

This **Deed of Novation** is made on \_\_\_\_\_ by:

- (1) **Kuflink Bridging Limited** of 21 West Street, Gravesend, Kent DA11 0BF ("the Original Lender");
- (2) **Kuflink Limited** of 21 West Street, Gravesend, Kent DA11 0BF ("the Operator") acting as agent for disclosed principal" (Website Lender); and
- (3) ("the Borrower").

#### RECITALS

- (A) The Original Lender is lender of the Facility to the Borrower.
- (B) The Original Lender and the Operator wish to arrange for up to 100% of the value of the Facility to be novated to persons nominated by the Operator who have entered into Lending Terms (this being referred to as the Novation Process), and the Borrower has agreed to the Novation Process and to be bound by the consequences thereof.
- (C) The Website Lender has entered into Lending Terms under which, among other things, the Website Lender:
  - (1) has placed money to the Operator to be held in the Client Account pending allocation in accordance with the Novation Process; and
  - (2) irrevocably agrees to appoint the Operator as agent for the Website Lender, so as to enable the novation of part of the Original Lender's rights and obligations under the Facility Agreement to the Website Lender.
- (D) The Operator is authorised and regulated by the FCA Registration Number 724890 pursuant to the FSMA 2000, specifically for the purposes of article 36H of the Regulated Activities Order.
- (E) The Security Trustee is not required to be authorised and regulated by the FCA under the FSMA 2000 for any purposes connected with the Facility or the Novation Process.
- (F) The Facility Agreement and the term sheet for the Novation to which this Deed relates are presented in Schedules 1 and 2 to this Deed respectively.
- (G) It is understood that a core purpose of this Deed is that, once executed, it shall formalise the A36H agreement or Corporate lender agreement.

#### DEFINITIONS

This Deed uses the following defined terms:

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|---------------------------------|---|
| <b>an Article 36H agreement</b> | a credit agreement that corresponds with the parameters of art. 36H of the Regulated Activities Order |
| <b>the Borrower</b>             | the party named in the Term sheet as borrower under the Facility                                      |

<b>the Client Account</b>	the account maintained by the Operator for the purposes of holding the Website Lender's money pending its use in the Novation Process, where it has the status of "client money" for the purposes of the FCA Rules
<b>the Corporate lender Agreement</b>	a credit agreement that regulates the relationship between you as Corporate Lender, Kuflink as Operator and one or more entities as Borrowers
<b>the Facility</b>	the facility that has been advanced by the Original Lender to the Borrower, secured on land where the security has been expressly given to and registered in the name of the Security Trustee
<b>the Facility Agreement</b>	the document evidencing the borrowing by the Borrower of the Facility, an abstract of which appears in Schedule 1 to this Deed
<b>FCA</b>	the Financial Conduct Authority
<b>FSMA 2000</b>	the Financial Services and Markets Act 2000, as amended
<b>the Lender Power</b>	the power of attorney which the Website Lender has given to the Operator at the same time as entering into the Lending Terms, under which the Operator is empowered to execute this Deed and to arrange for the Website Lender to participate in the Novation Process to the extent of the Novated Part
<b>the Lending Terms</b>	the terms entered into between the Website Lender that states the basis upon which the Website Lender advances moneys to the Operator to be held in the Client Account with a view to these moneys being available for use in the Novation Process
<b>the Operator</b>	Kuflink Limited
<b>the Novated Part</b>	that part of the Facility which, as from the execution and delivery of this Deed, is treated as novated to the Website Lender
<b>the Novation Process</b>	the process by which parts of a Facility are novated to Website Lenders
<b>the Security</b>	refers to the security provided by the Borrower to the Security Trustee in relation to the Facility
<b>the Security Trustee</b>	Kuflink Security Trustees Limited of 21 West Street, Gravesend, Kent DA11 0BF
<b>the Term sheet</b>	the terms of the novation of the Novated Part, set out in Schedule 2 to this Deed
<b>the Website Lender</b>	refers to the person or corporate named as such in the Term sheet.

THIS DEED WITNESSES AS FOLLOWS

**1. Novation Process**

- 1.1 From the date of the execution and delivery of this Deed, the Novated Part shall be treated as novated from the Original Lender to the Website Lender.
- 1.2 For avoidance of doubt, the effect of the Novation Process in relation to the Novated Part is that the Website Lender is treated as being a party to the Facility Agreement in relation to the Novated Part, and the Borrower and the Website Lender shall henceforth be treated as having contracted with each other under the Facility Agreement as borrower and lender, respectively, in relation to the Novated Part.
- 1.3 The Original Lender is therefore discharged from all further obligations under the Facility Agreement, and transfers all of its rights thereunder to the Website Lender, in relation to the Novated Part (but wholly without prejudice to the rights and obligations of the Original Lender regarding any part of the Facility for which the Borrower remains obliged under the Facility Agreement to the Original Lender notwithstanding the Novation Process).

**2. Roles of the Parties**

- 2.1 The Operator executes and delivers this Deed on behalf of the Website Lender by reason of the authority provided by the Website Lender in the power of attorney provided to the Operator at the same time as entering into the Lending Terms.
- 2.2 The Original Lender executes and delivers this Deed for itself.
- 2.3 The Borrower executes and delivers this Deed for itself.
- 2.3 For these purposes the Operator confirms that it remains validly authorised to execute and deliver this Deed by reason of the Lender Power.

**3. Further provisions and clarifications**

- 3.1 Nothing in this Deed shall affect the obligation of the Security Trustee in relation to the Security.
- 3.2 Further, it is clarified that the effect of the Security vesting legally in the Security Trustee is so as to permit the Security Trustee, as from the execution and delivery of this Deed, to hold the same, and if need be, to enforce the same, for and on behalf of all persons with an interest as a lender under the Facility Agreement subsequent to the Novation Process. However, it is also clarified that the Security Trustee is not required to consult with the Website Lender in relation to the exercise of its trustee functions.
- 3.3 By reason of this Deed, the Operator is authorised to pay a cash sum from the Client Account, drawn from moneys provided by the Website Lender, to the Original Lender. Such sum shall be as stipulated in the Term sheet, and by executing and delivering this Deed the Original Lender hereby acknowledges receipt thereof. The effect of such payment is:

- (a) to reduce by the amount of the value of the Novated Part the amount of the Borrower's obligation under the Facility Agreement to repay principal advanced under the Facility to the Original Lender (and to relieve the Borrower of the obligation to pay interest associated with such sum); and
- (b) to create equal and matching obligations of the Borrower to the Website Lender in respect of principal and interest due under the Novated Part.

3.4 This Deed in conjunction with the Lending Terms is accordingly deemed for all purposes to constitute a valid and binding Article 36H Agreement or Corporate lender agreement between the Website Lender and the Borrower in relation to the Novated Part.

Schedule 1

Abstract of the Facility Agreement

Schedule 2

Term sheet

Borrower:

Security:

Website Lender:

Term of Facility:

Value of Novated Part: £

Interest entitlement of the Website Lender:

EXECUTED AS A DEED AND DELIVERED ON THE DATE AT THE TOP OF THIS DEED AS FOLLOWS

By Kuflink Limited, for itself and as duly authorised attorney for the Website Borrower, acting by two Directors:

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By Kuflink Bridging Limited acting by two Directors:

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KUFLINK SPECIMEN