (k) the Partnership Swap Agreement;
  - (l) the Partnership Security Documents;
  - (m) the Common Terms and Definitions Deed;
  - (n) the Highest Rated Entity Deed;
  - (o) the Tax Deed of Covenant;
  - (p) the SDLT Deed of Covenant;
  - (q) each Accession Letter;
  - (r) the Junior Loan Letters;
  - (s) the Issuer/Issuer Holdco Corporate Services Agreement;
  - (t) the Issuer Master Definitions and Construction Schedule;
- and
- (u) any other document, agreement or deed to which the Issuer and/or Issuer Holdco is, or may become, a party and designated as such by the Issuer/Issuer Holdco and the Issuer Security Trustee,

and **“Issuer Transaction Document”** means any of them.

**"JPUT Limited Partner"** has the same meaning as Limited Partner No.2.

**"JPUT Trust Instrument"** means the trust instrument executed by Maurant Property Trustees Limited (in such capacity, the **"JPUT Trustee"**) dated 14 September 2009 establishing Tesco Atrato Unit Trust, as amended on or around the Bond Closing Date by an amended and restated trust instrument made by the JPUT Trustee.

**"Junior Loan Letters"** means the letters dated on or about the Bond Closing Date pursuant to which Finco has made subordinated secured loans of £1,000 to each of Nominee 1, Nominee 2, Nominees Holdco, the General Partner, and Depot Propco.

**"Landlord"** means the landlord under the Occupational Leases.

**"Lead Manager"** means Goldman Sachs International, acting through its offices at Peterborough Court 133 Fleet Street London EC4A 2BB.

**"Ledgers"** means the Partnership Expenses Reserve Ledger.

**"Legal Reservations"** means:

- (a) the principle that equitable remedies may be granted or refused at the discretion of a court and the limitation of enforcement by laws relating to insolvency, reorganisation, public policy and other laws generally affecting the rights of creditors;
- (b) the requirement that an assignment or assignation must be notified to the relevant company if it is to take effect as a legal assignment or valid assignation under Scots law;
- (c) the time barring of claims under the Limitation Acts (or, in Scotland, the Prescription and Limitation (Scotland) Act 1973), the possibility that an undertaking to assume liability for or indemnify a person against non-payment of UK stamp duty may be void and defences of set-off or counterclaim;
- (d) the possible recharacterisation of fixed security as floating security; and
- (e) similar principles, rights and defences under the laws of any relevant jurisdiction.

**"Liabilities"** means, in respect of any person, any losses, damages, costs, charges, awards, claims, demands, expenses or other liabilities whatsoever (including legal fees and penalties and any part of such item as represents any VAT, but excluding Tax imposed on, or calculated by reference to, that person's net income, profit or gains) incurred by that person or for which that person is legally liable and any awards, claims, demands, judgments, decrees, actions or proceedings made or taken against that person.

**"LIBOR"** means, for any period:

- (a) the applicable British Bankers' Association Interest Settlement Rate for sterling for the relevant period displayed on the appropriate page of the Reuters screen; or
- (b) if no such rate is available for sterling for that period, the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to Finco at its request quoted by the principal London offices of four major banks (as may be selected by the Partnership Security Trustee in consultation with the Partnership) to leading banks in the London interbank market,

as at 11 a.m. on the first day of that period for the offering of deposits in sterling and for a period comparable to that period.

**"Limited Partner No. 1"** means Tesco Atrato (1LP) Limited, registered in England and Wales with registered number 6969529.

**"Limited Partner No. 2"** means Maurant Property Trustees Limited, a company incorporated in Jersey under registered number 87660 whose registered office is at 22 Grenville Street, St Helier, Jersey JE4 8PX, as managing trustee of the Tesco Atrato Unit Trust.

**"Limited Partners"** means Limited Partner No. 1 and Limited Partner No. 2 and **"Limited Partner"** means either one of them.

**"Livingston Commutation Deed"** means a deed dated 22 September 2009 between the Livingston Developer and the Partnership relating to the timing of the payment of VAT (in the form of input tax) on the Commutation Sum (as that term is defined in the Existing DC Lease).

**"Livingston Deed of Release"** means all deeds of restriction, discharges or deeds of release granted by HSBC Bank plc, TPHL, TSL or any other party releasing or restricting the Security Interest over the Livingston Distribution Centre.

**"Livingston Developer"** means Santon Group Developments Limited (Company No. SC192482) whose registered office is care of DLA, Rutland Square, Edinburgh, Lothian, EH1 2AA in its capacity as the heritable proprietor of the Livingston Distribution Centre.

**"Livingston Distribution Centre"** means the Mortgaged Property known briefly as Livingston and as more particularly described in Part 1 (*Real Property*) of Schedule 1 (*Real Property and Share Details*) to the Partnership Deed of Charge.

**"Livingston Licence to Assign"** means the licence to assign the Existing DC Lease made between the Livingston Developer, TSL, Tesco Plc and the Partnership.

**"Livingston Licence to Underlet"** means the licence to underlet in respect of the DC Occupational Leaseback made between the Livingston Developer, TSL, Tesco Plc and the Partnership.

**"Loan Interest Payment Date"** means the 10 January, 10 April, 10 July and 10 October in each year commencing on 10 January 2010, provided that:

- (a) the first Loan Interest Period will commence on (and include) the Bond Closing Date and end on (but exclude) the Loan Interest Payment Date falling on 10 January 2010;
- (b) the final Loan Interest Payment Date will fall on 10 October 2039; and
- (c) the final Loan Interest Period will commence on (and include) the Loan Interest Payment Date falling on 10 July 2039 and end on (but exclude) the Loan Interest Payment Date falling on 10 October 2039.

**"Livingston Verges Disposal"** means the sale or transfer of the land shaded blue on the plan attached to the Occupational Lease of the Livingston Distribution Centre (or part of it) to the local authority, West Lothian Council, for highway purposes pursuant to an undertaking from TPHL to West Lothian Council where the value of the consideration must not exceed £235,000 (increased in line with the all items retail price index published by the Office of National Statistics (excluding Value Added Tax)).

**"Loan Interest Period"** means, in respect of a Partnership Loan each of:

- (a) the period from (and including) the Bond Closing Date to (but excluding) the next following Loan Interest Payment Date (in all cases); and
- (b) each successive period from (and including) a Loan Interest Payment Date to (but excluding) the next succeeding Loan Interest Payment Date.

**"Losses"** has the meaning given to it in the Account Bank Agreement.

**"LPA"** means the Law of Property Act 1925.

**"LP (MP) Act"** means the Law of Property (Miscellaneous Provisions) Act 1994.

**"Magor Distribution Centre"** means the Mortgaged Property known briefly as Magor and as more particularly described in Part 1 (*Real Property*) of Schedule 1 (*Real Property and Share Details*) to the Partnership Deed of Charge.

**"Managed Accounts"** means all the Accounts other than the Distribution Accounts.

**"Managed Partnership Accounts"** means all the Partnership Accounts other than the Partnership Distribution Account.

**"Mandates"** means the Issuer Account Mandate, the Rent Account Mandate, the Partnership Account Mandate and the Corporation Tax Reserve Account Mandate.

**"Market Conditions"** means, in relation to one or more Mortgaged Properties, conditions applicable generally in the market for similar properties in the same market.

**"Market Value"** has the meaning given to it in the Substitution Agreement.

**"Master Definitions Schedule"** means Schedule 1 of the Common Terms and Definitions Deed.

**"Measurement Survey"** has the same meaning as Floor Measurement Survey Report.

**"Minor Disposal"** means the transfer or sale (which includes the grant of a lease, wayleave, servitude or right of access or easement or surrender) of an Obligor's interest in part of a Mortgaged Property where:

- (a) the transfer or sale is made on arm's length terms;
- (b) the rent payable under the Occupational Lease of that Mortgaged Property, when aggregated, in the case of a Minor Land Swap, with the rent payable pursuant to the supplemental lease of the swapped land, is not reduced as a result of the transfer or sale;
- (c) the land the subject of the transfer or sale does not form part of a building on the relevant Mortgaged Property or part of a key access route and will not alter the then applicable access route(s) to that Mortgaged Property, unless an equivalent or better access route(s) is/are provided;
- (d) the transfer or sale would not impair the operation, use or enjoyment of the Mortgaged Property in any way (including parking arrangements) which is reasonably likely to result in a material adverse impact on trading of the business being carried on at the Mortgaged Property by the relevant Occupational Tenant;

- (e) the transfer or sale would not breach a planning condition affecting the Mortgaged Property or be made in breach of any Planning Acts, planning regulations or requirements;
- (f) the Property Advisor has certified to the Landlord and the Partnership Security Trustee that the transfer or sale will not cause a reduction in the market value of the Mortgaged Property (taking into account, in the case of a Minor Land Swap, any land acquired by an Obligor in consideration of the transfer or sale and which shall be mortgaged or secured to the Partnership Security Trustee as security for the Partnership Secured Obligations and leased to the Occupational Tenant on a supplemental Occupational Lease guaranteed by the Occupational Tenant Guarantor);
- (g) no Obligor is required to assume any material contractual obligations or title conditions;
- (h) the value of the consideration paid to or by the Occupational Tenant for the sale or transfer or the value of land exchanged does not exceed £50,000 (excluding VAT) save in respect of a Livingston Verges Disposal,

and includes a Minor Land Swap which meets the above requirements and those set out in the definition of Minor Land Swap.

**“Minor Land Swap”** means a Minor Disposal where:

- (a) the consideration for the Minor Disposal is the simultaneous transfer to the Nominees of land contiguous to the remaining part of the Mortgaged Property;
- (b) a supplemental lease is entered into in respect of the swapped land on the date of transfer to the Nominees, such supplemental lease to be on the same terms (save as to the level of principal rent) and with the same tenant and guarantor as the Occupational Lease of the applicable Mortgaged Property; and
- (c) following the Minor Land Swap, the aggregate of the rents payable in respect of the Occupational Lease of the remaining Mortgaged Property out of which such Minor Disposal has been effected and the rents payable in respect of the supplemental lease of the swapped land is at least the same as the rents that were payable in respect of the Occupational Lease of the applicable Mortgaged Property prior to the Minor Land Swap.

**“Moody’s”** means Moody’s Investors Services Limited and any successor to its ratings business.

**“Mortgaged Properties”** means, at any time, an interest in any property over which the Obligors have granted a Security Interest pursuant to the terms of the Partnership Security Documents (including any Incoming Properties, but excluding any Outgoing Properties), and **“Mortgaged Property”** means any of them.

**“Net Disposal Proceeds”** means the proceeds of a Disposal of a Mortgaged Property net of costs and expenses, VAT chargeable thereon and any other Taxes payable in respect thereof by the Partnership or the General Partner.

**“Nominee 1”** means Tesco Atrato (Nominee 1) Limited, a limited liability company incorporated in England and Wales with company registration number 6969531.

**“Nominee 2”** means Tesco Atrato (Nominee 2) Limited, a limited liability company incorporated in England and Wales with company registration number 6969540.



**"Nominees"** means Nominee 1 and Nominee 2, established for the principal purposes of holding the legal title of the Mortgaged Properties on trust for the Partnership, and **"Nominee"** means any of them.

**"Nominees Assignment of Rents"** means each Assignment of Rents in respect of rent and other monies due or to become due to the Nominees under each Occupational Lease of a Scottish Property.

**"Nominees Charged Property"** or **"Nominee Charged Property"** means all Interests of the Nominees which are subject to the Nominees Security.

**"Nominees Deed of Charge"** means the deed of charge dated on or about the Bond Closing Date between, amongst others, the Nominees (as Chargors) and the Partnership Security Trustee.

**"Nominees Holdco"** or **"Nominee Holdco"** means Tesco Atrato (Nominee Holdco) Limited, a limited liability company incorporated in England and Wales with registered number 6969528.

**"Nominees HoldCo Charged Portfolio"** means the Shares and Share Related Rights subject of the Nominees HoldCo Security.

**"Nominees Holdco Charged Property"** means all Interests of Nominees Holdco which are subject to the Nominees Holdco Security.

**"Nominees Holdco Deed of Charge"** means the deed of charge dated on or about the Bond Closing Date between, amongst others, Nominees Holdco (as Chargor) and the Partnership Security Trustee.

**"Nominees Holdco Power of Attorney"** means the security power of attorney executed by Nominees Holdco pursuant to the Nominees Holdco Deed of Charge in the form set out in Schedule 2 (*Form of Nominees Holdco Power of Attorney*) thereto.

**"Nominees Holdco Security"** means the Security Interests created by Nominees Holdco by or pursuant to the Nominees Holdco Deed of Charge.

**"Nominees Holdco Side Letter"** means the letter entered into between the Partnership and Nominees Holdco on or about the Bond Closing Date whereby the Partnership agrees to pay to Nominees Holdco a fee in respect of the giving of the guarantee and the granting of the Nominees Holdco Security by Nominees Holdco to the Partnership Security Trustee.

**"Nominees/Nominees Holdco Corporate Services Agreement"** means the agreement so named dated on or about the Bond Closing Date pursuant to which the Nominees/Nominees Holdco Corporate Services Provider is appointed to act as corporate services provider in respect of each of the Nominees and Nominees Holdco.

**"Nominees/Nominees Holdco Corporate Services Provider"** means Mourant & Co. Capital (SPV) Limited, a limited liability company incorporated in England and Wales with company registration number 04092438.

**"Nominees Powers of Attorney"** means the security powers of attorney executed by each Nominee pursuant to the Nominees Deed of Charge in the form set out in Schedule 5 (*Form of Nominee Power of Attorney*) thereto.

**"Nominees Security"** means the Security Interests created by the Nominees by or pursuant to the Nominees Deed of Charge.

**"Nominees Side Letter"** means the letter entered into between the Partnership and the Nominees on or about the Bond Closing Date whereby the Partnership agrees to pay the Nominees a fee in respect of the giving of the guarantee and the granting of the Nominees Security by the Nominees to the Partnership Security Trustee.

**"Nominees Standard Security"** means each Standard Security in respect of a Scottish Property in favour of the Partnership Security Trustee over the Nominees' interest as tenants under the Head Lease governed by Scots law.

**"Notices Details"** means the provisions set out in Schedule 3 (*Notice Details*) to the Common Terms and Definitions Deed.

**"Obligor Enforcement Notice"** means a Partnership Loan Enforcement Notice.

**"Obligor Event of Default"** means a Partnership Loan Event of Default.

**"Obligor Insolvency Event"** means, in respect of any Obligor:

- (a) it is or is deemed to be unable or admits its inability to pay its debts as they fall due or suspends making payments on any of its debts; or
- (b) it is deemed to be unable to pay its debts pursuant to Section 123 of the Insolvency Act; or
- (c) a moratorium is declared in respect of any indebtedness of the Obligor (other than any Subordinated Debt); or
- (d) the commencement of negotiations with one or more creditors of the Obligor with a view to rescheduling any indebtedness of the Obligor (other than any Subordinated Debt); or
- (e) any corporate action, legal proceedings or other formal procedure or step is taken in relation to:
  - (i) the appointment of an Insolvency Official in relation to the Obligor or in relation to the whole or any part of the undertaking or assets of the Obligor; or
  - (ii) an encumbrancer (excluding the Partnership Security Trustee or any Receiver of the Obligor appointed by the Partnership Security Trustee) taking possession of the whole or any material part of the undertaking or assets of the Obligor and such possession not being discharged or ceasing to apply within 30 days; or
  - (iii) the making of an arrangement, composition or compromise (whether by way of voluntary arrangement, scheme of arrangement or otherwise) with any creditor of the Obligor, an insolvent reorganisation or winding-up of the Obligor, a conveyance to or assignment for the creditors of the Obligor generally or the making of an application to a court of competent jurisdiction for protection from the creditors of the Obligor generally;
  - (iv) any distress, execution, diligence, attachment or other process being levied or enforced or imposed upon or against the whole or any material part of the undertaking or assets of the Obligor (excluding by the Partnership Security Trustee or any Receiver of the Obligor appointed by the Partnership Security Trustee) and the same not be discharged or otherwise ceasing to apply within 30 days; or

- (f) any procedure or step is taken, or any event occurs, analogous to those set out in paragraphs (a) to (e) above, in any jurisdiction,

provided that an Obligor Insolvency Event shall not be considered to have occurred in relation to an Obligor where the value of the assets of an Obligor is less than the amount of its liabilities, solely due to the fact that the value of the assets of the Obligor has been materially and adversely affected by a diminution in the value of the Mortgaged Properties which is attributable to Market Conditions or a diminution in value of the Partnership Swaps.

**"Obligor Post-Enforcement Priority of Payments"** means the Partnership Post-Enforcement Priority of Payments.

**"Obligor Potential Event of Default"** means a Partnership Loan Potential Event of Default.

**"Obligor Priorities of Payment"** means the Partnership Pre-Enforcement Priority of Payments and the Obligor Post-Enforcement Priority of Payments, and **"Obligor Priority of Payments"** means any of them.

**"Obligors"** means the Partnership, the General Partner (in its own right), the Nominees, Nominees Holdco and Depot Propco, and **"Obligor"** means any of them provided that a person shall cease to be an Obligor if all Security Interests granted by it in favour of the Partnership Security Trustee have been released pursuant to the terms of the Partnership Security Documents.

**"Obligor Accounts"** means the Rent Accounts, the Partnership Accounts, and the Corporation Tax Reserve Account, and **"Obligor Account"** means any of them.

**"Occupational Lease Maturity Date"** means 24 December 2039.

**"Occupational Leases"** means the underleases (as varied, amended or supplemented) of the Mortgaged Properties to which the Headleases are subject, granted to the Occupational Tenants and guaranteed by the Occupational Tenant Guarantor and includes any underlease of any Incoming Property, and **"Occupational Lease"** means any of them.

**"Occupational Licensee"** means TSL.

**"Occupational Nominees"** means Tesco Property Nominees (No 5) Limited (a limited liability company incorporated in England and Wales with registered number 05888952 and having its registered office at Tesco House, Delamare Road, Cheshunt, Hertfordshire EN8 9SL) and Tesco Property Nominees (No 6) Limited (a limited liability company incorporated in England and Wales with registered number 05902418 and having its registered office at Tesco House, Delamare Road, Cheshunt, Hertfordshire EN8 9SL) who hold the relevant Occupational Leases on trust for TSL.

**"Occupational Tenant"** means the tenant under the Occupational Leases, being as at the Bond Closing Date:

- (a) in relation to all the Mortgaged Properties other than Coventry Walsgrave, Greenock Extra, Pembroke Dock and the Livingston Distribution Centre, the Occupational Nominees, provided that where the Occupational Nominees are the tenant under an Occupational Lease, **"Occupational Tenant"** includes a several reference to the Occupational Nominees and TSL, unless the context otherwise requires; and
- (b) in relation to Coventry Walsgrave, Greenock Extra, Pembroke Dock and the Livingston Distribution Centre, TSL.

**“Occupational Tenant Guarantor”** means Tesco in its capacity as guarantor under each Occupational Lease and any other person who guarantees the obligations of the Occupational Tenant, including as co-guarantor with Tesco pursuant to the Highest Rated Entity Deed.

**“Ongoing Partnership Facility Fee”** means a fee to be paid by the Partnership to Finco pursuant to Clause 17.2 (*Ongoing Partnership Facility Fee*) of the Partnership Loan Agreement on each Loan Interest Payment Date in an amount equal to the Issuer Profit and such other amounts as are then necessary to enable Finco to pay or provide for all amounts (other than any payments of interest on, and repayments of principal (including any Redemption Amount) in respect of, the Bonds and any payments in respect of the Issuer Swaps, and/or Partnership Swaps) falling due in accordance with the relevant Issuer Priority of Payments on such Loan Interest Payment Date.

**“Operator Agreement”** means the Partnership Operator Agreement.

**“Option Disposal”** means the disposal of a Mortgaged Property in accordance with the Property Option Agreement.

**“Original Principal Rent”** means, in relation to a Mortgaged Property, the Principal Rent of that Mortgaged Property as at the Bond Closing Date as set out in Schedule 2 (*Original Principal Rents*) to the Partnership Loan Agreement.

**“Outgoing Property”** means a property which has been substituted by an Incoming Property in accordance with the Substitution Agreement.

**“Overview Report”** means (in respect of the Mortgaged Properties in England and Wales) an overview report identifying material issues disclosed by the English Certificates of Title produced by Berwin Leighton Paisner LLP and (in respect of the Mortgaged Properties in Scotland) an overview report identifying material issues disclosed by the Scottish Certificates of Title produced by Tods Murray LLP.

**“Participating Member State”** means at any time any member state of the European Union that has adopted the euro as its lawful currency in accordance with the Treaty.

**“Partnership”** means The Tesco Atrato Limited Partnership (a limited partnership incorporated in England and Wales with registered number LP013577 and having its registered office at Tesco House, Delamare Road, Cheshunt, Waltham Cross, Hertfordshire EN8 9SL), acting by its general partner Tesco Atrato (GP) Limited (a limited liability company incorporated in England and Wales with registered number 06969536 and having its registered office at Tesco House, Delamare Road, Cheshunt, Waltham Cross, Hertfordshire EN8 9SL).

**“Partnership Account Mandates”** means the Partnership Transaction Account Mandate, the Partnership VAT Account Mandate, the Partnership Disposal Proceeds Account Mandate (if any), the Partnership Insurance Proceeds Account Mandate (if any), the Partnership Distribution Account Mandate and any mandate to any other Partnership Account in a similar form to the Mandates scheduled to the Account Bank Agreement, and **“Partnership Account Mandate”** means any of them.

**“Partnership Accounts”** means the Partnership Transaction Account, the Partnership VAT Account, the Partnership Disposal Proceeds Account (if any), the Partnership Insurance Proceeds Account (if any), the Partnership Distribution Account and such other account as may be opened by the Partnership, with the prior written consent of the Partnership Security Trustee, at any branch of the Account Bank, and **“Partnership Account”** means any of them.

**“Partnership Adverse Effect”** means:

- (a) a material and adverse effect on the ability of the Obligors (taken as a whole) to perform their payment obligations under the Partnership Transaction Documents; or
- (b) a material and adverse effect on the legality, binding nature, validity or enforceability of the Security Interests under the Partnership Security Documents; or
- (c) a material and adverse effect on the aggregate Vacant Possession Value of the Mortgaged Properties at any time, taking into account the aggregate outstanding amount of the Partnership Loan; or
- (d) a material and adverse effect on the legality, binding nature, validity or enforceability of the Partnership's entitlement to Rental Income (taken as a whole),

provided that, in determining whether or not a Partnership Adverse Effect has occurred, there shall be disregarded:

- (i) in respect of sub-paragraphs (b) and (d) above, the consequences of any matters of law (but not matters of fact) to the extent qualifications have been made as to such matters of law in legal opinions delivered pursuant to the Partnership Loan Agreements on the Bond Closing Date and certain other Legal Reservations;
- (ii) in respect of all the foregoing sub-paragraphs, any consequences of an actual or a perceived diminution in the financial ability of the Occupational Tenants or the Occupational Tenant Guarantor to pay the Rental Income in full and on time (other than an actual failure to pay the Rental Income in full on the Rent Payment Dates); and
- (iii) in respect of sub-paragraphs (a) and (c) above, any diminution in the aggregate Vacant Possession Value of the Mortgaged Properties, to the extent attributable to Market Conditions.

**"Partnership Agreement"** means the limited partnership agreement dated 5 August 2009 made between the General Partner and the Limited Partner as amended on 21 September 2009 and as amended and restated on or about the Bond Closing Date and as it may be amended, restated, varied or supplemented on from time to time however fundamentally.

**"Partnership Allocated Debt Amount"** is as follows:

$$A \times \left( \frac{B}{C} \right)$$

where:

**"A"** equals the then Principal Amount Outstanding of the Bonds;

**"B"** equals: (i) in the case of the relevant Mortgaged Property being owned by the Partnership as at the Bond Closing Date, the Original Principal Rent ascribed to such Mortgaged Property; (ii) in the case of the relevant Mortgaged Property being owned by the Partnership only as a result of a substitution pursuant to the Substitution Agreement of an Outgoing Property, the Original Principal Rent ascribed to such Outgoing Property; and (iii) in the case of the relevant Mortgaged Property being owned as a result of a substitution of an Outgoing Property with more than one incoming property, the amount of the Original Principal Rent ascribed to that Outgoing Property and

apportioned to those incoming properties in accordance with the formula referred to in Schedule 2 (*Original Principal Rents*) of the Partnership Loan Agreement; and

“C” equals the aggregate Original Principal Rent for the Property Portfolio.

“**Partnership Available Funds**” means, in respect of any Loan Interest Payment Date, the aggregate of:

- (a) the Rental Income received by the Partnership during the immediately preceding Calculation Period and which is to be transferred from the Partnership Rent Account to the Partnership Transaction Account on such Loan Interest Payment Date;
- (b) the amount (if any) payable to the Partnership by the Issuer under the Partnership Swaps on such Loan Interest Payment Date;
- (c) any amount transferred from the Partnership VAT Account to the Partnership Transaction Account during the immediately preceding Calculation Period;
- (d) any amount to be transferred from the Partnership Disposal Proceeds Account to the Partnership Transaction Account on such Loan Interest Payment Date;
- (e) any amount to be transferred from the Partnership Insurance Proceeds Account to the Partnership Transaction Account on such Loan Interest Payment Date;
- (f) any interest received by the Partnership on the Partnership Accounts and the Partnership Rent Account and credited or transferred to the Partnership Transaction Account during the immediately preceding Calculation Period;
- (g) any earnings and proceeds from the Partnership making Eligible Investments and credited or transferred to the Partnership Transaction Account during the immediately preceding Calculation Period;
- (h) any advance made by Tesco under the Committed Subordinated Loan Agreement on such Loan Interest Payment Date;
- (i) any net proceeds in respect of a CPO Disposal of a Mortgaged Property not required to be credited or transferred to the Partnership Disposal Proceeds Account and credited to the Partnership Transaction Account during the immediately preceding Calculation Period;
- (j) any Net Disposal Proceeds not required to be credited or transferred to the Partnership Disposal Proceeds Account and credited to the Partnership Transaction Account during the immediately preceding Calculation Period; and
- (k) any other sums standing to the credit of the Partnership Transaction Account (other than sums credited to the Partnership Expenses Reserve Ledger) on the Business Day immediately preceding the immediately preceding Calculation Date.

“**Partnership Beneficiary Undertakings**” means:

- (a) the English Partnership Beneficiary Undertakings; and
- (b) the Scottish Beneficiary Undertakings.

**"Partnership Certificate"** means a certificate to be delivered by the Partnership substantially in the form set out in Schedule 5 (*Form of Partnership Certificate*) to the Common Terms and Definitions Deed.

**"Partnership Charged Property"** means all Interests of the Partnership which are subject to the Partnership Security.

**"Partnership Debt"** means the principal amount of the Partnership Loan.

**"Partnership Debt Agreement"** means the Partnership Loan Agreement.

**"Partnership Debt Enforcement Notice"** means a Partnership Loan Enforcement Notice.

**"Partnership Debt Event of Default"** means a Partnership Loan Event of Default.

**"Partnership Debt Potential Event of Default"** means a Partnership Loan Potential Event of Default.

**"Partnership Declarations of Trust"** means:

- (a) the English Declaration of Trust; and
- (b) each Scottish Declaration of Trust.

**"Partnership Deed of Charge"** means the deed of charge dated on or about the Bond Closing Date between, amongst others, the Partnership and the General Partner (as Chargers) and the Partnership Security Trustee.

**"Partnership Disposal Proceeds Account"** means any account identified as such which is opened and maintained by the Partnership with the Account Bank as required by Clause 10 (*Further Accounts*), Clause 11 (*Operation of the Accounts*) and Clause 13 (*Maintenance of the Accounts*) of the Cash Management Agreement or any account at any branch of the Account Bank which replaces the same from time to time.

**"Partnership Disposal Proceeds Account Mandate"** means the bank account mandate given by the Partnership to the Account Bank in respect of the Partnership Disposal Proceeds Account in a similar form to the Mandates scheduled to the Account Bank Agreement.

**"Partnership Distribution Account"** means the account identified as such in Schedule 4 (*Account Details*) of the Common Terms and Definitions Deed which has been opened and will be maintained by the Partnership as required by Clause 8 (*Establishment of Partnership Accounts*), Clause 11 (*Operation of the Accounts*) and Clause 13 (*Maintenance of the Accounts*) of the Cash Management Agreement or any account at any branch of the Account Bank which replaces the same from time to time.

**"Partnership Distribution Account Mandate"** means the bank account mandate given by the Partnership to the Account Bank in respect of the Partnership Distribution Account in the form set out in Part 4 (*Partnership Distribution Account Mandate*) of Schedule 1 (*Form of Account Mandates*) to the Account Bank Agreement.

**"Partnership Enforcement Notice"** means a Partnership Loan Enforcement Notice.

**"Partnership Expenses"** means the amounts required to be paid on any Loan Interest Payment Date under paragraphs (a) to (d) (inclusive) and (i) of the Partnership Pre-Enforcement Priority of Payments.

**"Partnership Expenses Reserve Ledger"** means the ledger (initially to the Partnership Transaction Account) in the name of the Partnership and named as such created by the Cash Manager pursuant to the Cash Management Agreement.

**"Partnership Expenses Reserve Ledger Maximum Balance"** means £500,000.

**"Partnership Expenses Shortfall"** means the amount by which the Partnership Senior Amounts due on any Loan Interest Payment Date exceed the Partnership Available Funds on that Loan Interest Payment Date.

**"Partnership Facility Fees"** means the Initial Partnership Facility Fee and the Ongoing Partnership Facility Fee.

**"Partnership Finance Documents"** means:

- (a) the Partnership Loan Agreement;
- (b) the Partnership Security Documents;
- (c) the Partnership Declarations of Trust;
- (d) the English Partnership Beneficiary Undertakings;
- (e) the Scottish Beneficiary Undertakings;
- (f) the Partnership Swap Agreement;
- (g) the Committed Subordinated Loan Agreement;
- (h) the Highest Rated Entity Deed;
- (i) the Tax Deed of Covenant;
- (j) the SDLT Deed of Covenant;
- (k) the Account Bank Agreement;
- (l) the Cash Management Agreement;
- (m) the Common Terms and Definitions Deed;
- (n) each Accession Letter;
- (o) each Junior Loan Letter;
- (p) any other document, agreement or deed to which an Obligor is, or may become, a party and designated as such by the Partnership and/or that Obligor and the Partnership Security Trustee,

and **"Partnership Finance Document"** means any of them.



**"Partnership Finance Schedule"** means the original version of the Partnership Loan Amortisation Schedule, prior to any amendments being made thereto.

**"Partnership First Loan Interest Payment Date Fee"** means an amount equal to the interest accruing on the Bonds for a period of three days calculated in accordance with Bond Condition 4.3 (*Calculation of Interest Amounts*).

**"Partnership Fixed Legs"** means, in respect of any Loan Interest Payment Date, the amounts payable by the Issuer to the Partnership under the Partnership Swaps on such Loan Interest Payment Date.

**"Partnership Incumbency Certificate"** means an incumbency certificate to be delivered by the Partnership substantially in the form set out in Schedule 6 (*Form of Partnership Incumbency Certificate*) of the Common Terms and Definitions Deed.

**"Partnership Index Linked Legs"** means, in respect of any Loan Interest Payment Date, the amounts payable by the Partnership to the Issuer under the Partnership Swaps on such Loan Interest Payment Date.

**"Partnership Insurance Proceeds Account"** means any account identified as such which is opened and maintained by the Partnership with the Account Bank as required by Clause 10 (*Further Accounts*), Clause 11 (*Operation of the Accounts*) and Clause 13 (*Maintenance of the Accounts*) of the Cash Management Agreement or any account at any branch of the Account Bank which replaces the same from time to time.

**"Partnership Insurance Proceeds Account Mandate"** means the bank account mandate given by the Partnership to the Account Bank in respect of the Partnership Insurance Proceeds Account in a similar form to the Mandates scheduled to the Account Bank Agreement.

**"Partnership Level Charged Property"** means the Partnership Charged Property, the GP Charged Property, the Nominees Charged Property, the Nominees Holdco Charged Property and the Depot Propco Charged Property.

**"Partnership Level Security"** means the Partnership Security, the GP Security, the Nominees Security, the Nominees Holdco Security, and the Depot Propco Security.

**"Partnership Loan"** means the loan made pursuant to the Partnership Loan Agreement or, as the context may require, the principal amount outstanding thereof.

**"Partnership Loan Agreement"** means the loan agreement dated the Bond Closing Date between Finco as lender and the Partnership as borrower and others pursuant to which Finco agreed to make the Acquisition Facility available to the Partnership.

**"Partnership Loan Amortisation Schedule"** means Schedule 3 (*Partnership Loan Amortisation Schedule*) to the Partnership Loan Agreement as amended from time to time pursuant to Clause 6 (*Repayment*) of the Partnership Loan Agreement and Schedule 1 (*Cash Management Services – General Provisions*) to the Cash Management Agreement.

**"Partnership Loan Enforcement Notice"** means a notice served by the Partnership Security Trustee pursuant to Clause 16.17 (*Acceleration*) of the Partnership Loan Agreement demanding immediate repayment of all or part of the Partnership Loan.

**"Partnership Loan Event of Default"** means any event or circumstance specified as such in Clause 16 (*Default*) of the Partnership Loan Agreement.

**"Partnership Loan Potential Event of Default"** means any event which would become (with the passage of time or the giving of any notice provided for in a Partnership Loan Agreement or any combination thereof) a Partnership Loan Event of Default.

**"Partnership Loan Repayment Instalment"** has the meaning given to it in the Partnership Loan Agreement.

**"Partnership Operator"** means Maurant Fund Services (UK) Limited, a company incorporated in England and Wales having its registered office at 1<sup>st</sup> Floor, Phoenix House, 18 King William Street, London EC4N 7BP, in its capacity as operator of the Partnership or such other entity or entities appointed as such operator from time to time subject to, and in accordance with, the Partnership Operator Agreement.

**"Partnership Operating Agreement"** means the Partnership Operator Agreement.

**"Partnership Operator Agreement"** means the partnership operator agreement dated on or about the Bond Closing Date between, amongst others, the Partnership Operator and the Partnership, and any other document at any time designated in writing as such after the Bond Closing Date by the Partnership and the Partnership Security Trustee.

**"Partnership Post-Enforcement Priority of Payments"** means the provisions relating to the order of priority of payments by the Obligor set out in paragraph 3 (*Partnership Post-Enforcement Priority of Payments*) of Part 3 (*Payments following service of an Obligor Enforcement Notice*) of Schedule 3 (*Payment out of Accounts*) of the Cash Management Agreement and Schedule 9 (*Partnership Post-Enforcement Priority of Payments*) of the Partnership Deed of Charge.

**"Partnership Power of Attorney"** means the security power of attorney executed by the Partnership pursuant to the Partnership Deed of Charge.

**"Partnership Pre-Enforcement Priority of Payments"** means the provisions relating to the order or priority of payments by the Partnership set out in paragraph 5 (*Partnership Pre-Enforcement Priority of Payments*) of Part 2 (*Payment out of Partnership Accounts*) of Schedule 3 (*Payment out of Accounts*) to the Cash Management Agreement.

**"Partnership Prepayment Amount"** means 115% of the Partnership Allocated Debt Amount for the Mortgaged Property which is the subject of the related Voluntary Disposal.

**"Partnership Proceeds Account Mandates"** means the Partnership Disposal Proceeds Account Mandate and the Partnership Insurance Proceeds Account Mandate.

**"Partnership Proceeds Accounts"** means the Partnership Disposal Proceeds Account (if any) and the Partnership Insurance Proceeds Account (if any).

**"Partnership Quarterly Report"** means, in respect of a Loan Interest Payment Date, the report in the form set out in Schedule 4 (*Form of Quarterly Report*) to the Cash Management Agreement for that Loan Interest Payment Date and the immediately preceding Calculation Period.

**"Partnership Rent Account"** means the account identified as such in Schedule 4 (*Account Details*) of the Common Terms and Definitions Deed which has been opened and will be maintained by the Nominees as required by Clause 7 (*Establishment of Rent Accounts*), Clause 11 (*Operation of the Accounts*), Clause 13 (*Maintenance of the Accounts*) and Clause 16 (*The Rent Account*) of the Cash Management Agreement or any account at any branch of the Account Bank which replaces the same from time to time.

**“Partnership Rent Account Mandate”** means the bank account mandate given by the Partnership to the Account Bank in respect of the Partnership Rent Account in the form set out in Part 2 (*Rent Account Mandate*) of Schedule 1 (*Form of Account Mandates*) of the Account Bank Agreement.

**“Partnership Secured Creditors”** means:

- (a) the Partnership Security Trustee (for itself and for and on behalf of the Partnership Secured Creditors) and any Appointee of the Partnership Security Trustee and any Receiver appointed by it under any Partnership Security Document;
- (b) Finco;
- (c) the Cash Manager;
- (d) the Account Bank;
- (e) the Nominees/Nominees Holdco Corporate Services Provider;
- (f) the Depot Propco Corporate Services Provider;
- (g) the Partnership Operator;
- (h) the Property Pool Manager; and
- (i) any other entity that accedes to the Partnership Security Documents from time to time in such capacity,

and **“Partnership Secured Creditor”** means any of them.

**“Partnership Secured Obligations”** means the aggregate of:

- (a) all present and future monies, obligations and Liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) which from time to time are or may become due, owing or payable by the Partnership to each, some or any of the Partnership Secured Creditors under the Partnership Transaction Documents;
- (b) all present and future monies, obligations and Liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) which from time to time are or may become due, owing or payable by the Nominees to each, some or any of the Partnership Secured Creditors under the Partnership Transaction Documents;
- (c) all present and future monies, obligations and Liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) which from time to time are or may become due, owing or payable by Nominees HoldCo to each, some or any of the Partnership Secured Creditors under the Partnership Transaction Documents;
- (d) all present and future monies, obligations and Liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) which from time to time are or may become due, owing or payable by the General Partner to each, some or any of the Partnership Secured Creditors under the Partnership Transaction Documents; and
- (e) all present and future monies, obligations and Liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) which from time to

time are or may become due, owing or payable by Depot Propco to each, some or any of the Partnership Secured Creditors under the Partnership Transaction Documents.

**"Partnership Security"** means the Security Interests created by the Partnership by or pursuant to the Partnership Deed of Charge.

**"Partnership Security Documents"** means each of the following:

- (a) the Partnership Deed of Charge;
- (b) the Nominees Deed of Charge;
- (c) the Nominees Holdco Deed of Charge;
- (d) the Depot Propco Deed of Charge;
- (e) the Scottish Security;
- (f) the Ranking Agreements;
- (g) the Partnership Power of Attorney;
- (h) the General Partner Power of Attorney;
- (i) the Nominees Powers of Attorney;
- (j) the Nominees Holdco Power of Attorney;
- (k) the Depot Propco Power of Attorney;
- (l) any other document or instrument granted in favour of the Partnership Security Trustee (on behalf of the Partnership Secured Creditors) creating or evidencing security for all or any part of the Partnership Secured Obligations,

and **"Partnership Security Document"** means any of them.

**"Partnership Security Trustee"** means HSBC Corporate Trustee Company (UK) Limited in its capacity as security trustee for the Partnership Secured Creditors or such other entity appointed as Partnership Security Trustee from time to time, subject to and in accordance with the terms of the Partnership Deed of Charge.

**"Partnership Senior Amounts"** means the amounts payable pursuant to items (a) to (d), (f) to (h) of the Partnership Pre-Enforcement Priority of Payments.

**"Partnership Solvency Certificate"** means the solvency certificate to be delivered by the Partnership substantially in the form set out in Schedule 7 (*Form of Partnership Solvency Certificate*) to the Common Terms and Definitions Deed.

**"Partnership Spens Excess"** means, in relation to the Bonds to be redeemed with the proceeds of any prepayment of the Partnership Loan, the amount by which the Redemption Amount exceeds the Principal Amount Outstanding of those Bonds.

**“Partnership Swap Agreement”** means the 1992 ISDA Master Agreement (Multicurrency–Cross Border) (including schedule thereto) dated as of 23 September 2009 between the Partnership and the Issuer and the swap confirmations thereunder.

**“Partnership Swap Provider”** means Finco or any replacement swap provider appointed pursuant to the Partnership Swap Agreement.

**“Partnership Swaps”** means the inflation swap transactions entered into by the Partnership and the Issuer in respect of the Partnership Loan and governed by the Partnership Swap Agreement.

**“Partnership Swap Termination Amount”** means the amount (if any) due and payable from the Partnership to the Issuer under the Partnership Swap Agreement due to (a) a termination of a Partnership Swap or (b) in respect of a reduction in the notional amount of a Partnership Swap.

**“Partnership Transaction Account”** means the account identified as such in Schedule 4 (*Account Details*) to the Common Terms and Definitions Deed which has been opened and will be maintained by the Partnership with the Account Bank as required by Clause 8 (*Establishment of Partnership Accounts*), Clause 11 (*Operation of the Accounts*), Clause 13 (*Maintenance of the Accounts*) and Clause 20 (*The Partnership Transaction Account*) of the Cash Management Agreement or any account at any branch of the Account Bank which replaces the same from time to time.

**“Partnership Transaction Account Mandate”** means the bank account mandate given by the Partnership to the Account Bank in respect of the Partnership Transaction Account in the form set out in Part 5 (*Partnership Transaction Account Mandate*) of Schedule 1 (*Form of Account Mandates*) to the Account Bank Agreement.

**“Partnership Transaction Documents”** means:

- (a) the Subscription Agreement;
- (b) the Partnership Finance Documents;
- (c) the Property Pool Documents;
- (d) the Nominees Side Letter;
- (e) the Nominees Holdco Side Letter;
- (f) the Partnership Operator Agreement;
- (g) the Partnership Agreement;
- (h) the General Partner Shareholders Agreement;
- (i) the Depot Propco Corporate Services Agreement;
- (j) the Nominees/Nominee Holdco Corporate Services Agreement;
- (k) the JPUT Trust Instrument;
- (l) the Equity SPA; and
- (m) and any other document designated as such by the Partnership and the Partnership Security Trustee,

and "**Partnership Transaction Document**" means each or any of them.

**"Partnership VAT Account"** means the account identified as such in Schedule 4 (*Account Details*) of the Common Terms and Definitions which has been opened and will be maintained by the Partnership with the Account Bank as required by Clause 8 (*Establishment of Partnership Accounts*), Clause 11 (*Operation of the Accounts*), Clause 13 (*Maintenance of the Accounts*) and Clause 19 (*The VAT Account*) of the Cash Management Agreement or any account at any branch of the Account Bank which replaces the same from time to time.

**"Partnership VAT Account Mandate"** means the bank account mandate given by the Partnership to the Account Bank in respect of the Partnership VAT Account in the form set out in Part 3 (*VAT Account Mandate*) of Schedule 1 (*Form of Account Mandates*) to the Account Bank Agreement.

**"Party"** means a party to the Transaction Document in which the term is used.

**"Paying Agents"** means the Principal Paying Agent and any such additional or other paying agents, if any, appointed from time to time in respect of the Bonds pursuant to the Agency Agreement.

**"Paying Transaction Party"** means, where any Transaction Party is under an obligation created by a Transaction Document to make a payment to a Receiving Transaction Party, the Transaction Party who is to make such payment.

**"Permitted Disposal"** means a Disposal of a Mortgaged Property which is:

- (a) by way of a Permitted Security Interest;
- (b) an Option Disposal;
- (c) a Substitution Disposal;
- (d) a Minor Disposal;
- (e) a CPO Disposal; or
- (f) a Voluntary Disposal.

**"Permitted Financial Indebtedness"** means:

- (a) Financial Indebtedness outstanding pursuant to the Partnership Finance Documents;
- (b) any Subordinated Debt; or
- (c) any Financial Indebtedness arising under the Nominees Side Letter or Nominees Holdco Side Letter.

**"Permitted Security Interest"** means any Security Interest arising under or pursuant to a Partnership Security Document or permitted to be created in accordance with a Partnership Finance Document.

**"Planning Acts"** means the Town and Country Planning Act 1990, the Planning (Listed Buildings and Conservation Areas) Act 1990, the Planning (Hazardous Substances) Act 1990, the Planning (Consequential Provisions) Act 1990, the Planning and Compensation Act 1991, the Planning and Compulsory Purchase Act 2004, the Town and Country Planning (Scotland) Act 1997, the Planning (Listed Buildings and Conservation Areas) (Scotland) Act 1997, the Planning (Hazardous

Substances) (Scotland) Act 1997, the Planning (Consequential Provisions (Scotland) Act 1997 and any subordinate legislation made (before or after the Bond Closing Date) under those statutes and any other town and country planning or related legislations.

**"Preliminary Prospectus"** means the preliminary form of the Prospectus provided by the Lead Manager (as defined in the Subscription Agreement) on and from 15 September 2009 to potential investors in relation to the Bonds.

**"Principal Amount Outstanding"** means an amount equal to the original principal amount of a Bond less the aggregate amount of all principal payments (excluding any premium payable in accordance with Bond Condition 5.3(b) (*Redemption, Purchase and Cancellation - Early redemption in whole or part*)) in respect of such Bond which have become due and payable since the Bond Closing Date, except if and to the extent that any such payment has been improperly withheld or refused.

**"Principal Paying Agent"** means HSBC Bank plc and any successor principal paying agent in respect of the Bonds appointed pursuant to the Agency Agreement.

**"Principal Rent"** means, in relation to a Mortgaged Property, the "Principal Rent" as defined in the Occupational Lease in respect of that Mortgaged Property and (without double counting) any amounts in lieu thereof under that Occupational Lease and/or pursuant to the Substitution Agreement.

**"Proceedings"** means any legal proceedings relating to a Dispute.

**"Proceeds Accounts"** means the Disposal Proceeds Account (if any) and the Insurance Proceeds Account (if any).

**"Proceeds Account Mandates"** means the Disposal Proceeds Account Mandate and the Insurance Proceeds Account Mandate.

**"Process Service Agent"** means:

- (a) the General Partner in respect of and as appointed as such by the Partnership pursuant to Paragraph 2.4.1 of Part 3 (*Governing Law Provisions*) of Schedule 2 (*Common Terms*) to the Common Terms and Definitions Deed;

or

- (b) in respect of any Foreign Transaction Party the process agent appointed by it in accordance with Paragraph 2.4.2 of Part 3 (*Governing Law Provisions*) of Schedule 2 (*Common Terms*) to the Common Terms and Definitions Deed,

and, in each case, includes any replacement process agent.

**"Process Service Agent Address"** means the address of the process agent appointed by the Partnership or any Foreign Transaction Party in accordance with paragraphs 2.4.1 and 2.4.2 of Part 3 (*Governing Law Provisions*) of Schedule 2 (*Common Terms*) to the Common Terms and Definitions Deed or any replacement process agent in each case notified by the General Partner or that Foreign Transaction Party to the Partnership Security Trustee.

**"Property Advisor"** means any person or entity appointed as property advisor from time to time by the Partnership under any Property Advisor Agreement.

**"Property Advisor Agreement"** means the agreement at any time designated in writing as such by the Partnership and the Partnership Security Trustee by which the Property Advisor is appointed.

**"Property Option Agreement"** means the agreement so named dated on or about the Bond Closing Date and made between, amongst others, TSL, the Nominees, the Occupational Nominees and the Partnership Security Trustee granting the relevant Occupational Tenant the option to acquire each of the Mortgaged Properties leased to it individually.

**"Property Owner"** means The Tesco Atrato Limited Partnership.

**"Property Pool Documents"** means each of the following:

- (a) the Headleases (including, for the avoidance of doubt, the DC Head Lease and the DC Depot Propco Lease);
- (b) the DC Head Lease Agreement;
- (c) the Occupational Leases (including, for the avoidance of doubt, the DC Occupational Leaseback and the DC Parallel Lease);
- (d) the Deeds of Variation;
- (e) the Existing DC Lease Deed of Variation;
- (f) any Superior Lease;
- (g) the Existing DC Lease;
- (h) the DC Day Licence 1;
- (i) the DC Day Licence 2;
- (j) the Agreement for DC Day Licence 1;
- (k) the Agreement for DC Day Licence 2;
- (l) the Agreement for DC Parallel Lease;
- (m) the DC Agreement;
- (n) the Livingston Licence to Assign;
- (o) the Livingston Licence to Underlet;
- (p) the Livingston Commutation Deed;
- (q) the Burnley Transfer;
- (r) each Reversion Option;
- (s) each Agreement for Sale;
- (t) each Transfer;
- (u) the Transfer of Existing DC Lease;



- (v) the Substitution Agreement;
- (w) the Property Option Agreement;
- (x) the Property Pool Management Agreement;
- (y) the Property Advisor Agreement; and
- (z) and any other title or conveyancing or other deeds or documents which affect or regulate the ownership, use and/or occupation of the Mortgaged Properties,

and "**Property Pool Document**" means any of them.

**"Property Pool Management Agreement"** means the agreement so named dated on or about the Bond Closing Date between, amongst others, the Partnership, the Property Pool Manager and the Partnership Security Trustee.

**"Property Pool Manager"** means Spen Hill Management Limited (a private limited company incorporated in England and Wales with registered number 2460426) in its capacity as such under the Property Pool Management Agreement, or any substitute property pool manager appointed pursuant to the Property Pool Management Agreement from time to time.

**"Property Portfolio"** means the properties known briefly as Beccles, Burnley Extra, Burscough Bridge, Cannock, Clowne, Coventry Walsgrave, Greenock Extra, Hexham Extra, the Livingston Distribution Centre, the Magor Distribution Centre, Merthyr Station Yard Extra, Oban, Pembroke Dock, Porthmadog, South Wigston, Uttoxeter, and Deysbrook Barracks and as more particularly described in the Partnership Security Documents.

**"Property Services"** means the services and property management activities set out in Schedule 1 (*Property Services*) to the Property Pool Management Agreement.

**"Prospectus"** means the prospectus dated 21 September 2009 relating to the issue of the Bonds.

**"Qualifying Lender"** means a company resident in the United Kingdom for United Kingdom tax purposes and is beneficially entitled to interest payable to it under the relevant Debt Agreement.

**"Quarterly Reports"** means, in respect of each Bond Interest Payment Date, the Issuer Quarterly Report for that Bond Interest Payment Date and the immediately preceding Loan Interest Payment Date and Calculation Period and, in respect of each Loan Interest Payment Date, the Partnership Quarterly Report for that Loan Interest Payment Date and the immediately preceding Calculation Period.

**"Ranking Agreement"** means each ranking agreement in respect of each Scottish Property regulating the priority of the relevant Nominees Standard Security, the relevant Standard Security in favour of TSL and the floating charge contained within the relevant Nominees Deed of Charge in a form approved by the Partnership Security Trustee.

**"Rating Agencies"** means Fitch, Moody's and S&P, and **"Rating Agency"** means each or any of them.

**"Real Property"** means:

- (a) the property specified in Part 1 (*Real Property*) of Schedule 1 (*Real Property and Share Deals*) to the Partnership Deed of Charge;

- (b) the property specified in Schedule 1 (*Real Property*) to the Nominees Deed of Charge;
- (c) the property specified in Clause 3.1(a)(i) of the Depot Propco Deed of Charge;
- (d) all other freehold, heritable or leasehold property in the future owned by the Partnership, the Nominees or Depot Propco or in which the Partnership, the Nominees or Depot Propco in the future acquires an interest; and
- (e) all Fixtures owned by a Chargor from time to time situated on or forming part of any such freehold, heritable or leasehold property.

**"Receiver"** means any receiver, manager, receiver and manager or administrative receiver who (in the case of an administrative receiver) is a qualified person in accordance with the Insolvency Act 1986.

**"Receiving Transaction Party"** means, where any Transaction Party is under an obligation created by a Transaction Document to make a payment to another Transaction Party, the Transaction Party who is to receive such payment.

**"Redemption Amount"** means an amount equal to the Principal Amount Outstanding of the relevant Bond (or, as the case may be, the relevant part of it) to be redeemed as a result of the prepayment under a Partnership Loan Agreement multiplied by the Redemption Percentage (as defined in Bond Condition 5.3(b) (*Redemption, Purchase and Cancellation – Early redemption in whole or part*) (rounding the resulting figure to the nearest penny, half a penny being rounded upwards).

**"Regulatory Direction"** means, in relation to any person, a direction or requirement of any Governmental Authority with whose directions or requirements such person is accustomed to comply.

**"Related Rights"** means, in relation to any asset:

- (a) the proceeds of sale of any part of that asset;
- (b) all rights under any licence, agreement for sale or agreement for lease in respect of that asset;
- (c) all rights, benefits, claims, contracts, warranties, remedies, security, indemnities or covenants for title in respect of that asset; and
- (d) any monies and proceeds paid or payable in respect of that asset.

**"Rent Account"** means the Partnership Rent Account.

**"Rent Account Mandate"** means the Partnership Rent Account Mandate.

**"Rental Income"** means all sums paid or payable to or for the benefit of an Obligor arising from the letting, use or occupation of all or any part of the Mortgaged Property, including:

- (a) all Principal Rent;
- (b) all other rental amounts payable pursuant to an Occupational Lease to the Landlord directly including (i) sums payable under the Occupational Tenant's covenants for outgoings, default

interest and service charges; (ii) sums to cover any head lease rental; (iii) in respect of VAT; and (iv) by way of indemnity; and

- (c) proceeds of insurance in respect of loss of rent.

**“Rent Payment Dates”** means:

- (a) in respect of 2009, the date of the Occupational Leases and 25 December; and  
(b) in respect of each other year, 25 March, 24 June, 29 September and 25 December,

and **“Rent Payment Date”** means each or any of them.

**“Required CPO Disposal Prepayment”** means a CPO Disposal in relation to any Mortgaged Property (other than a CPO Disposal in respect of which a substitution is required) that generates proceeds (after making an allowance for the costs of the Disposal, VAT chargeable in respect of the Disposal and any other Tax payable by the Partnership or the General Partner in respect of the Disposal) in excess of £100,000 (adjusted at the same time and at the same rate that the Principal Rents are index linked pursuant to the Occupational Leases in accordance with the Retail Price Index).

**“Required Insurance Prepayment”** means any proceeds of insurance or self-insurance relating to any Mortgaged Property which are to be applied in prepayment pursuant to Clause 15.18.9 (*Insurance and reinstatement*) of the Partnership Loan Agreement and which are in excess of £100,000 (adjusted at the same time and at the same rate that the Principal Rents are index linked pursuant to the Occupational Leases in accordance with the Retail Price Index).

**“Requirement of Law”** in respect of any person shall mean:

- (a) any law, treaty, rule, requirement or regulation;  
(b) a notice by, or an order of, any court having jurisdiction;  
(c) a Regulatory Direction; or  
(d) a determination of an arbitrator or Governmental Authority,

in each case having the force of law and applicable to or binding upon that person or to which that person is subject.

**“Reversion Option”** means:

- (a) each Scottish Reversion Option; and  
(b) any further reversion option entered into pursuant to the terms of the Substitution Agreement.

**“RICS”** means the Royal Institution of Chartered Surveyors.

**“S&P”** means Standard & Poor’s Ratings Group, a division of The McGraw-Hill Companies Limited or any successor to its ratings business.

**“Scottish Beneficiary Undertaking”** means each Scottish law beneficiary undertaking given by the Partnership in favour of the Partnership Security Trustee dated on or before the Bond Closing Date.

**"Scottish Declarations of Trust"** means each declaration of trust dated on or around the Bond Closing Date by the Nominees in favour of the Beneficiaries in respect of the Nominees' relevant interest in each Scottish Property.

**"Scottish Property"** means any Real Property located in Scotland or other assets governed by Scots law.

**"Scottish Reversion Option"** means the option of the Partnership to purchase the landlord's interest in each Headlease of a Scottish Property.

**"Scottish Security"** means a Standard Security or an Assignment of Rents in respect of each Scottish Property.

**"SDLT"** means stamp duty land tax chargeable in accordance with Part 4 Finance Act 2003 (including any tax chargeable under paragraph 3 Schedule 7 Finance Act 2003) together with any interest and penalties arising from or relating to the same.

**"SDLT Deed of Covenant"** means the deed of covenant in respect of SDLT dated on or about the Bond Closing Date between, *amongst others*, the Partnership, and the Partnership Security Trustee.

**"Security Interest"** means any mortgage, standard security, charge, pledge, lien, assignment, assignation in security, hypothecation or security interest or any other agreement or arrangement having the effect, in any jurisdiction, of conferring security.

**"Security Protection Notice"** means a notice in, or substantially in, the form set out in Schedule 10 (*Security Protection Notice*) to the Partnership Deed of Charge, delivered by the Partnership Security Trustee pursuant to the Partnership Security Documents.

**"Share Related Rights"** means any dividend or interest paid or payable in relation to any Share and any rights, money or property accruing or offered at any time in relation to any Share by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise.

**"Shares"** means:

- (a) in respect of the Partnership and the Partnership Deed of Charge, all the shares specified in Schedule 1 (*Real Property and Share Details*) to the Partnership Deed of Charge;
- (b) in respect of Nominees Holdco and the Nominees Holdco Deed of Charge, all the shares specified in Schedule 1 (*Details of Shares*) to the Nominee Holdco Deed of Charge; and
- (c) any new or additional shares held by the Partnership or Nominees Holdco from time to time.

**"Standard Security"** means any standard security in respect of Scottish Property in the form of Schedule 3 (*Form of Standard Security*) to the Nominees Deed of Charge or Schedule 1 (*Form of Standard Security*) to the Depot Propco Deed of Charge with such amendments as may be approved by the Partnership Security Trustee, granted in favour of the Partnership Security Trustee by the Nominees or Depot Propco (as applicable) or (if required) any other Chargor, and governed by Scots law.

**"Standard Custody Terms"** has the meaning given to it in the Cash Management Agreement.

**"Sterling", "Pounds" or "£"** means the lawful currency for the time being of the United Kingdom of Great Britain and Northern Ireland.

**"Subordinated Creditor"** means Tesco (in its capacity as lender under the Committed Subordinated Loan Agreement) and any person identified in writing as such by the Partnership and the Partnership Security Trustee.

**"Subordinated Debt"** of an Obligor means Financial Indebtedness of that Obligor which is subordinated to the satisfaction of the Partnership Security Trustee behind the Partnership Secured Obligations.

**"Subordinated Obligations"** means all present and future obligations and liabilities (whether actual or contingent, whether owed jointly or severally or in any other capacity whatsoever and whether originally incurred by an Obligor or any other person) of each Obligor to any Subordinated Creditor.

**"Subscription Agreement"** means the agreement so named dated 21 September 2009, between the Lead Manager (as defined therein), the Issuer, Issuer Holdco, Tesco, the Partnership, the General Partner, the Nominees, Nominees Holdco and Depot Propco.

**"Subscription Price"** has the meaning given to it in the Subscription Agreement.

**"Subsidiary"** means a subsidiary within the meaning of Section 1159 of the Companies Act 2006.

**"Substitution Adjustment Rent"** has the meaning given to it in the Substitution Agreement.

**"Substitution Agreement"** means the agreement for substitution, alteration and/or adjoining land developments dated the Bond Closing Date between, amongst others, TSL, TPHL, the Partnership, the Partnership Security Trustee, the Nominees, Tesco, the Occupational Nominees and Limited Partner No. 2.

**"Substitution Disposal"** means the substitution of a Mortgaged Property with a property or properties pursuant to the Substitution Agreement and, for the avoidance of doubt, excludes the Disposal of a Mortgaged Property pursuant to an election made by Tesco (as defined in the Substitution Agreement) under the proviso to Clause 2.1(a) (*Substitution*) of the Substitution Agreement to acquire a Mortgaged Property rather than substitute it.

**"Substitution Event"** has the meaning given in the Substitution Agreement.

**"Successor Cash Manager"** has the meaning given to it Clause 28.2 (*Termination of Appointment of Cash Manager*) of in the Cash Management Agreement.

**"Successor Trustee"** means any entity validly appointed to act as successor to the Partnership Security Trustee under the Partnership Security Documents the Issuer Security Trustee under the Issuer Security Documents and/or the Bond Trustee under the Trust Deed, as the case may be.

**"Superior Landlord"** means a person from time to time entitled to the reversion expectant (whether immediately or not) on the determination of the term of a Superior Lease, other than the landlord under any Occupational Lease.

**"Superior Lease"** means any lease under which the landlord of any Occupational Lease or any Superior Landlord holds an interest in the properties which are leased by the Headleases.

**"Swap Subordinated Amounts"** means in respect of a Loan Interest Payment Date:

- (a) any amount due and payable from the Issuer to the Issuer Swap Provider due to a termination of the Issuer Swaps on the basis of an event of default under the Issuer Swap Agreement in respect of which the Issuer Swap Provider is the defaulting party or on the

basis of a termination event under the Issuer Swap Agreement in respect of which the Issuer Swap Provider is the sole affected party;

- (b) any amount due and payable from the Issuer to the Issuer Swap Provider in circumstances where an Occupational Tenant and the Occupational Tenant Guarantor have both failed to make a payment due and payable under an Occupational Lease, whether in whole or in part, on the immediately preceding Rent Payment Date (irrespective of whether the Issuer is the defaulting party in respect of an event of default under the Issuer Swap Agreement that resulted in such termination or whether the Issuer Swap Provider is the sole affected party in respect of a termination event under the Issuer Swap Agreement that resulted in such termination); and
- (c) any amount due and payable from the Issuer to the Issuer Swap Provider in circumstances where Tesco has failed to make a payment due and payable under the Committed Subordinated Loan Agreement, whether in whole or in part, on such Loan Interest Payment Date (irrespective of whether the Issuer is the defaulting party in respect of an event of default under the Issuer Swap Agreement that resulted in such termination or whether the Issuer Swap Provider is the sole affected party in respect of a termination event under the Issuer Swap Agreement that resulted in such termination).

**"Tax"** means any present or future tax, levy, impost, duty or other charge or withholding of any nature whatsoever (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same) imposed or levied by or on behalf of any Tax Authority, and **"Taxes"**, **"taxation"**, **"taxable"** and comparable expressions shall be construed accordingly.

**"Tax Authority"** means any government, state, municipal, local, federal or other fiscal, revenue, customs or excise authority, body or official anywhere in the world including HM Revenue & Customs or any successor thereof.

**"Tax Change"** means, in relation to a person, the introduction of, suspension, withdrawal or cancellation of, or change in or change in the official interpretation, administration or application of, any law or regulation having the force of law or any applicable double taxation treaty, or any published practice or published concession of any relevant taxing or fiscal authority in any jurisdiction with which that person has a connection, occurring after the Bond Closing Date.

**"Tax Deduction"** means any deduction or withholding for or on account of Tax.

**"Tax Deed of Covenant"** means the tax deed of covenant dated on or about the Bond Closing Date between, amongst others, the Obligors and the Partnership Security Trustee and includes any document entered into in accordance with its terms.

**"Tax Payment"** means the increase in a payment made under Clause 11.1 (*Gross-up*) or Clause 11.4 (*Tax Indemnity*) of the Partnership Loan Agreement.

**"Tesco"** means Tesco Plc.

**"Tesco Group"** or **"Group"** means Tesco and its Subsidiaries.

**"Tesco Limited Partner"** has the same meaning as Limited Partner No.1.

**"Third Party Insurance Policies"** means all contracts and policies of insurance in relation to some or all of the Mortgaged Properties and any other contract or policy of insurance taken out by or on behalf of the Occupational Tenants, the Partnership, the Nominees and/or the Partnership Security

Trustee, or in which any of them may have an interest from time to time with any party that is not a member of the Tesco Group, and "**Third Party Insurance Policy**" means any of them.

"**THL**" means Tesco Holdings Limited, a limited liability company incorporated in England and Wales with company number 00243011 and having its registered office at Tesco House, Delamare Road, Cheshunt, Waltham Cross, Hertfordshire EN8 9SL.

"**TPHL**" means Tesco Property Holdings Limited, a limited liability company incorporated in England and Wales with company number 2353133 and having its registered office at Tesco House, Delamare Road, Cheshunt, Waltham Cross, Hertfordshire EN8 9SL.

"**TPHL2**" means Tesco Property Holdings (No 2) Limited, a limited liability company incorporated in England and Wales with company number 5888922 and having its registered office at Tesco House, Delamare Road, Cheshunt, Waltham Cross, Hertfordshire EN8 9SL. .

"**Transaction Documents**" means the Partnership Transaction Documents and the Issuer Transaction Documents, and "**Transaction Document**" means any of them.

"**Transaction Party**" means any person who is a party to a Transaction Document, and "**Transaction Parties**" means some or all of them.

"**Transfer of Existing DC Lease**" means the assignation of the Existing DC Lease by TSL to the Partnership.

"**Transfers**" means the transfers of legal title to the Mortgaged Properties by the Partnership to the Nominees.

"**Trustee Acts**" means both the Trustee Act 1925 and the Trustee Act 2000.

"**Trust Deed**" means the trust deed entered into on the Bond Closing Date between the Issuer and the Bond Trustee in relation to the constitution of the Bonds.

"**Trust Terms**" means the terms of the security trust as detailed in Schedule 8 (*Trust Terms*) to the Partnership Deed of Charge.

"**TSL**" means Tesco Stores Limited a limited liability company incorporated in England and Wales with company number 519500.

"**Vacant Possession Value**" has the meaning given to it in the Substitution Agreement.

"**Valuation**" means any valuation delivered pursuant to the Partnership Loan Agreement, an Occupational Lease, a Head Lease, the Property Option Agreement and/or the Substitution Agreement.

"**Valuers**" means Cushman & Wakefield LLP or such other valuers as the Partnership Security Trustee may appoint, with the consent of the Partnership (such consent not to be unreasonably withheld) except when an Obligor Event of Default has occurred and is continuing when such consent will not be necessary to provide any valuation under the Transaction Documents.

"**VAT**" or "**value added tax**" means any tax imposed in conformity with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112) (including, in relation to the United Kingdom, value added tax imposed by the Value Added Tax Act 1994 and legislation and regulations supplemental thereto) and any other tax of a similar fiscal nature

substituted for, or levied in addition to, such tax whether imposed in a member state of the European Union or elsewhere.

**"VAT Account"** means the Partnership VAT Account.

**"VAT Account Mandate"** means the Partnership VAT Account Mandate.

**"VAT Amount"** means, in relation to any deposit made by or on behalf of the Partnership into the Partnership Transaction Account or the Partnership Disposal Proceeds Account, the whole or such part of that deposit as represents any VAT chargeable on the supply made or deemed to be made by the Partnership or by the General Partner on its behalf in respect of which the sum so deposited is the consideration, in whole or in part, for VAT purposes.

**"Voluntary Disposal"** means a Disposal of the whole of a Mortgaged Property, other than a Substitution Disposal, a Minor Disposal, a Minor Land Swap or a CPO Disposal, and includes, for the avoidance of doubt, the Disposal of a Mortgaged Property pursuant to an election made by Tesco (as defined in the Substitution Agreement) under the proviso to Clause 2.1(a) (*Substitution*) of the Substitution Agreement to acquire a Mortgaged Property rather than substitute it.





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

**Pursuant to section 401(2) of the Companies Act 1985**

**COMPANY NO. 6969533  
CHARGE NO. 1**

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES  
HEREBY CERTIFIES THAT A DEED OF CHARGE DATED 23  
SEPTEMBER 2009 AND CREATED BY TESCO ATRATO DEPOT  
PROPCO LIMITED FOR SECURING ALL MONIES DUE OR TO  
BECOME DUE FROM THE PARTNERSHIP THE NOMINEES  
NOMINEES HOLDCO THE GENERAL PARTNER AND DEPOT  
PROPCO TO EACH SOME OR ANY OF THE PARTNERSHIP  
SECURED CREDITORS UNDER THE TERMS OF THE  
AFOREMENTIONED INSTRUMENT CREATING OR EVIDENCING  
THE CHARGE WAS REGISTERED PURSUANT TO CHAPTER 1  
PART XII OF THE COMPANIES ACT 1985 ON THE 9 OCTOBER  
2009

GIVEN AT COMPANIES HOUSE, CARDIFF THE 13 OCTOBER  
2009

PO  
3/31



*Companies House*  
— for the record —



THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES