

Parent Company Guarantee

Relating to Churston Golf Course, Dartmouth Road

- (1) Bloor Holdings Limited
- (2) The Council of the Borough of Torbay

Dated 2010

Osborne Clarke

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This **Deed of Guarantee** is made the _____ day of _____ 2010

Between:

- (1) **The Council of the Borough of Torbay** of Town Hall, Castle Circus, Torquay, TQ1 3DR ("the Council") and
- (2) **Bloor Holdings Limited** whose registered office is at Ashby Road, Measham, Derbyshire DE12 7JP (company number 02080245) ("the Guarantor")

WHEREAS:

- (A) The Council entered into a Conditional Contract with Bloor Homes Limited of Ashby Road, Measham, Derbyshire DE12 7JP (hereinafter called "**Bloor**") dated [_____] 2010 ("the Agreement") in respect of land at Churston Golf Course, Dartmouth Road, Torbay ("the Site")
- (B) At the request of Bloor, the Guarantor has agreed to guarantee the payment due to the Seller pursuant to Clause [3.3] of the Agreement (the "**Payment**") in the manner hereinafter appearing.

THE GUARANTOR HEREBY COVENANTS WITH THE SELLER AS FOLLOWS:-

1. The Guarantor as principal debtor in all respects guarantees and indemnifies the Council in respect of any demand made by the Council to the Guarantor the due and proper performance of the Payment and the due observance and punctual performance of all the obligations, duties, undertakings, covenants and conditions by or on the part of Bloor in relation to the Payment contained in the Agreement and to be observed and performed by them subject to:
 - 1.1 all such demands being made in writing on or before [_____] (the "**Maturity Date**"); and
 - 1.2 the Guarantor's liability being subject to a maximum sum of Two Million Pounds (£2,000,000.00)
2. The Guarantor shall have no liability under this guarantee unless:
 - 2.1 Notice in writing (not by facsimile or email) of any default on the part of Bloor is first given by the Council to Bloor at Ashby Road, Measham, Derbyshire DE12 7JP requiring that such default is remedied by Bloor; and
 - 2.2 Bloor shall fail to remedy such alleged default within a period which is reasonable.
3. The Guarantor shall not be discharged or released from this Guarantee by the occurrence of any one or more of the following:-
 - 3.1 Any alteration of the terms of the Payment between the Council and Bloor; or
 - 3.2 Any allowance of time, forbearance, indulgence or other concession granted to Bloor in relation to the Payment under the Agreement or any other compromise or settlement of any dispute between the Council and Bloor (but so that the Council shall not pursue against the Guarantor a remedy contrary to the terms of any such compromise or settlement insofar as Bloor shall have complied with such terms); or
 - 3.3 any variation of the Agreement whether or not made with the Guarantor's consent; or
 - 3.4 the Council transferring its interest in the Agreement; or

- 3.5 the insolvency liquidation dissolution winding-up administration receivership or reconstruction of or any change in the name style or constitution of the Council, Bloor or Guarantor; or
 - 3.6 any legal limitation relating to Bloor; or
 - 3.7 any other act, matter or thing by or as a result of which the Guarantor would have been released.
4. This Guarantee is a continuing guarantee and accordingly shall remain in operation until the earlier of the Maturity Date or the date on which all the Payment have been made by Bloor is in addition to and not in substitution for any other security which the Council may at any time hold for the performance of such obligations.
5. Until the earlier of the maturity date or the date the Payment expressed to be guaranteed by the Guarantor in the recital to this Guarantee (the "Guaranteed Liabilities") have been paid discharged or satisfied in full the Guarantor will not without the Council's prior written consent (not to be unreasonably withheld or delayed):
- 5.1 exercise its rights of subrogation and/or indemnity against Bloor; or
 - 5.2 seek to enforce any right against Bloor in respect of the Guaranteed Liabilities whether directly or by way of lien set-off or counterclaim; or
 - 5.3 claim or prove in competition with the Council in the liquidation winding-up or bankruptcy of Bloor or have the benefit of or share in any payment from or composition with Bloor or Bloor's creditors or any other arrangement on Bloor's insolvency; or
 - 5.4 be entitled to share in any security held by the Council or stand in place of the Council in respect of any security nor take any security from the Council in respect of this Guarantee
- Any security taken by the Guarantor and any money received or benefit obtained by the Guarantor in respect of the Guaranteed Liabilities despite the Guarantor's covenants in this clause 5 shall be held in trust by the Guarantor for the Council
6. This deed shall impose no greater liability upon the Guarantor than that imposed upon Bloor by the Agreement.

THIS GUARANTEE is executed **AS A DEED** and is delivered on the date stated at the beginning of this Deed.

EXECUTED as a DEED by)

BLOOR HOLDINGS LIMITED)

acting by

Director

Director/Secretary