

DATED

12th day of August

2013



PERSIMMON HOMES LIMITED

- and -

HCC INTERNATIONAL INSURANCE COMPANY PLC

-to-

DEVON COUNTY COUNCIL

BOND

relating to the Planning Obligations under the S106 Agreement dated 29 October 2010

for the land north of Rockbeare, Devon (Cranbrook)

THIS BOND dated

2013

is made **BY:**

- (1) **PERSIMMON HOMES LIMITED "Persimmon"** Company No. 04108747 whose registered office is at Persimmon House Fulford York YO1
- (2) **HCC INTERNATIONAL INSURANCE COMPANY PLC "the Surety"** whose registered office is at Walsingham House, 35 Seething Lane, London EC3N 4AH

TO:

- (3) **DEVON COUNTY COUNCIL "DCC"** of County Hall Topsham Road Exeter EX2 4QD

WHEREAS:

- (1) The words and phrases within this Bond are to be interpreted in accordance with the definitions contained in the Definitions section of the Agreement dated 29 October 2010 and made under *Section 106 of the Town and Country Planning Act 1990* between EAST DEVON DISTRICT COUNCIL, DEVON COUNTY COUNCIL, TAYLOR WIMPEY DEVELOPMENTS LIMITED, HALLAM LAND MANAGEMENT LIMITED, PERSIMMON HOMES (SOUTH WEST) LIMITED, REDROW HOMES LIMITED, THE OWNERS and THE CHARGEES who are collectively referred to hereafter as "the Owners" (as subsequently amended) ("the Agreement")
- (2) By the Agreement the Owners undertook various obligations listed in Appendix 3 to the Agreement and more fully set out as the relevant schedules to the Agreement and this Bond is provided in respect of the Part 3 DCC Secured Item of Appendix 3 to the Agreement Only (the Obligations)
- (3) Subject to clause 4 by clause 18.2 of the Agreement the Owners joint and severally contracted to enter into a Bond in favour of DCC in the total sum of £3,500,000 (Three Million Five Hundred Thousand Pounds) in order to secure the discharge of the obligations on their part referred to at recital (2) above
- (4) The Owners being Taylor Wimpey UK Limited, Hallam Land Management Limited and Persimmon Homes Ltd (excluding Redrow Homes Limited, whose interest has been acquired by Persimmon) have an agreement to split liability for the Obligations in the proportions 30% , 30% and 40% respectively
- (5) At the time of entering into this Bond and on the faith thereof the Surety has agreed to concur with Persimmon in this Bond for the due performance and fulfilment of 40% (Forty Percent) the Obligations by Persimmon

NOW THIS DEED WITNESSES:

- 1 Persimmon and the Surety are jointly and severally bound to DCC in the sum of £1,400,000 (One Million Four Hundred Thousand Pounds) ("the Bond Figure")

2 **WITHOUT** prejudice to the right of DCC to exercise any of their rights and powers under the Town and Country Planning Act 1990 the Surety irrevocably and unconditionally guarantees to DCC that in the event of any breach or non-observance of any of the Obligations by the Owners the Surety shall subject to the conditions of this Bond pay to DCC within 5 (five) business days of receipt of DCC's written demand (and waiving all rights of objection and defence) the sum or sums up to the maximum of the Bond Figure of this Bond (but not beyond) required to enable DCC to secure the fulfilment of 40% of the Obligations. The demand must be in the form of a statement signed by the DCC that:

- 2.1 there has been a breach of the Obligations
- 2.2 as a result of such failure, the amount claimed is due to DCC
- 2.3 specifies the amount claimed
- 2.4 the amount so claimed does not exceed the Bond Figure (either itself or in aggregate)
- 2.5 DCC has observed the requirements of clause 18.4 of the Agreement

The Surety shall accept such demand as evidence, for the purpose of this Bond, that the amount claimed is due to DCC under this Bond.

3 **THE** Surety shall not be discharged or released by any alteration of any of the terms conditions and provisions of the Agreement as the result of any allowance or forbearance by DCC under or in respect of the Agreement which shall not in any way release reduce or affect the liability of the Surety under this Bond

4 **THIS** Bond is a continuing guarantee and shall remain in force until released and discharged in accordance with this clause 4. Whether or not this Bond shall be returned to the Surety the obligations of the Surety under this Bond shall be released and discharged absolutely upon the earlier of 5 (five) years from hereof or upon the confirmation by the DCC that the Obligations have been fulfilled pursuant to clause 18 of the Agreement

5

5.1 **NOTWITHSTANDING** the provisions of clause 4 upon the confirmation referred to in clause 5.2 that the Obligations have been complied such that the outstanding Obligations are lower than the Bond Figure then the Bond Figure shall be reduced to the amount of the value of the then outstanding Obligation(s) and the new reduced figure shall thereafter be the Bond Figure for the purposes of this Bond Provided That the remaining part of the Bond Figure shall be released in accordance with clause 4 once all Obligations have been discharged or reduced upon further discharge of part of the outstanding Obligations

5.2 For the purposes of clause 5.1 any written confirmation provided by DCC pursuant to clause 18.6 of the Agreement shall be conclusive evidence of the reduction of the Bond Figure

6 This Bond and the benefits thereof shall not be transferred or assigned without the prior written consent of the Surety and Persimmon

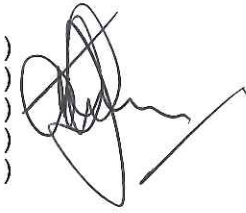
7 This Bond shall not confer any benefit upon and no term hereof shall be enforceable by any person under or by virtue of the Contracts (Rights of Third Parties) Act 1999

8 This Bond shall be governed by and construed in accordance with the laws of England and Wales and only the Courts of England and Wales shall have jurisdiction hereunder

IN WITNESS WHEREOF Persimmon and the Surety have executed and delivered this Bond as a Deed this 12th day of August Two thousand and thirteen

Signed as a DEED

By John Steven William Backhouse
As Attorney for and on behalf of
**HCC INTERNATIONAL INSURANCE
COMPANY PLC** BM/MA/00181



in the presence of

Witness C. A. Thomas
Occupation Bond Administrator

EXECUTED AS A DEED BY)
PERSIMMON HOMES)
LIMITED)
acting by its Attorneys)

Ashley N. Morgan Ashley N. Morgan
Attorney
Simon Perks

in the presence of:

Attorney
C. Coombes CARLEY COOMBES
C/O PERSIMMON HOMES