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

* Full name of
company

COMPANIES FORM No.395

Particulars of a mortgage or charge



395

Pursuant to section 395 of the Companies Act 1985

To the Registrar of Companies

For official use

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Company number

3196199

Name of company

* BLUECO LIMITED (the "Company")

Date of creation of the charge

4th November 1996

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

Debenture (the "Debenture")

Amount secured by the mortgage or charge

Please see attached continuation sheet No. 1

Name(s) and address(es) of the mortgagee(s) or person(s) entitled to the charge

Lloyds Bank Plc (the "Security Trustee")
71 Lombard Street
London EC3P 3BS acting as agent and trustee for the Beneficiaries
(as defined below)

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

Cameron Markby Hewitt
Sceptre Court
40 Tower Hill
London
EC3N 4BB

For official use
Mortgage Section

Post room

Time critical reference

EMB/RAF/X3409/0279



Short particulars of all the property mortgaged or charged

Please do not write
in this margin

Please see attached continuation sheet No. 2

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

Particulars as to commission allowance or discount (note 3)

Nil

Signed *Cameron Maithy Hewitt*

Date *15-11-96*

On behalf of ~~[company]~~ mortgagee/chargee] †

† 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 The address of the Registrar of Companies is: Companies House, Crown Way, Cardiff CF4 3UZ

BLUECO LIMITED

Company No. 3196199

Continuation sheet No. 1: Amount secured by the mortgage or charge

[NOTE: The underlined terms are defined in paragraph 2 below, in paragraph 5 on Continuation Sheet No. 2 or in the Common Terms Agreement, a copy of which is annexed to this Continuation sheet No. 1.]

1. Amount secured: Definition of "Secured Liabilities" in the Common Terms Agreement and Clause 2 of the Debenture

Those moneys and liabilities referred to in clause 2 of the Debenture or otherwise payable by the Company under any other provision of the Debenture, the moneys and liabilities referred to in clause 2 of the Debenture being:

(a) all moneys and liabilities whether present or future, actual or contingent (including moneys and liabilities which the Beneficiaries were not contracted to provide as at the date of the Debenture and those moneys and liabilities purchased or otherwise acquired by any Beneficiary after the date of the Debenture) which then were or at any time after the date of the Debenture may be due, owing or incurred by the Company to any Beneficiary:

(i) under any Relevant Document;

(ii) under any court order or judgment made or issued in respect of moneys or liabilities arising under or otherwise in connection with any Relevant Document or in respect of any transaction effected pursuant to or contemplated by or otherwise in connection with any Relevant Document;

(iii) by way of damages in respect of any breach of any obligation contained in or arising under or otherwise in connection with any Relevant Document (including, without limitation, any covenant implied as a matter of law) or in respect of any transaction effected pursuant to or contemplated by or otherwise in connection with any Relevant Document;

(iv) as a direct result of any Beneficiary complying with any order made under any enactment relating to insolvency including sections 234, 237, 238, 239, 241, 245, 339, 340 or 342

Insolvency Act 1986 in respect of or otherwise in connection with any Relevant Document or any transaction effected pursuant to or

BLUECO LIMITED

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contemplated by or otherwise in connection with any Relevant Document;

- (v) as a direct consequence of the exercise of any Headlease Option, including damages or other sums due as a consequence of any breach of any obligation arising as a consequence of any such exercise (including, without limitation, any covenant implied as a matter of law) (but excluding any sums due as a consequence of any adjustment to any sum payable on the relevant Completion Date and falling due after such Completion Date); and
- (vi) as a consequence of any request made in writing by the Company; and
- (b) any mesne profits attributable to the Charged Property whatsoever, whether alone or jointly with any other person, firm or corporation and in whatever style, name or form and whether as principal or surety, together with in every case (except to the extent already included in paragraphs (a) or (b) of clause 2 of the Debenture (as referred to in paragraphs 1(a) and (b) above) with interest to date of payment (after, as well as before, any demand or judgment) payable at such rates, times and intervals as provided in clause 3 of the Debenture.

2. Definitions: Clause 1 of the Debenture

In the Debenture and in these particulars, any reference to the Security Trustee, the Beneficiaries or the Company respectively includes their successors in title and permitted assigns permitted transferees and disposees whether immediate or derivative and:

"Common Terms Agreement" means the agreement so entitled of even date with this security setting out a number of common definitions and common interpretation provisions in relation to the documents (including the Debenture) specified therein.

"Relevant Documents" means:

- (a) the Agreements (excluding clause 10 of the Headlease);

BLUECO LIMITED

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- (b) from the date of grant or transfer to Prudential, the Management Lease; and
- (c) any other document that the Company and the Security Trustee shall agree in writing is to be a Relevant Document.

DATED 4th November 1996

- (1) DUNNING & SON (BIRMINGHAM) LIMITED
and BLUE CIRCLE HOME PRODUCTS
LIMITED
- (2) LLOYDS PROPERTY INVESTMENT COMPANY
NO. 3 LIMITED
- (3) BMBF (BLUEWATER INVESTMENTS) LIMITED
- (4) R.B. LEASING (BLUEWATER) LIMITED
- (5) LEND LEASE GLOBAL INVESTMENT PLC
- (6) LEND LEASE CORPORATION LIMITED
- (7) BLUEWATER DEVELOPMENT LIMITED
PARTNERSHIP
- (8) BLUECO LIMITED
- (9) THE PRUDENTIAL ASSURANCE COMPANY
LIMITED
- (10) LLOYDS BANK PLC as Security
Trustee
- (11) LLOYDS BANK PLC as Account Bank

COMMON TERMS AGREEMENT

CAMERON MARKBY HEWITT
Sceptre Court
40 Tower Hill
London EC3N 4BB

Tel: 0171-702 2345
Fax: 0171-702 2303
(95620)

THIS DEED is made the 4th day of November 1996
BETWEEN

- (1) DUNNING & SON (BIRMINGHAM) LIMITED (company registration number 863715) of 84 Eccleston Square London SW1V 1PX and BLUE CIRCLE HOME PRODUCTS LIMITED (company registration number 315900) of 84 Eccleston Square London SW1V 1PX (together "Blue Circle")
- (2) LLOYDS PROPERTY INVESTMENT COMPANY NO. 3 LIMITED (company registration number 2914306) whose registered office is at 71 Lombard Street London EC3P 3BS ("Lloyds")
- (3) BMBF (BLUEWATER INVESTMENTS) LIMITED (company registration number 3025063) whose registered office is at Churchill Plaza Churchill Way Basingstoke Hampshire RG21 7GP ("Barclays")
- (4) R. B. LEASING (BLUEWATER) LIMITED (company registration number 3112029) whose registered office is at the Quadrangle The Promenade Cheltenham Gloucestershire GL50 1PX ("Royal Bank")
- (5) LEND LEASE GLOBAL INVESTMENT PLC (company registration number 2587649) whose registered office is at York House 7th floor 23 Kingsway London WC2B 6UJ ("LLGI")
- (6) LEND LEASE CORPORATION LIMITED (ACN 000 226 228) a company incorporated and existing under the laws of the State of New South Wales Australia ("LLC")
- (7) BLUEWATER DEVELOPMENT LIMITED PARTNERSHIP, a limited partnership constituted by a limited partnership agreement dated 4th August 1994 made between LLGI (1) Bluewater Park PLC (2) and LLC (3) (as amended from time to time) acting through its general partner, LLGI (the "Developer")
- (8) BLUECO LIMITED (company registration number 3196199) whose registered office is at York House 7th Floor 23 Kingsway London WC2B 6UJ ("Blueco")
- (9) THE PRUDENTIAL ASSURANCE COMPANY LIMITED (company registration number 15454) whose registered office is at 142 Holborn Bars London EC1N 2NH ("Prudential")
- (10) LLOYDS BANK PLC (company registration number 2065) whose registered office is at 71 Lombard Street London EC3P 3BS acting as security trustee for the Beneficiaries (the "Security Trustee")
- (11) LLOYDS BANK PLC (company registration number 2065) whose registered office is at 71 Lombard Street London EC3P 3BS acting as account bank (the "Account Bank")

1. Interpretation

In this Deed:

- (a) "Common Term" means any word or expression which is defined in the schedule to this Deed;
- (b) where any Common Term is used, that Common Term shall bear the meaning given to it in the schedule to this Deed;
- (c) "Common Term Agreements" means the Agreements and the BMBF Option Agreement and "Common Term Agreement" means any of them; and
- (d) reference to "this Deed" shall be to these presents as from time to time altered, amended, varied, added to, supplemented, replaced or novated.

2. Incorporation of Common Terms into the Common Term Agreements

It is agreed by the parties to each Common Term Agreement that in relation to that Common Term Agreement:

2.1 Where any Common Term is used in a Common Term Agreement, or in the definition of another Common Term which is used in a Common Term Agreement, that Common Term shall bear the meaning given to it in the schedule hereto, except where the Common Term Agreement otherwise provides or the context otherwise requires.

2.2 In the Common Term Agreement and in each Common Term, except where the Common Term Agreement or the schedule to this Agreement otherwise provides, or the context otherwise requires:

- (a) (i) references to any party to this Agreement;
and
- (ii) the expressions "Investor", "Investors", "Lloyds", "Royal Bank", "Barclays", "Prudential", "LLGI", "LLC", "Blue Circle", "Projects", "Developer", "Security Trustee", "Account Bank", "Landlord", "Tenant", "Headlease Tenant", "Beneficiaries", "Beneficiary", "Holdings" and "Blueco"

shall include their respective successors and successors in title and permitted assigns, permitted transferees and disponees whether immediate or derivative;

- (b) the expression "Investors" shall mean Royal Bank, Lloyds and Barclays and "Investor" means any of them

- (c) a reference to legislation includes Acts of Parliament, European Union legislation having the force of law in the United Kingdom and Directives and any order, instrument, regulation, permission, direction or other derivative matters made under or deriving validity from the relevant Act of Parliament or legislation, as the same may be in force and amended from time to time and any reference to a particular statute shall be deemed to include reference to any further statute for the time being in force replacing or supplementing such statute and any regulations, directions or consents made thereunder and all provisions and conditions therein;
- (d) reference to the singular shall include the plural and vice versa and reference to the masculine shall include the feminine and neuter and vice versa;
- (e) references to clauses, paragraphs and schedules are to clauses and paragraphs of and schedules to the relevant Common Term Agreement and the index and clause headings shall be ignored in construing the Common Term Agreement;
- (f) the "modification" of any document or enactment includes references to such document or enactment as from time to time altered, amended, varied, added to, supplemented, replaced or novated, and "modified", "modifying" and "modify" shall be construed accordingly;
- (g) any reference to a Common Term Agreement (including the Common Term Agreement in which the reference is made) or any other agreement or document shall be construed as a reference to that Common Term Agreement or, as the case may be, such other agreement or document as the same may have been, or may from time to time be, modified and shall include any agreement or other document modifying the same; and
- (h) any reference to sterling shall include any other currency or currencies that may at any time in the future be adopted as the lawful currency of the United Kingdom.

3. Amendments to the Common Term Agreements

- 3.1 No person shall be or be treated as being a party to a Common Term Agreement simply by virtue of that person being a party to this Agreement and no such person shall have, by virtue of that fact, any of the rights and obligations arising under that Common Term Agreement.

- 3.2 The persons who are from time to time parties to a Common Term Agreement shall (for the avoidance of doubt) be entitled to amend, vary or supplement the definition of any Common Term, as it applies to that Common Term Agreement without the consent of any other of the parties to this Deed.

4. Execution

The parties have executed these presents as a deed.

SCHEDULE

"Acceptable Lease Terms" in relation to any lease means the following:

- (a) the lease entitles the lessor thereunder to receive by way of annual rent an amount which is a percentage of future Net Rents, and such percentage is 5% or more;
- (b) the lessor has no minimum rent entitlement, other than an amount not exceeding £10,000 per annum and no other sums are reserved as rent;
- (c) the lease does not impose on the lessee thereunder any obligations (excluding for this purpose rental obligations) which are materially more onerous than those to be imposed on the lessee under the Management Lease (when granted);
- (d) the dates for payment of the rent are no more frequent than the dates for payment of rent under the Management Lease (when granted); and
- (e) any right of the lessor thereunder to forfeit or re-enter is (i) on the same terms and conditions (mutatis mutandis) as those contained in clause 7.1 of the Management Lease (in the form of the agreed draft applying as at the date of the Common Terms Agreement), or (ii) on terms and conditions which are no more advantageous to the lessor than those contained in such clause 7.1

"Acceptable Security" has the meaning ascribed in the BMBF Option Agreement PROVIDED THAT in applying that expression for the purposes of the Headlease and the Intercreditor Agreement:

- (a) the Minimum Security Value (as defined in the BMBF Option Agreement) shall be taken to be the excess (if any) of:
 - (i) the amount which would have been the Partial Commutation Payment payable on the Partial Commutation Payment Date if the same were calculated on the basis that Further Variable Assumption 6.7 (contained in schedule 4 to the Headlease and so far as applicable to a Partial Commutation Payment) were wholly incorrect (whether or not the fact) over
 - (ii) the Partial Commutation Payment payable on the Partial Commutation Payment Date

- (b) the provisions of clauses 2.5 and 2.6 of the BMBF Option Agreement shall apply, mutatis mutandis, for the purposes of determining one or more Approved Bank Guarantors (as defined therein) and
- (c) the words "in question" shall be substituted for the words "LLC under this Agreement"

"Acceptance Notice" has the meaning given to it in schedule 4 to the Intercreditor Agreement other than when used in the Ground Lease

"Access Roads" means those roads constructed or to be constructed on the Outer Area including all associated bridges roundabouts and junctions thereon

"Account Bank" means the person from time to time acting as Account Bank under the Applications Agreement being, as at the date hereof, the person who is the eleventh numbered party to the Common Terms Agreement

"Adjusted Shortfall" has the meaning ascribed to it in schedule 4 of the Headlease

"Agency" means any agency, authority, central bank, department, government, legislative, minister, ministry, official or public or statutory person (whether autonomous or not) of, or of the government of, a state (or group of states) or any political sub-division in or of that state (or group of states)

"Agreement for Lease" means the agreement to grant the Ground Lease and the Headlease of even date made between Lloyds (1) Royal Bank (2) Barclays (3) the Developer (4) and LLGI (5)

"Agreements" means the Ground Lease the Headlease the Investors Development Agreement the Agreement for Lease the Rent Guarantee the Cash Retention Deed the Letting Agreement the Charges the Applications Agreement the Intercreditor Agreement the Common Terms Agreement the Blueco Letter and any other deed or document entered into pursuant to any of the foregoing or which is expressly designated after the date of this Agreement by the Investors and the Headlease Tenant as an Agreement

"Anchor Stores" means each of the stores at the apex of the retail triangle each currently the subject of agreements for lease in favour of John Lewis Plc, Marks & Spencer Plc and House of Fraser Stores Limited and such other comparable store or stores as may from time to time be designated as Anchor Stores

"Applications Agreement" means the agreement so described of even date made between (1) Blueco (2) Lloyds Bank Plc as

Security Trustee (3) Lloyds Bank Plc as Account Bank (4) Lloyds, Royal Bank and Barclays and (5) Prudential (6)

"Authorised Investments" means any of the following:

- (a) cash at bank held with any person for the time being acting as Security Trustee or (to the extent different) with Lloyds Bank Plc, Barclays Bank PLC or The Royal Bank of Scotland plc or with any other bank to whom Blueco owes no Borrowed Money other than any Subordinated Debt;
- (b) deposits for a term not exceeding 12 months and money at call with any person for the time being acting as Security Trustee or (to the extent different) with Lloyds Bank Plc, Barclays Bank PLC or The Royal Bank of Scotland plc or with any other bank or any building society to whom Blueco owes no Borrowed Money other than any Subordinated Debt;
- (c) sterling bills of exchange eligible for rediscount at the Bank of England;
- (d) gilts or certificates of deposit the term of which has 12 months or less remaining to maturity;
- (e) any other negotiable money market instrument which has no more than 12 months to final maturity; and
- (f) deposits made with the Commissioners of Inland Revenue in respect of which certificates of tax deposits have been issued by Her Majesty's Treasury,

and which, in the case of the investments (other than an Approved Blueco Account (as defined in the Applications Agreement)) referred to in paragraphs (b), (d) and (e), the institution or issuer (as the case may be) of the same has a short term credit rating of either P1 or better (by Moody's Investor Service Inc.) or A1+ or better (by Standard & Poor's Corporation) or, in either case, any equivalent rating from time to time

"Basic Participation Rent" means the rents payable pursuant to paragraph 2 of schedule 5 to the Headlease

"Basic Rent" means the rents reserved by clause 2.1 of the Headlease

"Barclays" means the person who is the third numbered party to the Common Terms Agreement

"BCI" means Dunning & Son (Birmingham) Limited and/or Blue Circle Home Products Limited and any company which is a holding company subsidiary or associated undertaking (as such terms are defined in the Companies Act 1985) of either of

those companies and/or of Blue Circle Industries plc and their respective successors in title to the land known as Eastern Quarry and their successors in relation to any other adjoining or neighbouring lands in the ownership control or use of any such company

"Beneficiaries" means, subject to the Intercreditor Agreement, the Investors, Prudential, the Security Trustee and any New Beneficiary but not any Released Beneficiary and "Beneficiary" means any of them

"Blue Circle" means the persons who are the first numbered party to the Common Terms Agreement at the date hereof

"Blueco" means the person who is the eighth numbered party to the Common Terms Agreement

"Blueco Account" means any account in the name of Blueco maintained with any bank or building society, but excluding the Rent Account and the Call Account

"Blueco Letter" means a letter of even date from Blueco to the Investors restricting certain financing activities of Blueco

"Blueco's Business" means the ownership, exploitation, development, letting and management of the Premises, any activities required, permitted or contemplated by (but subject to any restrictions in) the Agreements, the Management Lease or any of the Occupational Leases and any activities incidental or ancillary to any of the foregoing

"Blueco Forward Sale Agreement" means the agreement of even date made between (1) LLGI (2) the Developer and (3) Blueco and relating to the assignment of the Headlease and the grant of the Management Lease

"BMBF Option Agreement" means the option agreement and guarantee of even date made between Blueco (1) Barclays (2) Bluewater Development Limited Partnership (3) and LLC (4)

"BMBF Exit" occurs if the Partial Commutation Payment due on a Partial Commutation Payment Date or the Termination Sum due on a Termination Sum Payment Date is paid in full

"BMBF Fixed Option Date" means 20th September 2011

"BMBF Options" means the options granted to Barclays by the BMBF Option Agreement

"BMBF Option Notice" has the meaning ascribed to it in the BMBF Option Agreement

"Borrowed Money" means any Indebtedness (a) for or in respect of money borrowed and debit balances at banks, (b) in respect of any bond, note, loan stock, debenture or similar debt

instrument, (c) under or in respect of any acceptance credit facilities, (d) for the purchase price of assets (other than assets acquired on normal commercial terms in the ordinary course of business) payment for which is deferred for more than 90 days after title to the relevant asset has passed to the debtor, (e) which is required (by law or accounting principles, standards and practices generally accepted in the jurisdiction of incorporation of the relevant person) to be disclosed or characterised as a borrowing of money on the balance sheet of the person by whom that Indebtedness is owed or (f) under any guarantee in respect of any Indebtedness falling within (a) to (e) above

"Borrowings" means any Indebtedness:

- (a) for or in respect of money borrowed and debit balances at banks
- (b) in respect of any bond, note, loan stock, debenture or similar debt instrument
- (c) under or in respect of any acceptance credit facilities
- (d) for the purchase price of assets (other than assets acquired on normal commercial terms in the ordinary course of business) payment for which is deferred for more than 90 days after title to the relevant asset has passed to the debtor
- (e) required (by law or accounting principles, standards and practices generally accepted in the United Kingdom) to be disclosed or characterised as a borrowing of money on the balance sheet of Blueco but excluding Indebtedness in respect of Borrowed Money to the extent that the same is recoverable from Occupational Tenants from Service Charge Moneys or
- (f) any guarantee or indemnity in respect of any Indebtedness falling within (a) to (e) above, but excluding indebtedness under any of the Agreements, the BMBF Option Agreement, any Net Rent Lease and any Subordinated Debt (as defined in the Cash Retention Deed) from time to time

