

DATED 200

HSBC BANK PLC

- and -

- and -

DEED OF PRIORITY

THIS DEED is made on

200

BETWEEN

- (1) **HSBC BANK PLC** (Company Number 14259), whose address for service is: Securities Processing Centre, P O Box 6304, Coventry CV3 9JY. (the “**Bank**”)
- (2) [] (Company Number []), registered office: [] (the “**Funder**”)
- (3) [] [(Company Number []), registered office: []] [], whose address for service is: [] (the “**Mortgagor**”)

INTRODUCTION

- (A) This Deed is supplemental to:
 - (i) A Legal Charge granted to the Bank by the Mortgagor and dated [*insert date of charge*] over the property (the “**Property**”) described in the Schedule (the “**Bank Security**”)
 - (ii) A Legal Charge granted by the Mortgagor to the Funder and dated [*insert date of charge*] over the Property (the “**Funder’s Security**”)
- (B) The parties hereto are entering into this Deed to regulate the respective priorities of the Bank Security and the Funder’s Security (the “**Securities**”)

1. In this Deed, unless the context requires otherwise, the following expressions shall have the following meanings:

Bank’s Debt	means the aggregate amount of the principal interest charges and other moneys and liabilities from time to time remaining owing or incurred to the Bank whether presently or contingently and secured by the Bank Security
Creditor(s)	means collectively (and where the context requires, individually) the Bank and the Funder and their respective successors in title and assigns
Debts	means collectively (and where the context requires, individually) the Bank’s Debt and the Funder’s Debt
the Enforcement Date	means the earliest date on which either of the Creditors shall take any steps for the enforcement of its Security or any part of it provided that such Creditor shall promptly give notice of such enforcement to the other
Funder’s Debt	means the aggregate amount of the principal interest charges and other moneys and liabilities from time to time remaining owing or incurred to the Funder whether presently or contingently and secured by the Funder’s Security

2. For the avoidance of doubt each of the Creditors confirm their consent to the creation of the other Creditor’s security.
3. The charges created by the Securities shall be and remain continuing securities for repayment of the Bank’s Debt and the Funder’s Debt respectively and shall not be affected by any fluctuation in the amount of the Bank’s Debt or the Funder’s Debt or by the existence at any time of a nil or credit balance on any current or other account secured by the Securities.
4. It is agreed and declared that the charges created by the Securities shall (save as may be otherwise agreed in writing from time to time by the Creditors) have priority as set out below so that all moneys received after the Enforcement Date by any of the Creditors shall (after payment of all outgoing costs, charges expenses, and liabilities and for other payments ranking in priority) be applied in or towards discharge of

the Debts in the following order:

FIRST, The Bank's Debt

SECOND, The Lender's Debt

and afterward in payment to the person or persons next entitled.

5. Notwithstanding the provisions of Clause 4 above, if all or any of the Creditors' respective Securities shall be released or are or become wholly or partly invalid or unenforceable or shall not extend to particular assets of the Mortgagor, such Creditor shall bear any loss resulting and shall not be entitled to share in moneys derived from assets over which it has no effective security but the Creditors shall not themselves challenge the validity or enforceability of the Securities.
6. The Bank and the Funder respectively shall be entitled to grant time or indulgence release or compound or otherwise deal with and receive moneys in respect of any security or guarantee at any time held by either of them without reference to the other of them provided that no such entitlement shall exist after the Enforcement Date in respect of the Securities.
7. In the event of any money being received under any insurance covering the Property or any part thereof such money shall subject to the rights of prior encumbrancers if any be applied in replacing restoring or reinstating the Property (or part thereof) destroyed or damaged unless the Bank and the Funder otherwise direct in writing.
8. During the continuance of the Securities the Bank and the Funder shall be at liberty from time to time to disclose to each other information concerning the Mortgagor and the Mortgagor's affairs in such manner and to such extent as the Bank and the Funder shall from time to time desire.
9. Nothing contained in this Deed shall bind the Bank or the Funder to make any advance or accommodation to the Mortgagor or in the case of the Bank to grant banking facilities to the Mortgagor.
10. This Deed shall cease to have effect when either of the Securities has been discharged.
11.
 - (a) The Bank acknowledges the right of the Funder to the production and delivery of copies of the Bank Security;
 - (b) The Funder acknowledges the right of the Bank to the production and delivery of copies of the Funder's Security.
12. A person who is not a party to this Deed has no rights under the Contracts (Rights of Third Parties) Act 1999.
13. No purchaser dealing with either of the Creditors or any administrator or receiver appointed by any of them shall be concerned in any way with the provisions of this Deed and shall assume that the Creditors or any such administrator or receiver as the case may be are acting in accordance with the provisions of this Deed.
14. This Deed may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all the counterparts shall together constitute one and the same instrument.
15. None of the Creditors shall assign or transfer their Security or any part of it unless the assignee or transferee shall have agreed in writing that the assignment or transfer shall be subject to the terms of this Deed and that the assignee or transferee shall if so required by either of the Creditors (including the assignor or transferor) execute such document in confirmation of it as may be reasonably required.
16.
 - (a) This Deed will be governed by and construed in accordance with English law and all claims and disputes (including non-contractual claims and disputes) arising out of or in connection with this

Deed, its subject matter, negotiation or formation will be determined in accordance with English law.

- (b) The Creditors and the Mortgagor submit to the non-exclusive jurisdiction of the courts of England and Wales in relation to all claims, disputes, differences or other matters (including non-contractual claims, disputes, differences or other matters) arising out of or in connection with this Deed.

This Deed has been executed and delivered as a Deed on the date shown at the beginning of this Deed

Schedule

Registered Title

All the property comprised in the following title(s) at HM Land Registry:

Title Number(s):

Short Description of the Property:

Unregistered Title

The freehold property known as

Signed and Delivered)
by)
)
as Attorney of)
HSBC BANK PLC)
in the presence of:-)

.....

(Full name of witness)

.....

(Signature of witness)

Address

Occupation

Executed as a deed by)
[the Funder])

.....Director

..... Director/Secretary

Signed as a Deed)
by)
)
[the Funder])
in the presence of:-)

.....
Director (sole signatory only)

.....

(Full name of witness)

.....

(Signature of witness)

Address

Occupation

Signed as a Deed)
by)
)
[the Mortgagor])
in the presence of:-)

.....
(Full name of witness)

.....
(Signature of witness)

Address

Occupation

Executed as a Deed by)
[the Mortgagor])

.....Director

.....Director/Secretary