

Notice to Insurer

To: Duncan Smythe
Chartis Insurance (UK) Limited
The AIG Building
58 Fenchurch Street
London
EC3M 4AB

Date: 23 February 2011

Dear Sirs

Debenture dated 23 February 2011 between Balfour Beatty Fire and Rescue NW Limited (the Borrower) and Dexia Management Services Limited (the Security Document)

This letter constitutes notice to you that under the Security Document we have charged by way of a first fixed charge in favour of Dexia Management Services Limited (the Security Trustee) all our present and future rights, title and benefit in respect of the following insurance policies (which at any time may be or become payable to us pursuant thereto including the proceeds of all claims and returns of premium) held with yourselves:

Excess Public Liability with policy number LB1015806,

(the **Insurance**).

We confirm that:

- (a) we will remain liable under the Insurance to perform all the obligations assumed by us under the Insurance
- (b) subject to paragraph (c) below, you should pay all amounts due to us in respect of the Insurance (whether by way of claims, return premiums, ex gratia settlements or otherwise) in the manner specified in the loss payee provisions in the Insurance unless and until you receive written notice from the Security Trustee to the contrary, in which event you should make all future payments as then directed by the Security Trustee;
- (c) you should pay all amounts due in respect of Contractor's "All Risks" Insurance and Property Damage Insurance (the **Joint Insurances**) (whether by way of claims, return premiums, ex gratia settlements or otherwise) to the Joint Insurance Account or, where the amount of such claim is equal to or less than £25,000 to the Insurance Account;
- (d) you should comply with the terms of any written notice or instruction in any way relating to, or purporting to relate to the Security Document, amounts payable to the Borrower under or in respect of the Insurance or the debts represented thereby, which you receive from the Security Trustee without reference to or further authority from the Borrower and without any enquiry by you as to the justification for or validity of such notice or instruction (other than in respect of the Joint Insurances where you will also require the instructions of the Authority (as defined in the Loan Facilities Agreement));
- (e) the instructions and authorities in this letter are not to be revoked or amended without the prior written consent of the Security Trustee and, in respect of the Joint Insurances, the Authority; and
- (f) none of the Security Trustee, its agents, any receiver or any other person will at any time be under any obligation or liability to you under or in respect of the Insurance.


We will also remain entitled to exercise all our rights, powers and discretions under the Insurance, and you should continue to give notices under the Insurance to us and, in respect of the Joint Insurances, to the Authority (as defined in the Loan Facilities Agreement), unless and until you receive notice from the Security Trustee to the contrary stating that the security has become enforceable. In this event, all the rights, powers and discretions will be exercisable by, and notices must be given to, the Security Trustee or as it directs.

Please note that we have agreed that we will not amend or waive any provision of or terminate the Insurance unless in accordance with the Financing Documents (as defined in the Loan Facilities Agreement).

This letter and any non-contractual obligations arising under or in connection with it are governed by English law.

Please acknowledge receipt of this letter by sending the attached acknowledgement to the Security Trustee at Shackleton House, 4 Battle Bridge Lane, London, SE1 2RB, marked for the attention of Jane McPhee.

Yours faithfully


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Balfour Beatty Fire and Rescue NW Limited
(Authorised Signatory)