

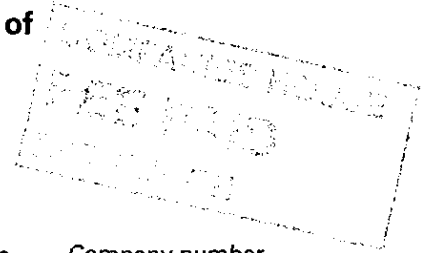
**Particulars of an instrument of
alteration to a floating charge created
by a company registered in Scotland**

466

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

*Please do not
write in
this margin*

Pursuant to section 410 and 466 of the Companies Act 1985



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

** insert full name
of company*

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

For official use

Company number

20

SC5863

Name of company

* Heart of Midlothian plc (the "Company")

Date of creation of the charge (note 1)

8 June 1998

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

Floating Charge

Names of the persons entitled to the charge

Scottish & Newcastle plc ("S&N")

Short particulars of all the property charged

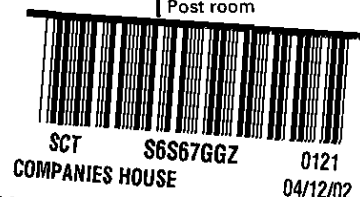
The whole of the property (including uncalled capital) which is or may be from time to time comprised in the property and undertaking of the Company.

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

Shepherd & Wedderburn
Saltire Court
20 Castle Terrace
Edinburgh EH1 2ET
DX 553049 Edinburgh-18
S1586.175

For official use (02/00)
Charges Section

Post room



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

See Paper Apart

*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, 11 and 13 November 2002

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

Not applicable

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*

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

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

See Paper Apart

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 Shepherd & Wedderburn
On behalf of ~~company~~ [chargee]†

Date 4.12.02

A fee of £10 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. Cheques and Postal Orders are to be made payable to **Companies House**.
6. The address of the Registrar of Companies is:-
Companies Registration Office, 37 Castle Terrace, Edinburgh EH1 2EB

† delete as
appropriate

This is the Paper Apart referred to in the foregoing Form M466 relative to a Ranking Agreement dated 8, 11 and 13 November 2002 between Heart of Midlothian plc, The Governor and Company of the Bank of Scotland, Scottish & Newcastle plc and SMG Investment Limited

1. Definitions

In this Paper Apart:

- 1.1 **"Bank Assignment"** means the Assignment by the Company in favour of the Bank (as defined in paragraph 2 below) of a Construction and Use Agreement in respect of the construction of a Sports Academy dated 8 November 2002;
- 1.2 **"Bank First Standard Security"** means the Standard Security granted by the Company in favour of the Bank over the Wheatfield Street Property dated 19 January 1998, recorded in the Division of the General Register of Sasines for the County of Midlothian on 17 February 1998 and registered with the Registrar of Companies on 24 February 1998;
- 1.3 **"Bank Floating Charge"** means the Bond and Floating Charge granted by the Company in favour of the Bank dated 28 March 1968 and registered with the Registrar of Companies on 5 April 1968;
- 1.4 **"Bank Second Standard Security"** means the Standard Security granted by the Company in favour of the Bank over the Stadium dated 8 March 1977, recorded in the Division of the General Register of Sasines for the County of Midlothian on 15 March 1977 and registered with the Registrar of Companies on 22 March 1977;
- 1.5 **"Bank's Security Limit"** means the amount in respect of which the Bank is accorded a specific ranking and preference in respect of the sums due by the Company in accordance with the terms of the Ranking Agreement to which the foregoing Form M466 relates, being all sums and obligations due or to become due from time to time by the Company to the Bank with relative interest, outlays and expenses;
- 1.6 **"Bank's Standard Securities"** means the Bank First Standard Security, the Bank Second Standard Security and the Bank Third Standard Security;
- 1.7 **"Bank Third Standard Security"** means the Standard Security granted by the Company in favour of the Bank over the McLeod Street Property dated 14 January 2002, recorded in the Division of the General Register of Sasines for the County of Midlothian on 18 April 2002 and registered with the Registrar of Companies on 29 April 2002;
- 1.8 **"Charges"** means the Bank's Standard Securities, the Bank Floating Charge, the Bank Assignment, the S&N Standard Security, the S&N Floating Charge and the SMG Floating Charge;
- 1.9 **"McLeod Street Property"** means the strip of ground lying to the west of McLeod Street in the City of Edinburgh and County of Midlothian extending to 608 square metres or thereby and being the subjects more particularly described in and shown delineated and coloured pink on the plan annexed and executed as relative to Disposition by The City of Edinburgh District Council in favour of the Company dated 3 March 1987 and recorded in the Division of the General Register of Sasines for the County of Midlothian on 28 May 1987;
- 1.10 **"Remaining Property"** means the whole property, assets and undertaking (including uncalled capital) of the Company under exception of the Stadium, the

Wheatfield Street Property, the McLeod Street Property and the Sports Academy;

- 1.11 **"S&N's First Security Limit"** means the amount of which S&N is accorded a specific ranking and preference in respect of the sums due by the Company in accordance with the terms of the Ranking Agreement to which the foregoing Form M466 relates, being £81,000 of principal, with one year's interest thereon, and expenses less any amount recovered by S&N pursuant to the S&N Floating Charge and the S&N Standard Security;
- 1.12 **"S&N Floating Charge"** means the Bond and Floating Charge granted by the Company in favour of S&N dated 8 June 1998 and registered with the Registrar of Companies on 26 June 1998;
- 1.13 **"S&N's Second Security Limit"** means the amount of any further sums due or to become due by the Company to S&N in excess of S&N's First Security Limit;
- 1.14 **"S&N Standard Security"** means the Standard Security granted by the Company in favour of S&N dated 4 May 1988, recorded in the Division of the General Register of Sasines for the County of Midlothian on 17 June 1988 and registered with the Registrar of Companies on 4 July 1988;
- 1.15 **"SMG Floating Charge"** means the Bond and Floating Charge granted by the Company in favour of SMG (as defined in paragraph 2 below) dated 9 November 1999 and registered with the Registrar of Companies on 15 November 1999;
- 1.16 **"SMG's Security Limit"** means all sums due to SMG pursuant to the Convertible Loan Stock Instrument of 11 October 1999 pursuant to which the Company created £4,500,000 of 4.5 per cent convertible loan stock 2007 and all costs, charges and expenses properly and reasonably incurred or to be incurred in the creation, registration, perfection, enforcement, discharge and assignation of the SMG Floating Charge;
- 1.17 **"Stadium"** means over the subjects comprising 5.171 acres at Tynecastle Park, Tynecastle, Edinburgh; and
- 1.18 **"Wheatfield Street Property"** means the heritable property at Wheatfield Street, Edinburgh, comprising ALL and WHOLE that plot or area of ground lying to the north of Gorgie Road in the City of Edinburgh and County of Midlothian extending to 0.810 acres or thereby Imperial Measure being the subjects described in and delineated and coloured red on the Plan annexed and signed as relative to Feu Charter by Gilbert Metcalfe Robertson and Others as Trustees of Sir George Campbell of Succoth in favour of William Gerard dated 31 October 1895 and recorded in the Division of the General Register of Sasines applicable to the County of Edinburgh (now Midlothian) on 11 November 1895 and registered in the Books of Council and Session for preservation on 12 March 1896 (under exceptions) and being the subjects shown delineated and outlined in red on the plan annexed and executed as relative to Disposition by Wheatfield (Edinburgh) Limited with consents in favour of the Company dated 14 and 15 August 1997 and recorded in the said Division of the General Register of Sasines on 29 August 1997.

2. Names and addresses of the persons who have executed the instrument of alteration

- 2.1 The Governor and Company of the Bank of Scotland, incorporated by Act of Parliament and having its Head Office at the Mound, Edinburgh EH1 1YZ (the "Bank");

- 2.2 Heart of Midlothian plc (Company Number SC005863), having its Registered Office at Tynecastle Stadium, Gorgie Road, Edinburgh EH11 2NL (the "Company");
- 2.3 Scottish & Newcastle plc, (Company Number SC016288), having its Registered Office at 33 Ellersly Road, Edinburgh EH12 6HX ("S&N"); and
- 2.4 "SMG" means SMG Investments Limited (Company Number SC166604), having its Registered Office at 200 Renfield Street, Glasgow G2 3PR.

3. **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**

3.1 In regard to the Wheatfield Street Property

- 3.1.1 the Bank's First Standard Security and the sums thereby secured up to the Bank Security Limit shall rank first;
- 3.1.2 the Bank Floating Charge and the sums thereby secured up to the Bank Security Limit shall rank second;
- 3.1.3 the S&N Floating Charge and the sums thereby secured up to S&N's First Security Limit shall rank third;
- 3.1.4 the SMG Floating Charge and the sums thereby secured up to SMG's Security Limit shall rank fourth; and
- 3.1.5 the S&N Floating Charge and the sums thereby secured up to S&N's Second Security Limit shall rank fifth;

3.2 In regard to the Stadium

- 3.2.1 the Bank Second Standard Security and the sums thereby secured up to the Bank's Security Limit shall rank first;
- 3.2.2 the S&N Standard Security and the sums thereby secured up to S&N's First Security Limit shall rank second;
- 3.2.3 the Bank Floating Charge and the sums thereby secured up to the Bank's Security Limit shall rank third;
- 3.2.4 the S&N Floating Charge and the sums thereby secured, so that such sums together with sums recoverable under the S&N Standard Security shall not exceed S&N's First Security Limit, shall rank fourth;
- 3.2.5 the SMG Floating Charge and the sums thereby secured up to the SMG's Security Limit shall rank fifth;
- 3.2.6 the S&N Standard Security and the sums thereby secured up to S&N's Second Security Limit shall rank sixth; and
- 3.2.7 the S&N Floating Charge and the sums thereby secured up to S&N's Second Security Limit shall rank seventh.

3.3 In regard to the McLeod Street Property

- 3.3.1 the Bank's First Standard Security and the sums thereby secured up to the Bank Security Limit shall rank first;

- 3.3.2 the Bank Floating Charge and the sums thereby secured up to the Bank Security Limit shall rank second;
- 3.3.3 the S&N Floating Charge and the sums thereby secured up to S&N's First Security Limit shall rank third;
- 3.3.4 the SMG Floating Charge and the sums thereby secured up to SMG's Security Limit shall rank fourth; and
- 3.3.5 the S&N Floating Charge and the sums thereby secured up to S&N's Second Security Limit shall rank fifth;

3.4 In regard to the Sports Academy

- 3.4.1 the Bank Assignment and the sums thereby secured up to the Bank Security Limit shall rank first;
- 3.4.2 the Bank Floating Charge and the sums thereby secured up to the Bank Security Limit shall rank second;
- 3.4.3 the S&N Floating Charge and the sums thereby secured up to S&N's First Security Limit shall rank third;
- 3.4.4 the SMG Floating Charge and the sums thereby secured up to SMG's Security Limit shall rank fourth; and
- 3.4.5 the S & N Floating Charge and the sums thereby secured up to S&N's Second Security Limit shall rank fifth.

3.5 In regard to the Remaining Property

- 3.5.1 the Bank Floating Charge, and the sums thereby secured up to the Bank's Security Limit shall rank first;
- 3.5.2 the S&N Floating Charge and the sums thereby secured up to S&N's First Security Limit shall rank second;
- 3.5.3 the SMG Floating Charge and the sums thereby secured up to SMG's Security Limit shall rank third; and
- 3.5.4 the S&N's Floating Charge and the sums thereby secured up to S&N's Second Security Limit shall rank fourth.

FILE COPY



CERTIFICATE OF THE REGISTRATION OF AN ALTERATION TO A FLOATING CHARGE

Company number 5863

I hereby certify that particulars of an instrument of alteration dated
13 NOVEMBER 2002

were delivered pursuant to section 410 of the Companies Act, 1985,
on 4 DECEMBER 2002.

The instrument relates to a charge created on 8 JUNE 1998

by HEART OF MIDLOTHIAN PLC

in favour of SCOTTISH & NEWCASTLE PLC

for securing ALL SUMS DUE, OR TO BECOME DUE

Given at Companies House, Edinburgh
5 DECEMBER 2002



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



N.B. Searchers may find it desirable to refer to the documents mentioned in column (2) for more detailed particulars

REGISTER of Charges, Alterations to Charges,

COMPANY: SC005863 CHARGE: 20

(1) Date of Registration	(2) Serial Number of Document on File	(3) Date of Creation of each Charge and Description thereof	(4) Date of the acquisition of the Property	(5) Amount secured by the Charge £	(6) Short Particulars of the Property Charged	(7) Names of the Persons entitled to the Charge
26/06/1998		8/ 6/98 BOND & FLOATING CHARGE		ALL SUMS DUE, OR TO BECOME DUE	UNDERTAKING AND ALL PROPERTY AND ASSETS PRESENT AND FUTURE OF THE COMPANY INCLUDING UNCALLED CAPITAL	SCOTTISH & NEWCASTLE PLC

Memoranda of Satisfaction and Appointments etc. of Receivers

N.B. Searchers may find it desirable to refer to the documents mentioned in column (2) for more detailed particulars

COMPANY: SC005863 CHARGE: 20

(8) In the case of a floating charge, a statement of the provisions, if any, prohibiting or restricting the creation by the company of any fixed security or any other floating charge having priority over, or ranking <i>pari passu</i> with the floating charge.	(9) In the case of a floating charge, a statement of the provisions if any regulating the order in which the floating charge shall rank with any other subsisting or future floating charges or fixed securities over the property the subject of the floating charge or any part of it.	(10) Amount or rate per cent of the Commission Allowance or discount	(11) Memoranda of Satisfaction	(12) Receiver		
				Name	Date of Appointment	Date of Ceasing to act
COMPANY ARE EXPRESSLY PROHIBITED FROM CREATING SUBSEQUENT FIXED SECURITY HAVING PRIORITY OVER OR RANKING EQUALLY WITH THE FLOATING CHARGE						

N.B. Searchers may find it desirable to refer to the documents mentioned in column (2) for more detailed particulars

COMPANY: SC005863 CHARGE: 20

Instruments of Alteration to a Floating Charge					
(13) Date of Execution	(14) Names of the persons who have executed the instrument	(15) The provisions, if any, prohibiting or restricting the creation by the Company of any fixed security or any other floating charge having priority over, or ranking <i>pari passu</i> with, the floating charge.	(16) The provisions, if any, varying or otherwise regulating the order of the ranking of the floating charge in relation to fixed securities or to other floating charges.	(17) Short particulars of any property released from the floating charge	(18) The amount, if any, by which the amount secured by the floating charge has been increased. £
	<p>JAMES GERARD & SUSAN MARGARET GERARD SCOTTISH & NEWCASTLE PLC NEW HEARTS LIMITED THE GOVERNOR AND COMPANY OF THE BANK OF SCOTLAND HEART OF MIDLOTHIAN PLC</p> <p>SCOTTISH MEDIA GROUP (INVESTMENTS) LIMITED SCOTTISH & NEWCASTLE PLC JAMES GERARD & SUSAN MARGARET GERARD THE GOVERNOR AND COMPANY OF THE BANK OF SCOTLAND HEART OF MIDLOTHIAN PLC</p> <p>SMG INVESTMENTS LIMITED SCOTTISH & NEWCASTLE PLC HEART OF MIDLOTHIAN PLC THE GOVERNOR AND COMPANY OF THE BANK OF SCOTLAND</p>				