"Building Price" has the meaning ascribed to it in schedule 3 of the Investors Development Agreement

"Business Day" means (where used in connection with any time limit, or any notice, grace, or other period, applicable to LLC or any other member of the LLC Group incorporated in Australia) a day (other than a Saturday or Sunday) on which banks are open for business in London and Sydney or, in any other case, a day on which dealings are carried on in the London Interbank Market in sterling

"Call Account" means the account in the name of Blueco designated "Blueco" maintained with the Account Bank at its City Office sort code 30-00-02 (or such other account and/or at such other branch and/or with the Account Bank as the Security Trustee shall first have approved)

"Capital Payment" bears the meaning given to it in schedule 4 to the Headlease

"Cash Retention Deed" means an agreement of even date so described and made between Lloyds, Royal Bank and Barclays (1) and Blueco (2)

"Centre" means the shopping centre situated or to be situated on the Premises and known as Bluewater

"Cessation Date" means the first date on which one of the following events or dates occurs:

- (a) payment of all sums due to be paid to the Investors on a Completion Date (as defined in schedule 4 to the Headlease) as a consequence of the exercise of a Headlease Option, the Termination Option or the Default Call Option and (if completion takes place after the Completion Date) payment of all other sums (including adjustments) becoming due to the Investors on or before the actual date of completion
- (b) the Final Rent Date (as defined in schedule 4 to the Headlease) unless, as at that date, all amounts of Variable Rent payable on or before that date have not been paid, in which case the date referred to in this paragraph (b) shall be the first date thereafter on which all such amounts have been paid
- (c) completion of an assignment of the whole of Blueco's interest and estate in the Headlease and its other interests in the Premises in accordance with clause 3.6 of the Headlease
- (d) the Landlord under the Headlease becoming entitled to the Fixed Participation Rent or the Default Participation Rent (as such terms are defined in schedule 5 to the Headlease)

"Charged Property" means all of the undertaking, assets, properties, revenues, rights and benefits of Blueco described in clause 4.1 of the Debenture (and including, for the avoidance of doubt, all other property which is from time to time subject to an Encumbrance in favour of the Security Trustee as a result of the operation of clause 8 of the Debenture) and references to the "Charged Property" include references to each and any part of it

"Charges" means all Encumbrances from time to time created by the Headlease Tenant in favour of, or for the benefit of, the Beneficiaries and all Encumbrances from time to time replacing or supplementing the same to secure the payment and/or repayment of the Secured Liabilities

"Common Terms Agreement" means the document so described of even date made between Blue Circle (1) Lloyds (2) Barclays (3) Royal Bank (4) LLGI (5) LLC (6) the Developer (7) Blueco (8) Prudential (9) and two other parties

"Commutable Rents" means the Variable Rent and the Participation Rent (but not for the avoidance of doubt the Basic Rent) and, if a BMBF Option Notice has been served which takes effect as a Partial Commutation Notice (as defined in the BMBF Option Agreement) the Commutable Rents shall not include those rents which are to be or have been commuted as a consequence of the service of the BMBF Option Notice

"Commutation Options" means the options to commute the Commutable Rents granted by clause 7 of the Headlease and
 "Commutation Option" means any of them

"Commutation Payment" means the payment to be made by the Headlease Tenant to the Landlord under the Headlease as a result of the exercise of a Commutation Option

"Conduits" means all ducts grilles tanks radiators water gas electricity and telephone supply pipes wires fibres and cables gutters and drains other than those belonging to the relevant supply authorities and all fixings and ancillary apparatus

"Connected Person" shall be construed in accordance with section 839 ICTA in the form applicable on the date of the Common Terms Agreement

"Corporate Group" means a group of companies comprising a Holding Company and all its Subsidiaries at the time, and
 "member of a Corporate Group" shall be construed accordingly

"Corridor" means the area of land shown coloured pink on plan LMR 738 which is attached to the Ground Lease

"Creditor" means, subject to clause 19 of the Intercreditor Agreement, each of the Investors, Prudential and such other persons (not consisting of any member of the LLC Group) as may become Creditors pursuant to the operation of clauses 17.1 to 17.3. of the Intercreditor Agreement but excluding any of the foregoing which may cease to be Creditors pursuant to the operation of clauses 17.1 or 17.4. of the Intercreditor Agreement

"Debenture" means the debenture of even date made between (1) Blueco and (2) Lloyds Bank Plc as security trustee by which

Blueco created fixed and floating charges on all its undertaking, property and assets, both present and future

"Deed of Cessation" means any deed substantially in the forms set out in schedules 5 or 7 to the Intercreditor Agreement whereby a person or persons specified in such deed shall cease to be included as one of the Beneficiaries and as one of the Creditors

"Deed of Designation" means any deed substantially in the forms set out in schedules 5 or 6 to the Intercreditor Agreement whereby a person or persons specified in such deed shall be included as one of the Beneficiaries and as one of the Creditors

"Default Call Option" means the option granted to LLC by schedule 4 to the Intercreditor Agreement

"Default Notice" means a notice given to LLC pursuant to paragraph 1 of schedule 4 to the Intercreditor Agreement

"Default Participation Rent" means the rents payable pursuant to paragraph 4 of schedule 5 to the Headlease

"Default Sale Price" means the payment to be made by LLC to the Investors under the Intercreditor Agreement as a result of the exercise of the Default Call Option

"Developer" means the person who is the seventh numbered party to the Common Terms Agreement

"Development Guarantee" means the guarantee and indemnity given by LLC to the Investors pursuant to the Investors Development Agreement

"Directive" means any present or future directive, regulation, request, requirement or rule of any Agency or of any self-regulating organisation, whether or not having the force of law but, if not having the force of law, only if compliance with the Directive by the person in relation to whom the application of the Directive must (pursuant to some provision of an Agreement) be considered is in accordance with the general practice of the class of persons to which that person belongs

"Encumbrance" means any mortgage, debenture, charge, assignment by way of security (whether or not expressed as such), pledge, hypothecation, lien, right of set-off, retention or reservation of title or any other encumbrance or other security interest or any other arrangement or agreement the effect of which is the creation of security

"Enforcement Date" has the meaning given to it in the Intercreditor Agreement

"Enforcement Events" means the Investor Enforcement Events, the Pru Forfeiture Events and any Net Rent Creditor Forfeiture Events and "Enforcement Event" means any of them

"Environmental Law" means all laws (statutory, common law or otherwise) relating to the carrying on of any process or activity on premises and any emissions from and all waste produced by such process or activity and any such chemicals or substances relating to the same whether relating to health and safety, the work place, the environment or the provision of energy (including without limitation the Health and Safety at Work etc Act 1974, the Control of Pollution Act 1974, The Construction (Design and Management) Regulations 1994, the Environmental Protection Act 1990, the Environment Act 1995, the Water Industry Act 1991, the Water Resources Act 1991, the Statutory Water Companies Act 1991, the Water Consolidation (Consequential Provisions) Act 1991, the Clean Air Acts, the Alkali, etc, Works Regulation Act 1906, the Planning Hazardous Substances Act 1990, the Public Health Acts and the Radioactive Substances Act 1993 and any European Union legislation having the force of law in the United Kingdom and, in addition, Directives in relation to similar matters) from time to time in force

"Environmental Liabilities" means any liability whether on the owner occupier landlord or tenant of premises arising directly or indirectly from Environmental Law

an "Event of Insolvency" occurs in relation to a person (the "Relevant Person") if any of the relevant events set out below occurs. Where the Relevant Person is LLC or LLGI the relevant events are those set out in (a) - (e) inclusive below. Where the Relevant Person is not LLC or LLGI the relevant events are those set out in (f) - (h) inclusive below.

Where the Relevant Person is LLC or LLGI

- (a) if the Relevant Person is (or is, or could be, deemed by or pursuant to the provisions of section 123(1)(e) or (2) Insolvency Act 1986) insolvent or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a particular type of its Indebtedness, begins negotiations or takes any other step with a view to the deferral, rescheduling or other readjustment of all or a particular type of its Indebtedness, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors (other than on a solvent basis and on terms previously notified to each of the Investors) or a moratorium is agreed or declared in respect of or affecting all or a particular type of the Indebtedness of the Relevant Person or
- (b) if any distress, attachment, execution or other legal process is levied, enforced or sued out on or against

the assets of the Relevant Person and is not discharged or stayed within 30 days Provided that no Event of Insolvency shall occur under this paragraph (b) unless and until the aggregate amount of the Indebtedness (excluding Non-Recourse Indebtedness) in respect of which one or more of the events mentioned in this paragraph (b) has/have occurred equals or exceeds the Minimum Amount or its equivalent in any currency other than Sterling (such equivalent as reasonably determined by the Investors) or

- (c) if any Encumbrance on or over the assets of the Relevant Person becomes enforceable Provided that:
 - (i) the exercise of a lien arising solely by operation of law (or by an agreement evidencing the same) in the ordinary course of business shall not constitute an Event of Insolvency under this paragraph (c) if the Indebtedness in respect of which that lien is being exercised either (A) has been due for less than 30 days or (B) is being contested in good faith by appropriate means and
 - (ii) no Event of Insolvency shall occur under this paragraph (c) unless and until the aggregate amount of the Indebtedness (excluding Non-Recourse Indebtedness) (whether of one or more persons) in respect of which the Encumbrance becomes enforceable equals or exceeds the Minimum Amount or its equivalent in any currency other than Sterling (such equivalent as reasonably determined by the Investors)
- (d) (i) if a petition is presented, an order is made, or a resolution is passed, for the Winding-up of the Relevant Person, or the Relevant Person ceases or threatens to cease to carry on all or a substantial part of its business, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on a solvent basis the terms of which have been notified to each of the Investors before that step is taken and in the case of the presentation of a petition no Event of Insolvency shall occur under this paragraph (d) if and so long as the petition is being bona fide disputed or defended by the Relevant Person in accordance with legal advice (a copy of which shall be promptly provided to each of the Investors) (for the purposes of this paragraph (d) the "Winding-up" of a Relevant Person also includes the amalgamation, reconstruction, administration, dissolution, liquidation, merger or consolidation of that Relevant Person) or

- (ii) if an administrative receiver is appointed over the whole or substantially the whole of the Relevant Person's assets and undertaking
- (e) if any event occurs or situation arises in any jurisdiction other than England which has a substantially similar effect to any of the events specified in (a) (b) (c) or (d) above

Where the Relevant Person is not LLC or LLGI

- (f) if the Relevant Person makes a general assignment or an arrangement or composition with or for the benefit of its creditors (other than on a solvent basis and on terms previously notified to each of the Investors) or a moratorium is agreed or declared in respect of or affecting all or a particular type of the Indebtedness of the Relevant Person or
- (g) (i) if a petition is presented, an order is made, or a resolution is passed, for the Winding-up of the Relevant Person, or the Relevant Person ceases or threatens to cease to carry on all or a substantial part of its business, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on a solvent basis the terms of which have been notified to each of the Investors before that step is taken and in the case of the presentation of a petition no Event of Insolvency shall occur under this paragraph (g) if and so long as the petition is being bona fide disputed or defended by the Relevant Person in accordance with legal advice (a copy of which shall be promptly provided to each of the Investors) (for the purposes of this paragraph (g) the "Winding-up" of a Relevant Person also includes the amalgamation, reconstruction, administration, dissolution, liquidation, merger or consolidation of that Relevant Person) or
- (ii) (other than where the Relevant Person is Blueco) if an administrative receiver is appointed over the whole or substantially the whole of the Relevant Person's assets and undertaking
- (h) if any event occurs or situation arises in any jurisdiction other than England which has a substantially similar effect to any of the events specified in (f) or (g) above

"Facilities" means any buildings infrastructure plant machinery Conduits roads paths access ways signs and any other services or facilities whatsoever

"Financial Default" occurs in relation to LLC if any Indebtedness (other than Non-Recourse Indebtedness and Indebtedness owing to another member of the LLC Group) of LLC to any person for or in respect of Borrowed Money is not paid when due nor within any applicable grace period in any agreement relating to that Indebtedness Provided that no Financial Default will occur unless and until the aggregate amount of the Indebtedness in respect of which one or more of the events mentioned above in this definition has/have occurred equals or exceeds the Minimum Amount or its equivalent in any currency other than Sterling (such equivalent as reasonably determined by the Investors)

"First Option Date" means 20th March 2005

"Fixed Participation Rent" means the rents payable pursuant to paragraph 3 of schedule 5 to the Headlease

a "Forfeiture Event" shall occur if:

- (a) the Investors have served a Termination Notice on LLC in accordance with the provisions of the Investors Development Agreement and LLC does not pay the Guaranteed Sale Price within 30 Business Days after the due date for payment of that sum
- (b) any sum due to an Investor under the Headlease is not paid within 30 Business Days after written demand on the Headlease Tenant and (if the sum in question is Variable Rent and the Rent Guarantee is subsisting at the relevant time) on LLC or
- (c) the Headlease Tenant shall fail to perform and observe in any material respect any other obligation on its part contained in the Headlease which, if capable of being remedied, the Headlease Tenant has not commenced to remedy within 30 Business Days after written demand on the Headlease Tenant, and does not thereafter diligently complete the remedy

"Fully Open" means that:

- (a) the general public has access to all malls, circulation areas, car parks, and other areas of the Centre which are designed for use by the general public together with such of the Units as are open to trade
- (b) the Anchor Stores are open to trade and
- (c) the remaining Units are open to trade or are capable of opening to trade (or would be capable of opening to trade if let) subject only to the carrying out of lessee's fitting out works

"Further Mortgage" means a mortgage to be entered into by Blueco in favour of the Security Trustee pursuant to clause 8.2 of the Debenture

"Ground Lease" means the lease of the Premises of even date granted by Blue Circle to the Investors

"Ground Rent" means the yearly rent reserved by clause 2 of the Ground Lease

"Guarantees" means the Rent Guarantee and the Development Guarantee and **"Guarantee"** means either of them

"Guaranteed Sale Price" means the payment to be made by LLC to the Investors under the Investors Development Agreement as a result of the exercise of the Termination Option

"Handover Date" means the date on which the Headlease and the freehold of the Premises are transferred to, and the Management Lease granted to, Blueco in accordance with Blueco Forward Sale Agreement

"Headlease" means the headlease of the Premises of even date made between the Investors (1) and LLGI (2) by which the Investors demised the Premises to LLGI for a term of 999 years (less 30 days)

"Headlease Options" means the Commutation Options and the New Lease Options and **"Headlease Option"** means any of them

"Headlease Rents" means the rents reserved by clauses 2.1 - 2.4 inclusive of the Headlease and **"Headlease Rent"** means any of them

"Headlease Tenant" means the person who is from time to time the lessee under the Headlease

"Holding Company" means in respect of a company, a company which is a holding company of that company within the meaning of sections 736 and 736A of the Companies Act 1985

"Holdings" means Lend Lease International Holdings Limited (company registration number 2594928)

"ICTA" means the Income and Corporation Taxes Act 1988

"Indebtedness" includes any obligation (whether present or future, actual or contingent, secured or unsecured, as principal, surety or otherwise) for the payment or repayment of money

"Indicative Commutation Notice" means a notice given by the Headlease Tenant to the Landlord under the Headlease in accordance with the provisions of clause 7.5 of the Headlease

(which, for the avoidance of doubt, shall not constitute an Option Notice)

"Intercreditor Agreement" means the agreement of even date and made between the Investors (1) Prudential (2) the Security Trustee (3) the Account Bank (4) Blueco (5) LLC (6) and LLGI (7)

an "Investor Enforcement Event" shall occur if:

- (a) default is made in paying any Variable Rent due and such default shall continue for 5 Business Days after written demand on the Headlease Tenant and (if the Rent Guarantee is subsisting at the relevant time) on LLC Provided that no Investor Enforcement Event shall occur under this paragraph (a) if such default is a result of the failure by the Account Bank or the Security Trustee to apply amounts standing to the credit of the Rent Account and/or the Call Account in accordance with the provisions of the Applications Agreement or
- (b) default is made by LLGI in paying any sum due to the Investors pursuant to the Investors Development Agreement and such default shall continue for 10 Business Days after written demand on LLGI and (if the Development Guarantee is subsisting at the relevant time) on LLC or
- (c) default is made by any Relevant Party in paying any other sum due to the Investors and/or the Security Trustee under any of the Agreements and such default shall continue for 10 Business Days after written demand on the Relevant Party or
- (d) LLGI shall fail to perform and observe in any material respect any obligation contained in the Investors Development Agreement and owed by LLGI to any Investor which, if capable of being remedied, LLGI has not commenced to remedy within 30 Business Days after written demand on LLGI and (if the Development Guarantee is subsisting at the relevant time) on LLC, and does not thereafter diligently complete the remedy or
- (e) any Relevant Party shall fail to perform and observe in any material respect any other obligation contained in any of the Agreements and owed by the Relevant Party to the Investors or the Security Trustee which, if capable of being remedied, the Relevant Party has not commenced to remedy within 30 Business Days after written demand on the Relevant Party, and does not thereafter diligently complete the remedy or
- (f) an Event of Insolvency (other than one referred to in paragraphs (b) and (c) (or paragraph (e) as it relates

to those paragraphs) of the definition of that term) occurs in relation to LLC at any time at which any Guarantee is subsisting or

- (g) an Event of Insolvency occurs in relation to Blueco on or before the Handover Date or
- (h) an Event of Insolvency occurs in relation to the Headlease Tenant or
- (i) any of LLGI, Holdings or Projects cease to be a Wholly-Owned Subsidiary of LLC at any time on or before the Handover Date or
- (j) Blueco ceases to be a Qualifying Subsidiary at any time on or before the Handover Date or
- (k) the Headlease Tenant, or any Qualifying Beneficiary, ceases to be a Qualifying Subsidiary or
- (l) any representation or warranty made in any of the Agreements by any Relevant Party proves to have been incorrect or inaccurate in any material respect when made and the effect of the same is to have a material adverse effect on the ability of the Relevant Party to comply with its payment and other material obligations under the Agreements (or any of them) or
- (m) any payment or other material obligation of a Relevant Party in any of the Agreements ceases to constitute a legal, valid and binding obligation of the Relevant Party other than as a result of the effluxion of time, discharge in accordance with the terms of the relevant Agreement(s) or otherwise by agreement or
- (n) a Termination Event occurs

"Investors Agreement" means the agreement so described of even date between Lloyds (1) Barclays (2) and Royal Bank (3)

"Investors Development Agreement" means the agreement of even date made between Lloyds (1) Royal Bank (2) Barclays (3) the Developer (4) Blueco (5) LLC (6) and LLGI (7) relating to the carrying out of building works on the Premises

"Irrecoverable VAT" means VAT incurred by a person which that person cannot recover (whether by way of credit against output Tax or as an actual repayment) from H M Customs & Excise

"Landlord" when used in, or in relation to, the Ground Lease means the lessor thereunder and when used in, or in relation to, the Headlease means the lessor thereunder

"Letting Agreement" means the agreement of even date so described and made between Lloyds (1) Barclays (2) Royal Bank

(3) Prudential (4) LLGI (5) and Blueco (6) relating to the grant of Occupational Leases and associated matters

"LLC" means the person who is the sixth numbered party to the Common Terms Agreement

"LLC Group" means, at any particular time, LLC and all its Subsidiaries at that time and "member of the LLC Group" shall be construed accordingly

"LLGI" means the person who is the fifth numbered party to the Common Terms Agreement

"LLGI Lease" means the lease of the Premises and the Outer Area dated 31st October 1996 granted by Blue Circle to LLGI and Blueco

"Lloyds" means the person who is the second numbered party to the Common Terms Agreement

"Management Lease" means a lease of the whole of the Premises to be granted by LLGI to Blueco pursuant to the Blueco Forward Sale Agreement

"Manager" means the person (being such company as is nominated by Prudential) which is appointed as managing agent of the Centre pursuant to the Management Lease, or any person which is deemed to be the Manager pursuant to clause 7.3 of the Intercreditor Agreement

"Minimum Amount" means the greater of:

(a) £7,500,000 and

(b) $\text{£7,500,000} \times \frac{\text{RPI}^{(1)}}{\text{RPI}^{(2)}}$

where:

$\text{RPI}^{(1)}$ = the RPI for the month for which the Minimum Amount is to be ascertained (or if no RPI for that month has been published the latest RPI published for any month preceding that month) and

$\text{RPI}^{(2)}$ = the RPI for the month in which the date of this Agreement falls

"Net Rent Creditor" means the lessor from time to time under a Net Rent Lease

"Net Rent Creditor Forfeiture Events" bears the meaning given to it by the Intercreditor Agreement

"Net Rent Lease" means each of the Management Lease and any other lease of the whole of the Premises which when initially granted was for a term of 125 years or more and which was otherwise granted on Acceptable Lease Terms

"Net Rents" bears the meaning given to it by the Management Lease

"New Beneficiary" means any person which becomes a Beneficiary pursuant to the operation of clause 17.1-17.3 of the Intercreditor Agreement

"New Lease Options" means the options to take up an Option Lease granted by clause 7 of the Headlease and "New Lease Option" means any of them

"Non-Recourse Indebtedness" means, in respect of a debtor, any Indebtedness incurred to finance the ownership, acquisition, construction, creation, development and/or operation of an asset in respect of which the person or persons to whom such Indebtedness is or may be owed by the debtor have no recourse whatsoever for the repayment of or payment of any sum relating to such Indebtedness other than:

- (a) recourse to such debtor for amounts limited to the income, cash flow or other assets deriving from such asset and/or
- (b) recourse to such debtor for the purpose only of enabling amounts to be claimed in respect of such Indebtedness in an enforcement of any encumbrances given by such debtor over such asset (the "Relevant Asset") or the income, cash flow or other assets deriving therefrom to secure such Indebtedness or any recourse referred to in (c) below, provided that:
 - (i) the extent of such recourse to such debtor is limited solely to the amount of any recoveries made on any such enforcement and
 - (ii) (other than in circumstances where the only assets of the debtor (a "Relevant Debtor") is the Relevant Asset and/or the income, cash flow or other assets deriving therefrom) such person or persons are not entitled, by virtue of any right or claim arising out of or in connection with such Indebtedness, to commence proceedings for the winding up or dissolution of the debtor or to appoint or procure the appointment of any receiver, trustee or similar person or officer in respect of the debtor or any of its assets (save for the assets the subject of such encumbrance) and/or

- (c) recourse to such debtor generally where the debtor is a Relevant Debtor or, in any other case, where that recourse is limited to a claim for damages (other than liquidated damages and damages required to be calculated in a specific way) for breach of an obligation (not being a payment obligation or an obligation to procure payment by another or an obligation to comply or to procure compliance by another with any financial ratios or other test or financial condition) by the person against whom such recourse is available and/or
- (d) recourse to another person (a "Third Party Security Provider") (whether or not a member of the LLC Group) who has given security to a person or persons to whom such Indebtedness is or may be owed by such debtor to assure the payment or repayment of that Indebtedness and the assets secured by that security consist solely of:
 - (i) shares or other securities issued by the debtor and/or
 - (ii) Indebtedness owed by the debtor to that Third Party Security Provider in connection with the provision of loans, guarantees or other financial accommodation by that Third Party Security Provider to, or for the benefit of, the debtor

and the recourse to the Third Party Security Provider does not exceed that which would be permitted under paragraphs (a) to (c) above were the debtor referred to in those paragraphs the Third Party Security Provider and the assets referred to in those paragraphs those referred to in sub-paragraphs (d)(i) and/or (d)(ii) above

"Occupational Lease Rents" means the rents, licence fees and other sums now or at any time hereafter payable to the landlord or licensor pursuant to Occupational Leases including Value Added Tax and also including any and all insurance monies payable in respect of the loss of all or any of the foregoing but excluding any Service Charge Moneys

"Occupational Leases" means each and every lease, occupation agreement or licence or any agreement for the same granted in respect of some part of the Centre being an interest the immediate reversion to which is intended to vest in the tenant under the Management Lease (once granted) and including, by way of example, the agreements set out in Part II of schedule 3 to the Ground Lease and "Occupation Lease" means any of them

"Occupational Tenants" means the lessees grantees of rights of occupation or licensees from time to time under Occupational Leases and "Occupational Tenant" means any of them

"Option Date" means 20th March 2005, 20th March 2009 and 20th March 2011 or, if any such date is not a Business Day, the immediately preceding Business Day

"Option Lease" means a lease of the Premises (or if any compulsory purchase order has been made in relation thereto such part thereof as remains vested in the Tenant under the Ground Lease on the date of grant of the Option Lease) such lease to be for the term and otherwise in the form of the draft annexed to the Headlease, with such amendments as are required by clause 7 of the Headlease

"Option Notice" means a notice given by the Headlease Tenant to the Landlord under the Headlease in accordance with the provisions of clause 7.2 of the Headlease (and does not, for the avoidance of doubt, include an Indicative Commutation Notice)

"Outer Area" means the parts of the Site (other than the Premises) and such other land title to which is transferred to LLGI which is necessary for the proper use of the Premises

"Outer Area Facilities" means any Facilities from time to time on the Outer Area which serve or are necessary for the efficient operation of the Premises and/or are required for the maintenance, operation and/or use of the Premises for the Permitted Use (as defined in the Headlease)

"Partial Commutation" means the partial commutation of Rent under clause 10 of the Headlease

"Partial Commutation Notice" has the meaning ascribed in the BMBF Option Agreement

"Partial Commutation Payment" means the amount payable as such under clause 10 of the Headlease

"Partial Commutation Payment Date" has the meaning ascribed in the BMBF Option Agreement

"Participation Rent" means the Basic Participation Rent the Fixed Participation Rent and the Default Participation Rent

"Permitted Encumbrance" means:

- (a) any Encumbrance created or arising in favour of the Security Trustee
- (b) any Encumbrance arising under, or required to be granted by the terms of, the Agreements, the Management Lease or the Occupational Leases

- (c) liens and banker's rights of set-off and combination arising, in each case, by operation of law in the ordinary course of Blueco's Business
- (d) an Encumbrance which arises in respect of an asset acquired in the ordinary course of Blueco's Business in favour of the seller by operation of law, or by virtue of the retention or reservation of title over that asset in favour of the seller, until payment of the purchase price for that asset

"Planning Acts" means all legislation regulating the development and use of property including without limitation the Town and Country Planning Acts

"Plant" means plant and machinery now or at any future time in or on the Premises including (without prejudice to the generality of the foregoing) all lifts and lift machinery all escalators and associated machinery all air conditioning heating and ventilation plant and machinery all sprinklers all window cleaning plant and machinery all traffic management systems all drinking fountains all electrical systems all fire detection and fire prevention systems and all control or monitoring systems and installations (including in each case all associated Conduits whether or not exclusively serving the Premises)

"Practical Completion" bears the meaning given to it by the Investors Development Agreement

"Premises" means the land on which the Centre is or is to be constructed, which land is shown for identification purposes only edged in red on the plan annexed to the Headlease and on the plan annexed to the Ground Lease (each marked "Premises") including where they exist and where the context so admits for the purpose of obligation as well as grant:

- (a) each and every part of all present and future buildings thereon including the walls cladding floors roofs ceilings foundations frame structure timbers doors and windows thereof
- (b) all Conduits serving the Premises and lying within the same up to the point of connection with the public system
- (c) the Plant and all other landlord's fixtures and fittings
- (d) all additions alterations and improvements to the Premises made at any time

but excluding trade fixtures and fittings of Occupational Tenants and persons deriving title from them and any fixtures or fittings which any tenant is entitled by law to remove and

references to the "Premises" shall unless otherwise stated include references to each and every part thereof

"Premium Payment" means the payment to be made by the Headlease Tenant to the Landlord under the Headlease as a result of the exercise of a New Lease Option

"Prescribed Rate" means 3% above the base rate (or its equivalent) from time to time of Lloyds Bank Plc or if the same shall cease to be quoted such new rate as the Landlord may notify to the Tenant being an equivalent rate by reference to which London Clearing Banks determine their own rates of interest

"Projects" means Lend Lease Projects Limited

"Prudential" means the person who is the ninth numbered party to the Common Terms Agreement

"Pru Forfeiture Events" means the events and circumstances set out in clause 7.1 of the Management Lease and "Pru Forfeiture Event" means any of them

"Pru Forward Sale Agreement" means the agreement of even date made between the Developer (1) LLC (2) and Prudential (3) and relating to the grant of the Pru Lease

"Pru Lease" means a lease of the whole of the Premises to be granted to Prudential pursuant to the Pru Forward Sale Agreement or to a member of the LLC Group as contemplated by the Blueco Forward Sale Agreement subject to and with the benefit of the Management Lease

"Pru Management Agreement" has the meaning given to it in the Intercreditor Agreement

"Prudential Rents" means the rents reserved by clause 3 of the Management Lease

"Qualifying Beneficiary" means any person in whose favour a trust has been declared in accordance with clause 3.6 of the Headlease

"Qualifying Subsidiary" means a company which is incorporated and resident for Tax purposes in England and Wales and which is a Subsidiary of LLC if and for so long as:

- (a) LLC controls the company
- (b) no other person or group of Connected Persons controls the company and
- (c) LLC owns, directly or indirectly, not less than the Relevant Percentage of the issued voting share

capital of the company (excluding shares which only carry voting rights in respect of matters affecting class rights)

and for this purpose "control" shall be construed in accordance with section 416 ICTA in the form applicable on the date of the Common Terms Agreement

"Released Beneficiary" means any person who ceases to be a Beneficiary pursuant to the operation of clause 17.1 or 17.4 of the Intercreditor Agreement

"Relevant Party" means each of LLC, Blueco, LLGI, Projects and Holdings and any person who has assumed the performance of any of their respective obligations under the Agreements but only for so long as it has obligations (whether present, future, actual or contingent) to or for the benefit of the Investors under any Agreement

"Relevant Percentage" means 85% or such lower percentage (not being 50% or less) as the Investors may from time to time agree (and in considering any request to agree to a lower percentage each Investor will apply its usual credit approval criteria and procedures)

"Rent Account" means account number 0197446 in the name of Blueco designated "Blueco Limited" maintained with the Account Bank at its City Office sort code 30-00-02 (or such other account and/or at such other branch and/or with such other number at the Account Bank as the Security Trustee shall first have approved)

"Rent Guarantee" means the guarantee and indemnity of even date made between LLC (1) and the Investors (2) relating to rent payable under the Headlease

"Rent Payment Dates" means (save in relation to Participation Rents where the provisions of schedule 5 of the Headlease apply) the relevant Rent Start Date and the 20th day of each succeeding March, June, September and December in each year of the Term or, if any such day is not a Business Day, the immediately preceding Business Day; "Rent Payment Date" means any of them and "relevant Rent Payment Date" shall be construed accordingly

"Rents" means the rents reserved by clauses 2.1 - 2.4 inclusive of the Headlease and "Rent" means any of them

"Rent Start Date" means:

- (a) in relation to the Basic Rent and the Ground Rent 20th December 1996 and
- (b) in relation to the Variable Rent 20th June 1999

and "relevant Rent Start Date" shall be construed accordingly

"Reversion" means for the purposes of clause 4.6(b) of the Ground Lease the freehold of the Premises and otherwise means the unexpired residue of the term of years granted by the Ground Lease

"Royal Bank" means the person who is the fourth numbered party to the Common Terms Agreement

"RPI" means the General Index of Retail Prices published monthly in the RPI Business Monitor (MM23) by the Office of National Statistics and shall include any replacement or substitute therefor from time to time. In the event that at any time the RPI shall be rebased, the Investors shall be entitled to amend the value of component "RPI" in the formula appearing in paragraph (b) of the relevant definition of the amount to be calculated so as most closely to reflect the effect of such rebasing to produce a result consistent with that formula as if no such rebasing has occurred

"Scheduled Documents" means the documents and other matters specified or contained in schedule 3 to the Ground Lease

"Secured Liabilities" means those moneys and liabilities referred to in clause 2 of the Debenture or otherwise payable by Blueco under any other provision of the Debenture

"Security Trustee" means the person who is the tenth numbered party to the Common Terms Agreement at the date hereof

"Service Charge Moneys" means all moneys from time to time representing any insurance rent, service charge moneys or marketing and promotional charges or any other similar sums now or at any time hereafter payable by way of reimbursement of actual or anticipated expenditure incurred or to be incurred in the course of Blueco's Business (whether or not reserved by way of rent but, in each such case, recoverable from Occupational Tenants) including Value Added Tax thereon

"Site" means that part of the land comprised in Title Number K759118 (as at 30th October 1996) lying to the West of Bean Road

"Stamp Duty" means all monies (whether payable by way of duty, interest or penalty) required to be paid in order for an instrument to be duly stamped for the purpose of section 14 Stamp Act 1891

"Standard Unit" bears the meaning given to it by the Letting Agreement

"Sub-Rents" means the Occupational Lease Rents and all insurance rent, service charge or similar sums payable by way of reimbursement of actual or anticipated expenditure

(whether or not reserved by way of rent) to the landlord or licensor by the Occupational Tenants pursuant to the Occupational Leases including Value Added Tax and also including any and all insurance monies payable in respect of the loss of all or any of the same

"Subsidiary" in relation to LLC means, at any time, any company which is then a subsidiary as defined in section 9 of the Corporations Law (which has the meaning given to it in section 13(2) of the Corporations (New South Wales) Act 1990 of the State of New South Wales, Australia) of LLC and in relation to any other person means a company which is then a subsidiary within the meaning of sections 736 and 736A Companies Act 1985 of that person

"Superior Landlord" means in relation to any lease the person for the time being entitled to the reversion immediately or mediately expectant on the determination of that lease

a "Suspension Event" shall occur if:

- (a) a Letting Milestone Suspension Event (as defined in the Investors Development Agreement) occurs or
- (b) a Termination Event occurs or
- (c) an Event of Insolvency or Financial Default occurs in relation to LLC or
- (d) an Event of Insolvency occurs in relation to Blueco or LLGI or
- (e) default is made by LLGI (on its own account or as general partner of the Developer) in paying any sum due to the Investors pursuant to the Investors Development Agreement and such default shall continue for 10 Business Days after written demand on LLGI and (if the Development Guarantee is subsisting at the relevant time) on LLC or
- (f) LLGI (on its own account or as general partner of the Developer) shall fail to perform and observe in any material respect any obligation contained in the Investors Development Agreement and owed by LLGI (on its own account or as general partner of the Developer) to any Investor which, if capable of being remedied, LLGI has not commenced to remedy within 30 Business Days after written demand on LLGI and (if the Development Guarantee is subsisting at the relevant time) on LLC, and does not thereafter diligently complete the remedy or
- (g) any payment obligation of LLC under the Investors Development Agreement ceases to constitute a legal, valid and binding obligation of LLC other than as a

result of the effluxion of time, discharge in accordance with the terms thereof or otherwise by agreement

- (h) by 31st December 1996, each of the Investors has not received written confirmation (supported by certificates of insurance) from the Developer's insurance brokers or from each of the lead insurers that all insurances required to be effected pursuant to the provisions of schedule 6 to the Investors Development Agreement have been effected and are in force in accordance with the requirements of that schedule.

"Tax" means all present and future taxes, charges, imposts, levies, deductions or withholdings of any kind whatsoever, or any amount payable on account of any of the foregoing, payable at the instance of or imposed by any statutory, governmental, state, federal, provincial, local or municipal authority, agency, body or department whatsoever or European Union institution, in each case whether in the United Kingdom or elsewhere, together with any penalties, additions, fines, surcharges or interest relating thereto and "Taxes", "Taxation", and cognate expressions shall be construed accordingly

"Tax Liability" means, in respect of any person:

- (a) any liability or any increase in the liability of that person to make any payment or payments of or in respect of Tax
- (b) the loss of, or setting off (otherwise than as contemplated by the Agreements) against income, profits or gains or against any liability to make a payment or payments of or in respect of Tax of, any relief, allowance, deduction or credit (a "Relief") which would otherwise have been available to that person and
- (c) the loss of, or setting off (otherwise than as contemplated by the Agreements) against any liability to make a payment or payments of or in respect of Tax of, a right to repayment of Tax which would otherwise have been available to that person

and in any case falling within (b) or (c) above the amount that is to be treated as a Tax Liability shall be determined as follows (discounted where and as appropriate to reflect timing):

- (i) in a case which falls within (b) above and where the Relief that was the subject of the loss or setting off was a deduction from or offset against Tax, the Tax Liability shall be the amount of that Relief

- (ii) in a case which falls within (b) above and which involves the loss of a Relief which would otherwise have been available as a deduction from or offset against gross income, profits or gains the Tax Liability shall be the amount of Tax which would (on the basis of the Tax rates current at the date of the loss) have been saved but for the loss of the Relief
- (iii) in a case which falls within (b) above and which involves the setting off of a Relief which would otherwise have been available as deduction from or offset against gross income, profits or gains, the Tax Liability shall be the amount of Tax which has been saved in consequence of the setting off, and
- (iv) in a case which falls within (c) above, the Tax Liability shall be the amount of the repayment that would have been obtained but for the loss or setting off

For the purposes of this definition any question of whether or not any relief, allowance, deduction, credit or right to repayment of tax has been lost or set off, and if so, the date on which that loss or set off took place, shall be determined by the relevant Investor who shall promptly notify the Tenant giving reasonable information as to the matters in question, whereupon the relevant Investor and the Tenant shall endeavour to agree the amount in question (acting in good faith) and in default of agreement shall seek to resolve the dispute as if the matter in question fell within paragraph 11 of schedule 4 to the Headlease and the notification referred to above was the production of a Cash Flow

"Tenant" when used in, or in relation to, the Ground Lease means the lessee thereunder and when used in, or in relation to, the Headlease means the lessee thereunder

"Term" when used in or in relation to any lease (other than in any Occupational Lease in which that term is differently defined) means the term of years thereby granted

a "Termination Event" shall occur:

1. If Practical Completion does not occur on or before 31st March 2001 or
2. If by a date no later than 15 Business Days after Practical Completion the Headlease and the freehold of the Premises shall not have been transferred to, and the Management Lease granted to, Blueco in accordance with the Blueco Forward Sale Agreement and the relevant provisions of the Headlease

3. If the transfer to Blueco of the Headlease or the transfer to Blueco of the freehold of the Premises or the grant to Blueco of the Management Lease is or are set aside or avoided or the register of title to any such interest is rectified with the result that any such interest ceases to vest in or is treated as never having vested in Blueco or
4. If an Event of Insolvency occurs in relation to LLGI or Blueco prior to the Handover Date, unless within a period of 20 Business Days after the occurrence of such event (during which period the Investors agree to consult in good faith with LLC):
 - (a) LLC proposes to the Investors a course of action for some other person or persons (entirely satisfactory to each of the Investors) to take over the position of LLGI or Blueco, as appropriate, and to acquire or assume all rights, obligations and assets as are required to ensure that the transactions contemplated by the Agreements will occur as originally contemplated (save for the identity of LLGI or Blueco, as the case may be) without any detrimental effect to any of the Investors and
 - (b) that course of action is agreed by all of the Investors, LLC and all other relevant parties (it being acknowledged that each Investor shall have an unfettered discretion in deciding whether, and on what terms, to agree to any such course of action) (any course of action that is agreed being referred to elsewhere in this definition as an "Agreed Course of Action") or
5. If an Event of Insolvency occurs in relation to LLGI or Blueco and is subsisting on the Handover Date (whether or not consultation or negotiations concerning any possible Agreed Course of Action is or are continuing), unless the subsistence of such event has been accepted by all of the Investors in writing as part of an Agreed Course of Action and no event falling within paragraph 6 of this definition has occurred or
6. If there is any breach by any person (other than an Investor) of any obligation imposed by, or if there is any failure to achieve any term of, or condition to, any Agreed Course of Action within any agreed time period or
7. If by the date of Practical Completion:

- (a) the Investors' Warranties (as defined in the Investors Development Agreement) have not been executed and delivered to the Investors, or
- (b) (if an Event of Insolvency is subsisting in relation to Projects on that date) a Warranty which in substance is to the same effect as that referred to in (a) above has not been executed and delivered to the Investors by LLC or some other company incorporated in England and Wales:
 - (i) which each of the Investors in its discretion, but acting in good faith, considers to be of a comparable or better standing than Projects as at the date of this Agreement and (in particular, but without limitation) that company must have insurance arrangements which are at no less advantageous than the insurance arrangements of Projects as at the date of this Agreement and
 - (ii) in relation to which no Event of Insolvency is subsisting on that date or

8. If by the date of Practical Completion:

- (a) the guarantee in Agreed Terms (as defined in the Investors Development Agreement) to be given by Holdings to the Investors pursuant to the Investors Development Agreement has not been executed and delivered to the Investors by Holdings or
- (b) (if an Event of Insolvency is subsisting in relation to Holdings on that date) a guarantee which in substance is to the same effect as that referred to in (a) above has not been executed and delivered to the Investors by LLC or some other company incorporated in England and Wales:
 - (i) which each of the Investors in its discretion, but acting in good faith, considers to be of a comparable or better standing than Holdings as at the date of this Agreement and (in particular, but without limitation) that company must have (1) insurance arrangements which are no less advantageous than the insurance arrangements of Holdings as at the date of this Agreement and (2) an issued and fully paid share capital of not less than £50,000,000 and

(ii) in relation to which no Event of Insolvency is subsisting on that date or

9. If Blueco ceases to be a Qualifying Subsidiary or LLGI, Projects or Holdings ceases to be a Wholly Owned Subsidiary of LLC on or before the Handover Date or
10. If in respect of two or more of the Anchor Letting Agreements (as defined in the Letting Agreement) the Occupational Tenants thereunder shall have validly terminated such Anchor Letting Agreements on or before the Handover Date or
11. If it shall become apparent that it is impossible ever to construct the Development or
12. If default is made in paying any Variable Rent due on or before the Handover Date and such default shall continue for 30 Business Days after written demand on the Headlease Tenant and on LLC or
13. If by the date falling 12 months after Practical Completion (or if earlier 31st March 2001) LLGI has not either:
 - (a) granted to the Investors as tenant under the Ground Lease (and on similar terms and conditions as the like rights thereunder) such rights (if any) of vehicular and pedestrian access to the public highway and rights to use such Outer Area Facilities as are necessary for the proper use and enjoyment of the Premises and those rights are valid and enforceable in accordance with their terms throughout the residue of the term of the Ground Lease ("Necessary Rights") or
 - (b) otherwise satisfied the Investors that there is no need to provide Necessary Rights over Third Party Land whether by defective title insurance or otherwise

"Termination Notice" means a notice given by the Investors to LLC in accordance with clause 31.1 of the Investors Development Agreement

"Termination Option" means the option granted to the Investors by clause 31.1 of the Investors Development Agreement

"Termination Sum" has the meaning given to it in the BMBF Option Agreement

"Termination Sum Payment Date" has the meaning given to it in the BMBF Option Agreement

"Unit" bears the meaning given to it by the Letting Agreement

"Value Added Tax" and "VAT" means Value Added Tax as provided for in the Value Added Tax Act 1994 and any similar Tax replacing or introduced in addition to the same

"Variable Rent" means the rents reserved by clause 2.2 of the Headlease

"Wholly-Owned Subsidiary" means a company which is a wholly owned subsidiary within the meaning of section 736 and 736A Companies Act 1985

"Works" bears the meaning given to it by the Investors Development Agreement

THE COMMON SEAL of BLUE CIRCLE)
HOME PRODUCTS ~~PLC~~ was affixed to)
this deed in the presence of:)

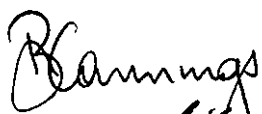

Director



~~Director~~/Secretary

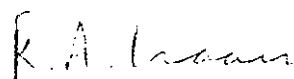
THE COMMON SEAL of DUNNING & SON)
(BIRMINGHAM) LIMITED was affixed)
to this deed in the presence of:)

Director



~~Director~~/Secretary

THE COMMON SEAL of LLOYDS PROPERTY)
INVESTMENT COMPANY NO. 3 LIMITED)
was affixed to this deed in the)
presence of:)


Director


Assistant Secretary

THE COMMON SEAL of BMBF (BLUEWATER)
INVESTMENTS) LIMITED was affixed)
to this deed in the presence of:)

Authorised Signatory

Authorised Signatory

THE COMMON SEAL of R.B. LEASING)
 (BLUEWATER) LIMITED was affixed)
 to this deed in the presence of:)

Director

Adam Leung

Director/Secretary

Sam Ho

Signed as a deed by LEND LEASE)
 GLOBAL INVESTMENT PLC acting by a)
 director and its secretary or two)
 directors:)

DH

Director

Director/Secretary

[Signature]

SIGNED as a deed by LEND LEASE)
 CORPORATION LIMITED by its)
 attorney in the presence of:)

Ma But

S Bragut

Signed as a deed by LEND LEASE)
 GLOBAL INVESTMENT PLC acting by a)
 director and its secretary or two)
 directors as general partner of)
 BLUEWATER DEVELOPMENT LIMITED)
 PARTNERSHIP in the presence of:)

DH

[Signature]

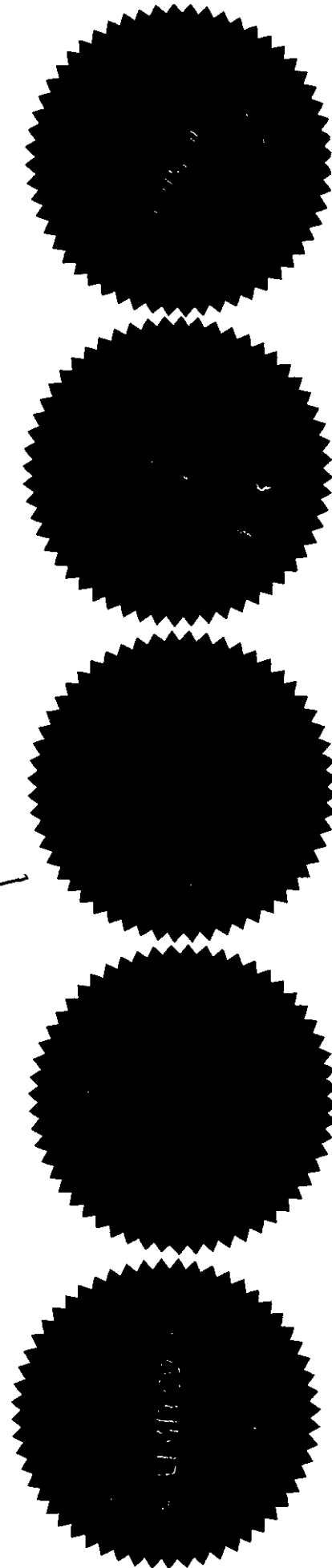
S Bragut

Signed as a deed by BLUECO LIMITED)
 acting by a director and its)
 secretary or two directors:)

Director

DH

Director/Secretary



THE COMMON SEAL of PRUDENTIAL)
 PORTFOLIO MANAGERS LIMITED acting)
 as attorney for THE PRUDENTIAL)
 ASSURANCE COMPANY LIMITED was)
 affixed in the presence of)
 [CLIVE LANDER])

Clive Lander

Duly appointed authorised sealing
 officer of Prudential Portfolio
 Managers Limited

SIGNED as a deed by
 [L. HINSLEY] as attorney)
 for and on behalf of LLOYDS BANK)
 PLC as Security Trustee in the)
 presence of:)

M. S. E. DUTFIELD
 M. S. E. DUTFIELD
 618 EASTCHEAP, LONDON EC3

SIGNED as a deed by [L. HINSLEY])
 as attorney for and on behalf of)
 LLOYDS BANK PLC as Account Bank in)
 presence of:)

M. S. E. DUTFIELD
 M. S. E. DUTFIELD
 618 EASTCHEAP,
 LONDON EC3

BLUECO LIMITED

Company No. 3196199

Continuation sheet No. 2: Short particulars of all the property mortgaged or charged

[NOTE: The underlined terms are defined in paragraph 5 below, in paragraph 2 on Continuation Sheet No. 1 or in the Common Terms Agreement, a copy of which is annexed to Continuation Sheet No.1]

1. Charges: Clause 4 of the Debenture

With full title guarantee (subject to the Scheduled Documents, the rights and interest of the tenant under the Pru Lease and of the landlord under the Management Lease, the rights and interests of Occupational Tenants arising under the Occupational Leases and also subject to any other rights or interests arising or otherwise permitted to subsist under the Agreements as at the date of this security, the Pru Forward Sale Agreement or the Management Lease)

- 1.1 (a) all the Company's rights, estates or other interests present or future in the Premises or the proceeds of sale thereof, other than any right to exercise the Headlease Options and any rights, estates or other interests, present or future, arising in connection with, or as a result of the exercise of, any of the Headlease Options or the BMBF Options or the proceeds of sale of any such right, estate or other interest;
- (b) all the Company's rights or other interests present and future in the Blueco Forward Sale Agreement;
- (c) all the Company's right, title, interest and benefit present and future to and in the Occupational Lease Rents;
- (d) all the Company's right, title, interest and benefit present or future to and in the Rent Account and the Call Account, all sums from time to time standing to the credit of each of the Rent Account and the Call Account and all deposits, UK gilt-edged securities and other investments permitted under the Applications Agreement (if and to the extent that moneys formerly standing to the credit of the Rent Account and/or Call Account have been applied in the acquisition of that investment in accordance with the Applications Agreement) and the proceeds of sale of any such investments; and
- (e) the undertaking and all property and assets of the Company both present and future including, without prejudice to the generality of the foregoing, if and in so far only as the charges thereon or on any part or

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parts thereof therein contained shall for any reason be ineffective as fixed charges, the Charged Property described in clauses 4.1(a), (b), (c) and (d) of the Debenture (as referred to in paragraphs 1.1(a), (b), (c) and (d) above.

- 1.2 Clause 4.2 of the Debenture provides that the security created by the Debenture shall as regards the Charged Property described in clauses 4.1(a), (b), (c) and (d) of the Debenture (as referred to in paragraphs 1.1(a), (b), (c) and (d) above) be first fixed charges (and as regards all those parts of the Charged Property described in clause 4.1(a) of the Debenture (as referred to in paragraph 1.1(a) above) then vested in the Company shall constitute a charge by way of legal mortgage on such Charged Property) and, as regards all the Charged Property described in clause 4.1(e) of the Debenture (as referred to in paragraph 1.1(e) above), shall be a first floating charge.
- 1.3 Clause 4.3 of the Debenture provides that without prejudice to this security:
- (a) if without the prior written consent of the Security Trustee, the Company creates any Encumbrance over any of the Charged Property described in clause 4.1(e) of the Debenture (as referred to in paragraph 1.1(e) above), or attempts to do so, in breach of clause 5.3 of the Debenture, or if any person levies or attempts to levy any distress, attachment, execution or other legal process against any such Charged Property, the floating charge referred to in clause 4.1(e) of the Debenture (as referred to in paragraph 1.1(e) above) over the Charged Property the subject of such Encumbrance or process shall automatically (without any notice to the Company being required) operate as a fixed charge; and
 - (b) in the event that the Company ceases to carry on all of Blueco's Business or on the occurrence of an Enforcement Event which has not been waived in writing by the Security Trustee or (if capable of remedy) remedied to the satisfaction of the Security Trustee or a petition being presented for the making of an administration order in respect of the Company, the Security Trustee may by notice in writing to the Company convert the floating charge referred to in clause 4.1(e) of the Debenture (as referred to in paragraph 1.1(e) above) into a fixed charge with immediate effect as regards the Charged Property specified in such notice.
- 1.4 Clause 4.4 of the Debenture provides that on the occurrence of an Enforcement Event which has not been waived in writing by the Security Trustee or (if capable of remedy) remedied to the

BLUECO LIMITED

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satisfaction of the Security Trustee, the Security Trustee may (if and to the extent necessary to enable payment of any Secured Liabilities then due and payable but unpaid) require the Company to realise all Authorised Investments and all other investments referred to in clauses 2.2(b)(ii) and (iii) of the Cash Retention Deed immediately and pay all cash receivable as a result thereof immediately to the Security Trustee.

- 1.5 In Clause 4.6 of the Debenture, the Company acknowledges and agrees that the moneys standing from time to time to the credit of the Rent Account and the Call Account will not be capable of being paid or transferred except in accordance with the provisions of the Applications Agreement and the Company undertakes to deal with the Rent Account and the Call Account only in accordance with such provisions.
- 1.6 Clause 4.7 of the Debenture provides that if an Enforcement Event shall have occurred and shall have been declared in writing to the Company by the Security Trustee and shall not have been waived in writing or (if capable of remedy) remedied to the satisfaction of the Security Trustee (without prejudice to any of the Security Trustee's other rights and powers under the Agreements) and if the Centre is managed by any person other than the Company pursuant to the Management Lease, any of the Blueco Accounts in which Service Charge Moneys are held shall be operated by such person in substitution for the Company and the Company shall take such action as the Security Trustee may reasonably require to effect such substitution.

2. Negative pledge and other covenants: Clause 5 of the Debenture

In clause 5 of the Debenture, but subject to clause 5.2 of the Debenture referred to at paragraph 5 of these particulars, the Company covenants that it will not without the consent in writing of the Security Trustee:

- (a) sell, assign, transfer, license, sub-license, discount, factor or otherwise dispose of or deal with the Charged Property other than:
- (i) subject to clause 5.4 of the Debenture, a dealing with or disposal of any Charged Property subject to a floating charge under clause 4 of the Debenture; or
 - (ii) a disposal of any Plant which is obsolete or redundant or which is otherwise in need of replacement provided that, other than in the case of disposals of obsolete Plant, the relevant Plant is disposed of for a consideration representing a fair market value; or

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- (iii) repairs of Plant carried out in the ordinary course of business; or
 - (iv) the disposal of any Plant for full market value to the extent that the net proceeds of disposal are applied within a reasonable time after such disposal in the acquisition of an asset or assets which (together) perform a substantially similar function; or
 - (v) any other disposal or dealing required or permitted by the terms of the Agreements, the Pru Forward Sale Agreement or the Management Lease and the realisation of investments referred to in the Applications Agreement;
 - (vi) any variation of, supplement to or waiver of the provisions of the Blueco Forward Sale Agreement to the extent that any of the same are not prohibited under the terms of the Investors Development Agreement.
- (b) create or permit to subsist or arise any Encumbrance upon the Charged Property whether such Encumbrance ranks or may come to rank in priority to or pari passu with or after any Encumbrance created or granted by this security except for a Permitted Encumbrance; and
- (c) transfer, sell or otherwise dispose of the whole or any material part of the Charged Property subject to a floating charge under this security whether by a single transaction or a number of transactions whether related or not except:
- (i) disposals or dealings in the ordinary course of Blueco's Business on arm's length terms, excluding for these purposes factoring;
 - (ii) payments (including by way of loan) and distributions to shareholders to the extent that the same are not prohibited by the terms of the Cash Retention Deed;
 - (iii) disposals of any of the Headlease Options or of any rights, estates or other interests, present or future, arising in connection with, or as a result of, the exercise of any of the Headlease Options or a BMBF Option, where such disposal is on arm's length terms; and
 - (iv) any disposal or dealing permitted by the Agreements or the Management Lease.

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3. Powers of Leasing etc: Clause 5.2 of the Debenture

Clause 5.2 of the Debenture provides that notwithstanding anything to the contrary contained in the Debenture, unless an Enforcement Event has occurred and has not been waived in writing by the Security Trustee or (if capable of remedy) remedied to the satisfaction of the Security Trustee, the Company shall be entitled to exercise all statutory and other powers that a beneficial owner has of leasing and granting licences, entering into agreements for the same and accepting or agreeing to accept surrenders of leases or licences and may amend, vary or waive any condition or provision of, terminate or repudiate or exercise any other statutory or other right or power that a beneficial owner has in respect of, any actual or potential lease or licence subject only to the restrictions contained in the Letting Agreement, the Headlease and the Management Lease. Unless and until that person has received written notice to the contrary from the Security Trustee, each person dealing with the Company in any respect in relation to or in connection with any actual or potential Occupational Lease (or any interest derived therefrom) shall be entitled to assume (without the need for further enquiry) that.

- (a) no Enforcement Event has occurred at any relevant time; and
- (b) the Company has at all times complied with its obligations under the Letting Agreement, the Headlease and the Management Lease in respect of the relevant dealing with that person.

4. Further Assurance: Clauses 8.1 and 8.2(b) of the Debenture

4.1 Clause 8.1 of the Debenture provides that the Company will at any time if and when required by the Security Trustee promptly execute in favour of the Security Trustee or as the Security Trustee shall direct such further legal or other mortgages or charges as the Security Trustee shall reasonably require in respect of all or any of the Charged Property, provided that nothing in clause 8.1 of the Debenture (as described in this paragraph 4.1) shall entitle the Security Trustee to take fixed security over any of the Charged Property not described in clauses 4.1(a) to (d) of the Debenture (as referred to in paragraphs 1.1(a)-(d) above) except after crystallisation of such floating charge or to the extent otherwise provided in the Agreements.

4.2 Clause 8.2(b) of the Debenture provides that the Company shall immediately upon the transfer, grant or acquisition (as the case may be) of each property interest specified in clause 8.2(a) of the Debenture, namely:

- (a) the transfer to the Company of the Headlease;

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- (b) the transfer to the Company of the freehold interest in all or any part of the Premises;
- (c) the grant to the Company of the Management Lease;
- (d) the acquisition by the Company of any other right, estate or other interest in all or any part of the Premises, except as a result of the exercise of any of the Headlease Options; and
- (e) the acquisition by the Company of any other freehold or leasehold property acquired other than in the course of conducting Blueco's Business,

execute as a deed and deliver to the Security Trustee a charge by way of legal mortgage in respect of each such property interest (to the extent that the same is expressed to be subject to a fixed charge under the Debenture) substantially in the form set out in the schedule to the Debenture.

5. Definitions: Clause 1 of the Debenture

"this security" means the Debenture and any deed or other instrument modifying the Debenture or executed pursuant to the Debenture or being or expressed to be supplemental to the Debenture, including (without limitation) any deed or other instrument executed pursuant to clause 8 of the Debenture or otherwise for the purpose of perfecting any security held by the Security Trustee and all security created by, pursuant to or supplemental to the Debenture or any of the Relevant Documents.

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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. 03196199

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A DEBENTURE DATED THE 4th NOVEMBER 1996 AND CREATED BY BLUECO LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY TO LLOYDS BANK PLC, AS AGENT AND TRUSTEE FOR THE BENEFICIARIES (AS DEFINED) ON ANY ACCOUNT WHATSOEVER AS REFERRED TO IN CLAUSE 2 OF THE DEBENTURE WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 15th NOVEMBER 1996.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 19th NOVEMBER 1996.


M. J. THOMAS

for the Registrar of Companies



C O M P A N I E S H O U S E

HC026B

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