

ASSIGNATION IN SECURITY

between

**SUMMIT HEALTHCARE (LAW) LIMITED
as Chargor**

and

**ROYAL EXCHANGE TRUSTEE NOMINEES LIMITED
as Security Trustee**

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ASSIGNATION IN SECURITY

BETWEEN

- (1) **SUMMIT HEALTHCARE (LAW) LIMITED** ("Summit"), a company incorporated in Scotland (registered number 182649) and having its registered office at 4th Floor, Saltire Court, 20 Castle Terrace, Edinburgh EH1 2EN; and
- (2) **ROYAL EXCHANGE TRUSTEE NOMINEES LIMITED**, 155 Bishopsgate, London EC2M 3TG (the "Security Trustee")

WHEREAS:

Summit has agreed to provide security for the Secured Obligations to the Security Trustee

NOW IT IS HEREBY PROVIDED, DECLARED AND AGREED as follows:

Part 1

INTERPRETATION

1. Interpretation

Words and expressions defined (expressly or by reference) in the Collateral Deed shall, unless otherwise defined herein, bear the same meaning herein and the following terms shall have the meanings given to them in this Clause 1.1:

"administrator"	shall have the meaning ascribed to it in section 8(2) of the Insolvency Act 1986;
"Agreements"	means the agreements listed in Part 1B of the Schedule;
"Authorised Investments"	has the meaning specified in the Accounts Agreement;
"Building Contract"	means a contract dated on or about the date hereof made between Summit and BuildCo;
"Charged Property"	means the property, assets, rights and others specified in Parts 1A and 1B of the Schedule;
"Collateral Deed"	means the collateral deed of even date herewith made between, inter alia, Summit, Summit Finance (Law) PLC ("Issuer"), Summit Holdings (Law) Limited ("HoldCo"), the Security Trustee, the Bond Trustee and AMBAC Insurance UK Limited ("AMBAC");
"the Companies Act"	means the Companies Act 1985;

"Credit Provider"	means, at any time, AMBAC unless and until such time as the Security Trustee has received notice from the Bond Trustee that an AMBAC Event of Default has occurred, in which case, unless such AMBAC Event of Default has been cured to the satisfaction of the Bond Trustee or waived by the Bond Trustee, the Credit Provider means the Bond Trustee;
"Enforcement Event"	means the occurrence of a Default Event which is continuing and has not been remedied or waived;
"the Insolvency Act"	means the Insolvency Act 1986;
"Insurance Policies"	means all existing and future policies of insurance effected by Summit in accordance with the requirements set out in the Third Schedule to the Collateral Deed and any other policies of insurance in which Summit may now or hereafter have an interest;
"Notice of Assignment"	means a notice of assignment in substantially the form set out (in the case of the Building Contract) in Part 2A of the Schedule, (in the case of the Services Sub-Contract) in Part 2B of the Schedule, (in the case of the Equipment Sub-Contract) in Part 2C of the Schedule, (in the case of the Project Agreement, the Development Agreement, the Equipment Agreement, the Services Agreement, the General Provisions the Master Definitions Schedule and the Financier Direct Agreement) in Part 2D of the Schedule, (in the case of the Insurance Policies) in Part 2E of the Schedule and (in any other case) in Part 2F of the Schedule or in such other form as may be specified by the Security Trustee;
"Secured Obligations"	means all present or future, actual or contingent, obligations of each of Summit, Issuer and HoldCo (whether entered into solely or jointly with one or more persons and whether as principal or as surety) to any of the Beneficiaries under the Finance Documents (which shall include, without limitation, any obligations of Summit, Issuer or HoldCo which may from time to time arise by way of subrogation);
"Security"	means the security from time to time constituted by or pursuant to this Assignment;
"Security Trust Deed"	means the security trust deed of even date herewith made between Summit, Issuer, HoldCo, the Security Trustee, the Bond Trustee, AMBAC and others;
"Serco"	Serco Limited;
"Serco Group"	Serco Group plc;

"Siemens"	Siemens Healthcare Services Limited;
"Services Sub-Contract"	means the contract dated on or about the date hereof between Summit and Serco for the performance of the Services;
"successor"	in relation to a party means an assignee or successor in title of such party or any person who, under the laws of its jurisdiction of incorporation or domicile, has assumed the rights and obligations of such party or to whom under such laws the same have been transferred provided that in relation to the Security Trustee, it shall include all persons for the time being the trustee or trustees of the Security Trust Deed; and
"Trust"	means Law Hospital National Health Service Trust.

1.2 Any reference in this Assignment to:

the "Security Trustee", a "Beneficiary" or "Summit" shall be construed so as to include its successors and any successor of such a successor in accordance with their respective interests;

a "Clause" shall, subject to any contrary indication, be construed as a reference to a clause hereof;

the term "including" shall be construed as meaning "including without limitation";

the "Schedule" shall, subject to any contrary indication, be construed as a reference to the schedule hereto;

"value added tax" shall be construed so as to include any similar tax which may be imposed in place thereof from time to time; and

the "winding-up", "dissolution" or "administration" of a company or corporation shall be construed so as to include any equivalent or analogous proceedings under the law of the jurisdiction in which such company or corporation is incorporated or any jurisdiction in which such company or corporation carries on business including the seeking of liquidation, winding-up, reorganisation, dissolution, administration, arrangement, adjustment, protection or relief of debtors (except in each case for the purpose of a reconstruction previously approved in writing by the Security Trustee).

1.3 Save where the contrary is indicated, any reference in this Assignment to:

- (a) this Assignment or any other agreement or document shall be construed as a reference to this Assignment or, as the case may be, such other agreement or document as the same may have been, or may from time to time be, amended, varied, novated or supplemented (and so that any reference to this Assignment shall include, unless the context otherwise requires, any agreement or document expressed to be supplemental hereto or expressed to be collateral herewith or which

is otherwise entered into pursuant to or in accordance with the provisions hereof);
and

- (b) a statute or statutory provision shall be construed as a reference to such statute or statutory provision as the same may have been, or may from time to time be, amended or re-enacted and all instruments, orders, plans, regulations, bye-laws, permissions and directions at any time made thereunder.

1.4 Clause, Part and Schedule headings are for ease of reference only.

1.5 Words denoting the singular number only shall include the plural number also and vice versa.

Part 2**THE SECURED OBLIGATIONS****2. Payment of Secured Obligations**

- 2.1 Summit hereby covenants with the Security Trustee that it shall discharge the Secured Obligations and pay to the Security Trustee when due and payable within any applicable grace periods every sum (of principal, interest or otherwise) now or hereafter owing, due or incurred by Summit in respect of any such liabilities.
- 2.2 If Summit fails to pay any of such sums on the due date for payment thereof Summit shall pay interest on such sums (after as well as before any judgement or decree) from the due date until the date of payment calculated on a daily basis at the Default Rate (provided always that Summit shall not be liable pursuant to this Clause 2.2 to pay interest twice on the same sum where such sum is already bearing interest at the Default Rate under the Collateral Deed).

Part 3**THE SECURITY****3. Assignations**

- 3.1 Summit hereby assigns the Charged Property to the Security Trustee by way of security for the payment and discharge of the Secured Obligations.
- 3.2 The security created pursuant to this Assignment shall rank prior and preferred to the floating charge created by Summit of even date with this Assignment in favour of the Security Trustee.
- 3.3 Summit shall, immediately after execution and delivery of this Assignment, deliver or cause to be delivered to the Security Trustee or its nominees as the Security Trustee may direct those documents specified in the First Schedule to the Collateral Deed.
- 3.4 Notwithstanding anything herein contained to the contrary, Summit shall remain liable under the Agreements to perform all the obligations assumed by it thereunder and neither the Security Trustee nor any Beneficiary shall be under any obligation or liability to Summit or any other person under or in respect of the Agreements whether by reason of this Assignment or otherwise.

3.5 Redemption of Security

Upon and subject to (a) none of the Beneficiaries being under any commitment, obligation or liability (whether actual or contingent) to make advances or provide other financial accommodation to Summit under or pursuant to the Finance Documents and (b) Summit having no liability (whether actual or contingent) to the Security Trustee or any of the Beneficiaries in respect of the Secured Obligations as soon as reasonably practicable thereafter and at the request and cost of Summit, the Security Trustee shall (but subject to the rights and claims of any person having prior rights thereto) reassign the property and assets assigned to the Security Trustee by or pursuant to this Assignment and release or otherwise discharge the Security.

3.6 Rights Attaching to the Charged Property

With respect to Summit's rights and powers relating to any of the Charged Property:

- (a) such rights shall not be exercised in any manner which in the reasonable opinion of the Security Trustee is inconsistent with the security intended to be conferred on the Security Trustee by or pursuant to this Assignment or any other document to which Summit is a party;
- (b) Summit shall not, without the prior written consent of the Security Trustee other than as permitted by the Finance Documents, by the exercise of any of such rights or otherwise, permit or agree to any variation of the rights attaching to or conferred by any of the Charged Property.

4. Perfection of Security and Further Assurance

4.1 Summit shall:

- (a) deliver to the Security Trustee, or procure the delivery to the Security Trustee of:
 - (i) Notices of Assignment in respect of the Project Agreement, the Services Agreement, the Equipment Agreement, the Development Agreement, General Provisions the Master Definitions Schedule, the Financier Direct Agreement, the Services Sub-Contract Direct Agreement and the Equipment Sub-Contract Direct Agreement in substantially the form set out in Part 2D of the Schedule duly executed by Summit or on its behalf and acknowledged by the Trust;
 - (ii) Notices of Assignment in respect of the Building Contract, the Services Sub-Contract, the Equipment Sub-Contract, the Building Contract Guarantee, the Services Sub-Contract Guarantee in the form set out in Parts 2A, 2B, 2C and 2F of the Schedule, respectively, each duly executed by Summit or on its behalf and acknowledged by the other parties thereto;
 - (iii) Notices of Assignment in respect of the Insurance Policies in substantially the form set out in Part 2E of the Schedule duly executed by Summit or on its behalf and acknowledged by the addressee either simultaneous with or, as soon as reasonably practicable, following any such policy being effected.
 - (iv) Notices of Assignment in respect of each of the Agreements (other than those specified in paragraphs (i), (ii) and (iii) hereof) including, but without prejudice to the foregoing generality, the Performance Bond, the Investment Management Agreement, the Intercompany Loan Agreement, the Building Contract Direct Agreement, the Equipment Sub-Contract Direct Agreement and the Services Sub-Contract Direct Agreement substantially in the form set out in Part 2F of the Schedule duly executed by Summit or on its behalf and acknowledged by each of the other parties thereto; and
 - (v) the Accounts Agreement duly executed by Summit and the Account Bank, containing the notice of assignment in respect of the Accounts and the acknowledgement by the Account Bank set out in Clauses 20.2 and 20.3 respectively of the Accounts Agreement.

- 4.2 Summit shall from time to time, at the request of the Security Trustee (acting reasonably), do any act or execute in favour of the Security Trustee or as it may direct such further assignments as in each case the Security Trustee shall stipulate, in such form as the Security Trustee may require, for the perfection of the security intended to be conferred on the Security Trustee by or pursuant to this Assignment including any act or any document which may be required under the laws of any jurisdiction in which any property and assets may be located in order to confer on the Security Trustee security over such property and assets equivalent or similar to the security intended to be conferred by or pursuant to this Assignment or to facilitate the realisation thereof or the exercise of any and all powers,

authorities and discretions intended to be vested in the Security Trustee by or pursuant to this Assignment.

- 4.3 Summit shall take all such action as is reasonably available to it or as the Security Trustee may request:
- (a) to perfect, protect and maintain the security intended to be conferred on the Security Trustee by or pursuant to this Assignment; and
 - (b) to make all such filings and registrations and to take all such other steps as may be necessary in connection with the creation, perfection, protection or maintenance of any security which it may, or may be required to, create in connection herewith; and
 - (c) upon the security hereby created becoming enforceable, facilitating the realisation of the Charged Property and/or the enforcement of this Assignment or the exercise by the Security Trustee or any Receiver of any of their respective rights.
- 4.4 Summit shall obtain all consents, authorisations, approvals, licences or waivers necessary for Summit to create security over the Charged Assets.

5. Exercise of rights with respect to Performance Bond

- 5.1 Summit hereby acknowledges that, following Notice of Assignment and Acknowledgement in respect of this Assignment being given to New Hampshire Insurance Company ("New Hampshire") in respect of the assignment, pursuant to this Assignment, of Summit's whole right, title and interest in and to the Performance Bond, all communications between Summit and New Hampshire will be effected through the Security Trustee, and that all notices and other correspondence with respect to the Performance Bond to be given by New Hampshire will be given to the Security Trustee.
- 5.2 Until an Enforcement Event occurs, the Security Trustee undertakes to forward all such communications and correspondence and notices to Summit as soon as possible after receipt from New Hampshire and to forward to New Hampshire all notices, correspondence and others which Summit is, in terms of the Collateral Deed, entitled to give.
- 5.3 On or upon the occurrence of an Enforcement Event, the Security Trustee shall be entitled to act at its discretion and shall not be obliged to act in accordance with the foregoing provisions of this Clause 5.
- 5.4 Subject to the Collateral Deed and the Accounts Agreement, until an Enforcement Event occurs, all monies paid in respect of the Performance Bond and received by the Security Trustee or its nominees or agents shall be for the account of Summit, and the Security Trustee or its nominees or agent shall promptly account to Summit for those monies.
- 5.5 After an Enforcement Event occurs, Summit hereby agrees with the Security Trustee that all monies in respect of the Performance Bond received by the Security Trustee in accordance with the terms of the Collateral Deed and the Security Trust Deed and, if Summit receives or obtains the benefit of any monies paid in respect of the Performance Bond, it shall promptly account to the Security Trustee for those monies.

- 5.6 Summit hereby acknowledges and agrees that the Security Trustee shall have no liability to Summit whatsoever in respect of any act or omission of the Security Trustee with respect to any of the provisions of this Clause 5.

Part 4

ENFORCEMENT

6. The Security Trustee's Powers and Rights

- 6.1 At any time after the occurrence of an Enforcement Event, without any consent, notice or further notice the Security Trustee shall be at liberty and have the right either in its own name or in the name of Summit or otherwise and in such manner and upon such terms as the Security Trustee thinks fit;
- 6.1.1 to manage and to exercise and do (or permit Summit to exercise and do) all such rights and things as the Security Trustee would be capable of exercising or doing if it were the absolute owner of the Charged Property and in particular without limitation to exercise all rights attaching to the Charged Property;
- 6.1.2 to settle, adjust, refer to arbitration, compromise and arrange any claims, accounts, disputes of questions and demands with or by any person relating in any way to the Charged Property;
- 6.1.3 to bring, prosecute, enforce, defend and abandon actions, suits and proceeds in relation to the Charged Property;
- 6.1.4 to redeem any security (whether or not having priority to the Assignment) over the Charged Property and to settle the accounts of encumbrancers;
- 6.1.5 to do all such other acts and things as the Security Trustee may consider necessary or expedient for the realisation of the Charged Property or incidental to the exercise of any of the rights conferred on the Security Trustee under or by virtue of this Assignment and to concur in the doing of anything which the Security Trustee has the right to do and to do any such thing jointly with any other person.
- 6.2 The Security Trustee may delegate in any manner to any person any of the rights which are for the time being exercisable by the Security Trustee under this Assignment. Any such delegation may be made upon such terms and conditions (including power to sub-delegate) as the Security Trustee may think fit.
- 6.3 If before an Enforcement Event occurs the Security Trustee or its nominee or agent receives the benefit of any monies paid in respect of the Charged Property it shall promptly account to Summit for those monies. After an Enforcement Event occurs the Security Trustee shall have the right to receive any and all monies paid in respect of the Charged Property and if Summit or its nominee or agent receives or obtains the benefit of any monies paid in respect of the Charged Property (including without prejudice any paid by the Security Trustee) it shall promptly account to the Security Trustee for those monies. If Summit or its nominee or agent receives any cheque, warrant or other monetary instrument in respect of any monies for which it would on receipt be obliged to account pursuant to this clause it shall pay those monies or procure the transfer of such instrument to the Security Trustee as soon as possible and, prior to an Enforcement Event occurring, the Security Trustee agrees that it shall be obliged to account *mutatis mutandis*.

- 6.4 An account or certificate signed by any authorised officer of the Security Trustee shall ascertain, specify and constitute, in the absence of manifest or demonstrable error, the amount of the Secured Obligations or of any part or portion thereof.
- 6.5 So long as no Enforcement Event occurs and is continuing, the Security Trustee will release to Summit all proceeds in respect of the Insurance Policies paid to it for the application by Summit in accordance with the provisions of the Collateral Deed and the Accounts Agreement. At any time during the continuance of an Enforcement Event the Security Trustee may give notice to any insurers in respect of the Insurance Policies requiring all payments which would otherwise be made to Summit to be made to the Security Trustee. To the extent not released to Summit the insurance recovery by the Security Trustee shall be held by the Security Trustee for application in accordance with terms of the Collateral Deed, the Accounts Agreement and the Security Trust Deed.

7. Liability of Security Trustee and Delegates

7.1 The Security Trustee shall not in any circumstances:-

7.1.1 be liable to account to Summit or any other person for anything except the Security Trustee's own actual receipts which have not been distributed or paid to Summit or to the persons entitled or at the time of payment honestly and reasonably believed by the Security Trustee to be entitled thereto; or

7.1.2 be liable to Summit or any other person for any costs, charges, losses, damage, liabilities or expenses arising from or connected with any realisation of the Charged Property or from any act, default, omission or misconduct of the Security Trustee, its officers, employees or agents in relation to the Charged Property or in connection with the Finance Documents except to the extent that the same is caused by the Security Trustee's own fraud, gross negligence or wilful misconduct or that of its officers or employees.

7.2 The Security Trustee shall not by virtue of Clause 7.1 owe any duty of care or other duty to any person which it would not owe in the absence of that clause.

7.3 All provisions of Clause 7.1 shall apply *mutatis mutandis* in respect of the liability of any delegate or sub-delegate or any officer, employee or agent of the Security Trustee or delegate or sub-delegate.

8. Application of Moneys

8.1 Moneys received by the Security Trustee

Subject always to the provisions of Schedule 2 of the Security Trust Deed, all moneys received by the Security Trustee on enforcement of the Security shall (subject to the rights and claims of any person having prior rights thereto) be applied in the following order:

- (a) in the payment and discharge of costs, charges, expenses and any liabilities incurred or payable by the Security Trustee whether on its own account or on behalf of Summit in the exercise of any of the powers of the Security Trustee including the costs of realisation of the Charged Property;

- (b) in accordance with Clause 8.2.

8.2 All Moneys

All moneys from time to time received or recovered by the Security Trustee from Summit or from any person or persons liable to pay the same or otherwise pursuant to this Assignment or standing to the credit of any account of Summit with the Security Trustee which are the subject of an exercise by the Security Trustee of any right of application conferred on the Security Trustee by this Assignment shall be applied by the Security Trustee in accordance with the terms of Clause 14 and Schedule 2 of the Security Trust Deed.

9. Protection of Purchasers

No purchaser or other person dealing with the Security Trustee shall be bound to see or inquire whether the right of the Security Trustee to exercise any of its powers has arisen or become exercisable or be concerned with any propriety or regularity on the part of the Security Trustee in such dealings.

10. Power of Attorney

10.1 Summit hereby by way of security for the performance of Summit's obligations under this Assignment (subject to Clause 10.3) irrevocably appoints the Security Trustee to be the attorney or attorneys of Summit and in its name and otherwise on its behalf and as its act and deed to sign, seal, execute, deliver, perfect and do all deeds, instruments, acts and things which may be required or which the attorney shall consider desirable:

- (a) for carrying out any obligation imposed on Summit by or pursuant to this Assignment (including the obligations of Summit under Clause 4);
- (b) for carrying any sale, lease or other dealing whatsoever by the Security Trustee into effect;
- (c) for conveying or transferring any legal estate or other interest in land or any other property whatsoever;
- (d) for getting in all or any part of the Charged Property; and
- (e) generally for enabling the Security Trustee to exercise the powers, authorities and discretions conferred on it by or pursuant to this Assignment or by law.

The Security Trustee shall have full power to delegate the power conferred on it by this Clause 10.1 but no such delegation shall preclude the subsequent exercise of such power by the Security Trustee itself or preclude the Security Trustee from making a subsequent delegation thereof to some other person; any such delegation may be revoked by the Security Trustee at any time.

10.2 Summit hereby ratifies and confirms and agrees to ratify and confirm all things done by the attorney in the exercise or purported exercise of its powers pursuant to the power of attorney granted under Clause 10.1.

- 10.3 The appointment contained in Clause 10.1 shall take effect immediately but the powers conferred thereby shall become exercisable only upon the occurrence of an Enforcement Event.

11. Indemnity

The Security Trustee shall be indemnified by Summit in respect of all liabilities and expenses incurred by the Security Trustee in the execution or purported execution of any of the powers, authorities or discretions vested in the Security Trustee in pursuance of this Assignment and against all actions, proceedings, costs, claims and demands in respect of any matter or thing done or omitted in any way in connection with or relating to the Charged Property and the Security Trustee may retain and pay all sums in respect of the same out of any monies received under the powers conferred by this Assignment.

Part 5**FURTHER RIGHTS OF THE SECURITY TRUSTEE****12. Effectiveness of Security****12.1 The Security shall be:**

- (a) a continuing security for the Secured Obligations and shall not be considered as satisfied or discharged by any intermediate payment or settlement of the whole or any part of the Secured Obligations or any other matter or thing whatsoever and shall continue in full force and effect until all of the Secured Obligations have been fully, finally and irrevocably satisfied; and
- (b) in addition to and independent of and shall not operate so as to prejudice or affect or merge in any other security, remedy, guarantee, indemnity or lien which the Security Trustee may hold at any time for the Secured Obligations or any other obligations whatsoever and shall not be affected by any release, reassignment or discharge of such other security, remedy, guarantee, indemnity or lien.

12.2 Any release or discharge of this Assignment or of any rights arising under it or of any part of the Secured Obligations shall not release or discharge Summit from any liability to the Security Trustee or any of the Beneficiaries for the same or any other moneys which may exist independently of this Assignment.

12.3 Neither the Security nor any remedy of the Security Trustee or any Beneficiary in respect thereof shall be prejudiced by:

- (i) any unenforceability or invalidity of any other agreement or document; or
- (ii) the winding-up or dissolution of Summit or the appointment of a receiver over the whole or any part of the property or undertaking of Summit or the appointment of an administrator to Summit or any reconstruction or amalgamation of Summit or any change in its status, function, control or ownership; or
- (iii) the Security Trustee acquiring, realising, renewing, modifying, holding, releasing, abstaining from perfecting or enforcing or giving up any other security, guarantee, right, indemnity or other remedy for all or any of the Secured Obligations; or
- (iv) any time or other indulgence being granted or agreed to be granted to Summit in respect of any of the Secured Obligations or the Security Trustee transacting or compromising with Summit or entering into any voluntary composition agreement with or in relation to Summit; or
- (v) any amendment to or any variation, waiver or discharge of any obligation of Summit; or
- (vi) any reorganisation, reconstitution, amalgamation, dissolution or any merger with or acquisition by any other person or any alteration in the name, corporate existence or structure of Summit or the Security Trustee; or

(vii) any other act or thing whatsoever which, but for this Clause 12.3, would or might prejudice the Security or the right of the Security Trustee to any such remedy.

12.4 No failure on the part of the Security Trustee to exercise, or any delay on its part in exercising, any of the rights, powers and remedies provided by this Assignment or by law (collectively the "Security Trustee's Rights") shall operate as a waiver thereof, nor shall any single or partial exercise of any of the Security Trustee's Rights preclude any further or other exercise of that one of the Security Trustee's Rights concerned or the exercise of any other of the Security Trustee's Rights. The rights and remedies provided in this Assignment are cumulative and not exclusive of any rights or remedies provided by law.

12.5 Any waiver or any consent of the Security Trustee under this Assignment must be made in writing and may be given subject to any conditions thought fit by the Security Trustee. Any waiver or consent shall be effective only in the instance and for the purpose for which it is given and notwithstanding anything to the contrary contained herein may be given retrospectively. The Security Trustee shall not be obliged before exercising any of the rights, powers, discretions or remedies conferred upon it by this Assignment or by law;

- (a) to take any action (other than the giving of notice to or the making of any demand upon Summit or any other person) or to obtain or enforce any judgement decree or order in any court against Summit or any other persons; or
- (b) to make or file any claim or proof in the winding-up or liquidation of Summit or any other persons; or
- (c) to enforce or seek to enforce any of its rights, powers, discretions or remedies under any other security or guarantee in respect of the Secured Obligations or any thereof.

13. Avoidance of Payments

Any settlement, discharge or release of indebtedness between Summit and the Security Trustee shall be conditional upon no payment granted or made to the Security Trustee by Summit or any other person being avoided or reduced by virtue of any provisions or enactments relating to bankruptcy, insolvency or liquidation for the time being in force and, in the event of such payment being so avoided or reduced, any such settlement, discharge or release shall be deemed not to have been given or made.

14. Set-Off and Combination of Accounts

Without prejudice to any rights the Security Trustee may have at law or in equity or otherwise, Summit authorises the Security Trustee to apply any credit balance to which Summit is entitled on any account with the Security Trustee in accordance with Clause 8.2 (and on or at any time after the occurrence of an Enforcement Event the Security Trustee may make such application notwithstanding any specified maturity of any deposits standing to the credit of any account of Summit with the Security Trustee). The Security Trustee shall not be obliged to exercise any right given to it by this Clause 14.

15. Subsequent Charges and New Accounts

If the Security Trustee or any of the other Beneficiaries shall at any time receive or be deemed to have received notice of any encumbrance affecting the whole or any part of the Charged Property or any assignment or transfer thereof which is prohibited by the terms of this Assignment:

- (a) the Security Trustee and each of the other Beneficiaries may open a new account or accounts for Summit in its books; and
- (b) if the Security Trustee or any of the other Beneficiaries does not in fact open any such new account, then unless it gives express written notice to Summit to the contrary, it shall be treated as if it had in fact opened such account or accounts at the time when it received or was deemed to have received such notice,

and as from such time and unless such express written notice shall be given to Summit, all payments by or on behalf of Summit to the Security Trustee (whether in its capacity as trustee or otherwise) or any of the other Beneficiaries shall be credited or treated as having been credited to such new account or accounts and not as having been applied in reduction of the Secured Obligations at such time.

Part 6**MISCELLANEOUS****16. Provisions Severable and Partial Invalidity**

If, at any time, any provision hereof is or becomes illegal, invalid or unenforceable in any respect (or any of the security intended to be created by or pursuant to this Assignment is ineffective) under the law of any jurisdiction, such illegality, invalidity or unenforceability shall not affect:

- (a) the legality, validity or enforceability of the remaining provisions or the effectiveness of any of the remaining security under such law; or
- (b) the legality, validity or enforceability of such provision or the effectiveness of such security under the laws of any other jurisdiction.

17. Assignment

- 17.1 Summit may not assign or transfer any of its rights or obligations under this Assignment without the consent of the Security Trustee.
- 17.2 The Security Trustee may not assign or transfer any of its rights or obligations under this Assignment except as provided in the Bonds, the Bond Trust Deed and the Security Trust Deed.

18. Notices

- 18.1 Each communication to be made hereunder shall be made in writing and, unless otherwise stated, shall be made by facsimile or letter.
- 18.2 Any communication or document to be made or delivered by one person to another pursuant to this Assignment shall (unless that other person has by fifteen days' written notice to the other specified another address) be made or delivered to that other person at the address of that party specified above in this Assignment and shall be deemed to have been made or delivered (a) (in the case of any communication made by letter) when left at that address or (as the case may be) five days after being deposited in the post, postage prepaid, in an envelope addressed to it at that address or (b) (in the case of any communication by facsimile) when transmission of such facsimile communication has been received in legible form and receipt has been confirmed, and communication verified, by telephone (save for any communications to the Security Trustee where such communication shall be deemed to be received on the day it is actually received but only if expressly marked for the attention of the officer identified with the signature of the Security Trustee below, or such other officer as the Security Trustee shall from time to time specify for this purpose) Provided that in either case if such communication or document would otherwise be deemed to have been received or actually received on a day which is not a business day it shall be deemed to have been received on the next subsequent business day.
- 18.3 Each communication and document made or delivered by one party to another pursuant to this Assignment shall be in the English language or accompanied by a translation thereof into English certified (by an officer of the person making or delivering the same) as being a true and accurate translation thereof.

19. Payments Free of Deduction

All payments to be made under this Assignment shall be made free and clear of and without deduction for or on account of tax unless Summit is required to make such payment subject to the deduction or withholding of United Kingdom tax, in which case the sum payable by Summit in respect of which such deduction or withholding is required to be made shall be increased to the extent necessary to ensure that, after the making of such deduction or withholding, the Security Trustee receives and retains (free from any liability in respect of any such deduction or withholding) a net sum equal to the sum which it would have received and so retained had no such deduction or withholding been made or required to be made.

20. Security Trustee's Discretion

Any liberty or power which may be exercised or any determination which may be made hereunder by the Security Trustee may be exercised or made in its absolute and unfettered discretion without any obligation to give reasons therefor, but in any event, in accordance with the Security Trust Deed.

Part 7

LAW AND JURISDICTION

21. Law and Jurisdiction

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

IN WITNESS WHEREOF this Assignment typewritten on this and the eighteen preceding pages incorporating the Schedule annexed hereto has been executed as follows:

Subscribed for and on behalf of
Summit Healthcare (Law) Limited
at London on the 18th
day of June 1998 by

[Signature].....Director and
[Signature].....Director/Secretary

MICHAEL JOHN COLLARD.....
WILLIAM MOYES.....

Subscribed for and on behalf of
Royal Exchange Trustee Nominees Limited by
its attorney D. R. FINNEY

at London on the 24
day of June 1998 in the presence of this
witness:-

[Signature]
.....
(Witness - signature)

SUKHRUD MEHTA
.....
(Witness - full name, block capitals)

Broadwalk House
.....
Appold Street (Address)
.....
London EC2A 2HA

[Signature]
.....
attorney for and on behalf of Royal Exchange
Trustee Nominees Limited

This is the Schedule referred to in the Assignment by Summit Healthcare (Law) Limited in favour of Royal Exchange Trustee Nominees Limited dated June 1998

SCHEDULE
Part 1A
Description of Charged Property

The Charged Property comprises:

(a) **Bank Accounts**

all right, title and interest to which Summit is now or may hereafter become entitled in and to the Accounts (other than the Distributions Account) and all monies now or at any time hereafter standing to the credit of the Accounts (other than the Distributions Account) and any sub-accounts of such accounts held with the Accounts Bank and any other bank accounts opened or maintained by Summit from time to time with any bank, building society or other authorised deposit taker and all rights relating or attaching thereto (including the right to interest) and to the proceeds of all such accounts;

(b) **Insurances**

the whole rights, title and interest of Summit in and to the benefit of the Insurance Policies and all rights and claims to which Summit is now or may hereafter become entitled in relation to the proceeds of any of the Insurance Policies and the right to receive such proceeds of any of the Insurance Policies and all powers and remedies of or enforcing the same;

(c) **The Agreements**

the benefit (but not the burden) of all rights, title and interest of Summit under or in respect of the Agreements and in respect of all ancillary documentation entered into or to be entered into pursuant to the Agreements together with (i) all benefits arising thereunder and the full benefit of all rights, powers privileges and entitlements and others now or in the future pertaining thereto or deriving therefrom and all powers and remedies for enforcing same, (ii) all monies which at any time may be or become payable to Summit pursuant thereto and (iii) the net proceeds of any claims, awards and judgements which may at any time be receivable or received by Summit pursuant thereto;

(d) **Performance Bond**

all rights, title and interest of Summit under or in respect of the Performance Bond; and

(e) without prejudice to the generality of the property charged under paragraph (c) above, the benefit (but not the burden) of all rights title and interest of Summit in and to the Investment Management Agreement and all Authorised Investments from time to time acquired by the Investment Manager and held by it (or by its nominee) on behalf of Summit and all right, title and interest of Summit to the benefit of all obligations due by the Investment Manager to Summit contained therein (including the right to delivery and transfer of any Authorised Investments).

Part 1B

The Agreements are those specified in the table below:-

Parties	Details of Agreement	Notices to be acknowledged by
Trust and Summit	Project Agreement dated on or about 16 June 1998	Trust
Trust and Summit	Services Agreement dated on or about 16 June 1998	Trust
Trust and Summit	Equipment Agreement dated on or about 16 June 1998	Trust
Trust and Summit	Development Agreement dated on or about 16 June 1998	Trust
Trust and Summit	General Provisions dated on or about 16 June 1998	Trust
Trust and Summit	Master Definitions Schedule dated on or about 16 June 1998	Trust
Summit and Serco	Services Sub Contract dated on or about 16 June 1998	Serco
Summit, Siemens plc, and Siemens	Equipment Services Sub-Contract dated on or about 16 June 1998	Siemens plc and Siemens
Summit and Sir Robert McAlpine Limited	Building Contract dated on or about 16 June 1998	Sir Robert McAlpine Limited
Summit and Newarthill plc	Building Contract Guarantee dated on or about 16 June 1998	Newarthill plc
Summit and Serco Group plc	Services Sub-Contract Guarantee dated on or about 16 June 1998	Serco Group Plc
Summit, Credit Provider, Security Trustee, Bond Trustee, Account Bank and the Investment Manager	Accounts Agreement dated on or about the date of this Assignment	Account Bank Investment Manager
Summit, Security Trustee and Hill Samuel Asset Management Limited ("the Investment Manager")	Investment Management Agreement dated on or about the date of this Assignment	Investment Manager
Summit, AMBAC, Security Trustee, Trust	Financier Direct Agreement dated on or about 16 June 1998	Trust

Summit, BuildCo, Newarthill plc, AMBAC, Security Trustee	Building Contract Direct Agreement dated on or about 16 June 1998	BuildCo, Newarthill plc
Summit, Serco Limited, Serco Group plc, AMBAC, Security Trustee, Trust	Services Sub-Contract Direct Agreement dated on or about 16 June 1998	Trust, Serco Limited, Serco Group plc
Summit, Siemens plc, Trust, AMBAC, Security Trustee and Siemens	Equipment Sub-Contract Direct Agreement dated on or about 16 June 1998	Siemens plc, Trust
Summit and New Hampshire Insurance Company	Performance Bond dated on or about 16 June 1998	New Hampshire Insurance Company Newarthill plc

SCHEDULE

Part 2A

Form of Notice of Assignment - Building Contract

To: [Building Contractor]

Date: []

Dear Sirs,

Summit Healthcare (Law) Limited ("Summit") hereby gives you notice that it has assigned by way of security pursuant to an Assignment in Security (the "Assignment") entered into by it and Royal Exchange Trustee Nominees Limited (the "Security Trustee") dated [] all of its right, title and interest in and to (but excluding the burden of and obligations of Summit under) the Building Contract and the Building Contract Direct Agreement details of which are set out below to the Security Trustee.

Notwithstanding the issue of this notice of assignment Summit shall at all times perform its obligations and comply with its liabilities pursuant to the Building Contract and the Building Contract Direct Agreement. Pursuant to the Assignment, Summit is not entitled to amend, vary or waive any provision of the Building Contract or the Building Contract Direct Agreement without the prior written approval of the Security Trustee.

After your receipt of this notice, if you have been notified by the Security Trustee that an Enforcement Event has occurred:

- (a) all payments under or arising from the Building Contract or the Building Contract Direct Agreement should be made to the Security Trustee or to its order;
- (b) all remedies provided for in the Building Contract or the Building Contract Direct Agreement to Summit or available at law or in equity are exercisable by (or with the prior approval of) the Security Trustee; and
- (c) all rights of Summit to compel performance of the Building Contract or the Building Contract Direct Agreement are exercisable by (or with the prior approval of) the Security Trustee.

Please acknowledge receipt of this notice by signing the acknowledgement on the enclosed copy letter and returning the same to the Security Trustee c/o Shepherd & Wedderburn WS, Level 2, Saltire Court, 20 Castle Terrace, Edinburgh EH1 2ET marked for the attention of Paul W Hally.

Details:

Date

Parties

Building Contract dated 16
June 1998

Summit Healthcare (Law) Limited
Sir Robert McAlpine Limited

Building Contract Direct
Agreement dated _____
June 1998

Summit Healthcare (Law) Limited, Sir
Robert McAlpine Limited, Law Hospital
NHS Trust, Newarthill plc, AMBAC Insurance
UK Limited and the Security Trustee

Yours faithfully,

.....
for and on behalf of
Summit Healthcare (Law) Limited

[On copy only:

To: The Security Trustee

We acknowledge receipt of a notice in the foregoing terms and confirm that we have not received notice of any previous assignments or charges of or over any of the rights, interests and benefits referred to in such notice.

We further confirm that no amendment, waiver or release of any of such rights, interests and benefits shall be effective other than with the prior written consent of the Security Trustee or in accordance with the terms of the Collateral Deed (as defined in the Assignment). No termination of such rights, interests or benefits shall be effective unless we have given the Security Trustee written notice of the proposed termination in accordance with and subject to the terms of the Building Contract Direct Agreement (as defined in the Collateral Deed).

For and on behalf of Sir Robert McAlpine Limited

By:

Dated: June 1998

Part 2B**Form of Notice of Assignment - Services Sub-Contract**

To: [Serco Limited]

Date: []

Dear Sirs,

Summit Healthcare ("Law") Limited ("**Summit**") hereby gives you notice that it has assigned by way of security pursuant to an assignment in security (the "**Assignment**") entered into by it and Royal Exchange Trustee Nominees Limited (the "**Security Trustee**") dated [] all of its right, title and interest in and to (but excluding the burden of and obligations of Summit under) the Services Sub-Contract and the Services Sub-Contract Direct Agreement details of which are set out below to the Security Trustee.

Notwithstanding the issue of this notice of assignment Summit shall at all times perform its obligations and comply with its liabilities pursuant to the Services Sub-Contract and the Services Sub-Contract Direct Agreement.

After your receipt of this notice, if you have been notified by the Security Trustee that an Enforcement Event has occurred:

- (a) all payments under or arising from the Services Sub-Contract or the Services Sub-Contract Direct Agreement should be made to the Security Trustee or to its order;
- (b) all Summit's remedies provided for in the Services Sub-Contract or the Services Sub-Contract Direct Agreement or available at law or in equity are exercisable by (or with the prior approval of) the Security Trustee; and
- (c) all Summit's rights to compel performance of the Services Sub-Contract or the Services Sub-Contract Direct Agreement are exercisable by (or with the prior approval of) the Security Trustee.

We undertake to notify you as soon as an Enforcement Event (of which we have given you notice) has come to an end whereafter the provisions of (a), (b) and (c) above relating to such Enforcement Event shall be of no further effect.

Please acknowledge receipt of this notice by signing the acknowledgement on the enclosed copy letter and returning the same to the Security Trustee c/o Shepherd & Wedderburn WS, Level 2, Saltire Court, 20 Castle Terrace, Edinburgh EH1 2ET marked for the attention of Paul W Hally.

Details:-

Date

Parties

Services Sub-Contract dated ● June 1998
[]

Summit Healthcare (Law) Limited
Serco Limited

Services Sub-Contract Direct Agreement
dated ● June 1998

Summit, Law Hospital NHS Trust, Serco
Limited, Serco Group Plc, AMBAC Insurance
UK Limited and the Security Trustee

Yours faithfully,

.....
for and on behalf of
Summit Healthcare (Law) Limited

[On copy only:

To: The Security Trustee

We acknowledge receipt of a notice in the foregoing terms and confirm that we have not received notice of any previous assignments or charges of or over any of the rights, interests and benefits referred to in such notice.

We further confirm that no amendment, waiver or release of any of such rights, interests and benefits shall be effective other than with the prior written consent of the Security Trustee or in accordance with the terms of the Collateral Deed. No termination of such rights, interests or benefits shall be effective unless we have given the Security Trustee written notice of the proposed termination in accordance with and subject to the terms of the Services Sub-Contract Direct Agreement. Furthermore we undertake to give you notice of any breach or default on the part of Summit of any terms of the Services Sub-Contract and, so far as may be applicable, to specify how to make good such breach.

For and on behalf of Serco Limited

By:

Dated: June 1998

Part 2C

Form of Notice of Assignment - Equipment Sub-Contract

To: Siemens Healthcare Services Limited
and
Siemens plc

Date:[June 1998]

Dear Sirs,

Summit Healthcare (Law) Limited ("**Summit**") hereby gives you notice that it has assigned by way of security pursuant to an assignment in security (the "**Assignment**") entered into by it and Royal Exchange Trustee Nominees Limited (the "**Security Trustee**") dated [] all of its right, title and interest in and to (but excluding the burden of and obligations of Summit under) the Equipment Sub-Contract and the Equipment Sub-Contract Direct Agreement details of which are set out below to the Security Trustee.

Notwithstanding the issue of this notice of assignment Summit shall at all times perform its obligations and comply with its liabilities pursuant to the Equipment Sub-Contract and the Equipment Sub-Contract Direct Agreement.

After your receipt of this notice, if you have been notified by the Security Trustee that an Enforcement Event has occurred:

- (a) all payments under or arising from the Equipment Sub-Contract or the Equipment Sub-Contract Direct Agreement should be made to the Security Trustee or to its order;
- (b) all remedies provided for in the Equipment Sub-Contract or the Equipment Sub-Contract Direct Agreement or available at law or in equity are exercisable by (or with the prior approval of) the Security Trustee; and
- (c) all rights to compel performance of the Equipment Sub-Contract or the Equipment Sub-Contract Direct Agreement are exercisable by (or with the prior approval of) the Security Trustee.

Please acknowledge receipt of this notice by signing the acknowledgement on the enclosed copy letter and returning the same to the Security Trustee c/o Shepherd & Wedderburn WS, Level 2, Saltire Court, 20 Castle Terrace, Edinburgh EH1 2ET marked for the attention of Paul W Hally.

Details:-

Date	Parties
Equipment Sub-Contract dated ● June 1998	Summit Healthcare (Law) Limited Siemens Healthcare Services Limited and Siemens plc
Equipment Sub-Contract Direct Agreement dated ● June 1998	Summit Healthcare (Law) Limited, Siemens Healthcare Services Limited, Siemens plc, Law Hospital NHS Trust, AMBAC Insurance UK Limited and the Security Trustee

Yours faithfully,

.....
for and on behalf of
Summit Healthcare (Law) Limited

[On copy only:

To: The Security Trustee

We acknowledge receipt of a notice in the foregoing terms and confirm that we have not received notice of any previous assignments or charges of or over any of the rights, interests and benefits referred to in such notice.

We further confirm that after notification from you that an Enforcement Event has occurred no amendment, waiver or release of any of such rights, interests and benefits shall be effective other than with the prior written consent of the Security Trustee or in accordance with the terms of the Collateral Deed (as defined in the Assignment). No termination of such rights, interests or benefits shall be effective unless we have given the Security Trustee written notice of the proposed termination in accordance with and subject to the terms of the Equipment Sub-Contract Direct Agreement (as defined in the Collateral Deed). Furthermore we confirm that no breach or default on the part of Summit of any terms of the Equipment Sub-Contract shall be deemed to have occurred unless we have given notice of such breach to the Security Trustee specifying how to make good such breach.

For and on behalf of Siemens Healthcare Services Limited

By:

Dated: June 1998

For and on behalf of Siemens plc

By:

Dated: June 1998

PART 2D

Form of Notices of Assignment

To: Law Hospital National Health Service Trust

Date: []

Dear Sirs,

Summit Healthcare Limited ("**Summit**") hereby gives you notice that it has assigned by way of security pursuant to an assignment in security (the "**Assignment**") entered into by it and Royal Exchange Trustee Nominees Limited (the "**Security Trustee**") dated [●] June 1998 all of its right, title and interest in and to (but excluding the burden of and obligations of Summit under) the agreements details of which are set out below (the "**Agreements**") to the Security Trustee.

Notwithstanding the issue of this notice of assignment Summit shall at all times perform its obligations and comply with its liabilities arising pursuant to the agreement.

After your receipt of this notice, if you have been notified by the Security Trustee that an Enforcement Event has occurred;

- (a) all payments under or arising from the Agreements should be made to the Security Trustee or to its order;
- (b) all remedies provided for in the Agreements to Summit or available at law or in equity are exercisable by (or with the prior approval of) the Security Trustee; and
- (c) all rights of Summit to compel performance of the Agreements are exercisable by (or with the prior approval of) the Security Trustee and in accordance with the terms of the Financier Direct Agreement (as defined in the Project Agreement).

Please acknowledge receipt of this notice by signing the acknowledgement on the enclosed copy letter and returning the same to the Security Trustee at c/o Shepherd & Wedderburn WS, Level 2, Saltire Court, 20 Castle Terrace, Edinburgh EH1 2ET marked for the attention of Paul W Hally.

Details of Agreements:

- (i) Project Agreement, General Provisions, Development Agreement, Services Agreement, Equipment Agreement, Masters Definitions Schedule all dated June 1998 between Law Hospital National Health Service Trust and Summit Healthcare (Law) Limited.
- (ii) Financier Direct Agreement, Equipment Services Direct Agreement and Services Direct Agreement all dated June 1998 between Law Hospital National Health Service Trust,

Summit Healthcare (Law) Limited, the Security Trustee and AMBAC Insurance UK Limited.

Yours faithfully

for any on behalf of
Summit Healthcare (Law) Limited

[On copy only:

To: The Security Trustee

We acknowledge receipt of a notice in the foregoing terms and confirm that we have not received notice of any previous assignments or charges of or over any of the rights, interests and benefits referred to in such notice.

We further confirm that no amendment, waiver or release of any of such rights, interests and benefits shall be effective (other than with the prior written consent of the Security Trustee) or in accordance with the terms of the Collateral Deed (as defined in the Assignment). No termination of such rights, interests or benefits shall be effective unless we have given the Security Trustee written notice of the proposed termination in accordance with the terms of the Financier Direct Agreement (as defined in the Project Agreement).

For and on behalf of Law Hospital National Health Service Trust

By:

Dated:

1

Part 2E

Form of Notice of Assignment - Insurance Policy

To: [Insurance Company]

Date: []

Dear Sirs,

Summit Healthcare (Law) Limited ("**Summit**") hereby gives you notice that it has assigned by way of security pursuant to an assignment in security (the "**Assignment**") entered into by it and Royal Exchange Trustee Nominees Limited (the "**Security Trustee**") dated ● all of its right, title and interest in and to (but excluding the burden of and obligation of Summit under) [insurance policy number [] the ● undernoted insurance policies] to the Security Trustee.

Notwithstanding the issue of this notice of assignment Summit shall at all times perform its obligations and comply with its liabilities arising pursuant to insurance policy number [].

After your receipt of this notice, if you have been notified by the Security Trustee that an Enforcement Event has occurred:

- (a) all payments under or arising from insurance policy number [] should be made to the Security Trustee or to its order;
- (b) all remedies provided for in insurance policy number [] to Summit or available at law or in equity are exercisable by (or with the prior approval of) the Security Trustee; and
- (c) all rights to compel performance of insurance policy number [] are exercisable by (or with the prior approval of) the Security Trustee.]

Please acknowledge receipt of this notice by signing the acknowledgement on the enclosed copy letter and returning the same to the Security Trustee at [c/o Shepherd & Wedderburn WS, Level 2, Saltire Court, 20 Castle Terrace, Edinburgh EH1 2ET,] marked for the attention of [Paul W Hally].

Details of Policy:

Description of Parties:

Policy Number:

Yours faithfully,

.....
for and on behalf of

Summit Healthcare (Law) Limited

(On copy Only)

To: The Security Trustee

We acknowledge receipt of a notice in the foregoing terms and confirm that we have not received notice of any previous assignments or charges of or over any of the rights, interests and benefits referred to in such notice.

We further confirm that no amendment, waiver or release of any of such rights, interests and benefits shall be effective as regards the Security Trustee and the Credit Provider (as defined in the Collateral Deed) for a minimum of 60 days (or such lesser period (if any) as may be specified from time to time by the relevant underwriters or insurers in the case of war risks and kindred perils).

For and on behalf of [Insurance Company]

By:

Dated:

Part 2F

Form of Notice of Assignment - General

To: [Account Bank/Investment Manager]

Date: []

Dear Sirs,

Summit Healthcare (Law) Limited ("Summit") hereby gives you notice that it has assigned by way of security pursuant to an assignment (the "Assignment") entered into by it and Royal Exchange Trustee Nominees Limited (the "Security Trustee") dated [● June 1998] all of its right, title and interest in and to the [Accounts/investment/debt/agreement/document] details of which are set out below to the Security Trustee.

Notwithstanding the issue of this notice of assignment Summit shall at all times perform its obligations and comply with its liabilities arising pursuant to [the relevant contracts].

After your receipt of this notice, if you have been notified by the Security Trustee that an Enforcement Event has occurred:

- (a) all payments under or arising from the [] should be made to the Security Trustee or to its order;
- (b) all remedies [provided] for [in] the [] or available at law or in equity are exercisable by (or with the prior approval of) the Security Trustee; and
- (c) all rights to compel performance of the [] are exercisable by (or with the prior approval of) [].

Please acknowledge receipt of this notice by signing the acknowledgement on the enclosed copy letter and returning the same to the Security Trustee at c/o Shepherd & Wedderburn WS, Level 2, Saltire Court, 20 Castle Terrace, Edinburgh EH1 2ET, marked for the attention of Paul W Hally.

Details of the [Accounts/investment/debt/agreement/document]

Date

Parties

[]

[]

Yours faithfully,

.....
for and on behalf of
Summit Healthcare (Law) Limited

[On copy only:

To: The Security Trustee

We acknowledge receipt of a notice in the foregoing terms and confirm that we have not received notice of any previous assignments or charges of or over any of the rights, interests and benefits referred to in such notice.

We further confirm that no amendment, waiver or release of any of such rights, interests and benefits shall be effective without the prior written consent of the Security Trustee. No termination of such rights, interests or benefits shall be effective unless we have given [] 30 days written notice of the proposed termination and specifying the action necessary to avoid such termination. Furthermore we confirm that no breach or default on the part of [] of [any of the terms of the agreement/document] shall be deemed to have occurred unless we have given notice of such breach to you specifying how to make good such breach.

(For debts:) We further confirm that we shall not exercise any right of combination, consolidation or set-off which we may have in respect of such debt and we shall send you copies of all statements, orders and notices given by us relating to such debt.

For and on behalf of []

By:

Dated:

]

Executed by
SUMMIT HEALTHCARE (LAW) LIMITED

By: Director

Director/Secretary

Executed by
SUMMIT HEALTHCARE (LAW) LIMITED

By: Director

Director/Secretary

LAW HOSPITAL NHS TRUST

Extract from the Minute of a Meeting of the Board of Directors of Law Hospital NHS Trust ("the Trust") duly convened and held at Law Hospital, Carlisle, Lanarkshire at 10.00 am on Wednesday 27th May 1998

Present	J.G. Dunbar	(Chairman)
	I.A. Ross	(Chief Executive)
	A Lumsden	(Vice Chairman)
	S Aitchison	(Non-Executive)
	R Armstrong	(Non-Executive)
	M E Wooton	(Non-Executive)
	D. Matheson	(Director of Finance and Information Technology)
	G Walker	(Director of Human Resources)
	J Browning	(Medical Director)
Apologies	R Robertson	(Director of Nursing and Quality Assurance)
	J Bell	(Non-Executive)

1 QUORUM AND TIMING

The Chairman noted that a quorum (required, by the Standing Orders of the Trust, to be 3 Non-Executive Directors and a minimum of 5 Directors in total) was present. It was also noted that at the last meeting of the Board held on 23 April 1998, the Board had resolved to convene this meeting on Wednesday 27th May 1998.

Accordingly, the Chairman declared the meeting duly convened.

2 PURPOSE OF MEETING

The Chairman explained that the one purpose of the meeting was to:

- (a) consider the latest developments and agreement in relation to the procurement of the new Law DGH at Netherton and of certain services in relation to that Hospital ("the Project");
- (b) consider and approve the documents to be entered into by the Trust with the Summit Healthcare (Law) Limited ("Summit") for the purposes of the Project, namely, a Project Agreement, Development Agreement, General Provisions, Services Agreement, Equipment Agreement, Head Lease, Sub-Lease and Master Definitions Schedule (the "DBFO Contracts") and certain associated documents, including direct agreements. Copies of the latest drafts of the DBFO Contracts and other documents were tabled;
- (c) authorise the entering into by the Trust of the DBFO Contracts and other associated documents subject to any amendments which may be required and

approved by Mr Ross, as Chief Executive, after the date of this meeting;

- (d) authorise Mr Dunbar, as Chairman and Mr Ross, as Chief Executive, or Mr Ross and any other Executive Director of the Trust or any two Executive Directors of the Trust to execute the DBFO Contracts and all other associated documents required in connection with the Project, all in accordance with the Trust's Standing Orders, for and on behalf of the Trust;
- (e) authorise the Chief Executive to approve, on behalf the Trust, any other documents required in connection with the Project and which require approval by the Trust including the Finance Documents to be entered into by Summit; and
- (f) authorise the Chief Executive to do all things which may be necessary or desirable to finalise the terms of the DBFO Contracts and the other documents required in connection with the Project and procure the entering into by the Trust of the DBFO Contracts and implementation according to their terms.

3 THE PROJECT

The Chairman then asked Mr Ross to summarise to the Board the latest developments in connection with the Project.

Mr Ross referred to the Meeting of the Trust Board held on 31 March 1998 at which a Presentation was given to the Board by Mr I Ross, Mr D Matheson, Mr N Middleton of Price Waterhouse and Miss D Stevenson of McGrigor Donald, updating the Trust Board on the agreed principal terms of the Project. Mr Ross also referred to the Minutes of such Board Meeting and to the explanatory documents handed to the Board which had been prepared by Price Waterhouse and which formed the basis of the Presentation ("the Presentation").

Mr Ross explained to the Board that today's purpose was to describe any matters which had changed in any material respect, from the date of the Presentation. Accordingly Mr Ross referred to the Presentation as follows:-

3.1 Project Scope

Mr Ross explained that the only significant alteration to the scope of the Project was that the Trust, and not Serco, was now to enter into the Linen Sub-Contract. Therefore, the Linen Sub-Contract was now outwith the scope of the Project.

3.2 Payment Mechanism

Mr Ross explained there had been no material changes to the terms of the Payment Mechanism. He explained that the criteria for determining if a facility was "unavailable" had been amended and was subject to final agreement. He described the terms of the unavailability criteria to the Board.

3.3 Project Management

Mr Ross advised the Board that Financial Close was now expected before the end of June and confirmed the other key dates to the Board, namely, the Transition Commencement Date, Practical Completion Date, Services Commencement Date and a date for operation

of the Performance Measurement System.

3.4 Transition and Changes

Mr Ross advised that the position described in the Presentation had not materially changed.

3.5 Changes in Law

Mr Ross advised that the position described in the Presentation had not materially changed. Mr Ross explained to the Board, in summary, the position regarding Changes of Law and the circumstances in which Summit would be responsible and those in which the Trust would be responsible.

3.6 Delays

Mr Ross advised the position described in the Presentation had not materially changed. He advised the Board that the final definition of Force Majeure was still to be agreed and depended upon the extent to which the insurances to be effected by Summit covered certain of the events, specifically disorder and commotion.

3.7 Performance Measures

Mr Ross explained that the position as described in the Presentation had not materially changed. The calibration of number of Penalty Points to be awarded in certain circumstances and other Penalty Points required to lead to deductions and termination, had been agreed in principle, although were subject to final due diligence by Summit's technical advisers.

3.8 Termination

Mr Ross explained that the position regarding termination for Summit Default had not materially altered. In relation to termination for Trust Default, he advised the Board of the now agreed provisions regarding non-payment by the Trust and reminded the Board of the other events of Trust Default, namely, material breach, changes in the Secretary of State's Policies and withdrawal of comfort letters, legal change to the status of the Trust, assignation of the DBFO Contracts by the Trust in breach of the provisions of the Agreement and other events which would have a material adverse effect on the Project. Again, Mr Ross advised the Board that the position regarding Termination for Force Majeure was as set out in the Presentation and explained that the position regarding termination for breach of the Corrupt Gift provisions still required to be agreed.

3.9 Compensation

Mr Ross explained to the Board that the position described in the Presentation had not materially altered, save in respect of compensation payable for breach of Corrupt Gift provisions which required to be agreed.

3.10 Contract Expiry

Again, Mr Ross advised the Board that the position described in the Presentation had not materially altered.

Mr Ross then asked if the Board had any questions regarding the terms of the Project and certain matters were discussed. The Chairman noted that whilst certain matters still required to be agreed, the material aspects of the Project had not changed and had been agreed. Mr Ross confirmed this was correct.

4 APPROVALS

Mr Ross explained to the Board that a condition of the Project was obtaining certain approvals and comfort letters. He advised the Board that the following approvals were required:

- (a) a Certificate confirming the nature of the deal from the Secretary of State;
- (b) a letter from the Scottish Office confirming approval of the Project and also confirming approval by H.M. Treasury;
- (c) a "Clarification" letter from the Secretary of State; and
- (d) a letter from the Trust's Purchaser, Lanarkshire Health Board, confirming approval of the Project.

Mr Ross also explained that the Trust would be required to deliver to Summit a certified copy of the Minutes of the Meeting of the Board approving the Project, a disclosure letter (setting out certain information which had previously been disclosed to Summit and which would qualify any warranties given by the Trust in connection with the Project), a Certificate confirming the Trust's representations, a letter confirming the procurement process followed in relation to the Project and, a Certificate in relation to the Trust's establishment order and standing orders.

Mr Ross reminded the Board that the provisions of the various letters and certificates had been described in the Presentation.

Mr Ross referred to the letter dated 29 September 1997 addressed to the Trust from Peter Collings, Director of Finance, Scottish Office, NHS Management Executive, and the letter dated 24 September 1997 from HM Treasury to the Scottish Office. It was noted that both letters approved the full Business Case submitted by the Trust in relation to the Project. Mr Ross explained that both letters gave approval subject to certain conditions, such as the Project remaining affordable, off balance sheet and continuing to have a favourable net present cost compared to the PSC and the "do minimum" option. The HM Treasury letter also referred to confirmation of Serco (as FM provider) representing value for money.

The Board noted that, in its opinion and on the basis of advice received, all such conditions had been fulfilled and there had been no material changes to the Project which would cause such approvals to be withdrawn or amended. Accordingly, the Board considered the Project had been approved by the Scottish Office and HM Treasury.

Mr Ross also noted that the "clarification" letter had been issued by the Secretary of State.

5 COMPLETION

Mr Ross explained to the Board that the intention was to agree the final form of the DBFO Contracts and all other associated documents by the end of May/beginning of June, to enable Financial Close to be effected in June (around 8/9 June). It was therefore noted that there would be no opportunity for a further Board Meeting before execution of the DBFO Contracts and therefore, the Board would be required to confirm approval of the Project at this meeting, subject to any amendments which may be agreed to by Mr Ross.

It was further noted that final pricing of the Project was yet to be confirmed and would be dependent on interest rates at the time of Signing/Financial Close.

6 APPROVAL AND AUTHORISATION OF THE PROJECT

The terms of the Project, the DBFO Contracts, associated documents, approvals and all other relevant matters were then carefully considered by the Board. Mr Ross reminded the Board that, in terms of the DBFO Contracts, the Trust would be required to grant certain warranties and undertakings to Summit, as set out in the DBFO Contracts. It was noted that the Board, taking into account the advice of Price Waterhouse and McGrigor Donald, considered that:

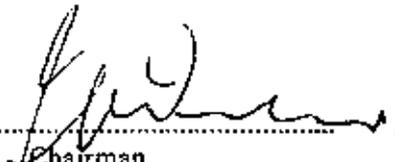
- (a) it is in the interests of the Trust and necessary and expedient for the discharge of its functions as an NHS Trust, to enter into the DBFO Contracts, associated documents and the Project; and
- (b) the Trust has, in terms of the Trust's establishment orders and standing orders, the power and authority, and it is a Trust function to:
 - (i) enter into and perform its obligations under the DBFO Contracts and all associated documents in connection with the project and be bound by the obligations contained therein;
 - (ii) to undertake all actions and perform all obligations which may properly be required of it in connection with the project.

Accordingly, after due and careful consideration, it being considered in the best interests of the Trust, the Board *unanimously resolved* as follows:-

- (i) that the terms of the Project be, and are hereby, approved;
- (ii) that the terms of the DBFO Contracts and all associated documents as described to the Meeting be, and are hereby, approved;
- (iii) that the Chief Executive or an Executive Director subsequently appointed by the Board be and is hereby authorised to approve all amendments (other than of a material nature) to the DBFO Contracts and associated documents after the date of this meeting - including agreement of the final pricing, considered by him, to be necessary or desirable for the purposes of the Project and to enable the DBFO Contracts and associated documents to be agreed;
- (iv) that the Chief Executive, or an Executive Director subsequently appointed by the

Board, be and is hereby authorised to agree the terms of and sign, for and on behalf of the Trust, any letters required to be delivered to Summit and the Financiers in connection with the Project, and as described to the Meeting;

- (v) that the Chief Executive, or an Executive Director subsequently appointed by the Board, be and is hereby authorised to approve all other documents relating to or required in connection with the Project, including the Financial Documents to be entered into by Summit;
- (vi) that the Chairman and Chief Executive, or the Chief Executive and any other Executive or any two Executive Directors of the Trust be and are hereby authorised to execute the DBFO Contracts and all other documents required in connection with the Project, for and on behalf of the Trust, all in accordance with the Trust's Standing Orders; and
- (vii) that the Extract Minute of this Meeting as tabled to the Board (confirming approval of the Project) be and is hereby approved (and accordingly that Standing Order 7.2 be suspended for this purpose) and that the Chief Executive be and is hereby authorised to deliver certified copies of the Extract Minutes as required in connection with the Project.


.....
Chairman


.....
Chief Executive

**Certificate issued pursuant to the
National Health Service (Private Finance) Act 1997**

I, Peter Stafford Collings, Principal Finance Officer, hereby certify that the documents set out in the Schedule to this certificate comprise, and each of them respectively comprises, an externally financed development agreement for the purposes of Section 1 of the National Health Service (Private Finance) Act 1997 and accordingly the Law Hospital NHS Trust is authorised to enter into each of them.

P. S. Collings

The Scottish Office
5 June 1998

Schedule

1. The Project Agreement
2. The Development Agreement
3. The General Provisions
4. The Services Agreement
5. The Head Lease
6. The Sub-Lease
7. The Equipment Agreement
8. The Master Definitions Agreement
9. The Financier Direct Agreement
10. The Services Sub-Contract Direct Agreement
11. The Equipment Services Sub-Contract Direct Agreement

and all other Deeds, Documents, Letters and Certificates entered into or to be entered into by the Trust pursuant to the above, including the Collateral Warranties, the Trust Information Letter, the Trust Procurement Letter and Trust Certificates delivered pursuant to the Collateral Deed and the Project Agreement.

UNCLASSIFIED

4 JUN 1998

HM Treasury

20702, h.k.k.2



Parliament Street
London SW1P 3AG

Tel 0171 270 5214
Fax 0171 270 5671

Mr R Scott
Private Finance Unit,
NHS Management Executive,
Scottish Office,
St Andrews House,
Regent Road,
EDINBURGH,
EH1 3TB

3 June 1998

Dear Ron

CONFIRMATION OF APPROVAL TO THE LAW PFI SCHEME

Thank you for your fax message of 2 June, enclosing the letter of 1 June from Law Hospital.

2. I understand that the key changes to the Law Hospital PFI scheme since the approval of the FBC have been improvements to affordability (mainly due to the reduced interest rate) and that the scheme is now to be funded principally by way of a bond. You have assured me that the scheme is inside the parameters set by my letter on FBC approval of 24 September 1997, and therefore I am pleased to confirm that the approval given in that letter is still extant.

*Yours sincerely
Peter Jolly*

Peter Jolly

Certified a true copy

[Signature]

Edinburgh 4 June 1998

HM Treasury

Parliament Street
London SW1P 3AG

Tel 0171 270 5214

Fax 0171 270 5671

Ross Scott Esq
Scottish Office
St. Andrews House
Edinburgh EH1 3DG

24 September 1997

Dear Ross,

APPROVAL OF FBC FOR LAW PFI SCHEME

I am pleased to report that the PMG has approved the FBC for the Law Hospital rebuild PFI project. This approval is subject to there being no material changes to the scheme, its cost and contractual arrangements. In particular, the approval depends upon the scheme:

- a. remaining affordable;
- b. remaining off balance sheet. I am pleased that the auditors have been persuaded to amend their earlier opinion. Please let me know when they confirm it;
- c. continuing to have a favourable net present cost compared to the PSC and the "do minimum" options.

I recall that there were concerns that the arrangements for FM services under Serco were not best value for money. I have not withheld the FBC approval to await settlement of this issue as it would be unreasonable to expect everything to be fully resolved at FBC stage. However, please can you give me a report on the final agreed arrangements and your confirmation that they do represent value for money compared to alternatives. I trust that this issue will not be a "show stopper", but if you are unable to give us this confirmation before financial close, we will need to look very carefully at all other aspects of the scheme before being satisfied that the package as a whole is viable.

In addition, the approval will lapse should the capital cost increase by more than 10% or if the revenue payments increase by more than 5%. We wish to be kept in touch with progress by a quarterly report showing any major problems, progress against key milestones and current financial forecasts. Any material change should of course be reported immediately. Finally, we would like to see the matrix of contract terms and other key issues updated in detail before financial close please.

Yours sincerely

PETER JOLLY

Edinburgh 2 June 1998
Certified as a true copy

Bruce Barnett



THE SCOTTISH OFFICE

Department of Health

NHS Management Executive
St. Andrew's House
Edinburgh EH1 3DG

Telephone 0131-244 3464
Fax 0131-244 ~~3464~~ 3185

Mr Ian Ross
Acting Chief Executive
Law Hospital NHS Trust
Trust Office
Law Hospital
CARLUKE
ML8 5ER



Received By	CH
Date	- 1 OCT 1997
Original Copy to:	EVEG'S
For Action	By
For Information	
Copy for C.E.	
Comment to C.E.	
Return to C.E.	

Certified to be a true copy
to cert.

29 September 1997

18 June 1998

Dear Ian

APPROVAL OF FULL BUSINESS CASE FOR NEW LAW DISTRICT GENERAL HOSPITAL

I am pleased to advise that HM Treasury has approved the FBC for the New Law Hospital project.

Treasury's approval is subject to there being no material changes to the scheme, its cost and contractual arrangements. In particular, the approval depends upon the scheme:

- a. remaining affordable; ✓
- b. remaining off balance sheet; ✓
- c. continuing to have a favourable net present cost compared to the PSC and the "do minimum" options.

In addition, the approval will lapse should the capital cost increase by more than 10% or if the revenue payments increase by more than 5%.

Peter Jolly at Treasury recalls the concerns over the arrangements for FM services under Serco not being best value for money and has accordingly asked us for a report on the final agreed arrangements and confirmation that these arrangements do represent value for money when compared to alternatives. I should be grateful if you could let us have such a report at your earliest convenience.

We are committed to keep in touch with HM Treasury by providing a quarterly report showing any major problems, progress against milestones and current financial forecasts and we will be commissioning the first such report towards the end of December. Any material change must be reported to HM Treasury via us immediately.

Finally, HM Treasury has asked that the details you provided recently for the matrix of key contract terms be updated in detail and submitted to them again via us before financial close.

Yours sincerely

Peter

PETER COLLINGS
Director of Finance



THE SCOTTISH OFFICE

Department of Health

NHS Management Executive
St. Andrew's House
Edinburgh EH1 3DG

Telephone 0131-244 2076
Fax 0131-244 3996

Mr Ian Ross
Chief Executive
Law Hospital NHS Trust
Law Hospital
CARLUKE ML8 5ER

4 June 1998

Dear Ian

PFI: NEW LAW DGH APPROVAL

I refer to your letter of 1 June.

In your letter you have confirmed that, other than a significant improvement in the affordability, there has been no material change to the scheme, its design, costs or contractual arrangements since the FBC approval letter issued by Peter Collings on 29 September 1997. In the light of that confirmation, I am pleased to advise that the approval given last September still stands.

Furthermore, I have asked HM Treasury to confirm that they are still content to approve the scheme and enclose a copy of a letter from Peter Jolly giving such confirmation.

Yours sincerely

ROSS SCOTT
Private Finance and Capital Unit

*Certified as a true
copy*
R. Scott
16 June 1998.



THE SCOTTISH OFFICE
DOVER HOUSE
WHITEHALL
LONDON SW1A 2AU

To:
Summit Healthcare (Law) Limited;
Summit Finance (Law) plc;
AMBAC Insurance UK Limited;
Royal Exchange Trustee Nominees Limited; and
Royal Exchange Trust Company Limited

21 May 1998

Dear Sirs,

I am aware that Summit Healthcare (Law) Ltd is the nominated preferred bidder for the new Law District General Hospital PFI project and that shortly it will enter into contract documentation relating to the same. I am also aware that financing for the project is up to £140m which is to be raised by the issue of secured bonds due 2028 which will be guaranteed by AMBAC Insurance UK Limited, together with a further standby loan facility of up to £6m. The financing will be non-recourse to the shareholders of the project company.

In recognition of the foregoing, I thought it would be helpful if I wrote to clarify the statutory responsibilities of the Secretary of State for Scotland in relation to the NHS in Scotland in general and to NHS Trusts in particular.

The enclosed paper sets out those statutory responsibilities and also some of the financial obligations of NHS Trusts; the strict financial controls under which NHS Trusts operate; and the range of remedial actions which are open to the Secretary of State to ensure Trusts continue to meet their financial objectives.

In particular, you should note that all PFI projects valued at £4 million and above are scrutinised and approved on my behalf by the NHS Management Executive and that PFI schemes for IT valued at £1 million and above and non-IT schemes valued at £10 million and above are also scrutinised by and must receive Treasury approval. Approval will not be given for any project unless it is economically sound; demonstrates value for money against the public sector comparator by delivering, throughout its contractual life, ongoing efficiency savings in line with Government objectives; its financial terms, including ongoing costs and

termination arrangements, are acceptable; it is both affordable and consistent with the financial objectives for the NHS Trust; there are clearly identified benefits for patients; and it is, therefore, in the interests of the health service to enter into and perform the project contracts. Accordingly, the full business case for the new Law Hospital PFI project has been approved.

My Department's legal advice has always been that NHS Trusts have the power to enter into PFI contracts under National Health Service (Scotland) Act 1978. The matter has been put beyond doubt by the National Health Service (Private Finance) Act 1997. This Act explicitly states that an NHS Trust has power to enter into an "externally financed development agreement". A contract will constitute an externally financed development agreement when it has been certified as such by the Secretary of State. The Secretary of State may so certify if:

- a. in his opinion the purpose or main purpose of the agreement is the provision of facilities in connection with the discharge by the Trust of any of its functions; and
- b. a person proposes to make a loan, or provide any form of finance for, another party in connection with the agreement.

The Act further explicitly states that an NHS Trust may enter into an agreement with a person who falls within b. above in relation to the externally financed development agreement.

The issue of a certificate in respect of a PFI contract therefore removes any doubt concerning a Trust's *vires* to enter into that contract. However, the Act expressly declares that the absence of a certificate is not to be taken as invalidating a PFI contract; and, as I have mentioned above, our advice is that Trusts have always had powers to contract in this way.

The NHS Management Executive, acting on behalf of the Secretary of State, seeks to ensure that NHS Trusts are always able to fulfil their responsibilities. The Secretary of State has a range of powers available to him in this regard, including increased financial support for Health Boards or Trusts, management changes, mergers and dissolution. It is important to make clear that the intention of the distinction between Health Boards as strategic planners and Trusts as the deliverers of health care within the NHS is not to affect adversely the position of third party creditors and that all valid third party claims have been, and will continue in the future to be, paid. Accordingly, although the Secretary of State has wide duties of consultation in respect of Trust mergers and dissolutions and cannot fetter his discretion as to how he exercises his powers, if any Trust were unable to meet its obligations (including its liabilities to its PFI contractors or their financiers), the Secretary of State would intervene in a timely manner to ensure that either the Trust itself, or any body to which its liabilities are transferred (including for this purpose, the Secretary of State for Scotland) in accordance with the relevant legislation, is in a position to meet its liabilities on time and in full.

The proposition that the Secretary of State would stand by and do nothing in circumstances where an NHS Trust was unable to meet its obligations is untenable given the statutory responsibilities of the Secretary of State for Scotland.

Finally, the principles of public accountability and of public law require the Secretary of State always to act reasonably in the exercise of his statutory powers.

Pursuant to Clause 49 of the Scotland Bill (when enacted), the functions of the Secretary of State under the National Health Service (Scotland) Act 1978, The National Health Service (Residual Liabilities) Act 1996 and The National Health Service (Private Finance) Act 1997 will transfer to the First Minister on the date appointed under the Act for the coming into force of that section and the taking up of office by the First Minister. My Department's legal advice is that the clarification and guidance contained in this letter as regards the statutory responsibilities of the Secretary of State for Scotland in relation to the NHS in Scotland in general and to NHS Trusts in particular would be equally applicable to the First Minister and that such First Minister would have equivalent duties.

While nothing in this letter or the enclosed paper should be construed by you as a guarantee by the Secretary of State of the obligations or liabilities of any NHS body, nor as a restriction on the way in which the Secretary of State would exercise his discretionary powers in any particular case, I hope you will find them a helpful guide to the statutory responsibilities of the Secretary of State and the powers available to him.

Yours sincerely,
Donald B. Dewar
DONALD DEWAR

THE DUTIES AND POWERS OF THE SECRETARY OF STATE FOR SCOTLAND AND THE OBLIGATIONS OF NHS TRUSTS

Statutory Responsibilities of the Secretary of State

1. The principal statutory responsibilities of the Secretary of State are set out in the National Health Service (Scotland) Act ("the 1978 Act"). That Act:

- places a fundamental duty on the Secretary of State to continue "to promote in Scotland a comprehensive and integrated health service ... and for that purpose to provide or secure the effective provision of services in accordance with the provisions of [that] Act." (Section 1(1))
- places a duty on the Secretary of State to provide throughout Scotland to such extent as he considers necessary to meet all reasonable requirements, various types of accommodation and services. (Section 36)

2. Many of the Secretary of State's functions under the 1978 Act have been delegated to Health Boards. Since the coming into force of the National Health Service and Community Care Act 1990 ("the 1990 Act") Health Boards have been able to discharge their function of providing services by making arrangements with NHS Trusts under NHS Contracts (Section 17A of the 1978 Act).

3. The functions and duties retained by the Secretary of State are carried out on his behalf and in his name by officials in the Management Executive for the NHS in Scotland (The "ME"), which for legal purposes, is equivalent to the Secretary of State.

Statutory Obligations of NHS Trusts

4. The statutory obligations of NHS Trusts are set out in the 1978 Act and secondary legislation made under that Act. In particular:

- "An NHS Trust shall carry out effectively, efficiently and economically the functions for the time being conferred on it by an order or under section 12A(1) and by the provisions of this Schedule ..." (Paragraph 6(1) of Schedule 7A to the 1978 Act)
- "Every NHS Trust shall ensure that its revenue is not less than sufficient, taking one financial year with another, to meet outgoings properly chargeable to revenue account." (Section 12F(1) of the 1978 Act)

5. The NHS Trusts Guidance for Finance Managers sets out the financial responsibilities of NHS Trusts, their boards and senior officers and requires the adoption of and adherence to adequate Standing Orders and Standing Financial Instructions. A model set of Standing Financial Instructions is provided in the Manual.

6. NHS Trusts are, by statute, obliged to comply with directions given by the Secretary of State in the preparation of their annual report and annual accounts. The NHS Trusts Manual for Accounts, issued to all Trusts' Directors of Finance, gives guidance in meeting this obligation. The annual report and accounts conform to a standard comparable to that required of private sector companies under the Companies Acts and to Generally Accepted Accountancy Practice (GAAP). NHS Trusts must publish their annual report and their Audited Annual Accounts must be presented to public meetings.

7. In common with other similar institutions, Trusts are expected to have robust internal audit arrangements and an audit committee chaired by a non-executive director. The Accounts Commission have overall responsibility for the audit of the accounts of each Trust. The Commission audits many accounts itself and directs the work of appointed external auditors for other Trusts. The National Audit Office is responsible for auditing the consolidated accounts of NHS Trusts and laying them before Parliament. -

Accountability of NHS Trusts

8. NHS Trusts are directly accountable to the Secretary of State, who delegates to the Chief Executive of the ME responsibility for the supervision of Trust performance. The Chief Executive of the ME is accountable both to the Secretary of State and, in his accounting officer role, directly to Parliament. A similar dual accountability applies to the Chief Executive of Trusts, who are responsible both to their boards and, via the Chief Executive of the ME, to Parliament.

9. All Chief Executives of NHS Trusts are answerable to Parliament through the Chief Executive of the ME for the propriety and regularity of public finances in the NHS; for the keeping of proper accounts; for prudent and economical administration; for the avoidance of waste and extravagance; and for the efficient and effective use of all the resources in their charge.

Financial monitoring and scrutiny

10. In order to fulfil his statutory obligations, the Secretary of State needs to monitor and manage the NHS and is given wide powers for this purpose.

11. The financial performance of Trusts is monitored on a systematic basis by the ME acting on behalf of the Secretary of State. In order to allow this monitoring to take place, NHS Trusts must prepare a Financial Plan which must be submitted to the ME for review. Checks ensure that Trusts are planning to meet their financial duties; and the financial position of the Trust and its forward plans are scrutinised in the context of its overall service objectives. This ascertains whether the Trust is capable of delivering its objectives within the resources available to it, and requires a careful scrutiny of past as well as projected performance. As part of this monitoring, Trusts must report on their position as regards their statutory financial duties.

12. The ME monitors the in-year performance of individual Trusts against their Annual Plans. Trust Directors of Finance are responsible for providing the ME with timely and

accurate monitoring reports on a monthly basis, in a form which the ME determines. The ME carries out an analysis of each Trust's reported financial position to ascertain whether the Trust is meeting its financial duties.

13. The NHS Trusts that enter into PFI schemes are subject to the guidance contained in the ME's Scottish Capital Investment Manual, which sets out the structured and disciplined approach to capital investment in the NHS. A three stage approach is followed, culminating in the presentation of a full business case. A business case must demonstrate convincingly that the project is economically sound (through an option appraisal); is financially viable (affordable to the Trust and purchasers); and will be well managed. In addition, a business case for any investment should show that the proposal has clearly identified benefits for patients and is supported by purchasers. All PFI schemes are assessed by the ME, with schemes above £4 million being very closely scrutinised. PFI schemes for IT valued at £1 million and above and non-IT schemes valued at £10 million and above are also scrutinised by and must receive approval from HM Treasury.

Control of NHS Trusts in financial difficulties

14. If a Trust does run into financial problems, it is expected to draw up a robust recovery plan for approval and monitoring by the ME. This plan must also be externally validated. The ME reviews the Trust's progress formally, and further measures may be taken if adequate progress is not made.

15. NHS Trusts may, where appropriate, negotiate contracts for PFI projects which give financiers rights to certain information - such as that provided to the ME in monitoring returns. Such information would be provided to financiers by the Trust concerned; and would enable financiers to make representations to the ME or the Secretary of State.

The NHS (Residual Liabilities) Act 1996

16. The Secretary of State has a statutory power to dissolve an NHS Trust if he considers it appropriate in the interests of the health service to do so or on the application of the NHS Trust concerned. (Paragraph 25 of Schedule 7A of the 1978 Act). In that event of an NHS Trust ceasing to exist, the NHS (Residual Liabilities) Act 1996 provides that liabilities have to be transferred to another NHS Trust; a Health Board; a Special Health Board; or the Secretary of State.

Law
HOSPITAL
NHS Trust

Our Ref.:-

IAR/FD

If phoning
ask for :-

Mr Ross

☎ DDI 01698 364120

Carlisle
Lanarkshire
ML8 5ER

Tel: (01698) 361100
Fax: (01698) 376671

1 June 1998

Distribution: See List Attached

Dear Sirs

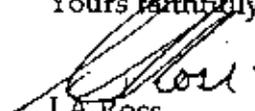
NEW LAW HOSPITAL

We refer to the Project Agreement and other DBFO Contracts referred to in that agreement entered or to be entered into between Law Hospital National Health Service Trust ("Trust") and Summit relating to the design, financing, construction, fitting out, commissioning and operation of certain facilities and the provision of certain facilities at New Law District General Hospital at Netherton ("Project").

We are aware that the financing for the Project is up to £140 million which is to be raised by the issue of secured bonds due 2028 which will be guaranteed by AMBAC Insurance UK Limited, together with a further standby loan facility of up to £6 million. The financing will be non-recourse to the shareholders of the project company. We understand that it is in relation to the provision of this financing that the Financiers may seek to rely on this letter.

We confirm that the Project Agreement and the other DBFO Contracts referred to in that agreement were awarded to Summit by the Trust in accordance with all applicable procurement requirements including and without prejudice to the generality of the foregoing Council Directive 93/37/EEC and the Public Works Contracts Regulations 1991, S1 1991 No. 2680.

Yours faithfully


I A Ross

Chief Executive
Law Hospital NHS Trust

List referred to:

Summit Healthcare (Law) Limited
Saltire Court
20 Castle Terrace
EDINBURGH
EH1 2EN

Summit Finance (Law) plc
Saltire Court
20 Castle Terrace
EDINBURGH
EH1 2EN

AMBAC Insurance UK Limited
18th Floor
St Helen's
1 Undershaft
LONDON
EC3A 8JL

Royal Exchange Trustee Nominees Limited
155 Bishopsgate
LONDON
EC2 M 3TG
(the "Security Trustee")

Royal Exchange Trust Company Limited
155 Bishopsgate
LONDON
EC2M 3TG
(the "Bond Trustee")



LANARKSHIRE HEALTH BOARD

OUR REF: TAD/IMcC
YOUR REF:

14 Beckford Street
Hamilton
ML3 0TA

if telephoning, ask for:

Telephone: (01698) 281313
Fax No.: (01698) 423134

Mr T A Divers

02 June 1998

Mr I A Ross
Chief Executive
Law Hospital NHS Trust
CARLUKE ML8 5ER

Dear Mr Ross

LAW HOSPITAL PFI PROJECT

I understand that, as a condition of completion of the Project for procurement of a new hospital at Netherton and of certain services in relation to that hospital, you require further confirmation from Lanarkshire Health Board with regard to our commitment to and approval of the Project.

