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

*insert full name
of Company

COMPANIES FORM No. 395

Particulars of a mortgage or charge

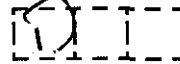
A fee of £13 is payable to Companies House in respect
of each register entry for a mortgage or charge.

Pursuant to section 395 of the Companies Act 1985

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

For official use

Company number



5888930

Name of company

* Tesco Red (Nominee 1) Limited (the "**Company**")

Date of creation of the charge

5 December 2006

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

A nominees deed of charge dated 5 December 2006 and made between the
Company, Tesco Red (Nominee 2) Limited, the Secured Creditors and Deutsche
Bank AG, as security trustee for the Secured Creditors (the "**Security
Trustee**") (the "**Nominees Deed of Charge**").

Amount secured by the mortgage or charge

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 Company to each, some or any of the Secured Creditors
under the Transaction Documents (the "**Secured Obligations**").

To be read in conjunction with Schedule 1.

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

Deutsche Bank AG, London Branch
Winchester House, 1 Great Winchester Street, London

Postcode EC2N 2DB

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

Via CH London Counter
Clifford Chance LLP
10 Upper Bank Street
London E14 5JJ

Time critical reference

HMT/70-40066161/SAL

For official Use (06/2005)

Mortgage Section

Post room



Short particulars of all the property mortgaged or charged

See attached Schedule 1.

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write in
this margin

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

Particulars as to commission allowance or discount (note 3)

None

Signed

Clifford Chance LLP

Date 14 December 2006

On behalf of ~~XXXXXXXXXXXXXXXXXXXX~~ [chargee] † Deutsche Bank AG, London Branch

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

† delete as
appropriate

Notes

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

**SCHEDULE 1 TO FORM 395 DATED 14 DECEMBER 2006 FOR TESCO RED
(NOMINEE 1) LIMITED (COMPANY NUMBER 5888930)**

1. FIXED SECURITY AND ASSIGNMENT

1.1 Creation of Fixed Security

The Company, as continuing security for the payment and discharge of all the Secured Obligations, charges with full title guarantee in favour of the Security Trustee, but excluding any such assets situated in Scotland or otherwise governed by Scots law, the Benefit of any Interest the Company holds from time to time in and to each of the following assets (to the extent of that Interest):

- (a) by way of a first legal mortgage:
 - (i) all the property specified in Schedule 2; and
 - (ii) all estates or interests in any other freehold or leasehold property (except any property specified in Clause 3.1(a)(i) of the Nominees Deed of Charge) now or hereafter belonging to it;
- (b) by way of a first fixed charge:
 - (i) (to the extent that they are not the subject of an effective mortgage under Clause 3.1(a) of the Nominees Deed of Charge) all estates or interests in any freehold or leasehold property now or hereafter belonging to it;
 - (ii) any plant, machinery, office equipment, computers, vehicles and other chattels and all Related Rights;
 - (iii) (to the extent that they are not the subject of an effective assignment under Clause 3.2 (*Assignment*) of the Nominees Deed of Charge) the Partnership Accounts, other than the Partnership Distribution Account, and any other account held by it with any person from time to time, and any Related Rights;
 - (iv) (to the extent that they are not the subject of an effective assignment under Clause 3.2 (*Assignment*) of the Nominees Deed of Charge) the Third Party Insurance Policies and all Related Rights, including any Benefit in any Insurance Proceeds to which the Company is entitled;
 - (v) (to the extent they are not subject to an effective assignment under Clause 3.2 (*Assignment*) of the Nominees Deed of Charge) all Rental Income and all of its other book and other debts and all Related Rights;
 - (vi) (to the extent they are not subject to an effective assignment under Clause 3.2 (*Assignment*) of the Nominees Deed of Charge) each

Occupational Lease and any guarantee contained in or relating to any Occupational Lease;

- (vii) its goodwill;
- (viii) all licences, consents and authorisations (statutory or otherwise) held in connection with any Mortgaged Property, its business or the use of any Nominees Charged Property and all Related Rights;
- (ix) its uncalled capital;
- (x) (to the extent that they are not subject to an effective assignment pursuant to Clause 3.2 (*Assignment*) of the Nominees Deed of Charge) each of the Transaction Documents;
- (xi) any agreement relating to the purchase or lease of the Mortgaged Property;
- (xii) any rights it may have to recover VAT on any supplies made to it relating to the Nominees Charged Property and any sums so recovered; and
- (xiii) its rights in respect of the proceeds of any order of the court made pursuant to Sections 238(3), 239(3) or 244 of the Insolvency Act.

1.2 Assignment

The Company, as continuing security for the payment and discharge of the Secured Obligations assigns absolutely (subject to any reassignment on release of the security under Clause 22 (*Release and Winding-up of Trust*) of the Partnership Deed of Charge) with full title guarantee to the Security Trustee the Benefit of any Interest the Company holds from time to time in and to each of the following assets (to the extent of that Interest):

- (a) all Rental Income other than any Rental Income assigned by any Assignment of Rents and all of its other book and other debts and all Related Rights;
- (b) (to the extent not already assigned in Clause 3.2 (*Assignment*) of the Nominees Deed of Charge or by an Assignment of Rents) each Occupational Lease and any guarantee of Rental Income contained in or relating to any Occupational Lease;
- (c) each of the Transaction Documents;
- (d) (to the extent not already assigned in Clause 3.2 (*Assignment*) of the Nominees Deed of Charge or by an Assignment of Rents) all agreements, contracts, deeds, licences, undertakings, guarantees, covenants, warranties, representations and other documents entered into

by, given to or otherwise benefiting the Company in respect of the Mortgaged Properties;

- (e) the Partnership Accounts, other than the Partnership Distribution Account, and any other account held by it with any person from time to time, and any Related Rights; and
- (f) the Third Party Insurance Policies and all Related Rights, including any Insurance Proceeds to which the Company is entitled.

1.3 **Floating charge**

Creation of floating charge

- 1.3.1 The Company, with full title guarantee and in respect of assets situated in Scotland, absolute warrandice, charges in favour of the Security Trustee, with the payment and discharge of the Secured Obligations, by way of floating charge all its present and future assets and undertaking.
- 1.3.2 The floating charge created by Clause 1.3.1 shall be deferred in point of priority to all fixed security validly and effectively created by the Company under the Transaction Documents in favour of the Security Trustee as security for the Secured Obligations.
- 1.3.3 Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created by Clause 1.3.1.

1.4 **Real Property**

A reference in this Form 395 to a mortgage, assignment or charge of any freehold or leasehold property includes all buildings, fixtures and fittings from time to time on or forming part of that property and all Related Rights.

2. **DEFINED TERMS**

- 2.1 In this Form 395 the following terms have the following meanings:

"Account Bank" means HSBC Bank plc, a limited liability company incorporated in England and Wales with registered number 00014259 and having its registered office at 8 Canada Square, London E14 5HQ, or such other bank from time to time designated as the Account Bank in accordance with the Account Bank and Cash Management Agreement.

"Account Bank and Cash Management Agreement" means the agreement so named dated on or about the Closing Date between, amongst others, the Partnership, the Account Bank, and the Security Trustee.

"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.

"Assignment of Rents" means any assignment of Rental Income in a form approved by the Security Trustee, granted in favour of the Security Trustee by the Company.

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

"Closing Date" means 5 December 2006.

"Common Terms and Definitions Deed" means the deed dated 5 December 2006 and made between, among others, the Partnership, the General Partner, the Nominees, the Nominee HoldCo, the Guarantor, the Lender, the Agent and the Security Trustee.

"General Partner" means Tesco Red (GP) Limited, a limited liability company incorporated in England and Wales with registered number 05721630 and having its registered office at Tesco House, Delamare Road, Cheshunt, Waltham Cross, Hertfordshire EN8 9SL.

"Guarantor" means Tesco Plc in its capacity as guarantor pursuant to the guarantee of each Occupational Lease.

"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 3.23.14.2 (*Insurance and Reinstatement*) of the Occupational Lease), the proceeds of any such self-insurance;

in respect of damage or destruction to any Partnership Charged Property or Nominees Charged Property, including a Mortgaged Property.

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

"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, actions or proceedings made or taken against that person.

"Mortgaged Properties" means, at any time, an interest in any property over which the Partnership or the Nominees have granted a Security Interest pursuant to the terms of the Security Documents (including any incoming properties and excluding any outgoing properties) and **"Mortgaged Property"** means each or any of them.

"Nominee 1" means the Company.

"Nominee 2" means Tesco Red (Nominee 2) Limited, a limited liability company incorporated in England and Wales with company registration number 5888916 and having its registered office at Tesco House, Delamare Road, Cheshunt, Waltham Cross, Hertfordshire EN8 9SL.

"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 each of them.

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

"Nominees HoldCo" or **"Nominee HoldCo"** means Tesco Red (Nominee HoldCo) Limited, a limited liability company incorporated in England and Wales with registered number 5888989 and having its registered office at Tesco House, Delamare Road, Cheshunt, Waltham Cross, Hertfordshire EN8 9SL.

"Nominees Security" or **"Nominee Security"** means the Security Interests created by the Nominees by or pursuant to the Security Documents.

"Obligors" means the Partnership, the General Partner (in its own right), the Nominees and Nominee HoldCo and **"Obligor"** means each or any of them.

"Occupational Leases" means the underleases, as varied, amended or supplemented of the Mortgaged Properties to which the head leases are subject, granted to the Occupational Tenants and guaranteed by the Guarantor and includes any underlease of any incoming property and "Occupational Lease" means, any, or all, of them.

"Occupational Nominees" means Tesco Property Nominees (No. 5) Limited (company no. 5888952) and Tesco Property Nominees (No. 6) (company no. 5902418) or any other persons from time to time being the tenant under an Occupational Lease of a Mortgaged Property where TSL is in occupation.

"Occupational Tenant" means the tenant under the Occupational Leases being, as at the Closing Date, TSL, provided that where the Occupational Nominees are the tenant under an Occupational Lease, "Occupational Tenant" includes a several reference to the Occupational Nominees and TSL, unless the context otherwise requires.

"Partnership" means The Tesco Red Limited Partnership registered as a limited partnership under the Limited Partnerships Act 1907 with number LP011522, acting by its general partner Tesco Red (GP) Limited (a limited liability company incorporated in England and Wales with registered number 5721630 and having its registered office at Tesco House, Delamare Road, Cheshunt, Waltham Cross, Hertfordshire EN8 9SL).

"Partnership Accounts" means those accounts defined as partnership accounts in the Common Terms and Definitions Deed.

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

"Partnership Deed of Charge" means the deed so named dated on or about the Closing Date between, inter alios, the Partnership, the General Partner and the Security Trustee and includes, where the context so admits, any further or supplemental deed, charge or security granted pursuant thereto.

"Partnership Distribution Account" means any account identified as such which is opened and maintained by the Partnership as required by clause 10 (*Bank Accounts of the Partnership*) of the Partnership Loan Agreement or any account at any branch of the Account Bank which replaces the same from time to time.

"Partnership Loan Agreement" means the loan agreement dated on or about the Closing Date between amongst others, the Partnership, the General Partner, Nominee 1, Nominee 2, Nominee HoldCo, and the Security Trustee.

"Partnership Security" means the Security Interests created by the Partnership by or pursuant to the Security Documents.

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

- (a) all rental income, including in relation to the Occupational Leases the rent payments payable by each Occupational Tenant and any other amounts payable by the Occupational Tenant or the Guarantor pursuant to each Occupational Lease or clause 9 (*Compulsory Purchase Proceedings*) of the Substitution Agreement; and
- (b) proceeds of insurance or self-insurance in respect of loss of rent.

"Secured Creditors" or **"Partnership Secured Creditors"** means the parties defined as secured creditors in the Common Terms and Definitions Deed.

"Security Documents" means all those documents defined as security documents in the Common Terms and Definitions Deed.

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

"Substitution Agreement" means the agreement for substitution, alteration and/or adjoining land developments dated on or about the Closing Date between, inter alios, TSL, the Partnership, the Security Trustee and the Nominees.

"Third Party Insurance Policies" means all contracts and policies of insurance defined as third party insurance policies in the Common Terms and Definitions Deed.

"Transaction Documents" means those documents defined as transaction documents in the Common Terms and Definitions Deed.

"TSL" means Tesco Stores Limited, a limited liability company incorporated in England and Wales with company number 519500 and having its registered office at Tesco House, Delamare Road, Cheshunt, Waltham Cross, Hertfordshire EN8 9SL.

2.2 Terms defined elsewhere

Terms not expressly defined in this Form 395 have the meanings given to those terms in the Common Terms and Definitions Deed.

3. ADDITIONAL INFORMATION

The Nominees Deed of Charge contains:

- 3.1 restrictions on the ability of the Company to create or permit to subsist any Security Interest on any part of the assets charged under the Nominee Deed of Charge or dispose of or otherwise deal with any part of such assets; and
- 3.2 a covenant for further assurances.

**SCHEDULE 2 TO FORM 395 DATED 13 DECEMBER 2006 FOR TESCO RED
(NOMINEE 1) LIMITED (COMPANY NUMBER 5888930)**

Real Property

Branch Number	Store Name	Property Address (Incl Postcode)	Title Numbers
2162	BUCKINGHAM	London Road, Buckingham, Buckinghamshire, MK18 1AB	BM317420
2236	CAMBORNE	Wesley Street, Camborne, Cornwall, TR14 8DT	CL231140
2248	CATTERICK GARRISON	Gough Road / Richmond Road, Catterick Garrison, North Yorkshire, DL9 3EN	NYK328110
2326	COLCHESTER 1	Highwoods Square, Colchester, Essex, CO4 4ED	EX782463
2393	DOWNHAM MARKET	Priory Road, Downham Market, Norfolk, PE38 9AW	NK350208
2532	FELTHAM	98 High Street, Feltham, Middlesex, TW13 3EX	AGL160133
2569	GOODMAYES	822 High Road, Romford, Essex, RM6 4HY	EGL512837
2676	HOLYHEAD	Penhros Industrial Estate, Penhros, Holyhead, Gwynedd LL65 2UH excluding the land shown edged red on the plan annexed to the relevant Occupational	CYM319879

		Lease	
2693	HULL	Hull Road, Hull, Humberside, HU6 7XP	HS334001
2825	LEIGHTON BUZZARD	Vimy Road, Leighton Buzzard, Bedfordshire, LU7 7ER	BD253231
3030	PINNER	1 Ash Hill Drive, Pinner, Middlesex, HA5 2AG	NGL871956
3112	RAMSGATE MANSTON	Manston Road, Ramsgate, Kent, CT12 6NT	K912032
3107	ROMFORD	300 Hornchurch Road, Romford, Essex RH11 1PY	EGL512840
3115	RUGBY	1 Leister Road, Rugby, Warwickshire, CV21 1RG	WK432048
3417	WITHAM	The Gorge Centre, Wiltham Essex CH8 2YT	EX782468
2040	ALLOA, PATENS AND BALDWINS	Auld Brig Road, Alloa, Central FK10 1EG	Not yet allocated

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CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 05888930

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A NOMINEES DEED OF CHARGE DATED THE 5th DECEMBER 2006 AND CREATED BY TESCO RED (NOMINEE 1) LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY TO EACH, SOME OR ANY OF THE 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 XII OF THE COMPANIES ACT 1985 ON THE 15th DECEMBER 2006.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 20th DECEMBER 2006.

LICDMW



Companies House

— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES