

M

COMPANIES FORM No. 466(Scot)

466

Particulars of an instrument of alteration to a floating charge created by a company registered in Scotland

CHFP025

Please do not write in this margin

A fee of £13 is payable to Companies House in respect of each register entry for a mortgage or charge.

Pursuant to section 410 and 466 of the Companies Act 1985

To the Registrar of Companies 4 MAR 2018
(Address overleaf - Note 6)

For official use

Company number

EDINBURGH FRONT DESK

1216

SC057709

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

Name of company

* Stewart Milne Group Limited (the "Debtor")

* insert full name of Company

Date of creation of the charge (note 1)

29 March 1996

Description of the instrument creating or evidencing the charge or of any ancillary document which has been altered (note 1)

Bond and Floating Charge (the "Floating Charge")

Names of the persons entitled to charge

Bank of Scotland plc (the "Security Agent")

Short particulars of all the property charged

Please see Rider A attached.

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

Dickson Minto W.S
16 Charlotte Square
Edinburgh
EH2 4DF

199

For official use (06/2005)

Charges Section

Post room

WEDNESDAY



SCT *S710PA80* 14/03/2018 #444
COMPANIES HOUSE

Names, and addresses of the persons who have executed the instrument of alteration (note 2)

Please see Rider B attached.

*Please do not
write in
this margin*

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

Date(s) of execution of the instrument of alteration

8 March 2018 and 9 March 2018

A statement of the provisions, if any, imposed by the instrument of alteration prohibiting or restricting the creation by the company of any fixed security or any other floating charge having, priority over, or ranking pari passu with the floating charge

Please see Rider C attached.

Short particulars of any property released from the floating charge

N/A

The amount, if any, by which the amount secured by the floating charge has been increased

N/A

*Please do not
write in
this margin*

A statement of the provisions, if any, imposed by the instrument of alteration varying or otherwise regulating the order of the ranking of the floating charge in relation to fixed securities or to other floating charges

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

Please see Rider D attached.

Continuation of the statement of the provisions, if any, imposed by the instrument of alteration varying or otherwise regulating the order of the ranking of the floating charge in relation to fixed securities or to other floating charges

*Please do not
write in
this margin*

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

Signed Dillon Minto Ltd. Date 14 March 2018

On behalf of ~~company~~ [chargee] †

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

Notes

1. A description of the instrument e.g. "Instrument of Charge" "Debenture" etc, as the case may be, should be given. For the date of creation of a charge see section 410(5) of the Companies Act.
2. In accordance with section 466(1) the instrument of alteration should be executed by the company, the holder of the charge and the holder of any other charge (including a fixed security) which would be adversely affected by the alteration.
3. A certified copy of the instrument of alteration, together with this form with the prescribed particulars correctly completed must be delivered to the Registrar of Companies within 21 days after the date of execution of that instrument.
4. A certified copy must be signed by or on behalf of the person giving the certification and where this is a body corporate it must be signed by an officer of that body.
5. A fee of £13 is payable to Companies House in respect of each register entry for a mortgage or charge. Cheques and Postal Orders are to be made payable to **Companies House**.
6. The address of the Registrar of Companies is: Companies House, 139 Fountainbridge, Edinburgh, EH3 9FF DX 235 Edinburgh or LP - 4 Edinburgh 2

† delete as
appropriate

STEWART MILNE GROUP LIMITED

(REGISTERED NUMBER SC057709)

(the "Company")

RIDER A – FORM 466 (RANKING AGREEMENT)

Terms defined in the Form 466 shall have the same meaning in this Rider A.

The whole assets of the Debtor.

STEWART MILNE GROUP LIMITED

(REGISTERED NUMBER SC057709)

RIDER B – FORM 466 (RANKING AGREEMENT)

Names, and addresses of the persons who have executed the instrument of alteration

1. Stewart Milne Group Limited (Registered Number SC057709) of Peregrine House, Mosscroft Avenue, Westhill Business Park, Westhill, Aberdeen AB32 6JQ as the Debtor.
2. Glasgow City Council as local authority for the City of Glasgow in terms of the Local Government (Scotland) Act 1994 and having their principal offices at City Chambers, George Square, Glasgow, G2 1DU.
3. Bank of Scotland plc a company incorporated under the Companies Act 2006 (registered number SC327000) and having its registered office at The Mound, Edinburgh, EH1 1YZ as Senior Lender as defined in the Intercreditor Agreement (the "Lender").
4. Bank of Scotland plc a company incorporated under the Companies Act 2006 (registered number SC327000) and having its registered office at The Mound, Edinburgh, EH1 1YZ as security trustee for the Secured Parties (the "Security Agent").

DM

STEWART MILNE GROUP LIMITED
(REGISTERED NUMBER SC057709)

RIDER C – FORM 466 (RANKING AGREEMENT)

A statement of the provisions, if any, imposed by the instrument of alteration prohibiting or restricting the creation by the company of any fixed security or any other floating charge having, priority over, or ranking pari passu with the floating charge

1. The Debtor undertakes to the Security Agent that it shall not grant any further security, charge or other encumbrance over any of the Assets including but without prejudice to the foregoing generality its heritable, real or leasehold property without the prior written consent of the Security Agent.
2. The Debtor undertakes to the Priority Creditor that it shall not grant any further security, charge or encumbrance over the Priority Creditor Fixed Security Subjects without the prior written consent of the Priority Creditor, declaring however that no consent will be required in the case of further security, charge or encumbrance over the Development Subjects in favour of the Security Agent where that further security ranks subsequent to the Priority Creditor Fixed Security and does not prejudice the ability of the Priority Creditor or its successors to enforce the same.

Terms defined in the Form 466 shall have the same meaning in this Rider C.

"Assets" means the whole of the property (including uncalled capital) which is or may be from time to time comprised in the Debtor's property and undertaking.

"Development Subjects" means ALL and WHOLE that plot or area of ground extending to 1.42 hectares or thereby and forming the site of the former St Oswalds Primary School, Brunton Street, Glasgow being the subjects shown edged red on Plan 1 which subjects form PART and PORTION of (In the First Place) ALL and WHOLE the subjects in the County of Glasgow described in Contract of Ground Annual by the Trustees of James Bunten in favour of the School Board of the Parish of Cathcart recorded in the Division of the General Register of Sasines applicable to the County of Renfrew on 24 May 1875 and (In the Second Place) ALL and WHOLE the area of ground extending to 2.592 acres or thereby more particularly described in and disposed by Disposition by MacTaggart and Mickel Limited in favour of the Corporation of the City of Glasgow registered in the Division of the General Register of Sasines applicable to the Barony and Regality of Glasgow on 9 May 1957.

"Plan 1" means the plan marked "Plan 1" annexed and signed as relative to the Ranking Agreement;

"Plan 2" means the plan marked "Plan 2" annexed and executed as relative to the Ranking Agreement;

"Priority Creditor" means Glasgow City Council as local authority for the City of Glasgow in terms of the Local Government (Scotland) Act 1994 and having their principal offices at City Chambers, George Square, Glasgow, G2 1DU.

"Priority Creditor Fixed Security" means the standard security by the Debtor in favour of the Priority Creditor over the Priority Creditor Fixed Security Subjects executed by the Debtor on or around the date of its execution of this Agreement and about to be registered in the Land Register of Scotland.

"Priority Creditor Fixed Security Subjects" means those parts of the Development Subjects shown shaded green on Plan 2.

"Ranking Agreement" means the ranking agreement entered into by the Debtor, the Priority Creditor, the Security Agent and Bank of Scotland plc as lender and executed on 8 and 9 March 2018.

STEWART MILNE GROUP LIMITED
(REGISTERED NUMBER SC057709)

RIDER D – FORM 466 (RANKING AGREEMENT)

A statement of the provisions, if any imposed by the instrument of alteration varying or otherwise regulating the order of the ranking of the floating charge in relation to fixed securities or to other floating charges

With effect from the last date of execution of the Ranking Agreement, the Securities rank *inter se* in point of security in the following order of priority.

1. the Priority Creditor Fixed Security to the extent of the Priority Creditor Debt;
2. the Security Agent Fixed Security to the extent of the Secured Obligations; and
3. the Security Agent Floating Charge to the extent of the balance (if any) of the Secured Obligations.

Terms defined in the Form 466 and in Rider C to the Form 466 shall have the same meaning in this Rider D.

"Intercreditor Agreement" means the Intercreditor Agreement dated 7 November 2013 between, amongst others, Bank of Scotland plc (as Agent, Senior Lender, Hedge Counterparty, Security Agent and Working Capital Bank), Stewart Milne Group Limited and others.

"Priority Creditor Debt" means all sums that may be due to the Priority Creditor in terms of paragraph 1 of Part 6 of the Schedule and paragraph 2 of Part 9 of the Schedule to the Purchase Contract and secured by the Priority Creditor Fixed Security (together with any interest on the same and any costs incurred by the Priority Creditor in recovering the same).

"Purchase Contract" means the purchase contract constituted by (i) an offer by the Priority Creditor to Morton Fraser LLP to sell the Development Subjects dated 7 October 2016; (ii) a concluding letter from Morton Fraser LLP on behalf of the Debtor dated 13 October 2016; (iii) an offer to amend the missives by the Priority Creditor to Morton Fraser LLP dated 23 November 2016; (iv) concluding letter by Morton Fraser LLP on behalf of the Debtor dated 30 November 2016; (v) an offer by Morton Fraser LLP on behalf of the Debtor to amend the missives dated 8 August 2017; and (vi) a concluding letter by the Priority Creditor dated 10 August 2017.

"Secured Obligations" means all or any money and liabilities which shall from time to time (and whether on or at any time after demand) be due, owing or incurred in whatsoever manner to the Security Agent and the other Secured Parties by the Debtor, whether actually or contingently, solely or jointly and whether as principal, guarantor, cautioner or surety including any money and liabilities of the Debtor to a third party which have been assigned or novated to or otherwise vested in the Secured Parties, and including any liability for any further advances or credit made or to be made (at the time of this Agreement or in the future) by the Secured Parties and any interest, discount,

commission and other lawful charges or expenses which the Secured Parties may in the course of its business charge or incur in respect of any of those matters or for keeping the Debtor's, and so that interest shall be computed and compounded according to the usual Secured Parties rates and practice as well after as before any demand made or decree obtained.

"Secured Parties" is as defined in the Intercreditor Agreement.

"Securities" means the Security Agent Securities and the Priority Creditor Fixed Security.

"Security Agent Fixed Security" means the standard security over the Development Subjects to be granted by the Debtor in favour of the Security Agent and executed by the Debtor on or around the date of execution of the Ranking Agreement and about to be registered in the Land Register of Scotland.

"Security Agent Floating Charge" means (a) the floating charge granted by the Debtor in favour of The Governor and Company of the Bank of Scotland dated 29 March 1996 and registered with the Registrar of Companies on 9 April 1996; (b) the floating charge granted by the Debtor in favour of the Security Agent dated 7 November 2013 and registered with the Registrar of Companies at Edinburgh on 11 November 2013 and (c) the Debenture granted by the Debtor in favour of the Security Agent dated 7 November 2013 and registered with the Registrar of Companies at Edinburgh on 11 November 2013.

"Security Agent Securities" means the Security Agent Fixed Security and the Security Agent Floating Charge.

DM



FILE COPY

**CERTIFICATE OF THE REGISTRATION
OF AN ALTERATION TO A FLOATING CHARGE**

COMPANY NO. 57709

CHARGE NO. 26

I HEREBY CERTIFY THAT PARTICULARS OF AN INSTRUMENT
OF ALTERATION DATED 9 MARCH 2018 WERE DELIVERED
PURSUANT TO SECTION 410 OF THE COMPANIES ACT 1985
ON 14 MARCH 2018

THE INSTRUMENT RELATES TO A CHARGE CREATED ON 29
MARCH 1996

BY STEWART MILNE GROUP LIMITED

IN FAVOUR OF
THE GOVERNOR AND COMPANY OF THE BANK OF SCOTLAND

FOR SECURING ALL SUMS DUE OR TO BECOME DUE

GIVEN AT COMPANIES HOUSE, EDINBURGH 19 MARCH 2018



Companies House



**THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES**

WE CERTIFY THAT, SAVE FOR MATERIAL
REDACTED PURSUANT TO SECTION 859G
OF THE COMPANIES ACT 2006, THIS COPY
INSTRUMENT IS A CORRECT COPY OF
THE ORIGINAL INSTRUMENT

Dickson Minto W.S.
DICKSON MINTO W.S.
DATE: *14 March 2018*

STEWART MILNE GROUP LIMITED

as the Debtor

GLASGOW CITY COUNCIL

as the Priority Creditor

BANK OF SCOTLAND PLC

as the Security Agent

and

BANK OF SCOTLAND PLC

as the Lender

RANKING AGREEMENT



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RANKING AGREEMENT

among

- (1) **STEWART MILNE GROUP LIMITED**, a company incorporated under the Companies Act 2006 (registered number SC057709) and having its registered office at Peregrine House, Mosscroft Avenue, Westhill Business Park, Westhill, Aberdeen, AB32 6JQ (the "Debtor");
- (2) **GLASGOW CITY COUNCIL**, as local authority for the City of Glasgow in terms of the Local Government (Scotland) Act 1994 and having their principal offices at City Chambers, George Square, Glasgow, G2 1DU (the "Priority Creditor");
- (3) **BANK OF SCOTLAND PLC**, a company incorporated under the Companies Act 2006 (registered number SC327000) and having its registered office at The Mound, Edinburgh, EH1 1YZ as Senior Lender as defined in the Intercreditor Agreement (the "Lender"); and
- (4) **BANK OF SCOTLAND PLC**, a company incorporated under the Companies Act 2006 (registered number SC327000) and having its registered office at The Mound, Edinburgh, EH1 1YZ as security trustee for the Secured Parties (the "Security Agent").

CONSIDERING THAT:

- (a) the Debtor has granted or is about to grant in favour of the Security Agent the Security Agent Securities;
- (b) the Debtor has granted or is about to grant in favour of the Priority Creditor the Priority Creditor Fixed Security;
- (c) the Priority Creditor and the Security Agent wish to regulate the ranking of the Securities; and
- (d) the Debtor has agreed to acknowledge the terms of this Agreement.

NOW IT IS HEREBY AGREED AND DECLARED AS FOLLOWS:

1 DEFINITIONS AND INTERPRETATION

1.1 In this Agreement:

"Assets" means the whole of the property (including uncalled capital) which is or may be from time to time comprised in the Debtor's property and undertaking;

"Business Day" means a day (other than a Saturday or Sunday) on which banks are open for general business in Edinburgh, Glasgow and Aberdeen;

"Creditors" means the Priority Creditor and the Security Agent;

"Development Subjects" means ALL and WHOLE that plot or area of ground extending to 1.42 hectares or thereby and forming the site of the former St Oswalds Primary School, Brunton Street, Glasgow being the subjects shown edged red on Plan 1 which subjects form PART and PORTION of (In the First Place) ALL and WHOLE the subjects in the County of Glasgow described in Contract of Ground Annual by the Trustees of James Bunten in favour of the School Board of the Parish of Cathcart recorded in the Division of the General Register of Sasines applicable to the County of Renfrew on 24 May 1875 and (In the Second Place) ALL and WHOLE the area of ground extending to 2.592 acres or thereby more particularly described in and disposed by Disposition by MacTaggart and Mickel Limited in favour of the Corporation of the City of Glasgow registered in the Division of the General Register of Sasines applicable to the Barony and Regality of Glasgow on 9 May 1957;

"Intercreditor Agreement" means the Intercreditor Agreement dated 7 November 2013 between, amongst others, Bank of Scotland plc (as Agent, Senior Lender, Hedge Counterparty, Security Agent and Working Capital Bank), Stewart Milne Group Limited and others;

"Obligors" means each member of the Group and each Debtor, both as defined in the Intercreditor Agreement.

"Plan 1" means the plan marked "Plan 1" annexed and signed as relative hereto;

"Plan 2" means the plan marked "Plan 2" annexed and executed as relative hereto;

"Priority Creditor Debt" means all sums that may be due to the Priority Creditor in terms of paragraph 1 of Part 6 of the Schedule and paragraph 2 of Part 9 of the Schedule to the Purchase Contract and secured by the Priority Creditor Fixed Security (together with any interest on the same and any costs incurred by the Priority Creditor in recovering the same);

"Priority Creditor Fixed Security" means the standard security by the Debtor in favour of the Priority Creditor over the Priority Creditor Fixed Security Subjects executed by the Debtor on or around the date of its execution of this Agreement and about to be registered in the Land Register of Scotland;

"Priority Creditor Fixed Security Subjects" means those parts of the Development Subjects shown shaded green on Plan 2;

"Purchase Contract" means the purchase contract constituted by (i) an offer by the Priority Creditor to Morton Fraser LLP to sell the Development Subjects dated 7 October 2016; (ii) a concluding letter from Morton Fraser LLP on behalf of the Debtor dated 13 October 2016; (iii) an offer to amend the missives by the Priority Creditor to Morton Fraser LLP dated 23 November 2016; (iv) concluding letter by Morton Fraser LLP on behalf of the Debtor dated 30 November 2016; (v) an offer by Morton Fraser LLP on behalf of the Debtor to amend the missives dated 8 August 2017; and (vi) a concluding letter by the Priority Creditor dated 10 August 2017;

"Secured Obligations" means all or any money and liabilities which shall from time to time (and whether on or at any time after demand) be due, owing or incurred in whatsoever manner to the Security Agent and the other Secured Parties by the Debtor, whether actually or contingently, solely or jointly and whether as principal, guarantor, cautioner or surety including any money and liabilities of the Debtor to a third party which have been assigned or novated to or otherwise vested in the Secured Parties, and including any liability for any further advances or credit made or to be made (at the time of this Agreement or in the future) by the Secured Parties and any interest, discount, commission and other lawful charges or expenses which the Secured Parties may in the course of its business charge or incur in respect of any of those matters or for keeping the Debtor's, and so that interest shall be computed and compounded according to the usual Secured Parties rates and practice as well after as before any demand made or decree obtained;

"Secured Parties" is as defined in the Intercreditor Agreement;

"Securities" means the Security Agent Securities and the Priority Creditor Fixed Security;

"Security Agent Fixed Security" means the standard security over the Development Subjects to be granted by the Debtor in favour of the Security Agent and executed by the Debtor on or around the date of its execution of this Agreement and about to be registered in the Land Register of Scotland;

"Security Agent Floating Charge" means (a) the floating charge granted by the Debtor in favour of The Governor and Company of the Bank of Scotland dated 29 March 1996 and registered with the Registrar of Companies on 9 April 1996; (b) the floating charge granted by the Debtor in favour of the Security Agent dated 7 November 2013 and registered with the Registrar of Companies at Edinburgh on 11 November 2013 and (c) the Debenture granted by the Debtor in favour of the Security Agent dated 7 November 2013 and registered with the Registrar of Companies at Edinburgh on 11 November 2013; and

"Security Agent Securities" means the Security Agent Fixed Security and the Security Agent Floating Charge.

1.2 Unless a contrary indication appears, any reference in this Agreement to:

1.2.1 the **"Priority Creditor"** and the **"Security Agent"** shall be construed so as to include their respective successors in title, permitted assignees and permitted transferees provided such assignee or transferee undertakes in writing to the Priority Creditor and/or the Security Agent, as the case may be, to be bound by the provisions of this Agreement; and

1.2.2 a **"person"** includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality).

1.3 Unless any provision of this Agreement or the context otherwise requires, any reference in this Agreement to a provision of law is a reference to that provision as amended or re-enacted.

1.4 In this Agreement the singular includes the plural and *vice versa*. Clause headings are for ease of reference only and a reference to a Clause is to be construed as a reference to a clause of this Agreement.

1.5 Any reference in this Agreement to a document of any kind whatsoever (including this Agreement and the Purchase Contract) is to that document as amended or varied or supplemented or novated or substituted from time to time declaring however that the Debtor and the Priority Creditor shall not amend the Purchase Contract or any other contract or agreement relating to the Priority Creditor Debt without the prior written consent of the Security Agent and on no account shall the Priority Creditor Debt be increased.

2 **CONSENT TO CREATION OF SECURITIES**

Notwithstanding the date of execution, recording or registration thereof or any provisions contained therein, the Priority Creditor, the Lender and the Security Agent each hereby consent to the creation of the Securities by the Debtor.

3 **RANKING OF SECURITIES**

3.1 With effect from the last date of execution of this Agreement, the Securities shall rank *inter se* in point of security in the following order of priority.

3.1.1 the Priority Creditor Fixed Security to the extent of the Priority Creditor Debt;

- 3.1.2 the Security Agent Fixed Security to the extent of the Secured Obligations;
and
 - 3.1.3 the Security Agent Floating Charge to the extent of the balance (if any) of
the Secured Obligations.
- 3.2 The ranking and priority set out in Clause 3.1 shall take effect notwithstanding any
of the following:
- 3.2.1 the nature of the securities created by the Security Agent Securities and the
Priority Creditor Fixed Security and the dates of execution, perfection or
registration of them;
 - 3.2.2 any provision contained in any of the Securities;
 - 3.2.3 the date or dates on which sums have been or may be advanced or become
due, owing or payable under the Security Agent Securities and, the Priority
Creditor Fixed Security, respectively;
 - 3.2.4 any fluctuation from time to time in the amounts secured by the Security
Agent Securities and the Priority Creditor Fixed Security including any
reduction of those amounts to nil;
 - 3.2.5 the existence of any credit balance on any current or other account of any of
the Obligors with the Security Agent;
 - 3.2.6 the appointment of a liquidator, administrative receiver, receiver,
administrator or other similar officer in respect of the Debtor or any of the
other Obligors or over all or any part of the Assets;
 - 3.2.7 the granting of time or any other indulgence to the Debtor or any of the other
Obligors or any other person or the release, compounding or otherwise
dealing with the Debtor or any of the other Obligors or any other person;
 - 3.2.8 the taking, variation, compromise, renewal or release of, or refusal or neglect
to perfect or enforce any rights or remedies against the Debtor or any of the
other Obligors or any other person by the Security Agent; or
 - 3.2.9 the provisions of Section 13 of the Conveyancing and Feudal Reform
(Scotland) Act 1970, Sections 464 and 466 of the Companies Act 1985 or
any other rule of law which might operate to the contrary.
- 3.3. Without prejudice to the other provisions of this Agreement, the Security Agent shall
have and retain the right to exercise full discretion as to:
- 3.3.1. the order in which it enforces any one or more of the Security Agent Securities;
 - 3.3.2. whether to enforce any one or more of the Security Agent Securities without
enforcing the others; and
 - 3.3.3. the order in which the amounts due to it are applied in satisfaction of the
amounts secured under the Security Agent Securities or any of them.

4 SECURITY TO BE CONTINUING

The Securities shall rank as provided in this Agreement as continuing securities for repayment of the amounts owing to each of the Priority Creditor and the Secured Parties from time to time by the Debtor or by any person or company whose obligations to the Priority Creditor or the Security Agent are guaranteed by the Debtor.

5 VARIATIONS OF SECURITIES

Insofar as necessary to give effect to the provisions of this Agreement, the Securities are hereby varied and this Agreement shall constitute:

- 5.1 an instrument of alteration for the purposes of Section 466 of the Companies Act 1985; and
- 5.2 a variation of a standard security within the meaning of Section 16 of the Conveyancing and Feudal Reform (Scotland) Act 1970.

6 EXERCISE OF RIGHTS

Whilst any sums remain outstanding to the Secured Parties which are subject to the Security Agent Securities, the Priority Creditor undertakes to the Security Agent that it shall, in respect of the Debtor consult with (but not be bound to act on the views of) the Security Agent for a period of not less than 14 days prior to:

- 6.1 initiating any insolvency procedures in relation to the Debtor including for the avoidance of doubt applying to the Court to appoint a liquidator; or
- 6.2 exercising its rights on default pursuant to the Priority Creditor Fixed Security.

7 COMPENSATION

- 7.1 Each of the Creditors hereby undertakes to the others that in the event of a liquidator or administrator of the Debtor or a receiver of all or any part of its assets distributing the proceeds of sale of those assets otherwise than in accordance with the terms of this Agreement and the other being prejudiced thereby, it will compensate the party so prejudiced to the extent to which it is *lucratus* by such prejudice, but no further.
- 7.2 No purchaser dealing with any of the Creditors or with a receiver appointed by any of them shall be concerned in any way with the provisions of this Agreement but shall assume that such Creditor or receiver as the case may be is acting in accordance with the provisions of this Agreement and the Securities.

8 AUTHORITY TO RELEASE INFORMATION

During the continuance of each of the Priority Creditor Fixed Security and the Security Agent Securities, the Priority Creditor and the Security Agent may disclose to each other information concerning the Debtor and its affairs in such manner and to such

extent as the Priority Creditor and the Security Agent may wish and the Debtor consents to such disclosure.

9 OTHER SECURITIES

- 9.1 For the avoidance of doubt, the parties acknowledge and agree that the ranking of the Securities shall not be prejudiced or affected in any way by any right competent to any of the parties to this Agreement to recover all or any part of the sums secured by the Securities from any third party, cautioner or guarantor.
- 9.2 The Debtor undertakes to the Security Agent that it shall not grant any further security, charge or other encumbrance over any of the Assets including but without prejudice to the foregoing generality its heritable, real or leasehold property without the prior written consent of the Security Agent.
- 9.3 The Debtor undertakes to the Priority Creditor that it shall not grant any further security, charge or encumbrance over the Priority Creditor Fixed Security Subjects without the prior written consent of the Priority Creditor, declaring however that no consent will be required in the case of further security, charge of encumbrance over the Development Subjects in favour of the Security Agent where that further security ranks subsequent to the Priority Creditor Fixed Security and does not prejudice the ability of the Priority Creditor or its successors to enforce the same.
- 9.4 Each of the Creditors undertakes that it will not transfer the benefit of any of the Securities unless the proposed transferee undertakes to be bound by the provisions of this Agreement.
- 9.5 The Security Agent shall be entitled at any time at its discretion and without consulting the Debtor or the Priority Creditor to transact and deal with any other securities or guarantees of any kind that may be held by it in respect of the Debtor's or any of the other Obligors' obligations to it and may sell, dispose of or realise such other securities in any order which it may determine and this Agreement shall remain in full force and effect notwithstanding such transactions or dealings.

10. PREFERENTIAL PAYMENTS

The foregoing provisions as to ranking shall not prejudice the right of the Security Agent to receive payments to which a preference attaches in terms of Sections 175 and 386 and Schedule 6 to the Insolvency Act 1986, provided that any such preferential payments received by the Security Agent shall not be deemed to have been applied towards repayment of the Secured Obligations for the purposes of calculating the extent of any priority to which the Security Agent is entitled under Clause 3 (Ranking of Securities).

11 DISCHARGE

In the event that it is agreed or determined that no sums in respect of which the Priority Creditor Fixed Security have been granted are due or payable, the Priority Creditor undertakes to deliver a valid discharge of the Priority Creditor Fixed Security as soon as reasonably practicable following request to do so and in that event the parties hereto agree that the terms of this Ranking Agreement shall be of no effect with the parties being obliged to take such steps as may be required to give effect to the foregoing statement.

12 NOTICE

12.1 Communications in writing

Any communication to be made under or in connection with this Agreement shall be made in writing and, unless otherwise stated, may be made by fax (provided the party has provided a fax number below) or letter.

12.2 Addresses

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of the parties for any communication or document to be made or delivered under or in connection with this Agreement:

12.2.1 in the case of the Debtor:

Address:



Attention:

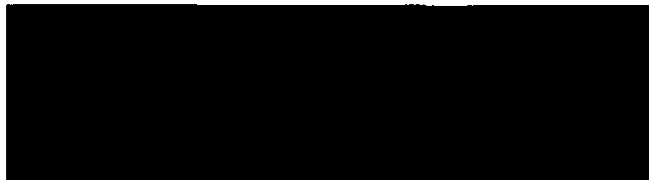
Stuart MacGregor

Facsimile:



12.2.2 in the case of the Priority Creditor:

Address:



Attention:

12.2.4 in the case of the Security Agent:

Address:



Attention:

Steven Kerr

or any substitute address or fax number or department or officer as an party may notify to each of the other parties by not less than 5 Business Days' notice.

12.3 Delivery

Any communication or document made or delivered by one person to another under or in connection with this Agreement will only be effective:

12.3.1 if by way of fax, when received in legible form; or

12.3.2 if by way of letter, when it has been left at the relevant address or 5 Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address;

and, if a particular department or officer is specified as part of its address details provided under Clause 12.2 (Addresses), if addressed to that department or officer.

12.4 English language

Any notice given under or in connection with this Agreement must be in English.

13. GOVERNING LAW

This Agreement shall be governed by, and construed in all respects in accordance with, the law of Scotland.

14. CONSENT TO REGISTRATION

The parties to this Agreement consent to its registration for preservation: IN WITNESS WHEREOF these presents consisting of this and the preceding eight pages and the two plans annexed are executed as follows:

THE DEBTOR
SUBSCRIBED for and on behalf of
the said STEWART MILNE GROUP
LIMITED

at

on

by

Print Full Name
before this witness

Director/Authorised Signatory

Print Full Name
Address

Witness

THE PRIORITY CREDITOR
SUBSCRIBED for and on behalf of
GLASGOW CITY COUNCIL

at

on

by

Print Full Name
before this witness

Director

Print Full Name
Address

Witness

THE SECURITY AGENT

SUBSCRIBED for and on behalf of
the said BANK OF SCOTLAND PLC
as Security Agent
at EDINBURGH

on 9 MARCH 2018

by STEVEN KERK

Print Full Name
before this witness

MEGAN GAIRNS

Print Full Name

Address

[Redacted Address]

[Redacted Signature]

Authorised Signatory

[Redacted Address]

THE LENDER

SUBSCRIBED for and on behalf of
the said BANK OF SCOTLAND PLC
as Lender
at EDINBURGH

on 9 MARCH 2018

by STEVEN KERK

Print Full Name
before this witness

MEGAN GAIRNS

Print Full Name

Address

[Redacted Address]

[Redacted Signature]

Authorised Signatory

[Redacted Address]

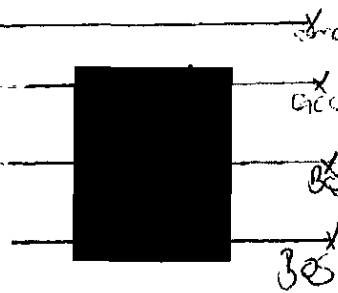
This is Plan 1 referred to in the foregoing Ranking Agreement among Stewart Milne Group Limited, Glasgow City Council,

Bank of Scotland plc (as Security Agent) and Bank of Scotland plc (as the Lender)

**GLASGOW CITY COUNCIL
DEVELOPMENT AND
REGENERATION SERVICES**
231 GEORGE STREET, GLASGOW G1 1RX
Executive Director
Richard Brown

**FORMER ST. OSWALDS SECONDARY
83 BRUNTON STREET, GLASGOW**

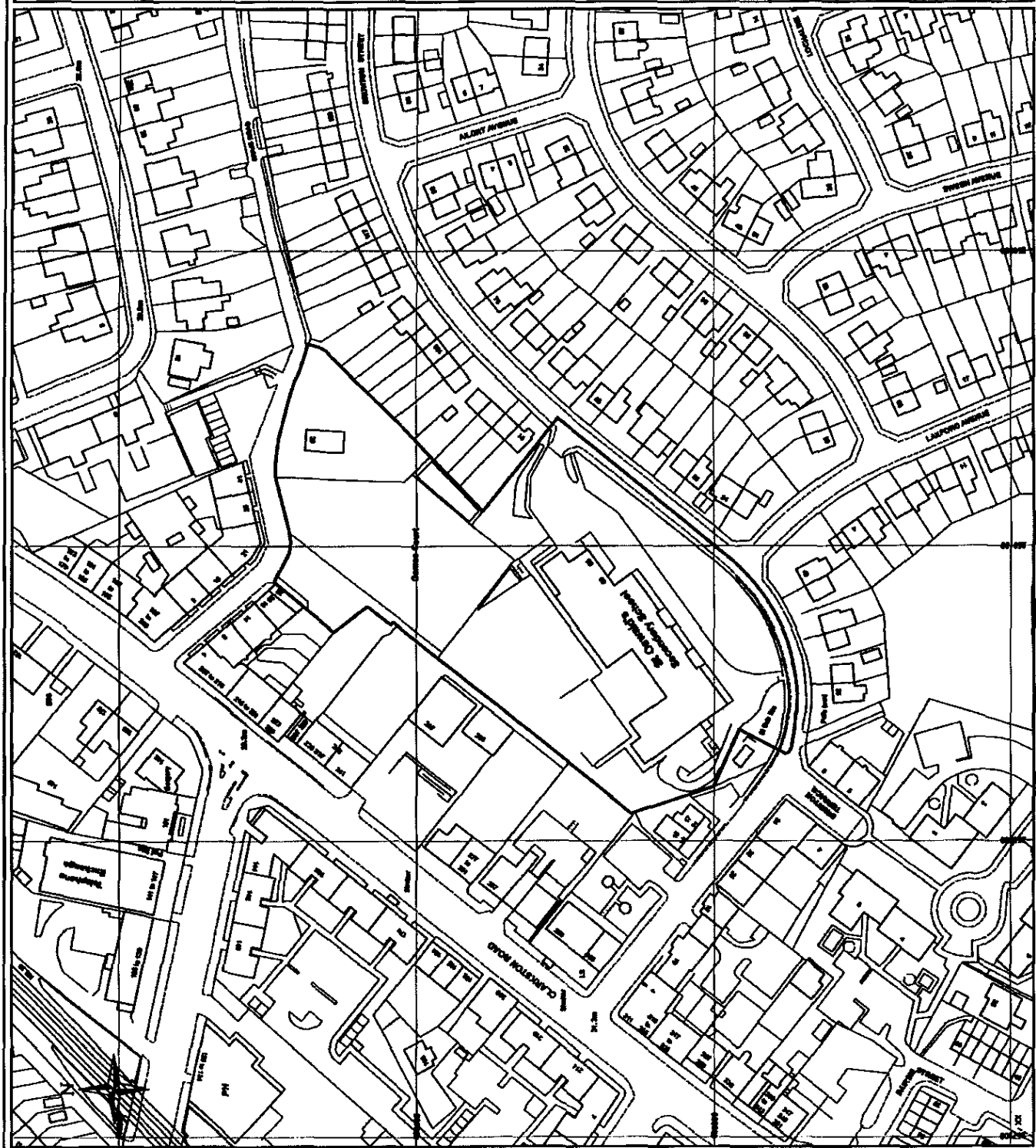
Contents within the boundaries coloured
Red, 1.42 ha or thereby



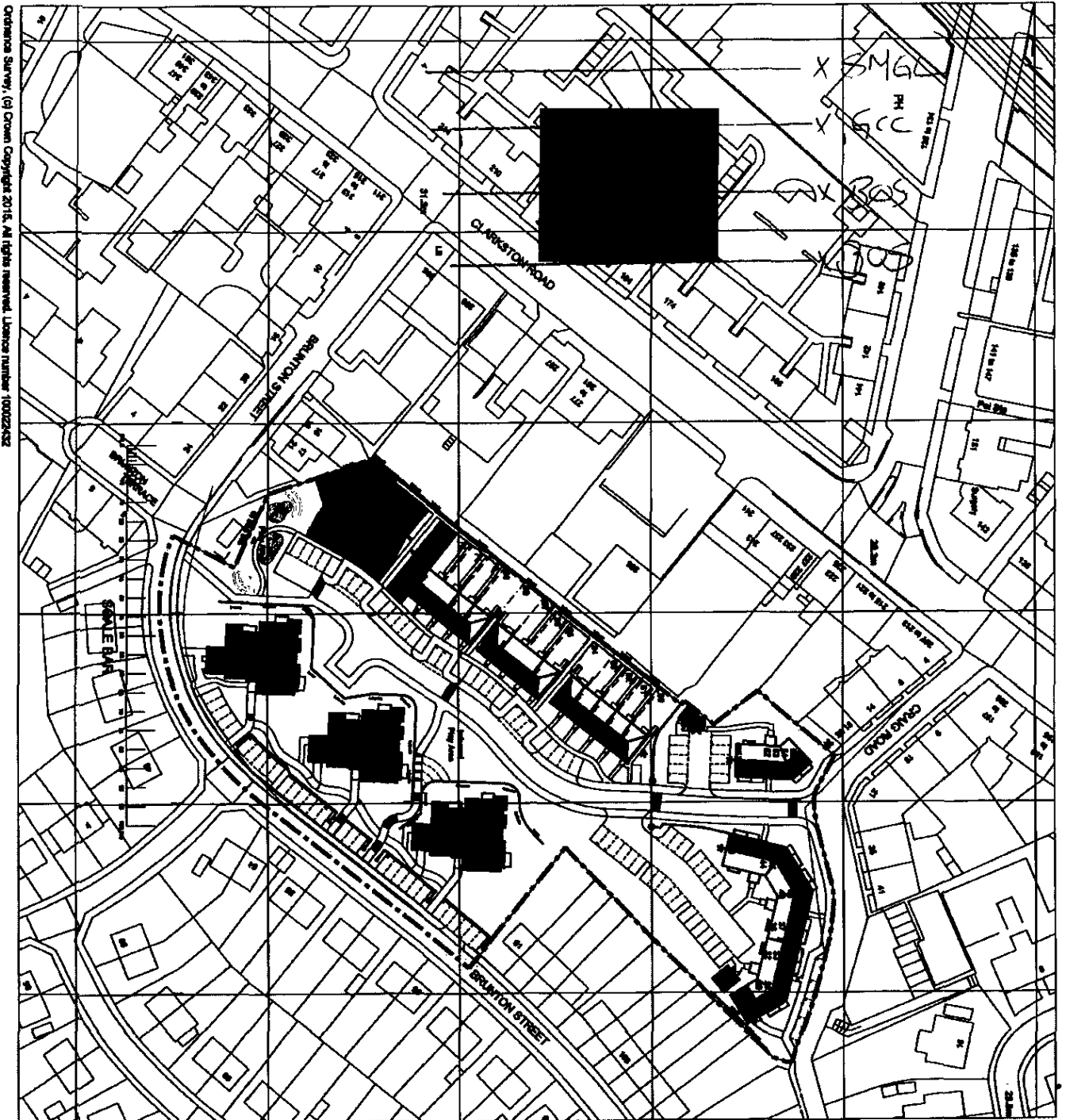
This is the plan referred to in the foregoing
Disposition by Glasgow City Council in favour of
Stewart Milne Group Limited

DRG NO	J03541	REV	
CREATED	JTH	SCALE	1:1,250 @ A3
CG SHEET	NS34005W	NORS REF	
FILE		LEGAL FILE	
AREA	1.42 ha	DATE	06/06/2018
BUNDLE No	X3 EDUC 008		

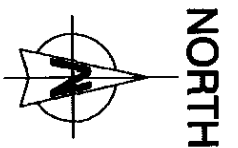
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This is Plan 2 referred to in the foregoing Ranking Agreement among Stewart Milne Group Limited, Glasgow City Council, Bank of Scotland plc (as Security Agent) and Bank of Scotland plc (as the Lender)



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Area secured against overage
provision - plots 73-77

NO	REVISION	DATE	BY	CHECKED BY
1	SECURITY PLAN LAYOUT TO SHOW AREA'S CLAIM BY NORTH POINT			

STEWART Milne
HOMES

STEWART MILNE HOMES

Island House
Kilmarnock Park
Tannochside Business Park
Liddington
Tannochside & STEWART HOMES

PROJECT
ST OSWALDS
CATHCART

SECURITY PLAN LAYOUT

DATE	16.12.17	SCALE	3000:05	DATE	16.12.17
BY	AM	SCALE	1:10000:43	DATE	16.12.17
REVISION	A	SCALE		DATE	

WE CERTIFY THAT, SAVE FOR MATERIAL
REDACTED PURSUANT TO SECTION 859G
OF THE COMPANIES ACT 2006, THIS COPY
INSTRUMENT IS A CORRECT COPY OF
THE ORIGINAL INSTRUMENT

Dickson Minto W.S.

DICKSON MINTO W.S.

DATE: *14 March 2018*

STEWART MILNE GROUP LIMITED

as the Debtor

GLASGOW CITY COUNCIL

as the Priority Creditor

BANK OF SCOTLAND PLC

as the Security Agent

and

BANK OF SCOTLAND PLC

as the Lender

RANKING AGREEMENT



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RANKING AGREEMENT

among

- (1) **STEWART MILNE GROUP LIMITED**, a company incorporated under the Companies Act 2006 (registered number SC057709) and having its registered office at Peregrine House, Mosscroft Avenue, Westhill Business Park, Westhill, Aberdeen, AB32 6JQ (the “Debtor”);
- (2) **GLASGOW CITY COUNCIL**, as local authority for the City of Glasgow in terms of the Local Government (Scotland) Act 1994 and having their principal offices at City Chambers, George Square, Glasgow, G2 1DU (the “Priority Creditor”);
- (3) **BANK OF SCOTLAND PLC**, a company incorporated under the Companies Act 2006 (registered number SC327000) and having its registered office at The Mound, Edinburgh, EH1 1YZ as Senior Lender as defined in the Intercreditor Agreement (the “Lender”); and
- (4) **BANK OF SCOTLAND PLC**, a company incorporated under the Companies Act 2006 (registered number SC327000) and having its registered office at The Mound, Edinburgh, EH1 1YZ as security trustee for the Secured Parties (the “Security Agent”).

CONSIDERING THAT:

- (a) the Debtor has granted or is about to grant in favour of the Security Agent the Security Agent Securities;
- (b) the Debtor has granted or is about to grant in favour of the Priority Creditor the Priority Creditor Fixed Security;
- (c) the Priority Creditor and the Security Agent wish to regulate the ranking of the Securities; and
- (d) the Debtor has agreed to acknowledge the terms of this Agreement.

NOW IT IS HEREBY AGREED AND DECLARED AS FOLLOWS:

1 DEFINITIONS AND INTERPRETATION

1.1 In this Agreement:

“Assets” means the whole of the property (including uncalled capital) which is or may be from time to time comprised in the Debtor’s property and undertaking;

"Business Day" means a day (other than a Saturday or Sunday) on which banks are open for general business in Edinburgh, Glasgow and Aberdeen;

"Creditors" means the Priority Creditor and the Security Agent;

"Development Subjects" means ALL and WHOLE that plot or area of ground extending to 1.42 hectares or thereby and forming the site of the former St Oswalds Primary School, Brunton Street, Glasgow being the subjects shown edged red on Plan 1 which subjects form PART and PORTION of (In the First Place) ALL and WHOLE the subjects in the County of Glasgow described in Contract of Ground Annual by the Trustees of James Bunten in favour of the School Board of the Parish of Cathcart recorded in the Division of the General Register of Sasines applicable to the County of Renfrew on 24 May 1875 and (In the Second Place) ALL and WHOLE the area of ground extending to 2.592 acres or thereby more particularly described in and disposed by Disposition by MacTaggart and Mickel Limited in favour of the Corporation of the City of Glasgow registered in the Division of the General Register of Sasines applicable to the Barony and Regality of Glasgow on 9 May 1957;

"Intercreditor Agreement" means the Intercreditor Agreement dated 7 November 2013 between, amongst others, Bank of Scotland plc (as Agent, Senior Lender, Hedge Counterparty, Security Agent and Working Capital Bank), Stewart Milne Group Limited and others;

"Obligors" means each member of the Group and each Debtor, both as defined in the Intercreditor Agreement.

"Plan 1" means the plan marked "Plan 1" annexed and signed as relative hereto;

"Plan 2" means the plan marked "Plan 2" annexed and executed as relative hereto;

"Priority Creditor Debt" means all sums that may be due to the Priority Creditor in terms of paragraph 1 of Part 6 of the Schedule and paragraph 2 of Part 9 of the Schedule to the Purchase Contract and secured by the Priority Creditor Fixed Security (together with any interest on the same and any costs incurred by the Priority Creditor in recovering the same);

"Priority Creditor Fixed Security" means the standard security by the Debtor in favour of the Priority Creditor over the Priority Creditor Fixed Security Subjects executed by the Debtor on or around the date of its execution of this Agreement and about to be registered in the Land Register of Scotland;

“Priority Creditor Fixed Security Subjects” means those parts of the Development Subjects shown shaded green on Plan 2;

“Purchase Contract” means the purchase contract constituted by (i) an offer by the Priority Creditor to Morton Fraser LLP to sell the Development Subjects dated 7 October 2016; (ii) a concluding letter from Morton Fraser LLP on behalf of the Debtor dated 13 October 2016; (iii) an offer to amend the missives by the Priority Creditor to Morton Fraser LLP dated 23 November 2016; (iv) concluding letter by Morton Fraser LLP on behalf of the Debtor dated 30 November 2016; (v) an offer by Morton Fraser LLP on behalf of the Debtor to amend the missives dated 8 August 2017; and (vi) a concluding letter by the Priority Creditor dated 10 August 2017;

“Secured Obligations” means all or any money and liabilities which shall from time to time (and whether on or at any time after demand) be due, owing or incurred in whatsoever manner to the Security Agent and the other Secured Parties by the Debtor, whether actually or contingently, solely or jointly and whether as principal, guarantor, cautioner or surety including any money and liabilities of the Debtor to a third party which have been assigned or novated to or otherwise vested in the Secured Parties, and including any liability for any further advances or credit made or to be made (at the time of this Agreement or in the future) by the Secured Parties and any interest, discount, commission and other lawful charges or expenses which the Secured Parties may in the course of its business charge or incur in respect of any of those matters or for keeping the Debtor's, and so that interest shall be computed and compounded according to the usual Secured Parties rates and practice as well after as before any demand made or decree obtained;

“Secured Parties” is as defined in the Intercreditor Agreement;

“Securities” means the Security Agent Securities and the Priority Creditor Fixed Security;

“Security Agent Fixed Security” means the standard security over the Development Subjects to be granted by the Debtor in favour of the Security Agent and executed by the Debtor on or around the date of its execution of this Agreement and about to be registered in the Land Register of Scotland;

“Security Agent Floating Charge” means (a) the floating charge granted by the Debtor in favour of The Governor and Company of the Bank of Scotland dated 29 March 1996 and registered with the Registrar of Companies on 9 April 1996; (b) the floating charge granted by the Debtor in favour of the Security Agent dated 7 November 2013 and registered with the Registrar of Companies at Edinburgh on 11 November 2013 and (c) the Debenture granted by the Debtor in favour of the Security Agent dated 7 November 2013 and registered with the Registrar of Companies at Edinburgh on 11 November 2013; and

"Security Agent Securities" means the Security Agent Fixed Security and the Security Agent Floating Charge.

1.2 Unless a contrary indication appears, any reference in this Agreement to:

1.2.1 the **"Priority Creditor"** and the **"Security Agent"** shall be construed so as to include their respective successors in title, permitted assignees and permitted transferees provided such assignee or transferee undertakes in writing to the Priority Creditor and/or the Security Agent, as the case may be, to be bound by the provisions of this Agreement; and

1.2.2 a **"person"** includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality).

1.3 Unless any provision of this Agreement or the context otherwise requires, any reference in this Agreement to a provision of law is a reference to that provision as amended or re-enacted.

1.4 In this Agreement the singular includes the plural and *vice versa*. Clause headings are for ease of reference only and a reference to a Clause is to be construed as a reference to a clause of this Agreement.

1.5 Any reference in this Agreement to a document of any kind whatsoever (including this Agreement and the Purchase Contract) is to that document as amended or varied or supplemented or novated or substituted from time to time declaring however that the Debtor and the Priority Creditor shall not amend the Purchase Contract or any other contract or agreement relating to the Priority Creditor Debt without the prior written consent of the Security Agent and on no account shall the Priority Creditor Debt be increased.

2 CONSENT TO CREATION OF SECURITIES

Notwithstanding the date of execution, recording or registration thereof or any provisions contained therein, the Priority Creditor, the Lender and the Security Agent each hereby consent to the creation of the Securities by the Debtor.

3 RANKING OF SECURITIES

3.1 With effect from the last date of execution of this Agreement, the Securities shall rank *inter se* in point of security in the following order of priority.

3.1.1 the Priority Creditor Fixed Security to the extent of the Priority Creditor Debt;

- 3.1.2 the Security Agent Fixed Security to the extent of the Secured Obligations;
and
 - 3.1.3 the Security Agent Floating Charge to the extent of the balance (if any) of
the Secured Obligations.
- 3.2 The ranking and priority set out in Clause 3.1 shall take effect notwithstanding any
of the following:
- 3.2.1 the nature of the securities created by the Security Agent Securities and the
Priority Creditor Fixed Security and the dates of execution, perfection or
registration of them;
 - 3.2.2 any provision contained in any of the Securities;
 - 3.2.3 the date or dates on which sums have been or may be advanced or become
due, owing or payable under the Security Agent Securities and, the Priority
Creditor Fixed Security, respectively;
 - 3.2.4 any fluctuation from time to time in the amounts secured by the Security
Agent Securities and the Priority Creditor Fixed Security including any
reduction of those amounts to nil;
 - 3.2.5 the existence of any credit balance on any current or other account of any of
the Obligors with the Security Agent;
 - 3.2.6 the appointment of a liquidator, administrative receiver, receiver,
administrator or other similar officer in respect of the Debtor or any of the
other Obligors or over all or any part of the Assets;
 - 3.2.7 the granting of time or any other indulgence to the Debtor or any of the other
Obligors or any other person or the release, compounding or otherwise
dealing with the Debtor or any of the other Obligors or any other person;
 - 3.2.8 the taking, variation, compromise, renewal or release of, or refusal or neglect
to perfect or enforce any rights or remedies against the Debtor or any of the
other Obligors or any other person by the Security Agent; or
 - 3.2.9 the provisions of Section 13 of the Conveyancing and Feudal Reform
(Scotland) Act 1970, Sections 464 and 466 of the Companies Act 1985 or
any other rule of law which might operate to the contrary.
- 3.3. Without prejudice to the other provisions of this Agreement, the Security Agent shall
have and retain the right to exercise full discretion as to:
- 3.3.1. the order in which it enforces any one or more of the Security Agent Securities;
 - 3.3.2. whether to enforce any one or more of the Security Agent Securities without
enforcing the others; and
 - 3.3.3. the order in which the amounts due to it are applied in satisfaction of the
amounts secured under the Security Agent Securities or any of them.

4 SECURITY TO BE CONTINUING

The Securities shall rank as provided in this Agreement as continuing securities for repayment of the amounts owing to each of the Priority Creditor and the Secured Parties from time to time by the Debtor or by any person or company whose obligations to the Priority Creditor or the Security Agent are guaranteed by the Debtor.

5 VARIATIONS OF SECURITIES

Insofar as necessary to give effect to the provisions of this Agreement, the Securities are hereby varied and this Agreement shall constitute:

- 5.1 an instrument of alteration for the purposes of Section 466 of the Companies Act 1985; and
- 5.2 a variation of a standard security within the meaning of Section 16 of the Conveyancing and Feudal Reform (Scotland) Act 1970.

6 EXERCISE OF RIGHTS

Whilst any sums remain outstanding to the Secured Parties which are subject to the Security Agent Securities, the Priority Creditor undertakes to the Security Agent that it shall, in respect of the Debtor consult with (but not be bound to act on the views of) the Security Agent for a period of not less than 14 days prior to:

- 6.1 initiating any insolvency procedures in relation to the Debtor including for the avoidance of doubt applying to the Court to appoint a liquidator; or
- 6.2 exercising its rights on default pursuant to the Priority Creditor Fixed Security.

7 COMPENSATION

- 7.1 Each of the Creditors hereby undertakes to the others that in the event of a liquidator or administrator of the Debtor or a receiver of all or any part of its assets distributing the proceeds of sale of those assets otherwise than in accordance with the terms of this Agreement and the other being prejudiced thereby, it will compensate the party so prejudiced to the extent to which it is *lucratus* by such prejudice, but no further.
- 7.2 No purchaser dealing with any of the Creditors or with a receiver appointed by any of them shall be concerned in any way with the provisions of this Agreement but shall assume that such Creditor or receiver as the case may be is acting in accordance with the provisions of this Agreement and the Securities.

8 AUTHORITY TO RELEASE INFORMATION

During the continuance of each of the Priority Creditor Fixed Security and the Security Agent Securities, the Priority Creditor and the Security Agent may disclose to each other information concerning the Debtor and its affairs in such manner and to such

extent as the Priority Creditor and the Security Agent may wish and the Debtor consents to such disclosure.

9 OTHER SECURITIES

9.1 For the avoidance of doubt, the parties acknowledge and agree that the ranking of the Securities shall not be prejudiced or affected in any way by any right competent to any of the parties to this Agreement to recover all or any part of the sums secured by the Securities from any third party, cautioner or guarantor.

9.2 The Debtor undertakes to the Security Agent that it shall not grant any further security, charge or other encumbrance over any of the Assets including but without prejudice to the foregoing generality its heritable, real or leasehold property without the prior written consent of the Security Agent.

9.3 The Debtor undertakes to the Priority Creditor that it shall not grant any further security, charge or encumbrance over the Priority Creditor Fixed Security Subjects without the prior written consent of the Priority Creditor, declaring however that no consent will be required in the case of further security, charge or encumbrance over the Development Subjects in favour of the Security Agent where that further security ranks subsequent to the Priority Creditor Fixed Security and does not prejudice the ability of the Priority Creditor or its successors to enforce the same.

9.4 Each of the Creditors undertakes that it will not transfer the benefit of any of the Securities unless the proposed transferee undertakes to be bound by the provisions of this Agreement.

9.5 The Security Agent shall be entitled at any time at its discretion and without consulting the Debtor or the Priority Creditor to transact and deal with any other securities or guarantees of any kind that may be held by it in respect of the Debtor's or any of the other Obligors' obligations to it and may sell, dispose of or realise such other securities in any order which it may determine and this Agreement shall remain in full force and effect notwithstanding such transactions or dealings.

10. PREFERENTIAL PAYMENTS

The foregoing provisions as to ranking shall not prejudice the right of the Security Agent to receive payments to which a preference attaches in terms of Sections 175 and 386 and Schedule 6 to the Insolvency Act 1986, provided that any such preferential payments received by the Security Agent shall not be deemed to have been applied towards repayment of the Secured Obligations for the purposes of calculating the extent of any priority to which the Security Agent is entitled under Clause 3 (Ranking of Securities).

11 DISCHARGE

In the event that it is agreed or determined that no sums in respect of which the Priority Creditor Fixed Security have been granted are due or payable, the Priority Creditor undertakes to deliver a valid discharge of the Priority Creditor Fixed Security as soon as reasonably practicable following request to do so and in that event the parties hereto agree that the terms of this Ranking Agreement shall be of no effect with the parties being obliged to take such steps as may be required to give effect to the foregoing statement.

12 NOTICE

12.1 Communications in writing

Any communication to be made under or in connection with this Agreement shall be made in writing and, unless otherwise stated, may be made by fax (provided the party has provided a fax number below) or letter.

12.2 Addresses

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of the parties for any communication or document to be made or delivered under or in connection with this Agreement:

12.2.1 in the case of the Debtor:

Address:

[REDACTED]

Attention:

Stuart MacGregor

Facsimile:

[REDACTED]

12.2.2 in the case of the Priority Creditor:

Address:

[REDACTED]

Attention:

[REDACTED]

12.2.4 in the case of the Security Agent:

Address:



Attention: Steven Kerr

or any substitute address or fax number or department or officer as an party may notify to each of the other parties by not less than 5 Business Days' notice.

12.3 Delivery

Any communication or document made or delivered by one person to another under or in connection with this Agreement will only be effective:

- 12.3.1 if by way of fax, when received in legible form; or
- 12.3.2 if by way of letter, when it has been left at the relevant address or 5 Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address;

and, if a particular department or officer is specified as part of its address details provided under Clause 12.2 (Addresses), if addressed to that department or officer.

12.4 English language

Any notice given under or in connection with this Agreement must be in English.

13. GOVERNING LAW

This Agreement shall be governed by, and construed in all respects in accordance with, the law of Scotland.

14. CONSENT TO REGISTRATION

The parties to this Agreement consent to its registration for preservation: IN WITNESS WHEREOF these presents consisting of this and the preceding eight pages and the two plans annexed are executed as follows:

THE DEBTOR
SUBSCRIBED for and on behalf of
the said STEWART MILNE GROUP
LIMITED

at

on

by

Print Full Name
before this witness

Director/Authorised Signatory

Print Full Name
Address

Witness

THE PRIORITY CREDITOR
SUBSCRIBED for and on behalf of
GLASGOW CITY COUNCIL
at GLASGOW

on 8th MARCH 2018

by PAULINE MARIE BRADSHAW

Print Full Name LEGAL MANAGER
before this witness

CONNOR PAUL MACGILLIVRAY

Print Full Name

Address

[REDACTED ADDRESS]

[REDACTED SIGNATURE]

Director AND PROPER OFFICER, GLASGOW
CITY COUNCIL

[REDACTED SIGNATURE]

Witness

THE SECURITY AGENT

SUBSCRIBED for and on behalf of
the said BANK OF SCOTLAND PLC
as Security Agent
at

on

by

Print Full Name
before this witness

Authorised Signatory

Print Full Name
Address

Witness

THE LENDER

SUBSCRIBED for and on behalf of
the said BANK OF SCOTLAND PLC
as Lender
at

on

by

Print Full Name
before this witness

Authorised Signatory

Print Full Name
Address

Witness



GLASGOW CITY COUNCIL
DEVELOPMENT AND
REGENERATION SERVICES
 231 GEORGE STREET, GLASGOW G1 1RX
 Executive Director
 Richard Brown

FORMER ST. OSWALDS SECONDARY
83 BRUNTON STREET, GLASGOW

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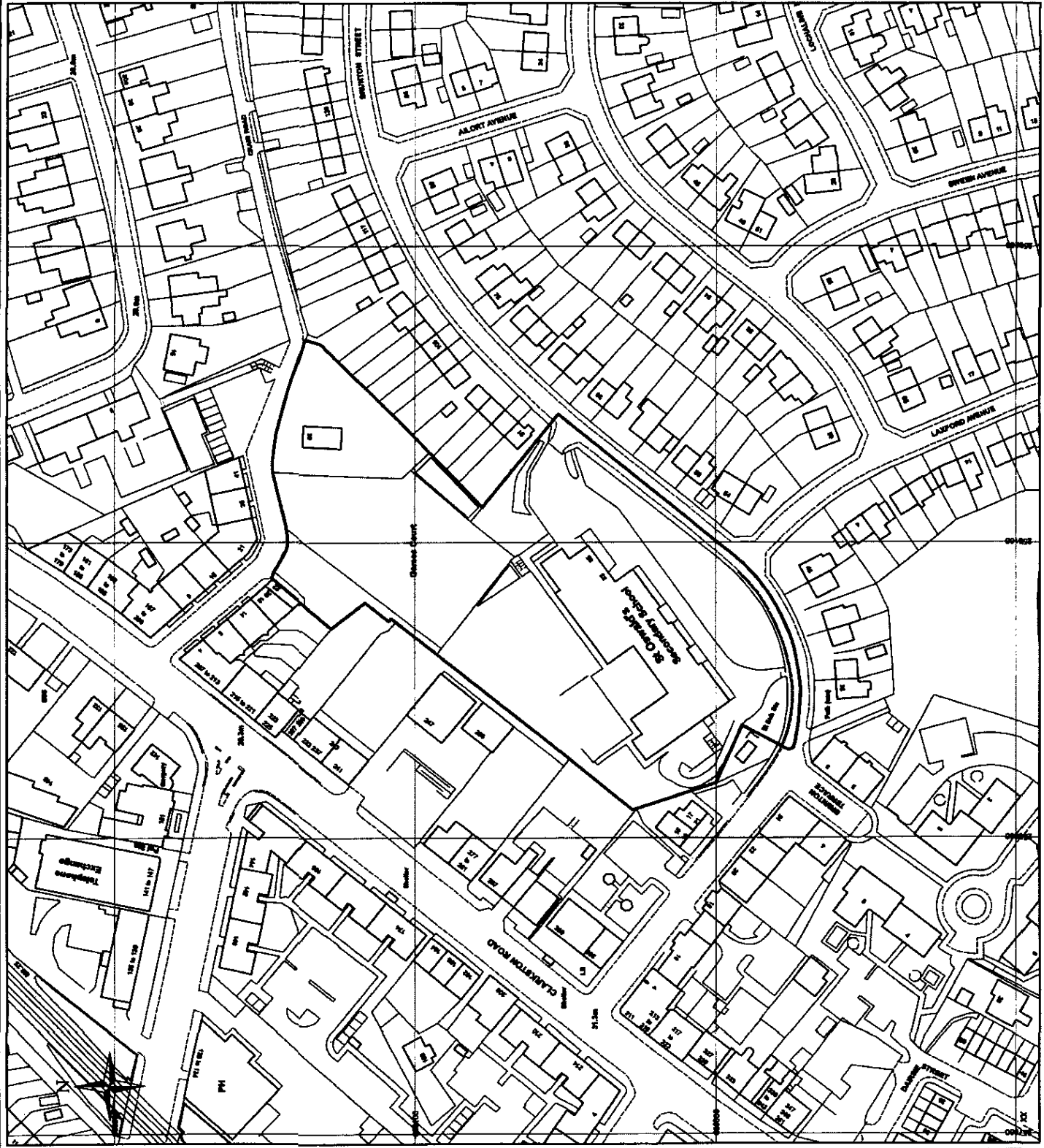
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Glasgow City Council and
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**This is the plan referred to in the foregoing
Disposition by Glasgow City Council in favour of
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DRG NO	J83644	REV	
CREATED	JTH	SCALE	1:1,250 @ A3
OS SHEET	NS800SW	NORS REF	
FILE		LEGAL FILE	
AREA	1.42 ha	DATE	06/06/2016
BUNDLE No	X3, EDUC 036		

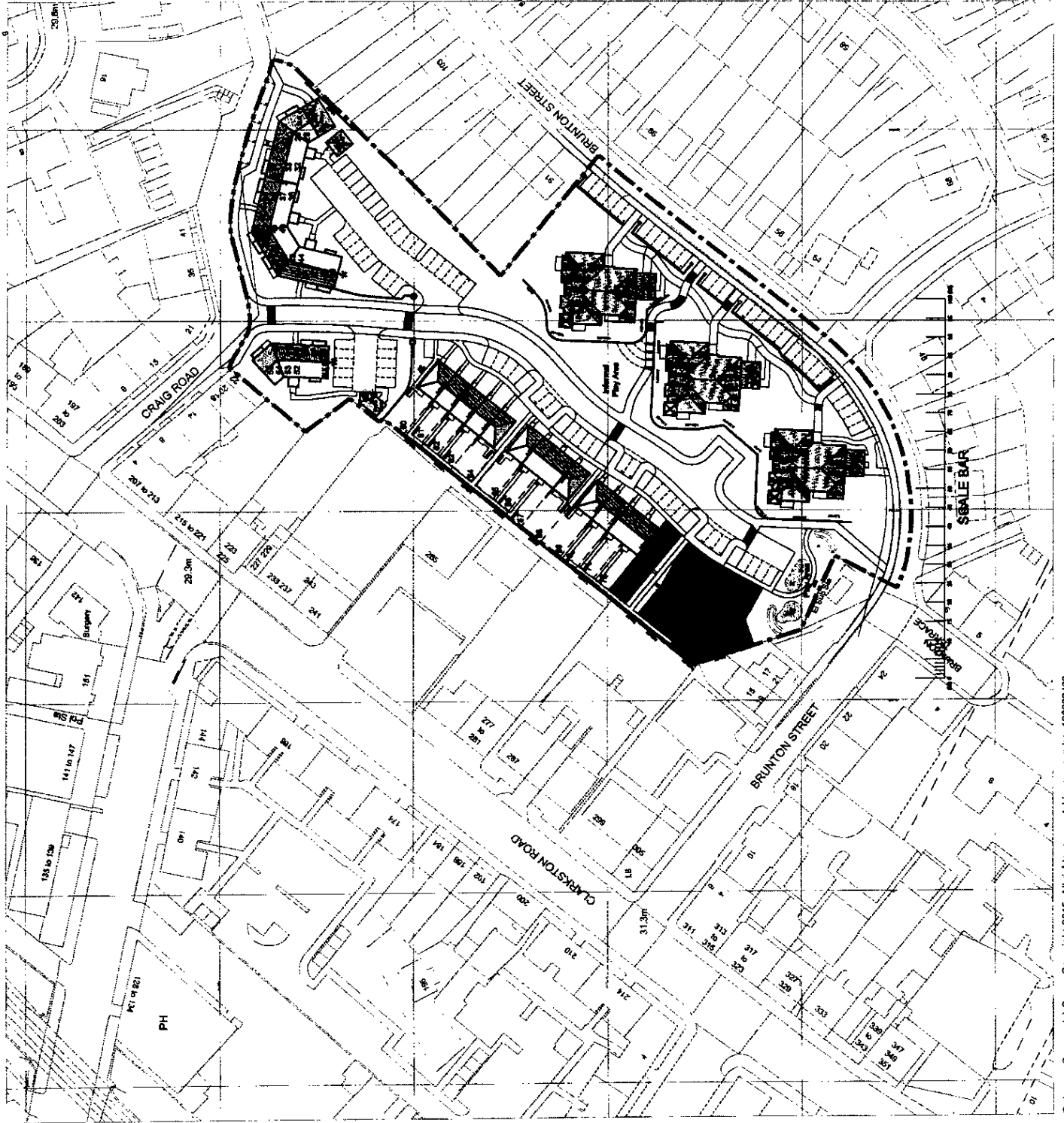
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This is Plan 2
 referred to in the foregoing
 Raising Agreement
 between Stewart Milne
 Group Limited, Glasgow
 City Council and Bank
 of Scotland plc



Area secured against overage
 provision - plots 73-77



STEWART
Milne
 HOMES

STEWART MILNE HOMES
 Kestrel House
 Kilmartin Place
 Tannochside Business Park
 Uddingston
 Telephone: 01886 804804

PROJECT
 ST OSWALDS
 CATHCART

DRAWING DESCRIPTION
 SECURITY PLAN LAYOUT

DATE	FILE NO	DRAWING NO
15.12.17	39995-05	SOC-ARC021
DRAWN BY	SCALE	
AM	1:1000@A3	
REVISION		

WE CERTIFY THAT, SAVE FOR MATERIAL
REDACTED PURSUANT TO SECTION 859G
OF THE COMPANIES ACT 2006, THIS COPY
INSTRUMENT IS A CORRECT COPY OF
THE ORIGINAL INSTRUMENT

Dickson Milne Ltd.
DICKSON MILNE
DATE: 14 March 2018

STEWART MILNE GROUP LIMITED

as the Debtor

GLASGOW CITY COUNCIL

as the Priority Creditor

BANK OF SCOTLAND PLC

as the Security Agent

and

BANK OF SCOTLAND PLC

as the Lender

RANKING AGREEMENT



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RANKING AGREEMENT

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1.1 In this Agreement:

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"Plan 1" means the plan marked "Plan 1" annexed and signed as relative hereto;

"Plan 2" means the plan marked "Plan 2" annexed and executed as relative hereto;

"Priority Creditor Debt" means all sums that may be due to the Priority Creditor in terms of paragraph 1 of Part 6 of the Schedule and paragraph 2 of Part 9 of the Schedule to the Purchase Contract and secured by the Priority Creditor Fixed Security (together with any interest on the same and any costs incurred by the Priority Creditor in recovering the same);

"Priority Creditor Fixed Security" means the standard security by the Debtor in favour of the Priority Creditor over the Priority Creditor Fixed Security Subjects executed by the Debtor on or around the date of its execution of this Agreement and about to be registered in the Land Register of Scotland;

"Priority Creditor Fixed Security Subjects" means those parts of the Development Subjects shown shaded green on Plan 2;

"Purchase Contract" means the purchase contract constituted by (i) an offer by the Priority Creditor to Morton Fraser LLP to sell the Development Subjects dated 7 October 2016; (ii) a concluding letter from Morton Fraser LLP on behalf of the Debtor dated 13 October 2016; (iii) an offer to amend the missives by the Priority Creditor to Morton Fraser LLP dated 23 November 2016; (iv) concluding letter by Morton Fraser LLP on behalf of the Debtor dated 30 November 2016; (v) an offer by Morton Fraser LLP on behalf of the Debtor to amend the missives dated 8 August 2017; and (vi) a concluding letter by the Priority Creditor dated 10 August 2017;

"Secured Obligations" means all or any money and liabilities which shall from time to time (and whether on or at any time after demand) be due, owing or incurred in whatsoever manner to the Security Agent and the other Secured Parties by the Debtor, whether actually or contingently, solely or jointly and whether as principal, guarantor, cautioner or surety including any money and liabilities of the Debtor to a third party which have been assigned or novated to or otherwise vested in the Secured Parties, and including any liability for any further advances or credit made or to be made (at the time of this Agreement or in the future) by the Secured Parties and any interest, discount, commission and other lawful charges or expenses which the Secured Parties may in the course of its business charge or incur in respect of any of those matters or for keeping the Debtor's, and so that interest shall be computed and compounded according to the usual Secured Parties rates and practice as well after as before any demand made or decree obtained;

"Secured Parties" is as defined in the Intercreditor Agreement;

"Securities" means the Security Agent Securities and the Priority Creditor Fixed Security;

"Security Agent Fixed Security" means the standard security over the Development Subjects to be granted by the Debtor in favour of the Security Agent and executed by the Debtor on or around the date of its execution of this Agreement and about to be registered in the Land Register of Scotland;

"Security Agent Floating Charge" means (a) the floating charge granted by the Debtor in favour of The Governor and Company of the Bank of Scotland dated 29 March 1996 and registered with the Registrar of Companies on 9 April 1996; (b) the floating charge granted by the Debtor in favour of the Security Agent dated 7 November 2013 and registered with the Registrar of Companies at Edinburgh on 11 November 2013 and (c) the Debenture granted by the Debtor in favour of the Security Agent dated 7 November 2013 and registered with the Registrar of Companies at Edinburgh on 11 November 2013; and

"Security Agent Securities" means the Security Agent Fixed Security and the Security Agent Floating Charge.

1.2 Unless a contrary indication appears, any reference in this Agreement to:

1.2.1 the **"Priority Creditor"** and the **"Security Agent"** shall be construed so as to include their respective successors in title, permitted assignees and permitted transferees provided such assignee or transferee undertakes in writing to the Priority Creditor and/or the Security Agent, as the case may be, to be bound by the provisions of this Agreement; and

1.2.2 a **"person"** includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality).

1.3 Unless any provision of this Agreement or the context otherwise requires, any reference in this Agreement to a provision of law is a reference to that provision as amended or re-enacted.

1.4 In this Agreement the singular includes the plural and *vice versa*. Clause headings are for ease of reference only and a reference to a Clause is to be construed as a reference to a clause of this Agreement.

1.5 Any reference in this Agreement to a document of any kind whatsoever (including this Agreement and the Purchase Contract) is to that document as amended or varied or supplemented or novated or substituted from time to time declaring however that the Debtor and the Priority Creditor shall not amend the Purchase Contract or any other contract or agreement relating to the Priority Creditor Debt without the prior written consent of the Security Agent and on no account shall the Priority Creditor Debt be increased.

2 **CONSENT TO CREATION OF SECURITIES**

Notwithstanding the date of execution, recording or registration thereof or any provisions contained therein, the Priority Creditor, the Lender and the Security Agent each hereby consent to the creation of the Securities by the Debtor.

3 **RANKING OF SECURITIES**

3.1 With effect from the last date of execution of this Agreement, the Securities shall rank *inter se* in point of security in the following order of priority.

3.1.1 the Priority Creditor Fixed Security to the extent of the Priority Creditor Debt;

- 3.1.2 the Security Agent Fixed Security to the extent of the Secured Obligations; and
 - 3.1.3 the Security Agent Floating Charge to the extent of the balance (if any) of the Secured Obligations.
- 3.2 The ranking and priority set out in Clause 3.1 shall take effect notwithstanding any of the following:
- 3.2.1 the nature of the securities created by the Security Agent Securities and the Priority Creditor Fixed Security and the dates of execution, perfection or registration of them;
 - 3.2.2 any provision contained in any of the Securities;
 - 3.2.3 the date or dates on which sums have been or may be advanced or become due, owing or payable under the Security Agent Securities and, the Priority Creditor Fixed Security, respectively;
 - 3.2.4 any fluctuation from time to time in the amounts secured by the Security Agent Securities and the Priority Creditor Fixed Security including any reduction of those amounts to nil;
 - 3.2.5 the existence of any credit balance on any current or other account of any of the Obligors with the Security Agent;
 - 3.2.6 the appointment of a liquidator, administrative receiver, receiver, administrator or other similar officer in respect of the Debtor or any of the other Obligors or over all or any part of the Assets;
 - 3.2.7 the granting of time or any other indulgence to the Debtor or any of the other Obligors or any other person or the release, compounding or otherwise dealing with the Debtor or any of the other Obligors or any other person;
 - 3.2.8 the taking, variation, compromise, renewal or release of, or refusal or neglect to perfect or enforce any rights or remedies against the Debtor or any of the other Obligors or any other person by the Security Agent; or
 - 3.2.9 the provisions of Section 13 of the Conveyancing and Feudal Reform (Scotland) Act 1970, Sections 464 and 466 of the Companies Act 1985 or any other rule of law which might operate to the contrary.
- 3.3. Without prejudice to the other provisions of this Agreement, the Security Agent shall have and retain the right to exercise full discretion as to:
- 3.3.1. the order in which it enforces any one or more of the Security Agent Securities;
 - 3.3.2. whether to enforce any one or more of the Security Agent Securities without enforcing the others; and
 - 3.3.3. the order in which the amounts due to it are applied in satisfaction of the amounts secured under the Security Agent Securities or any of them.

4 SECURITY TO BE CONTINUING

The Securities shall rank as provided in this Agreement as continuing securities for repayment of the amounts owing to each of the Priority Creditor and the Secured Parties from time to time by the Debtor or by any person or company whose obligations to the Priority Creditor or the Security Agent are guaranteed by the Debtor.

5 VARIATIONS OF SECURITIES

Insofar as necessary to give effect to the provisions of this Agreement, the Securities are hereby varied and this Agreement shall constitute:

- 5.1 an instrument of alteration for the purposes of Section 466 of the Companies Act 1985; and
- 5.2 a variation of a standard security within the meaning of Section 16 of the Conveyancing and Feudal Reform (Scotland) Act 1970.

6 EXERCISE OF RIGHTS

Whilst any sums remain outstanding to the Secured Parties which are subject to the Security Agent Securities, the Priority Creditor undertakes to the Security Agent that it shall, in respect of the Debtor consult with (but not be bound to act on the views of) the Security Agent for a period of not less than 14 days prior to:

- 6.1 initiating any insolvency procedures in relation to the Debtor including for the avoidance of doubt applying to the Court to appoint a liquidator; or
- 6.2 exercising its rights on default pursuant to the Priority Creditor Fixed Security.

7 COMPENSATION

- 7.1 Each of the Creditors hereby undertakes to the others that in the event of a liquidator or administrator of the Debtor or a receiver of all or any part of its assets distributing the proceeds of sale of those assets otherwise than in accordance with the terms of this Agreement and the other being prejudiced thereby, it will compensate the party so prejudiced to the extent to which it is *lucratus* by such prejudice, but no further.
- 7.2 No purchaser dealing with any of the Creditors or with a receiver appointed by any of them shall be concerned in any way with the provisions of this Agreement but shall assume that such Creditor or receiver as the case may be is acting in accordance with the provisions of this Agreement and the Securities.

8 AUTHORITY TO RELEASE INFORMATION

During the continuance of each of the Priority Creditor Fixed Security and the Security Agent Securities, the Priority Creditor and the Security Agent may disclose to each other information concerning the Debtor and its affairs in such manner and to such

extent as the Priority Creditor and the Security Agent may wish and the Debtor consents to such disclosure.

9 OTHER SECURITIES

- 9.1 For the avoidance of doubt, the parties acknowledge and agree that the ranking of the Securities shall not be prejudiced or affected in any way by any right competent to any of the parties to this Agreement to recover all or any part of the sums secured by the Securities from any third party, cautioner or guarantor.
- 9.2 The Debtor undertakes to the Security Agent that it shall not grant any further security, charge or other encumbrance over any of the Assets including but without prejudice to the foregoing generality its heritable, real or leasehold property without the prior written consent of the Security Agent.
- 9.3 The Debtor undertakes to the Priority Creditor that it shall not grant any further security, charge or encumbrance over the Priority Creditor Fixed Security Subjects without the prior written consent of the Priority Creditor, declaring however that no consent will be required in the case of further security, charge or encumbrance over the Development Subjects in favour of the Security Agent where that further security ranks subsequent to the Priority Creditor Fixed Security and does not prejudice the ability of the Priority Creditor or its successors to enforce the same.
- 9.4 Each of the Creditors undertakes that it will not transfer the benefit of any of the Securities unless the proposed transferee undertakes to be bound by the provisions of this Agreement.
- 9.5 The Security Agent shall be entitled at any time at its discretion and without consulting the Debtor or the Priority Creditor to transact and deal with any other securities or guarantees of any kind that may be held by it in respect of the Debtor's or any of the other Obligors' obligations to it and may sell, dispose of or realise such other securities in any order which it may determine and this Agreement shall remain in full force and effect notwithstanding such transactions or dealings.

10. PREFERENTIAL PAYMENTS

The foregoing provisions as to ranking shall not prejudice the right of the Security Agent to receive payments to which a preference attaches in terms of Sections 175 and 386 and Schedule 6 to the Insolvency Act 1986, provided that any such preferential payments received by the Security Agent shall not be deemed to have been applied towards repayment of the Secured Obligations for the purposes of calculating the extent of any priority to which the Security Agent is entitled under Clause 3 (Ranking of Securities).

11 DISCHARGE

In the event that it is agreed or determined that no sums in respect of which the Priority Creditor Fixed Security have been granted are due or payable, the Priority Creditor undertakes to deliver a valid discharge of the Priority Creditor Fixed Security as soon as reasonably practicable following request to do so and in that event the parties hereto agree that the terms of this Ranking Agreement shall be of no effect with the parties being obliged to take such steps as may be required to give effect to the foregoing statement.

12 NOTICE

12.1 Communications in writing

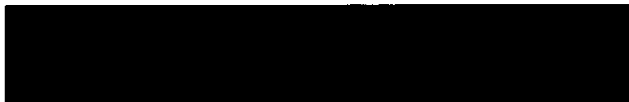
Any communication to be made under or in connection with this Agreement shall be made in writing and, unless otherwise stated, may be made by fax (provided the party has provided a fax number below) or letter.

12.2 Addresses

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of the parties for any communication or document to be made or delivered under or in connection with this Agreement:

12.2.1 in the case of the Debtor:

Address:



Attention:

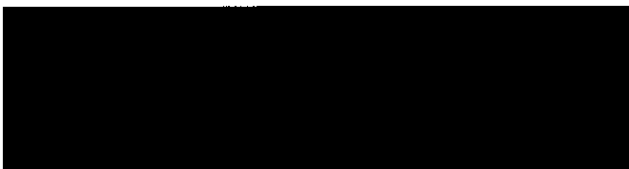
Stuart MacGregor

Facsimile:



12.2.2 in the case of the Priority Creditor:

Address:



Attention:

12.2.4 in the case of the Security Agent:

Address:



Attention: Steven Kerr

or any substitute address or fax number or department or officer as an party may notify to each of the other parties by not less than 5 Business Days' notice.

12.3 Delivery

Any communication or document made or delivered by one person to another under or in connection with this Agreement will only be effective:

12.3.1 if by way of fax, when received in legible form; or

12.3.2 if by way of letter, when it has been left at the relevant address or 5 Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address;

and, if a particular department or officer is specified as part of its address details provided under Clause 12.2 (Addresses), if addressed to that department or officer.

12.4 English language

Any notice given under or in connection with this Agreement must be in English.

13. GOVERNING LAW

This Agreement shall be governed by, and construed in all respects in accordance with, the law of Scotland.

14. CONSENT TO REGISTRATION

The parties to this Agreement consent to its registration for preservation: IN WITNESS WHEREOF these presents consisting of this and the preceding eight pages and the two plans annexed are executed as follows:

THE DEBTOR
SUBSCRIBED for and on behalf of
the said STEWART MILNE GROUP
LIMITED

at Glasgow

on 8 March 2018

by JAMES CRAWFORD

Print Full Name

before this witness

JENNIFER AWDE STEELE

Print Full Name

Address

Director/Authorised Signatory

Witness

THE PRIORITY CREDITOR
SUBSCRIBED for and on behalf of
GLASGOW CITY COUNCIL
at

on

by

Print Full Name
before this witness

Director

Print Full Name
Address

Witness

THE SECURITY AGENT

SUBSCRIBED for and on behalf of
the said BANK OF SCOTLAND PLC
as Security Agent
at

on

by

Print Full Name
before this witness

Authorised Signatory

Print Full Name
Address

Witness

THE LENDER

SUBSCRIBED for and on behalf of
the said BANK OF SCOTLAND PLC
as Lender
at

on

by

Print Full Name
before this witness

Authorised Signatory

Print Full Name
Address

Witness

This is Plan 1 referred to in the foregoing
Partnership Agreement



**GLASGOW CITY COUNCIL
DEVELOPMENT AND
REGENERATION SERVICES**
231 GEORGE STREET, GLASGOW G1 1RX

Executive Director
Richard Brown

**FORMER ST. OSWALDS SECONDARY
83 BRUNTON STREET, GLASGOW**

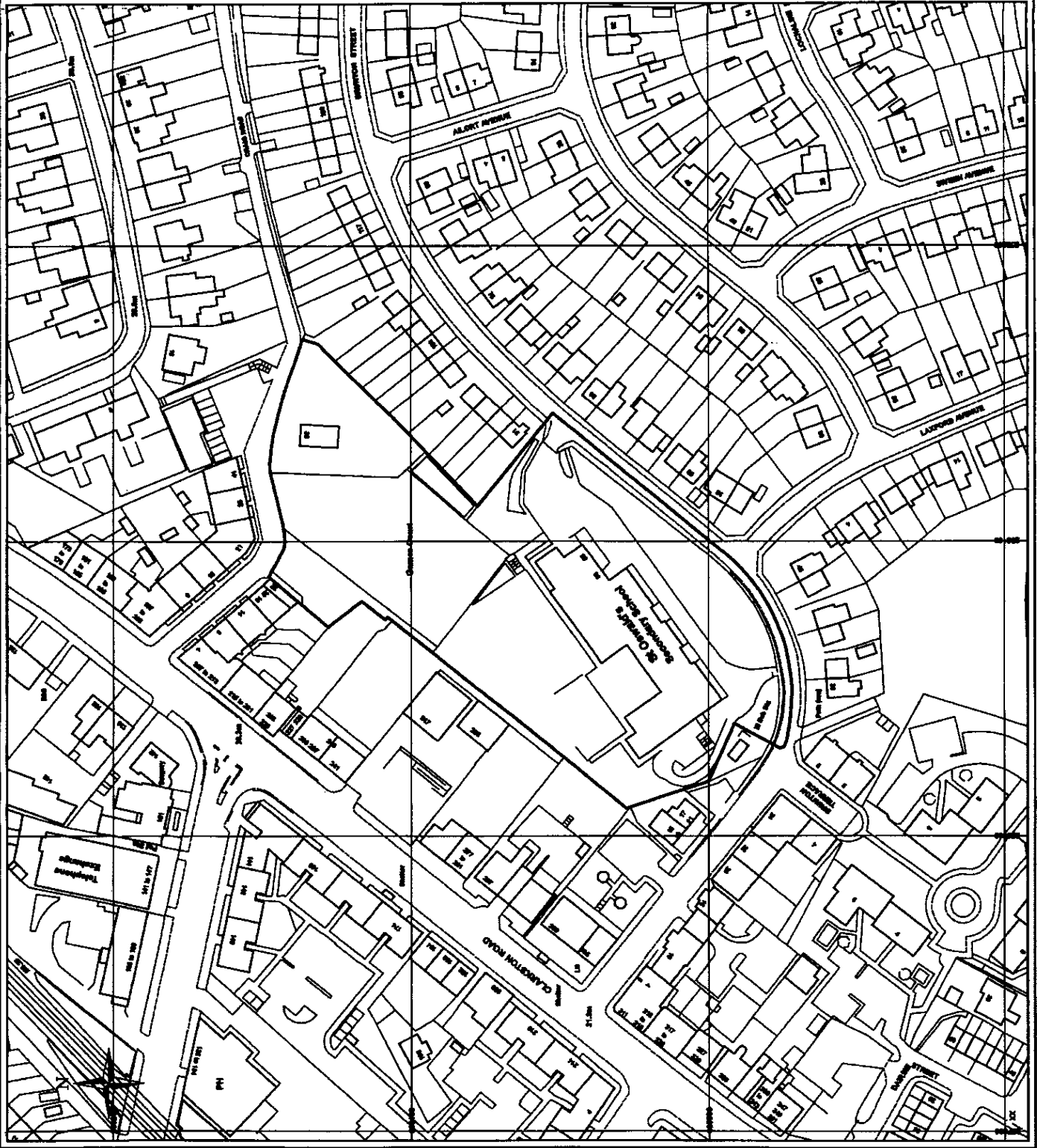
Contents within the boundaries coloured
Red, 1.42 ha or thereby

This is the plan referred to in the foregoing
Disposition by Glasgow City Council in favour of
Stewart Milne Group Limited



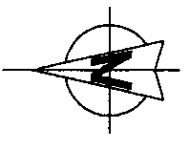
DRG NO	JR0644	REV	
CREATED	JTH	SCALE	1:1,250 @ A3
OS SHEET	NS5600SW	NORS REF	
FILE		LEGAL FILE	
AREA	1.42 ha	DATE	06/09/2016
BUNDLE No	X3, EDUC 038		

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This is Plan 2 referred to in the foregoing
Parking Agreement

NORTH



Area secured against overage
provision - plots 73-77

No	REVISION	DATE	BY	CHECKED BY
A	SECURITY PLAN UPDATED TO SHOW STAIR 18 CHANG NORTH POINT			

STEWART
Milne
HOMES

STEWART MILNE HOMES
Kestrel House
Kilmerin Place
Tennochs Business Park
Uddingston
Telephone 01698 804004

PROJECT
ST OSWALDS
CATHCART

DRAWING DESCRIPTION
SECURITY PLAN LAYOUT

DATE	FILE NO	DRAWING NO
15.12.17	3099-05	SOC-ARC021
DRAWN BY	SCALE	
AM	1:1000@A3	
REVISION		
1		