As advised to you throughout the PFI process, the Health Board takes the view that a new hospital in Netherton, in place of the existing Law Hospital, is essential if the health care needs of Lanarkshire patients are not to be compromised in the future.

As you are aware, the Health Board currently purchases its services from three Acute Trusts, Law Hospital NHS Trust, Hairmyres and Stonehouse Hospitals NHS Trust and Maudslands and Bellshill Hospitals NHS Trust, and the Health Board also at present purchases community and mental health services from Lanarkshire Healthcare Trust. You are also aware of the Health Board's purchasing strategy in relation to acute services, maternity services and psychiatric services. I know that a summary of that strategy is contained in the full business case approved in relation to the Project.

I am pleased to re-affirm that the Health Board intends to invest in the Trust over the longer term and accordingly purchase services from the Trust. The precise details will continue to be agreed annually and will reflect variation in the demographic trends. The purchasing strategy of the Health Board will also require to be adjusted to reflect the re-configuration of Trusts within Lanarkshire but I do not consider this will materially affect the Health Board's support for, or commitment to, the new Law Hospital. Indeed, the Health Board's consultation paper on Trust re-configuration within Lanarkshire very firmly makes that point.

As previously advised and agreed with the Trust, I stress that the commitment to and approval of the Project is subject to the year-on-year requirement on all Trusts to meet the nationally set efficiency gain targets and which the Health Board would expect to receive from all of its providers, including Law Hospital NHS Trust.

*Confirmed as a true
Copy
16 June 1998*

In summary, therefore, Lanarkshire Health Board again confirms its support for the procurement of the new Law Hospital, subject to the financial/efficiency requirements, as outlined above, and will continue to work with the Trust in order to take this forward.

Yours sincerely



T A DIVERS
GENERAL MANAGER

Law
H O S P I T A L
N H S T r u s t

Carluke
Lanarkshire
ML8 5ER

Our Ref.:- LAR/mas/'cPFI/Projagr3

If phoning
ask for :-

Mr Ross ☎ DDI 01698 364120

- Tel: (01698) 361100
Fax: (01698) 376671

25 June 1998

Summit Healthcare (Law) Limited
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EN

Dear Sirs,

Law Hospital National Health Service Trust (the Trust)
Project Agreement

We refer to Project Agreement dated 16 June 1998 between the Trust and Summit Healthcare (Law) Limited (the "Project Agreement").

With reference to Clause 3.4 of the Project Agreement we confirm that the Trust will, subject to satisfaction or waiver of the other Conditions Precedent in Clause 3.1, grant Summit access to or vacant possession of the Site (in terms of Clause 8.3 of the Project Agreement) on 25 June 1998.

Unless the context otherwise requires, words and phrases used in this letter shall have the same meaning as given to them in the Project Agreement.

Yours sincerely,



I.A. Ross
Chief Executive

[For and on behalf of Law Hospital National Health Service Trust]

Law
HOSPITAL
NHS TRUST

Carlisle
Lanarkshire
ML8 5ER

Our Ref.:- IAR/mas/'c'PFI/Projagr1

If phoning
ask for :-

Mr Ross ☎ DDI 01698 364120

Tel: (01698) 361100
Fax: (01698) 376671

25 June 1998

Summit Healthcare (Law) Limited
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EN

Dear Sirs,

Law Hospital National Health Service Trust (The Trust)
Project Agreement

We refer to Project Agreement dated 16 June 1998 between the Trust and Summit Healthcare (Law) Limited (the "Project Agreement").

With reference to Clause 3.1.1(m) of the Project Agreement we confirm that we approve (i) Serco Limited, as guaranteed by Serco Group plc, and (ii) Siemens plc, as Approved Service Providers (all in terms of the Sub-Contracts relative to the provision of Equipment Services and the Services in the Agreed Form).

Unless the context otherwise requires, words and phrases used in this letter shall have the same meaning as given to them in the Project Agreement.

Yours sincerely,



I.A. Ross
Chief Executive

[For and on behalf of Law Hospital National Health Service Trust]

Law
H O S P I T A L
N H S T r u s t

Carlisle
Lanarkshire
ML8 5ER

Our Ref.:- IAR/mas/'c'PFI/Projagr2

If phoning
ask for :-

Mr Ross ☎ DDI 01698 364120

Tel: (01698) 361100
Fax: (01698) 376677

25 June 1998

Summit Healthcare (Law) Limited
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EN

Dear Sirs,

Law Hospital National Health Service Trust (the Trust)
Project Agreement

We refer to Project Agreement dated 16 June 1998 between the Trust and Summit Healthcare (Law) Limited (the "Project Agreement").

With reference to Clause 3.1.5(f) of the Project Agreement we confirm that as at today's date (being the date on which the conditions in Clause 3.1 of the Project Agreement (other than the condition contained in sub-clause 3.1.5(f) have been fulfilled) the representations of the Trust set out in Clause 3.5 of the Project Agreement are true, correct and not misleading.

Yours sincerely,



I.A. Ross
Chief Executive

[For and on behalf of Law Hospital National Health Service Trust]



Carlisle
Lanarkshire
ML8 5ER

Our Ref.:-

IAR/mas/winword/summit3

If phoning
ask for :-

Mr Ross
☎ DDI 01698 364120

Tel: (01698) 361100
Fax: (01698) 376671

18 June 1998

Summit Healthcare (Law) Limited
Saltire Court
20 Castle Terrace
EDINBURGH

Dear Sirs

**LAW HOSPITAL NHS TRUST
TRUST INFORMATION LETTER**

We refer to the Project Agreement ("the Agreement") to be entered into between Law Hospital NHS Trust and Summit Healthcare (Law) Limited ("Summit") for the provision of a new hospital at Netherton to be known as New Law District General Hospital and of certain services in relation to that hospital.

Words and expressions defined in the Agreement shall have the same meaning in this letter unless the context requires otherwise.

This letter is the Trust Information Letter and sets out in the information and documents which have been provided to Summit in relation to the matters specified in Clauses 3.5.8 and 16 of the Project Agreement.

1. **Clause 3.5.8(a) (Material Contracts)**
 - 1.1 Contract between Law Hospital NHS Trust and Lanarkshire Health Board for the period 1 April 1995 to 31 March 1998.
 - 1.2 Law Hospital NHS Trust Implementation Plan 1998/99.
 - 1.3 Contract between HBO(UK) & Company Limited and the Trust in relation to HISS, dated December 1996.

-
- 1.4 Contract between Bateman and the Trust dated February 1995.
 2. Clause 3.5.8.(b) (Surveys)
 - 2.1 Geophysical survey of new Law site prepared by Fairhursts and dated October 1995.
 - 2.2 Desktop Study Report of new Law site prepared by Fairhursts and dated 3 July 1995.
 - 2.3 Wimpey environmental Site Survey prepared by Wimpey Environmental dated 30 August 1995.
 - 2.4 Environmental Interpretive Report prepared by Fairhursts dated 12 October 1995.
 - 2.5 Geotechnical Interpretive Report prepared by Fairhursts and dated 12 October 1995.
 3. Clause 16 (Employees)
 - 3.1 Letter from Gordon Walker to David Smith of Serco dated 30 April 1998.
 - 3.2 Letter from Gordon Walker to Diane Nicol of McGrigor Donald dated 28 April 1998.
 - 3.3 Law Hospital NHS Trust Standard Contract of Employment.
 - 3.4 Copy of General and Ancillary Staffs Whitley Council sent by Gordon Walker to David Smith on 6 April 1998.
 - 3.5 Letter from Gordon Walker to David Smith dated 25 March 1998 including staff comparison information (7 pages).
 - 3.6 Letter from Gordon Walker to David Smith dated 13 March 1998.
 - 3.7 Letter from Gordon Walker to David Smith dated 27 February 1998.
 - 3.8 Letter from William Nicol to Mr Ottavy of Edison Capital Europe Limited dated 19 December 1997; including staffing comparison information (3 pages).
 - 3.9 Letter from Donna Stevenson to Carole Grieve of Dundas & Wilson dated 17 October 1997.

-
- 3.10 Letter from Donna Stevenson to Carole Grieve of Dundas & Wilson dated 21 May 1997.
 - 3.11 Letter from Ian Ross to Jo Blundell dated 10 March 1997.
 - 3.12 Letter from Gordon Walker to Jo Blundell dated 19 February 1997.
 - 3.13 Law Hospital NHS Trust arrangements for consultation and negotiation.
 - 3.14 Law Hospital NHS Trust Consultation Arrangements.
 - 3.15 Law Hospital NHS Trust Attendance at Management Policy.
 - 3.16 Law Hospital NHS Trust Communications Strategy.
 - 3.17 Law Hospital NHS Trust Statement on Confidentiality.
 - 3.18 Law Hospital NHS Trust Resolution of Disciplinary Matters document.
 - 3.19 Law Hospital NHS Trust Resolution of Disputes and Grievances document.
 - 3.20 Law Hospital NHS Trust Equal Opportunities Booklet.
 - 3.21 Law Hospital NHS Trust Health.
 - 3.22 Law Hospital NHS Trust Policy and Procedures on Hepatitis B, HIV and Aids and Healthcare Workers.
 - 3.23 Law Hospital NHS Trust Fire Safety Strategy.
 - 3.24 Law Hospital NHS Trust Recruitment and Selection Policy.
 - 3.25 Law Hospital NHS Trust Mental Health at Work Strategy.
 - 3.26 Law Hospital NHS Trust Policy and Procedures on the Management of Violence and Aggression.
 - 3.27 Law Hospital NHS Trust Management of Change Policy.
 - 3.28 Letter from Ian Ross to Rob Easingwood dated 31 October 1996.
 - 3.29 Letter from Gordon Walker to Jo Blundell dated 28 October 1996.

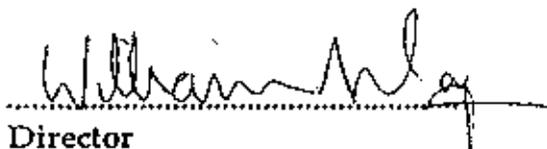
-
- 3.30 Letter from Gordon Walker to Jo Blundell dated 20 September 1996.
 - 3.31 Law Hospital NHS Trust Job Share Policy.
 - 3.32 Law Hospital NHS Trust Early Retirement/Redundancy Policy.
 - 3.33 Law Hospital NHS Trust Media/Public Relations Policy.
 - 3.34 Law Hospital NHS Trust Occupational Health Policy.
 - 3.35 Format of Law Hospital NHS Trust Personnel Records.
 - 3.36 List of Recognised Trade Unions.

Yours faithfully



I A Ross
Chief Executive
For and on behalf of
Law Hospital NHS Trust

We hereby acknowledge receipt of a duplicate of the foregoing Trust Information Letter and confirm having received the information and documents listed therein.

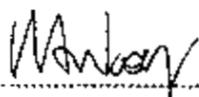


Director
For and on behalf of
Summit Healthcare (Law) Limited

TO: Law Hospital NHS Trust ("the Trust")

FROM: Summit Healthcare (Law) Limited ("Summit")

Summit hereby confirms, pursuant to Clause 3.1.2 of the Project Agreement dated 16th June 1998 and made between Summit and the Trust (the "Project Agreement"), that all conditions (other than any conditions relating to satisfaction of the conditions to the DBFO Contracts (as defined in the Project Agreement)) to the issue of the Bonds (as defined in the Project Agreement) and the availability of equity funding under the Initial Equity Agreements (as defined in the Project Agreement) have been fulfilled or waived by the Financiers or Equity Providers (both as defined in the Project Agreement) as the case may be.



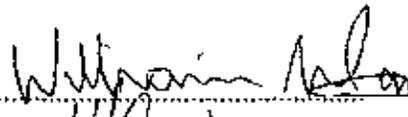
.....
Director for and on behalf of Summit
Healthcare (Law) Limited

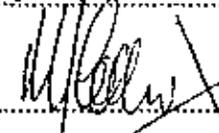
25th June 1998

TO: Law Hospital NHS Trust ("the Trust")

FROM: Summit Healthcare (Law) Limited ("Summit")

Summit hereby certifies that save as set out in the copy notice attached hereto the Summit Representations (as contained in Clause 3.4 of the Project Agreement dated 16th June 1998 and made between the Trust and Summit) are true, correct and not misleading as at the date hereof.


.....


.....
Directors for and on behalf of
Summit Healthcare (Law) Limited

25th June 1998

13/07/98

TO: Law Hospital NHS Trust ("the Trust")

FROM: Summit Healthcare (Law) Limited ("Summit")

Pursuant to the obligation contained in Clause 3.1.3(d) of a project agreement dated 16th June 1998 and made between the Trust and Summit ("the Project Agreement"), Summit hereby gives the Trust notice that the information contained in paragraph A of Section 1 of Part 4 of the Schedule to the Project Agreement (Summit Share Ownership on Execution Date), in respect of Summit Finance (Law) PLC, is as follows and not as stated in the Project Agreement:-

Shareholder	Issued Share Capital
Summit Healthcare (Law) Limited	£49,999 (of which one share of £1 is fully paid and 49,998 shares of £1 are paid as to 25%)
Nominee Shareholder for Summit Healthcare (Law) Limited	£1 fully paid

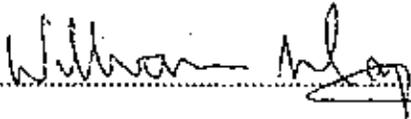
.....
Director for and on behalf of Summit Healthcare (Law) Limited

TO: Law Hospital NHS Trust ("the Trust")

FROM: Summit Healthcare (Law) Limited ("Summit")

Pursuant to the obligation contained in Clause 3.1.3(d) of a project agreement dated 16th June 1998 and made between the Trust and Summit ("the Project Agreement"), Summit hereby gives the Trust notice that the information contained in paragraph A of Section 1 of Part 4 of the Schedule to the Project Agreement (Summit Share Ownership on Execution Date), in respect of Summit Finance (Law) PLC, is as follows and not as stated in the Project Agreement:-

Shareholder	Issued Share Capital
Summit Healthcare (Law) Limited	£49,999 (of which one share of £1 is fully paid and 49,998 shares of £1 are paid as to 25%)
Nominee Shareholder for Summit Healthcare (Law) Limited	£1 fully paid


.....

Director for and on behalf of Summit
Healthcare (Law) Limited

25th June 1998


McGRIGOR DONALD
S O L I C I T O R S

Our Ref. CRH/DLS/LA824125

PACIFIC HOUSE 70 WELLINGTON STREET GLASGOW G2 6SB
Telephone 0141 248 6677 Facsimile 0141 204 1351 / 221 1390 · DX No GW 135

Dundas & Wilson
Solicitors
20 Castle Terrace
EDINBURGH
EH1 2EN

25 June 1998

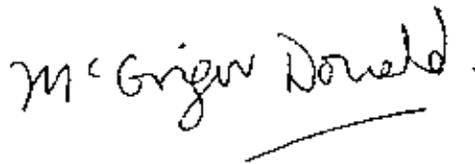
Dear Sirs

Law Hospital NHS Trust ("our clients")
Summit Healthcare (Law) Limited ("your client")
Law Hospital Site

With reference to the settlement of the Head Lease of the above by our clients to your client, we hereby (1) undertake to clear the records of any deed, decree or diligence (other than such as may be created by or against your client) which may be recorded in the Personal Register or to which effect may be given in the Land Register in the period from 23rd June 1998 to 2nd July 1998 inclusive (or to the earlier date of registration of your client's interest in the above subjects) and which would cause the Keeper to make an adverse entry on, or qualify his indemnity, under Section 12(2) of the Land Registration (Scotland) Act 1979, in the Land Certificate to be issued in respect of that interest and (2) confirm on behalf of our clients that as at this date the answers to the questions numbered 1 to 13 in the draft Form 3 adjusted with you (in so far as these answers relate to our clients or to our clients' interest in the above subjects) are still correct to the best of our clients' knowledge and belief.

On behalf of our clients we undertake to furnish to your client such documents and evidence including a plan, as the Keeper may require, to enable the interest of your client as tenant under the Head Lease to be registered in the Land Register without exclusion of indemnity under Section 12 (2) of the Land Registration (Scotland) Act 1979. The Land Certificate to be issued in favour of your client will disclose no outstanding charges which adversely affect the subjects and no other entries, deeds or diligence as prejudicial to the interest of your client other than such as are created by or against your client or have been disclosed to and accepted by your client prior to the date hereof.

Yours faithfully



GLASGOW · EDINBURGH · LONDON · BRUSSELS

Website: <http://www.mcgrigor.com> Email: enquiries@mcgrigor.com

A full list of our partners is available from each of our offices.

McGrigor Donald is a limited liability partnership registered in Scotland under the Companies Act 1986 by the name Society of Solicitors.

DUNDAS & WILSON

Dundas & Wilson CS

Messrs Shepherd & Wedderburn
Level + 2
Saltire Court
20 Castle Terrace
EDINBURGH
EH1 2ET

Saltire Court
20 Castle Terrace
Edinburgh EH1 2EN
0131 228 8000 Telephone
0131 228 8888 Facsimile
DX 553001 - EDIN 18

25th June 1998

Our Ref. NXC/RBJ/B0701.032

Your Ref. M2450.2/AMK/PWH

Dear Sirs

Summit Healthcare (Law) Limited ("our clients")
Royal Exchange Trustee Nominees Limited (as Security Trustee) ("your clients")
Subjects at Netherton, Wishaw ("the Property")

With reference to the settlement of this transaction today, we hereby:-

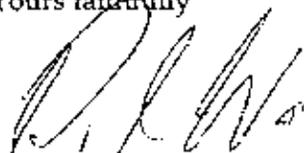
1. undertake to deliver to you within thirty six months of today's date the Land Certificate to be issued by the Keeper showing (a) the interest of our clients as registered proprietors of the tenants' interest in the Property and (b) provided the Standard Security granted in favour of your clients (the "Standard Security") is presented for registration in the Land Register within seven days of this date and is not subsequently withdrawn, the interest of your clients as heritable creditors relative to our clients' interest in the Property;
2. undertake to clear the records of any deed, decree or diligence (other than such as may be created by or against your clients) which may be registered in the Property or Personal Registers or to which effect may be given in the Land Register in the period from 23rd June 1998 to 2nd July 1998 inclusive (or to the earlier date of registration of the Standard Security) and which would cause the Keeper to make an adverse entry or qualify his indemnity under Section 12(2) of the Land Registration (Scotland) Act 1979 in the Land Certificate to be issued in respect of our clients' interest in the Property;
3. on behalf of our clients, we hereby undertake to exhibit to you, along with the said Land Certificate, all deeds, documents and other evidence which were submitted to the Keeper in support of our clients' application for registration of their interest as tenants of the above subjects;
4. confirm that as at this date the answers to the questions numbered 1 to 13 in the draft Form 3 adjusted with you (in so far as these answers relate to our clients or to our

DUNDAS & WILSON

clients' interest in the above subjects) ~~are still~~ correct to the best of our clients' knowledge and belief;

5. confirm to the best of our knowledge and ~~beliefs~~ at ~~today's~~ date that the answers to the questions numbered 1-8 in the draft ~~Form 2~~ adjusted with you (insofar as these answers relate to our clients' interest in the ~~Property~~) ~~are still~~ correct;
6. undertake, unless you agree otherwise, ~~not to uplift from~~ registration our clients' interest as tenants in the Property prior to ~~the completion of~~ the registration process; and
7. undertake on behalf of our clients to exhibit to you within ~~3~~ months of today's date Searches in the Companies Register and ~~Companies File in~~ respect of our clients, brought down to 36 days after today's ~~date~~ such ~~Search~~ to disclose no entries prejudicial to the granting by our clients of ~~the Standard Security~~ and, in particular, no Notices of winding-up, striking off, ~~liquidation~~, ~~receivership~~ or administration procedures.

Yours faithfully



Dundas & Wilson CS

FILE COPY

The Scottish Health Service CLO
Trinity Park House
South Trinity Road
EDINBURGH
EH5 3SE

25th June 1998

Our Ref. NXC/RBJ/B0701.032

Your Ref. LT2/309/1 SEH/AS

Dear Sirs

Summit Healthcare (Law) Limited ("our clients")
Law Hospital National Health Service Trust ("your client")
Law Hospital, Wishaw

With reference to the settlement of the Sub-Lease of the above by our clients to your client, we hereby (1) undertake to clear the records of any deed, decree or diligence as may be created by or against our clients which may be recorded in the Personal Register or to which effect may be given in the Land Register in the period from 23rd June 1998 to 2nd July 1998 inclusive (or to the earlier date of registration of your client's interest in the above subjects) and which would cause the Keeper to make an adverse entry on, or qualify his indemnity, under Section 12(2) of the Land Registration (Scotland) Act 1979, in the Land Certificate to be issued in respect of that interest and (2) confirm on behalf of our clients that as at this date the answers to the questions numbered 1 to 13 in the draft Form 3 adjusted with you (in so far as these answers relate to our clients or to our clients' interest in the above subjects) are still correct to the best of our clients' knowledge and belief.

On behalf of our clients, we hereby undertake to exhibit to you, within three months from the date hereof, Search Report by Millar & Bryce Limited brought down to twenty eight days after the date hereof such Search to disclose no entries prejudicial to the granting by our clients of the lease of the above subjects and, in particular, no Notices of winding-up, striking off, liquidation, receivership or administration procedures.

On behalf of our clients we undertake to furnish to your client such documents and evidence including a plan as the Keeper may require to enable the interest of your client as tenant under the Sub Lease in the Land Register without provision of indemnity under Section 12(2) of the Land Registration (Scotland) Act 1979. The Land Certificate

to be issued in favour of your client will disclose no outstanding charges which adversely affect the subjects and no other entries, deeds or diligence as prejudicial to the interest of your client other than such as are created by or against your client or have been disclosed to and accepted by your client prior to the date hereof.

Yours faithfully

2

Dundas & Wilson CS

Your ref.

NXC/RBJ/B0701.032

Our ref.

LT2/309/1 SEH/AS

Direct Line Tel No.

0131 551 8388



Messrs Dundas & Wilson
Solicitors
Saltire Court
20 Castle Street
EDINBURGH EH2 2EN

TRINITY PARK HOUSE
SOUTH TRINITY ROAD
EDINBURGH EH5 3SE
R.E. No. DX ED 154
Tel: 0131-552 6255
Fax: 0131-551 3957
0131-552 5729

25 June 1998

Dear Sirs

LAW HOSPITAL NHS TRUST (" Our Clients")
SUMMIT HEATHCARE (LAW) LIMITED ("Your Client")
NEW WISHAW DISTRICT GENERAL HOSPITAL

With reference to the settlement of the Head Lease of the above by our clients to your clients today, on behalf of our clients we hereby to undertake to exhibit to you within 3 months from the date hereof searches in the Company's File and Charges Register by Millar and Bryce Limited against Railtrack plc and Bone Steel Limited brought down to 28 days after the date of disposal of each of the respective interests in the above subjects and disclosing no entry prejudicial to your clients interest in the above subjects.

Yours faithfully

Stanley E. Hampson

Signed by STANLEY E. HAMPSON at Edinburgh in the presence of:-

[Signature] Witness

Amanda Scott..... Name

Scottish Health Service, CLO,..... Address

Trinity Park House, South Trinity Road,

EDINBURGH, EH5 3SE

Legal Adviser
Macdonald W.S

Legal/Commercial
Trendell
John J Wilson
Richard J Scobie
Gordon Fergusson
Gordon Munro

Litigation

Alan W Sharp
Norma A Shippin
Susan A Murray
Ian S Crerar
Murdo A Macleod
Carriona M Robertson
Lorna E Kennedy

Jan L Campbell
Maureen F Hali
Jill S Collinson
Joy A Atterbury
Elaine R Coull
Hazel F Craik
Toni C Hurchison

Property

Helen F Robson
H Moyra McCammon
Dianne Black
Lesley E. M. Mure
Elizabeth M Sherratt
Stanley E Hampson

Sheila Fraser
Shona NS Hewitt
David G Barbour
Kenneth M Ross
Ruth H M Garret
Fiona Macdonald



BARNETT ALEXANDER CHART
SOLICITORS

Royal Exchange Trust Company Limited
155 Bishopsgate
London EC2M 3TG

Your Ref:
Our Ref: EPM/SP/24503-78
23 June 1998

Royal Exchange Trust Nominees Limited
155 Bishopsgate
London EC2M 3TG

AMBAC Insurance UK Limited
St Helens, 18th Floor
One Undershaft
London EC3A 8JL

Morgan Stanley & Co International Limited
25 Cabot Square
Canary Wharf
London E14 4QA

Standard & Poor's Ratings Services
Garden House
18 Finsbury Circus
London EC2M 2BP

Moody's Investors Service Inc
2 Minster Court
Mincing Lane
London EC3R 7XB

Dear Sirs,

SERCO LIMITED ("SERCO")

We have acted as English legal advisors to Serco in relation to the Services Sub-Contract dated 16 June 1998 made between Summit Healthcare (Law) Limited ("Summit") and Serco, the Services Sub-Contract Direct Agreement dated 17 June 1998 made between Law Hospital

Cont.../2

24503-78epm.08b

60 GRAYS INN ROAD LONDON WC1X 3LT
TELEPHONE +44 (0)171-242 4422
FAX +44 (0)171-242 1102. DX 42 LDE
e-mail: mail@bac-solicitors.co.uk



.../2

National Health Service Trust (1), Serco (2), Serco Group Plc (3), Summit (4), AMBAC Insurance UK Limited (5) and Royal Exchange Trustee Nominees Limited (6), (together the "Relevant Documents").

1. In furnishing this Opinion we have examined and relied solely upon:
 - (a) A Certificate of Good Standing in relation to Serco issued by the UK Registrar of Companies and dated 16th June 1998;
 - (b) The oral reply over the telephone on 15th June 1998 of someone purporting to be an official at the Central Registry of The High Court of Justice in London;
 - (c) A copy of Serco's Memorandum and Articles of Association certified by its Company Secretary as being correct;
 - (d) A search of the Company's microfiche at the Company's Registration Office as at 16th June 1998;
 - (e) A copy of the executed Services Sub-Contract, Services Sub-Contract Direct Agreement; and
 - (f) A copy of an extract from the Minutes of a Board Meeting of Serco held on 12th June 1998 certified by Mr J. Jeffery a Director thereof, as being a true extract.

As far as we are actually aware there are no other documents that we consider relevant for the giving of this Opinion.

2. Based on the foregoing, and subject to the contents of this letter, we hereby give an opinion that:
 - (a) Serco was duly incorporated on 10 September 1929 and in accordance with the aforesaid Certificate of Good Standing is in good standing as at the date of its issue;

Cont.../3



.../3

- (b) A Certificate of Good Standing dated 16th June 1998, a copy of which is annexed to this opinion, does not reveal the issue of a Winding Up Petition, the appointment of an Administrator or of a Administrative receiver or the passing of a resolution for the voluntary winding up of Serco;
 - (c) A telephone enquiry of the Central registry of the High Court of Justice in London today does not reveal any winding up petition having been presented in respect of Serco;
 - (d) The Relevant Documents have been duly executed;
 - (e) The execution, delivery and performance by Serco of the Relevant Documents does not contravene:
 - (1) any statute, rule or regulation of English Law; or
 - (2) any provision of Serco's Memorandum or Articles of Association.
 - (f) No Government authority is required to be obtained by Serco in connection with the execution, delivery and performance of the Relevant Documents by Serco, or the validity or enforceability of the Relevant Documents against Serco;
 - (g) Serco has the legal capacity and corporate power to enter into and perform its obligations under the Relevant Documents.
 - (h) Serco has taken all necessary corporate action required of it to authorise the execution, delivery and performance of the Relevant Documents.
3. This Opinion is subject to the following exceptions, qualifications and limitations:
- (a) We assume the completeness and conformity to the originals of the documents supplied to us and to which the Relevant Documents relate;
 - (b) We assume there has not been any mistake or misrepresentation (fraudulent or otherwise) made by any party in relation to the Relevant Documents or the

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.../4

documents referred to in 3(a) above whether in relation to the Relevant Documents or the documents referred to in 3(a) above itself or any other agreements or documents ancillary thereto between the parties thereto, or any fraud or irregularity relating to any of them or any other such agreements or documents or the subject matter of any of the foregoing;

- (c) This Opinion is given without any due diligence of any nature whatsoever having been carried out by us other than that expressly stated herein;
- (d) We express no opinion on any question or matter governed by a law other than English law;
- (e) Our aggregate liability for any and all claims howsoever arising and pursuant to or in connection with this Opinion shall not exceed £10 million in any circumstance;
- (f) We have assumed the genuineness of the signatures the authenticity of all documents submitted to us and the conformity to authentic original documents of all copy documents submitted to us in whatever medium;
- (g) The Opinion is given solely on the basis of matters occurring before our signature of the Opinion of which we have express written and (in respect of paragraph 1(b)) oral notice;
- (h) We have assumed that Serco will at the time of execution of the Relevant Documents be a wholly owned subsidiary of Serco Group Plc;
- (i) We express no opinion on any financial matters or questions of credit worthiness or on the availability of assets;
- (j) In respect of Serco the entering into of the Relevant Documents must reasonably be considered as having been in the interests of Serco, but we express no view regarding that matter;

Cont.../5



.../5

- (k) We have not investigated whether Serco or any subsidiary or associated company of Serco is or will by reason of the transactions contemplated by Serco be in breach of any of its obligations under any agreement or document;
- (l) We have assumed, and this Opinion is given on the basis that in respect of Serco, there have been no amendments to its Memorandum and Articles of Association in the forms provided to us in connection with the giving of this Opinion;
- (m) We have assumed, and this Opinion is given on the basis that in respect of Serco the resolutions of its board of Directors certified as being true and accurate and provided to us in connection with the giving of this Opinion were duly passed at properly convened meetings of duly appointed Directors of Serco, that a duly qualified quorum of such directors voted in favour of the approving of the resolutions, and that any provisions contained in the Companies Acts 1985 and 1989 and/or the Articles of Association relating to the declaration of Directors' interests or the power of interested Directors to vote were duly observed and that such resolutions have not been amended or rescinded and are in full force and effect;
- (n) We have assumed that the signatories to the Relevant Documents on behalf of Serco hold the offices of Serco which they purport to hold being validly appointed directors and/or secretary (which a search of the register held by the Registrar of Companies made on 17 June 1998 indicates);
- (o) We have assumed and this Opinion is given on the basis that all unexecuted documents inspected by us will be duly executed in the same form as inspected us and will not be altered or amended in any material way;
- (p) We have assumed and this Opinion is given on the basis that no liquidator or administrative receiver or administrator or supervisor has or will at the time of the execution and delivery of the Relevant Documents have been appointed over Serco.

Cont.../6



BARNETT ALEXANDER CHART
SOLICITORS

.../6

This Opinion shall be governed by English Law and subject to the exclusive jurisdiction of the English Courts in relation to all matters governing this Opinion.

This Opinion is being delivered exclusively, to you by us in our capacity as legal advisors to Serco solely in connection with the Relevant Documents and shall not be disclosed to any third party or relied upon for any other purpose without our prior written consent.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'E. Marston'.

EDWARD P MARSTON
duly authorised for and on behalf of
BARNETT ALEXANDER CHART



BARNETT ALEXANDER CHART
SOLICITORS

Royal Exchange Trust Company Limited
155 Bishopsgate
London EC2M 3TG

Your Ref:
Our Ref: EPM/SP/24503-78
23 June 1998

Royal Exchange Trust Nominees Limited
155 Bishopsgate
London EC2M 3TG

AMBAC Insurance UK Limited
St Helens, 18th Floor
One Undershaft
London EC3A 8JL

Morgan Stanley & Co International Limited
25 Cabot Square
Canary Wharf
London E14 4QA

Standard & Poor's Ratings Services
Garden House
18 Finsbury Circus
London EC2M 2BP

Moody's Investors Service Inc
2 Minster Court
Mincing Lane
London EC3R 7XB

Dear Sirs,

SERCO GROUP PLC ("SERCO")

We have acted as English legal advisors to Serco in relation to the Services Sub-Contract dated 16 June 1998 made between Summit Healthcare (Law) Limited ("Summit") and Serco Limited, the Services Sub-Contract Direct Agreement dated 17 June 1998 made between Law Hospital National Health Service Trust (1), Serco Limited (2), Serco (3), Summit (4), AMBAC Insurance

Cont./2

24503-78epm.07b

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FAX +44 (0) 171-242 1102. DX 42 LDE
e-mail: mail@bac.solicitors.co.uk

John Chart · Anthony Fine · Colin Isenberg · Neil Shestopal · Edward Marston · Peter Moody · David Ostroff · Harold Shupak · Alan Bennetts · Peter Tahbari

Associates: Richard Stader · Daniel Davis · Dean Harper · Stuart Long · Michael Scott · Consultants: Orvaldo Ardites · Robert Charkham

Also at: 164-166 King Street, Hammersmith, London W6 0QU · Telephone +44 (0) 181 741 7272



.../2

UK Limited (5) and Royal exchange Trustee Nominees Limited (6) and the Parent Company Guarantee dated 17 June 1998 made between Serco and Summit.

1. In furnishing this Opinion we have examined and relied solely upon:
 - (a) A Certificate of Good Standing in relation to Serco issued by the UK Registrar of Companies and dated 16 June 1998;
 - (b) The oral reply over the telephone on 15th June 1998 of someone purporting to be an official at the Central Registry of The High Court of Justice in London;
 - (c) A copy of Serco's Memorandum and Articles of Association certified by its Company Secretary as being correct;
 - (d) A search of the Company's microfiche at the Company's Registration Office as at 16th June 1998;
 - (e) A copy of the executed Services Sub-Contract, Services Sub-Contract Direct Agreement and Parent Company Guarantee; and
 - (f) A copy of a written resolution (signed in a number of counterparts) certified by Mr C. Hyman, the Company Secretary of Serco, as being a true extract.

As far as we are actually aware there are no other documents that we would consider relevant for the giving of this Opinion.

2. Based on the foregoing, and subject to the contents of this letter, we hereby give an opinion that:
 - (a) Serco was duly incorporated on 21 August 1986 and in accordance with the aforesaid Certificate of Good Standing is in good standing as at the date of its issue;

Cont.../3



.../3

- (b) A Certificate of Good Standing dated 16th June 1998, a copy of which is annexed to this opinion, does not reveal the issue of a Winding Up Petition, the appointment of an Administrator or of a Administrative receiver or the passing of a resolution for the voluntary winding up of Serco;
- (c) A telephone enquiry of the Central Registry of the High Court of Justice in London today does not reveal any winding up petition having been presented in respect of Serco;
- (d) Subject to a written resolution (having been given to each member of the Board) in accordance with the Articles of Association of Serco being a true record of the business transacted which it purports to record and the said resolution having been made in accordance with the Articles of Association of Serco and subject to no Liquidator or, Administrator, or supervisor having been appointed over Serco prior to execution of the Guarantee and subject to the signatories thereof on behalf of Serco holding the offices of Serco which they purport to hold being validly appointed directors or a director and a secretary (which a search of the register held by the Registrar of Companies today indicates, the Parent Company Guarantee and the Services Sub-Contract Direct Agreement have been duly executed;
- (e) The execution, delivery and performance by Serco of the Parent Company Guarantee and the Services Sub-Contract Direct Agreement does not contravene:
 - (1) any statute, rule or regulation of English Law; or
 - (2) any provision of Serco's Memorandum or Articles of Association.
- (f) No Government authority is required to be obtained by Serco in connection with the execution, delivery and performance of the Parent Company Guarantee or the Services Sub-Contract Direct Agreement by Serco, or the validity or enforceability of the Parent Company Guarantee or the Services Sub-Contract Direct Agreement against Serco;
- (g) Serco's Memorandum of Association permits it to act as a holding company and there is provision for the giving of guarantees. The Memorandum of Association of Serco also permits the carrying on of any business ancillary to its main business;

Cont.../4



.../4

- (h) Serco has the legal capacity and corporate power to enter into and perform its obligations under the Parent Company Guarantee and the Services Sub-Contract Direct Agreement.
 - (i) Serco has taken all necessary corporate action required of it to authorise the execution, delivery and performance of the Parent Company Guarantee and the Services Sub-Contract Direct Agreement.
3. This Opinion is subject to the following exceptions, qualifications and limitations:
- (a) We assume the completeness and conformity to the originals of the Services Sub-Contract supplied to us and to which the Parent Company Guarantee relates (the "Relevant Document");
 - (b) We assume there has not been any mistake or misrepresentation (fraudulent or otherwise) made by any party in relation to the Parent Company Guarantee or the Relevant Document whether in relation to the Parent Company Guarantee or the Relevant Document itself or any other agreements or documents ancillary thereto between the parties thereto, or any fraud or irregularity relating to any of them or any other such agreements or documents or the subject matter of any of the foregoing;
 - (c) This Opinion is given without any due diligence of any nature whatsoever having been carried out by us other than that expressly stated herein;
 - (d) We express no opinion on any question or matter governed by a law other than English law;
 - (e) Our aggregate liability for any and all claims howsoever arising and pursuant to or in connection with this Opinion shall not exceed £10 million in any circumstance;
 - (f) We have assumed the genuineness of the signatures the authenticity of all documents submitted to us and the conformity to authentic original documents of all copy documents submitted to us in whatever medium;

Cont.../5



.../5

- (g) The Opinion is given solely on the basis of matters occurring before our signature of the Opinion of which we have express written and (in respect of paragraph 1(b)) oral notice;
- (h) We have assumed that Serco Limited will be a wholly owned subsidiary of Serco;
- (i) We express no opinion on any financial matters or questions of credit worthiness or on the availability of assets;
- (j) In respect of Serco the giving of the Parent Company Guarantee must reasonably be considered as having been in the interests of Serco, but we express no view regarding that matter. It is possible that if an English Court were to find that the Parent Company Guarantee was not so given, the Court would hold such Parent Company Guarantee to be unenforceable;
- (k) We have not investigated whether Serco or any subsidiary or associated company of Serco is or will by reason of the transactions contemplated by Serco be in breach of any of its obligations under any agreement or document;
- (l) We have assumed, and this Opinion is given on the basis that in respect of Serco, there have been no amendments to its Memorandum and Articles of Association in the forms provided to us in connection with the giving of this Opinion;
- (m) We have assumed, and this Opinion is given on the basis that in respect of Serco the written resolution of its Board of Directors certified as being true and accurate and provided to us in connection with the giving of this Opinion was duly made in accordance with the Articles of Association of Serco, all directors entitled under the said Articles to receive notice of meetings voted in favour of the approving of the resolutions, and that any provisions contained in the Companies Acts 1985 and 1989 and/or the Articles of Association relating to the declaration of Directors' interests or the power of interested Directors to vote were duly observed and that such resolutions have not been amended or rescinded and are in full force and effect;

Cont.../6



BARNETT ALEXANDER CHART
SOLICITORS

.../6

- (n) We have assumed and this Opinion is given on the basis that all unexecuted documents inspected by us will be duly executed in the same form as inspected us and will not be altered or amended in any material way;
- (o) We have assumed and this Opinion is given on the basis that no liquidator or administrative receiver or administrator or supervisor has or will at the time of the execution and delivery of the Parent Company Guarantee have been appointed over Serco.

This Opinion shall be governed by English Law and subject to the exclusive jurisdiction of the English Courts in relation to all matters governing this Opinion.

This Opinion is being delivered exclusively, to you by us in our capacity as legal advisors to Serco solely in connection with the Parent Company Guarantee and shall not be disclosed to any third party or relied upon for any other purpose without our prior written consent.

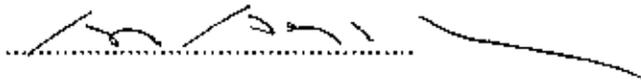
Yours faithfully,

A handwritten signature in black ink, appearing to read 'E. Marston', written over the typed name.

EDWARD P MARSTON
duly authorised for and on behalf of
BARNETT ALEXANDER CHART

SERCO LIMITED

I, JOHN D.M. JEFFERY a Director/ the Company Secretary of Serco Limited hereby certify that the attached document is a true and complete copy of the original.



Signed

Dated: 16th June 1998

SERCO LIMITED
(the "Company")

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS
HELD AT *111 HERMES HILL, SANDY LANE, KINGSTON UPON THAMES*
ON *12* JUNE 1998 at *10:15* am/pm.

PRESENT: *JOHN JEFFERY*
RUBY MCGREGOR SMITH

CHAIRMAN *JOHN JEFFERY*

1. *MR JEFFERY* took the chair. The Chairman declared that a quorum was present.

COMPLETION OF AGREEMENT

2. The Chairman reported that the meeting had been convened to consider and if thought fit to approve various agreements concerning, inter alia, the operation and estates maintenance of a proposed new general hospital at Netherton, Lanarkshire to be known as the New Law District General Hospital (the "Hospital").

The Chairman reported that Summit Healthcare (Law) Limited (whose registered office is at Saltire Court, 20 Castle Terrace, Edinburgh) ("Summit") proposes to enter into, inter alia, a Project Agreement, Development Agreement, General Provisions and a Services Agreement, each between the Law Hospital National Health Service Trust ("the Trust") and Summit relating to the design, building, financing and operation of the Hospital (the "Project").

It was noted that each of the directors declared that they had no interest in the matters to be dealt with at the meeting which require declaration under section 317 of the Companies Act 1985.

3. There were produced to the meeting the following documents:

- (i) a draft services sub-contract between Summit (1) and the Company (2) (the "Services Sub-Contract"; and
- (ii) a draft services sub-contract direct agreement between the Company (1), Serco Group plc (2), Summit (3), the Trust (4), AMBAC Insurance UK Limited (5) and Royal Exchange Trustee Nominees Limited as Security Trustee (6) (the "Services Sub-Contract Direct Agreement") granting to the Financiers (as described therein) and the Trust certain step-in rights and setting out agreement on other matters relating to the Services Sub-Contract.

The documents referred to in paragraph 3 above are hereinafter referred to collectively as the "Relevant Documents".

4. The Chairman reported that under the terms of the Services Sub-Contract the Company would undertake the obligations of Summit for the provision of the Services the Commissioning Services and the Transition Services, in each case as defined in the Project Agreement.

ABILITY TO PAY DEBTS

5. The Directors were satisfied that the Company was able to pay its debts within the meaning of that term in Section 123(1) of the Insolvency Act 1986 and would also be so able after entry into and completion of the Relevant Documents.

PRODUCTION CONSIDERATION APPROVAL AND AUTHORITY

6. After due and careful consideration of the terms of the Relevant Documents, the transactions proposed thereunder and the rights, obligations and liabilities (actual and contingent) of the Company thereunder **IT WAS RESOLVED** that:
 - 6.1 the proposed transactions which are contemplated by the Relevant Documents be and are hereby approved;
 - 6.2 the execution and delivery of each of the Relevant Documents be and is hereby approved, and that it is in the best interests of the Company to enter into each of

the Relevant Documents and any other document in connection with the matters referred to above and the performance of the Company's obligations thereunder be and is hereby authorised;

6.3 all of the Relevant Documents required to be executed as a deed and to which the Company is a party (and any other document required to be executed by the Company as a deed in connection with the Project) should be executed and delivered as a deed by the Company:

6.3.1 in the manner prescribed by Section 36 A (4) of the Companies Act 1985;
or

6.3.2 be executed under the common seal of the Company,

subject in each case to such amendments as the persons executing the same on behalf of the Company shall think fit;

6.4 any two Directors of the Company or a Director and the Company Secretary be authorised to witness the affixing of the common seal of the Company for the purposes of paragraph 6.3 above;

6.5 all of the Relevant Documents which are governed by the laws of Scotland (and any other document required to be executed by the Company in connection with the Project which is governed by the laws of Scotland) should be executed and delivered on behalf of the Company:

6.5.1 by any two Directors or by one Director and the Secretary; or

6.5.2 (where the prescribed method of execution of the Relevant Document or document in question is not that set out in paragraph 6.5.1) by any one Director or the Secretary,

subject in each case to such amendments as the persons executing the same on behalf of the Company shall think fit;

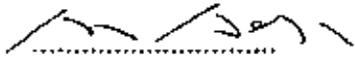
6.6 any Director or Secretary of the Company be and is hereby authorised to execute the Relevant Documents and any other document required to be executed on

behalf of the Company in connection with the Project other than as a deed and do all such acts and things and agree and execute on behalf of the Company all such other documents as may be required in order to implement the Project and generally to sign all such certificates, formalities certificates, confirmations, requests, letters, appointments, powers of attorney and notices and other documents as may be required in connection with the Project, subject in each case to such amendments as the person executing the same on behalf of the Company shall think fit; and

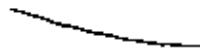
- 6.7 any of the persons authorised in paragraph 6.6 be and are hereby authorised to agree such further amendments to the Relevant Documents or other documents as such person shall think fit.

CLOSE OF MEETING

7. There being no further business, the chairman declared the meeting closed.

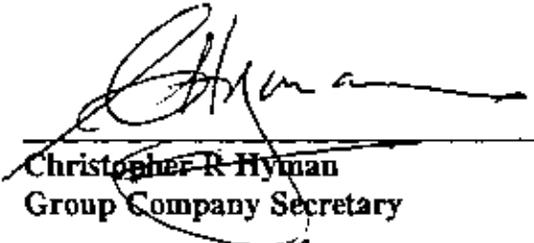


Chairman



SERCO GROUP PLC

I, CHRISTOPHER R HYMAN the Company Secretary of Serco Group plc hereby certify that the attached document is a true and complete copy of the original.



Christopher R Hyman
Group Company Secretary

Dated: _____

17 June 1998

THE COMPANIES ACT 1985

PUBLIC COMPANY LIMITED BY SHARES

SERCO GROUP PLC

(the "Company")

1. Pursuant to Article 130 of the Articles of Association of the Company, we, the undersigned, being all the directors of the Company for the time being entitled to receive notice of a meeting of the board of directors of the Company (the "Directors"),
CONSIDERING THAT:-

- 1.1 Serco Limited, a subsidiary of the Company, proposes to enter into a services sub-contract with Summit Healthcare (Law) Limited (whose registered office is at Saltire Court, 20 Castle Terrace, Edinburgh) ("Summit") for the discharge of Summit's obligation to provide Services, Commissioning Services and Transition Services (as defined in a project agreement (the "Project Agreement") proposed to be entered into between Summit and the Law Hospital National Health Service Trust (the "Trust")) in relation to a proposed new general hospital (the "Hospital") to be designed, built and operated at Netherton, Lanarkshire and to be known as the New Law District General Hospital;

- 1.2 The special purpose of Summit is to design, build, finance and operate the

Hospital (the "Project") on the terms set out in, inter alia, a Project Agreement, Development Agreement, General Provisions and a Services Agreement between the Trust (1) and Summit (2);

1.3 Each of the Directors has no interest in the matters dealt with in this written resolution which require declaration under section 317 of the Companies Act 1985;

1.4 As a condition precedent of the Project Agreement the Company is to:

1.4.1 give a guarantee of the performance of the obligations of Serco Limited under a services sub-contract between Summit (1) and the Company (2) (the "Services Sub-Contract"); and

1.4.2 enter into a services sub-contract direct agreement between Serco Limited (1), the Company (2), Summit (3), the Trust (4), AMBAC Insurance UK Limited (5) and Royal Exchange Trustee Nominees Limited as Security Trustee (6) (the "Services Sub-Contract Direct Agreement") granting to the Financiers (as described therein) and the Trust certain step-in rights and setting out agreement on other matters relating to the Services Sub-Contract; and

1.5 There were produced the following documents:

1.5.1 a draft services sub-contract guarantee between the Company (1) and Summit (2) (the "Services Sub-Contract Guarantee"); and

1.5.2 a draft Services Sub-Contract Direct Agreement.

(The documents referred to in paragraph 1.5 above are hereinafter referred to collectively as the "Relevant Documents"); and

- 1.6 We, the undersigned Directors, without incurring any personal liability and to the best of our knowledge and belief (having made no specific enquiries), are satisfied that the Company is able to pay its debts within the meaning of that term in Section 123(1) of the Insolvency Act 1986 and would also be so able after entry into and completion of the Relevant Documents;
2. After due and careful consideration of the terms of the Relevant Documents, the transactions proposed thereunder and the rights, obligations and liabilities (actual and contingent) of the Company thereunder, we the undersigned Directors, in accordance with Article 130 of the Company's Articles of Association, RESOLVE as follows:-

RESOLUTIONS

- 2.1 THAT the proposed transactions which are contemplated by the Relevant Documents be and are hereby approved;
- 2.2 THAT the execution and delivery of each of the Relevant Documents be and is hereby approved, and that it is in the best interests of the Company to enter into each of the Relevant Documents and any other document in connection with the matters referred to above and the performance of the Company's obligations thereunder be and is hereby authorised;
- 2.3 THAT all Relevant Documents required to be executed as a deed and to which the Company is a party (and any other document required to be executed by the Company as a deed in connection with the Project) should be executed and delivered as a deed by the Company:
- 2.3.1 in the manner prescribed by Section 36 A (4) of the Companies Act 1985;
- or

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2.3.2 be executed under the common seal of the Company,

subject in each case to such amendments as the persons executing the same on behalf of the Company shall think fit;

2.4 THAT any two Directors of the Company or a Director and the Company Secretary be authorised to witness the affixing of the common seal of the Company for the purposes of paragraph 2.3 above;

2.5 THAT all Relevant Documents which are governed by the law of Scotland (and any other document required to be executed by the Company in connection with the Project which is governed by the law of Scotland) should be executed and delivered on behalf of the Company:

2.5.1 by any two Directors or by one Director and the Secretary; or

2.5.2 (where the prescribed method of execution of the Relevant Document or document in question is not that set out in paragraph 2.5.1) by any one Director or the Secretary,

subject in each case to such amendments as the persons executing the same on behalf of the Company shall think fit;

2.6 THAT any Director or Secretary of the Company be and is hereby authorised to execute the Relevant Documents and any other document required to be executed on behalf of the Company in connection with the Project other than as a deed and do all such acts and things and agree and execute on behalf of the Company all such other documents as may be required in order to implement the Project and generally to sign all such certificates, formalities certificates, confirmations, requests, letters, appointments, powers of attorney and notices and other documents as may be required in connection with the Project, subject in each case to such amendments as the person executing the same on behalf of the Company

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shall think fit; and

2.7 THAT any of the persons authorised in paragraph 2.6 be and are hereby authorised to agree such further amendments to the Relevant Documents or other documents as such person shall think fit.

.....
KEVIN STANLEY BEESTON

.....
EVERTON BRYAN

Dated.....1998

Dated.....1998

.....
GEORGE GOWANS GRAY

.....
RHIDIAN HUW BRYNMOR JONES

Dated.....1998

Dated.....1998

Gerrard Rodgers
.....
GERRARD RODGERS

.....
GARY LEON STRUGESS

Dated *16.6*.....1998

Dated.....1998

shall think fit; and

2.7 THAT any of the persons authorised in paragraph 2.6 be and are hereby authorised to agree such further amendments to the Relevant Documents or other documents as such person shall think fit.



.....
KEVIN STANLEY BEESTON

Dated 11th June1998

.....
EVERTON BRYAN

Dated.....1998

.....
GEORGE GOWANS GRAY

Dated.....1998

.....
RHIDIAN HUW BRYNMOR JONES

Dated.....1998

.....
GERRARD RODGERS

Dated.....1998

.....
GARY LEON STRUGESS

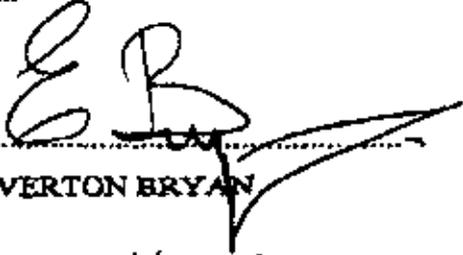
Dated.....1998

shall think fit; and

2.7 THAT any of the persons authorised in paragraph 2.6 be and are hereby authorised to agree such further amendments to the Relevant Documents or other documents as such person shall think fit.

.....
KEVIN STANLEY BEESTON

Dated.....1998


.....
EVERTON BRYAN

Dated.....16 June 1998

.....
GEORGE GOWANS GRAY

Dated.....1998

.....
RHIDIAN HUW BRYNMOR JONES

Dated.....1998

.....
GERRARD RODGERS

Dated.....1998

.....
GARY LEON STRUGESS

Dated.....1998

shall think fit; and

27 THAT any of the persons authorised in paragraph 2.6 be and are hereby authorised to agree such further amendments to the Relevant Documents or other documents as such person shall think fit.

.....
KEVIN STANLEY BRISTON

.....
EVERTON BRYAN

Dated..... 1998

Dated..... 1998


.....
GEORGE GOWANS GRAY

.....
RHODIAN HUW BRYNMOR JONES

Dated *16th June* 1998

Dated..... 1998

.....
GERRARD RODGERS

.....
GARY LEON STRUGESS

Dated..... 1998

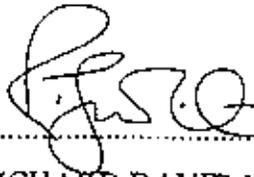
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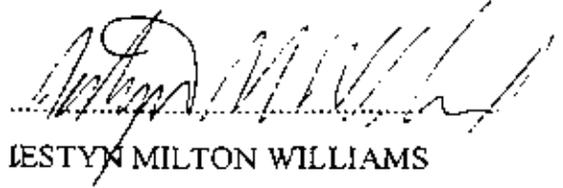
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RICHARD DAVID WHITE

Dated 15 June 1998



IESTYN MILTON WILLIAMS

Dated 15 June 1998

shall think fit; and

2.7 THAT any of the persons authorised in paragraph 2.6 be and are hereby authorised to agree such further amendments to the Relevant Documents or other documents as such person shall think fit.

.....
KEVIN STANLEY BEESTON

Dated.....1998

.....
GEORGE GOWANS GRAY

Dated.....1998

.....
GERRARD RODGERS

Dated.....1998

.....
EVERTON BRYAN

Dated.....1998

Rhydian Huw Brynmor Jones
.....
RHIDIAN HUW BRYNMOR JONES

Dated *17 June*.....1998

.....
GARY LEON STRUGESS

Dated.....1998

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VOLUME 1(B) - DBFO CONTRACTS (Continued)

	Document	Parties	Dated
7.	Head Lease	Summit/Trust	24 June 1998
8.	Sub Lease	Summit/ Trust	24 June 1998
9.	Output Specification	Summit/ Trust	16 June 1998
10.	Method Statements	Summit/ Trust	16 June 1998
11.	Services Monitoring Procedures	Summit/ Trust	16 June 1998
12.	Investment Plan	Summit/ Trust/ Siemens plc	17 June 1998
13.	Equipment Specification	Summit/ Trust/ Siemens plc	17 June 1998
14.	Original Financial Model and record of agreement	Summit/ Trust	18/19 June 1998
15.	Insurance Schedule	Summit/ Trust	18/19 June 1998

Interpretation

Account Bank	Lloyds Bank plc
Ambac	Ambac Insurance UK Limited
Auditors	KPMG
BLB	The British Linen Bank Limited
BLIL	British Linen Investments Limited
Bond Trustee	Royal Exchange Trustee Nominees Limited
Chesterton	Chesterton plc trading as Cyril Sweett Project Consultants
Edison	Edison Capital (Netherlands) Investments B.V.
Edison Europe	Edison Capital Europe Limited
Health Adviser	Rawlinson Kelly Whittlestone
HK	Hulley & Kirkwood Consulting Engineers Limited
Independent Engineer	Alexander Gibb
Insurance Broker	Sedgwicks
Insurance Consultant	Willis Corroon
Investment Manager	Hill Samuel Asset Management Limited
Lead Manager	Morgan Stanley & Co International Limited
Listing Agent	Morgan Stanley & Co International Limited
Listing Agent's Agent Managers	Ashurst Morris Crisp Barclays Bank plc, CIBC Wood Gundy plc and Swiss Bank Corporation
MHL	McAlpine Healthcare Limited
Newarthill	Newarthill plc
Paying Agent	Bankers Trust Luxembourg S.A.
PFIL	PFI Investors Limited
Principal Paying Agent	Bankers Trust Company
PTP	Percy Thomas Partnership (Architects) Limited
Rating Agencies	Standard & Poor's Ratings Services, a division of the McGraw- Hill Companies Inc and Moody's Investors Service Inc
Security Trustee	Royal Exchange Trust Company Limited
Serco	Serco Limited
Serco Group	Serco Group plc
Siemens	Siemens Healthcare Services Limited
Siemens plc	Siemens plc
SRMcA	Sir Robert McAlpine Limited
Summit	Summit Healthcare (Law) Limited
Summit Finance or Issuer	Summit Finance (Law) PLC
Summit Holdings	Summit Holdings (Law) Limited
Summit Holdings Shareholders	PFIL, BLIL, Edison
TC	Thorburn Colquhoun Limited
Technical Adviser	Alexander Gibb
Trust	Law Hospital NHS Trust

LEASE

by

LAW HOSPITAL NATIONAL HEALTH SERVICE TRUST

in favour of

SUMMIT HEALTHCARE (LAW) LIMITED

Subjects: New Law Hospital, Netherton, Lanarkshire



McGRIGOR DONALD

SOLICITORS

**Pacific House
70 Wellington Street
GLASGOW
G2 6SB**

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15 June 1998

FAS 4833

LEASE

by

LAW HOSPITAL NATIONAL HEALTH SERVICE TRUST, a body corporate established by an order (S.I. 1994 No. 2929 (S.263) as amended by amendment orders (SI 1995 No. 741 (567) and SI 1998 No 926 (S50)) made by the Secretary of State under Section 12A of the National Health Service (Scotland) Act 1978 (who and any successor body which assumes its rights and obligations is hereinafter referred to as "the Trust") who and whose successors as landlord under this Lease are hereinafter referred to as "the Landlord")



in favour of

SUMMIT HEALTHCARE (LAW) LIMITED an incorporated company registered in Scotland under No 182649 and having its Registered Office at Saltire Court, 20 Castle Terrace, Edinburgh ("Summit") (who and whose permitted successors as tenant under this Lease are hereinafter referred to as "the Tenant")

RECITALS

- (A) The Trust has the functions conferred on it by the Statutory Instruments mentioned in the preamble.
- (B) In implementation of those functions, the Trust and Summit have entered into a Project Agreement, the terms of which and the other agreements referred to in the Project

Agreement relate to the provision of a new hospital at Netherton to be known as the New Law District General Hospital and of certain services in relation to that hospital.

- (C) The Trust and Summit have agreed that this Lease shall be granted all pursuant to the Project Agreement.

1 Definitions and Interpretations

- 1.1 In this Lease the following words and expressions will bear the meanings respectively set out opposite them:

"Date of Entry" means 25 June 1998;

"Default Period" means the period commencing on the Termination Date and ending on the date upon which both the Tenant and all persons deriving rights from it other than the tenant under the Sub-Lease vacates the Premises and the Tenant has complied with its obligations under Clause 12.4; Provided that the Default Period shall terminate if the Landlord validly terminates the Sub-Lease in accordance with Clause 9.1 thereof consequent upon the giving by the Trust of a Termination Vacation Notice or a Handback Vacation Notice (which is not withdrawn);

"Interest Rate" has the meaning given to it in the Master Definitions Schedule which failing an equivalent interest rate;

"Master Definitions Schedule" means the document so entitled executed by the Trust and Summit and dated 16 June 1998, a copy of the final draft of which forms Part 1 of the Schedule, as the same is amended or supplemented at any time by agreement in writing by the Trust and Summit;

"Operational Period" means the period commencing on the Date of Entry and terminating on the date upon which the Other DBFO Contracts terminate or the Term expires;

"Other DBFO Contracts" means the DBFO Contracts under exception of (a) this Lease and (b) the Sub-Lease;

"Plan" means the plan forming Part 2 of the Schedule;

"Post Operational Period" means the period commencing on the day after the date of termination (a) of the Operational Period or (b) if later of the Default Period and terminating on natural expiry of this Lease;

"Premises" means ALL and WHOLE that area of ground at Netherton, Wishaw shown outlined red on the Plan being the subjects registered in the Land Register under Title Number LAN 100655 (including the minerals only insofar as the Trust has title thereto) together with (i) at any time the Works thereon and the Hospital or other buildings or erections constructed on the said area of ground in compliance with the Other DBFO Contracts; and (ii) the parts, privileges and pertinents thereof from time to time including, without limitation, all servitude or other rights of access, drainage or others pertaining thereto;

"Sub-Lease" means the sub-lease of the Premises granted by Summit in favour of the Trust of even date herewith;

"Schedule" means the schedule annexed and executed as relative hereto; and

"Termination Date" and **"Termination Notice"** have the meaning given to it in Clause 12.1.

- 1.2 Unless the contrary is stated, any word or expression which is defined in the Master Definitions Schedule shall have the same meaning herein as in the Master Definition Schedule.
- 1.3 This Lease will be construed and given effect to in accordance with paragraphs 2, 3 and 4 of the Master Definitions Schedule.

2 Grant of the Lease

The Landlord in consideration of the rent and other prestations hereinafter specified HEREBY LETS to the Tenant, but excluding assignees, successors, security holders and sub-tenants except as hereinafter expressly provided, the Premises; and that for the period from the Date of Entry which (notwithstanding the date or dates hereof) is the Tenant's date of entry hereunder until 24 June 2123 subject to the provisions of Clauses 12 and 13.

FOR WHICH CAUSES and on the other part the Tenant shall pay to the Landlord in name of rent the sum of ONE POUND (£1.00) STERLING per annum if asked, annually in advance and to perform, implement, observe and undertake all of the obligations contained herein or imported herein by reference and to pay all sums due under or pursuant to this Lease.

3 Other DBFO Contracts

Whereas this Lease has been granted pursuant to and for the purposes of the Other DBFO Contracts, during the Operational Period the Tenant undertakes to the Landlord but without prejudice to the obligations imposed on the Tenant in terms of or pursuant to this Lease to perform in all respects its whole obligations under and arising out of the Other DBFO Contracts (subject to the terms thereof) which obligations will be deemed to be incorporated herein *brevitatis causa* and so that the obligations imposed on Summit in terms of the Other DBFO Contracts will be deemed to be obligations of the Tenant (irrespective of whether Summit is the Tenant but without prejudice to Clause 9) under this Lease.

4 Payment Obligations

The Tenant undertakes to the Landlord to pay:

- 4.1 the rent hereinbefore provided on the dates hereinbefore specified;

- 4.2 and discharge all feuduty, ground burdens, any sums whether of a capital or revenue nature payable for the redemption of feuduty or other ground burdens, rates, taxes, charges, assessments, impositions and outgoings whatsoever whether parliamentary, parochial, local or of any other description which are now or may at any time hereafter be taxed, assessed, charged or imposed upon or payable in respect of the Premises or on the owner or occupier in respect thereof, but excepting therefrom taxes and expenses incurred by the Landlord in respect of any disposal, dealing or deemed disposal or dealing with their interest in this Lease or in the Premises.
- 4.3 save in so far as otherwise provided in the Other DBFO Contracts and without prejudice to the obligations of the tenant under the Sub-Lease the total amount of any rates, charges and assessments impositions and outgoings whatsoever of an annual or recurring nature and whether parliamentary, regional, municipal or local levied or to be levied upon the Landlord as owner or the occupier in respect of the Premises.
- 4.4 save in so far as otherwise provided in the Other DBFO Contracts and without prejudice to the obligations of the tenant under the Sub-Lease to pay all charges for gas, electricity, water and telephones or other services used in the Premises.
- 4.5 such amount of Value Added Tax (or any tax of a similar nature supplementing or replacing the same) at the rate for the time being in force as shall be legally payable in respect of all monies, including rent, undertaken to be paid to the Landlord by the Tenant under or pursuant to this Lease and in every case where in this Lease there is a reference to an amount of money then such amount will be exclusive of Value Added Tax;
- 4.6 interest at the Interest Rate from the due date for payment until paid in respect of rent or any sum due by the Tenant to the Landlord under or pursuant to this Lease which is not paid on the due date provided that where any sum is due in terms of a provision of the Other DBFO Contracts (which provision has been imported into this Lease) then the provision of the Other DBFO Contracts regarding interest on any such sum will apply in preference to and in substitution for the provision of this Lease.

- 4.7 the whole amount of any costs, fees and expenses (including those incurred to lawyers, Counsel, Surveyors, sheriff officers, Messengers at Arms or otherwise) properly incurred by the Landlord or its agents in relation to the obtaining of payment of any sums due hereunder or in obtaining implement of all of the obligations incumbent on the Tenant under or pursuant to this Lease but only where the Tenant is actually in breach and only when such sum becomes due or such obligation becomes prestatable after the end of the Operational Period.

5 Maintenance and Repair

- 5.1 The Tenant accepts the Premises in their present condition notwithstanding all (if any) defects therein whether latent and/or inherent or otherwise, and are held to have satisfied themselves in all respects that the Premises are fit for their purposes;
- 5.2 The Tenant will comply with its whole obligations in terms of the Other DBFO Contracts in respect of the construction of the Works on the Premises, the repair, maintenance, renewal, replacement and rebuilding of the Premises and:
- 5.2.1 without prejudice to the foregoing during the Operational Period the Tenant will provide the Estate Maintenance Services in accordance with and subject to the terms of the Other DBFO Contracts; and
- 5.2.2 the Tenant accepts and acknowledges that in no circumstances shall the Landlord have any liability whether in terms of this Lease or arising from common law, statutory provisions or otherwise to carry out any works of repair, maintenance, renewal or reinstatement in respect of the Premises except (1) arising from its obligations at common law in relation to negligent or malicious acts or omissions or (2) as otherwise provided in any DBFO Contract and subject to the obligations of the Trust under the Sub-lease (while the same subsists).
- 5.3 During the Default Period and Post Operational Period the Tenant acknowledges and confirms that the Landlord will have no responsibility at common law or otherwise in respect of the Premises (including their condition or state of repairs or the use thereof)

and the Tenants shall indemnify and keep indemnified the Landlord in respect of their interest as landlord in the Premises except arising from the Landlord's obligations at common law in relation to malicious or negligent acts or omissions.

6 Compliance with Statutory Requirements

6.1 During the Operational Period the Tenant will comply with Statutory Requirements to the same extent as Summit is obliged to comply with the same in terms of the Other DBFO Contracts.

6.2 During the Default Period and the Post- Operational Period, the Tenant will comply with and so free and relieve the Landlord of responsibility in respect of all Statutory Requirements.

7 Alterations

7.1 The Tenant shall not be entitled to make any structural or other alterations or additions to the Premises nor to erect any other buildings on the ground on which the Premises are erected unless and until plans of such alterations, additions or buildings and details of the materials to be used in the construction have been submitted to and approved by or on behalf of the Landlord, who may withhold their approval or grant it subject to such conditions as they may consider appropriate, provided that:

7.1.1 during the Operational Period the consent of the Landlord will not (a) be unreasonably withheld to (i) the carrying out of non structural alterations to areas used solely by Summit in terms of the Other DBFO Contracts or (ii) the carrying out of works which are desirable for the purpose of enabling Summit to perform its obligations under the Other DBFO Contracts provided that in each case such alterations or works are consistent with the performance of Summit's obligations under the DBFO Contracts or (b) be withheld where such alterations, additions are required to enable Summit to perform its obligations under the Other DBFO Contracts, declaring that such consents may be granted subject to such reasonable conditions (including such as relate to reinstatement) as the Landlord may

propose, (provided that such conditions shall cease to apply with effect from the commencement of the Post Operational Period); and

7.1.2 during the Post Operational Period the consent of the Landlord will not be required in terms of this Clause 7.1.

7.2 With reference to Clause 7.1, the Landlord consents to the Tenant carrying out the Works and any other works requiring to be carried out in accordance with the Other DBFO Contracts on the condition that the terms of the Other DBFO Contracts are complied with relative thereto.

8 Use

The Premises are let (a) during the Operational Period and the Default Period solely for the purposes of implementing Summit's obligations under the Other DBFO Contracts and necessary purposes ancillary thereto and such other use or uses as (i) the Landlord may from time to time approve in writing (which it may withhold at its discretion) and (b) during the Post Operational Period for any purpose or purposes permitted by Applicable Laws: Provided that notwithstanding the foregoing the Landlord acknowledges that the user clause in the Sub-Lease is approved by it but only for the purpose of the exercise of the rights of the Trust as tenant hereunder.

9 Alienation

9.1 During the Operational Period, the Tenant:

9.1.1 will not assign its interest in whole or in part under this Lease except as a whole in conjunction with a permitted assignation of its interest as Summit under the Other DBFO Contracts;

9.1.2 will not grant any sub-leases in respect of the Premises or any part thereof except the Sub-Lease;

9.1.3 will not part with or share possession of the Premises or any part thereof except as expressly permitted in terms of the Other DBFO Contracts;

9.1.4 will not grant any security affecting this Lease except as required by the Finance Facilities Agreements.

9.2 During the Operational Period, the Landlord will not grant any interposed lease or dispose of or otherwise deal with, in whole or in part, its interest under this Lease except in accordance with Clause 33.2 of the Project Agreement.

9.3 During the Default Period the Tenant will not assign, charge, sub-let part with or share possession of the Premises in whole or in part.

9.4 During the Post Operational Period the Tenant will be entitled to assign, sub-let, charge, share possession and otherwise deal with in any way, its interest in the foregoing Lease without any requirement to obtain the consent of the Landlord.

10 Insurance and Reinstatement

10.1 During the Operational Period the Premises will be insured and kept insured by the Tenant in accordance with the Other DBFO Contracts and the Tenant will reinstate damage in accordance with and subject to the terms thereof and consistent with the Tenant's obligations under Clause 5.

10.2 During the Post Operational Period subject to complying with all Applicable Laws, the Tenant shall not be required:-

10.2.1 to insure the Premises or effect any insurance in relation to their operations or occupation thereof; and

10.2.2 to carry out any works, maintenance, repair or renewal in respect of the Premises.

11 Tenant's Further Obligations

- 11.1 The Tenant will observe and implement in the same manner and to the same extent and effect as if they were the proprietors of the Premises all the conditions, provisions and others specified or contained in the titles or Land Certificate relating to or affecting the Premises (1) as at the Date of Entry or (2) any such as are subsequently created with the consent of the Tenant.
- 11.2 During the Operational Period and the Default Period, the Tenant shall not without the previous written consent of the Landlord alter, remove or renew any of the Landlord's equipment, moveables or fixtures without the consent of the Landlord except as necessary to comply with Summit's obligations under the Other DBFO Contracts and the Landlord's consent will not be unreasonably withheld to any such alteration, removal or renewal which is desirable for the purpose of enabling Summit to comply with its obligations under the Other DBFO Contracts.
- 11.3 During the Operational Period, the Tenant shall not stop up, darken or obstruct any windows or lights belonging to the Premises or (except (i) as necessary, or (ii) subject to obtaining the prior written consent of the Landlord which consent will not be unreasonably withheld in any case where the same is desirable, to comply with Summit's obligations under the Other DBFO Contracts,) permit any new window, light, opening, doorway, path, passage, drain or other encroachment or servitude to be made or acquired in, against, out of or upon the Premises which may be or grow to be to the damage, annoyance or inconvenience of the Landlord and in case any such window, light, opening, doorway, path, passage, drain or other encroachment or servitude shall with the knowledge of the Tenant be made or be attempted to be made or acquired the Tenant shall give immediate notice thereof to the Landlord.
- 11.4 The Tenant shall remove from possession and use of the Premises, the Landlord's fittings and fixtures therein at the natural expiry or earlier termination of this Lease without any warning or process of removal, leaving the Premises and the Landlord's fittings and fixtures therein in accordance with the Tenant's obligations under this Lease .

12 Termination of DBFO Contracts

- 12.1 If the Other DBFO Contracts are terminated howsoever arising and then (unless (1) the Trust gives a Termination Vacation Notice or (2) the Trust gives a Handover Vacation Notice (which is not withdrawn in accordance with Clause 25.5 of the Project Agreement) and the termination of the Other DBFO Contracts arise on the Expiry of the Term) then either the Landlord or the Tenant will be entitled by giving written notice (a "Termination Notice") to the other to that effect to terminate this Lease on the date of giving of the Termination Notice provided that if the DBFO Contracts are terminated by Summit in accordance with Clauses 22.9 and 22.10 of the Project Agreement the date of termination of this Lease will be the date ("the Compensation Date") upon which the Compensation Amount (properly payable under the Project Agreement) is paid in accordance with Clause 24.7 of the Project Agreement and the date upon which a Termination Notice is properly given or if this foregoing proviso applies the Compensation Date is herein referred to as the "Termination Date".
- 12.2 The Landlord and the Tenant hereby acknowledge that termination of this Lease whether by the Tenant or by the Landlord in terms of Clauses 12.1 and 13.1 hereof will be fair and reasonable.
- 12.3 During the Default Period: the Tenant shall if they continue in occupation:-
- 12.3.1 not use the Premises for any beneficial purpose;
 - 12.3.2 indemnify the Landlord on demand on a full indemnity basis in respect of all costs, losses, claims and penalties arising as a result of their continuing occupation.
- 12.4 Without prejudice to the provisions of Clauses 23.1.8, 24.11 and 25.5.1 of the Project Agreement, the Landlord and Tenant will enter into a validly executed and binding renunciation in terms of the draft forming Part 3 of the Schedule (subject to such

amendments as may be reasonably required to ensure that this Lease is duly terminated in accordance with this Clause 12).

13 **Irritancy**

13.1 In the event that (1) any charge over this Head Lease granted pursuant to the Finance Facilities Agreement shall be enforced or the Tenant shall have a liquidator appointed (otherwise than a solvent liquidation in terms which have been expressly and previously approved in writing by the Landlord) or shall have a Receiver or Administrator Receiver appointed in respect of any of its property and (each an "Insolvency Event" save that in the case of an administrator, receiver or liquidator appointed otherwise than pursuant to the Financiers Facilities Agreements an Insolvency Event shall not arise unless any such liquidator or receiver or administrator shall not have been removed from office within 20 Business Days of appointment) (2) any sum shall be outstanding by the Tenant to the Landlord under or pursuant to this Lease or the Other DBFO Contracts (a "Monetary Breach Event") or (3) the Tenant shall breach Clause 12.4 of this Lease then (subject to the terms of any Financier Direct Agreement) the Landlord may, in its option, at any time by notice in writing to the Tenant bring this Lease to an end reserving nevertheless the Landlord's claim for all rents and any other charges due or accrued and in respect of any breach of the conditions of this Lease. Provided always that the Landlord shall not exercise the foregoing option of irritancy in case of an Insolvency Event or a Monetary Breach unless the Other DBFO Contracts have been terminated.

13.2 During the Post Operational Period, notwithstanding any rule of law to the contrary, the Landlord shall have no right of irritancy on any ground whatsoever.

14 **Notices**

14.1 During the Operational Period, notices will be given in accordance with Clause 29 of the Project Agreement.

14.2 During the Default Period and the Post Operational Period any notice to be given under this Lease shall be delivered personally or sent by first class post or by facsimile transmissions to the address of the other party set out in this Lease or otherwise notified. Any such notice shall be deemed to be served, if delivered personally, at the time of delivery or, if sent by post, forty eight hours after posting or, if sent by facsimile transmission, twenty four hours after proper transmission.

15 Disputes

15.1 During the Operational Period :

15.1.1 The parties will use their reasonable efforts to negotiate in good faith and settle amicably any Dispute which arises during this Lease.

15.1.2 Any Dispute not capable of resolution under Clause 15.1.1 will become subject to the Dispute Resolution Procedure.

15.2 After the Operational Period:

Save as otherwise provided herein any difference or dispute between the parties as to the interpretation of this Lease or as to the fulfilment or otherwise by either party of their respective obligations hereunder or as to any matters connected therewith shall, failing agreement, be referred to a single arbiter to be nominated, failing agreement, by the President for the time being of the Law Society of Scotland on the application of either party and the awards of such arbiter shall be final and binding on the parties.

16 General

16.1 Notwithstanding any damage or destruction to the Premises or any part thereof this Lease will remain in full force and effect to its full duration subject to Clauses 12 and 13 and the provisions of the Other DBFO Contracts.

- 16.2 Save in so far as otherwise provided in the Other DBFO Contracts and subject to the sub-tenant's obligations under the Sub-Lease, the Landlord shall not be liable to the Tenant for any loss or damage to its furnishings, finishes, trade fixtures, fittings and/or stock in the Premises or for the temporary deprivation of the occupancy of the Premises by or through the bursting, leakage or failure of oil, gas, water or soil pipes or the choking, stoppage or overflow thereof or of the public sewers, drains, gutters, rhones or conductors or the failure, fusing or breakdown of electric supply or appliances or from any other cause or source whatever and in the event of any damage being caused directly or indirectly to any property adjoining or near to the Premises through any misuse or negligence on the part of the Tenant it shall free and relieve the Landlord of and from all liability for all loss injury or damage which may be sustained by neighbouring proprietors, tenants or occupiers.
- 16.3 Nothing in this Lease will be or be deemed to be a warranty that the Premises are fit for or authorised (whether under planning legislation or otherwise) for the use permitted hereunder.
- 16.4 Subject to the terms of the Other DBFO Contracts the Tenant shall not be entitled on quitting the Subjects (or any part thereof at the date of natural expiry or earlier termination of this Lease) to claim any compensation from the Landlord under any Applicable Law or otherwise.
- 16.5 The Tenant will pay the stamp duty payable hereon and the dues of registering the same in the Land Register and the Books of Council and Session and obtaining three Extracts.
- 16.6 The Parties certify that this Lease is not a lease which gives effect to an agreement for lease as interpreted by the Inland Revenue in terms of the Guidance Note dated Thirtieth June Nineteen hundred and ninety four referring to Section 240 of the Finance Act 1994.
- 16.7 This Lease is granted without prejudice to the rights and obligations of Summit and the Trust in terms of the other DBFO Contracts and the Sub-Lease and without prejudice to the foregoing, the liabilities of Summit and the Trust hereunder are limited as specified in Clause 27 of the Project Agreement. _ _ _

16.8 The Landlord warrants this Lease absolutely subject to the terms thereof, subject to the Sub-Lease.

17 The Parties hereby consent to the registration hereof for preservation and execution: IN

WITNESS WHEREOF these presents typewritten on this and the fourteen preceding pages together with the Plan and Schedule annexed and executed as relative hereto are executed as follows:- they are subscribed for and on behalf of the said Law Hospital National Health Service Trust by Ian Andrew Ross, their Chief Executive and James Gemmell Dunbar, their Chairman, both together at Law Hospital, Wishaw on the Twenty fourth day of June Nineteen hundred and Ninety eight; and they are subscribed for and on behalf of the said Summit Healthcare (Law) Limited by William Moyes, one of their Directors at Edinburgh on the date last mentioned before the witness Gordon Speirs McCreath (subscribing his usual signature "Gordon McCreath") of Saltire Court, Twenty Castle Terrace, Edinburgh.

Ian Andrew Ross

William Moyes

Gordon Speirs McCreath

Gordon Speirs McCreath Witness

**This is the Schedule referred to in the foregoing Lease between Law Hospital
National Health Service Trust and Summit Healthcare (Law) Limited**

Part 1

Master Definitions Schedule

- (A) This Schedule is executed by (1) Law Hospital National Health Service Trust, a body corporate established by an order (S.I. 1993 No 2929 (S.263)) as amended by an amendment orders (SI 1995 No. 741 (S.67) and SI 1998 No 926 (S50)) made by the Secretary of State under Section 12A of the National Health Service (Scotland) Act 1978 and (2) Summit Healthcare (Law) Limited incorporated under the Companies Acts with Registered Number 182649 and having its Registered Office at Saltire Court, 20 Castle Terrace, Edinburgh (together the "parties") as relative to, and constitutes the Master Definitions Schedule referred to in, the Project Agreement between the parties dated June 1998 and the other DBFO Contracts defined in this Schedule and shall apply to the Project Agreement and the other DBFO Contracts (and any other document between the parties expressly incorporating this Schedule's terms).
- (B) This Schedule may be amended only in writing by a document signed by the parties and expressed to be supplemental to this Schedule and, on any such amendment being made, this Schedule shall take effect as so amended.

1 Definitions

Accounts Agreement

means the accounts agreement in the Agreed Form entered into after the Execution Date between Summit, the Subsidiary, Royal Exchange Trustee Nominees Limited (as Security Trustee), Royal Exchange Trust Company Limited (as Bond Trustee), AMBAC Insurance UK

	Limited, Lloyds Bank PLC (as Account Bank) and Hill Samuel Asset Management Limited (as Investment Manager) in connection with the accounts to be operated by Summit in relation to the Initial Finance Facilities Agreements
Act	means the National Health Service (Scotland) Act 1978
act of insolvency	has the meaning given to it in Clause 22.1.1 of the Project Agreement
Action Plan	means an action plan in relation to the Services agreed between the parties pursuant to Provision 16.4
Actual Mark	has the meaning given to it in paragraph 2.2 of Part C
Additional Bond Service Amount	has the meaning given to it in paragraph 10.2 of Part A
Additional Capital	has the meaning given to it in paragraph 2.1 of Section 1 of Part D
Additional Capital Service	has the meaning given to it in paragraph 7.2 of Section 2 of Part D
Additional Costs	has the meaning given to it in Clause 16.2(a) of the Equipment Agreement
Additional Employees	has the meaning given to it in Clause

	17.2.1 of the Project Agreement
Additional Equipment	has the meaning given to it in Clause 18.1 of the Equipment Agreement
Additional Unavoidable Equipment Operating Costs	has the meaning given to in paragraph 10.4 of Part A
Additional Unavoidable Services Operating Costs	has the meaning given to in paragraph 10.3 of Part A
Additional Works Change	has the meaning given to it in paragraph 2.1 of Section 1 of Part D
Additional Works Contract	has the meaning given to it in paragraph 3.1.4 of Part E
Additional Works Contractor	has the meaning given to it in paragraph 3.1.4 of Part E
Additional Works Notice	has the meaning given to it in paragraph 1.1 of Part E
Additional Works Change Procedure	means the procedure set out in Part E
Affected Area	has the meaning given to it in paragraph 1 of Part A
Affected Area Deduction	has the meaning given to it in paragraph 1 of Part A
Affected Contract Year	has the meaning given to it in paragraph

2.1 of Section 1 of Part D

Affected Employee	has the meaning given to it in Clause 16.8.1 of the Project Agreement
Affected Party	has the meaning given to it in Clause 26.2.6 (a) of the Project Agreement
Agreement	when used in the General Provisions, means any agreement which states that the General Provisions are incorporated by reference into that agreement
Alternative Use Value	has the meaning given to it in Clause 24.8 of the Project Agreement
Anticipated SCD	has the meaning given to in paragraph 11.1.1 of Part A
Applicable Laws	means, as the context requires, all or any laws, statutes, legislation, proclamations, by-laws, directives, regulations, rules, orders, rules of court or delegated or subordinate legislation, including but not limited to those made by the Scottish Parliament or the Scottish Executive as the case may be following enactment of the Scotland Bill 1998, in each case having the force of law at any time or from time to time in force and which in any way affect or impact on any or all of the parties and/or on any of the matters referred to in

or to be done under any one or more of the
DBFO Contracts

Appointment

means, in relation to each Consultant, a document appointing such Consultant in the Agreed Form to be entered into between such Consultant and Summit or the Contractor as appropriate and Executed

**appropriate treatment or
removal**

has the meaning given to it in Clause 26.10.3 of the Project Agreement

Approved Equity Amount

means the Initial Equity Amount as the same may be reduced from time to time pursuant to the Initial Equity Agreements and including any further equity subscribed with the prior written approval of the Trust as the same may be reduced from time to time

Approved Financiers Amount

means the aggregate from time to time, of:

- (a) the Bond Amount;
- (b) any sums required to be provided by any Finance Providers to any of Summit Group to enable Summit to fund Eligible Changes;
- (c) any additional financing other than as referred to in (b) above (notified in writing to the Trust but not approved by the Trust) made

available by Finance Provider(s) to any of the Summit Group pursuant to the Initial Finance Facilities Agreements up to a maximum principal amount of 10% of the Bond Amount; and

- (d) any other sum approved by the Trust

as the same may be reduced, from time to time, pursuant to the Finance Facilities Agreements and notwithstanding that additional sums may be made available by the Finance Provider(s) to any of the Summit Group pursuant to the Finance Facilities Agreements

Approved Rate

means, in respect of the Bonds, the Bond Rate, and in respect of the Standby Facility, or any other financing referred to in item (c) of the definition of the Approved Financiers Amount, the rate thereunder (such rate not to exceed a reasonable market rate)

Approved Service Provider

means, in relation to the Services, any person who is appointed by Summit to be a provider of all or any part of any of the Services to the Trust in accordance with the Services Agreement and the General Provisions and, in relation to the Equipment Services, any person who is

appointed by Summit to be a provider of all or any part of the Equipment Services to the Trust in accordance with the Equipment Agreement and the General Provisions

Architect

means Percy Thomas Partnership Architects Limited of 10 Cathedral Road, Cardiff CF1 9YF and/or such other architect as the Contractor or Summit may from time to time appoint in addition or in substitution in relation to the Works in each case with the prior approval of the Trust in accordance with the Development Agreement

Aspect of Service Operating Score

means the weighted average of all the Elemental Scores

Asset Register

means the register to be designated as such and which Summit is obliged to maintain pursuant to the Services Agreement

Associated Company

means, in respect of any company, a company which is a subsidiary or a holding company of such company or which is a subsidiary of any holding company of such company and, in the case of Summit, shall include (without limitation) each of the Promoters for so long as any Promoter holds shares in Summit

Available	has the meaning given to it in paragraph 1 of Part A
Available Assets	has the meaning given to it in paragraph 9 of Section 3 of Part 10 of the Schedule to the Project Agreement
Availability Element	has the meaning given to it in paragraph 3 of Part A
Availability Payment Period	has the meaning given to it in paragraph 1 of Part A
Bond Amount	means the nominal amount of the Bonds to be issued by the Subsidiary pursuant to the Initial Finance Facilities Agreement as approved by the Trust and recorded in accordance with Clause 3.1.6 of the Project Agreement
Bonds	means the guaranteed secured bonds issued by the Subsidiary in relation to the Project pursuant to the Initial Finance Facilities Agreements for the Bond Amount and at the Bond Rate
Bond Rate	means the interest rate on the Bonds as agreed between the parties and recorded in accordance with Clause 3.1.6 of the Project Agreement
Bondholders	means the holders, from time to time, of any of the Bonds

Bond Service Amount

has the meaning given to it in paragraph 2.1 of Section 1 of Part D when referred to therein and has the meaning given to it in paragraph 11.1.2 of Part A when referred to therein

Breakage Costs

means all costs and liabilities reasonably, properly and necessarily incurred by Summit in connection with the Project as a consequence of the termination of the DBFO Contracts (a) in respect of any Personnel reasonably, properly and necessarily (and excluding for the avoidance of doubt any director of Summit or Subsidiary) employed by Summit or Subsidiary for the purposes of the Project (such amounts not to exceed amounts due on termination under any Applicable Law or contractually due) and (b) in respect of damages reasonably, properly and necessarily due to the Contractor or Approved Service Providers in terms of the Building Contract or Sub-Contract(s) which have been approved by the Trust in terms of the DBFO Contracts (and including for this purpose costs and liabilities properly arising from the termination of the contracts of employment of Personnel) and (c) otherwise arising in connection with the termination of the DBFO Contracts, provided that Summit will (and will use all reasonable endeavours to procure that the

	<p>Building Contractor or its Approved Service Providers will) take all reasonable steps to minimise the amount of such costs or damages, but excluding, for the avoidance of doubt any sums due under the Finance Facilities Agreements and the Equity Agreements</p>
breakdowns	<p>has the meaning given to it in Part 8 of the Output Specification</p>
Breakfast	<p>has the meaning given to it in paragraph 1 of Part A</p>
Building Contract	<p>means the contract for the carrying out of the Works in the Agreed Form to be made between Summit and the Contractor</p>
Building Contract Direct Agreement	<p>means the agreement to be entered into by, inter alios, the Lead Financier and the Contractor</p>
Buildings	<p>means at any time the building or buildings comprised within the Hospital at that time including Group 1 items but excluding the Trust Group 2 and 3 Equipment, the Trust Related Materials, and any other equipment or assets of the Trust and persons for whom the Trust is responsible in terms of Clause 8.2 of the Project Agreement</p>

Business Day	means a week day (other than a Saturday) on which banks are open for domestic business in Edinburgh and London
Calculation Table	has the meaning given to it in paragraph 1 of Part A
Capacity Element	has the meaning given to it in paragraph 4 of Part A
Capital Expenditure	has the meaning given to it in paragraph 2.1 of Section 1 of Part D
Capital Legislative Change	has the meaning given to it in paragraph 2.1 of Section 1 of Part D
Catering Services	means those services described as catering services in the Output Specification
CDM Regulations	has the meaning given in Clause 4.12.1 of the Development Agreement
Certificate of Contractual Practical Completion	means a certificate issued in accordance with the Contractual Practical Completion Procedure indicating that the Contractual Practical Completion Date has occurred
Certified Copy	means, in relation to any document, a true, complete and up-to-date copy thereof and certified as such by a director or the company secretary of Summit or, as the case may be, the Chief Executive or other Executive Director of the Trust

Cessation Employees	has the meaning given to it in Clause 16.11.1 of the Project Agreement
Change	has the meaning given to it paragraph 2.1 of Section 1 of Part D
Change in Costs	has the meaning given to it in paragraph 2.1 of Section 1 of Part D
Change in Revenues	has the meaning given to it in paragraph 2.1 of Section 1 of Part D
Change Provisions	means the change provisions set out in Part D
Collateral Deed	means the collateral deed in the Agreed Form entered into after the Execution Date between Summit, the Subsidiary, the Holding Company, Royal Exchange Trustee Nominees Limited (as Security Trustee), Royal Exchange Trust Company Limited (as Bond Trustee) and AMBAC Insurance UK Limited (as Credit Provider)
Collateral Warranties	means the collateral warranties in the Agreed Form in favour of (1) the Trust and (2) the Lead Financier and Executed by the Contractor and each of the Consultants and the Design Sub-Contractors and delivered to the Trust and the Financiers respectively in accordance with the DBFO Contracts

Commissioning Extension Period	means the period commencing on Services Commencement Date and ending on the Operational Date
Commissioning Period	means the period commencing on the Contractual Practical Completion Date and ending on the Operational Date
Commissioning Procedure	means the procedure for the commissioning of the Hospital referred to in Clause 3.3 of, and as set out in Part 7 of the Schedule to, the Project Agreement
Compensation Amount	as the context requires has the meaning given to it and is calculated in accordance with and as specified in Clause 24 of the Project Agreement and Part 10 of the Schedule thereto
Competent Authority	means any statutory agency, trust, department, local authority, highways authority, court, inspectorate, minister, ministry, official or public or statutory person (whether autonomous or not) having jurisdiction in terms of an Applicable Law over any or all of the parties and/or the relevant subject matter of the DBFO Contracts
Competitive Rate	has the meaning given to it in paragraph 2.1 of Section 1 of Part D

Confidential Information	means all information whether technical, commercial or financial disclosed (whether in writing, verbally or by any other means and whether directly or indirectly) by or on behalf of one party to the other whether before or after the Execution Date
Confirmation Notice	means a notice to be given by the Trust to Summit indicating that it should implement an Eligible Change to which the notice relates
Construction Period	means the period commencing on Financial Close and ending on the Contractual Practical Completion Date
Construction Timetable	means the construction timetable, set out in Part 2 of the Schedule to the Development Agreement
Constructively Abandoned	has the meaning given to it in Clause 26.6.3(a) of the Project Agreement
Consultants	means the Architect, the Structural Engineer, the M & E Engineer, and the Planning Supervisor
Contamination	has the meaning given to it in Clause 26.10.3 of the Project Agreement
Contract NPV	has the meaning given to it in paragraph 5 ___ of Section 2 of Part 10 of the Schedule to

	<p>the Project Agreement when referred to in that Section, and the meaning given to it in paragraph 7 of Section 4 of Part 10 of the Schedule to the Project Agreement when referred to therein</p>
Contract Officer	<p>means the person named or to be named as such in or accordance with Provisions 7.1 and 7.2</p>
Contract Specification	<p>has the meaning given to it in Provision 12.4(e)(ii)</p>
Contract Year	<p>means any Year (or part thereof) during the Term</p>
Contractor	<p>means Sir Robert McAlpine Limited (Registered Number 566823) of Eaton Court, Maylands Avenue, Hemel Hempstead, Hertfordshire, HP2 7TR or such other building contractor or contractors as Summit may from time to time appoint in addition or in substitution to carry out the Works in each case with the prior approval of the Trust in accordance with the Development Agreement</p>
Contractual Practical Completion Date	<p>means the date, determined under the Contractual Practical Completion Procedure, on which practical completion of the Works occurs in accordance with the Development Agreement</p>

Contractual Practical Completion Procedure	means the procedure to be followed in relation to the certification of the Contractual Practical Completion Date in accordance with Part 5 of the Schedule to the Development Agreement
Cost Assumptions	has the meaning given to it in paragraph 10 of Section 2 of Part 10 of the Schedule to the Project Agreement
Council	means North Lanarkshire Council or its successor as local planning authority in respect of the area including the Site
Coupon Bearing Investment	has the meaning given to it in paragraph 11 of Section 4 of Part 10 of the Schedule to the Project Agreement
CPC Employees	has the meaning given to it in Clause 16.12.1 of the Project Agreement
Critical Equipment	means the items of Equipment listed in Part 5 of the Schedule to the Equipment Agreement
CT Scanner	means the CT Scanner as described in the Equipment Specifications
Current Index	has the meaning given to it in paragraph 1 of Part A
Daily Portion	means, for a Contract Year, the amount

	calculated in accordance with Appendix A of Part A
Date of Transfer	has the meaning given to it in Clause 16.14.1 of the Project Agreement
Day case discharge	has the meaning given to it in paragraph 1 of Part A
Day case episode	has the meaning given to it in paragraph 1 of Part A
DBFO Contracts	means the agreements and leases referred to in Part 1 of the Schedule to the Project Agreement
Debt Service Reserve Account	has the meaning given to it in the Collateral Deed
Deduction Period	has the meaning given to it in paragraph 1 of Part A
Deduction Provisions	means paragraphs 6,7, 8 and 9 of Part A
Default Deletion Change	has the meaning given to it in paragraph 2.1 of Section 1 of Part D
Default Market Testing	means any market testing required pursuant to Provisions 15.4 to 15.7
Defaulted Services	has the meaning given to it in Provision 15.11

Delay Costs	has the meaning given to it in Clause 27.5.1(c) of the Project Agreement
Delay Cost Heads	means the following heads of cost: <ul style="list-style-type: none">(a) abortive training costs;(b) storage of equipment, or materials or any items which are intended to be used at the Site;(c) abortive transfer of the equipment materials or items referred to in (b) above; and(d) the costs of carrying out such works of repair or replacement to buildings and plant at the Existing Sites
Deleted Services	has the meaning given to it in Provision 12.7.2
Design Development Procedure	means the procedure set out in Part 10 of the Schedule to the Development Agreement
Design Sub-Contractor	shall mean if the configuration of design work carried out by sub-contractors to the Contractor is materially different from that disclosed to the Trust at Financial Close, those sub-contractors to the Contractor

	who shall have any material design role or duties in connection with the Works
Designated Areas	has the meaning given to it in Clause 1.1 of the Sub-Lease
Detailed Decision Notice	means the written decision issued by the Council on 3 September 1997 in respect of the application by Summit for planning permission in relation to the Site together with any plans or documents docketed by the Council in relation thereto
Development Agreement	means the agreement in the Agreed Form to be entered into between the Trust and Summit relating to the undertaking of the design, construction, fitting out and commissioning of the Works
Developed Specification	has the meaning given to it in Clause 4.2.2 of the Development Agreement
Direct Agreements	means the Equipment Direct Agreement, the Services Direct Agreement and the Financier Direct Agreement
Directive	means the Acquired Rights Directive (EC 77/187) as amended from time to time
Disapproved Transferees	has the meaning given to it in Clause 10.1 (b) of the Project Agreement

Discriminatory Legislative Change	has the meaning given to it in paragraph 2.1 of Section 1 of Part D
Dispute	means a difference or dispute of whatever nature between the Trust of the one part and Summit of the other part arising under, out of or in connection with any of the DBFO Contracts (including, without limitation, any question of interpretation of any of the DBFO Contracts)
Dispute Resolution Procedure	means the procedure referred to in Clause 28 of, and set out in Part 2 of the Schedule to, the Project Agreement
Distributable Reserves	has the meaning given to it in Provision 16.2.5
Domestic Services	means those services described as domestic services in the Output Specification
Downtime	has the meaning given to it in Clause 15.1.1 of the Equipment Agreement
Due Date	has the meaning given to it in paragraph 7.4 of Section 2 of Part D
Elemental Score	has the meaning given to it in paragraph 2.2 of Part C
Eligible Change	has the meaning given to it in paragraph 2.1 of Section 1 of Part D

Eligible Change Extension Period	has the meaning given to it in Clause 4.3.6(b) of the Development Agreement
Employees	means those employees of the Trust and Hospital Hygiene Limited who, at the Transition Commencement Date, are engaged in those services to be provided as Transition Services under Clause 17 of the Project Agreement on or immediately prior to the Transition Commencement Date
Employee Assumptions	has the meaning given to it in Clause 16.3.1 of the Project Agreement
Employee Commissioning Costs	has the meaning given to it in Clause 17.2.2 of the Project Agreement
Employment Regulations	means the Transfer of Undertakings (Protection of Employment) Regulations 1981 as amended from time to time or other laws or regulations having the force of law which comply or are intended to comply with the Directive, whether enacted before or after the Directive
Energy Contracts	has the meaning given to it in paragraph 1.1 of Part 2 of the Schedule to the Services Agreement
Environment	has the meaning given to it in Clause 26.10.3 of the Project Agreement

Equal Pay Claims	has the meaning given to it in Clause 16.17 of the Project Agreement
Equipment	means, at the relevant times, all items of equipment listed in the Investment Plan at that time and all replacements of that equipment
Equipment Agreement	means the agreement in the Agreed Form between the Trust and Summit relating to the procurement, transfer, maintenance and replacement of Equipment in relation to the Hospital
Equipment Annual Review	has the meaning given to it in Clause 19.2 of the Equipment Agreement
Equipment Asset Register	means the register to be designated as such and which Summit is obliged to maintain pursuant to Clause 7.2 of the Equipment Agreement
Equipment Change	has the meaning given to it in paragraph 2.1 of Section 1 of Part D
Equipment Cost Variation	has the meaning given to it in paragraph 2.1 of Section 1 of Part D
Equipment Deduction Amounts	has the meaning given to it in paragraph 5.4 of Part 7 of the Schedule to the Project Agreement

Equipment Direct Agreement	means the agreement in the Agreed Form to be entered into by, inter alios, the Lead Financier, the Trust, Summit and the Approved Service Provider(s) providing Equipment Services or other relevant third parties in relation to the Equipment
Equipment Downtime	has the meaning given to it in Clause 15.1.2 of the Equipment Agreement
Equipment Element	has the meaning given to in paragraph 10.4 of Part A
Equipment Index	has the meaning given to it in paragraph 1 of Part A
Equipment Maintenance	means the maintenance of the Equipment to be carried out in accordance with the Equipment Agreement
Equipment Performance Measurement System or Equipment PMS	means the performance measurement system for the Equipment Services as set out in Clause 15 of the Equipment Agreement
Equipment PMS Deduction	has the meaning given to it in paragraph 8.1 of Part A
Equipment PMS Period	has the meaning given to it in Clause 15.1.4 of the Equipment Agreement
Equipment Provision	means the provision of Equipment

	pursuant to the Equipment Agreement including Transferred Equipment and the replacement of any Equipment
Equipment Requirement Date	in respect of any items of Transferred Equipment means the date on which the item of Transferred Equipment is required to be made available to Summit, as described in Clause 4.1 of the Equipment Agreement
Equipment Services	means the Equipment Provision and the Equipment Maintenance
Equipment Specifications	means the specifications relating to the Equipment in the Agreed Form as amended from time to time in accordance with the DBFO Contracts showing the specification for each item of New Equipment listed in the Investment Plan including for this purpose New Equipment which will replace Transferred Equipment
Equipment Sub-Contract	has the meaning given to it in Clause 24.1 of the Equipment Agreement
Equipment Working Hours	has the meaning given to it in Clause 15.1.3 of the Equipment Agreement
Equity	means the Initial Equity Amount as reduced from time to time pursuant to the Initial Equity Agreement

Equity Agreements	means (a) the Initial Equity Agreements, and (b) any agreements supplementary to or in substitution for the Initial Equity Agreements as permitted by or approved in terms of the DBFO Contracts
Equity Providers	means the providers, from time to time, of Equity
Equity Reserve Account	means the Distribution Account (as defined in the Collateral Deed)
Escrow Account	has the meaning given to it in the Collateral Deed
Estates Maintenance Services	means those services described as estates maintenance services in the Output Specification
Estates Trust Account	means an account in the name of the Trust the account details of which will be notified by the Trust to Summit no later than the date upon which a notice first given under Provision 16.2.6 into which the Relevant Amount in terms of Provision 16.2.6 is transferred in relation in order to effect any Permanent Repairs
Excess	has the meaning given to it in Clause 26.9.4 of the Project Agreement
Excess Employees	has the meaning given to it in Clause 16.3.4(e) of the Project Agreement

Excusable Delay	has the meaning given to it in Clause 4.3 of the Development Agreement
Excusable Event	has the meaning given to it in Clause 4.3 of the Development Agreement
Executed	means, in relation to any document, that the document is presumed under Section 3 of the Requirements of Writing (Scotland) Act 1995 to have been granted by all the grantors subscribing to it and cognate expressions shall be construed accordingly
Execution Date	means the date on which the Project Agreement is Executed
Existing Approved Service Provider	has the meaning given to it in Provision 12.4(d)
Existing Sites	means the sites at Law and Bellshill from which the Trust provides clinical services at the Execution Date
Expert	means any person appointed as such from time to time under and subject to the provisions of Part 2 of the Schedule to the Project Agreement
Expiry of the Term	means the date on which the Term expires or would expire but for early termination in accordance with the DBFO Contracts

Extended Remedy Period	has the meaning given to it in paragraph 6.5 of Part A
Extension Periods	has the meaning given to it in paragraph 4.3.6 of the Development Agreement
Facility Area	has the meaning given to it in paragraph 1 of Part A
Final Room Data Sheets	means the Room Data Sheets as updated in accordance with Part 9 of the Schedule to the Development Agreement or pursuant to the Change Provisions
Final Services Year	has the meaning given to it in Clause 1 of Part A
Finance Facilities Agreements	means (1) the Initial Finance Facilities Agreements in the Agreed Form , (2) any agreements supplementary to or substituted for those Initial Finance Facilities Agreements and (3) the agreements entered into from time to time between any of Summit Group and the Finance Providers to be used by any of Summit Group exclusively in connection with the Project (including any agreements relating to the prospective or actual Financial Indebtedness of Summit Group exclusively in relation to the Project and agreements providing for grant of security) and "Finance Facilities Agreement" shall be construed accordingly

Finance Providers	means the Bondholders and Financiers
Financial Close	the date on which the conditions precedent in Clause 3.1 of the Project Agreement are waived or purified in terms thereof
Financial Indebtedness	means any indebtedness in respect of: <ul style="list-style-type: none">(a) monies borrowed or raised;(b) any liability under any debenture, bond, note, loan stock, documentary credit or acceptance or other security;(c) the amount payable in respect of any asset acquired by a person where such payment is deferred for more than 90 days after the date on which the person obtained possession of the asset concerned;(d) a liability arising under any interest or currency exchange agreement, forward interest rate or forward currency exchange rate agreement or other hedging instrument;(e) any guarantee, indemnity or similar deed or agreement relating to financial loss of any person arising in respect of any of the matters

described above and within this definition; and

- (f) liabilities under leases categorised as finance leases under applicable UK accounting standards

Financial Model

means the Original Financial Model as the same may be amended from time to time in accordance with the Change Provisions

Financial Obligation

has the meaning given to it in Paragraph 2 of Clause 16.14.1 of the Project Agreement

Financier

means the Lead Financier and any person satisfying one or more of the following descriptions (but does not mean, for the avoidance of doubt, any Bondholder in its capacity as a Bondholder or any of the Summit Group):-

- (a) any bank or financial institution which has at the relevant time entered into a Finance Facilities Agreement (other than the Bonds or Equity) with any of Summit Group;
- (b) any company, bank or financial institution which has agreed to guarantee or indemnify, in whole or in part, the obligations of any of

Summit Group in respect of the Bonds;

- (c) any bank or financial institution which from time to time serves as a trustee or security agent and/or trustee for one or more of the Bondholders and/or the persons falling within (a) or (b) above

Financier Direct Agreement

means the direct agreement in the Agreed Form between, inter alios, the Trust, the Lead Financier and Summit or any subsequent direct agreement in equivalent form to be entered into pursuant to Clause 5.3 of the Project Agreement

Financier Sub-contract Direct Agreements

means the Services Direct Agreement, the Equipment Direct Agreement and/or the Building Contract Direct Agreement

First Line Maintenance

has the meaning given to it in paragraph 4.4 of Part 8 of the Output Specification

First Market Testing Date

means the first Market Testing Date being the date seven years from the Operational Date

First Required

has the meaning given to it in paragraph 1 of Part A

First Required Notice

has the meaning given to it in paragraph 1

	of Part A
First Services Year	has the meaning given to it in paragraph 1 of Part A
FM Availability Deduction	has the meaning given to it in paragraph 10.2 of Part A
FM Equipment Deduction	has the meaning given to it in paragraph 10.4 of Part A
FM Services Deduction	has the meaning given to it in paragraph 10.3 of Part A
Force Majeure	has the meaning given to it in Clause 26.1 of the Project Agreement
Force Majeure Extension Period	has the meaning given to it in Clause 4.3.6 (a) of the Development Agreement
Frozen Annual Holiday Pay Entitlement	means any sum of money which becomes payable to any Employee on the termination of that Employee's employment and which relates to holiday entitlement accrued by that Employee in relation to the period of such employment prior to the holiday year which was in effect at the date of termination and as provided for in the Whitley Agreements or such other agreement as in force from time to time

Fuel	has the meaning given to it in paragraph 1.1 of Part 2 of the Schedule to the Services Agreement
Funding Costs	has the meaning given to it in Clause 7.2.3 of Section 2 of Part D
Future Costs	has the meaning given to it in paragraph 8 of Section 2 of Part 10 of the Schedule to the Project Agreement, when referred to in that Section, and the meaning given to it in paragraph 10 of Section 4 when referred to therein
Future Revenues	has the meaning given to it in Clause 7 of Section 2 of Part 10 of the Schedule to the Project Agreement, when referred to in that Section, and the meaning given to it in Clause 9 of Section 4 when referred to therein
General Provisions	means the document between the Trust and Summit entitled "General Provisions"
Good Industry Practice	means the exercise of such degree of skill, diligence, prudence and foresight as would reasonably generally in the industry and ordinarily be expected from an appropriately skilled and experienced person seeking to comply with its contractual obligations and seeking to avoid liability arising under any duty of

care that might reasonably apply to or be expected from that person, complying with all Applicable Laws and engaged in the same type of undertaking and under the same or similar circumstances and conditions as that in which the relevant matter arises, provided that, in the case of Summit, Good Industry Practice excludes the exercise of any degree of skill, diligence, prudence and foresight required in relation to the carrying out of clinical activities

Government Authority

means any body falling within one or more of the descriptions set out below:

- (a) any government body of the United Kingdom or any political division of the United Kingdom or having any form of local jurisdiction in the United Kingdom;
- (b) any governmental authority established by virtue of the treaties of the European Union which operates or has jurisdiction directly or indirectly within the United Kingdom having statutory, legal, fiscal, monetary or administrative effect upon the affairs of the United Kingdom;

- (c) any body having governmental functions of any of the above however constituted; and/or
- (d) any federation or other co-operative organisation of which any of the above is a member or to whose jurisdiction any of the above is subject or in whose activities any of the above is a participant

Group

means Group 1, Group 2, Group 3 and/or Group 4 as the context requires

Group 1

means those items included in the Final Room Data Sheets as Group 1 items, and supplied and installed under the Building Contract prior to the Contractual Practical Completion Date and as subsequently replaced or renewed by Summit after the Services Commencement Date

Group 2

means those items included in the Final Room Data Sheets as Group 2 items, as supplied by the Trust and installed under the Building Contract prior to the Contractual Practical Completion Date and as subsequently replaced or renewed after the Services Commencement Date in accordance with Part 1 of the Schedule to the Services Agreement

Group 3	means those items included in the Final Room Data Sheets as Group 3 items, as supplied prior to the Services Commencement Date and subsequently replaced or renewed in accordance with Part 1 of the Schedule to the Services Agreement
Group 4	means portable equipment having no overall critical space implication except storage and supplied in accordance with Part 1 of the Schedule to the Services Agreement
Handover Date	has the meaning given to it in Provision 15.12 of the General Provisions
Handback Vacation Notice	means a notice given to Summit by the Trust pursuant to Clause 25.1.2 of the Project Agreement
HBO	means HBO & Company (UK) Limited
Head Lease	means the lease of the Site in the Agreed Form to be granted to Summit by the Trust under Clause 4.1 (e) of the Development Agreement
Helipad Agreement	means an access agreement to permit the Trust and Summit and the Contractor to, inter alia, obtain access to the Playing Field for the provision and use of a

	helicopter landing facility in terms of Clause 13.2 of the Development Agreement
Help Desk	means the help desk to be made available by Summit pursuant to the DBFO Contracts or such appropriate replacement as may be agreed by the parties
Holding Costs	has the meaning given to it in paragraph 7.2.2 of Section 2 of Part D
Holding Company	means Summit Holdings (Law) Limited, company number 173083
Hospital	means the New Law District General Hospital to be constructed pursuant to the Development Agreement including the Buildings, car parks, landscaping and all erections on the Site and thereafter operated by or on behalf of the Trust as a National Health Service hospital at the Site and forming the subject matter of the Project
Hospital Cleaning Area	means the areas of the Hospital which Summit are responsible for cleaning, namely the High Risk Clinical Areas, the Clinical Areas and Non-Clinical Areas as specified in the Output Specification for Domestic Services

Hospital Information System or HISS	means the Hospital Information and Support System
Incoming Service Provider	has the meaning given to it in Clause 16.11 of the Project Agreement
Indemnified	has the meaning given to it in Clause 27.3.1 of the Project Agreement
Indemnifier	has the meaning given to it in Clause 27.3.1 of the Project Agreement
Index	has the meaning given to it in paragraph 1 of Part A
Index Year	has the meaning given to it in paragraph 1 of Part A
Indexed	means, in respect of any period, increased in accordance with the following formula:
	$\frac{b}{a} \times c$
	where <i>a</i> equals the Index at the start of the relevant period;
	<i>b</i> equals the Index at the end of the relevant period; and
	<i>c</i> means the relevant amount to be Indexed

Indexed Equipment Amount	has the meaning given to it in paragraph 4.2 of Part A
Indexed Services Total	has the meaning given to it in paragraph 4.1 of Part A
Industry Standards	means (a) NHS Guidance, and (b) those rules, regulations, guidance and codes of practice and conduct and standards recognised at national level (which are neither Statutory Requirements nor specific to the NHS or to hospitals (including the Hospital) nor Original NHS Guidance) which would reasonably and ordinarily be expected to be followed and complied with and would reasonably be regarded as best practice, from time to time by persons engaged in the same activity as that in which the relevant matter arises
Initial Equity Agreements	means the agreements for the provision of share capital and the Coupon Bearing Investment entered or to be entered into between Summit and the Equity Provider which are in the Agreed Form
Initial Equity Amount	means the principal sums to be subscribed in respect of share capital and the Coupon Bearing Investment pursuant to the Initial Equity Agreements as agreed between the parties and recorded in accordance with Clause 3.1.6 of the Project Agreement

Initial Finance Facilities Agreements	means the Finance Documents (as defined in the Collateral Deed)
Initial Index	has the meaning given to it in paragraph 1 of Part A
Initial Works Cost	means the amount to be inserted in paragraph a of Section 2 of Part 10 of the Schedule to the Project Agreement as agreed between the parties and recorded in accordance with Clause 3.1.6 of the Project Agreement
Inpatient episode	has the meaning given to it in paragraph 1 of Part A
Inpatient Nights	has the meaning given to it in paragraph 1 of Part A
Insolvency	means those circumstances described in Clause 22.1.1 of the Project Agreement
Insurances	means all those policies and contracts of insurance (including reassurances) effected or to be effected in terms of Part A of Part 5 of the Schedule to the Project Agreement
Insurance Schedule	means the Schedule of Insurances in the Agreed Form
Insurance Threshold	has the meaning given to it in Clause 26.9.1 of the Project Agreement

Insured Risks	means the risks specified in the Insurance Schedule and in Part 5A of the Schedule to the Project Agreement
Insurance A Risk	has the meaning given to it in Clause 26.9.3 of the Project Agreement
Insurance B Risk	has the meaning given to it in Clause 26.9.3 of the Project Agreement
Intellectual Property	means, as the context requires, current and/or future interests in copyright and rights in the nature of copyright, design rights, patents, trade and service marks (whether registered or unregistered) and all know-how
Interdependent Facilities	has the meaning given to it in Clause 1 of Part A
Interest Rate	4% per annum above the base rate for the time being of the Governor and Company of the Bank of Scotland
Investment Plan	means the investment plan relating to the Equipment in the Agreed Form as amended from time to time in accordance with the Equipment Agreement and/or in accordance with the Change Provisions listing the Equipment which is required by the Trust to be procured by Summit and showing the Planned Replacement Year for each item of Equipment

ISDS1 Definitions	means the definitions in Appendix D to Part A
IT	has the meaning given to it in Parts 7 and 8 of the Schedule to the Development Agreement
IT Network	means the IT network installed as part of the Works
IT Repairs	means any work of repair, reinstatement, renewal or other works relating to the IT Network [] on a processor
IT Software	the software associated with the active components, which is required to commission, configure and operate the IT Network [] on a processor
IT Software Supplier	means at any time the party who provides the IT Software at that time
Joint Operating Group	means the group described as such established and maintained by the parties pursuant to Clause 11 of the Project Agreement
Judicial Review	means an application for judicial review of the Detailed Decision Notice other than by Summit

Laser Imager(s)	has the meaning given to it in Clause 8.1(a) of the Equipment Agreement
Lead Financier	means the Credit Provider (as defined in the Collateral Deed)
Legislative Change	has the meaning given to it in paragraph 2.1 of Section 1 of Part D
Liaison Procedures	means the procedures set out in Part 11 of the Schedule to the Project Agreement
Life Cycle Costs	has the meaning given to it in paragraph 2.1 of Section 1 of Part D
Life Cycle Cost Variation	has the meaning given to it in paragraph 2.1 of Section 1 of Part D
Limit	has the meaning given to it in paragraph 5 of Part 7 of the Schedule to the Project Agreement
Linen Services	means those services described as linen services in the Output Specification
Linen Sub-contracted Element	means those linen services to be procured directly by the Trust as indicated or described in the Appendix to the Output Specification for Linen Services
Linen Sub-contractor	means at any time such party with whom the Trust at that time has contracted for the

	provision of the Linen Sub-contracted Element
Local Collective Agreements	has the meaning given to it in Clause 16.6.7 of the Project Agreement
Loss and Expense	has the meaning given to in Clause 11.1.4 of Part A
Lunch	has the meaning given to it in paragraph 1 of Part A
M & E Engineer	Hulley & Kirkwood of 15 - 16 Woodside Place, Glasgow G3 7QS or such other M & E Engineer as the Contractor or Summit may from time to time appoint in addition or in substitution in relation to the Works in each case with the prior approval of the Trust in accordance with the Development Agreement
Maintenance Procedures	means the procedures to be developed by Summit prior to the Services Commencement Date and updated annually (and, in each case, approved by the Trust) providing procedures to enable Summit to comply with its obligations under the Estates Maintenance Output Specification
Maintenance Reserve Account	has the meaning given to it in the Collateral Deed

Management Costs	has the meaning given to it in Clause 17.3.1 of the Project Agreement
Management Portion	has the meaning given to it in Clause 2.1 of Section 1 of Part D
Mandatory Date	means the date for completion of the Works as referred to in Part 2 of the Schedule to the Development Agreement as revised from time to time in accordance with Clause 4.3 of the Development Agreement
Market Testing	means the market testing procedure as set out in Provision 12
Market Testing Change	has the meaning given to it in Provision 12.2
Market Testing Date	has the meaning given to it in Provision 12.1.1
Master Definitions Schedule	means this document
Master Penalty Points	means master penalty points to be awarded in accordance with Provision 15 and Part B of the Schedule to the General Provisions
Maximum Uptime	has the meaning given to it in Clause 15.1.5 of the Equipment Agreement
Method Statements	means the documents so entitled in the

	Agreed Form setting out the methods to be employed in providing the Services in accordance with the Output Specification, as amended in writing from time to time in accordance with the DBFO Contracts
Minute of Variation	means in respect of each of the Head Lease and the Sub-Lease a minute of extension to extend the Premises (as therein defined) in each such document to include the Sub Station Area
Modality	has the meaning given to it in Clause 15.1.6 of the Equipment Agreement
Modality Payment	has the meaning given to it in paragraph 1 of Part A
Monitoring Period	has the meaning given to it in Clause 1.4 of Part C of the Schedule to the General Provisions
Monitoring Procedure	means the procedure to be followed in relation to the monitoring of the Works in accordance with Part 1 of the Schedule to the Development Agreement
Monitoring Report	means a report in terms of Provision 2.1 of the General Provisions setting out the matters listed therein
Month	has the meaning given to it in paragraph 1 of Part A

Necessary Consents	means all permissions, consents, licences, certificates, authorisations and other approvals (including the Detailed Decision Notice) and relaxations issued under or as required by the Statutory Requirements or any other applicable legally binding requirement relating to the Works
Net Contract Amount	has the meaning given to it in paragraph 6 of Section 2 of Part 10 of the Schedule to the Project Agreement
Net Internal Area	has the meaning given to it in paragraph 6.1 of Section 7 of Part D
New Equipment	means all items of Equipment other than Transferred Equipment
New Equipment Sub-Contract	has the meaning given to it in Clause 24.2 (b) of the Equipment Agreement
New Equipment Sub-Contract Date	has the meaning given to it in Clause 24.2(c) of the Equipment Agreement
New Guidance	has the meaning given to it in Provision 14.1
NHS	means the National Health Service and any successor bodies taking over its responsibilities

NHSME	means the National Health Service Management Executive in Scotland and any successor body(ies) or persons fulfilling the same or substantially the same functions or part thereof
NHS Guidance	Original NHS Guidance as the same may be amended, varied, supplemented or substituted from time to time pursuant to Provision 14 of the General Provisions
NHS Specific Legislative Change	has the meaning given to it in Clause 2.1 of Section 1 of Part D
NHS Superannuation Scheme	means the National Health Service Superannuation Scheme
Non Critical General Rooms	has the meaning given to it in Clause 6.7(b) of the Equipment Agreement
No Substantive Service	has the meaning given to it in Clause 1 of Part A
Normal Working Hours	means in respect of the several parts of the Trust's Facilities, the opening hours set out opposite such parts in Part 3 of the Schedule to the Services Agreement and as may be varied by written notice by the Trust to Summit, given from time to time
Operational	means installed, tested, certified and in working order at the Site in accordance with Statutory Requirements and the

manufacturer's recommendations and available for the use by the Trust for the provision of clinical activities, or as the case may be, training for clinical activities but excluding the Trust's obligations under Clause 13.13 of the Equipment Agreement

Operational Date

means such date as is later than the Services Commencement Date by the aggregate of all (if any) Commissioning Extension Periods

Operational Days

has the meaning given to it in paragraph 1 of Part A

Operational Hours

has the meaning given to it in paragraph 1 of Part A

Operational Procedures and Schedules

has the meaning given to it in the operational policies of Summit and its Approved Service Providers in relation to the Services all as approved by the Trust pursuant to the Liaison Procedures

Option Period

has the meaning given to it in Clause 26.9.4 of the Project Agreement

Original Area

has the meaning given to it in paragraph 2.1 of Section 1 of Part D

Original Financial Model

means the financial model relating to the Project entitled "New Law District General Hospital Financial Model" which financial

	<p>model establishes the financial projections of Summit at Financial Close as recorded pursuant to Clause 3.1.6 of the Project Agreement and a copy of which in computer readable form has been delivered to the Trust at Financial Close</p>
Original NHS Guidance	<p>means the rules, regulations, guidance, codes of practice and other provisions (not in any case constituting Statutory Requirements) contained in the documentation specified in Part H of the Schedule to the General Provisions</p>
Original Sub-Contracts	<p>means the Sub-Contracts relating to the Equipment Services and the Services entered into on or about the Execution Date and approved by the Trust and as delivered to the Trust under Clause 3.1.1 of the Project Agreement</p>
Other Party	<p>has the meaning given to it in Clause 1 of Section 2 of Part D</p>
Outgoing Service Provider	<p>has the meaning given to it in Clause 16.11.1 of the Project Agreement</p>
Outpatient Attendance	<p>has the meaning given to it in Clause 1 of Part A</p>
Output Specification	<p>means the document so entitled in the Agreed Form describing the Services and showing the levels and standards to which</p>

	<p>the Services will be provided by or on behalf of Summit as amended from time to time in accordance with the Services Agreement and the General Provisions</p>
Outputs	<p>has the meaning given to it in Part 8 of the Output Specification</p>
PACS	<p>means the picture archiving and communication system to be provided pursuant to the Equipment Agreement, listed in the Investment Plan and described in the Equipment Specifications</p>
PACS Back-up	<p>has the meaning given to it in Clause 8.2 of the Equipment Agreement</p>
PACS Default	<p>has the meaning given to it in Clause (a) of the definition of Equipment Change in paragraph 2.1 of Section 1 of Part D</p>
PACS Downtime	<p>has the meaning given to it in Clause 15.1.7 of the Equipment Agreement</p>
Parent Company Guarantee	<p>means a guarantee, in the Agreed Form, by Newarthill Plc a company incorporated in England and Wales under registered number 1050970 in respect of the obligations and liabilities of Sir Robert McAlpine Limited as Contractor under the Building Contract</p>

Part A	means Part A of the Schedule to the General Provisions
Part C	means Part C of the Schedule to the General Provisions
Part D	means Part D of the Schedule to the General Provisions
Part E	means Part E of the Schedule to the General Provisions
Part G Works	means works of repair or reinstatement to which Part G of the Schedule to the General Provisions applies
Partial Handback Area	has the meaning given to it in Section 7 of Part D
Partial Handback Change	has the meaning given to it in paragraph 2.1 of Section 1 of Part D
parties	means the Trust and Summit
Pass Through Costs	has the meaning given to it in paragraph 1 of Part A
Pass Through Services	has the meaning given to it in paragraph 5.3 of Part A
Payment Assumptions	has the meaning given to it in paragraph 9 of Section 2 of Part 10 of the Schedule to the Project Agreement

Payment Period	has the meaning given to it in paragraph 1 of Part A
Payment Provisions	means the provisions set out in Part A
Penalty Points	means Master Penalty Points and/or Services Penalty Points
Performance Guarantee	means a guarantee in the Agreed Form
Performance Measurement Model	means the performance measurement model relating to the Services forming Part C of the Schedule to the General Provisions
Performance Measurement System or PMS	means the Performance Measurement Model and the Services Monitoring Procedures
Period	means a period of not less than 15 consecutive days in terms of paragraph 9.1 of Part A
Permanent Repairs	has the meaning given to it in Clause 16.2.4(b) of the General Provisions
Permitted Downtime	has the meaning given to it in Clause 15.1.8 of the Equipment Agreement
Permitted Sub-Contractor	means (a) any third party appointed by an Approved Service Provider in accordance with the DBFO Contracts to provide any ... of or any part of the Services or the

	<p>Equipment Services but excluding, for the avoidance of doubt, suppliers of goods only to any Approved Service Provider or (b) any party to whom Summit subcontract part of the Estates Maintenance Services in accordance with Provision 13</p>
Permitted Transfer	<p>has the meaning given to it in Clause 22.10 (c) (i) of the Project Agreement</p>
Personnel	<p>means the employees, including the Employees (if any) in each case of Summit, any Approved Service Provider or Permitted Sub-Contractor utilised in the provision of the Services and Equipment Services</p>
Plan	<p>means the plan of the Site annexed to Part 6 of the Schedule to the Development Agreement</p>
Planned Preventative Maintenance	<p>means a full periodic maintenance service (including regular and irregular periodic maintenance), including inspection, servicing and testing but not reactive repair, as referred to in the Output Specification and the Method Statements in relation to Estates Maintenance Services</p>
Planned Replacement Years	<p>means the years stated in the Investment Plan in which, in relation to each item of Equipment listed in the Investment Plan,</p>

that item will be replaced by New Equipment

Planning Obligation

all or any of the following as the case may be:

- (a) an agreement or an application in respect of and affecting the Site (whether or not also affecting other property) pursuant to s.16 of the Roads (Scotland) Act 1984, s.8 or s.37 of the Sewerage (Scotland) Act 1968 or any other similar agreement or application affecting water supply or drainage of surface and/or foul water from the Site or a similar agreement with any competent authority or body relating to other services; and/or
- (b) an agreement or other obligation in respect of and affecting the Site (whether or not also affecting other property) pursuant to s75 of the Town and Country Planning Act (Scotland) 1997

Planning Supervisor

Cyril Sweett Project Consultants Limited
 of 60 Gray's Inn Road, London, WC1R
 PAQ or such other planning supervisor as
 Summit may from time to time appoint in
 addition or in substitution in relation to the
 Works in each case with the prior approval

	of the Trust in accordance with the Development Agreement
Playing Field	means the playing field adjacent to the Site known as King George's Field
PMR Procedures	means the procedures to be developed by Summit prior to the Services Commencement Date in consultation with the Trust as set out in Clause 10.4 of the Equipment Agreement
PMS Checklists	means the checklists and procedure specified or referred to in the Services Monitoring Procedures
PMS Deductions	has the meaning given to it in paragraph 7.1 of Part A
Portering Transport and Waste Services	means those services described as portering, transport and waste services in the Output Specification
Post Operational Period	has the meaning given to it in the Head Lease
Pre-CPC Termination Date	means a date on which the DBFO contracts terminate if they do so after the Transition Commencement Date but prior to the Contractual Practical Completion Date

Pre-Termination Adjustments	has the meaning given to it in paragraph 11 of Section 2 of Part 10 of the Schedule to the Project Agreement
Previous Year's Premium	has the meaning given to it in Clause 26.9.3 of the Project Agreement
Primary Fuel	means gas, or such alternative fuel as is agreed between the parties to replace gas as the primary fuel for use within the Hospital in accordance with the Utilities Contingency Provisions
Priority	has the meaning given to it in paragraph 1 of Part A
Priority One	has the meaning given to it in Clause 15.1.9 of the Equipment Agreement
Priority Two	has the meaning given to it in Clause 15.1.10 of the Equipment Agreement
Priority Three	has the meaning given to it in Clause 15.1.11 of the Equipment Agreement
Processor	has the meaning given to it in Clause 8.1(b) of the Equipment Agreement
Project	means the undertaking of the Works and the Commissioning Procedure and the provision of the Services and Equipment

Services for the Hospital at the Site all in accordance with the DBFO Contracts

Project Agreement

means the agreement so entitled between the Trust and Summit relating to the Project

Project Documents

means the DBFO Contracts, the Sub-Contracts, the Finance Facilities Agreements, the Collateral Warranties, the Services Direct Agreement, the Equipment Direct Agreement, the Building Contract Direct Agreement, the Financier Direct Agreement, the Appointments, the Performance Guarantee and the Equity Agreement

Projected Demand Measurement Procedure

means the procedure set out in Appendix H of Part A as the same may be amended in accordance with the DBFO Contracts

Project Rate of Return

means the rate of return agreed between the parties and recorded in accordance with Clause 3.1.6 of the Project Agreement

Projected Demand Measurement Procedure

has the meaning given to it in paragraph Part A

Promoters

means the companies identified in Section 1 of Part 4 of the Schedule to the Project Agreement and any company which is an Associated Company of any such company

and provided that for the purposes of Clause 10.1 of the Project Agreement there will be a deemed change in a Promoter if Sir Robert McAlpine Limited ceases to be an Associated Company of an entity which beneficially own shares in the Holding Company

Proponent	has the meaning given to it in paragraph 1 of Section 2 of Part D
Proposal	has the meaning given to it in Clause 22.9.4 of the Project Agreement
Proposed New Equipment	has the meaning given to it in Clause 3.3.3 of the Equipment Agreement
Proposed Trust Change	has the meaning given to it in paragraph 2.1 of Section 1 of Part D
Proprietary Information	means any commercially sensitive information not required to run the Hospital and policies and procedures, work method statements, handbooks or data processing systems developed specifically by an Approved Service Provider which are commercially sensitive and are not required by an incoming service provider for the ongoing provision of the Services
Prosecution	means any criminal prosecution (including private prosecutions) brought against the

	Trust, Summit or any of the Contractor, or its sub-contractors, Approved Service Providers or Permitted Sub-Contractors which relates to or has an effect on their performance under any of the Project Documents resulting in a conviction which, if appealed, is upheld on appeal
Qualifying Capital Legislative Change	has the meaning given to it in paragraph 2.1 of Section 1 of Part D
Qualifying Legislative Change	has the meaning given to it in paragraph 2.1 of Section 1 of Part D
Quality Plan for Construction	has the meaning given to it in paragraph 1.1 in Part 1 of the Schedule to the Development Agreement
Quantity Surveyor	means Tozer Capita of 18 Carlton Court, Glasgow, G5 9SP
Quarter	has the meaning given to it in paragraph 1 of Part A
Quarter Day	has the meaning given to it in paragraph 1 of Part A
Recognised Trade Unions	has the meaning given to it in Clause 16.6.5 of the Project Agreement
Recorded Score	has the meaning given to it in paragraph 2.2 of Part C

Redundancy Policy	means the policy set out in Part 9 of the Schedule to the Project Agreement
Related Contracts	means any of the Sub-Contracts and/or any other contract between Summit and a third party in terms of Part 2 of the Schedule to the Project Agreement
Related Dispute	has the meaning given to it in Part 2 of the Schedule to the Project Agreement
Related Materials	means all equipment, materials, consumables and other things whatsoever (and irrespective of the Group into which they fall but excluding Group 1) in the opinion of Summit) required for and as are suitable and appropriate for the provision of the Services in accordance with the Output Specification, the Method Statements and the DBFO Contracts and excludes for the avoidance of doubt the Equipment which is to be provided by Summit in accordance with the Equipment Agreement and any relevant provisions of the other DBFO Contracts
Relevant Adjustment	has the meaning given to it in Clause 16.8.1 of the Project Agreement
Relevant Amount	has the meaning given to it in Provision 16.2.6 of the General Provisions
Relevant Area	has the meaning given to it in paragraph

	1(a) Section 7 of Part D
Relevant Costs	has the meaning given to it in Clause 2.7 of Part 1 of the Schedule to the Services Agreement
Relevant Deduction	has the meaning given to it in paragraph 1 of Part A
Relevant Delays	has the meaning given to it in Clause 26.6.3 (b) of the Project Agreement
Relevant Discoveries	has the meaning given to it in Clause 4.3(e) of the Development Agreement
Relevant Discoveries Extension Period	has the meaning given to it in Clause 4.3.6(d) of the Development Agreement
Relevant Event	has the meaning given to it in Clause 26.6.3 (c) of the Project Agreement
Relevant Intellectual Property	has the meaning given to it in Clause 20.2 of the Project Agreement
Relevant Items	has the meaning given to it in paragraph 2 of Part 1 of the Schedule to the Services Agreement
Relevant Method Statement	means the Method Statement associated with any one of the Services or any part of any one of the Services and identified as such therein and constituting at the

	relevant time the then current Method Statement for that Service or that part of that Service
Relevant NoSS Period	has the meaning given to it in paragraph 1.3 of Part B
Relevant Part	has the meaning given to it in paragraph 6.5 of Part A
Relevant Period	has the meaning given to it in paragraph 9.9 of Part A
Relevant Service	has the meaning given to it in Clause 16.8.1 of the Project Agreement
Relevant Sub-Contract	has the meaning given to it in paragraph 1 of Clause 10.3 of the Project Agreement
Relevant Works	has the meaning given to it in Clause 26.6.3 of the Project Agreement
Remedy Period	has the meaning given to it in paragraph 1 of Part A
Requisite Score	has the meaning given to it in paragraph 2 of Clause 2.2 of Part C
Reserve Accounts	means the Debt Service Reserve Account and the Maintenance Reserve Account
Reserve Fuel	means oil, or such alternative fuel as is _____ agreed between the parties to replace oil as

	a reserve fuel for use within the Hospital in accordance with the Utilities Contingency Provisions
Residential Accommodation Services	means those services described as residential accommodation services in the Output Specification
Residual Value Sum	has the meaning given to it in paragraph 1 of Clause 25.6 of the Project Agreement
Revision Date	has the meaning given to it in paragraph 6.4 of Section 2 of Part D
Room Data Sheets	means the room data sheets forming part of the Specification
Scheduled Period	has the meaning given to it in Clause 3 of Part 7 of the Schedule to the Project Agreement
SE Period	has the meaning given to it in Clause 26.5 of the Project Agreement
Secretary of State	The Secretary of State for Scotland or following enactment and coming into force of the Scotland Bill 1998 the relevant Scottish Minister
Secretary of State's Policies	means the intentions and policy objectives set out in the Secretary of State's clarification letter reproduced in Part 12 of the Schedule to the Project Agreement

Security Agreements	means the Security Documents (as defined in the Collateral Deed)
Security Services	those services described as security services in the Output Specification
Security Trustee	means the Security Trustee from time to time, appointed under and as defined in the Finance Facilities Agreements
Senior Lender Liabilities	has the meaning given to it in paragraph 7 of Section 3 of Part 10 of the Schedule to the Project Agreement
Service Amount	has the meaning given to it in paragraph 1 of Part A
Service Cost Variation	has the meaning given to it in paragraph 2.1 of Section 1 of Part D
Service Delivery Percentage	has the meaning given to it in paragraph 9.3 of Part A of the Schedule to the General Provisions
Service Delivery and Service Demand Measurement Procedure	has the meaning given to it in paragraph 1 of Part A
Service Measurement Procedure	has the meaning given to it in Appendix G of Part A
Service Score	_____ in respect of each Service for any

	<p>Monitoring Period means the score for that Service in that Monitoring Period determined under and in accordance with the Services Monitoring Procedures applicable to that Service and the Performance Measurement Model</p>
Service Provision	<p>means the provision of Services to the Trust by Summit, its Approved Services Providers and Permitted Subcontractors</p>
Service Specification	<p>has the meaning given to it in Provision 12.4(e)(i)</p>
Services	<p>means the Estates Maintenance Services, the Catering Services, the Domestic Services, the Linen Services, the Portering, Transport and Waste Services, the Switchboard Services, the Security Services and the Residential Accommodation Services</p>
Services Agreement	<p>means the agreement between the Trust and Summit relating to the provision of the Services</p>
Services Commencement Date	<p>means the date to be determined in accordance with Clause 3.3 of the Project Agreement</p>
Services Direct Agreement	<p>means the agreement in the Agreed Form to be entered into by, inter alios, the Lead Financier, the Trust, Summit and the</p>

	Approved Service Provider(s) providing the Services and Serco Group plc
Services Element	has the meaning given to it in Clause 10.3 of Part A
Services Monitoring Procedures	means the procedure so entitled in the Agreed Form
Services Payment Period	has the meaning given to it in paragraph 1 of Part A
Services Penalty Points	means service penalty points to be awarded in accordance with Provision 15 and Part B of the Schedule to the General Provisions
Services Term	means the period commencing on the Services Commencement Date and ending on the last day of the Term
Single Facility	has the meaning given to it in Clause 1 of Part A
Site	means the site at Netherton, Lanarkshire owned by the Trust on which the Hospital will be situated and particularly described in Part 6 of the Schedule to the Development Agreement
Special Procedures Room	means the Philips Multi-Diagnost 3 including Angiomat 6000 - Serial No

	113005.04 as listed in Part 1 of the Schedule to the Equipment Agreement
Specification	means the Specification of the Hospital and the Site as set out in Part 7 of the Schedule to the Development Agreement as amended, from time to time, in accordance with the Development Agreement and the Change Provisions
Specification Variation	has the meaning given to it in Clause (d) of the definition of Equipment Change
Specified Services	has the meaning given to it in Provision 12.1
Specified Usage Levels	has the meaning given to it in Clause 16.1 of the Equipment Agreement
Standards	means in relation to a Service the Standards set out in the relevant paragraph entitled (Indicators and Standards) of the relevant part of the Output Specification relative to that Service
Standby Loan Agreement	has the meaning given to it in the Collateral Deed
Standby Policy	has the meaning given to it in the Collateral Deed
Statutory and Mandatory Inspection and Testing	means work, including inspection, testing and maintenance, required by Applicable

	<p>Laws, Statutory Requirements, British Standards Regulations or Industry Standards to the extent required by and subject as provided in the DBFO Contracts and the Output Specification</p>
<p>Statutory Requirements</p>	<p>means the requirements of or arising or imposed under any Applicable Law</p>
<p>Structural Engineer</p>	<p>Thorburn Colquhoun of 243 West George Street, Glasgow G2 4QR or such other structural and service engineer as the Contractor or Summit may from time to time appoint in addition or in substitution in relation to the Works in each case with the prior approval of the Trust in accordance with the Development Agreement</p>
<p>Sub contractor Warranties</p>	<p>means collateral warranties in the Agreed Form to be given in favour of the Trust pursuant to Clause 4.8.4 of the Development Agreement</p>
<p>Sub-Contracts</p>	<p>means all agreements between (a) Summit and any Contractor or (b) Summit and any Approved Service Provider or (c) any Approved Service Provider and a Permitted Sub-Contractor, and "Sub-Contract" means any one of them according to context</p>

Sub-Lease	means the sub-lease to be granted by Summit to the Trust in the Agreed Form
Sub Station Area	means that area of ground adjacent to the Site shown hatched green on the Plan
Submission	means in relation to the Trust Objection Procedure a submission made to the Trust by Summit in terms of Clause 1(a) in Part 3 of the Schedule to the Project Agreement
Subsidiary	means Summit Finance (Law) PLC (incorporated with limited liability in Scotland under company number 185067) so long as it is a subsidiary of Summit
Substitute Provider	has the meaning given to it in paragraph 2.1 of Section 1 of Part D
Summit	means Summit Healthcare (Law) Limited (Registered Number 182649)
Summit Change	has the meaning given to it in paragraph 1.1 of Section 8 of Part D
Summit Items	has the meaning given to it in Clause 1.4 of Part 1 of the Schedule to the Services Agreement and as set out in Part 1A of the Schedule to the Services Agreement
Summit's Contract Officer	means, in respect of the Services and the Equipment Services, the executive officer or other person of suitable seniority (as

nominated from time to time by Summit) who shall manage those Services and the Equipment Services and their provision on behalf of Summit to be appointed with the consent of the Trust in terms of Provision 7.2 of the General Provisions

Summit Group

means Summit, the Subsidiary and/or the Holding Company or any of them as the context may require

Summit Notice

means notice in writing to the Trust of details relating to Employees deemed by Summit to be excess to or unsuitable for its requirements as defined in Clause 16.3.4(a) of the Project Agreement

Summit's Representations

means the representations and warranties set out in Clause 3.4 of the Project Agreement

Summit's Solicitors

means Dundas & Wilson, Saltire Court, 20 Castle Terrace, Edinburgh EH1 2EN

Summit Threshold Points

has the meaning given to it in Clause 15.8 of the General Provisions

Supper

has the meaning given to it in paragraph 1 of Part A

Surplus Removal

	has the meaning given to it in Clause (b) of the definition of Equipment Change in paragraph 2.1 of Section 1 of Part D
Suspension Event	has the meaning given to it in Clause 26.2 of the Project Agreement
Switchboard Services	means those services described as switchboard services in the Output Specification
Taxes	means all present and future taxes, charges, imposts, duties or levies of any kind whatever payable at the instance of or imposed by any Government Authority together with any penalties, additions, fines, surcharges or interest and "Tax" and "Taxation" shall be construed accordingly
Tax Gross Up	has the meaning given to it in Clause 24.9 of the Project Agreement
Technical Records	means all data and records and other documents relating to the Works and/or the Hospital which, either pursuant to an express obligation in the Project Agreement or otherwise as a matter of Good Industry Practice, are for the time being required to be maintained by or have been maintained by Summit in relation to the Works and/or the Hospital
Technology Committee	means the committee established under

	Clause 19 of the Equipment Agreement
Telephone Contracts	has the meaning given to it in paragraph 1.1 of Part 2 of the Schedule to the Services Agreement
Temporary Alternative	has the meaning given to it in Clause 6.4 of the Equipment Agreement
Term	means a period of 30 years and 6 months commencing on the date of giving of vacant possession of the Site under Clause 8.3 of the Project Agreement as extended in accordance with Clause 4.2 and/or Clause 26.5 of the Project Agreement or if the DBFO Contracts are terminated in accordance with the terms of the DBFO Contracts such shorter period as ends on the Termination Date
Termination Date	means the date of termination of the DBFO Contracts in accordance with Clause 22 or 26.7 or 26.8 or 32.5 of the Project Agreement
Termination Events	the events and circumstances specified in Clauses 22.1 and 22.9 of the Project Agreement and Termination Event means any one of them
Termination Vacation Notice	means a notice which may be given by the Trust in accordance with Clause 23.1.8 of the Project Agreement electing to vacate

	the Site following the termination of the DBFO Contracts under Clause 22 or 26.7 or 26.8 or 32.5 of the Project Agreement
Tests	has the meaning given to it in Clause 1.2 of Part 5 of (and the attachment thereto as detailed in) the Schedule to the Development Agreement
Threshold Date	has the meaning given to it in paragraph 2.1 of Section 1 of Part D
Threshold Master Penalty Points	has the meaning given to it in Clause 15.11 of the General Provisions
Total Outstanding Amount	has the meaning given to it in paragraph 8 of Section 3 of Part 10 of the Schedule to the Project Agreement
Transfer Financial Obligations	has the meaning given to it in Clause 16.14.1 of the Project Agreement
Transferred Equipment	means, those items of Equipment identified as such in the Investment Plan and listed in Part 1 of the Schedule to the Equipment Agreement
Transferring Employees	has the meaning set out in Clause 16.3.4(e) of the Project Agreement
Transferring Related Materials	has the meaning given in Clause 4.4 of the Services Agreement

Transitional Arrangements	means the arrangements set out in Clause 17 of the Project Agreement
Transition Commencement Date	means the date which is six months prior to the anticipated Services Commencement Date or such other date as may be agreed between the parties
Transition Costs	has the meaning given to it in Clause 17.3.1(a) of the Project Agreement
Transition Payment	has the meaning given to it in Clause 17.3.1 of the Project Agreement
Transition Period	means the period commencing on the Transition Commencement Date and ending on conclusion of the Transition Services in accordance with Clause 17 of the Project Agreement or 6 months after the Operational Date, whichever is the earlier
Transition Services	means the services which are, during the Transition Period to be provided by or on behalf of Summit to the Trust at the Existing Sites as determined under, and in accordance with, Clause 17.1 of the Project Agreement
Trust	means Law Hospital National Health Service Trust and includes (without prejudice to Clauses 22.9 and 33.2 of the Project Agreement) any successor body

	assuming its functions, rights and obligations
Trust Breach	has the meaning given to it in Clause 4.3(c) of the Development Agreement
Trust Breach Extension Period	has the meaning given to it in Clause 4.3.6(c) of the Development Agreement
Trust Business Interruption Insurance	means the insurance policy to be taken out in the name of the Trust pursuant to Clause 10.2 (b) of the Project Agreement to cover the payments of the Unitary Payment which the Trust would not have been obliged to make had loss or damage to the Hospital, as a result of an Insured Risk not arisen as a result of a Trust act, omission or default whether occurring before or after Services Commencement Date
Trust Cessation Employees	has the meaning given to it in Clause 16.11.2 of the Project Agreement
Trust Change	has the meaning given to it in paragraph 2.1 of Section 1 of Part D
Trust Confirmation Date	has the meaning given to it in paragraph 7.3 of Section 2 of Part D
Trust Information Letter	means a letter addressed to Summit setting out certain information given by the Trust in relation to Clauses 3.5 and 16 of the Project Agreement

Trust Group 2 Equipment	means those items of equipment and others which fall within Group 2 and which are to be provided by the Trust and which is to be installed by Summit as part of the Works prior to the Contractual Practical Completion Date as ascertained in accordance with Clause 5 of the Development Agreement
Trust Group 2 and 3 Equipment	means those items of equipment, furniture, fittings and other items as fall within Group 2 or Group 3 and as are provided by the Trust from time to time at the Hospital (including the Trust Group 2 Equipment) for use by the Trust, its staff, contractors or sub-tenants and as do not comprise Trust Related Materials
Trust Monitoring Response	has the meaning given to it in provision 2.2 of the General Provisions
Trust Objection Procedure	means the procedure set out in Part 3 of the Schedule to the Project Agreement
Trust Related Materials	has the meaning set out in paragraph 1.2 of Part 1 of the Schedule to the Services Agreement
Trust Removal	has the meaning given to it in Clause (c) of the definition of Equipment Change in Clause 2.1 of Section 1 of Part D

Trust Requirements	means the requirements of the Trust as set out in Part 8 of the Schedule to the Development Agreement, as amended from time to time pursuant to Eligible Changes
Trust Service Provider	has the meaning given to it in Clause 16.12.1 of the Project Agreement
Trust Services Change	has the meaning given to it in paragraph 2.1 of Section 1 of Part D
Trust Threshold Points	has the meaning given to it in Clause 15.8 of the General Provisions
Trust Works Change	has the meaning given to it in paragraph 2.1 of Section 1 of Part D
Trust Works Change Certificate	has the meaning given to it in paragraph 2.1 of Section 1 of Part D
Trust's Auditor	means Deloitte & Touche
Trust's Board	means the board of directors of the Trust as constituted from time to time
Trust's Codes of Practice	has the meaning given to it in provision 19.3 of the General Provisions
Trust's Contract Officer	means, the executive officer or other person of suitable seniority (as nominated from time to time by the Trust) who will supervise on behalf of the Trust the

	performance of the Services and the Equipment Services by or on behalf of Summit
Trust's Facilities	means the Site and the Hospital and the buildings and other erections thereon from time to time and plant equipment and fittings and fixtures thereon
Trust's New Equipment Notice	has the meaning given to it in Clause 3.3.4 of the Equipment Agreement
Trust's Representative	MPM Adams Limited, of St. Andrew House, 141 West Nile Street, Glasgow G1 2RN or such other consultant as the Trust shall from time to time appoint for the purposes of the Development Agreement
Trust's Solicitors	means McGrigor Donald, Pacific House, 70 Wellington Street, Glasgow G2 6SB
Ultrasound	means the ATL HDI3000 Ultrasound machine, Serial Number 00L2IJ and the Siemens Sonoline Versa Ultrasound Unit Serial Number HEG0771
Unavailable	has the meaning given to it in paragraph 6.4 of Part A
Unavailability Deduction	has the meaning given to it in paragraph 6.9 of Part A
Unavailability Event	has the meaning given to it in paragraph 1

	of Part A
Unavailability Notice	has the meaning given to it in paragraph 1 of Part A
Unavailability Table	has the meaning given to it in paragraph 1 of Part A
Unavoidable Operating Costs	has the meaning given to in paragraph 10.5 of Part A
Uninsurable Risk	has the meaning given to it in Clause 26.9.3 of the Project Agreement
Unitary Payment	has the meaning given to it in paragraph 1 of Clause 2 of Part A
Unplanned Liability	means at any time any cost, charge or liability (including professional fees) in excess of £1,000,000 in respect of a single item and £10,000,000 aggregate which Summit has incurred prior to that time or which, on the basis of information available to Summit at that time, it is likely to incur at a future date, whether in connection with the Project or otherwise and which will not be capable of being paid in the ordinary course by Summit
Uptime	has the meaning given to it in Clause 15.1.12 of the Equipment Agreement
Uptime Score	has the meaning given to it in Clause

	15.1.13 of the Equipment Agreement
Usage Element	has the meaning given to it in paragraph 1 of Clause 5 of Part A
Utilised	has the meaning given to it in paragraph 1 of Part A
Utilities Contingency Provisions	has the meaning given to it in the Output Specifications for the Estate Maintenance Services
Utilities Payment	has the meaning given to it in paragraph 5.4 of Part A
Utility Contracts	has the meaning given to it in paragraph 1.1. of Part 2 of the Schedule to the Services Agreement
Utilities Costs	has the meaning given to it in paragraph 5.4.2 of Part A
VAT	means Value Added Tax as provided for in the Value Added Tax Act 1994 and legislation (whether delegated or otherwise) supplemental to it or in any primary or secondary legislation promulgated by the European Union or any official body or agency of the European Union and any similar sales or consumption tax replacing or introduced in addition to the above

Wages Assumptions	has the meaning given to it in Clause 16.3.1 of the Project Agreement
Warning Notice	means a notice which may be given by the Trust in accordance with Provision 15.2
Whitley Agreements	means (1) National Health Service Maintenance Staff Pay and Conditions of Service; (2) Whitley Councils for the Health Service (Great Britain) Ancillary Staffs Council - Rates of Pay, Conditions of Service and General Information; (3) Whitley Councils for the Health Services (Great Britain) Administrative and Clerical Staffs Council - Pay and Conditions of Services; (4) Whitley Councils for the Health Services (Great Britain) Conditions of Service of Employees within the Whitley Councils for the Health Services (Great Britain); (5) Whitley Councils for the Health Services (Great Britain) Professional and Technical Staffs B Council.
Withdrawal Notice	means notice given by the Trust to Summit that it no longer wishes to pay the Excess in terms of Clause 26.9.9 of the Project Agreement
Works	means the works to be carried out by or at the direction of Summit under and in accordance with the Development

Agreement to design, construct, fit out and commission the Hospital

Year has the meaning given to it in paragraph 1 of Part A

2 Interpretation

In interpreting the DBFO Contracts:

- 2.1 the Schedule to any DBFO Contract is an integral part of that DBFO Contract and any reference to that DBFO Contract includes a reference to such Schedule;
- 2.2 references to clauses, paragraphs, schedules, recitals and annexures in any DBFO Contract are to clauses of and schedules, recitals and annexures to that DBFO Contract unless stated otherwise and references in any DBFO Contract to a numbered Provision shall be references to paragraphs of the General Provisions bearing that number;
- 2.3 any reference in this Master Definitions Schedule or in any DBFO Contract to a document "in the Agreed Form" is a reference to a document which has been or shall have been approved by the parties a copy of which has been or shall have been signed for the purpose of identification by or on behalf of each of the parties;
- 2.4 any reference to a statutory provision includes a reference to all amendments and modifications to that provision and any subsequent legislation made from time to time under it (and in each case whether before or after the entering into of the DBFO Contracts) subject to potential adjustments in payment under the Change Provisions;
- 2.5 references to the singular include the plural and vice versa and references to any gender include the other genders;

- 2.6 references to a "person" includes any individual firm unincorporated association public organisation or body corporate including any Government Authority;
- 2.7 any reference to a public organisation shall be deemed to include a reference to any successor to that public organisation or any organisation or entity on which the functions or responsibilities of that public organisation have been conferred or imposed, including without limitation under or pursuant to the Scotland Bill 1998 following its enactment;
- 2.8 headings and indices shall be ignored for the purpose of construing the DBFO Contracts;
- 2.9 any references to an agreement or other document includes (subject to all relevant approvals) a reference to that agreement or document as amended, supplemented, substituted, novated or assigned;
- 2.10 unless the context otherwise requires the words "herein", "hereto" and "hereunder" refer to the DBFO Contract in which they appear as a whole and not to the particular clause, schedule, part, section, paragraph or annex in which that word may be used;
- 2.11 Section 123(1) of the Insolvency Act 1986 shall be construed as if the reference to £750 were a reference to £200,000 Indexed from Financial Close or such other amount as the parties may agree in writing;
- 2.12 reference to a "subsidiary" or "holding company" shall be construed according to Section 736 of the Companies Act 1985 (as amended) and to a "subsidiary undertaking" shall be construed according to Section 258 of that Act (as amended);
- 2.13 reference in any of the DBFO Contracts to an obligation on any party to use all reasonable endeavours to effect or procure a matter or thing shall be construed so as to require such expenditure of money or effort to effect or procure that matter or thing as is reasonable in the circumstances but shall not be construed so as to require the expenditure of an unreasonable amount of money or effort in the context of the matter

or thing concerned and in any case where Summit or the Trust is to use reasonable endeavours to procure or ensure compliance by any other party, it shall ensure (insofar as it is reasonably able) that that person contracts so to comply and shall take all reasonable steps available to it to enforce such contractual provisions;

2.14 references to persons for whom the Trust is responsible in terms of the DBFO Contracts shall be construed in accordance with Clause 8.2 of the Project Agreement and references to persons for whom Summit is responsible in terms of the DBFO Contracts shall be construed in accordance with Clause 9.2 of the Project Agreement;

2.15 reference in the DBFO Contracts to the Secretary of State shall in the event of the enactment of the Scotland Bill 1998 be construed as a reference to the relevant Scottish Minister and reference to any other post or organisation which ceases to exist in the event of the enactment of the Scotland Bill 1998 shall be construed as a reference to the relevant successor where applicable to that post or organisation; and

2.16 Summit may direct the Trust by notice in writing to, in which case the Trust shall, serve any notice, request or other communication under any DBFO Contract, whether generally or by reference to any specified category or categories of notice, request or other communication directly to an Approved Service Provider or Permitted Sub-Contractor (and with a copy to Summit but the Trust shall not be in breach for failure to give such a copy) and may at any time revoke that notice by further notice in writing served on the Trust but without prejudice to the validity of any notice, request or communication served prior to that revocation.

3 Language

The language of the DBFO Contracts is English. All correspondence, drawings, design data, test reports, certificates, specifications and information shall be supplied by the supplying party entirely in English.

4 Conflict

In the event of any conflict or inconsistency between or ambiguity relating to, the DBFO Contracts or any of them the documents shall take effect in the following order of precedence:-

- 4.1 the Project Agreement;
- 4.2 the General Provisions;
- 4.3 the Development Agreement, the Equipment Agreement and the Services Agreement;
- 4.4 the Head Lease and the Sub-Lease; and

if there is any inconsistency between the Output Specification and the Services Agreement, the Services Agreement will prevail

IN WITNESS WHEREOF these presents consisting of this and the preceding 54 pages are executed as follows:

Subscribed for and on behalf
of the LAW HOSPITAL NATIONAL
HEALTH SERVICE TRUST
at London
on the day of June 1998
by Ian Andrew Ross
Chief Executive
and James Gemmell Dunbar
Chairman
in the presence of:-

.....Chief Executive

.....Chairman

Witness.....

Name.....

Address.....

.....

Subscribed for and on behalf of
SUMMIT HEALTHCARE (LAW)
LIMITED at London

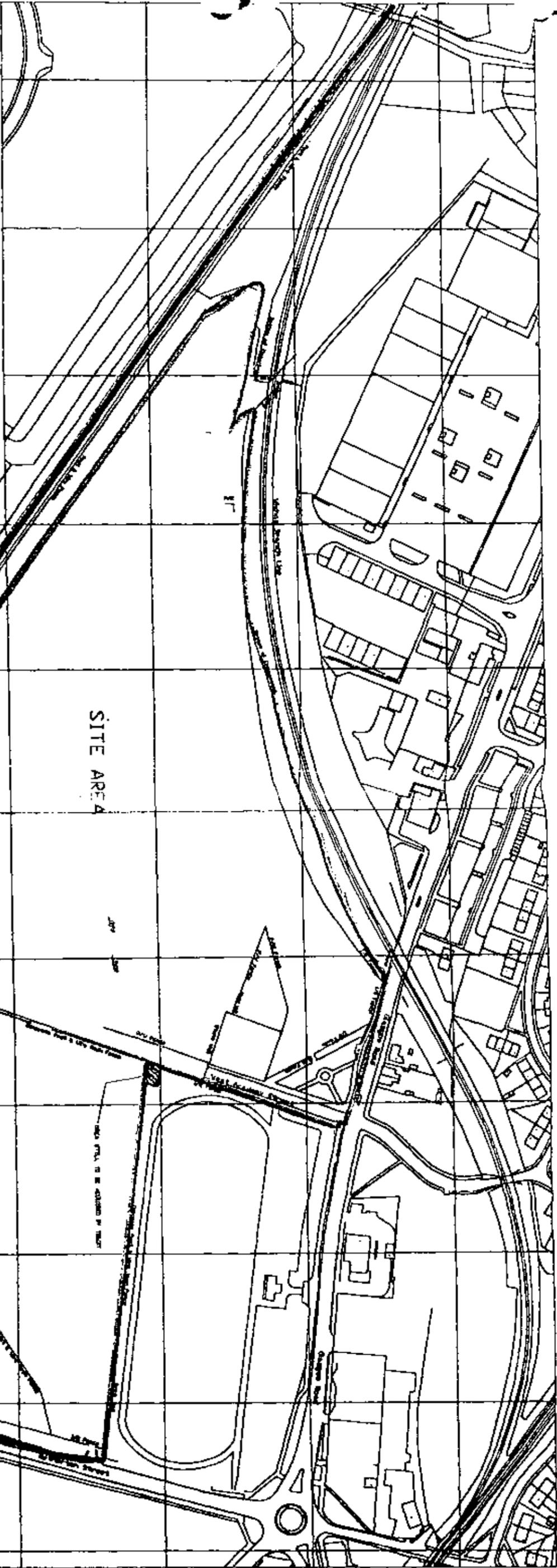
on the day of June 1998
by
Director, and
Director/Secretary

..... Director

.....Director/Secretary

Part 2

Plan: Separately annexed



ACQUISITION OF SITE FOR NEW LAW DGH

Scale 1:1250

Job Ref : IS198/1250/SSEB

Date : 26 MAY 1998



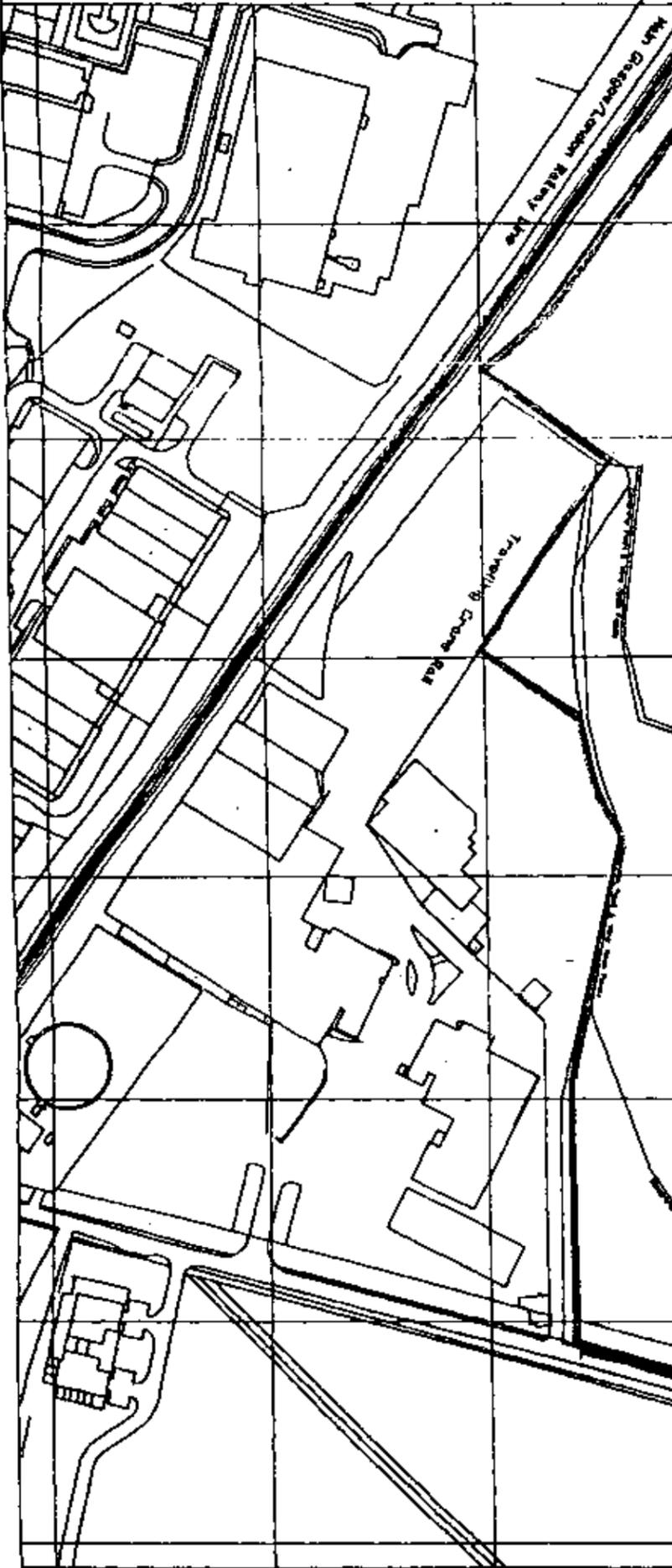
SHG Area Dwg Remarks
 0412 MA SITE STILL TO BE ACQUIRED BY TRUST AS AT 26/05/98

This is the Plan referred to in the foregoing Sub-Lease between Law Hospital National Health Service Trust and Summit Healthcare (Law) Limited

William May

Robert

John



Part 3

Draft Renunciation

WE [NAME and design Summit] (hereinafter referred to as "Summit") Hereby RENOUNCE as from [specify the Termination Date] (hereinafter referred to as "the Date of Renunciation") in favour of [name and design the Trust] (hereinafter referred to as "the Trust") a Lease (hereinafter referred to as "the Lease") of the premises known as and forming [Law: NOTE: name may change] Hospital, Netherton, Lanarkshire entered into between [narrate] [registered in the Books of Council and Session for preservation and execution on [] (the interest of the tenants in which lease is registered in the Land Register of Scotland under Title Number [narrate]), in which Lease the Trust are now in right of the Landlords' part and Summit are now in right of the Tenants' part and the Trust accepts the foregoing renunciation and the parties acknowledge that as at the Date of Renunciation the Lease will be at an end; And Summit certifies that the transaction hereby effected does not form part of a larger transaction or of a series of transactions in respect of which the amount or value or the aggregate amount or value of the consideration exceeds [take in stamp duty threshold limit] Thousand Pounds; And Summit consents to registration hereof for preservation and execution: IN WITNESS WHEREOF

William Hogg

Bob

John

SUB-LEASE

by

SUMMIT HEALTHCARE (LAW) LIMITED

in favour of

LAW HOSPITAL NATIONAL HEALTH SERVICE TRUST

Subjects: New Law Hospital, Netherton, Lanarkshire



McGRIGOR DONALD

EDUCATORS

**Pacific House
70 Wellington Street
GLASGOW
G2 6SB**

H:\DONNAS-1\LAWSUB9.LSE

23 June 1998

FAS 4833

SUB-LEASE

by

SUMMIT HEALTHCARE (LAW) LIMITED an incorporated company registered in Scotland under No.182649 and having its Registered Office at Saltire Court, Twenty Castle Terrace, Edinburgh ("Summit" who and whose permitted successors as Landlord under this sub-lease are hereafter referred to as "the Landlord");



in favour of

LAW HOSPITAL NATIONAL HEALTH SERVICE TRUST, a body corporate established by an order (S.I. 1994 No 2929 (S. 263) as amended by amendment orders (SI 1995) No. 741 (S67) and SI 1998 No 926 (S50)) made by the Secretary of State under Section 12A of the National Health Service (Scotland) Act 1978 (who and any successor body which assumes its rights and obligations is hereinafter referred to as "the Trust") who and whose permitted successors as tenants under this Sub-Lease are hereafter referred to as "the Tenant")

RECITALS

- (A) The Trust has the functions conferred on it by the Statutory Instruments mentioned in the preamble.
- (B) In implementation of those functions, the Trust and Summit have entered into a Project Agreement, the terms of which and the other agreements referred to in the Project

Agreement relate to the provision of a new hospital at Netherton to be known as the New Law District General Hospital and of certain services in relation to that hospital.

- (C) The Trust has granted to Summit the Head Lease and Summit has agreed to grant this Sub-lease all pursuant to the Project Agreement.

1. **Definitions and Interpretations**

- 1.1 In this Sub-lease the following words and expressions will bear the meanings respectively set out opposite them:

"Date of Entry":	means 25 June 1998;
"Designated Areas":	means such areas as the Landlord and the Tenant agree from time to time;
"Head Lease":	means the Head Lease of the Premises entered into between the Trust and Summit of even date herewith;
"Master Definitions Schedule":	means the document so entitled executed by the Trust and Summit dated 16 June 1998 as the same is amended, supplemented at any time by agreement in writing by the Trust and Summit;
"Other DBFO Contracts":	means the DBFO Contracts under exception of (a) the Head Lease and (b) this Sub-lease;

"Plan"	means the plan marked annexed and executed as relative hereto;
"Premises":	means ALL and WHOLE that area of ground at Netherton, Wishaw shown outlined red on the Plan being the subjects registered in the Land Register under Title Number LAN 100655 (including the minerals only insofar as the Trust has title thereto) together with at any time (i) the Works thereon and the Hospital or other buildings or erections constructed on the said area of ground in compliance with the Other DBFO Contracts and (ii) the parts, privileges and pertinents thereof from time to time including, without limitation, all servitude or other site rights of access, drainage or others pertaining thereto;
"Project Agreement"	means the Project Agreement forming part of the other DBFO Contracts;
"Residences"	means the residential accommodation to be constructed on the Site in accordance with the Works; and
"Schedule"	means the schedule annexed and executed as relative hereto.

- 1.2 Unless the contrary is stated, any word or expression which is defined in the Master Definitions Schedule shall have the same meaning herein as in the Master Definitions Schedule.

- 1.3 This Sub-lease will be construed and given effect to in accordance with paragraphs 2 3 and 4 of the Master Definitions Schedule.

2. Grant of Sub-lease

The Landlord in consideration of the rent and other prestations hereinafter specified, HEREBY SUBLETS to the Tenant, but excluding assignees and sub-tenants except as hereinafter expressly provided the Premises; and that the period from the Date of Entry which notwithstanding the date or dates hereof is the Tenant's date of entry hereunder until 24 June 2035 but subject to termination in terms of Clause 9.

FOR WHICH CAUSES and on the other part the Tenant shall pay to the Landlord in name of rent the sum of ONE POUND (£1.00) STERLING *per annum* if asked, annually in advance.

3. Maintenance, Repair etc.

The Tenant will have no obligation whatsoever in respect of the repair maintenance renewal of the Premises subject only to the Tenant's obligations in terms of Clause 27.2.2 of the Project Agreement.

4. Use

The Tenant shall not use the Premises otherwise than for (1) the implementation of the DBFO Contracts (2) as provided in Clause 9 or (3) for healthcare purposes and purposes ancillary to healthcare and any other purpose in connection with the statutory functions (express or implied) of the Tenant and residential accommodation and for any commercial activities within the Designated Areas and for this purpose the Landlord grants the Tenant full vacant possession of the Premises and for such other purposes as may from time to time be approved in writing by the Landlord.

The Tenant shall not without the consent of the Landlord grant concessions to cafeterias and the Tenant shall not without the consent of the Landlord permit any concessionaire to sell food prepared on the Premises or hot drinks on the Premises.

5. **Occupational Obligations**

The Tenant will pay the rates payable to the local authority but only in respect of its occupation of the Premises.

6. **Alterations**

The Tenant will not make any alterations or additions to the Premises except (1) as permitted by the Other DBFO Contracts, (2) as provided by Clause 9.4 or (3) with the consent of the Landlord.

7. **Alienation**

7.1 The Tenant will not assign its interest hereunder (in whole or in part) except in conjunction with a permitted assignment of its interest under the Other DBFO Contracts.

7.2 The Tenant will not grant any sub-leases in relation to the Premises or any part thereof except:

7.2.1 in accordance with the DBFO Contracts

7.2.2 to any person on such terms and for such duration as the Trust considers appropriate within the Designated Areas or any part thereof for any commercial purpose subject to complying with Applicable Laws; or

7.2.3 in respect of the Residences the Trust may permit any persons to occupy any part thereof for such duration and on such terms as the Trust may consider appropriate; and

7.2.4 to permit other NHS Trusts or any other bodies or persons to carry on clinical services from the Hospital for such duration and on such terms as the Trust may consider appropriate;

and the parties acknowledge that any income received by the Trust from any of the foregoing activities will be for the benefit of and may be retained by the Trust.

7.3 For the avoidance of doubt the Trust may permit any person authorised or permitted by it including staff, visitors, patients and others to enter upon the Premises at anytime during this Sub-Lease.

8. Landlord's Obligations

8.1 The Landlord warrants this Sub-lease absolutely, subject to the terms hereof.

8.2 The Landlord undertakes to the Tenant to perform in all respects its whole obligations under and arising out of the Other DBFO Contracts and the Head Leases which obligations will be deemed to be incorporated herein *brevitatis causa* and will be deemed to be obligations of the Landlord under this Sub-lease.

8.3 The Landlord undertakes not to grant any interposed lease or dispose of or otherwise deal with its interest under this Sub-lease save in conjunction with its interest as tenant under the Head Lease and subject to the consent of the Landlord under the Head Lease having been obtained in accordance with the Head Lease.

9. Termination of the DBFO Contracts

9.1 IF (1) a Termination Vacation Notice or (2) a Handback Vacation Notice is given and not withdrawn on or prior to the Expiry of the Term in accordance with Clause 25.2 of the Project Agreement then either the Landlord or the Tenant will be entitled to terminate this Sub-Lease by written notice to that effect to the other (1) in the case of a Termination Vacation Notice on the later of the date of such Notice and the date of termination of the DBFO Contracts; and (2) in the case of a Handback Vacation Notice on the day after the date of Expiry of the Term. The Landlord and the Tenant will enter into such documentation as may be reasonably required to ensure that this Sub-Lease is duly terminated in accordance with this Clause 9.1

9.2 The Landlord and the Tenant hereby acknowledge that termination of the Sub-Lease whether by the Tenant or by the Landlord in terms of Clause 9.1 hereof will be fair and reasonable.

9.3 Following the termination of the Sub-Lease in terms of Clause 9.1 hereof, the Tenant shall if they continue in occupation:-

9.3.1 not use the Premises for any beneficial purpose;

9.3.2 indemnify the Landlord on demand on a full indemnify basis in respect of all costs, losses, claims and penalties arising as a result of their continuing occupation.

9.4 If the Other DBFO Contracts shall be terminated and the Sub-Lease shall not be terminable in terms of Clause 9.1 then the Tenant will be entitled to use or occupy the Premises and carry out any works or alterations to the Premises, use the Premises for any purpose and grant sub-leases or share or part with possession of the Premises or part thereof without requiring the consent or approval of the Landlord.

9.5 The parties acknowledge that subject to Clause 9.1, notwithstanding any rule of law to the contrary, the Landlord shall have no right of irritancy on any ground whatever, and that notwithstanding any provision of the Other DBFO Contracts this Sub-Lease will not be terminable prior to its natural expiry on any ground subject only to Clause 9.1.

10. Notices

Any notices to be given under this Sub-lease shall be given in accordance with Clause 29 of the Project Agreement.

11. Dispute Resolution Procedure

11.1 The parties will use their reasonable efforts to negotiate in good faith and settle amicably any dispute which arises during this Sub-lease.

11.2 Any dispute arising during the Service Term and not capable of resolution under Clause 11.1 will become subject to the Dispute Resolution Procedure.

12. General

12.1 Notwithstanding any damage or destruction to the Premises any part thereof this Sub-lease will remain in full force and effect to its full duration subject to Clause 9.

12.2 The Tenant will pay the stamp duty payable hereon and the dues of registering the same in the Land Register and the Books of Council and Session and obtaining 3 extracts.

12.3 The Parties certify that this Sub-lease is not a lease which gives effect to an agreement for lease as interpreted by the Inland Revenue in terms of the Guidance Note dated Thirtieth June Nineteen hundred and ninety four referring to Section 240 of the Finance Act 1994.

12.4 This Sub-Lease is granted without prejudice to the rights and obligations of Summit and the Trust in terms of the Other DBFO Contracts and the Head Lease and without prejudice to the foregoing, the liability of Summit and the Trust hereunder is limited as specified in Clause 27 of the Project Agreement.

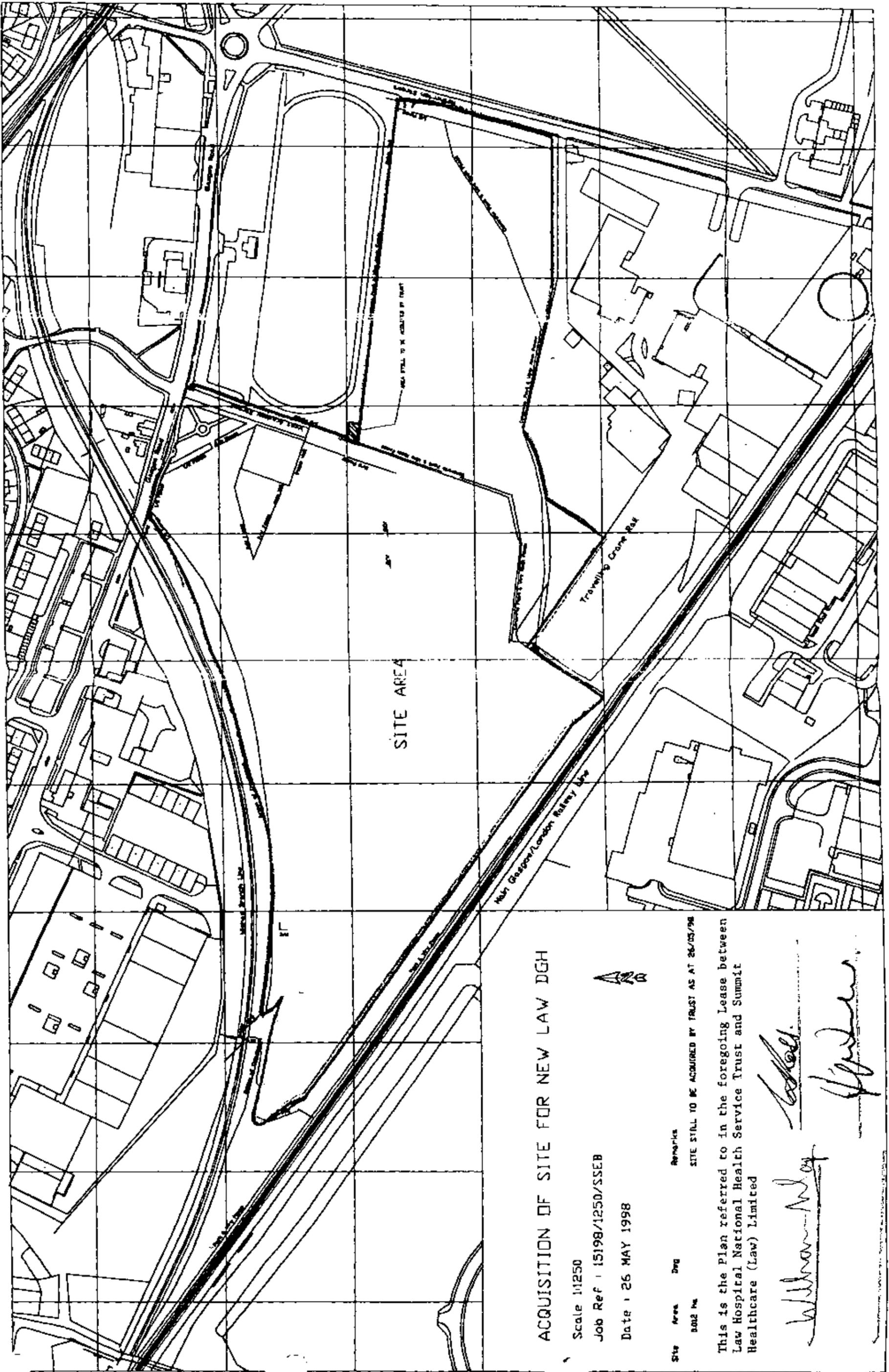
12.5 The Parties hereby consent to the registration hereof for preservation and execution: IN WITNESS WHEREOF these presents typewritten on this and the eight preceding pages together with the Plan annexed and executed as relative hereto are executed as follows:- they are subscribed for and on behalf of the said Law Hospital National Health Service Trust by Ian Andrew Ross, their Chief Executive and James Gemmell Dunbar, their Chairman, both together at Law Hospital, Wishaw on the Twenty fourth day of June Nineteen hundred and Ninety eight; and they are subscribed for and on behalf of the said Summit Healthcare (Law) Limited by William Moyes, one of their Directors at Edinburgh on the date last mentioned before the witness Gordon Speirs McCreath (subscribing his usual signature "Gordon McCreath") of Saltire Court, Twenty Castle Terrace, Edinburgh.

Ian Andrew Ross

James Gemmell Dunbar

William Moyes

Gordon Speirs McCreath Witness

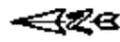


ACQUISITION OF SITE FOR NEW LAW DGH

Scale 1:1250

Job Ref : 15198/1250/SSEB

Date : 26 MAY 1998



Site Area	Dwg	Remarks
0.002 Ha		SITE STILL TO BE ACQUIRED BY TRUST AS AT 26/05/98

This is the Plan referred to in the foregoing Lease between Law Hospital National Health Service Trust and Summit Healthcare (Law) Limited

William May
Edell
Spencer

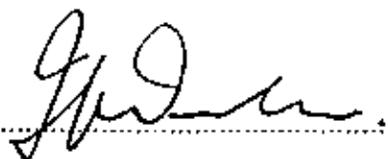
OUTPUT SPECIFICATION

This is the Output Specification (comprising 56 pages) referred to in the DBFO Contracts for the provision of the New Law District General Hospital between Law Hospital National Health Service Trust ("the Trust") and Summit Healthcare (Law) Limited ("Summit") comprising a description of and the output specifications for the following Services:-

1. Catering Services
2. Domestic Services
3. Linen Services
4. Porterage, Transport and Waste Services
5. Switchboard Services
6. Security Services
7. Residential Accommodation Services
8. Estates Maintenance Services

For the avoidance of doubt the provisions in each Part of this Output Specification including those contained in the Sections entitled Quality Standards and Indicators are to be construed as obligations binding on Summit.

In this Output Specification, Master Definitions Schedule means the document so entitled signed by the Trust and Summit and dated on the Execution Date (as defined therein), as amended or supplemented at any time and, unless the context otherwise requires, any word or expression given a meaning in the Master Definitions Schedule shall have the same meaning when used in this Output Specification.



Alan D. Campbell

For Discrepancy Services Ltd

For the Trust

Amra Ahmed
66-73 Queen Street
Edinburgh

For Summit

Roy Austin Witness
26 South Trinity Road
Edinburgh

Dated 16 June 1998

Dated 16 June 1998

Part 1: Catering Service

1 Service Definition

Provision of a comprehensive catering service.

2 Customer Base

Customer base comprises of two main components:

2.1 patient related: inpatient, day patient and outpatient

2.2 non patient related: staff and function provision.

3 Service Requirements

3.1 Service Provision

3.2 Patient based

The inpatient food service will perform to the standards set out in section 4 on each day of the year. Breakfast, lunch and supper will be provided daily for each inpatient and the provision of lunch is required for day patients on weekdays.

All meals will be prepared and cooked on site and individually plated in accordance with a menu choice selected by each individual patient two meals in advance, excluding breakfast, and delivered in accordance with an agreed timetable.

In addition, Summit will be flexible and responsive to those patients who may require meals or food outside of the agreed timetable for meal deliveries.

A selection of hot and cold beverages will be served with each meal and four further beverages will be offered daily to each patient.

Facilities for the provision of hot and cold beverages will be provided at the accident and emergency department.

3.3 Non Patient based

A facility for the serving of hot and cold food items and beverages will be available over the 24 hour period each day. All income received will benefit Summit. Function facilities will be provided and may range from coffee and biscuits for meetings to retiral presentations.

3.4 Dietetics and Nutrition

The catering service will provide the Recommended Nutrition Intake (RNI) for all nutrients and the Estimated Average Requirements (EAR) for food energy in respect of each patient group to be served.

A Trust dietitian will be involved at all stages in the planning and development of menu content: The main input from the Trust's dietitian will be when the Standard Recipes and Menu Cycle are being set up. However, it is recognised that in relation to Staff Catering the input will be advisory only and commercial considerations will take precedence. This will not be the case with Patient Catering where the view of the Trust dietitian, acting reasonably, will take precedence over all others.

The Trust dietitian will also be responsible for the content of the various types of diets which are available for patients. Once these are established and protocols for ordering such diets are agreed, the focus of the Trust dietitian's role will be of a clinical nature through liaison with medical and nursing staff. The Trust dietitian will not supervise catering staff on a day to day basis. The Trust dietitian will supply any nutritional supplements, prescribable items and patient foods not catered for through the agreed menu.

The dietary needs of cultural and ethnic minority groups will be met on the basis of individual patient choice derived from the agreed standard menu. Patient menus will have a recognised structure which is compatible with the needs of the client group they are designed to cater for.

The following Industry Standards will be complied with in respect of dietetic matters.

Service Standards Nutritional Guidelines - Menu Planning Setrha
 Service Standards Nutritional Guidelines - The Food Chain Setrha
 Dietary Reference Values for Food Energy and Nutrients for the UR 4, 91
 Nutritional Aspects of Cardiovascular Disease 46, 94
 Policy for Healthy Eating - Lanarkshire Health Board and Health Policy or Strategy for Health

Any amendments or supplements to the above Industry Standards will be dealt with in accordance with the DBFO Contracts.

3.5 Uniforms

Summit will provide, and all staff involved in the provision of this service will wear, staff uniforms which project a positive image of the Hospital and which will be agreed in advance by the Trust, agreement not to be unreasonably withheld.

3.6 Responsibilities

The boundaries of the service are as follows :

Summit will be responsible for:-

All procurement and storage of catering related materials
 Provision of all patient meals including specialist proprietary foods and non prescribable diet supplements
 Non patient catering services
 Provision of direct issues and beverages
 Distribution of food to the wards and the departments
 Service of beverages to in-patients and day patients
 Collection of trolleys from wards
 Provision of cutlery/condiments at ward level
 Dish washing of cooking utensils and patients crockery and cutlery.

Summit will not be responsible for:-

the provision of prescribable items and nutritional supplements or the service of food to and the recovery of cutlery and condiments from the patients.

preparation, and issue of, early morning and late evening beverages

3.7 Additional Information

The provision of catering services to the Residential Accommodation is dealt with in part 7 of the Output Specification.

3.8 Irregular tasks

By their very nature irregular tasks require a response which can range from immediate, in the case of non delivery of patient meal, to several days/weeks hence for certain tasks. Summit will provide the capability to react to these type of situations. A system of Trust defined priorities, as shown below, will be operated in respect of all catering tasks.

Priority

Priority 1 tasks would include emergency tasks which if not carried out immediately will endanger the health, safety and welfare of patients, staff and of the general public and/or are tasks which if not attended to immediately could cause unavailability or major disruption to wards, departments or the running of the Hospital or is work which presents an unacceptable security risk.

Priority 2 tasks would involve tasks which do not present an immediate threat to health and safety and/or welfare of patients, staff and or the general public but are tasks which if not carried out within the required period presents a significant risk

that it would become such a threat and may result in the need for staff to be called out after normal working hours.

Priority 3 tasks would involve tasks which now or in the future may or do directly or indirectly affect a patient or non patient services but which do not immediately constitute a risk.

Response

Priority 1:

Immediate response and appropriate permanent or temporary remedial action will be taken to effect the restoration of Services to the Trust with minimum disruption of patient services. The appropriate actions will be initiated in accordance with the agreed emergency works procedures.

Priority 2:

As for Priority 1, but response and ensuing action within 4 hours.

Priority 3:

As for Priority 1, but response and ensuing action within 24 hours or as agreed by both parties acting reasonably.

Actions in each case will also include Summit agreeing with the Trust the scope of all tasks required to effect restoration, rectification or replacement (as appropriate).

4 Quality Standards

4.1 Aspect of Service - Catering

Aspect of Service	Elements of Service	Relative Weighting
Product Sourcing	Procurement	20
	Storage	20
Patient Meal Service	On-Site distribution	10
	Menu system	12
	Food Quality	13
	Ad-hoc requests	5
Nutrition and dietetics	Composition	40
Non patient service	Restaurant	15
	Vending	14
	Functions	3
	Customer Care	8

Hygiene, health & safety	Documentation	13
	Legislation	16
	Environmental Health	11

4.2 Quality Standards and Indicators

Product Sourcing

	STANDARD	WEIGHT
Procurement:	All food items will meet the standards required by Industry Standards and Statutory Requirements including "Standards for raw materials and ingredients" at all times to the extent required by and subject as provided in the DBFO Contracts. (100%)	100
Storage:	All storage areas must meet the standards required by Statutory Requirements and Industry Standards (including but not limited to the Food Act 1990) at all times to the extent required by and subject as provided in the DBFO Contracts. (100%)	100

Patient Meal Service

On Site Distribution:	All meals must be delivered and collected within 15 minutes of the agreed time. (95%)	50
	All meals must be delivered within the agreed temperature range. (100%).	50
Menu System:	All patients will order meals no more than two meals in advance, excluding breakfast. (95%)	50
	All patients will receive their menu choice as ordered. (95%)	50
Food Quality:	The presentation, taste and texture of all food will at all times meet agreed standards relating to customer satisfaction. (95%)	100
Ad Hoc Requests:	All ad-hoc requests between agreed opening hours will be delivered to patients within 30 minutes of original request, where there is the capacity on site in relation to staff, equipment and ingredients. (95%)	100

Nutrition and Dietetics

Composition:	All menus must be planned in accordance with the agreed Standard Recipes. (100%)	30
	All portion sizes must be consistent with those approved by the Trust Dietitian acting reasonably (98%)	30
	All menus must be as agreed with the Trust and will at all times reflect the Trust's policy on nutrition and address the needs of each client group. (100%)	40

Non Patient Service

Restaurant:	A manned service will be provided at all agreed opening times. (99%)	100
Vending:	The selection of food items offered should be in accordance with the agreed selection. (100%)	100
Functions:	All function services will be delivered and set up no less than 10 minutes prior to the appointed time subject to reasonable access. (95%)	50
	All food delivered to functions (whether hot or cold) will be delivered within 10 minutes of the agreed time.	50

Customer Care:	All staff will at all times behave in a polite and dignified manner to all customers. (95%)	50
	A facility exists for replacement of unsatisfactory food items or a complete refund. (95%)	50

Hygiene, Health and Safety

Documentation	All appropriate documentation (such documentation to be agreed between the Trust and Summit from time to time) will be completed and retained by the service provider at all times. (100%)	100
---------------	--	-----

Legislation:	All relevant aspects of Statutory Requirements will be complied with at all times to the extent required by and subject as provided in the DBFO Contracts. (100%)	100
Environmental Health:	Provide documentary evidence of regular inspections by local Council Environmental Health Officials and demonstrate compliance with all reports issued by them. (100%)	100

Part 2 : Domestic Services

1 Service Definition

The provision of a comprehensive domestic service.

2 Customer Base

Customer base comprises of four main components:-

2.1 Patients

2.2 Staff

2.3 Members of the Public

2.4 Clinical and Non-Clinical Directorates

3 Service Requirements

3.1 Service Provision

The service will be provided within the period commencing at 0700 and ending at 2000 each weekday. Weekend and out of hours arrangements will be established to suit operational needs. Departments operational on a Monday - Friday basis only, will normally be cleaned on those days only.

The physical programming of all work will be sensitive to the needs of each service user and will be in compliance with Statutory Requirements and Industry Standards.

3.2 Responsibilities

The boundaries of the Service are as follows :-

3.2.1 Responsibility of Summit

Summit is responsible for the provision of cleaning services, to the Hospital, to agreed standards. Summit will also ensure that accommodation utilised by Summit in the provision of the service is cleaned to agreed standards.

Summit will replenish all hand towels, toilet rolls and soap dispensers made available by the Trust. Summit will provide and operate a stock control management system.

Summit will be responsible for the cleaning and removal of spillages, with the exception of bodily fluids, on all surfaces. Trust staff will be responsible for initial cleans of bodily fluids to a state where the risks of infection are negligible.

Thereafter the response team shall return the surfaces to the normal standards of cleanliness. In the event of a major outbreak of a highly infectious disease (including but not limited to MRSA and hepatitis B) which requires a terminal clean Summit will follow procedures set out in compliance with Statutory Requirements and Industry Standards. Provision of any additional service in this respect will be subject to the Change Procedure.

A system of agreed priorities will be operated in respect of all identified ad hoc cleaning requests. Priorities shall be determined on the basis of the effects to patient services by the Trust, acting reasonably in accordance with the priority response schedules set out below.

Priority

Priority 1 tasks would include emergency tasks which if not carried out immediately will endanger the health, safety and welfare of patients, staff and of the general public and/or are tasks which if not attended to immediately could cause unavailability or major disruption to wards, departments or the running of the Hospital or is work which presents an unacceptable security risk.

Priority 2 tasks would involve tasks which do not present an immediate threat to health and safety and/or welfare of patients, staff and or the general public but are tasks which if not carried out within the required period presents a significant risk that it would become such a threat and may result in the need for staff to be called out after normal working hours.

Priority 3 tasks would involve tasks which now or in the future may or do directly or indirectly affect a patient or non patient services but which do not immediately constitute a risk.

Response

Priority 1:

Immediate response and appropriate permanent or temporary remedial action will be taken to effect the restoration of Services to the Trust with minimum disruption of patient services. The appropriate actions will be initiated in accordance with the agreed emergency tasks procedures.

Priority 2:

As for Priority 1, but response and ensuing action within 4 hours.

Priority 3:

As for Priority 1, but response and ensuing action within 24 hours or as agreed by both parties acting reasonably.

Actions in each case will also include Summit agreeing with the Trust the scope of all tasks required to effect restoration, rectification or replacement (as appropriate).

3.2.2 Exclusions

The provision of domestic services under Part 7 of the Output Specification is excluded from this Service and dealt with under Residential Accommodation Services.

3.3 Uniforms

Summit will provide, and all staff involved in the provision of this service will wear, staff uniforms which project a positive image of the Hospital and which will be agreed in advance by the Trust, agreement not to be unreasonably withheld.

3.4 Level of Service

The frequency and type of cleaning operation required is dependant upon the type of area to be cleaned and the frequency of use of each area. All locations within the Hospital will be allocated, by the Trust acting reasonably in agreement with Summit, to one of the following categories. A series of examples for each category are given and should be viewed as indicative.

3.5 High Risk Clinical Areas

Defined as areas requiring a high frequency of thorough cleaning to ensure a high standard of cleanliness and the provision of a safe and hygienic environment which minimises the risk of cross-infection.

Examples - special care baby unit
intensive therapy unit

3.6 Clinical Areas

Defined as departments which incorporate both clinical and non-clinical activities. However, the nature of clinical activity is such that these areas will require a standard of cleanliness to ensure the cleaning regime minimises the risk of cross-infection.

Examples - accident and emergency
mortuary
ward areas
outpatient departments/clinics
physiotherapy

3.7 Non-Clinical Areas

Defined as areas accessed by large numbers of people. Such areas will have a cleaning regime which ensures the comfort of its users and ensures that cross-infection risks are reduced.

Examples - circulation corridors
 lifts
 reception areas/entrances
 restaurant facilities
 office accommodation
 switchboard

3.8 Access

Access to any of the Hospital departments by domestic services will be provided between 0700 hours and 2000 hours each day. Access will not be unreasonably denied by the Trust at any time.

4 Quality Standards

4.1 General

Summit will be responsible for ensuring that :

- cleaning procedures appropriate to each area are in place
- cleaning procedures take cognisance of ward and departmental schedules and timetables
- sufficient floor signs are displayed in the appropriate location at all relevant times
- equipment and materials are appropriately stored
- equipment used in the provision of the service is maintained in a clean and safe condition
- appropriate records will be retained by Summit in a manner and for a period to be agreed with the Trust.
- emergency clean-ups are responded to within an agreed timescale as set out in 3.2.1 above.

4.2 Aspect of Service - Domestic

Aspect of Service	Elements of Service	Relative Weighting
High Risk Clinical Areas	Floor Maintenance	12
	Sanitary Ware	12
	Furniture, Fixtures and Fittings	12
	Housekeeping	4

Clinical Areas	Floor Maintenance	12
	Sanitary Ware	12
	Furniture, Fixtures and Fittings	12
	Housekeeping	4
Non-Clinical Areas	Floor Maintenance	10
	Sanitary Ware	10
	Furniture & Fittings	10
	Housekeeping	10

4.3 Quality Standards and Indicators

High Risk Clinical Area

	STANDARD	WEIGHT
Floor Maintenance:	Floors will be appropriately maintained at least once in each 24 hour period unless otherwise stated. (99.95%)	30
	Daily cleaning will not take place less than 12 hours after the previous daily clean. (99.95%)	30
	Floors will be cleared of dirt, debris, spillage, stains and marks to agreed levels of cleanliness in accordance with the Priority Response Schedules set out in Paragraph 3.2.1 above. (99.95%)	40

Sanitary Ware:	An agreed cleaning regime will be applied to all toilets, bidets, wash basins, baths, showers, etc, all related sanitary furniture (taps, plugs, etc.) and all disposable receptacles to ensure that an agreed level of cleanliness is maintained. (99.95%)	35
	All toilets, bidets, wash basins, baths, showers, etc, all related sanitary furniture (taps, plugs, etc.) and all disposable receptacles will be cleared of spillage, stains, marks etc, to agreed levels of cleanliness in accordance with the Priority Response Schedules set out in Paragraph 3.2.1 above. (99.95%)	35
	Disposable items as supplied by the Trust under the DBFO Contracts will be replenished to ensure continuity of the provision of the service. (99.95%)	30

Furniture, Fixtures and Fittings	Waste receptacles will be emptied and cleaned in accordance with the agreed standards. (99.95%)	30
	Horizontal ledges and fittings will be free of smears and dust to agreed levels of cleanliness at all times, in accordance with the Priority Response Schedules set out in Paragraph 3.2.1 above e.g. door tops, window ledges, beds, desks, etc. (99.95%)	30
	Vertical ledges and fittings will be free from smears and dust to agreed levels of cleanliness at all times in accordance with the Priority Response Schedules set out in Paragraph 3.2.1 above, e.g. door frames. (99.95%)	20
	Walls will be washed twice yearly, in accordance with agreed standards of cleanliness. (99.95%)	20

Housekeeping:	Replacement curtains will be provided in accordance with the Priority Response Schedules set out in Paragraph 3.2.1 above. (99.95%)	50
	Curtains will be sent for cleaning a minimum of once per year. (95%)	50

Clinical Areas

	STANDARD	WEIGHT
Floor Maintenance	Floors will be appropriately maintained at least once in each 24 hour period unless otherwise agreed. (99.95%)	30
	Daily cleaning will not take place less than 12 hours after the previous daily clean. (99.95%)	30
	Floors will be cleared of dirt, debris, spillage, stains and marks to agreed levels of cleanliness in accordance with the Priority Response Schedules set out in Paragraph 3.2.1 above (99.95%)	40
Sanitary Ware:	An agreed cleaning regime will be applied to all toilets, bidets, wash basins, baths, showers, etc, all related sanitary furniture (taps, plugs, etc.) and all disposable receptacles to ensure that an agreed level of cleanliness is maintained. (99.95%)	35
	All toilets, bidets, wash basins, baths, showers, etc, all related sanitary furniture (taps, plugs, etc.) and all disposable receptacles will be cleared of spillage, stains, marks etc, to agreed levels of cleanliness in accordance with the Priority Response Schedules set out in Paragraph 3.2.1 above. (99.95%)	35
	Disposable items as supplied by the Trust under the DBFO Contracts will be replenished to ensure continuity of the provision of the service. (99.95%)	30
Furniture, fixtures	Waste receptacles will be emptied and cleaned in accordance with the agreed standards. (99.95%)	30
	Horizontal ledges and fittings will be free from smears and dust to agreed levels of cleanliness at all times in accordance with the Priority Response Schedules set out in Paragraph 3.2.1 above, e.g. door tops, window ledges, beds, desks, etc. (99.95%)	30
	Vertical ledges and fittings will be free from smears and dust to agreed levels of cleanliness at all times in accordance with the Priority Response Schedules set out in Paragraph 3.2.1 above, e.g. door frames. (99.95%)	20
	Walls will be washed twice yearly, in accordance with agreed standards of cleanliness. (99.95%)	20

Out of Specification - Domestic Services

Housekeeping:	Replacement curtains will be provided in accordance with the Priority Response Schedules set out in Paragraph 3.2.1 above. (99.95%)	50
	Curtains will be sent for cleaning a minimum of once per year. (95%)	50

Non-Clinical Areas

	STANDARD	WEIGHT
Floor Maintenance	Floors will be appropriately maintained at least once in each 24 hour period unless otherwise agreed. (99.95%)	30
	Daily cleaning will not take place less than 12 hours after the previous daily clean. (95%)	30
	Floors will be cleared of dirt, debris, spillage, stains and marks to agreed levels of cleanliness in accordance with the Priority Response Schedules set out in Paragraph 3.2.1 above. (95%)	40

Sanitary Ware:	An agreed cleaning regime will be applied to all toilets, bidets, wash basins, baths, showers, etc, all related sanitary furniture (taps, plugs, etc.) and all disposable receptacles to ensure that an agreed level of cleanliness is maintained. (99.95%)	35
	All toilets, bidets, wash basins, baths, showers, etc, all related sanitary furniture (taps, plugs, etc.) and all disposable receptacles will be cleared of spillage, stains, marks etc, to agreed levels of cleanliness in accordance with the Priority Response Schedules set out in Paragraph 3.2.1 above. (99.95%)	35
	Disposable items as supplied by the Trust under the DBFO Contracts will be replenished to ensure continuity of the provision of the service. (99.95%)	30

Furniture, fixtures and fittings:	Waste receptacles will be emptied and cleaned in accordance with the agreed standards. (99.95%)	30
	Horizontal ledges and fittings will be free from smears and dust to agreed levels of cleanliness at all times, e.g. door tops, window ledges, beds, desks, etc in accordance with the Priority Response Schedules set out in Paragraph 3.2.1 above (99.95%)	30

Furniture, fixtures and fittings:	Vertical ledges and fittings will be free from smears and dust to agreed levels of cleanliness at all times in accordance with the Priority Response Schedules set out in Paragraph 3.2.1 above, e.g. door frames. (99.95%)	20
	Walls will be washed once every two years to an agreed standard of cleanliness. (99.95%)	20

Housekeeping	Replacement curtains will be provided in accordance with the Priority Response Schedules set out in Paragraph 3.2.1 above. (99.95%)	50
	Curtains will be sent for cleaning a minimum of once per year. (95%)	50

Part 3 - Linen Services

1 Service Definition

The provision of a linen service, excluding the Linen Sub-contracted Element.

2 Customer Base

Customer base comprises of four main components.

2.1 Patients

2.2 Staff

2.3 Members of the Public

2.4 Clinical and Non-Clinical Directorates

3 Service Requirements

3.1 Service Provision

- Summit will remove soiled linen in accordance with an agreed schedule and an agreed series of procedures.
- Summit will provide technical advice on the suitability of various linen products, sheets, uniforms, curtains, clothing, etc., on a regular basis as required.
- Summit will assist in the identification of ward and departmental linen requirements from time to time as may be required. In addition an annual report will be produced to identify the Trust's position with regard to linen use and linen stocks over the previous financial year.
- Summit will also be responsible for laundering patients clothing (geriatric and psychogeriatric patients). The Trust will provide certain items of patient clothing and Summit will maintain agreed stock levels, which will be purchased by the Trust, at all appropriate wards. The provision of this service to other patients will be the subject of agreement between Summit and the Trust.

3.2 Responsibilities

The boundaries of the service will be as follows:-
Summit will be responsible for:-

- collection and transportation of soiled linen to agreed linen collection points
- maintain ward stock levels in case of exceptional demand to the extent that the agreed stock is made available by the Trust.
- an advisory service on all linen service related items
- provision of patient owned clothing laundering service.
- the implementation of an agreed procedure for condemning linen within the Hospital
- maintenance of appropriate records in so far as the agreed information is made available by the Trust in a manner and for a period to be agreed between Summit and the Trust
- monitor the standard of service provided by the Linen sub-contractor
- implement agreed emergency procedures

Summit will not be responsible for:-

- the Linen Sub-contracted Element
- Service provision under Part 7 - Residential Accommodation Services of the Output Specification
- packing soiled linen into bags and tagging, as appropriate, at ward and department level and removal to the appropriate area within the disposal hold
- changing and making beds
- CSSD supplied theatre linen
- provision and maintenance of agreed stocks of soluble bags for infected linen.

3.3 Irregular tasks

By their very nature irregular tasks require a response which can range from immediate, in the case of linen shortages, to several days/weeks hence for certain tasks. Summit will provide the capability to react to these type of situations. A system of Trust defined priorities, as shown below, will be operated in respect of all linen tasks.

Priority

Priority 1 tasks would include emergency tasks which if not carried out immediately will endanger the health, safety and welfare of patients, staff and of the general public and/or are tasks which if not attended to immediately could cause Unavailability or major disruption to wards, departments or the running of the Hospital or is work which presents an unacceptable security risk.

Priority 2 tasks would involve tasks which do not present an immediate threat to health and safety and/or welfare of patients, staff and or the general public but are tasks which if not carried out within the required period presents a significant risk that it would become such a threat and may result in the need for staff to be called out after normal working hours.

Priority 3 tasks would involve tasks which now or in the future may or do directly or indirectly affect a patient or non patient services but which do not immediately constitute a risk.

Response

Priority 1:

Immediate response and appropriate permanent or temporary remedial action will be taken to effect the restoration of Services to the Trust with minimum disruption of patient services. The appropriate actions will be initiated in accordance with the agreed emergency works procedures.

Priority 2:

As for Priority 1, but response and ensuing action within 4 hours.

Priority 3:

As for Priority 1, but response and ensuing action within 24 hours or as agreed by both parties acting reasonably.

Actions in each case will also include Summit agreeing with the Trust the scope of all tasks required to effect restoration, rectification or replacement (as appropriate).

4 Quality Standards

4.1 Aspect of Service - Linen

Linen - Internal	Collection and delivery	20
	Storage and issue	20
Sewing - Internal	Alter	15
	Repair	10
	Marking	15
Patient Owned Clothing	Process	15
	Pressing	15
	Storage	10
Linen Services Management	Linen Services Interface	40

4.2 Quality Standards and Indicators Laundry

Linen - Internal

Collection and delivery :	Linen should be collected within 30 minutes of agreed schedules (99.95%)	40
	Clean and dirty linen shall not be transported internally in same vehicle together other than in specifically designed vehicles with segregation facilities (100%)	30
	Correct bags and containers shall be used at all times. (100%)	30

Storage and Issue:	Security procedures for central linen storage shall be adhered to. (100%)	50
	Additional linen requested shall be delivered within 15 minutes of agreed time in so far as agreed stock is made available by the Trust. (99.95%)	50

Sewing - Internal

Alter:	All alterations to uniforms will meet the agreed standards. (95%)	100
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Repair :	All repairs to uniforms will meet the agreed standards (90%)	100
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Marking :	All linen shall be suitably marked at all times (99.95%)	100
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Patients Owned Clothing

Processing :	All items shall be washed appropriately. (99.95%)	100
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Pressing :	All items shall be appropriately ironed. (99.95%)	100
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Storage and Issue :	Turn around times for all items shall meet the agreed timescales (99.95%)	100
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Linen Service Management

Linen Provider Interface:	Monitor and report on sub-contractor performance. (99.95%)	25
	Implement agreed emergency procedures (99.95%)	25
	Maintain in so far as agreed information is made available by the Trust and report on stock management database (99.9%)	25
	Implement and maintain agreed procedures for condemning linen within the Hospital (99.95%)	25

**APPENDIX TO PART 3 LINEN SERVICES
LINEN SUB-CONTRACTED ELEMENT**

- 1 The Linen Sub-contracted Element will be the provision of a managed linen service including the supply of sufficient suitable clean linen, including uniforms and theatre staff uniforms for each appropriate ward and department and the processing of all soiled linen through an agreed series of procedures to achieve clean linen to the agreed Standard and the Linen Sub-contractor will be responsible for:-
- purchase and maintenance of agreed linen and textile stock levels
 - laundering/dry cleaning of soiled linen as appropriate including uniforms and theatre uniforms
 - repairs and alterations to linen stock
 - marking of new linen items
 - delivery of clean linen and stocking of the ward stores and central linen store
 - implementation of an agreed procedure for condemning linen
 - purchase and maintain agreed levels of bags and trolleys.
 - maintain a management database and provide information to Summit as agreed with the Trust
- 2 The Quality Standards for the monitoring of the Linen Sub-Contractor to be carried out by Summit (notwithstanding that the Linen Sub-Contracted Element does not form part of the Services) are as follows:-

Aspect of Service - Linen

Linen Sub-Contractor Responsibility

Aspect of Service	Elements of Service	Relative Weighting
Laundry	Processing of Linen	30
	Processing of Uniforms	10
Linen - External	Collection and Delivery	40
Sewing - External	Repair	15
	Marking	15
	Manufacture	10

2.2 Quality Standards and Indicators

Laundry

	STANDARD	WEIGHT
Processing of Linen	All Linen shall be dry to the touch (99.95% of the time)	25
	Linen shall be of smooth well ironed appearance and folder appropriately for use (99.95%)	25
	All Linen shall be free of stains or tears (99.95%)	25
	All linen shall be washed appropriately (99.95%)	25

Processing of Uniforms:	All items shall be free of stains and tears (90%)	50
	All items shall be of well ironed appearance and folded appropriately (90%)	50

Linen - External

Collection and delivery:	Linen should be collected and delivered within 30 minutes of schedules (99.95%)	25
	Clean and dirty linen shall not be transported in same vehicle together other than in specifically designed vehicles with segregation facilities (100%)	25
	Correct bags and containers shall be used at all times (100%)	25
	All linen shall be appropriately segregated in the Laundry (99.95%)	25

Sewing - External

Repair:	All linen shall be returned to the user in a serviceable condition (90%)	100
Marking:	All linen shall be suitably marked at all times (99.95%)	100

Manufacture:	All items manufactured shall be in accordance with the Trust's specification at the time of instruction and in compliance with Statutory Requirements and Industry Standards (99.95%)	100
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Part 4 : Portering Transport and Waste Services

1 Service Definition

The provision of a comprehensive portering, transport and waste service.

2 Customer Base

- 2.1 staff and patients
- 2.2 members of the public
- 2.3 clinical and non-clinical directorates
- 2.4 selected NHS Trust/Health Boards in Central Scotland
- 2.5 GP practices within Lanarkshire
- 2.6 external agencies, e.g. Blood Transfusion Service, Local Health Council.

3 Service Requirements

3.1 Service Provision

3.1.1 Scheduled Duties

A large proportion of the tasks undertaken will be defined in terms of frequency and quantity and accordingly are categorised as scheduled tasks. All scheduled tasks will require to be undertaken at the appropriate time and in accordance with the appropriate agreed schedule of work.

3.1.2 Irregular Tasks

By their very nature irregular tasks require a response which can range from immediate, in the case of emergency specimen deliveries, to several days/weeks hence for certain tasks. Summit will provide the capability to react to these types of situations. A system of Trust defined priorities, as shown below, will be operated in respect of all irregular portering and transport tasks.

Priority

Priority 1 tasks would include emergency tasks which if not carried out immediately will endanger the health, safety and welfare of patients, staff and of the general public and/or are tasks which if not attended to immediately could cause Unavailability or major disruption to wards, departments or the running of the Hospital or are tasks which presents an unacceptable security risk.

Priority 2 tasks would involve tasks which do not present an immediate threat to health and safety and/or welfare of patients, staff and or the general public but are tasks which if not carried out within the required period presents a significant risk that it would become such a threat and may result in the need for staff to be called out after normal working hours.

Priority 3 tasks would involve tasks which now or in the future may or do directly or indirectly affect a patient or non patient services but which do not immediately constitute a risk.

Response

Priority 1:

Immediate response and appropriate permanent or temporary remedial action will be taken to effect the restoration of Services to the Trust with minimum disruption of patient services. The appropriate actions will be initiated in accordance with the agreed emergency works procedures.

Priority 2:

As for Priority 1, but response and ensuing action within 4 hours.

Priority 3:

As for Priority 1, but response and ensuing action within 24 hours or as agreed by both parties acting reasonably.

Actions in each case will also include Summit agreeing with the Trust the scope of all tasks required to effect restoration, rectification or replacement (as appropriate).

3.2 Scope of Tasks

The service will involve significant travel to other bodies within the general locale. This is particularly the case regarding specimen collection and mail delivery/collection.

The provision of portering and transport services is a 24 hour, seven day per week commitment. Transport services will be operated through a schedule system with irregular transport services being carried out if and when required in accordance with the agreed priority response schedules.

3.3 Uniforms

Summit will provide, and all staff involved in the provision of this service will wear, staff uniforms which project a positive image of the Hospital and which will be agreed in advance by the Trust, agreement not to be unreasonably withheld.

3.4 Specific Operational Requirements

3.4.1 Clinical and Non-Clinical Waste

Summit will collect, store, transport and dispose of all waste generated on Site.

3.4.2 Patient Movement

All staff involved in tasks which involve contact with patients will conduct themselves in an appropriate manner, e.g. courteous, helpful and efficient. This is

an important aspect of the service provider's function and one in which Summit is clearly seen as a representative of the Trust. It is therefore of significant importance that patients are treated with due respect and are seen as an important client group.

The same principles will be adopted when dealing with staff, members of the public and representatives from any external agencies.

3.4.3 Responsibilities

The boundaries of the service will be as follows :-

Responsibilities of Summit that might be expected of a portering service include:-

All irregular portering and transport services

The distribution and collection of meal trolleys

Stores distribution as per agreed schedule (one delivery per ward/department per week)

Waste collection, from the disposal hold, and disposal

Laundry delivery and collection as per Linen Output Specification

Patient movement between wards, theatres and departments, e.g. physiotherapy, radiology, etc other than as undertaken by theatre porters (patients may be ambulant, in wheelchairs or bed ridden)

Transferring deceased to mortuary and associated non-clinical duties

Movement of medical gas cylinders including disconnection/ reconnection

Movement of furniture/equipment on request.

Specimen collection and delivery

Mail delivery within the Hospital including movement of Medical Records where made available by the Trust within the agreed timescales.

Planned large scale moves (minimum notice, 5 working days)

Summit is not responsible for

Payment of postage or purchase of units for the franking machine

Theatre porter provision

Planned/unplanned large scale moves instructed by the Trust due to a clinical requirement (e.g. due to a major outbreak of an infectious disease) where there are demonstrable extra costs incurred provided that in any such case Summit will provide the appropriate portering service with the Trust paying the agreed reasonable additional marginal costs incurred.

bagging and tagging waste, and placing in appropriate containers, within the disposal hold.

4 Quality Standards

4.1 Aspect of Service - Portering and Transport

Aspect of Service	Elements of Service	Relative Weighting
Collection and Delivery	Patient Movement	20
	Mail	20
Courier	Collection/Delivery	40
Waste	Collection	20
	Movement	20
Supplies	Delivery	20
	Security	20

4.2 Quality Standards and Indicators

Collection and Delivery

	STANDARD	WEIGHT
Patient Movement :	Planned movement of patients e.g. X-Rays, ECG appointments within 15 minutes of agreed times where the patient is available to be moved (99%)	30
	Unplanned but non-emergency movement of patients to/from wards and departments within 20 minutes of request where the patient is available to be moved (99%)	30
	Emergency movement of patients to/from wards and departments (including theatres out of hours) within 5 minutes (99.95%)	40
Mail/Medical Records:	All deliveries/collections in accordance with agreed schedules and within 15 minutes of agreed times. (98%)	100

Courier

Collection/Delivery:	All deliveries and collections will be within 15 minutes of agreed schedule. (98%)	70
	All vehicles will comply with Statutory Requirements and Industry Standards to support the Trust in the provision of quality healthcare. (100%)	30

Waste

Collection:	Collection will be within 15 minutes of the agreed schedules. (98%)	50
	A visual inspection to ensure that visible bags can be identified by source will take place before collection. (100%)	50

Movement:	Clinical and non-clinical waste to be segregated at all times while in Summit's care (100%)	50
	Movement of clinical waste outside buildings will be in enclosed containers at all times. (100%)	50

Supplies

Delivery:	To be delivered in accordance with the agreed schedules providing all supplies are made available to Summit by the Trust. (98%)	50
	Stores will not be damaged while in the care of Summit (100%).	50

Security:	The system for receipt, delivery and distribution of stores should be secure to prevent theft at all times while in the care of Summit. (100%)	100
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Part 5 : Switchboard Services

1 Service Definition

The provision of a comprehensive switchboard service.

2 Customer Base

The customer base is as follows :

- 2.1 staff
- 2.2 patients
- 2.3 members of the public
- 2.4 external agencies (NHS and non-NHS, e.g. Police, Fire Brigade)
- 2.5 general practitioners

3 Service Requirements

3.1 Service Provision

The service requires to be provided on a 24 hour per day basis, each day of the year. Under no circumstances must the switchboard be left unattended.

Only trained, competent staff are to be involved in this operation.

Management information must be provided in accordance with agreed schedules and will use as its basis the call logging system installed within the switchboard.

Staff must be conversant with all alarm systems that are installed and will be required to carry out appropriate test procedures to an agreed timetable.

3.2 Responsibilities

Summit will be responsible for :

- Answering and connecting all incoming and outgoing calls.
 - Responding to, and operating, emergency and alarm systems.
 - Responding to, and operating, staff location systems, pagers, etc.
 - Issuing pagers as provided by the Trust to all agreed Trust staff.
 - Production, provision and maintenance of the internal telephone directory to an agreed format using information provided by the Trust
 - Provision of agreed management information.
 - Provision of suitable, appropriately trained switchboard staff at all times.
 - Responding to and implementing all staff call out procedures.
 - Responding to and actioning all appropriate elements of the Trust's Emergency Procedures.
- Under normal circumstances Summit will not be responsible for taking messages or answering specific patient related enquiries.

4 Quality Standards

4.1 Aspect of Service - Switchboard

Aspect of Service	Elements of Service	Relative Weighting
1 Switchboard Services -	Call Handling	15
2 Operational	Staff Location	15
	Directory Database	10
3 Switchboard Services - Management	Call Logging	20
	Internal Telephone Directory	20
4 Alarm/Emergency Procedure	Emergency Staff Location	20
	Alarm Monitoring	20

4.2 Quality Standards and Indicators

Switchboard Services - Operational

	STANDARD	WEIGHT
Call Handling :	All calls will be answered within 6 rings except in the event of a large scale emergency where procedures will be put in place for the setting up of a help line. (95%)	50
	The caller will be connected to the correct extension as defined by the current Hospital Directory. (95%)	50
Staff Location :	Request to page staff must be effected within 15 seconds of request (95%)	50
	Requests to repair/re-issue or issue Pagers must be met where sufficient Pagers are made available by the Trust. (95%)	50
Maintenance of Directory Database :	Database to be complete and accurate with any changes necessary to be made within 24 hours of notification by Trust. (100%)	100

Switchboard Services - Management

Call Logging :	Line usage, traffic flow and operator response times will be recorded and the information materially accurate and available monthly. (100%)	100
Internal Telephone Directory :	Directory to be updated every 6 months (100%)	100

Alarm and Emergency Procedure

Emergency Staff Location :	A staff message broadcast will be transmitted within 10 seconds of receiving the alert. (100%)	50
	If the recipient does not respond to the transmitted message within an agreed timescale a course of action will be agreed in line with Trust Policies (100%)	50
Alarm Monitoring/ Emergency Response :	All alarms and emergency incidents will be recorded and agreed action effected within the agreed timescales (100%)	60
	All alarm calls will be logged and up to date records maintained. (100%)	40

Part 6: Security Services

1 Service Definition

The Provision of an effective security service to deter against theft, damage, vandalism and violence.

2 Customer Base

- staff and patients
- members of the public
- clinical and non-clinical directorates

3 Service Requirements

3.1 Service Provision

3.1.1 Scheduled Duties

A large proportion of the tasks undertaken will be defined in terms of frequency and accordingly are categorised as scheduled tasks. All scheduled tasks will require to be undertaken at the appropriate time and in accordance with the appropriate schedule of work.

3.1.2 Scope of Tasks

To provide 24 hr security monitoring within the Hospital

To implement agreed security/control procedures

To maintain locking up procedures

To respond to alarms

To provide, maintain, issue, and record I.D. badges, and digital access codes (if appropriate) and keys (whether electronic or manual) in accordance with and to the extent set out in the Appendix to this Part 6 (Swipe-cards)

To respond to and report on incidents including contact with the Police

To maintain a system for Lost and Found property

Car Park Management →

3.2 Uniforms

Summit will provide, and all staff involved in the provision of this service will wear, staff uniforms which project a positive image of the Hospital and which will be agreed in advance by the Trust, agreement not to be unreasonably withheld.

3.3 Irregular Tasks

By their very nature irregular tasks require a response which can range from immediate, in the case of unauthorised access to site, to several days/weeks hence for certain tasks. Summit will provide the capability to react to these type of situations.

A system of Trust defined priorities, as shown below, will be operated in respect of all irregular security tasks.

Priority

Priority 1 tasks would include emergency tasks which if not carried out immediately will endanger the health, safety and welfare of patients, staff and of the general public and/or are tasks which if not attended to immediately could cause unavailability or major disruption to wards, departments or the running of the Hospital or is work which presents an unacceptable security risk.

Priority 2 tasks would involve tasks which do not present an immediate threat to health and safety and/or welfare of patients, staff and or the general public but are tasks which if not carried out within the required period presents a significant risk that it would become such a threat and may result in the need for staff to be called out after normal working hours.

Priority 3 tasks would involve tasks which now or in the future may or do directly or indirectly affect a patient or non patient services but which do not immediately constitute a risk.

Response

Priority 1:

Immediate response and appropriate permanent or temporary remedial action will be taken to effect the restoration of Services to the Trust with minimum disruption of patient services. The appropriate actions will be initiated in accordance with the agreed emergency works procedures.

Priority 2:

As for Priority 1, but response and ensuing action within 4 hours.

Priority 3:

As for Priority 1, but response and ensuing action within 24 hours or as agreed by both parties acting reasonably.

Actions in each case will also include Summit agreeing with the Trust the scope of all tasks required to effect restoration, rectification or replacement (as appropriate).

3.4 Responsibilities

Responsibilities of Summit:

On-site security

Lost and Found

Car Park Management

4 Quality Standards

4.1 Aspect of Service - Security

Aspect of Service	Elements of Service	Relative Weighting
Site Security	Building	15
	Security Systems	15
	Internal Access	10
General Security	Prevention/Detection	25
	Lost and Found	15
Traffic Management	Car Park Management	20
	Traffic Control	20

4.2 Quality Standards and Indicators

Site Security

	STANDARDS	WEIGHT
Building:	Implement agreed security/control procedures. (100%)	40
	Access to the hospital should be available as per the <u>agreed security/control procedures</u> and in compliance with Statutory Requirements and Industry Standards. (100%)	30
	Locking up procedures are carried out in accordance with the <u>agreed security/control procedures</u> and in compliance with Statutory Requirements and Industry Standards. (100%)	30

Security Systems:	All security systems to be monitored in accordance with agreed procedures 24 hours, 7 days. (100%)	50
	Following activation of alarms, agreed procedures will be implemented. (99.9%)	50

Internal Access:	Records must be maintained and up to date regarding I.D. badges, digital access codes (if appropriate) key issues etc. (99.95%)	100
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General Security

Prevention and Detection:	All incidents of which Summit are aware of on the site will be recorded and a quarterly report produced. (100%)	50
	Security staff will respond to requests for help within agreed timescales. (100%)	50

Property - Lost and Found:	Records will be maintained of lost property and efforts made to trace owners or dispose of property for each incident and statistics produced quarterly. (100%)	100
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Traffic Management

Car Park Management:	Summit will monitor use of car parks. (99%)	50
	Appropriate action, as agreed, will be implemented to avoid inappropriate parking. (100%)	50

Traffic Control:	Summit will monitor use of entrances, exits and internal roadways. (99%)	50
	Appropriate action, as agreed, will be implemented in the event of vehicular or other obstructions. (100%)	50

Appendix to Part 6

Swipe-card Services

- 1 Summit will provide new cards for all personnel requiring access to locations within the Hospital where the swipe card system applies (as described below) as at and from the Operational Date.
- 2 Summit will provide new cards for all new recruits requiring access to locations within the Hospital where the swipe card system applies (as described below) and, subject to reimbursement of its reasonable costs related thereto (excluding in relation to the first 100 which are replaced between Services Commencement Date and the First Market Testing Date and each successive two Market Testing Dates thereafter all costs except for the cost of the cards themselves), replacements for all cards lost, damaged or destroyed.
- 3 Swipe card systems will be applicable to the following locations and/or to the following extent:
 - 3.1 entrances/exits for external staff, staff changing facilities and the library;
 - 3.2 any three single specialist departments to be advised by the Trust from the following 9 specialist departments: pharmacy, medical records, computer suite, post mortem suite, medical physics, laboratory, paediatric wards, obstetrics wards and mental illness wards; and
 - 3.3 the gymnasium.
- 4 The Swipe card system will allow access to the following combinations of locations:
 - 4.1 the locations specified in paragraph 3.1 above only;
 - 4.2 the locations specified in paragraphs 3.1 and 3.2 above only;
 - 4.3 the locations specified in paragraphs 3.1 and 3.3 above only;
 - 4.4 the locations specified in paragraphs 3.1, 3.2 and 3.3 above only.
- 5 Any proposals to change the scale or scope of the above regime or to renew or vary the swipe card system will be agreed between the Trust and Summit on the basis of costs or rates to be agreed. If the Trust and Summit cannot agree the cost of any such proposals of the Trust, the Trust may implement such proposals as a Trust Services Change.

Part 7 : Residential Accommodation Services

1 Service Definition

The provision of a comprehensive housekeeping service to the residential accommodation

2 Customer Base

The customer base is as follows:

- 2.1 staff
- 2.2 members of public
- 2.3 external agencies

3 Service Requirements

3.1 Service Provision

The Trust requires clean and habitable rooms (for allocation as it determines) together with agreed provision of linen, cleaning and catering services.

An average of 20 rooms per month will be allocated by the Trust to residents with compulsory resident status.

3.2 Responsibilities

The boundaries of the service are as follows :-
Summit will be responsible for:

Management of the accommodation to the extent specified as follows:
all information as to the occupants' entry and exit dates will be provided by the Trust.
Summit's role will be to ensure that the appropriate accommodation is available on the basis of the information provided by the Trust.

Summit will action the Trust's inventory checks when staff take up and vacate accommodation. Summit staff will be responsible for making keys available to staff who have arranged to arrive outwith normal working hours.

Provision of domestic services within the accommodation
Provision of Continental Breakfast to compulsory residents
Linen management

Summit shall not be responsible for the collection and retention of rents.

4 Quality Standards

4.1 Aspects of Services

Aspect of Service	Element of Service	Relative Weighting
Accommodation	Allocation	40
Housekeeping	Cleanliness	15
Linen	15	
Catering	10	

4.2 Quality Standards and Indicators Accommodation

	STANDARD	WEIGHT
Allocation	Allocated accommodation will be available. (99.5%)	100

Housekeeping

Cleanliness	Toilets, bidets, wash basins, baths, showers, etc and all related sanitary furniture (taps, plugs, etc) should be maintained at the agreed level of cleanliness at all times (99.5%)	25
	Disposable items supplied by the Trust will be replenished to ensure continuity of the provision of the service (99.5%)	25
	All communal floor coverings must receive appropriate floor cleaning processes at the agreed times (99.5%)	25
	All agreed cleaning processes will be undertaken after each resident vacates premises (99.5%)	25

Linen	Bed linen will be exchanged in accordance with agreed schedules. (99.95%)	50
	Towels will be exchanged in accordance with agreed schedules. (99.95%)	50

Catering	A Continental style breakfast will be available daily for all compulsory residents (95%)	50
	Breakfasting areas will be cleaned to the agreed standard after each breakfast period (99.9%)	50

Part 8 - Estates Maintenance Services

1 Service Definition

The provision of a comprehensive estates maintenance renewal and reinstatement service.

2 Customer Base

Customer base comprises four main components.

- 2.1 Patients
- 2.2 Staff
- 2.3 Members of the Public
- 2.4 Clinical and Non-Clinical Directorates.

3 Service Requirements

3.1 Service Provision

The primary aim of the estates maintenance function is to provide a safe environment within the Hospital with facilities (being all buildings, associated services, fabric, equipment, excluding the Equipment and Relevant Items, except as provided in paragraph 4.4) all of which function in accordance with the Outputs and in compliance with Statutory Requirements and Industry Standards to support the Trust in the provision of quality healthcare.

In the case of patient connected equipment and the Equipment this maintenance will include, but not go beyond, the outlet or connection point.

Summit will put and keep the Hospital in the condition as specified in the Outputs and in compliance with Statutory Requirements and Industry Standards and will repair, uphold, maintain, renew and make good (and if necessary replace and rebuild) the Hospital irrespective of the cause of damage or deterioration necessitating such repair, upholding, maintenance, renewal, making good, replacement and rebuilding and whether the same arises from a latent or inherent defect, or a design or workmanship fault arising from the design or construction of any works to construct, repair, alter or add to the Hospital or otherwise and shall include the obligations of maintaining the Hospital wind and watertight and carrying out all repairs and where necessary renewals and replacements painting and redecoration necessary to keep the Hospital in good and substantial repair and condition, in a neat and tidy condition and good decorative order such as is to be reasonably expected of a modern purpose built healthcare environment delivering a high standard of care and amenity to its patients and staff both internally and externally, cleaning the windows and the exterior parts at regular intervals but subject always as expressly provided in the DBFO Contracts.

This will be achieved by undertaking the following functions subject always to the Change Provisions:

- 3.1.1 minor and major maintenance and refurbishment
- 3.1.2 maintenance of all appropriate records and drawings
- 3.1.3 maintenance of an approved quality control system

The maintenance renewal and reinstatement shall include the following elements:

3.2 Planned Preventative Maintenance

This covers all work which is pre-planned, carried out at predetermined intervals and necessary to maintain the integrity, fabric, design function, functionality and design life expectancy of the Hospital in compliance with the Outputs and in compliance with Statutory Requirements and Industry Standards.

3.3 Asset Replacement

This category covers that asset replacement work which is required to ensure that the Hospital complies with the Outputs and is in compliance with Statutory Requirements and Industry Standards.

3.4 Reactive Maintenance and Repair

This category shall cover work which is not planned in advance and includes:

- 3.4.1 Maintenance arising as a result of damage howsoever caused (subject to clause 27.1.2 of the Project Agreement).
- 3.4.2 Maintenance arising from general wear and tear to the fabric of the Hospital, plant and equipment including all Group 1 equipment (excluding the Equipment and the Relevant Items except as provided in paragraph 4.4) resulting in a breakdown or deterioration of the service being provided from that required in terms of paragraph 3.1
- 3.4.3 Repair of any faults and defects (including any defects as fall to be remedied under the defects liability provisions of the Building Contract or any Additional Works Contract) in the Hospital plant and equipment including all Group 1 equipment (excluding the Equipment and the Relevant Items except as provided in paragraph 4.4) so that the Hospital complies with this Part of the Output Specification which are reported by the Trust to Summit.

3.5 Improvements, Adaptations and Alterations

Summit shall provide all necessary technical input (i.e.: design, specification and management as necessary) for an Additional Works Change. Technical input from

existing Personnel will be provided free of charge to the Trust except and to the extent that Summit or its Approved Service Provider, acting reasonably, can demonstrate that they do not have the necessary range, extent and availability of such skills required or that use of such Personnel for such purposes would adversely affect the provision of the Services by the Approved Service Provider leading to Service failures.

3.6 Responsibility

The boundaries of the service are as follows:

Responsibility of Summit will include

- Hard and soft landscaping
- Infrastructure
- Building Fabric
- Mechanical Services
- Electrical Services
- Specialist Services (including communication and IT Network)
- Building Management
- Property Management
- Energy Management
- Reinstatement of damage caused by an Insured Risk in accordance with Clause 26.8 of the Project Agreement
- any works in preparation for the installation replacement or commissioning of the Equipment
- the IT Network

the maintenance of all necessary hardware and IT Software will be supplied by Summit for the sole use of the Trust. Summit will ensure that the Trust will be granted software licenses in accordance with Clause 20.3 of the Project Agreement and will be provided with software upgrades as made available to do all as required to maintain the software and to maintain and configure the active components of the IT Network.

NOTE: Summit will, as part of the Service, provide a first line service to include snow and ice clearance of the paths within the Site and the gritting of public access areas due to unforecast snow or frost but planned snow/ice clearing and pest control services will be sub contracted by Summit to an Approved Service Provider or Permitted Sub-Contractors and Summit will be responsible for the management /monitoring of these services. The Deduction Provisions will not be applied to these two subcontracted services as they will be charged as Pass Through Costs in accordance with paragraph 5.3 of Part A of the Schedule to the General Provisions.

Exclusions

- Patient connected equipment provided by the Trust
- the Equipment which will be dealt with in terms of the Equipment Agreement and related provisions of the DBFO Contracts.

3.7 Uniforms

Summit will provide, and all staff involved in the provision of this service will wear, staff uniforms which project a positive image of the Hospital and which will be agreed in advance by the Trust, agreement not to be unreasonably withheld.

4 Quality Standards

Summit will ensure that employees will be trained to be friendly and courteous. All employees will wear agreed identification which maintains the corporate identity of the Hospital. All induction training will be completed prior to Services Commencement Date or within six weeks of commencement of employment of the individual concerned.

Summit shall develop and agree with the Trust no later than Services Commencement Date and update annually (to be completed and approved before 1 April in each year) Maintenance Procedures to comply primarily with its obligations in paragraph 3 which will include:-

- (a) timetables on an annual basis for Planned Preventative Maintenance in accordance with paragraph 3.2 updated in accordance with the replacement of assets for the purposes of paragraph 3.3 ("the PPM Programme") to be followed as soon as reasonably practicable thereafter subject to receipt of all necessary information from the Trust in relation to access etc) by the provision of more detailed Operational Schedules ("the PPM Work Schedules") each as agreed with the Trust (acting reasonably);
- (b) timetables and procedures for asset replacement (and any other necessary works) to comply with its obligations under this Estates Maintenance Output Specification and which will include provision for Summit to give a reasonable period of prior notice before replacing plant or equipment which uses Fuel to enable the Trust to instruct if it wishes a Change to the Primary Fuel and/or the Reserve Fuel;
- (c) procedures for maintenance and repair in respect of breakdowns;
- (d) provisions which ensure that all maintenance, repair and replacement will be carried out at agreed times and in an agreed manner, with both parties acting reasonably, to ensure optimum production and which seeks to minimise unreasonable or unnecessary disruption to the routines and procedures of the Trust and has regard to the efficient provision by the Trust of its clinical services and functions at the Hospital; and
- (e) provision of a record system to maintain in writing or on a computer system (and to provide copies of the same to the Trust as set out herein) of all maintenance, reinstatement or other works carried out in accordance with this Part 8 of this Output Specification.

The Building Management System will be maintained in full working order to provide the relevant information to measure the Indicators and Standards.

The management of the service will be provided by a dedicated on site team.

4.1 Priority

A system of Trust defined priorities will be operated in respect of all reactive maintenance, repairs and replacements and any other unplanned works or tasks required to be carried out in accordance with this Output Specification (collectively "breakdowns"). Priorities shall be determined (on the basis of the effects to patient services) by the Trust, acting reasonably, and notified to Summit, by means of the Helpdesk or such other process as shall be agreed, from time to time. The following priority categories will apply:-

Priority 1 work would include emergency work which if not carried out immediately will endanger the health, safety and welfare of patients, staff and of the general public and/or is work which if not attended to immediately could cause Unavailability or major disruption to wards, departments or the running of the Hospital or is work which presents an unacceptable security risk.

Priority 2 work would involve work which does not present an immediate threat to health and safety and/or welfare of patients, staff and or the general public but is work which if not carried out within the required period presents a significant risk that it would become such a threat and may result in the need for staff to be called out after normal working hours.

Priority 3 work would involve work which now or in the future may or does directly or indirectly affect a patient or non patient services but which do not immediately constitute a risk.

IT Repairs means any work of repair, reinstatement, renewal or other works relating to the IT Network.

4.2 Response

4.2.1 Priority 1:

Immediate response and appropriate permanent or temporary remedial action will be taken to effect the restoration of Services to the Trust with minimum disruption of patient services. The appropriate actions will be initiated in accordance with the agreed emergency works procedures.

4.2.2 Priority 2:

As for Priority 1, but response and ensuing action within 4 hours.

4.2.3 Priority 3:

As for Priority 1, but response and ensuing action within 24 hours or as agreed by both parties acting reasonably.

4.2.4 IT Repairs will be dealt with on the basis that:-

- (a) all interruptions of network traffic resulting from a fault in the IT Network as identified by the Trust will be remedied by Summit within 4 hours from notification to the Help Desk of such fault by the Trust IT Manager; and
- (b) replacement of active components and patching of peripherals will be carried out by Summit within 24 hours of request by the Trust IT Manager to the Help Desk.

4.3 Actions in each case will include Summit agreeing with the Trust the scope of all work required to effect permanent repairs, restoration or replacement (as appropriate), to the extent that temporary or no effective action has been undertaken during the course of any Priority 1, 2 or 3 responses and IT Repairs and timetable within which such permanent repairs etc. are to be effected.

4.4 **Trust Related Materials and Trust Group 2 and 3 Equipment**

In relation to all Relevant Items, Summit shall carry out the first diagnostic inspection and where appropriate carry out minor repairs and/or replace any required consumables ("**First Line Maintenance**") save that in the case of clinical equipment Summit will only be obliged to carry out First Line Maintenance where Summit or its Approved Service Provider has the necessary expertise to do so and comply with the provisions of Part 1 of the Schedule to the Services Agreement in relation to the reporting of defects, of wants of repair and the carrying out of any repairs and/or replacement in relation to the Relevant Items insofar as any such requirements can be readily ascertained in the carrying out of First Line Maintenance. The Trust will pay the Relevant Costs if any works are instructed by it under paragraph 2.6.1 of Part 1 of the Schedule to the Services Agreement.

4.5 **Utilities Contingency Provisions**

Summit will comply with the provisions set out in the Appendix to this Part 8 of the Output Specification ("**the Utilities Contingency Provisions**")

4.6 **Outputs**

For the purpose of this Part 8 of this Output Specification:

"**Outputs**" means those outputs specified in this Part 8 and outputs to a standard not less than those standards and outputs specified or ascertained by reference to the Trust Requirements, the Developed Specification and operation and maintenance manuals for the Hospital and the plant equipment therein or to be provided from time to time and as the same may be amended pursuant to the Change Provisions.

Aspect of Service - Estates Obligation on Summit

Aspect of Service	Elements of Service	Relative Weighting
Hard and Soft Landscaping	Soft Landscaping	5
	Hard Landscaping	10
	Winter Maintenance	15
Infrastructure	Signs	10
	Main Cold Water	15
	Electricity and Gas	15
	Sewage/trade effluent	10
Building Fabric	External	20
	Internal	20
Mechanical Services	Plant	13
	Distribution System	13
	Equipment	14
Electrical Services	Plant	13
	Distribution System	13
	Equipment	14
Specialist Services (including communication and IT Network)	Specialist Services (including communication and IT Network)	40
Building Management	Building Mgt System	40
Property Management	Estates Information	20
	Statutory Control	20
Energy Management	Consumption	20
	Hot Water	20

Indicators & Standards

Aspect of Service: (a) Hard & Soft Landscaping

	STANDARD	WEIGHT
Soft Landscaping	Cultivated areas will be cleared of weeds, litter and debris in accordance with agreed schedules (95%)	25
	Lawn areas will be close cropped edged and free from grass cuttings and debris to an agreed standard. Lawn cutting will take place in accordance with agreed schedules (90%)	25

Soft Landscaping	Non cultivated areas will be regularly inspected for disease, damage and condition of the green belt and remedial work carried out (90%)	25
	Seasonal planting will be carried out in accordance with agreed schedules (90%)	25

	STANDARD	WEIGHT
Hard Landscaping	Roads, paths and paved areas will be cleared and maintained in safe condition for use (99.95%)	50
	Car parks to be clearly marked and free from pot holes and debris (95%)	25
	All external furniture will be functional (99.95%)	25
Winter Maintenance	All roads, paths and car parks will be cleared of snow and ice subject to the limitations of Paragraph 3.6 (99.95%)	100
External Signs	All signs will be legible and unobstructed (99.95%)	100

Aspect of Service: (b) Infrastructure

	STANDARD	WEIGHT
Mains cold water supply	The availability integrity and quality of mains cold water supply and distribution will be maintained at all times in accordance with the Outputs and in compliance with Statutory Requirements and Industry Standards (99.95%)	40
	The response to all breakdowns will be as defined by the priority response schedule described in Section 4 of this document (99.95%)	30
	Documentation concerning water quality will be accurate in all material respects and available. (100%)	30

Electricity and Gas supply	The integrity, availability and quality of the electricity and gas supplies and distribution systems will be maintained at all times in accordance with the Outputs and in compliance with Statutory Requirements and Industry Standards (99.95%)	40
	The response to all breakdowns will be as defined by the priority response schedule described in Section 4 of this document (99.95%)	30
	Test certificates and all appropriate documentation will be accurate in all material respects and available (100%)	30

	STANDARD	WEIGHT
Sewage and trade effluent	The integrity and availability of the sewage and trade effluent disposal systems will be maintained at all times in accordance with the Outputs and in compliance with Statutory Requirements and Industry Standards (99.95%)	40
	The response to all breakdowns will be as defined by the priority response schedule described in Section 4 of this document (99.95%)	30
	All sewage and trade effluent generated by Summit will be disposed of in accordance with the Outputs and in compliance with Statutory Regulations and Industry Standards (100%)	30

Aspect of Service: (c) Building Fabric

	STANDARD	WEIGHT
External	The Building Fabric will be maintained in accordance with the PPM work schedule which forms part of the Maintenance Procedures (99.95%)	35
	The response to all breakdowns will be as defined by the priority response schedule described in Section 4 of this document (99.95%)	35
External	Test Certificates and all appropriate documentation will be accurate in all material respects and available (100%)	30
Internal	The Building Fabric will be maintained in accordance with the PPM work schedule which forms part of the Maintenance Procedures (99.95%)	35
	The response to all breakdowns will be as defined by the priority response schedule described in Section 4 of this document (99.95%)	35
	Test Certificates and all appropriate documentation will be accurate in all material respects and available (100%)	30

Aspect of Service: (d) Mechanical Services

	STANDARD	WEIGHT
Plant	The Mechanical Services will be maintained in accordance with the PPM work schedule which forms part of the Maintenance Procedures (99.95%)	35
	The response to all breakdowns will be as defined by the priority response schedule described in Section 4 of this document (99.95%)	35
	Test Certificates and all appropriate documentation will be accurate in all material respects and available (100%)	30
Distribution Systems	The Mechanical Services will be maintained in accordance with the PPM work schedule which forms part of the Maintenance Procedures (99.95%)	35
	The response to all breakdowns will be as defined by the priority response schedule described in Section 4 of this document (99.95%)	35
	Test Certificates and all appropriate documentation will be accurate in all material respects and available (100%)	30
Equipment	The Mechanical Services will be maintained in accordance with the PPM work schedule which forms part of the Maintenance Procedures (99.95%)	35
	The response to all breakdowns will be as defined by the priority response schedule described in Section 4 of this document (99.95%)	35
	Test Certificates and all appropriate documentation will be accurate in all material respects and available (100%)	30

Aspect of Service: (e) Electrical Services

	STANDARD	WEIGHT
Plant	The Electrical Services will be maintained in accordance with the PPM work schedule which forms part of the Maintenance Procedures (99.95%)	35
	The response to all breakdowns will be as defined by the priority response schedule described in Section 4 of this document (99.95%)	35
	Test Certificates and appropriate documentation will be accurate in all material respects and readily available (100%)	30
Distribution Systems	The Electrical Services will be maintained in accordance with the PPM work schedule which forms part of the Maintenance Procedures (99.95%)	35
	The response to all breakdowns will be as defined by the priority response schedule described in Section 4 of this document (99.95%)	35
	Test Certificates and appropriate documentation will be accurate in all material respects and readily available (100%)	30
Equipment	The Electrical Services will be maintained in accordance with the PPM work schedule which forms part of the Maintenance Procedures (99.95%)	35
	The response to all breakdowns will be as defined by the priority response schedule described in Section 4 of this document (99.95%)	35
	Test Certificates and appropriate documentation will be accurate in all material respects and readily available (100%)	30

Aspect of Service: (f) Specialist Services including communication and IT systems

	STANDARD	WEIGHT
Specialist Services including communication and IT Network	All Services will be maintained in accordance with the PPM work schedule which forms part of the Maintenance Procedures (99.95%)	35
	The response to all breakdowns will be as defined by the priority response schedule described in Section 4 of this document (99.95%)	35
	Test Certificates and appropriate documentation will be accurate in all material respects and readily available (100%)	30

Aspect of Service: (g) Building Management

	STANDARD	WEIGHT
Building Management System	The electronically formatted building management system will be maintained in accordance with the PPM work schedule which forms part of the Maintenance Procedures (99.95%)	35
	The response to all breakdowns will be as defined by the priority response schedule described in Section 4 of this document (99.95%)	35
	The information database will be maintained to meet the agreed needs of the Hospital (99.95%)	30

Aspect of Service: (h) Property Management

	STANDARD	WEIGHT
Estates Information	All Estates Data requirements will be recorded, maintained and reported on a regular basis (99.95%)	100
Statutory Control	Summit will maintain records demonstrating compliance with all relevant Statutory Requirements (100%)	100

Aspect of Service: (i) Energy Management

	STANDARD	WEIGHT
Consumption	Total energy consumption will be monitored. Reports in a format agreed between Summit and the Trust will be issued in accordance with an agreed schedule.(98%)	40
	Service areas which require to be separately metered for utilities and energy consumption shall be monitored and appropriate reports issued (98)%	20
	Returns on energy/utilities to be provided to meet agreed deadlines and in accordance with Paragraph 4.2 of Part 2 of the Schedule to the Services Agreement - (100%)	40
Hot water	Documentation concerning hot water quality will be accurate in all material respects and available - (98%)	100

APPENDIX TO PART 8

UTILITIES CONTINGENCY PROVISIONS

- 1 Summit will maintain, repair and renew all plant equipment and other items requisite to provide emergency electrical services including those areas which are to be provided with an uninterruptable power supply or no break in the delivery of electrical services, generating capacity, heating, water, telephone backup provision all in accordance with the Outputs.
- 2 Summit will maintain a reserve of oil (or such other Reserve Fuel as is to be provided from time to time over the Term as approved by the Trust acting reasonably) on the Site at all times to be sufficient for a minimum period of 200 hours prior to the start of use. If the Reserve Fuel begins to be used then Summit must obtain further supplies pursuant to the Energy Contracts in time (having due regard for economies of scale) so that the generators (and boilers and CHP as provided under paragraph 3 below) continue to be operational at all times in accordance with the Outputs unless the failure to obtain such other supplies is a Suspension Event or due to an act, omission or default of the Trust or any person for whom the Trust is responsible in terms of Clause 8.2 of the Project Agreement.
- 3 If there is an interruption for whatever reason to the Primary Fuel, Summit will ensure the transfer to the alternative Reserve Fuel maintained in accordance with paragraph 1 above.
- 4 Summit will store water in usable condition in the water storage tank to be maintained, repaired and renewed in accordance with this Output Specification for Estates Maintenance Services and Summit will ensure that appropriate connections are maintained on the water pipework distribution network to enable emergency tankers to be brought in to replenish the water tank and hence the supply to the Hospital, should a failure in the mains water supply occur.
- 5 The telephone services shall be installed and maintained as per the Outputs. Appropriate back-up facilities shall be in place to ensure continuity of service: fall back systems shall be maintained to provide this service.
- 6 Summit must ensure that appropriate disaster recovery and contingency plans are in place and are provided to the Trust and a full risk assessment should be carried out and submitted to the Trust. Such plans and risk assessment will require to be approved by the Trust (which approval will not be unreasonably withheld or delayed). The contingency plans which are required to be put in place are as described in the Outputs and Summit shall ensure that the recommendations and the advice contained therein is adhered to.