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410 - 00

395**Particulars of a mortgage or charge**

00400024

A fee of £10 is payable to Companies House in respect of each register entry for a mortgage or charge.

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write in
this margin

Pursuant to section 395 of the Companies Act 1985

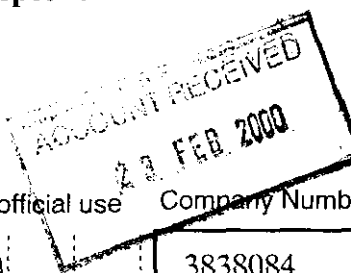
CHFP025

To the Registrar of Companies

For official use

Company Number

(7)



3838084

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

*Insert full name of
company

Name of company

Defence Training Services Limited (the "Chargor")

Date of creation of the charge

4 February 2000

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

Charge Over Sinking Fund Account made between the Chargor (1), Halifax plc as agent and trustee for itself and each of the other Finance Parties (the "Security Agent") (2), Halifax plc as RPI Hedging Guarantor (as defined in the Senior Facility Agreement) (the "RPI Hedging

Amount secured by the mortgage or charge

All monies, obligations and liabilities, whether actual or contingent, then or thereafter due, owing or incurred by the Chargor, in whatever currency denominated, under Clause 2 of the Charge Over Sinking Fund Account or under any other provision of the Charge Over Sinking Fund Account (the "Secured Liabilities").

Names and addresses of the mortgagees or persons entitled to the charge

Halifax plc, 33 Old Broad Street, London EC2N 1HZ as agent and trustee for itself and each of the other Finance Parties.

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

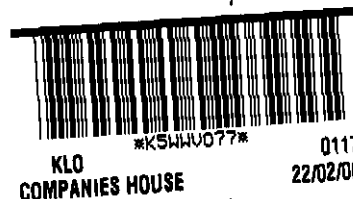
Theodore Goddard
150 Aldersgate Street
London EC1A 4EJ

Ref: 671/5615.58 (Ald5/172650)

For official use

Mortgage Section

Post room



Time critical reference

Under Clause 3.1 of the Charge Over Sinking Fund Account, the Chargor as a continuing security for the payment and discharge of the Secured Liabilities charged the Security Assets by way of first fixed charge in favour of the Security Agent (as agent and trustee for itself and each of the other Finance Parties).

Under Clause 4.2 of the Charge Over Sinking Fund Account, unless and until all Liabilities have been fully ascertained and fully repaid and discharged and the Chargor shall have no further actual or contingent liability under the Finance Documents, the Deposit shall not be repayable (in whole or in part) by any Relevant Party to the Chargor (or any other person) unless the Security Agent otherwise directs in writing.

Particulars as to commission allowance or discount (note 3)

N/A

Signed *Theodore Goddard* Date *22.02.00*

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 Cheques and Postal Orders are made payable to **Companies House**.
- 6 The address of the Registrar of Companies is:-

Please do not
write in this
binding margin

Particulars of a mortgage or charge (continued)

Continuation sheet No 1
to Form No 395 and 410
(Scot)

CHFP025

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

Company Number

3838084

Name of Company

Defence Training Services Limited (the "**Chargor**")

* delete if
inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

Guarantor") (3), Halifax plc as Original Bank (as defined in the Senior Facility Agreement) (the "**Original Senior Bank**") (4), Halifax plc as Facility Agent (as defined in the Senior Facility Agreement) (the "**Senior Facility Agent**") (5), Halifax plc as Arranger (as defined in the Senior Facility Agreement) (the "**Senior Arranger**") (6), Halifax plc as Original Bank (as defined in the Subordinated Facility Agreement) (the "**Original Subordinated Bank**") (7), Halifax plc as Facility Agent (as defined in the Subordinated Facility Agreement) (the "**Subordinated Facility Agent**") (8), Halifax plc as Arranger (as defined in the Subordinated Facility Agreement) (the "**Subordinated Arranger**") (9) and Halifax plc (in this capacity the "**Account Bank**") (10) dated 4 February 2000 (the "**Charge Over Sinking Fund Account**").

Under Clause 2 of the Charge Over Sinking Fund Account, the Chargor has:

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

- (a) unconditionally and irrevocably undertaken to the Security Agent for the benefit of itself and each of the other Finance Parties as a continuing obligation, at all times to observe, perform and comply with all the terms, covenants and conditions of the Relevant Documents to be observed, performed and complied with by the Chargor and to procure that the Principal Subcontractors comply with their obligations under the Principal Subcontracts; and
- (b) unconditionally and irrevocably undertaken to the Security Agent for the benefit of itself and each of the other Finance Parties, as a continuing obligation, to keep the Security Agent and each of the other Finance Parties fully indemnified on the written demand of the Security Agent from and against each and every expense, loss, damage, cost (including legal fees), claim or liability whatsoever which the Security Agent or any of the other Finance Parties may incur or sustain in connection with or arising from any failure by the Chargor to observe, perform and comply with any of the terms, covenants and conditions of the Relevant Documents to be observed, performed and complied with by the Chargor or any failure by the Chargor to procure that the Principal Subcontractors comply with their obligations under the Principal Subcontracts and including, without limitation, in each case (i) any expense, loss, damage, cost (including legal fees), claim or liability whatsoever which the Security Agent or any of the other Finance Parties may incur or sustain in connection with the disposal of the Chargor's interest in the Project, or any part of it, pursuant to any of the Finance Documents or (ii) any payment which the Security Agent or any of the other Finance Parties may make to any purchaser of the Chargor's interest in the Project, or any part of it, as consideration for or in connection with such purchaser assuming maintenance obligations in respect of the Project, or any part of it,

provided always that no Finance Party shall have any direct or indirect claim under or by virtue of Clause 2 of the Charge Over Sinking Fund Account for the recovery of any interest or principal payable or repayable under the Senior Facility Agreement and/or the Subordinated Facility Agreement.

Please do not write in this binding margin Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

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

Under Clause 4.3 of the Charge Over Sinking Fund Account, unless and until all Liabilities have been fully ascertained and fully repaid and discharged and the Chargor shall have no further actual or contingent liability under the Finance Documents, the Chargor shall not be entitled to withdraw the Deposit (or any part thereof) without the prior written consent of the Security Agent.

Under Clause 4.4 of the Charge Over Sinking Fund Account, subject to Clause 30 of the Senior Facility Agreement and further subject to Clause 30 of the Subordinated Facility Agreement, each Relevant Party may, and is irrevocably authorised, without prior notice to the Chargor at any time or times without restriction to exercise in relation to the Deposit (or any part of it) all rights of consolidation or combination of accounts and to set off the whole or any part of the Deposit (whether or not then matured or payable) against any or all of the Liabilities whether or not the Liabilities shall have become due (and for this purpose each Relevant Party may estimate the amount of the Liabilities and each Relevant Party may retain the Deposit or any part of it until the Liabilities shall have been ascertained and thereafter apply the Deposit or any part of it in or towards satisfaction of the Liabilities in such order as such Relevant Party thinks fit).

Under Clause 7 of the Charge Over Sinking Fund Account, the Chargor may not, otherwise than in favour of the Security Agent or with the prior written consent of the Security Agent and in accordance with and subject to any conditions which the Security Agent may attach to such consent, create, grant, extend or permit to subsist any Security Interest (other than a Permitted Security Interest) over the Security Assets (or any part thereof) or permit or agree to any variation of the rights attaching to the Security Assets (or any part thereof).

Definitions:

In this Form No. 395 the following words and expressions shall have the following meanings:

"Account" means the account in the name of the Chargor designated "Defence Training Services Limited Sinking Fund Account" held by the Account Bank, account number 0742 1845.

"Deposit" means the amount standing to the credit of the Account from time to time (including accrued interest) and shall include, where the context requires, any portion of such amount;

"Finance Documents" means the Senior Finance Documents and the Subordinated Finance Documents and **"Finance Document"** shall mean any one of them;

"Finance Parties" means the Senior Finance Parties and the Subordinated Finance Parties and **"Finance Party"** shall mean any one of them;

"Intercreditor Agreement" shall have the meaning given to it in the Senior Facility Agreement;

"Liabilities" means all present and future obligations and liabilities (whether actual or

* Please do not
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binding margin

Particulars of a mortgage or charge (continued)

Continuation sheet No 2
to Form No 395 and 410
(Scot)

CHFP025

Please complete
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in black type, or
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Company Number

3838084

Name of Company

Defence Training Services Limited (the "**Chargor**")

* delete if
inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

Amount due or owing on the mortgage or charge (continued)

Please do not
write in this
binding margin

Please complete
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lettering

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margin

Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

Please complete
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contingent and whether owed jointly or severally or in any other capacity whatsoever) of the Chargor to any of the Finance Parties under each of the Finance Documents;

"Principal Subcontractors" means the Building Contractor, the FM Contractor and the Education Contractor;

"Principal Subcontracts" means the Construction Contract, the FM Contract and the Education Contract;

"Relevant Documents" means the Finance Documents (other than the Senior Facility Agreement and the Subordinated Facility Agreement) and the Project Contracts;

"Relevant Parties" means the Security Agent, the RPI Hedging Guarantor, the Original Senior Bank, the Senior Facility Agent, the Senior Arranger, the Original Subordinated Bank, the Subordinated Facility Agent, the Subordinated Arranger and the Account Bank and **"Relevant Party"** means any one of them;

"Security Assets" means all the rights, title and interests of the Chargor in the Deposit and the Account together with all interest thereon and all rights, benefits and proceeds thereof;

"Senior Facility Agreement" means the senior facility agreement dated 4 February 2000 made between the Chargor, the RPI Hedging Guarantor, the Original Senior Bank, the Senior Arranger, the Senior Facility Agent and the Security Agent pursuant to which the Original Senior Bank has agreed (inter alia) to make a term loan facility and a debt service facility available to the Chargor on the terms and conditions set out therein;

"Senior Finance Documents" means the Finance Documents (as defined in the Senior Facility Agreement) other than the Supplemental Facility Agreement, the Supplemental Facility Debenture and any Supplemental Facility Transfer Certificate;

"Senior Finance Parties" means the Senior Creditors (as defined in the Intercreditor Agreement);

"Subordinated Facility Agreement" shall have the meaning given to it in the Senior Facility Agreement;

"Subordinated Finance Documents" means the Finance Documents (as defined in the Subordinated Facility Agreement);

"Subordinated Finance Parties" means the Subordinated Creditors (as defined in the Intercreditor Agreement).

Unless expressly defined in this Form No. 395, terms defined in the Senior Facility Agreement shall have the same meaning in this Form No. 395.

In this Form No. 395, any reference to the Account include any substitutes, renewals, redesignations and renumbering thereof from time to time.

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

Pursuant to section 401(2) of the Companies Act 1985

COMPANY No. 03838084

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A CHARGE OVER SINKING FUND ACCOUNT DATED THE 4th FEBRUARY 2000 AND CREATED BY DEFENCE TRAINING SERVICES LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY TO HALIFAX plc, AS AGENT AND TRUSTEE FOR ITSELF AND EACH OF THE OTHER FINANCE PARTIES (AS DEFINED) ON ANY ACCOUNT WHATSOEVER UNDER CLAUSE 2 OF THE CHARGE OVER SINKING FUND ACCOUNT OR UNDER ANY OTHER PROVISION OF THE CHARGE OVER SINKING ACCOUNT WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 22nd FEBRUARY 2000.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 24th FEBRUARY 2000.

A handwritten signature in dark ink, consisting of stylized, overlapping loops and strokes.



COMPANIES HOUSE



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES