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COMPANIES FORM No. 395

Particulars of a mortgage or charge

172328/10

395

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

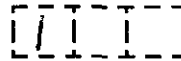


CHFP025

Pursuant to section 395 of the Companies Act 1985

To the Registrar of Companies
(Address overleaf - Note 6)

For official use: Company number



4712921

Name of company

* Zephyr Investments Limited (the "Chargor")

Date of creation of the charge

17 February 2004

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

A charge dated 17 February 2004 between the Chargor and The Bank of Tokyo-Mitsubishi, Ltd. as security trustee for the Finance Parties (the "Security Trustee") (the "Deed")

Amount secured by the mortgage or charge

All present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of an Obligor to any Finance Party under any Finance Document.

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

The Bank of Tokyo-Mitsubishi, Ltd. as Security Trustee of 12 - 15
Finsbury Circus, London

Postcode EC2M 7BT

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

Shannon Spriggs
Allen & Overy
One New Change
London
EC4M 9QQ

For official Use
Mortgage Section

Post room



LD2
COMPANIES HOUSE

LB843T48

0291
04/03/04

Time critical reference

Short particulars of all the property mortgaged or charged

Please see continuation sheets

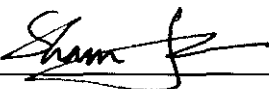
Please do not
write in
this margin

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

Particulars as to commission allowance or discount (note 3)

Nil

Signed



Date

4 MARCH 2004

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

A fee of £10 is
payable to
Companies House
in respect of each
register entry for a
mortgage or
charge.
(See Note 5)

† 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 to be made payable to **Companies House**.
- 6 The address of the Registrar of Companies is:-

Companies House, Crown Way, Cardiff CF14 3UZ

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1. ZEPHYR LOAN AGREEMENT

- (a) The Chargor, with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994, assigns absolutely, subject to a proviso for re-assignment on redemption, all of its right, title, and interest in and to the Zephyr Loan Agreement;
- (b) To the extent that the Zephyr Loan Agreement is not effectively assigned, the Chargor charges by way of first fixed charge all of its rights, title and interest in and to the Zephyr Loan Agreement.

2. BEAUFORT SHARES

The Chargor charges in favour of the Security Trustee:

- (a) by way of first legal mortgage all present and future Beaufort Shares owned by it or held by any nominee on its behalf; and
- (b) by way of first fixed charge all Related Rights in respect of the Beaufort Shares.

3. RESTRICTIONS ON DEALINGS

The Chargor must not:

- a) create or permit to subsist any Security (other than the Deed) over any Charged Asset; or
- b) sell, transfer or otherwise dispose of any Charged Asset.

4. DEFINITIONS

In this Form 395:

Acceptable Credit Support means credit support acceptable to the Agent (acting on the instructions of all Lenders, acting reasonably) for the obligations of an Acceptable PPA Counterparty (other than RWE or npower) under an Alternative PPA, provided always that:

- (i) where the Acceptable PPA Counterparty has a credit rating of at least BBB and Baa2 (as determined by Standard & Poor's and Moody's, respectively) at the time such Alternative PPA is entered into, the requirement for any such credit support shall be conditional on the Acceptable PPA Counterparty ceasing to have either of such credit ratings; and
- (ii) acceptance of any proposed credit support may not be refused if such credit support is constituted by a guarantee (or, in respect of (b) below, a letter of credit), in a form acceptable to the Agent, acting reasonably, which guarantee or letter of credit is provided by a:
 - (a) corporate guarantor which is not, and is not owned by (directly or indirectly), a bank or financial institution and which has a rating of at least BBB+ and Baa1 (as determined by Standard & Poor's and Moody's, respectively); or

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- (b) bank or financial institution guarantor, or a wholly-owned subsidiary of a bank or financial institution, which has a rating of at least A- and A3 (as determined by Standard & Poor's and Moody's, respectively).

Acceptable PPA means any Top-up PPA, npower PPA or Alternative PPA.

Acceptable PPA Counterparty means npower (guaranteed by RWE pursuant to the RWE Guarantee), RWE, or any other person consented to by all Lenders, such consent not to be unreasonably withheld or delayed, and which consent may include conditions relating to, inter alia, a requirement of Acceptable Credit Support (subject always to the provisos in the definition thereof).

Account Bank means The Governor and Company of the Bank of Scotland, or any account bank replacing it in accordance with the Accounts Agreement.

Accounts Agreement means the accounts agreement dated 28 January 2004 between Beaufort, the Account Bank, the Agent and the Security Trustee together with any related bank mandates, fee letters or safekeeping agreements agreed between Beaufort and the Account Bank.

Accounts Protocol means the common treasury and accounts procedure for the Borrower Group in the agreed form to be adhered to (when applicable) by Beaufort and any Wind Farm Companies from time to time.

Acquisition means either:

- (i) the purchase by Beaufort of the Existing Wind Farms pursuant to the Initial Acquisition Documents and the relevant Novation Agreements; or
- (ii) any subsequent acquisition or proposed acquisition of New Wind Farms or Wind Farm Companies by Beaufort pursuant to the New Acquisition Documents and the relevant Novation Agreements,

(as the context requires) and "**Acquire**", "**Acquired**" etc. shall be construed accordingly.

Acquisition Documents means the Initial Acquisition Documents or the New Acquisition Documents, or both as the context requires, and the TUPE Deed dated 28 January 2004 between RWE Innogy, National Wind Power Limited, Beaufort and the Chargor.

Act means the Electricity Act 1989, as amended by the Utilities Act 2000.

Administrative Party means the Agent, the Security Trustee, a Mandated Lead Arranger, the Account Bank or a member of the Technical Committee, in each case in their capacity as such (together being the "**Administrative Parties**").

Affiliate means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

Agent means The Bank of Tokyo-Mitsubishi, Ltd.

Agreed Form Direct Agreement means the agreed form direct agreement, agreed at the date of the Facility Agreement.

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Agreed Form PPA means the agreed form power purchase agreement, agreed at the date of the Facility Agreement.

Alternative PPA means, in respect of any Wind Farm, one or more power purchase agreements (other than an npower PPA or Top-up PPA) for the sale of (including payments to the generator in respect of) electric power, ROCs, LECs and/or Embedded Benefits, substantially in the form of the Agreed Form PPA (with such changes as are reasonably necessary to reflect that the counterparty is not npower, an RWE Affiliate or RWE) or in an alternate form as is acceptable to the Technical Committee which is then approved by a Special Lender Approval.

Alternative PPA Direct Agreement means each direct agreement to be entered into between Beaufort, an Acceptable PPA Counterparty and the Security Trustee in respect of an Alternative PPA substantially in the form of the Agreed Form Direct Agreement or in such alternate form as is acceptable to the Technical Committee which is then approved by a Special Lender Approval.

Authorisation means any consent (statutory or otherwise), permit, approval, registration, licence permission, Qualifying Status, building warrants, certificates (including completion certificates), resolution or exemption (including LEC accreditation with the Authority) necessary in respect of each Site, the entry into, performance, validity and enforceability of, and the transactions and operations contemplated by, the Relevant Documents and in any event shall include, unless no longer applicable as a result of an event described in Clause 22.6.1(i)(a) of the Facility Agreement, in respect of each Wind Farm accreditation for ROCs and not being an excluded generating station (as defined in the Renewables Obligation Order) for the purposes of ROCs.

Authority means the Gas and Electricity Markets Authority and includes the Office of Gas and Electricity Markets (Ofgem) or any successor to that authority having responsibility at law for the implementation and administration of the Renewables Obligation and/or the Levy Exemption Certificate Scheme.

Base Case means the Portfolio Forecast prepared utilising the Financial Model as at the date of the Facility Agreement and received by the Agent in accordance with Clause 4.1 (Conditions precedent to the Tranche A Utilisation) of the Facility Agreement and paragraph 1.1 of the Tranche A CPs in respect of the Acquisition of the Existing Wind Farms by Beaufort.

Beaufort means Beaufort Wind Limited (registered no. 4712922).

Beaufort Shares means all of the shares in the share capital of Beaufort.

Borrower Group means Beaufort and any Wind Farm Companies.

Borrower Security means:

- (i) the Deed given by Beaufort in favour of the Security Trustee in respect of Beaufort's assets in England and Wales;
- (ii) the Scottish standard security documents in the agreed form given by Beaufort in favour of the Security Trustee in respect of Beaufort's leasehold assets in Scotland; and

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- (iii) the Scottish assignation in security document in the agreed form given by Beaufort in favour of the Security Trustee in respect of Beaufort's rights under certain Scottish contracts, agreements and arrangements,

each dated on or before the Effective Date.

Business Day means a day (other than a Saturday or Sunday) on which banks are open for general business in London.

CEC Direct Agreement means the direct agreement substantially in the agreed form to be entered into between Beaufort, the Crown Estate Commissioners (on behalf of Her Majesty), a guarantor for Beaufort (if required) and the Security Trustee in respect of the Crown Estate Lease (or, if the Crown Estate Commissioners so agree prior to the Acquisition of North Hoyle, in such agreed form but without the proposed guarantor as a party and with clause 11 thereof deleted (and consequential changes)) or such alternate form as is acceptable to the Technical Committee which is then approved by a Special Lender Approval.

Charged Asset means assets from time to time subject, or expressed to be subject, to the Charges or any part or proceeds of those assets.

Charges means all or any of the Security created or expressed to be created by or pursuant to the Deed.

Climate Change Levy means the levy introduced by Schedule 6 of the Finance Act 2000, as amended from time to time.

Climate Change Levy Regulations means the Climate Change Levy (General) Regulations 2001, as amended from time to time.

Closing means the completion of the Acquisition of either:

- (i) the Existing Wind Farms; or
- (ii) one or more New Wind Farms,

in accordance with the relevant Acquisition Documents and relevant Novation Agreements such that no further payment obligations and no other material obligations are owed by Beaufort under the relevant Acquisition Documents or the relevant Novation Agreements other than any payment obligation arising pursuant to the Working Capital Adjustment Provisions.

Closing Date means a date on which a Closing occurs.

Commitment means:

- (i) in relation to an original Lender, the amount in Sterling set opposite its name in Schedule 1 (The Lenders) of the Facility Agreement and the amount of any other Commitment transferred to it under the Facility Agreement; and
- (ii) in relation to any other Lender, the amount in Sterling of any Commitment transferred to it under the Facility Agreement,

to the extent not cancelled, reduced or transferred by it under the Facility Agreement.

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Connection Agreement means an agreement between the Local Distribution Company or the Regional Transmission Company, as the case may be, and a member of the Borrower Group for the provision and maintenance of the connection(s) of the Wind Farm to the relevant Designated Grid System, each as amended from time to time.

Construction Contracts means one or more contracts for the design, engineering, procurement and/or construction of all or any part of a proposed New Wind Farm and any ancillary bonds, guarantees or equivalent payment security in relation thereto.

Crown Estate Lease means the lease between the Crown Estate Commissioners (on behalf of Her Majesty) and NWP Offshore Limited in respect of North Hoyle.

Designated Grid System means either the Distribution System or the Transmission System, or both, as the context requires.

Disclosure Letter means the letter dated 28 January 2004 from Beaufort to the Lenders disclosing information corresponding to the representations and warranties given in Clause 18 (Representations) of the Facility Agreement.

Distribution System means the system consisting (wholly or mainly) of electric lines owned or operated by the Local Distribution Company and used for the distribution of electricity.

Effective Date means the date on which the Agent gives confirmation to Beaufort of satisfaction or waiver of all the conditions precedent to the Tranche A Utilisation pursuant to Clause 4.3 (Further conditions precedent) of the Facility Agreement.

Embedded Benefits means all benefits in the form of avoided transmission losses, transmission charges and/or Elexon Ltd or Scottish Electricity Settlements Limited costs (or costs of their successor(s), if applicable) which arise by virtue of the Wind Farm being connected to the Distribution System and includes all triad benefits associated with the Metered Output, benefits arising within the Distribution System and all future benefits of this kind howsoever described and wherever they arise, but excluding any refunds or credits from third parties to the relevant Obligor or any reduction in expenses which would otherwise be paid by the relevant Obligor, in each case to the extent applicable to each Wind Farm from time to time.

Existing Security Documents means:

- (i) the Borrower Security;
- (ii) the Fixed and Floating Security Document dated 17 February, 2004 between Beaufort and the Security Trustee;
- (iii) the Direct Agreement dated 17 February 2004 between RWE Innogy, the Chargor, the Security Trustee, the Agent, Beaufort and npower; and
- (iv) the Deed.

Existing Wind Farms means the portfolio of 127.7MW of Wind Farms transferred under the Initial Acquisition Documents and the relevant Novation Agreements which are referred to in Schedule 19 (Existing Wind Farms) of the Facility Agreement.

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Facility Agreement means the facility agreement dated 28 January 2004 between, among others, Beaufort and the Security Trustee.

Fee Letter means any letter or letters dated on, before or about the date of the Facility Agreement between an Administrative Party and Beaufort setting out the amount of certain fees referred to in relation to the financing contemplated by the Facility Agreement.

Finance Documents means, to the extent that the same have been entered into and have not expired or been terminated or released in accordance with the terms of the Finance Documents:

- (i) the Facility Agreement;
- (ii) each Security Document;
- (iii) each Guarantor Accession Letter;
- (iv) each Transfer Certificate;
- (v) the Accounts Agreement;
- (vi) each Hedging Agreement;
- (vii) each Fee Letter;
- (viii) the Disclosure Letter;
- (ix) all other documents executed from time to time pursuant to any of the foregoing to which an Obligor or the Chargor and any Finance Party is a party; and
- (x) all other documents designated as such by the Agent and Beaufort (on behalf of each Obligor) or the Chargor.

Finance Parties means each Administrative Party, each Hedging Counterparty and each Lender, and "**Finance Party**" means any one of them.

Financial Model means the financial computer model in respect of the Portfolio (represented by the Original Financial Model at the date of the Facility Agreement) used to produce the Portfolio Forecasts and which is represented by material contained on computer disks and printouts, copies of which are held by the Agent and by or on behalf of Beaufort, as amended from time to time in accordance with the terms of the Facility Agreement.

Framework Agreement means a framework agreement existing on the date of the Facility Agreement or otherwise approved by the Agent (acting on the instructions of the Majority Lenders) in respect of the provision of operation and maintenance services for a Wind Farm following expiry of the WOM Agreement in respect thereof, entered into between the owner of the Wind Farm and the relevant Turbine manufacturer.

Guarantor means a company which becomes a Guarantor in accordance with Clause 26 (Changes to the Obligors) of the Facility Agreement unless and until it ceases to be a Guarantor in accordance with the provisions of Clause 17.9 (Release of guarantee) of the Facility Agreement.

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Guarantor Accession Letter means a document substantially in the form set out in Schedule 8 (Form of Accession Letter) of the Facility Agreement.

Hedging Agreement means each hedging agreement entered into consistent with the Hedging Programme comprising an ISDA master agreement (together with the schedule) entered into between Beaufort and any Hedging Counterparty and the confirmation under that ISDA master agreement.

Hedging Counterparty means a bank or financial institution who is party to a Hedging Agreement with Beaufort from time to time consistent with the Hedging Programme.

Hedging Programme means the terms of Schedule 9 (Hedging Programme) of the Facility Agreement setting out the hedging programme for the management of Beaufort's exposure to changes in floating rates of interest.

Holding Company means, in relation to a company or corporation, any other company or corporation in respect of which it is a Subsidiary.

Initial Acquisition Documents means each agreement entered into or to be entered into for the transfer to Beaufort of the assets of the Existing Wind Farms (or in connection thereto, but excluding the relevant Novation Agreements), the Supplemental Deed and the Deed of Warranty dated 17 February 2004 between RWE Innogy, Beaufort and the Chargor.

Intellectual Property means intellectual property of every designation existing anywhere in the world (including patents, copyrights, database rights, designs, applications for registration (and the right to apply for registration) for any of the foregoing, trade marks, service marks, know-how and confidential information (whether registered or unregistered)).

Landowner Agreement means, in respect of any Site, any lease, licence or agreement (including any amendment, modification or variation of any of the foregoing) with the owners and occupiers of that Site, pursuant to which Beaufort (or a Wind Farm Company) is authorised to do any one or more of the following: design, construct, complete, test, commission, maintain, operate and remove a Wind Farm (including all related apparatus and infrastructure) from such Site, including the Crown Estate Lease (and "**Landowner Agreements**" means all of them in respect of the Wind Farms in the Portfolio at any time).

LEC or Levy Exemption Certificate means a certificate issued by the Authority as evidence that a MWh of electricity is wholly or partly exempt from the Climate Change Levy.

Lender means:

- (i) any Mandated Lead Arranger;
- (ii) each other financial institution referred to in Schedule 1 (The Lenders) of the Facility Agreement; and
- (iii) any bank, financial institution, trust fund or other entity which has become a party to the Facility Agreement in accordance with Clause 25 (Changes to the Lenders) of the Facility Agreement,

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which, in each case, has not ceased to be a party to the Facility Agreement in accordance with the terms of the Facility Agreement.

Levy Exemption Certificate Scheme means the scheme introduced pursuant to the Climate Change Levy Regulations for exempting certain types of energy generation from the Climate Change Levy, as amended from time to time.

Loans means the Tranche A Loan, any Tranche B Loans and the Tranche C Loan, and **Loan** means any one of them.

Local Distribution Company means, in respect of any Wind Farm, the company licensed by the Authority under Section 6(1)(c) of the Act for the area in which the Wind Farm is located.

Majority Lenders means Lenders:

- (i) the aggregate of whose shares in the outstanding Loans and available Commitments then represents $66\frac{2}{3}$ per cent. or more of the aggregate of all the outstanding Loans and available Commitments of all the Lenders;
- (ii) if there is no Loan then outstanding, whose available Commitments then aggregate $66\frac{2}{3}$ per cent. or more of the Total Commitments; or
- (iii) if there is no Loan then outstanding and the Total Commitments have been reduced to zero, whose Commitments aggregated $66\frac{2}{3}$ per cent. or more of the Total Commitments immediately before the reduction.

Management Services Agreement means the agreement so entitled to be entered into on or about the date of the Facility Agreement between Beaufort and RWE Innogy in relation to the management of Beaufort and the Portfolio.

Mandated Lead Arranger means any of ABN AMRO Bank N.V., BNP Paribas SA, The Bank of Tokyo-Mitsubishi, Ltd., Fortis Bank S.A./N.V., Bayerische Hypo- und Vereinsbank AG, The Governor and Company of The Bank of Scotland and Royal Bank of Canada.

Metered Output means, in respect of any Wind Farm, the measured electrical output for that Wind Farm measured at the meter point as defined under the relevant Offtake Arrangement.

Moody's means Moody's Investors Service, Inc.

New Acquisition Date means the date of completion of any Acquisition of a proposed Wind Farm Company or New Wind Farm, as applicable, determined in accordance with the timetable set out in Part VII (New Acquisition Timetable) of Schedule 10 (Assumptions) of the Facility Agreement (as the same may be varied from time to time by agreement between Beaufort and the Technical Committee).

New Acquisition Documents means:

- (i) each document entitled "New Wind Farm Share Purchase Agreement" for the Acquisition of a Wind Farm Company and which is entered into with RWE Innogy in the form agreed at the date of the Facility Agreement, or such alternate form as is acceptable to the Technical Committee which is then approved by a Special Lender Approval; or

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- (ii) any other form of documentation for the Acquisition of a New Wind Farm by way of asset purchase entered into with RWE Innogy which documentation, and the procedure for Acquisition of the New Wind Farm pursuant to such documentation, is approved by Special Lender Approval,

together with any deeds of assignment in relation to goodwill or Intellectual Property rights and any ancillary consents, waivers or agreements in relation to any of the above, but excluding the relevant Novation Agreements.

New Security Documents means, in relation to the Acquisition of a proposed Wind Farm Company or a New Wind Farm:

- (i) if the Acquisition is of a proposed Wind Farm Company incorporated in Scotland:
 - (a) a Scottish shares pledge granted by Beaufort in the agreed form in relation to the share capital held by Beaufort in that Wind Farm Company in favour of the Security Trustee;
 - (b) a Scottish assignation in security granted by that Wind Farm Company in the agreed form in respect of all of its assets in Scotland (other than those referred to in paragraph (c) below) granted in favour of the Security Trustee;
 - (c) a Scottish standard security granted by that Wind Farm Company in the agreed form in relation to any leasehold or other heritable interests located in Scotland in favour of the Security Trustee; and
 - (d) a Scottish bond and floating charge granted by that Wind Farm Company in the agreed form in favour of the Security Trustee;
- (ii) if the Acquisition is of a proposed Wind Farm Company incorporated in England and Wales, the Wind Farm Company Charge entered into by that Wind Farm Company;
- (iii) if the Acquisition is of the assets of a proposed New Wind Farm which is located in Scotland:
 - (a) a Scottish assignation in security (in form and substance satisfactory to the Agent, acting reasonably) granted by Beaufort in respect of those Acquired assets located in Scotland (other than those referred to in paragraph (b) below) granted in favour of the Security Trustee; and
 - (b) a Scottish standard security (in form and substance satisfactory to the Agent, acting reasonably) granted by Beaufort in relation to any leasehold or other heritable interests located in Scotland in favour of the Security Trustee;
- (iv) if the Acquisition is of North Hoyle, the Vestas Direct Agreement and the CEC Direct Agreement; and
- (v) if the Acceptable PPA in respect of the New Wind Farm is an Alternative PPA, the Alternative PPA Direct Agreement,

each dated on or prior to the date of the relevant Utilisation Request.

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New Wind Farm means a Wind Farm:

- (i) which was, or will have been, for a continuous period of 12 months prior to the Closing Date in respect of that Wind Farm, at least 50% owned by a person who was a member of the RWE Innogy Group for such 12 month period; and
- (ii) which is Acquired by Beaufort from the RWE Innogy Group after the Effective Date.

NFFO Contract means a power purchase agreement entered into pursuant to any of the Non-Fossil Fuels Orders with, *inter alia*, the Non-Fossil Purchasing Agency Limited.

Non-Fossil Fuels Orders means the following statutory instruments: the Electricity (Non-Fossil Fuel Sources) (England and Wales) Order 1994 (as amended); the Electricity (Non-Fossil Fuel Sources) (England and Wales) Order 1997; and the Electricity (Non-Fossil Fuel Sources) (England and Wales) Order 1998.

North Hoyle means the offshore Wind Farm being developed by the RWE Innogy Group at North Hoyle in the Irish Sea, more particularly described in the Crown Estate Lease.

North Hoyle Construction Operation and Maintenance Agreement means the "Agreement for Turnkey Supply, Operation and Maintenance of an Offshore Wind Farm" entered into between NWP Offshore Limited, Mayflower Energy Limited and Vestas-Celtic Wind Technology Limited dated 29 July 2002 in respect of North Hoyle and any ancillary bonds, guarantees or equivalent payment security provided by or on behalf of the contractors in relation thereto.

Novation Agreement means each deed or agreement of novation and/or assignation and/or transfer (including any consent, waiver or agreement ancillary thereto) which is entered into in order to transfer the contracts of an Existing Wind Farm or a New Wind Farm to Beaufort as part of an Acquisition of an Existing Wind Farm or a New Wind Farm.

npower means npower Limited.

npower PPA means, in respect of any Wind Farm, a power purchase agreement entered into with npower or any Affiliate of RWE, in the form of the Agreed Form PPA or such alternate form as is acceptable to the Technical Committee which is then approved by a Special Lender Approval, in respect of all of the Metered Output of that Wind Farm and a corresponding volume of ROCs, LECs and Embedded Benefits.

O&M Arrangements means the operations and/or maintenance arrangements existing from time to time in respect of each Wind Farm in the Portfolio and includes:

- (i) WOM Agreements;
- (ii) operating and/or maintenance provisions contained in the relevant Construction Contracts;
- (iii) OMS Agreements;
- (iv) Framework Agreements;
- (v) RWE Innogy O&M Agreements; and

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- (vi) any other agreement for operation and maintenance and/or warranty of that Wind Farm which the Agent agrees may be entered into in respect of that Wind Farm.

Obligor means Beaufort and/or a Guarantor.

Offtake Arrangement means an NFFO Contract, SRO Contract or Acceptable PPA.

OMS Agreement means an operation, maintenance and service agreement in respect of a Wind Farm, entered into between the owner of the Wind Farm and the Turbine manufacturer.

Original Financial Model means the Financial Model in respect of the Portfolio delivered to the Agent on or before the Request Date in accordance with the Tranche A CPs.

Original Wind Farm Financial Model means the pro forma Wind Farm Financial Model delivered to the Agent on or before the Request Date in accordance with the Tranche A CPs.

Permitted Hive-Up means an asset sale of a New Wind Farm by a Wind Farm Company to Beaufort:

- (i) which is in accordance with the terms of a hive-up agreement and novation agreements in the form agreed at the date of the Facility Agreement or in such other form as may be each as approved by the Agent (acting reasonably); and
- (ii) for which:
 - (a) all Authorisations and other third party consents and approvals have been obtained to the satisfaction of the Agent, acting reasonably; and
 - (b) there is no period in respect of which either the Wind Farm Company or Beaufort is operating the New Wind Farm without necessary Authorisations; and
- (iii) (if the Site of the New Wind Farm is located in Scotland, and only if required by the Security Trustee) which is accompanied by:
 - (a) a Scottish assignation in security (in form and substance satisfactory to the Agent, acting reasonably) granted by Beaufort in respect of all of its assets located in Scotland (other than those referred to in (b) below) in favour of the Security Trustee; and
 - (b) a standard security (in form and substance satisfactory to the Agent, acting reasonably) granted by Beaufort in relation to any leasehold or other heritable interests located in Scotland in favour of the Security Trustee, and an application is submitted for registration at the Land Register of Scotland within 10 Business Days of completion of the hive-up agreement referred to in paragraph (i) above; and
 - (c) a disposition transferring any interests in Scottish real estate (which transfer is to be subject to any existing encumbrance given in favour of the Security Trustee) and an application is submitted for registration within 10 Business Days at the Land Register of Scotland);
- (iv) (if the Site of the New Wind Farm is located in England or Wales):

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- (a) which is accompanied by the granting by Beaufort of a mortgage (in form and substance consistent with the relevant provisions of the Existing Security Documents) over the real property sold as part of such asset sale, for which an application for registration is submitted to HM Land Registry within 10 Business Days of completion of the hive-up agreement referred to in paragraph (i) above and for which evidence of due registration of mortgage after completion of the registration is provided to the Security Trustee; and
- (b) in respect of which a Form TR1 transferring any interests in real estate (which transfer is to be subject to any existing encumbrance given in favour of the Security Trustee) is registered at HM Land Registry;
- (v) in respect of which that Wind Farm Company will, immediately following the completion of the sale of assets to Beaufort under the hive-up agreement, not be part of a group for VAT purposes under the Value Added Tax Act 1994 with Beaufort and each other Wind Farm Company; and
- (vi) in respect of which insurance arrangements have been made which are satisfactory to the Agent (acting reasonably).

Portfolio means all of the Wind Farms owned by the Borrower Group from time to time.

Portfolio Forecast means the Base Case or any forecast prepared using the Financial Model pursuant to Clause 21 (Forecasts and Financial Models) of the Facility Agreement in respect of the Portfolio.

Qualifying Status means in relation to any Existing Wind Farm or New Wind Farm which sells any of its power pursuant to a NFFO or SRO Contract that the NFFO or SRO Contract is a qualifying arrangement as defined by the Act and its subordinate legislation.

Regional Transmission Company means, in respect of any Wind Farm, the company licensed by the Authority under Section 6(1)(b) of the Act for the area of England and Wales or the part of Scotland (as the case may be) in which the Wind Farm is located.

Related Rights means in relation to a stock, share, debenture, bond or other security:

- (i) any dividend or interest paid or payable; and
- (ii) any right, money or property accruing or offered at any time by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise,

in relation to that stock, share, debenture, bond or other security.

Relevant Document means the Wind Farm Documents and the Finance Documents.

Renewables Obligation means the obligation introduced by sections 32, 32A, 32B and 32C of the Electricity Act 1989 and the Renewables Obligation Order, on licensed electricity suppliers in England and Wales or Scotland, as applicable, to ensure a growing proportion of their electricity sales are from qualifying renewable sources of electricity.

Renewables Obligation Certificate or ROC means a renewables obligation certificate issued by the Authority pursuant to the appropriate Renewables Obligation Order as evidence that a

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MWh of electricity has been generated by a qualifying accredited renewable generator for the purposes of the Renewables Obligation.

Renewables Obligation Order means either or both of the Renewables Obligation Order 2002 (SI 2002/0914) or, in the case of a Wind Farm located in Scotland, the Renewables Obligation (Scotland) Order 2002 (SSI 2002/163), as either is amended from time to time.

Request Date means the date of the Utilisation Request in respect of the Tranche A Utilisation.

RWE means RWE Aktiengesellschaft.

RWE Guarantee means the guarantee entered into by RWE on or about the date of the Facility Agreement in favour of Beaufort and any relevant Wind Farm Company which may be party to an npower PPA or Alternative PPA with npower in relation to the obligations of npower under the Top-up PPAs, the npower PPAs and any Alternative PPA entered into by npower and Beaufort (or such Wind Farm Company).

RWE Innogy means RWE Innogy plc.

RWE Innogy Group means RWE Innogy and its Affiliates from time to time.

RWE Innogy O&M Agreement means an agreement in respect of a Wind Farm for the provision of operations and maintenance of that Wind Farm, entered into between the owner of the Wind Farm and a member of the RWE Innogy Group.

Security means a mortgage, charge (fixed or floating), pledge, lien, assignment, hypothecation, set-off or trust arrangement for the purpose of creating security, reservation of title or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect, and in Scotland such agreement or arrangement as most nearly approximates the same.

Security Document means:

- (i) the Existing Security Documents;
- (ii) to the extent entered into from time to time, the New Security Documents;
- (iii) each document granting Security to the Security Trustee over property transferred as part of a Permitted Hive-Up; and
- (iv) any other document evidencing or creating Security over any asset of an Obligor or the Chargor to secure any obligation of Beaufort or any Wind Farm Company to a Finance Party under the Finance Documents,

in each case to the extent the same have not expired or been terminated or released in accordance with the terms of the Finance Documents.

Shareholders' Technical Committee Fee Letter means the letter in the agreed form dated on or before the Effective Date setting out the amount of the Shareholders' Technical Committee Fees, or such other fee letter in relation to the Shareholders' Technical Committee Fees as may be approved by the Agent (acting reasonably).

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Shareholders' Technical Committee Fees means any fees payable pursuant to the Shareholders' Technical Committee Fee Letter by Beaufort to ERGOServices (Beaufort) LLP or its replacement in accordance with the Base Case and which comprise:

- (i) fees for services in relation to Acquisitions of New Wind Farms; and
- (ii) fees for on-going services in relation to the Portfolio.

Site means, in relation to any Wind Farm, the premises or land referred to in each Landowner Agreement in respect of that Wind Farm, or, where no Landowner Agreement exists in respect of a Wind Farm, the premises or land identified in the certificate of title in relation to that Wind Farm.

Special Lender Approval has the meaning given in Clause 20.3.9 (Reports in respect of any New Wind Farm) of the Facility Agreement.

SRO Contract means a power purchase agreement entered into with, *inter alia*, SSE Energy Supply Limited and Scottish Power Energy Retail Limited.

Standard & Poor's means Standard & Poor's Rating Group.

Sterling means the lawful currency of the United Kingdom.

Subsidiary means a subsidiary within the meaning of section 736 of the Companies Act 1985 and, in relation to financial statements of a group, means a subsidiary undertaking within the meaning of section 258 of the Companies Act 1985 or (in the case of RWE) such other definition as is applicable to the preparation of its consolidated financial statements.

Supplemental Deed means the deed dated 17 February, 2004 headed "Supplemental Deed" between RWE Innogy, National Wind Power Limited, Taff Ely Windfarm Project Limited, the Chargor and Beaufort which is supplemental to certain other Acquisition Documents.

Technical Committee means the Agent, ABN AMRO Bank N.V. and Fortis Bank S.A./N.V., and their successors in such capacity under the Facility Agreement from time to time.

Top-up PPAs means the agreements titled "Forward Starting Power Purchase Agreement" entered into between Beaufort and npower and dated 28 January, 2004 in respect of the Wind Farms at Carno (A and B), Beinn Ghlas, Llyn Alaw, Mynydd Gorddu, Novar (Bendealt and Meall an Tuirc) and Trysglwyn.

Total Commitments means the aggregate of the Commitments, being £300,000,000 at the date of the Facility Agreement.

Tranche A means the facility made available under the Facility Agreement and as described in Clause 2.1.1 (The Facilities) of the Facility Agreement.

Tranche A CPs means all of the documents and other evidence listed in Part I (Conditions precedent to Tranche A Utilisation) of Schedule 2 (Conditions Precedent) of the Facility Agreement, or Part I itself (as appropriate).

Tranche A Loan means any loan made or to be made under Tranche A or the principal amount outstanding for the time being of any such loan.

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Tranche A Utilisation means the utilisation of Tranche A contemplated by Clause 3.1.1 (Purpose) of the Facility Agreement.

Tranche B means the facility made available under the Facility Agreement as described in Clause 2.1.2 (The Facilities) of the Facility Agreement.

Tranche B Loan means any loan made or to be made under Tranche B or the principal amount outstanding for the time being of any such loan.

Tranche C means the facility made available under the Facility Agreement as described in Clause 2.1.3 (The Facilities) of the Facility Agreement.

Tranche C Loan means any loan made or to be made under Tranche C or the principal amount outstanding for the time being of any such loan.

Transfer Certificate means a certificate substantially in the form set out in Schedule 7 (Form of Transfer Certificate) of the Facility Agreement or any other form agreed between the Agent and Beaufort.

Transmission System means the system consisting (wholly or mainly) of electric lines owned or operated by a Regional Transmission Company and used for the transmission of electricity.

Turbine means a wind turbine generator, including tower, rotor, nacelle, gearbox generator and all associated equipment up to the point of connection to the low voltage terminals of each wind turbine transformer.

Utilisation Request means a notice substantially in the form set out in Schedule 5 (Utilisation Request) of the Facility Agreement.

Vestas Direct Agreement means the direct agreement to be entered into between NWP Offshore Limited, Mayflower Energy Limited, Vestas-Celtic Wind Technology Limited, Beaufort and the Security Trustee in respect of the North Hoyle Construction Operation and Maintenance Agreement and the notices and acknowledgements of assignment of Vestas Wind Systems A/S and The Mayflower Corporation plc in respect of their related parent company guarantees, each of which is substantially in the agreed form or such alternate form as is acceptable to the Technical Committee which is then approved by a Special Lender Approval.

Wind Farm means an electricity generating station comprising Turbines and all associated equipment required to generate and transport electricity up to the point of connection into the Designated Grid System.

Wind Farm Company means any special purpose project company owning and operating a Wind Farm and which has been sold to Beaufort at the relevant time.

Wind Farm Company Charge means the fixed and floating security document under English law in the form of the security document referred to in paragraph (i) of the definition of "Borrower Security" in the agreed form given by a Wind Farm Company incorporated in England and Wales in favour of the Security Trustee on the New Acquisition Date of that Wind Farm Company.

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Wind Farm Documents means (except in respect of (v) and (xvii) below), to the extent that the same have been entered into from time to time by an Obligor (including by way of Novation Agreement) and have not expired in accordance with their terms from time to time):

- (i) the Offtake Arrangements;
- (ii) the O&M Arrangements;
- (iii) the Connection Agreements;
- (iv) the Landowner Agreements;
- (v) certificates of title to each real property held in respect of each Wind Farm;
- (vi) each agreement entered into in relation to a Permitted Hive-Up;
- (vii) the Acquisition Documents;
- (viii) the Management Services Agreement;
- (ix) the agreement titled "Services Deed" dated 26 January 2004 between Beaufort, and RWE Innogy relating to the provision by RWE Innogy and NWP Limited of services to Beaufort prior to the date of the Management Services Agreement;
- (x) the Construction Contract(s);
- (xi) the RWE Guarantee;
- (xii) any document of Acceptable Credit Support;
- (xiii) the Accounts Protocol;
- (xiv) any deed of accession to the Accounts Protocol;
- (xv) the Zephyr Loan Agreement;
- (xvi) the Shareholders' Technical Committee Fee Letter;
- (xvii) any agreement required to be entered into by an Obligor under any law: (i) as a consequence of it being party to, or in order that it perform its obligations under, any Wind Farm Document or (ii) in connection with any Authorisation.
- (xviii) any other material agreement or document entered into by an Obligor (excluding any Finance Document and, for the purposes only of its use in Clauses 18.10.1, 18.10.3, 18.17.1, 23.1, 23.6.2(i) 23.14, 23.15 and 24.1.16 of the Facility Agreement, any document entered into after the date of Acquisition of the Wind Farm to which it relates, notice of which has been provided to the Agent pursuant to Clause 19.4.1 of the Facility Agreement and which the Agent (acting reasonably) has notified Beaufort, within 30 days of receipt pursuant to Clause 19.4.1 of the Facility Agreement, should not be included in the definition of Relevant Documents as used in any or all of the relevant Clause(s)); and

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(xix) any other documents designated as such by the Agent and Beaufort (on behalf of each Obligor),

or, where used in respect of any particular Wind Farm or Wind Farms, means such of the agreements or documents referred to above as relate to such Wind Farm or Wind Farms.

Wind Farm Financial Model means the financial computer model in respect of a single Wind Farm (represented by the Original Wind Farm Financial Model at the date of the Facility Agreement) and to be used in respect of each New Wind Farm, and which is represented by material contained on computer disks and printouts, copies of which are held by the Agent and by or on behalf of Beaufort, as amended from time to time in accordance with the terms of the Facility Agreement.

Wind Farm Forecast means any forecast prepared using the Wind Farm Financial Model pursuant to Clause 21 (Forecasts and Financial Models) of the Facility Agreement in respect of the Acquisition of a New Wind Farm.

WOM Agreement means a warranty, operation and maintenance agreement in respect of a Wind Farm, entered into between the owner of the Wind Farm and the Turbine manufacturer.

Working Capital Adjustment Provisions means the provisions of:

- (i) the Supplemental Deed; or
- (ii) a New Acquisition Document relating to the Working Capital Amount (as defined in the relevant New Acquisition Document) and the working capital adjustment provisions of the New Acquisition Document more generally.

Working Capital Amount means, for each Wind Farm, the amount of cash necessary to fund its working capital requirements for the next 30-day period, as determined in accordance with the Wind Farm Forecast.

Zephyr Loan Agreement means the agreement between Beaufort and the Chargor dated on or about the date of the Facility Agreement pursuant to which the Chargor makes unsecured subordinated loans to Beaufort.

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 04712921

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A CHARGE DATED THE 17th FEBRUARY 2004 AND CREATED BY ZEPHYR INVESTMENTS LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM AN OBLIGOR TO ANY FINANCE PARTY UNDER THE TERMS OF THE AFOREMENTIONED INSTRUMENT CREATING OR EVIDENCING THE CHARGE WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 4th MARCH 2004.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 9th MARCH 2004.

P.A.



Companies House

— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES