

MG01

Particulars of a mortgage or charge



227042/13
LASERFORM

A fee is payable with this form

We will not accept this form unless you send the correct fee
Please see 'How to pay' on the last page



What this form is for

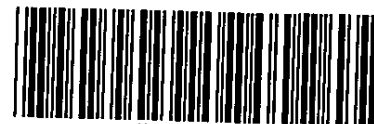
You may use this form to register
particulars of a mortgage or charge
in England and Wales or Northern
Ireland



What this form is NOT for

You cannot use this form to re-
gister particulars of a charge for a S
company. To do this, please use
form MG01s

TUESDAY



LD3 22/02/2011 92
COMPANIES HOUSE

1

Company details

Company number

0 7 4 5 9 6 6 2

Company name in full

Tesco Navona (Nominee Holdco) Limited (the **Chargor**)

1

For official use

Filling in this form

Please complete in typescript or in
bold black capitals

All fields are mandatory unless
specified or indicated by *

2

Date of creation of charge

Date of creation

d0 d9 m0 m2 y2 y0 y1 y1

3

Description

Please give a description of the instrument (if any) creating or evidencing the
charge, e.g. 'Trust Deed', 'Debenture', 'Mortgage', or 'Legal charge'

Description

A nominees holdco deed of charge dated 9 February 2011 entered into by the Chargor, the
Partnership Secured Creditors (as defined below) and HSBC Corporate Trustee Company (UK)
Limited (the **Partnership Security Trustee**) (the **Nominees Holdco Deed of Charge**)

4

Amount secured

Please give us details of the amount secured by the mortgage or charge

Amount secured

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,

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Please use a continuation page if
you need to enter more details

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Amount secured

Please give us details of the amount secured by the mortgage or charge.

Amount secured

- (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 PL Propco to each, some or any of the Partnership Secured Creditors under the Partnership Transaction Documents,

(the Partnership Secured Obligations)

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5 Mortgagee(s) or person(s) entitled to the charge (if any)

Please give the name and address of the mortgagee(s) or person(s) entitled to the charge

Continuation page

Please use a continuation page if you need to enter more details

Name HSBC Corporate Trustee Company (UK) Limited

Address 8 Canada Square

London

Postcode E 1 4 5 H Q

Name

Address

Postcode

6 Short particulars of all the property mortgaged or charged

Please give the short particulars of the property mortgaged or charged

Continuation page

Please use a continuation page if you need to enter more details

Short particulars

1. COVENANT TO PAY, GUARANTEE AND INDEMNITY BY CHARGOR

1.1 Covenant to pay, guarantee and indemnity

Pursuant to Clause 2 1 (Covenant to pay, guarantee and indemnity) of the Nominees Holdco 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) owed or owing after the date of the Nominees Holdco Deed of Charge, 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 Nominees Holdco 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) thereof nor the security constituted by or pursuant to the Nominees Holdco Deed of Charge

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- (i) shall extend or include any sum which has not been received or recovered by or for the account of the Chargor in respect of the Nominees Holdco Security Accordingly, all payments to be made by the Chargor under the Nominees Holdco Deed of Charge will be made only from and to the extent of the sums received or recovered by or on behalf of the Chargor or the Partnership Security Trustee in respect of the applicable Nominees Holdco Security The Partnership Security Trustee and the Partnership Secured Creditors shall look solely to such sums for payments to be made by the Chargor under the Nominees Holdco Deed of Charge, the obligation of the Chargor to make payments will be limited to such sums and the Partnership Security Trustee and the Partnership Secured Creditors will have no further recourse to the Chargor in respect thereof In the event that the amount due and payable by the Chargor under the Nominees Holdco Deed of Charge exceeds the sums so received or recovered, the right of any person to claim payment of any amount exceeding such sums shall be extinguished, and
- (ii) the Partnership Security Trustee and the Partnership Secured Creditors shall have recourse only to the Nominees Holdco Security and, once such Nominees Holdco Security has been realised, shall not be entitled to take any further steps against the Chargor to recover any sum still unpaid and the claims and all rights to claim against the Chargor in respect of each such sum unpaid shall be extinguished

1 2 Continuing guarantee

Pursuant to Clause 2 2 (Continuing guarantee) of the Nominees Holdco Deed of Charge, the guarantee in Clause 2 1 (Covenant to pay, guarantee and indemnity) of the Nominees Holdco 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 Obligations, regardless of any intermediate payment or discharge in whole or in part or any change in the constitution of the Partnership

1 3 Reinstatement

Pursuant to Clause 2 3 (Reinstatement) of the Nominees Holdco Deed of Charge

- (a) 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

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event, the liability of the Chargor under Clause 2 1 (Covenant to pay, guarantee and indemnity) of the Nominees Holdco Deed of Charge will continue or be reinstated as if the discharge or arrangement had not occurred

- (b) The Partnership Security Trustee may concede or compromise any claim that any payment, security or other disposition is liable to avoidance or restoration

1.4 Waiver of defences

Pursuant to Clause 2 4 (Waiver of defences) of the Nominees Holdco Deed of Charge, the obligations of the Chargor under Clause 2 1 (Covenant to pay, guarantee and indemnity) of the Nominees Holdco 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 Nominees Holdco 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

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1.5 Immediate recourse

Pursuant to Clause 2.5 (Immediate recourse) of the Nominees Holdco Deed of Charge, the Chargor waived any right it may have had 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 that Chargor under Clause 2.1 (Covenant to pay, guarantee and indemnity) of the Nominees Holdco Deed of Charge. This waiver applies irrespective of any law or any provision of any Partnership Transaction Document to the contrary.

1.6 Appropriations

Pursuant to Clause 2.6 (Appropriations) of the Nominees Holdco 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 Nominees Holdco 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 not be entitled to the benefit of the same, and
- (b) hold in an interest-bearing suspense account any moneys received from any Chargor or on account of the Chargors' liability under Clause 2.1 (Covenant to pay, guarantee and indemnity) of the Nominees Holdco Deed of Charge

1.7 Non-competition

Pursuant to Clause 2.7 (Non-competition) of the Nominees Holdco 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,
- (c) the Chargor will not, 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)
 - (i) be subrogated to any rights, security or moneys held, received or receivable by the Partnership Security Trustee,

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- (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 Nominees Holdco 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 a Chargor, or exercise any right of set-off as against a 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 Nominees Holdco 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 Nominees Holdco Deed of Charge

1.8 Additional security

Pursuant to Clause 2 8 (Additional security) of the Nominees Holdco Deed of Charge, the covenants or undertakings in Clause 2 1 (Covenant to pay, guarantee and indemnity) thereof and the security constituted by or pursuant to the Nominees Holdco 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

2. FIXED SECURITY AND ASSIGNMENT

2.1 Creation of fixed security

Pursuant to Clause 3 1 (Creation of fixed security) of the Nominees Holdco Deed of Charge, the Chargor, as continuing security for the payment and discharge of all the Partnership Secured Obligations, charged 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 Nominees Holdco Deed of Charge) 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 under each of the following assets (to the extent of that Benefit)

- (a) the Shares and any Share Related Rights,
- (b) its uncalled capital, and

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- (c) each of the Partnership Transaction Documents

2.2 Assignment

Pursuant to Clause 3 2 (Assignment) of the Nominees Holdco Deed of Charge, the Chargor, as continuing security for the payment and discharge of the Partnership Secured Obligations, assigned absolutely subject to any reassignment or retrocession 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 Nominees Holdco Deed of Charge (or to the extent not assignable, charged by way of fixed charge (unless already charged in accordance with Clause 3 1 (Creation of fixed security) of the Nominees Holdco 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 under each of the Partnership Transaction Documents (to the extent of that Benefit)

3 FLOATING CHARGE

3.1 Creation of floating charge

Pursuant to Clause 4 1 (Creation of floating charge) of the Nominees Holdco Deed of Charge

- (a) The Chargor, with full title guarantee 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 all its present and future assets and undertaking
- (b) The floating charge created by Clause 4 1(a) of the Nominees Holdco 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 Nominees Holdco 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 Nominees Holdco Deed of Charge

3 2 Conversion of floating charge by notice

Pursuant to Clause 4 2 (Conversion of floating charge by notice) of the Nominees Holdco Deed of Charge

- (a) The Partnership Security Trustee may, in its absolute discretion, by the delivery of the Security Protection Notice to the Chargor, convert the floating charge

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created by the Chargor pursuant to the Nominees Holdco 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 the 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, 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) The Partnership Security Trustee may by notice to the Chargor reconvert any charge over any assets specified in the Security Protection Notice into a floating charge

3.3 Automatic conversion of floating charge

Pursuant to Clause 4.3 (Automatic conversion of the floating charge) of the Nominees Holdco Deed of Charge

- (a) Notwithstanding Clause 4.2 (Conversion of floating charge by notice) of the Nominees Holdco Deed of Charge and without prejudice to any law which may have a similar effect, the floating charge created pursuant to the Nominees Holdco 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 on the Chargor,

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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

- (b) The Partnership Security Trustee may by notice to the applicable Chargor reconvert any charge over any assets the subject of an automatic conversion into a floating charge

3 4 Restriction on conversion of floating charge

Pursuant to Clause 4 4 (Restriction on conversion of floating charge) of the Nominees Holdco Deed of Charge, the floating charge created by Clause 4 1 (Creation of floating charge) of the Nominees Holdco 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

4. GENERAL UNDERTAKINGS

4.1 Title

Pursuant to Clause 7 2 (Title) of the Nominees Holdco Deed of Charge, the Chargor undertook to the Partnership Security Trustee that

- (a) it will be the owner of its Benefit in the Nominees Holdco Charged Property free from any Security Interest except as created by or pursuant to or permitted under the Nominees Holdco Deed of Charge, and
- (b) it will not sell or dispose of the benefit of all or any of its rights, title and interest in the Nominees Holdco Charged Property, except as permitted under the Nominees Holdco Deed of Charge

4.2 Negative pledge

Pursuant to Clause 7 3 (Negative Pledge) of the Nominees Holdco Deed of Charge, the Chargor shall not create or permit to subsist

- (a) any Security Interest on any Nominees Holdco Charged Property other than any Security Interest created by or pursuant to the Nominees Holdco 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

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

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DEFINITIONS

In this form MG01 capitalised terms used and not otherwise defined shall have the following meaning

"1881 Act" means the Conveyancing and Law of Property Act 1881.

"Accession Letter" has the meaning given to it in Paragraph 19.9.2 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, the Cash Manager and the Yardley Cash Manager

"Account Bank Termination Event" has the meaning given to it in Clause 20.2 (*Termination of Account Bank*) of the Account Bank Agreement.

"Accounts" means the Partnership Accounts, the General Partner Corporation Tax Reserve Account, the General Partner VAT Transaction Account, the Yardley Expenses Account, the Yardley Rent Account, the Partnership Rent Account and the Issuer Accounts, and **"Account"** means any of them.

"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" means in relation to a person, 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, the Registrar and the Principal Paying Agent

"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.

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"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).

"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 3 (*Form of Assignment of Rents*) to the PL 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 PL Prop co (as applicable) or (if required) any other Chargor and governed by Scots law.

"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 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

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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 3 (*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 1.3.

"Bond Interest Payment Date" means 13 January, 13 April, 13 July and 13 October in each year commencing on the Bond Interest Payment Date falling on 13 April 2011.

"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 April 2011; and
- (b) each successive period from (and including) a Bond Interest Payment Date to (but excluding) the next succeeding Bond Interest Payment Date,

provided that the final Bond Interest Period will commence on (and include) the Bond Interest Payment Date falling on 13 July 2040 and end on (but exclude) the Bond Interest Payment Date falling on 13 October 2040.

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"Bonds" means the £685,100,000 secured 5.8006% Bonds due October 2040 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.

"Building Inspection Reports" means, collectively, the building inspection reports prepared by Tuffin Ferraby Taylor LLP in respect of each of the Mortgaged Properties dated between June 2010 and January 2011.

"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.

"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, the Cash Manager and the Yardley Cash Manager.

"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 Managers" means the Yardley Cash Manager and the Cash Manager.

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

"Closing Date" means the Bond Closing Date.

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

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"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.

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, Issuer, Issuer Holdco, Limited Partner No. 2, each of the Occupational Nominees, the Property Pool Manager, Tesco and the Yardley Cash 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

"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

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"Development Agreement" means the development agreement entered into on or before the Bond Closing Date by the Partnership, the Nominees, Tesco and the Developer pursuant to which the Developer will agree, as principal, to undertake and complete the Development.

"Development" means the development of the Yardley Mortgaged Property to be undertaken by the Developer.

"Disposal Proceeds Account" means the Partnership Disposal Proceeds Account

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

"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.

"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 F-1 by Fitch and P-1 by Moody's or higher and the long-term, unsecured, unguaranteed and unsubordinated debt obligations of which are rated at least A- by S&P; and

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Short particulars	<p>(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.</p> <p>"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.</p> <p>"English 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.</p> <p>"English PL Property" means a PL Property located in England or Wales, being the freehold title to the property known as Bulwell, long leasehold titles to the properties known as Accrington, Amesbury, Bideford, Callington, Hanley, Nottingham Beeston and Queensbury and part freehold and part long leasehold title to the properties known as Birmingham Brookfield and Llandrindod Wells</p> <p>"Equity SPA" means the sale and purchase agreement between the Acquiring Unitholders, GP Buyer, TPHL, THL and TPHL2 for the transfer of the Navona Units and 50% of the issued share capital of the General Partner.</p> <p>"Existing PL Lease" means the occupational lease of each PL Property dated as shown in Part 1 of this Schedule 1 for a term of years expiring on the date shown in Part 1 of this Schedule 1.</p> <p>"Expenses Reserve Ledger" means the Partnership Expenses Reserve Ledger.</p> <p>"Expenses Reserve Ledger Maximum Balance" means the Partnership Expenses Reserve Ledger Maximum Balance.</p> <p>"Extraordinary Resolution" means:</p> <p>(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</p> <p>(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.</p>	

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"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 2040.

"Finco" means Tesco Property Finance 4 PLC, a public limited liability company incorporated in England and Wales with registered number 07455552.

"Financial Services Authority" means the UK Financial Services Authority or any successor authority or authorities (as appropriate).

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

"Fixed Rate" means 5.8006% per annum.

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

"FSA" means the Financial Services Authority.

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

"General Partner" means Tesco Navona (GP) Limited, a limited liability company incorporated in England and Wales with registered number 07457915.

"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 10 (*Establishment of General Partner Corporation Tax Reserve Accounts*), Clause 15 (*Operation of the Accounts*), Clause 18 (*Maintenance of the Accounts*) and Clause 27 (*The General Partner 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 9 (*General Partner Corporation Tax Reserve Account Mandate*) of Schedule 1 (*Forms 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

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Charge in the form set out in Schedule 7 (*Form of General Partner Power of Attorney*) to the Partnership Deed of Charge.

"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 and the General Partner itself to govern the relationship between the shareholders of the General Partner.

"General Partner VAT 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 General Partner with the Account Bank as required by Clause 11 (*Establishment of General Partner VAT Transaction Accounts*), Clause 15 (*Operation of the Accounts*), Clause 18 (*Maintenance of the Accounts*) and Clause 28 (*The General Partner VAT 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.

"General Partner VAT Transaction Account Mandate" means the bank account mandate given by the General Partner to the Account Bank in respect of the General Partner VAT Transaction Account in the form set out in Part 10 (*General Partner VAT Transaction Account Mandate*) of Schedule 1 (*Forms of Account Mandates*) to the Account Bank Agreement.

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

"GP Buyer" means TPTL, 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 PL Propco hold their interest in the Mortgaged Properties, being, as at the Bond Closing Date, the headleases listed in Part 1 (*Property Located in England, Wales and Scotland*) and Part 3 (*Property Located in Northern Ireland*) of Schedule 1 (*Real Property and Share Details*) of the Partnership Deed of Charge, Schedule 1 (*Properties*) of the Nominees Deed of Charge and Schedule 1 (*Real Property*) of the PL Propco Deed of Charge, and includes the head lease of any Incoming Property (in each case, as varied, amended or supplemented), and **"Headlease"** or **"Head Lease"** means any of them.

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"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.

"HMRC" means HM Revenue & Customs.

"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 the Issuer 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

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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 taken 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 a Tesco Occupational Lease) any sums payable by the Tesco Occupational Tenant under Clause 3.23 of that Tesco 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.

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"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*)

"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

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"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, the Registrar 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 Navona Issuer Holdco Limited, a limited liability company incorporated in England and Wales with registered number 07455548.

"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, the Registrar 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 8 (*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 (*Form of Issuer Power of Attorney*) to the Issuer Deed of Charge.

"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 8 (*Payment out of Issuer Transaction Account*) of Schedule 3 (*Payment out of Accounts*) of the Cash Management Agreement.

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"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 Secured Creditors" means the Issuer Security Trustee and any Appointee thereof, the Bond Trustee and any Appointee thereof, the Registrar, 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 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 the schedule thereto) dated as of 9 February 2011 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 Swap" means the inflation swap transaction entered into by the Issuer and the Issuer Swap Provider and governed by the Issuer Swap Agreement.

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"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 7 (*Establishment of Issuer Transaction Account*), Clause 15 (*Operation of the Accounts*), Clause 18 (*Maintenance of the Accounts*) and Clause 29 (*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 Bond (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;

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- (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.

"**Joint Lead Arrangers**" means Goldman Sachs International, acting through its offices at Peterborough Court, 133 Fleet Street, London EC4A 2BB, HSBC Bank plc acting through its offices at 8 Canada Square, London E14 5HQ and J.P. Morgan Securities Ltd acting through its offices at 125 London Wall, London EC2Y 5AJ and "**Joint Lead Arranger**" 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 29 December 2010 establishing Tesco Navona 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 Declaration of Trust**" means the English law declaration of trust declared by the Nominees in favour of themselves, Nominees Holdco, General Partner and PL Propco on the Bond Closing Date

"**Junior Loans**" means the subordinated secured loans made by Finco to each of Nominee 1, Nominee 2, Nominees Holdco, the General Partner and PL Propco pursuant to Junior Loan Letters and "**Junior Loan**" means any one of them.

"**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 PL Propco, and "**Junior Loan Letter**" means any one of them.

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

"**Ledgers**" means the Partnership Expenses Reserve Ledger, the Partnership Rent Account Junior Loan Ledger, the Partnership Disposal Proceeds Account VAT Ledger and the Partnership Rent Account VAT Ledger.

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"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

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"Limited Partner No. 1" means Tesco Navona (1LP) Limited, registered in England and Wales with registered number 07459436.

"Limited Partner No. 2" means Mourant 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 Navona Unit Trust

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

"Loan Interest Payment Date" means 10 January, 10 April, 10 July and 10 October in each year commencing on 10 April 2011, 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 April 2011; and
- (b) the final Loan Interest Payment Date will fall on 10 October 2040

"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,

provided that the final Loan Interest Period will commence on (and include) the Loan Interest Payment Date falling on 10 July 2040 and end on (but exclude) the Loan Interest Payment Date falling on 10 October 2040.

"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.

"Managed Accounts" means all the Accounts other than the Distribution Account and the Yardley Expenses Account.

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

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"Mandates" means the Issuer Account Mandate, the Partnership Rent Account Mandate, the Yardley Rent Account Mandate, the Yardley Expenses Account Mandate, the Partnership Account Mandates, the General Partner VAT Transaction Account Mandate and the General Partner 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.

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

"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.

"Navona Units" means the units in the Tesco Navona Unit Trust.

"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 Navona (Nominee 1) Limited, a limited liability company incorporated in England and Wales with company registration number 07459762.

"Nominee 2" means Tesco Navona (Nominee 2) Limited, a limited liability company incorporated in England and Wales with company registration number 07459765.

"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

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"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 Navona (Nominee Holdco) Limited, a limited liability company incorporated in England and Wales with registered number 07459662

"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*) to the Nominees Holdco Deed of Charge.

"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 State Street Administration Services (UK) 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*) to the Nominees Deed of Charge.

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Short particulars of all the property mortgaged or charged

Please give the short particulars of the property mortgaged or charged.

Short particulars

"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 and any Existing PL Lease governed by Scots law

"Non-Tesco Occupational Leases" means the underleases of the Retail Units to be entered into from time to time on market standard terms (as varied, amended or supplemented) to which the Headlease of the Yardley Mortgaged Property is subject, granted to the Non-Tesco Occupational Tenants and **"Non-Tesco Occupational Lease"** means any of them.

"Non-Tesco Occupational Tenant" means each tenant under a Non-Tesco Occupational Lease.

"Non-Tesco Principal Rent" means, in relation to a Retail Unit, the yearly rent payable under the relevant Non-Tesco Occupational Lease in respect of that Retail Unit.

"Non-Tesco 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 Retail Units, including:

- (a) all Non-Tesco Principal Rent;
- (b) all other rental amounts payable pursuant to a Non-Tesco Occupational Lease to the Landlord directly including (i) sums payable under the Non-Tesco Occupational Tenant's covenants for outgoings, default interest, service charges and insurance, (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.

"Northern Irish Beneficiary Undertaking" means the Northern Irish law beneficiary undertaking given by the Partnership in favour of the Partnership Security Trustee dated on or before the Bond Closing Date.

"Northern Irish Declaration of Trust" means the Northern Irish law declaration of trust declared by the Nominees in favour of the Partnership on the Bond Closing Date

"Northern Irish Property" means the Northern Irish PL Property.

"Northern Irish PL Property" means a PL Property located in Northern Ireland, being the properties known as Ballymena, Carrickfergus and Lurgan.

"Notices Details" means the provisions set out in Schedule 5 (*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

Please give the short particulars of the property mortgaged or charged within 30 days; or

(iii) the making of an arrangement, composition or compromise (whether by way of voluntary arrangement, scheme of

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	Please give the short particulars of the property mortgaged or charged	
Short particulars	<p>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;</p> <p>(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</p> <p>(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,</p> <p>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 Swap.</p> <p>"Obligor Potential Event of Default" means a Partnership Loan Potential Event of Default.</p> <p>"Obligor Priorities of Payment" means the Partnership Pre-Enforcement Priority of Payments and the Partnership Post-Enforcement Priority of Payments, and "Obligor Priority of Payments" means either of them.</p> <p>"Obligors" means the Partnership, the General Partner (in its own right), the Nominees, Nominees Holdco and PL 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.</p> <p>"Obligor Accounts" means the Partnership Rent Account, the Yardley Rent Account, the Yardley Expenses Account, the Partnership Accounts, the General Partner VAT Transaction Account and the General Partner Corporation Tax Reserve Account, and "Obligor Account" means any of them.</p> <p>"Occupational Leases" means the Non-Tesco Occupational Leases and the Tesco Occupational Leases, and "Occupational Lease" means any of them.</p> <p>"Occupational Nominees" means Tesco Property Nominees (No. 5) Limited (a limited liability company incorporated in England and Wales with registered</p>	

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Particulars of a mortgage or charge

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Please give the short particulars of the property mortgaged or charged.

Short particulars

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 a Non-Tesco Occupational Tenant or the Tesco Occupational Tenant as the case may be.

"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 Swap and/or Partnership Swap) falling due in accordance with the relevant Issuer Priority of Payments on such Loan Interest Payment Date.

"Operator Agreement" means the Partnership Operator 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.

"Partnership" means The Tesco Navona Limited Partnership (a limited partnership incorporated in England and Wales with registered number LP014237 and having its registered office at Tesco House, Delamare Road, Cheshunt, Waltham Cross, Hertfordshire EN8 9SL), acting by its general partner Tesco Navona (GP) Limited (a limited liability company incorporated in England and Wales with registered number 07457915 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, the Yardley Reserve 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

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Distribution Account, the Yardley Reserve 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 (A) in the financial ability of the Tesco Occupational Tenants or the Tesco 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) or (B) the financial ability of the Non-Tesco Occupational Tenants to pay the Non-Tesco Rental income or in the financial ability of the Subordinated Loan Facility Provider (or Tesco as the provider of the Plc Indemnity) to advance a Yardley Subordinated Loan in full and on time (or in the case of Tesco, to indemnify for any such amount not so advanced), 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.

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Please give the short particulars of the property mortgaged or charged.

Short particulars

"Partnership Agreement" means the limited partnership agreement dated 13 December 2010 made between the General Partner and the Limited Partner No. 1 as adhered to by Limited Partner No 2 pursuant to a deed of adherence dated 29 December 2010 and as amended and restated on or about the Bond Closing Date and as it may be amended, restated, varied or supplemented from time to time however fundamentally.

"Partnership Available Funds" means, in respect of any Loan Interest Payment Date, the aggregate of.

- (a) the Tesco Rental Income (excluding VAT Amounts) 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 Yardley Available Funds;
- (c) the amount (if any) payable to the Partnership by the Issuer under the Partnership Swap Agreement on such Loan Interest Payment Date;
- (d) any amount transferred from the Partnership VAT Account to the Partnership Transaction Account during the immediately preceding Calculation Period in accordance with paragraph 3 (*Partnership VAT Account*) of Part 4 (*Payments out of Partnership Accounts*) of Schedule 3 (*Payments out of Accounts*) of the Cash Management Agreement;
- (e) any amount to be transferred from the Partnership Disposal Proceeds Account to the Partnership Transaction Account on such Loan Interest Payment Date in accordance with paragraph 1 (*Partnership Disposal Proceeds Account*) of Part 4 (*Payments out of Partnership Accounts*) of Schedule 3 (*Payments out of Accounts*) of the Cash Management Agreement;
- (f) any amount to be transferred from the Partnership Insurance Proceeds Account to the Partnership Transaction Account on such Loan Interest Payment Date in accordance with paragraph 2 (*Partnership Insurance Proceeds Account*) of Part 4 (*Payments out of Partnership Accounts*) of Schedule 3 (*Payments out of Accounts*) of the Cash Management Agreement;
- (g) any interest received by the Partnership on the Partnership Accounts (other than the Partnership Distribution Account) and the Partnership Rent Account and credited or transferred to the Partnership Transaction Account during the immediately preceding Calculation Period;

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- (h) 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;
- (i) any advance of the Partnership Expenses Loan due to be made by the Subordinated Loan Facility Provider under the Partnership Expenses Facility on such Loan Interest Payment Date;
- (j) any amount to be transferred from the Yardley Reserve Account to the Partnership Transaction Account on such Loan Interest Payment Date in accordance with paragraph 16 (*Drawdown of Yardley Reserve Loan under Subordinated Loan Agreement*) of Part 1 (*Cash Management Services of the Cash Manager – General Provisions*) of Schedule 1 (*Services*) of the Cash Management Agreement;
- (k) 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;
- (l) from the first Loan Interest Payment Date to occur after the third anniversary of the Closing Date, any funds recorded on the Yardley Subordinated Loan Reserve Ledger and required to pay any amount due by the Partnership under the Subordinated Loan Agreement;
- (m) 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,
- (n) 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 Beneficiary Undertakings;
- (b) the Scottish Beneficiary Undertakings; and
- (c) the Northern Irish Beneficiary Undertaking.

"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.

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Please give the short particulars of the property mortgaged or charged.

Short particulars

"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;
- (b) each Scottish Declaration of Trust; and
- (c) each Northern Irish 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 Chargors) 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 14 (*Further Accounts*), Clause 15 (*Operation of the Accounts*) and Clause 18 (*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 Disposal Proceeds Account VAT Ledger" means the ledger to the Partnership Disposal Proceeds Account in the name of the Partnership and named as such created by the Cash Manager pursuant to the Cash Management 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

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by Clause 9 (*Establishment of Partnership Accounts*), Clause 15 (*Operation of the Accounts*) and Clause 18 (*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 6 (*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 Event of Default" means a Partnership Loan Event of Default

"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 Partnership Beneficiary Undertakings;
- (e) the Partnership Swap Agreement;
- (f) the Subordinated Loan Agreement,

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- (g) the Highest Rated Entity Deed;
- (h) the Tax Deed of Covenant;
- (i) the SDLT Deed of Covenant;
- (j) the Account Bank Agreement;
- (k) the Cash Management Agreement;
- (l) the Development Agreement;
- (m) the Common Terms and Definitions Deed,
- (n) each Accession Letter;
- (o) each Junior Loan Letter; and
- (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 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 14 (*Further Accounts*), Clause 15 (*Operation of the Accounts*) and Clause 18 (*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 PL Propco Charged Property.

"Partnership Level Security" means the Partnership Security, the GP Security, the Nominees Security, the Nominees Holdco Security and the PL Propco Security

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Please give the short particulars of the property mortgaged or charged

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"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 Operator" means State Street Fund Services (UK) Limited, a company incorporated in England and Wales having its registered office at 1st 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 Obligors set out in paragraph 3 (*Partnership Post-Enforcement Priority of Payments*) of Part 5 (*Payments following service of a Partnership Enforcement Notice*) of Schedule 3 (*Payment out of Accounts*) of the Cash Management Agreement and Schedule 10 (*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 6 (*Partnership Pre-Enforcement Priority of Payments*) of Part 4 (*Payment out of Partnership Accounts*) of Schedule 3 (*Payment out of Accounts*) to the Cash Management Agreement and Schedule 9 (*Partnership Pre-Enforcement Priority of Payments*) of the Partnership Deed of Charge

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

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"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 Priority of Payment" means the Partnership Pre-Enforcement Priority of Payments and/or Partnership Post-Enforcement Priority of Payments.

"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 8 (*Establishment of Partnership Rent Accounts*), Clause 15 (*Operation of the Accounts*), Clause 18 (*Maintenance of the Accounts*) and Clause 21 (*The Partnership 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 Junior Loan Ledger" means the ledger to the Partnership Rent Account in the name of the Partnership and named as such created by the Cash Manager pursuant to the Cash Management Agreement.

"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 (*Partnership Rent Account Mandate*) of Schedule 1 (*Form of Account Mandates*) of the Account Bank Agreement.

"Partnership Rent Account VAT Ledger" means the ledger to the Partnership Rent Account in the name of the Partnership and named as such created by the Cash Manager pursuant to the Cash Management 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;

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- (d) the Yardley Cash Manager;
- (e) the Account Bank;
- (f) the Nominees/Nominees Holdco Corporate Services Provider;
- (g) the PL Propco Corporate Services Provider;
- (h) the Partnership Operator;
- (i) the Property Pool Manager; and
- (j) 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

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(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 PL 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 PL 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 PL Propco Power of Attorney; and
- (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

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	Please give the short particulars of the property mortgaged or charged	
Short particulars	<p>"Partnership Senior Amounts" means the amounts payable pursuant to items (a) to (d), (f) to (h) of the Partnership Pre-Enforcement Priority of Payments.</p> <p>"Partnership Solvency Certificate" means the solvency certificate to be delivered by the Partnership substantially in the form set out in Schedule 7 (<i>Form of Partnership Solvency Certificate</i>) to the Common Terms and Definitions Deed</p> <p>"Partnership Swap Agreement" means the 1992 ISDA Master Agreement (Multicurrency-Cross Border) (including schedule thereto) dated as of 9 February 2011 between the Partnership and the Issuer and the swap confirmation thereunder.</p> <p>"Partnership Swap Provider" means Finco or any replacement swap provider appointed pursuant to the Partnership Swap Agreement.</p> <p>"Partnership Swap" means the inflation swap transaction entered into by the Partnership and the Issuer in respect of the Partnership Loan and governed by the Partnership Swap Agreement</p> <p>"Partnership Transaction Account" means the account identified as such in Schedule 4 (<i>Account Details</i>) 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 9 (<i>Establishment of Partnership Accounts</i>), Clause 15 (<i>Operation of the Accounts</i>), Clause 18 (<i>Maintenance of the Accounts</i>) and Clause 25 (<i>The Partnership Transaction Account</i>) of the Cash Management Agreement or any account at any branch of the Account Bank which replaces the same from time to time.</p> <p>"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 7 (<i>Partnership Transaction Account Mandate</i>) of Schedule 1 (<i>Form of Account Mandates</i>) to the Account Bank Agreement.</p> <p>"Partnership Transaction Documents" means:</p> <ul style="list-style-type: none"> (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; 	

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- (f) the Partnership Operator Agreement;
- (g) the Partnership Agreement;
- (h) the General Partner Shareholders Agreement;
- (i) the PL 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 Deed which has been opened and will be maintained by the Partnership with the Account Bank as required by Clause 9 (*Establishment of Partnership Accounts*), Clause 15 (*Operation of the Accounts*), Clause 18 (*Maintenance of the Accounts*) and Clause 24 (*The Partnership 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 10 (*Partnership 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 and/or, if applicable, any Successor paying agents in relation to the Bonds.

"**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

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Please give the short particulars of the property mortgaged or charged.

Short particulars

- (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.

"PL Agreements" means the agreements for the assignment or assignation (as applicable) of each Existing PL Lease and grant of the PL Occupational Leaseback made between the Partnership, TSL and Tesco.

"PL Commutation Deeds" means the deeds between the PL Developer and the Partnership in relation to each of the PL Properties 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 each Existing PL Lease).

"PL Day Licence 1" means the licences granted by the Partnership to TSL out of the Existing PL Lease to occupy each PL Property for the day immediately following the expiry of the PL Occupational Leaseback for that PL Property.

"PL Day Licence 2" means the licences granted by PL Propco to TSL out of the PL Propco Lease to occupy each PL Property for the day immediately following the expiry of the Existing PL Lease for that PL Property.

"PL Deeds 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 PL Properties.

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Please give the short particulars of the property mortgaged or charged

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"PL 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 freehold owner or heritable proprietor or owner of a long leasehold interest of the PL Properties.

"PL Head Lease" means an overriding 999 year lease of each English PL Property and a lease of at least 919 years of each Northern Irish PL Property or an interposed 175 year lease of each Scottish PL Property (in all cases, subject to and with the benefit of the PL Propco Lease) granted by TPHL to the Partnership for a premium plus VAT.

"PL Head Lease Agreement" means the agreements for the grant of each PL Head Lease by TPHL to the Partnership.

"PL Licence to Assign" means the licence to assign in respect of each of the Existing PL Leases made between the PL Developer, TSL, Tesco Plc and the Partnership.

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

"PL Loans" means the unsecured loans of £350,000,000 and £171,000,000 made by HSBC Bank plc and Goldman Sachs International Bank respectively to the Partnership (guaranteed by Tesco), repayable on the Closing Date.

"PL Occupational Leaseback" means the occupational leaseback of each PL Property granted by the Partnership to TSL out of the Existing PL Lease in respect of that property for a term expiring on the day immediately preceding the expiry of the term of the Existing PL Lease in respect of that property.

"PL Parallel Lease" means the lease of each PL Property granted by the Partnership to TSL out of the PL Head Lease of that property for a term expiring on 24 December 2040.

"PL Propco" means Tesco Navona PL Propco Limited, a limited liability company incorporated in England and Wales with registered number 07458609 and having its registered office at Tesco House, Delamare Road, Cheshunt, Hertfordshire, EN8 9SL.

"PL Propco Charged Property" means all Interests of PL Propco which are subject to the PL Propco Security.

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

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"PL Propco Corporate Services Provider" means State Street Administration Services (UK) Limited, a limited liability company incorporated in England and Wales with company registration number 4092438.

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

"PL Propco Lease" means an overriding or (in Scotland) interposed lease of each PL Property granted by the PL Developer to PL Propco (subject to and with the benefit of the Existing PL Lease in respect of that property) for a term, in the case of each English PL Property commencing prior to the Bond Closing Date and expiring on the day after the Existing PL Lease in respect of that property expires, and in the case of each Scottish PL Property, of 20 years and 1 day, commencing prior to the Bond Closing Date (subject to the PL Propco Lease Termination Right), and "PL Propco Leases" shall be construed accordingly.

"PL Propco Lease Termination Right" means in relation to the PL Propco Lease of each Scottish PL Property, the mutual break option contained in Clause 2.5 of that lease.

"PL Propco Power of Attorney" means the security power of attorney executed by PL Propco pursuant to the PL Propco Deed of Charge in the form set out in Schedule 4 (*Form of PL Propco Power of Attorney*) to the PL Propco Deed of Charge.

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

"PL Properties" means the Mortgaged Properties known briefly as Accrington, Amesbury, Ballymena, Banchory, Bideford, Birmingham Brookfield, Buckie, Bulwell, Callington, Carrickfergus, Falkirk Redding Road, Hanley, Lesmahagow, Llandrindod Wells, Lurgan, Nottingham Beeston, Queensbury and Tain as more particularly described in Schedule 1 (*Real Property*) to the PL Propco Deed of Charge and **"PL Property"** means each and any of them.

"Plc Indemnity" means the obligation of Tesco to undertake to indemnify the Partnership, pursuant to the Subordinated Loan Agreement, in an amount up to any relevant subordinated loan if and to the extent that the Subordinated Loan Facility Provider fails to make the relevant advance in accordance with its obligations under the Subordinated Loan Agreement and in the case where the Subordinated Loan Facility Provider fails to pay the Partnership Spens Excess when due, to the extent of any non-payment of such amount.

"Preliminary Prospectus" means the First Preliminary Prospectus and the Second Preliminary Prospectus.

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Please give the short particulars of the property mortgaged or charged

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"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, the Tesco Principal Rent and the Non-Tesco Principal Rent.

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

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

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

"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 Tesco Occupational Tenant the option to acquire each of the Mortgaged Properties leased to it individually.

"Property Owner" means The Tesco Navona Limited Partnership

"Property Pool Documents" means each of the following.

- (a) the Headleases (including, for the avoidance of doubt, each PL Head Lease and each PL Propco Lease);
- (b) each PL Head Lease Agreement;
- (c) the Occupational Leases (including, for the avoidance of doubt, each PL Occupational Leaseback and each PL Parallel Lease);
- (d) each Existing PL Lease Deed of Variation;
- (e) any Superior Lease;
- (f) each Existing PL Lease;

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Please give the short particulars of the property mortgaged or charged

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- (g) each PL Day Licence 1;
- (h) each PL Day Licence 2,
- (i) each Agreement for PL Day Licence 1;
- (j) each Agreement for PL Day Licence 2,
- (k) each Agreement for PL Parallel Lease;
- (l) each PL Agreement;
- (m) the PL Licence to Assign in relation to each of the PL Properties;
- (n) the PL Licence to Underlet in relation to each of the PL Properties,
- (o) the PL Commutation Deed in relation to each of the PL Properties;
- (p) each Reversion Option;
- (q) each Agreement for Sale;
- (r) each Transfer;
- (s) the Transfer of each Existing PL Lease,
- (t) the Substitution Agreement;
- (u) the Property Option Agreement;
- (v) the Property Pool Management Agreement;
- (w) the Property Advisor Agreement; and
- (x) 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

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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 Accrington, Amesbury, Ballymena, Banchory, Bideford, Birmingham Brookfield, Buckie, Bulwell, Callington, Carrickfergus, Falkirk Redding Road, Hanley, Lesmahagow, Litherland, Llandrindod Wells, Lurgan, Nottingham Beeston, Queensbury, Tain, Telford and Yardley 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 9 February 2011 relating to the issue of the Bonds.

"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 (*Property Located in England, Wales and Scotland*) and Part 3 (*Property Located in Northern Ireland*) of Schedule 1 (*Real Property and Share Details*) to the Partnership Deed of Charge,
- (b) the property specified in Schedule 1 (*Properties*) to the Nominees Deed of Charge;
- (c) the property specified in Schedule 1 (*Real Property*) of the PL Propco Deed of Charge,
- (d) all other freehold, heritable or leasehold property in the future owned by the Partnership, the Nominees or PL Propco or in which the Partnership, the Nominees or PL 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.

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Please give the short particulars of the property mortgaged or charged.

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"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).

"Registrar" means HSBC Bank plc, a public limited liability company incorporated in England and Wales with registered number 14259 having its registered office at 8 Canada Square, London, E14 5HQ and/or, if applicable, any Successor registrar in relation to the Bonds

"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.

"Rental Income" means the Tesco Rental Income and the Non-Tesco Rental Income

"Rent Payment Dates" means

- (a) in respect of 2011, the date of the Tesco Occupational Leases, 25 March 2011, 24 June 2011, 29 September 2011 and 25 December 2011; and

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(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 Date**" means in relation to a Yardley Expense, Yardley Project Expense or a Yardley VAT Expense, the date such Yardley Expense, Yardley Project Expense or Yardley VAT Expense, as the case may be, becomes payable by the Borrower.

"**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.

"**Retail Units**" means the 21 retail units on the Yardley Mortgaged Property

"**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.

"**RPI**" means all items retail prices index published by the Office for National Statistics.

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

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"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 PL Property" means a PL Property located in Scotland, being the properties known as Banchory, Buckie, Falkirk Redding Road, Lesmahagow and Tain.

"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.

"Second Preliminary Prospectus" means the preliminary Prospectus dated 2 February 2011.

"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 11 (*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

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"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.

"Shortfall Calculation Date" has the meaning given to it in the Subordinated Loan Agreement.

"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 2 (*Form of Standard Security*) to the PL 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 PL 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 the Subordinated Loan Facility Provider (in its capacity as lender under the 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 Drawdown Request" means a duly completed request substantially in the form set out in Schedule 6 (*Form of Subordinated Drawdown Requests*) to the Cash Management Agreement (as also set out in the Schedule (*Form of Subordinated Drawdown Request*) to the Subordinated Loan Agreement) for the advance of a Loan under the Subordinated Loan Agreement.

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"Subordinated Loan" means an Expenses Loan, a Yardley Expenses Loan, a Yardley Float Amount Top-Up Loan, a Yardley VAT Loan, a Yardley Reserve Loan or a Yardley Uncommitted Loan.

"Subordinated Loan Agreement" means the agreement so named dated on or about the Bond Closing Date between, amongst others, the Subordinated Loan Facility Provider as lender and the Partnership as borrower pursuant to which the Subordinated Loan Facility Provider agrees to make committed facilities available to the Partnership in order to fund certain expenses and an uncommitted facility available to the Partnership in order to fund capital expenditure.

"Subordinated Loan Facility Provider" means TSL

"Subordinated Loan Reserved Amount" means the amount recorded on the Subordinated Loan Reserve Ledger from time to time.

"Subordinated Loan Reserve Ledger" means the ledger on the Partnership Transaction Account, recording any amounts transferred to, and temporarily retained in, the Partnership Transaction Account pursuant to item (m)(i) of the Partnership Pre-Enforcement Priority of Payments or item (l)(i) of the Partnership Post-Enforcement Priority of Payments.

"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 7 February 2011, between the Joint Lead Arrangers, the Issuer, Tesco, the Partnership, the General Partner, the Nominees, Nominees Holdco and PL 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 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.

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"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 (*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 in Clause 37.2 (*Termination of Appointment of Cash Manager*) of 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.

"Successor Yardley Cash Manager" means a successor to the Yardley Cash Manager appointed pursuant to Clause 39 2 (*Termination of Appointment of Yardley Cash Manager*) of the Cash Management Agreement.

"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 Mortgaged Properties.

"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.

"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.

"Tesco Navona Unit Trust" means the Tesco Navona Unit Trust, a Jersey property unit trust

"Tesco Occupational Lease" means the underleases (as varied, amended or supplemented) of the Mortgaged Properties to which the Headleases are subject, granted to the Tesco Occupational Tenants and guaranteed by the

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	Please give the short particulars of the property mortgaged or charged.	
Short particulars	<p>Tesco Occupational Tenant Guarantor (including in respect of the PL Properties the PL Occupational Leaseback, the PL Parallel Lease, the PL Day Licence 1 and the PL Day Licence 2) and includes any underlease of any Incoming Property.</p> <p>"Tesco Occupational Lease Maturity Date" means 24 December 2040.</p> <p>"Tesco Occupational Tenant" means a tenant under a Tesco Occupational Lease</p> <p>"Tesco Occupational Tenant Guarantor" means Tesco in its capacity as guarantor under each Tesco Occupational Lease and any other person who guarantees the obligations of the Tesco Occupational Tenant, including as co-guarantor with Tesco pursuant to the Highest Rated Entity Deed.</p> <p>"Tesco Principal Rent" means, in relation to a Mortgaged Property, the "Principal Rent" as defined in the Tesco Occupational Lease in respect of that Mortgaged Property and (without double counting) any amounts in lieu thereof under that Tesco Occupational Lease and/or pursuant to the Substitution Agreement.</p> <p>"Tesco 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:</p> <ul style="list-style-type: none"> (a) all Tesco Principal Rent; (b) all other rental amounts payable pursuant to a Tesco Occupational Lease to the Landlord directly including (i) sums payable under the Tesco Occupational Tenant's covenants for outgoing, 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. <p>"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</p> <p>"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.</p>	

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Particulars of a mortgage or charge

6 Short particulars of all the property mortgaged or charged

Please give the short particulars of the property mortgaged or charged.

Short particulars

"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.

"TPTL" means Tesco Pension Trustees Limited, a company incorporated in England and Wales with registered number 1118495, whose registered office is 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 PL Lease" means the assignment or assignation (as applicable) of each Existing PL 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 Corporation" means a corporation entitled by rules made under the Public Trustee Act 1906 or entitled pursuant to any other comparable legislation applicable to a trustee in any other jurisdiction to carry out the functions of a custodian trustee

"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 Property Obligations" means the security conferred by and the obligations created by the Partnership Transaction Documents and (except in respect of the Beneficiary) the English Declaration of Trust.

"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.

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Particulars of a mortgage or charge

6 Short particulars of all the property mortgaged or charged

Please give the short particulars of the property mortgaged or charged.

Short particulars

"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 Rent 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.

"Yardley Available Funds" means the amount standing to the credit of the Yardley Rent Account on each Calculation Date immediately following any transfer, on that Calculation Date, by the Cash Manager, from the Yardley Rent Account to the Yardley Expenses Account in accordance with Clause 31.2 of the Cash Management Agreement

"Yardley Cash Manager" means initially Spen Hill Management Limited and from time to time any person appointed as cash manager to provide the Yardley Cash Management Services to the Partnership and the Nominees subject to and in accordance with the terms of the Cash Management Agreement.

"Yardley Expenses" means, at any time, any of the following expenses or liabilities listed in subparagraphs (a) to (d) below and in relation to items (a) to (c) only, which, if the Yardley Mortgaged Property had been wholly occupied by a Tesco Occupational Tenant under a Tesco Occupational Lease, would have been payable by that Tesco Occupational Tenant under that Tesco Occupational Lease (in each case, including VAT, whether or not such VAT is recoverable by way of credit and repayment by HMRC):

- (a) a Non-Recoverable Service Charge Liability;
- (b) a Non-Recoverable Insurance Liability,
- (c) a Non-Recoverable Environmental Liability; and
- (d) a Yardley Estate Management Cost,

as determined by the Yardley Cash Manager (or the Property Pool Manager

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Particulars of a mortgage or charge

6 Short particulars of all the property mortgaged or charged

Please give the short particulars of the property mortgaged or charged.

Short particulars

and notified to the Yardley Cash Manager) provided that,

- (a) the expense or liability has been incurred and is due and payable or will become due and payable in the next 30 days;
- (b) the expense or liability is not the subject of an earlier Yardley Expenses Loan;
- (c) the expense or liability does not relate to a Yardley Extension or a Yardley Improvement; and
- (d) no expense or liability shall arise in relation to a Yardley Estate Management Cost if that expense or liability is or will be discharged out of the Yardley Retained Amount, borrowed by the Partnership under the Partnership Loan Agreement.

"Yardley Expenses 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 Nominees with the Account Bank as required by Clause 13 (*Establishment of the Yardley Expenses Account*) of the Cash Management Agreement or any account at any branch of the Account Bank which replaces the same from time to time.

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

"Yardley Mortgaged Property" means the property known as Yardley, the details of which are more fully set out in Part 1 of Schedule 1 to the Partnership Deed of Charge.

"Yardley Rent 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 Nominees with the Account Bank as required by Clause 12 (*Establishment of the Yardley 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.

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

"Yardley Reserve 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 with the Account Bank as required by Clause 9.4 (*Establishment of Partnership*

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Particulars of a mortgage or charge

6 Short particulars of all the property mortgaged or charged

Please give the short particulars of the property mortgaged or charged.

Short particulars

Accounts) of the Cash Management Agreement or any account at any branch of the Account Bank which replaces the same from time to time.

"Yardley Reserve Account Mandate" means the bank account mandate given by the Partnership to the Account Bank in respect of the Yardley Reserve Account in the form set out in Part 8 (*Yardley Reserve Account Mandate*) of Schedule 1 (Form of Account Mandates) to the Account Bank Agreement.

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Particulars of a mortgage or charge

7 Particulars as to commission, allowance or discount (if any)

Please insert the amount or rate percent of any commission, allowance or discount paid or made either directly or indirectly by the company to any person on consideration of his

- subscribing or agreeing to subscribe, whether absolutely or conditionally, or
- procuring or agreeing to procure subscriptions, whether absolute or conditional,

for any debentures included in this return. The rate of interest payable under the terms of the debentures should not be entered

Commission allowance or discount

Nil

8 Delivery of instrument

You must deliver the original instrument (if any) creating or evidencing the charge and these prescribed particulars to the Registrar of Companies within 21 days after the date of creation of the charge (section 860). If the property is situated and the charge was created outside the United Kingdom (UK), you must deliver the information to the Registrar within 21 days after the date on which the instrument could have been received in the UK in the normal course of post and assuming you had posted it promptly (section 866).

We will accept a verified copy of the instrument creating the charge where the property charged is situated and the charge was created outside the UK (section 870). The company or the person who has delivered the copy to the Registrar must verify it to be a correct copy and sign it. Where a body corporate gives the verification, an officer of that body must sign it. We will also accept a verified copy where section 867(2) applies (property situated in another part of UK).

9 Signature

Please sign the form here

Signature

Signature

X Allen & Overy LLP 21/02/2011

X

This form must be signed by a person with an interest in the registration of the charge

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Particulars of a mortgage or charge



Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form and will establish where we return the original documents. The contact information you give will be visible to searchers of the public record.

Contact name Charles Toland

Company name Allen & Overy LLP

Address One Bishops Square

London

Post town

County/Region

Postcode E 1 6 A D

Country United Kingdom

DX

Telephone +44 (0)20 3088 2019



Certificate

We will send your certificate to the presenter's address if given above or to the Company's Registered Office if you have left the presenter's information blank.



Checklist

We may return forms completed incorrectly or with information missing

Please make sure you have remembered the following.

- ☐ The company name and number match the information held on the public Register
- ☐ You have included the original deed with this form
- ☐ You have entered the date the charge was created
- ☐ You have supplied the description of the instrument
- ☐ You have given details of the amount secured by the mortgage or chargee
- ☐ You have given details of the mortgagee(s) or person(s) entitled to the charge
- ☐ You have entered the short particulars of all the property mortgaged or charged
- ☐ You have signed the form
- ☐ You have enclosed the correct fee



Important information

Please note that all information on this form will appear on the public record.



How to pay

A fee of £13 is payable to Companies House in respect of each mortgage or charge

Make cheques or postal orders payable to 'Companies House'



Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the appropriate address below:

For companies registered in England and Wales

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ
DX 33050 Cardiff

For companies registered in Scotland:

The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post)

For companies registered in Northern Ireland

The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG
DX 481 N R Belfast 1



Further information

For further information, please see the guidance notes on the website at www.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

Pursuant to section 869(5) & (6) of the Companies Act 2006

**COMPANY NO. 7459662
CHARGE NO. 1**

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES
HEREBY CERTIFIES THAT A NOMINEES HOLDCO DEED OF
CHARGE DATED 9 FEBRUARY 2011 AND CREATED BY TESCO
NAVONA (NOMINEE HOLDCO) LIMITED FOR SECURING ALL
MONIES DUE OR TO BECOME DUE FROM THE PARTNERSHIP,
THE NOMINEES, NOMINEES HOLDCO, THE GENERAL
PARTNER AND PL PROPCO TO EACH, SOME OR ANY OF THE
PARTNERSHIP SECURED CREDITORS ON ANY ACCOUNT
WHATSOEVER UNDER THE TERMS OF THE AFOREMENTIONED
INSTRUMENT CREATING OR EVIDENCING THE CHARGE WAS
REGISTERED PURSUANT TO CHAPTER 1 PART 25 OF THE
COMPANIES ACT 2006 ON THE 22 FEBRUARY 2011

GIVEN AT COMPANIES HOUSE, CARDIFF THE 24 FEBRUARY
2011

P



Companies House
— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES