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U.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office

Tab settings

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

<p>1. Name of conveying party(ies):</p> <p>Silversea Cruises, Ltd.</p> <p><input type="checkbox"/> Individual(s) <input type="checkbox"/> Association</p> <p><input type="checkbox"/> General Partnership <input type="checkbox"/> Limited Partnership</p> <p><input checked="" type="checkbox"/> Corporation-Bahamas</p> <p><input type="checkbox"/> Other _____</p> <p>Additional name(s) of conveying party(ies) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	<p>2. Name and address of receiving party(ies)</p> <p>Name: <u>WESTLB AG, LONDON BRANCH</u></p> <p>Internal</p> <p>Address: _____</p> <p>Street Address: <u>25 Basinghall Street</u></p> <p>City: <u>London</u> Country: <u>UK</u> Zip: <u>EC2V5HA</u></p> <p><input type="checkbox"/> Individual(s) citizenship _____</p> <p><input type="checkbox"/> Association _____</p> <p><input type="checkbox"/> General Partnership _____</p> <p><input type="checkbox"/> Limited Partnership _____</p> <p><input checked="" type="checkbox"/> Corporation- <u>United Kingdom</u></p> <p><input type="checkbox"/> Other _____</p> <p><small>If assignee is not domiciled in the United States, a domestic representative designation is attached: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (Designations must be a separate document from assignment)</small></p> <p>Additional name(s) & address(es) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>3. Nature of conveyance:</p> <p><input type="checkbox"/> Assignment <input type="checkbox"/> Merger</p> <p><input checked="" type="checkbox"/> Security Agreement <input type="checkbox"/> Change of Name</p> <p><input type="checkbox"/> Other _____</p> <p>Execution Date: <u>09/24/2003</u></p>	

<p>4. Application number(s) or registration number(s):</p> <p>A. Trademark Application No.(s) <u>see attached</u></p> <p>_____</p>	<p>B. Trademark Registration No.(s) <u>see attached</u></p> <p>_____</p>
<p>Additional number(s) attached <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <u>2267408</u></p>	

<p>5. Name and address of party to whom correspondence concerning document should be mailed:</p> <p>Name: <u>William Marames, Esq.</u></p> <p>Internal Address: _____</p> <p>_____</p> <p>Street Address: <u>Arent Fox</u></p> <p><u>1050 Connecticut Avenue, NW</u></p> <p>City: <u>Washington</u> State: <u>DC</u> Zip: <u>20036-5339</u></p>	<p>6. Total number of applications and registrations involved: 23</p> <p>7. Total fee (37 CFR 3.41).....\$ <u>590.00</u></p> <p><input checked="" type="checkbox"/> Enclosed</p> <p><input type="checkbox"/> Authorized to be charged to deposit account</p> <p>8. Deposit account number:</p> <p><small>Although it is believed that all necessary sums for the filing are enclosed, the U.S. Patent and Trademark Office is hereby authorized to charge any additional necessary amounts or credit any overpayments to Direct Deposit Account No. 01-2300.</small></p>
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<p>9. Signature. 40.00 OP 550.00 OP</p> <p><u>Sana D. Coleman, Esq.</u></p> <p>Name of Person Signing</p>	<p><u><i>Sana D. Coleman</i></u></p> <p>Signature</p>	<p><u>October 29, 2003</u></p> <p>Date</p>
<p>Total number of pages including cover sheet, attachments, and document: 41</p>		

Mail documents to be recorded with required cover sheet information to: Commissioner of Patent & Trademarks, Box Assignments Washington, D.C. 20231

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02 FC:8522

SCHEDULE I

SECURITY ASSETS

**Silversea Cruises Ltd
Registered Marks**

A. U.S.

Mark:	Country	Reg. No:
SILVER CLOUD	United States	2267408
SILVER WIND	United States	2267390
FRIENDS OF THE SOCIETY	United States	2270852
VENETIAN SOCIETY	United States	2537553
SILVER LINKS	United States	2290186
SILVERSEA EXPERIENCE	United States	1855997
SILVER SHADOW	United States	2480512
SILVERSEA AIR	United States	1855998
SILVERSEA CRUISES	United States	1841499
SILVERSEA GUESTCARE	United States	1850046
S (Stylized)	United States	2128483
SILVER WHISPER	United States	2572028
SILVERSEA	United States	2539594

Pending Marks

B. U.S.

Mark	Country	Appl. No.
SILVERSEA AIRPORT EASE	United States	76/424701
SILVERSEA PERSONALIZED VOYAGES	United States	76/424700
SILVERSEA. A JOURNEY ABOVE AND BEYOND ALL	United States	76/446297
A JOURNEY ABOVE AND BEYOND ALL EXPECTATIONS	United States	76/446299
SILVERSEA. ABOVE AND BEYOND ALL EXPECTATIONS	United States	76/446295
ABOVE AND BEYOND ALL EXPECTATIONS	United States	76/446298
SILVERSEA. ABOVE AND BEYOND ALL EXPECTATIONS	United States	76/446296
LIVING IN STYLE	United States	76/470485
SILVERSEA. LIVING IN STYLE	United States	76/469445
GO TO KNOW	United States	76/520827

SECURITY AGREEMENT

DATED 24th September, 2003

BETWEEN

THE COMPANIES DEFINED HEREIN AS CHARGORS

and

**WESTLB AG, LONDON BRANCH
as Security Trustee**

ALLEN & OVERY

London

11767-01131 BK:1060348.6

**TRADEMARK
REEL: 002855 FRAME: 0646**

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THIS DEED is dated 24th September, 2003

BETWEEN:

- (1) **THE COMPANIES** listed in Schedule 1 as chargors (each a **Chargor**); and
- (2) **WESTLB AG, LONDON BRANCH** as agent and trustee for the Secured Creditors (in this capacity the **Security Trustee**).

BACKGROUND:

- (A) Each Chargor enters into this Deed in connection with the Loan Agreements, (as defined below).
- (B) It is intended that this document takes effect as a deed notwithstanding the fact that a party may only execute this document under hand.

IT IS AGREED as follows:

1. INTERPRETATION

1.1 Definitions

In this Deed:

Act means the Law of Property Act 1925.

CCP means any Chargor's credit card processor.

Event of Default means an Event of Default under, and as defined in, the Facility One Loan Agreement, the Facility Two Loan Agreement or the Counter Indemnity Agreement.

Facility One Loan Agreement means the US\$220,000,000 credit agreement dated on or around the date hereof between (among others) the Chargors, WestLB AG as the Facility Agent and the Lenders therein defined.

Facility Two Loan Agreement means the US\$60,000,000 credit agreement dated on or around the date hereof between (among others) the Chargors, the Lenders therein defined and WestLB AG as the Facility Agent.

Intercreditor Agreement means the intercreditor agreement dated on or about the date hereof between (among others) the Chargors, the Security Trustee and the various other banks and financial institutions named as parties thereto.

Loan Agreements means each of the Facility One Loan Agreement and the Facility Two Loan Agreement.

Mortgaged Property means all freehold or leasehold property the subject of any security created by this Deed.

Party means a party to this Deed.

Receiver means an administrative receiver, receiver and manager or a receiver, in each case, appointed under this Deed.

Secured Liabilities means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of each Obligor to any Secured Creditor under each Finance Document.

Security Assets means all assets of each Chargor the subject of any security created by this Deed.

Security Period means the period beginning on the date of this Deed and ending on the date on which all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full.

Vessel Insurances means the Insurances required to be maintained in respect of each Vessel pursuant to the relevant Deed of Covenants.

1.2 Construction

- (a) Capitalised terms defined in the Intercreditor Agreement (whether expressly or by reference to another document) have, unless expressly defined in this Deed, the same meaning in this Deed.
- (b) The provisions of Clause 1.2 (Construction) of the Intercreditor Agreement apply to this Deed as though they were set out in full in this Deed, except that references to the Intercreditor Agreement will be construed as references to this Deed.
- (c)
 - (i) The term **Finance Document** includes all amendments and supplements including supplements providing for further advances; and
 - (ii) the term **this Security** means any security created by this Deed.
- (d) Any covenant of a Chargor under this Deed (other than a payment obligation) remains in force during the Security Period.
- (e) The terms of the other Finance Documents and of any side letters between any Parties in relation to any Finance Document are incorporated in this Deed to the extent required to ensure that any purported disposition of any freehold or leasehold property contained in this Deed is a valid disposition in accordance with Section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.
- (f) If the Security Trustee considers that an amount paid to a Secured Creditor under a Finance Document is capable of being avoided or otherwise set aside on the liquidation or administration of the payer or otherwise, then that amount will not be considered to have been irrevocably paid for the purposes of this Deed.
- (g) Unless the context otherwise requires, a reference to a Security Asset includes the proceeds of sale of that Security Asset.
- (h) This Deed is subject to the Intercreditor Agreement.

2. CREATION OF SECURITY

2.1 General

- (a) All the security created under this Deed:

- (i) is created in favour of the Security Trustee;
 - (ii) is created over present and future assets of each Chargor;
 - (iii) is security for the payment of all the Secured Liabilities; and
 - (iv) is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.
- (b) If the rights of a Chargor under a document cannot be secured without the consent of a party to that document:
- (i) that Chargor must notify the Security Trustee promptly;
 - (ii) this Security will secure all amounts which that Chargor may receive, or has received, under that document but exclude the document itself; and
 - (iii) unless the Security Trustee otherwise requires, that Chargor must use reasonable endeavours to obtain the consent of the relevant party to that document being secured under this Deed.
- (c) The Security Trustee holds the benefit of this Deed on trust for the Secured Creditors.

2.2 Land

- (a) Each Chargor charges:
- (i) by way of a first legal mortgage all estates or interests in any freehold or leasehold property now owned by it; this includes the real property (if any) specified in Schedule 2 (Security assets) under its name under the heading **Real Property**; and
 - (ii) (to the extent that they are not the subject of a mortgage under sub-paragraph (i) above) by way of first fixed charge all estates or interests in any freehold or leasehold property.
- (b) A reference in this Subclause to a mortgage or charge of any freehold or leasehold property includes:
- (i) all buildings, fixtures, fittings and fixed plant and machinery on that property; and
 - (ii) the benefit of any covenants for title given or entered into by any predecessor in title of a Chargor in respect of that property or any moneys paid or payable in respect of those covenants.

2.3 Investments

- (a) Each Chargor charges:
- (i) by way of a first legal mortgage all shares in any member of the Group (other than itself) owned by it or held by any nominee on its behalf; and
 - (ii) (to the extent that they are not the subject of a mortgage under sub-paragraph (i) above) by way of a first fixed charge its interest in all shares, stocks, debentures, bonds or other securities and investments owned by it or held by any nominee on its behalf.

- (b) A reference in this Subclause to a mortgage or charge of any stock, share, debenture, bond or other security includes:
- (i) any dividend or interest paid or payable in relation to it; and
 - (ii) any right, money or property accruing or offered at any time in relation to it by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise.
- (c) The holder of any shares in any Group Member in respect of which a valid Security Interest under the laws of such Group Member's jurisdiction of incorporation is not created in the manner as contemplated by this clause will do and take whatever actions may be requested by the Security Trustee after the date of this Deed to ensure that a first ranking Security Interest in such shares will be created in accordance with applicable laws.

2.4 Plant and machinery

Each Chargor charges by way of a first fixed charge all plant and machinery owned by it and its interest in any plant or machinery in its possession.

2.5 Credit balances

Each Chargor charges by way of a first fixed charge all of its rights in respect of any amount standing to the credit of any account (including any account contemplated by this Deed) it has with any person and the debt represented by it provided however that to the extent any CCP acquires or has acquired a Security Interest in an account, the Security Interest granted under this Deed shall be of such ranking as the CCP may agree (acting reasonably having regard to the legitimate requirements of the relevant Account Bank and legal advice in the relevant jurisdiction).

2.6 Book debts etc.

Each Chargor charges by way of a first fixed charge:

- (a) all of its book and other debts;
- (b) all other moneys due and owing to it provided however that to the extent any CCP acquires or has acquired a Security Interest in such other moneys, the Security Interest granted under this Deed shall be of such ranking as the CCP may agree (acting reasonably having regard to the legitimate requirements of the relevant debtor and legal advice in the relevant jurisdiction; and
- (c) the benefit of all rights, securities or guarantees of any nature enjoyed or held by it in relation to any item under paragraph (a) or (b) above.

2.7 Insurances

Each Chargor assigns absolutely, subject to a proviso for re-assignment on redemption, all of its rights in respect of any contract or policy of insurance (including any return of premium thereunder) taken out by it or on its behalf or in which it has an interest other than, to the extent assigned under each Deed of Covenants, the Vessel Insurances.

2.8 Other contracts

Each Chargor assigns absolutely, subject to a proviso for re-assignment on redemption, all of its rights in respect of:

- (a) any agreement to which it is a party except to the extent that it is subject to any fixed security created under any other term of this Clause; this includes the agreements (if any) specified in Schedule 2 (Security Assets) under its name under the heading, together with each other Material Contract to which it is a party, **Relevant Contracts**;
- (b) any letter of credit issued in its favour; and
- (c) any bill of exchange or other negotiable instrument held by it.

2.9 Intellectual property

Each Chargor charges by way of a first fixed charge, all of its rights in respect of:

- (a) any know-how, patent, trade mark, service mark, design, business name, topographical or similar right; this includes the patents and trademarks (if any) specified in Schedule 2 (Security Assets) under its name under the heading **Specific Intellectual Property Rights**;
- (b) any copyright or other intellectual property monopoly right; or
- (c) any interest (including by way of licence) in any of the above,

in each case whether registered or not and including all applications for the same.

2.10 Miscellaneous

Each Chargor charges by way of first fixed charge:

- (a) any beneficial interest, claim or entitlement it has in any pension fund;
- (b) its goodwill;
- (c) the benefit of any authorization (statutory or otherwise) held in connection with its use of any Security Asset;
- (d) the right to recover and receive compensation which may be payable to it in respect of any authorization referred to in paragraph (c) above; and
- (e) its uncalled capital.

2.11 Floating charge

- (a) Each Chargor charges by way of a first floating charge all its assets not at any time otherwise effectively mortgaged, charged or assigned by way of fixed mortgage, charge or assignment under this Clause.
- (b) Except as provided below, the Security Trustee may by notice to a Chargor convert the floating charge created by that Chargor under this Subclause into a fixed charge as regards any of that Chargor's assets specified in that notice, if:

- (i) an Event of Default is outstanding; or
 - (ii) the Security Trustee considers those assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy.
- (c) The floating charge created by this Subclause may not be converted into a fixed charge solely by reason of:
- (i) the obtaining of a moratorium; or
 - (ii) anything done with a view to obtaining a moratorium,
- under the Insolvency Act 2000.
- (d) The floating charge created by this Subclause is a **qualifying floating charge** for the purpose of paragraph 14 of Schedule B1 to the Insolvency Act 1986.

3. REPRESENTATIONS - GENERAL

3.1 Nature of security

Each Chargor represents to each Secured Creditor that this Deed creates those Security Interests it purports to create and is not liable to be amended or otherwise set aside on its liquidation or administration or otherwise.

3.2 Times for making representations

- (a) The representations set out in this Deed (including in this Clause) are made on the date of this Deed.
- (b) Unless a representation is expressed to be given at a specific date, each representation under this Deed is deemed to be repeated by each Chargor on each date during the Security Period.
- (c) When a representation is repeated, it is applied to the circumstances existing at the time of repetition.

4. RESTRICTIONS ON DEALINGS

No Chargor may:

- (a) create or permit to subsist any Security Interest on any Security Asset; or
- (b) sell, transfer, licence, lease or otherwise dispose of any Security Asset,

except as expressly allowed under the Finance Documents.

5. LAND

5.1 Acquisitions and legal mortgage

- (a) The Chargor shall:
 - (i) notify the Security Trustee forthwith upon the acquisition by the Chargor of any freehold or leasehold property;

- (ii) on demand made to the Chargor by the Security Trustee and at the cost of the Chargor, execute and deliver to the Security Trustee a legal mortgage in favour of the Security Trustee of any freehold or leasehold property which becomes vested in it after the date of this Deed in any form which the Security Trustee may require;
 - (iii) at its own expense take whatever action the Security Trustee may reasonably require for perfecting or protecting the legal mortgage referred to in paragraph (a)(ii) above;
 - (iv) at its own expense take any action as the Security Trustee may reasonably consider necessary or desirable to prevent or remedy any damage to or diminution in value of the Mortgaged Property.
- (b) In the case of any leasehold property in relation to which the consent of the landlord in whom the reversion of that lease is vested is required in order for the Chargor to perform any of its obligation under paragraph (a)(ii) above, the Chargor shall not be required to perform that obligation unless and until it has obtained the landlord's consent (which it shall use its reasonable endeavours to do).

6. INVESTMENTS

6.1 General

In this Clause:

Investments means:

- (a) the Shares;
- (b) all other shares, stocks, debentures, bonds or other securities and investments included in the definition of **Security Assets** in Clause 1.1 (Definitions);
- (c) any dividend or interest paid or payable in relation to any of the above; and
- (d) any right, money or property accruing or offered at any time in relation to any of the above by way of redemption, substitution, exchange, bonus or preference under option rights or otherwise.

Shares means in the case of each company listed below its shares in the companies appearing opposite it (each a **Relevant Company**):

	Relevant Company
Silversea Cruises Investments Ltd.:	Silversea Cruises Group Ltd.
Silversea Cruises Group Ltd.:	Silversea Cruise Holding Ltd
Silversea Cruise Holding Ltd.:	Silver Cloud Shipping Co. Ltd. Silver Wind Shipping Ltd. Silversea Cruises Ltd. Silversea New Build One Ltd. Silversea New Build Two Ltd. Silversea SAM S.A.

Silversea Cruises Ltd:

Silversea Cruises (Europe) Limited

Silversea Cruises (Europe) Limited:

Silversea Cruises (UK) Limited.

6.2 Investments

Each Chargor represents to each Secured Creditor that:

- (a) its Shares and, to the extent applicable, its other Investments, are fully paid;
- (b) its Shares represent the whole of the issued share capital of the Relevant Company;
and
- (c) it is the sole legal and beneficial owner of its Investments.

6.3 Deposit

Each Chargor must:

- (a) immediately deposit with the Security Trustee, or as the Security Trustee may direct, all certificates and other documents of title or evidence of ownership in relation to any of its Investments; and
- (b) promptly execute and deliver to the Security Trustee all share transfers and other documents which may be requested by the Security Trustee in order to enable the Security Trustee or its nominees to be registered as the owner or otherwise obtain a legal title to any of its Investments.

6.4 Changes to rights

No Chargor may take or allow the taking of any action on its behalf which may result in the rights attaching to any of its Investments being altered or further shares in the Relevant Company being issued.

6.5 Calls

- (a) Each Chargor must pay all calls or other payments due and payable in respect of any of its Investments.
- (b) If a Chargor fails to do so, the Security Trustee may pay the calls or other payments on behalf of that Chargor. That Chargor must immediately on request reimburse the Security Trustee for any payment made by the Security Trustee under this Subclause.

6.6 Other obligations in respect of Investments

- (a) Each Chargor must promptly copy to the Security Trustee and comply with all requests for information which is within its knowledge and which are made under any relevant law or any provision contained in any articles of association or other constitutional document relating to any of its Investments. If it fails to do so, the Security Trustee may elect to provide such information as it may have on behalf of that Chargor.
- (b) Each Chargor must comply with all other conditions and obligations assumed by it in respect of any of its Investments.
- (c) The Security Trustee is not obliged to:

- (i) perform any obligation of a Chargor;
 - (ii) make any payment, or to make any enquiry as to the nature or sufficiency of any payment received by it or a Chargor; or
 - (iii) present or file any claim or take any other action to collect or enforce the payment of any amount to which it may be entitled under this Deed,
- in respect of any Investment.

6.7 Voting rights

- (a) Before this Security becomes enforceable:
 - (i) the voting rights, powers and other rights in respect of the Investments must (if exercisable by the Security Trustee) be exercised in any manner which the relevant Chargor may direct in writing; and
 - (ii) all dividends or other income paid or payable in relation to any Investments must be paid to the Proceeds Account, except to the extent the Finance Documents otherwise provide.

The Chargor must indemnify the Security Trustee against any loss liability incurred by the Security Trustee as a consequence of the Security Trustee acting in respect of the Investments on the direction of the Chargor.

- (b) After this Security has become enforceable, the Security Trustee may exercise (in the name of the relevant Chargor and without any further consent or authority on the part of the relevant Chargor) any voting rights and any powers or rights which may be exercised by the legal or beneficial owner of any Investment, any person who is the holder of any Investment or otherwise.

7. INTELLECTUAL PROPERTY

7.1 General

In this Clause **Intellectual Property Rights** means:

- (a) any know-how, patent, trade mark, service mark, design, business name, topographical or similar right;
- (b) any copyright or other intellectual property monopoly right;
- (c) any interest (including by way of licence) in any of the above; or
- (d) any application for any of the above,

in each case, whether registered or not, and included in the definition of **Security Assets** in Clause 1.1 (Definitions).

7.2 Representations

Each Chargor represents to each Secured Creditor that:

- (a) the Intellectual Property Rights owned by it are all of the Intellectual Property Rights required by it in order for it to carry on its business as it is now being conducted;
- (b) it is the sole legal and beneficial owner of those Intellectual Property Rights;
- (c) those Intellectual Property Rights are free of any Security Interests (except for those created by or under this Deed) and any other rights or interests (including any licences) in favour of third parties;
- (d) it does not, in carrying on its business, infringe any Intellectual Property Rights of any third party; and
- (e) to its knowledge, no Intellectual Property Right owned by it is being infringed, nor is there any threatened infringement of any such Intellectual Property Right.

7.3 Preservation

- (a) Each Chargor must:
 - (i) make such registrations and pay such fees, registration taxes and similar amounts as are necessary to keep its Intellectual Property Rights in force;
 - (ii) take all other reasonable steps which are reasonably practicable to maintain and preserve its interests in its Intellectual Property Rights;
 - (iii) if requested to do so by the Security Trustee, make entries in any public register of its Intellectual Property Rights which either record the existence of this Deed or the restrictions on disposal imposed by this Deed; and
 - (iv) take such reasonable steps as are necessary (including the institution of legal proceedings) to prevent third parties infringing those Intellectual Property Rights.
- (b) Each Chargor must ensure that, except with the prior consent of the Security Trustee, none of its material Intellectual Property Rights which is registered is abandoned or cancelled, lapses or is liable to any claim of abandonment for non-use or otherwise.

8. ACCOUNTS

8.1 General

In this Clause:

Security Account means the Accounts together with any other account of any Chargor and any other account established under this Clause.

8.2 Withdrawals

- (a) The Chargor must not withdraw any moneys standing to the credit of a Security Account except in accordance with the Loan Agreements.
- (b) The Security Trustee (or a Receiver) may withdraw amounts standing to the credit of a Security Account to meet an amount due and payable under the Finance Documents when it is due and payable, subject to the Intercreditor Agreement.

8.3 Notices of charge

- (a) Each Chargor must as soon as practicable:
- (i) promptly give notice to each Account Bank substantially in the form of Part 1 of Schedule 3 (Forms of letter for Account Bank); and
 - (ii) use reasonable endeavours to ensure that each Account Bank acknowledges the notice substantially in the form of Part 2 of Schedule 3 (Forms of letter for Account Bank),
- except that this requirement does not apply in respect of the Accounts held outside England which become Pledged Accounts pursuant to an Account Pledge.
- (b) Upon receipt of the acknowledgement in paragraph (a)(ii) above from an Account Bank, the Security Trustee will send a letter to that Account Bank substantially in the form of Part 3 of Schedule 3 (Forms of letter for Account Bank).

9. RELEVANT CONTRACTS

9.1 General

In this Clause:

Relevant Contract means:

- (a) an agreement specified in Schedule 2 (Security Assets) under the heading **Relevant Contracts**; and
- (b) any other agreement to which a Chargor is a party and which is a Material Contract.

9.2 Representations

Each Chargor represents to each Secured Creditor that:

- (a) all payments to it by any other party to a Relevant Contract to which it is a party are not subject to any right of set-off or similar right;
- (b) each such Relevant Contract is its legally binding, valid, and enforceable obligation;
- (c) it is not in default of any of its obligations under any such Relevant Contract in any material respect;
- (d) save as disclosed, there is no prohibition on assignment in any such Relevant Contract; and
- (e) its entry into and performance of this Deed will not conflict with any term of any such Relevant Contract.

9.3 Preservation

No Chargor may, without the prior consent of the Security Trustee (such consent not to be unreasonably withheld or delayed), agree to:

- (i) the termination or abandonment of; or

(ii) any waiver of compliance with any material provision of,

any Relevant Contract, which has a Material Adverse Effect unless in the case of (i) there is an appropriate replacement for such Relevant Contract:

Each Chargor shall maintain and, in good faith and in the best interests of such Chargor, take all reasonable steps to enforce its rights and exercise its discretions under the Relevant Contracts to comply with applicable laws and its contractual obligations

9.4 Other undertaking

Each Chargor must:

- (a) duly and promptly perform its obligations, and diligently pursue its rights, under each Relevant Contract to which it is a party;
- (b) supply the Security Trustee and any Receiver with copies of each such Relevant Contract and any information and documentation relating to any such Relevant Contract requested by the Security Trustee or any Receiver; and
- (c) in the case of any Relevant Contracts in relation to which the consent of the counterparty is required in order for the Chargor to perform any of its obligations under Clauses 2.8 or 9.5, the Chargor shall not be required to perform that obligation unless and until it has obtained the counterparty's consent (which it shall use its reasonable endeavours to do)

9.5 Notices of assignment

- (a) Each Chargor must immediately serve a notice of assignment, substantially in the form of Part 1 of Schedule 4 (Forms of letter for Relevant Contracts), on each counterparty to a Relevant Contract to which it is a party; and
- (b) use its reasonable endeavours to procure that each such party acknowledges that notice, substantially in the form of Part 2 of Schedule 4 (Forms of letter for Relevant Contracts),

on the request of the Security Trustee (save in respect of each Bareboat Charter Party where such request is not necessary).

10. WHEN SECURITY BECOMES ENFORCEABLE

10.1 Event of Default

This Security will become immediately enforceable if an Event of Default occurs and the Security Trustee gives notice to each Chargor that this Security is enforceable.

10.2 Discretion

After this Security has become enforceable, the Security Trustee may in its absolute discretion enforce all or any part of this Security in any manner it sees fit but subject as directed pursuant to the Intercreditor Agreement.

10.3 Power of sale

The power of sale and other powers conferred by Section 101 of the Act, as amended by this Deed, will be immediately exercisable at any time after this Security has become enforceable.

11. ENFORCEMENT OF SECURITY

11.1 General

- (a) For the purposes of all powers implied by statute, the Secured Liabilities are deemed to have become due and payable on the date of this Deed.
- (b) Section 103 of the Act (restricting the power of sale) and Section 93 of the Act (restricting the right of consolidation) do not apply to this Security.
- (c) The statutory powers of leasing conferred on the Security Trustee are extended so as to authorise the Security Trustee to lease, make agreements for leases, accept surrenders of leases and grant options as the Security Trustee may think fit and without the need to comply with any provision of section 99 or 100 of the Act.

11.2 No liability as mortgagee in possession

Neither the Security Trustee nor any Receiver will be liable, by reason of entering into possession of a Security Asset, to account as mortgagee in possession or for any loss on realisation or for any default or omission for which a mortgagee in possession might be liable.

11.3 Privileges

Each Receiver and the Security Trustee is entitled to all the rights, powers, privileges and immunities conferred by the Act on mortgagees and receivers duly appointed under the Act, except that Section 103 of the Act does not apply.

11.4 Protection of third parties

No person (including a purchaser) dealing with the Security Trustee or a Receiver or its or his agents will be concerned to enquire:

- (a) whether the Secured Liabilities have become payable;
- (b) whether any power which the Security Trustee or a Receiver is purporting to exercise has become exercisable or is being properly exercised;
- (c) whether any money remains due under the Finance Documents; or
- (d) how any money paid to the Security Trustee or to that Receiver is to be applied.

11.5 Redemption of prior mortgages

- (a) At any time after this Security has become enforceable, the Security Trustee may:
 - (i) redeem any prior Security Interest against any Security Asset; and/or
 - (ii) procure the transfer of that Security Interest to itself; and/or

- (iii) settle and pass the accounts of the prior mortgagee, chargee or encumbrancer; any accounts so settled and passed will be, in the absence of manifest error, conclusive and binding on each Chargor.
- (b) Each Chargor must pay to the Security Trustee, immediately on demand, the costs and expenses incurred by the Security Trustee in connection with any such redemption and/or transfer, including the payment of any principal or interest.

11.6 Contingencies

If this Security is enforced at a time when no amount is due under the Finance Documents but at a time when amounts may or will become due, the Security Trustee (or the Receiver) may pay the proceeds of any recoveries effected by it into a suspense account.

12. RECEIVER

12.1 Appointment of Receiver

- (a) Except as provided below, the Security Trustee may appoint any one or more persons to be a Receiver of all or any part of the Security Assets if:

- (i) this Security has become enforceable; or
- (ii) a Chargor so requests the Security Trustee in writing at any time,

provided that the Security Trustee may not appoint an administrative receiver (as defined in section 29(2) of the Insolvency Act 1986) over the Security Assets if the Security Trustee is prohibited from so doing by section 72A of the Insolvency Act 1986 and no exception to the prohibition on appointing an administrative receiver applies.

- (b) Any appointment under paragraph (a) above may be by deed, under seal or in writing under its hand.
- (c) Section 109(1) of the Act does not apply to this Deed.
- (d) The Security Trustee is not entitled to appoint a Receiver solely as a result of the obtaining of a moratorium (or anything done with a view to obtaining a moratorium) under the Insolvency Act 2000 except with the leave of the court.

12.2 Removal

The Security Trustee may by writing under its hand (subject to any requirement for an order of the court in the case of an administrative receiver) remove any Receiver appointed by it and may, whenever it thinks fit, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated.

12.3 Remuneration

The Security Trustee may fix the remuneration of any Receiver appointed by it and the maximum rate specified in Section 109(6) of the Act will not apply.

12.4 Agent of each Chargor

- (a) A Receiver will be deemed to be the agent of each Chargor for all purposes and accordingly will be deemed to be in the same position as a Receiver duly appointed by a mortgagee under the Act. Each Chargor is responsible for the contracts, engagements, acts, omissions, defaults and losses of a Receiver in respect of such Chargor and for liabilities incurred by a Receiver.
- (b) No Secured Creditor will incur any liability (either to a Chargor or to any other person) by reason of the appointment of a Receiver or for any other reason.

12.5 Relationship with Security Trustee

To the fullest extent allowed by law, any right, power or discretion conferred by this Deed (either expressly or impliedly) or by law on a Receiver may after this Security becomes enforceable be exercised by the Security Trustee in relation to any Security Asset without first appointing a Receiver and notwithstanding the appointment of a Receiver.

13. POWERS OF RECEIVER

13.1 General

- (a) A Receiver has all of the rights, powers and discretions set out below in this Clause in addition to those conferred on it by any law, this includes:
 - (i) in the case of an administrative receiver, all the rights, powers and discretions conferred on an administrative receiver under the Insolvency Act, 1986; and
 - (ii) otherwise, all the rights, powers and discretions conferred on a receiver (or a receiver and manager) under the Act and the Insolvency Act, 1986.
- (b) If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing him states otherwise) exercise all of the powers conferred on a Receiver under this Deed individually and to the exclusion of any other Receiver.

13.2 Possession

A Receiver may take immediate possession of, get in and collect any Security Asset.

13.3 Carry on business

A Receiver may carry on the business of any Chargor in any manner he thinks fit.

13.4 Employees

- (a) A Receiver may appoint and discharge managers, officers, agents, accountants, servants, workmen and others for the purposes of this Deed upon such terms as to remuneration or otherwise as he thinks fit.
- (b) A Receiver may discharge any person appointed by any Chargor.

13.5 Borrow money

A Receiver may raise and borrow money either unsecured or on the security of any Security Asset either in priority to this Security or otherwise and generally on any terms and for whatever purpose which he thinks fit.

13.6 Sale of assets

- (a) A Receiver may sell, exchange, convert into money and realise any Security Asset by public auction or private contract and generally in any manner and on any terms which he thinks fit.
- (b) The consideration for any such transaction may consist of cash, debentures or other obligations, shares, stock or other valuable consideration and any such consideration may be payable in a lump sum or by instalments spread over any period which he thinks fit.
- (c) Fixtures, other than landlord's fixtures, may be severed and sold separately from the property containing them without the consent of the relevant Chargor.

13.7 Leases

A Receiver may let any Security Asset for any term and at any rent (with or without a premium) which he thinks fit and may accept a surrender of any lease or tenancy of any Security Asset on any terms which he thinks fit (including the payment of money to a lessee or tenant on a surrender).

13.8 Compromise

A Receiver may settle, adjust, refer to arbitration, compromise and arrange any claim, account, dispute, question or demand with or by any person who is or claims to be a creditor of any Chargor or relating in any way to any Security Asset.

13.9 Legal actions

A Receiver may bring, prosecute, enforce, defend and abandon any action, suit or proceedings in relation to any Security Asset which he thinks fit.

13.10 Receipts

A Receiver may give a valid receipt for any moneys and execute any assurance or thing which may be proper or desirable for realising any Security Asset.

13.11 Subsidiaries

A Receiver may form a Subsidiary of any Chargor and transfer to that Subsidiary any Security Asset.

13.12 Delegation

A Receiver may delegate his powers in accordance with this Deed.

13.13 Lending

A Receiver may lend money or advance credit to any customer of any Chargor.

13.14 Protection of assets

A Receiver may:

- (a) effect any repair or insurance and do any other act which any Chargor might do in the ordinary conduct of its business to protect or improve any Security Asset;

- (b) commence and/or complete any building operation; and
- (c) apply for and maintain any planning permission, building regulation approval or any other authorisation,

in each case as he thinks fit.

13.15 Other powers

A Receiver may:

- (a) do all other acts and things which he may consider desirable or necessary for realising any Security Asset or incidental or conducive to any of the rights, powers or discretions conferred on a Receiver under or by virtue of this Deed or law;
- (b) exercise in relation to any Security Asset all the powers, authorities and things which he would be capable of exercising if he were the absolute beneficial owner of that Security Asset; and
- (c) use the name of any Chargor for any of the above purposes.

14. APPLICATION OF PROCEEDS

Any moneys received by the Security Trustee or any Receiver after this Security has become enforceable must be applied in the following order of priority:

- (a) in or towards payment of or provision for all costs and expenses incurred by the Security Trustee or any Receiver under or in connection with this Deed and of all remuneration due to any Receiver under or in connection with this Deed;
- (b) in or towards payment of or provision for the Secured Liabilities in accordance with the Intercreditor Agreement; and
- (c) in payment of the surplus (if any) to the relevant Chargor or other person entitled to it.

This Clause is subject to the payment of any claims having priority over this Security. This Clause does not prejudice the right of any Secured Creditor to recover any shortfall from the Chargor.

15. EXPENSES AND INDEMNITY

Each Chargor must:

- (a) immediately on demand pay all costs and expenses (including legal fees) incurred in connection with this Deed by any Secured Creditor, Receiver, attorney, manager, agent or other person appointed by the Security Trustee under this Deed; and
- (b) keep each of them indemnified against any failure or delay in paying those costs or expenses; this includes any arising from any actual or alleged breach by any person of any law or regulation, whether relating to the environment or otherwise.

16. DELEGATION

16.1 Power of Attorney

The Security Trustee or any Receiver may delegate by power of attorney or in any other manner to any person any right, power or discretion exercisable by it under this Deed.

16.2 Terms

Any such delegation may be made upon any terms (including power to sub-delegate) which the Security Trustee or any Receiver may think fit.

16.3 Liability

Neither the Security Trustee nor any Receiver will be in any way liable or responsible to any Chargor for any loss or liability arising from any act, default, omission or misconduct on the part of any delegate or sub-delegate.

17. FURTHER ASSURANCES

Each Chargor must, at its own expense, take whatever action the Security Trustee or a Receiver may reasonably require for:

- (a) creating, perfecting or protecting any security intended to be created by this Deed; or
- (b) facilitating the realisation of any Security Asset, or the exercise of any right, power or discretion exercisable, by the Security Trustee or any Receiver or any of its delegates or sub-delegates in respect of any Security Asset.

This includes:

- (i) the execution of any transfer, conveyance, assignment or assurance of any property, whether to the Security Trustee or to its nominee; or
- (ii) the giving of any notice, order or direction and the making of any registration,

which, in any such case, the Security Trustee may think expedient.

18. POWER OF ATTORNEY

Each Chargor, by way of security, irrevocably and severally appoints the Security Trustee, each Receiver and any of its delegates or sub-delegates to be its attorney to take any action which that Chargor is obliged to take under this Deed. Each Chargor ratifies and confirms whatever any attorney does or purports to do under its appointment under this Clause.

19. MISCELLANEOUS

19.1 Covenant to pay

Each Chargor must pay or discharge the Secured Liabilities in the manner provided for in the Finance Documents.

19.2 Tacking

Each Lender must perform its obligations under the Loan Agreements (including any obligation to make available further advances).

19.3 New Accounts

- (a) If any subsequent charge or other interest affects any Security Asset, the Secured Creditor may open a new account with a Chargor.
- (b) If the Secured Creditor does not open a new account, it will nevertheless be treated as if it had done so at the time when it received or was deemed to have received notice of that charge or other account.
- (c) As from that time all payments made to the Secured Creditor will be credited or be treated as having been credited to the new account and will not operate to reduce any Secured Liability.

19.4 Time deposits

Without prejudice to any right of set-off any Secured Creditor may have under any other Finance Document or otherwise, if any time deposit matures on any account a Chargor has with any Secured Creditor within the Security Period when:

- (a) this Security has become enforceable; and
- (b) no Secured Liability is due and payable,

that time deposit will automatically be renewed for any further maturity which that Secured Creditor considers appropriate.

19.5 Notice of assignment

This Deed constitutes notice in writing to each Chargor of any charge or assignment of a debt owed by that Chargor to any other member of the Group and contained in any other Security Document.

19.6 Assignment and transfer

Silversea Cruises Investments Limited may not assign or transfer any of its rights or obligations under this Deed without the prior consent of the Security Trustee.

20. RELEASE

At the end of the Security Period, the Secured Creditors must, at the request and cost of a Chargor, take whatever action is necessary to release its Security Assets from this Security.

21. GOVERNING LAW

This Deed is governed by English law.

This Deed has been entered into as a deed on the date stated at the beginning of this Deed.

SCHEDULE 1

CHARGORS

Name	Company Number
Silversea Cruises Investments Ltd.	
Silversea Cruise Holding Ltd.	
Silversea Cruises Group Ltd.	
Silver Cloud Shipping Co. Ltd.	
Silver Wind Shipping Ltd.	
Silversea Cruises Ltd.	
Silversea New Build One Ltd.	
Silversea New Build Two Ltd.	
Silversea Cruises (Europe) Ltd.	03290594
Silversea Cruises (UK) Ltd.	03290556
Silversea SAM S.A.	

SCHEDULE 2**SECURITY ASSETS****PART 1****SPECIFIC INTELLECTUAL PROPERTY RIGHTS****Silversea Cruises Ltd****Registered Marks**

Mark:	Country	Reg. No:
SILVERSEA CRUISES	United Kingdom	2175104
SILVER CLOUD	United States	2267408
SILVER WIND	United States	2267390
FRIENDS OF THE SOCIETY	United States	2270852
VENETIAN SOCIETY	United States	2537553
SILVER LINKS	United States	2290186
SILVERSEA EXPERIENCE	United States	1855997
SILVER SHADOW	United States	2480512
SILVER LINKS	United Kingdom	2175101
SILVERSEA EXPERIENCE	United Kingdom	2175103
SILVER BREEZE	United Kingdom	2178848
SILVER ISLE	United Kingdom	2178841
SILVER SHADOW	United Kingdom	2202686
SILVER CLOUD	United Kingdom	2175107
SILVER WIND	United Kingdom	2175082
VENETIAN SOCIETY	United Kingdom	2175083
SILVER ODYSSEY SAILINGS	United Kingdom	2175105
SILVERSEA AIR	United States	1855998
SILVERSEA CRUISES	United States	1841499
SILVERSEA GUESTCARE	United States	1850046
S (Stylized)	United States	2128483
SILVERSEA AIR	United Kingdom	2175085
S (Stylized)	United Kingdom	2175081
SILVER MIRAGE	United Kingdom	2202683
SILVERSEA GUESTCARE	United Kingdom	2175080
SILVER WHISPER	United States	2572028
SILVERSEA	United States	2539594
SILVERSEA LIVING IN STYLE	United Kingdom	2315255
SILVERSEA AIRPORT EASE	United Kingdom	2307496
SILVERSEA PERSONALIZED VOYAGES	United Kingdom	2307498
SILVER WHISPER	United Kingdom	2307497

Pending Marks

Mark	Country	Appl. No.
SILVERSEA AIRPORT EASE	United States	76/424701
SILVERSEA PERSONALIZED VOYAGES	United States	76/424700
SILVERSEA. A JOURNEY ABOVE AND BEYOND ALL	United States	76/446297
A JOURNEY ABOVE AND BEYOND ALL EXPECTATIONS	United States	76/446299
SILVERSEA. ABOVE AND BEYOND ALL EXPECTATIONS	United States	76/446295
ABOVE AND BEYOND ALL EXPECTATIONS	United States	76/446298
SILVERSEA. ABOVE AND BEYOND ALL EXPECTATIONS	United States	76/446296
LIVING IN STYLE	United States	76/470485
SILVERSEA. LIVING IN STYLE	United States	76/469445
SILVERSEA	European Community	003112422
SILVERSEA	Australia	949745
SILVERSEA	Canada	1173032
GO TO KNOW	United States	76/520827

PART 2

RELEVANT CONTRACTS

1. Bareboat Charter Party dated 28th March, 2003 between Silver Cloud Shipping Co. Ltd and Silversea Cruises Ltd.
2. Bareboat Charter Party dated 28th March, 2003 between Silver Wind Shipping Ltd. and Silversea Cruises Ltd.
3. Bareboat Charter Party dated 15th June, 2001 between New Build Two Ltd. and Silversea Cruises Ltd.
4. Time Charter Party dated 31st December, 1993 between CO.I. MAR. S.R.L and Silversea Cruises Ltd.
5. Bareboat Charter Party dated 31st December, 1993 between CO.I. MAR. S.R.L and Silversea Cruises Ltd.
6. Cruise Line Card Service Agreement dated 5th May, 1993 between American Express Travel Relate Services Company, Inc. and Silversea Cruises Ltd.
7. Merchant Bank Card Application dated 31st August, 1995 between Silversea Cruises, Old Kent Bank and Trust Company and Transglobal System, Inc.
8. Space Allotment Contract dated 8th November, 2002 between Silversea Cruises Ltd, Silversea New Build Two Ltd. and Jet Set Sports.
9. Bareboat Charter Party dated 31st August, 2000 between Silversea New Build One Ltd. and Silversea Cruises Ltd.
10. Lease Agreement dated 10th December, 1998 between One Corporate Center L.P. and Silversea Cruises Ltd.
11. Sales and Marketing Agreement dated 31st August, 2001, as amended by an agreement dated 3rd March, 2003 between Silversea Cruises Ltd. and Vacation.com.
12. Preferred Supplier Agreement dated 7th November, 2002 between Silversea Cruises Ltd. and Virtuoso.
13. Space Allotment Agreement dated 7th March, 2003 between Silversea Cruises Ltd. and Sports Illustrated, a division of Time, Inc.
14. Sales and Marketing Agreement dated 22nd January, 2003/27th January, 2003 between Silversea Cruises Ltd. Cruise & Vacation Specialists.
15. Sales and Marketing Agreement dated 2nd December, 2002 between Silversea Cruises Ltd. and TRAVELSAVERS.
16. Sales Agreement dated 22nd January, 2003 between Silversea Cruises Ltd. and Cruise Shoppes.
17. Sales Agreement dated 24th March, 2003 between Silversea Cruises Ltd. and Leisure Travel Group, Inc.

18. Sales Agreement dated 10th January, 2003 between Silversea Cruises Ltd. and GIANTS.
19. Cruise Privileges Agreement dated 1st January, 2003 between Silversea Cruises Ltd. and Amex Bank of Canada, Ontario, Canada.
20. Sales Agreement dated 24th January, 2003 between Silversea Cruises Ltd. and American Express Travel Services Network.
21. Lease dated 19th September, 2001 between Silversea Cruises (UK) Limited and Darien Ventures S.A. in respect of 77-79 Great Eastern Street, London, EC2.
22. Preferred Supplier Agreement dated 4th April, 2003 between Silversea Cruises, Ltd and Carlson Travel Group, Inc.

SCHEDULE 3

FORMS OF LETTER FOR ACCOUNT BANK

PART 1

NOTICE TO ACCOUNT BANK

[On the letterhead of the Chargor]

[Silversea Cruises (UK) Ltd - The Royal Bank of Scotland - Citibank

Silversea Cruises (Europe) Ltd - Citibank

Silversea Cruises Ltd.- Citibank]

To: [Account Bank]

[Date]

Dear Sirs,

Security Agreement dated [] between the companies defined therein as Chargors and WestLB AG, London Branch as Security Trustee (the Security Agreement)

This letter constitutes notice to you that under the Security Agreement we have charged (by way of a first fixed charge) in favour of [] (the **Security Trustee**) all our rights in respect of any amount moneys standing to the credit of any account maintained by us with you (the **Accounts**).

We irrevocably instruct and authorise you to:

- (a) disclose to the Security Trustee any information relating to any Account requested from you by the Security Trustee;
- (b) comply with the terms of any written notice or instruction relating to any Account received by you from the Security Trustee;
- (c) hold all sums standing to the credit of any Account to the order of the Security Trustee; and
- (d) pay or release any sum standing to the credit of any Account in accordance with the written instructions of the Security Trustee.

We are not permitted to withdraw any amount from any Account except in accordance with the Loan Agreements.

We acknowledge that you may comply with the instructions in this letter without any further permission from us.

The instructions in this letter may not be revoked or amended without the prior written consent of the Security Trustee.

This letter is governed by English law.

Please confirm your agreement to the above by sending the attached acknowledgement to the Security Trustee at WestLB AG, London Branch, Woolgate Exchange, 25 Basinghall Street, London EC2V 5HA with a copy to ourselves.

Yours faithfully,

.....
(Authorised Signatory)

[Chargor]

PART 2

ACKNOWLEDGEMENT OF ACCOUNT BANK

[On the letterhead of the Account Bank]

To: WestLB AG, London Branch as Security Trustee

Copy: [Chargor]

[Date]

Dear Sirs,

Security Agreement dated [] between the companies defined therein as Chargors and WestLB AG, London Branch as Security Trustee (the Security Agreement)

We confirm receipt from [] (the **Chargor**) of a notice dated [] of a charge upon the terms of the Security Agreement over all the rights of the Chargor to any amount standing to the credit of any of the Chargor's accounts with us (the **Accounts**).

We confirm that we:

- (a) accept the instructions contained in the notice and agree to comply with the notice;
- (b) have not received notice of the interest of any third party in any Account; and
- (c) have neither claimed nor exercised, nor will claim or exercise, any security interest, set-off, counter-claim or other right in respect of any Account;
- (d) will not permit any amount to be withdrawn from any Account except in accordance with the Loan Agreements.

The Accounts maintained with us are:

[Specify accounts and account numbers]

This letter is governed by English law.

Yours faithfully,

.....
(Authorised signatory)
[Account Bank]

PART 3

LETTER FROM THE SECURITY TRUSTEE TO ACCOUNT BANK¹

[On the letterhead of the Security Trustee]

To: [Account Bank]

[DATE]

Dear Sirs,

Security Agreement dated [] between the companies defined therein as Chargors and WestLB AG, London Branch as Security Trustee (the Security Agreement)

We refer to:

- (a) the Security Agreement;
- (b) the notice to you dated [] from [] (the **Chargor**) concerning the accounts of the Chargor with you (the **Accounts**); and
- (c) the acknowledgement dated [] issued by you to WestLB AG as Security Trustee in response to the notice.

We confirm that we consent to the following transactions in relation to the Accounts:

- (a)
 - (i) you may collect and pay to the credit of any Account the proceeds of credits for the account of the Chargor;
 - (ii) you may make payments to third parties or to other Accounts in the name of the Chargor on the instructions of the Chargor in accordance with the Loan Agreements and debit the amounts involved to any Account;
 - (iii) you may debit to any Account amounts due to you by the Chargor; and
 - (iv) in order to enable you to make available net overdraft facilities on the Accounts you may set-off debit balances on any of the following Accounts against credit balances on any of the following Accounts:

[Specify accounts and account numbers]

We may by notice to you amend or withdraw these consents.

If the consent referred to in paragraph (a)(iv) above is withdrawn, you may immediately set-off debit balances and credit balances on the Accounts existing immediately prior to the receipt by you of the notice.

This letter is governed by English law.

Please acknowledge receipt of this letter by signing and returning to us the enclosed copy of this letter.

Yours faithfully,

.....
(Authorised signatory)
WestLB AG, London Branch
Security Trustee

Receipt acknowledged

.....
(Authorised signatory)
[Account Bank]

[Date]

SCHEDULE 4

FORMS OF LETTER FOR RELEVANT CONTRACTS

PART 1

NOTICE TO COUNTERPARTY

To: [Contract party]

[Date]

Dear Sirs,

Security Agreement dated [] between the companies defined therein as Chargors and WestLB AG, London Branch as Security Trustee (the Security Agreement)

This letter constitutes notice to you that under the Security Agreement we have assigned by way of security to WestLB AG, London Branch (the **Security Trustee**) all our rights in respect of [insert details of Contract] (the **Contract**).

We confirm that:

- (a) we will remain liable under the Contract to perform all the obligations assumed by us under the Contract; and
- (b) 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 Contract.

We will also remain entitled to exercise all our rights, powers and discretions under the Contract, and you should continue to give notices under the Contract to us, 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.

This letter is governed by English law.

Please acknowledge receipt of this letter by sending the attached acknowledgement to the Security Trustee at [].

Yours faithfully,

.....

[Chargor]

(Authorised signatory)

[Bareboat Charter letter to follow form in Deed of Covenants]

PART 2

Acknowledgement of Counterparty

To: WestLB AG, London Branch as Security Trustee

Copy: [Chargor]

[Date]

Dear Sirs,

We confirm receipt from [] (the **Chargor**) of a notice dated [] of an assignment on the terms of the Security Agreement dated [] of all the Chargor's rights in respect of [insert details of the Contract] (the **Contract**).

We confirm that we will pay all sums due, and give notices, under the Contract as directed in that notice.

This letter is governed by English law.

Yours faithfully,

.....

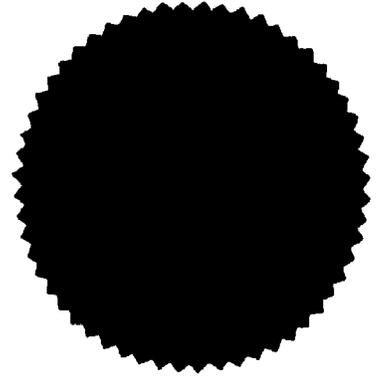
(Authorised signatory)

[Counterparty]

SIGNATORIES

Chargors

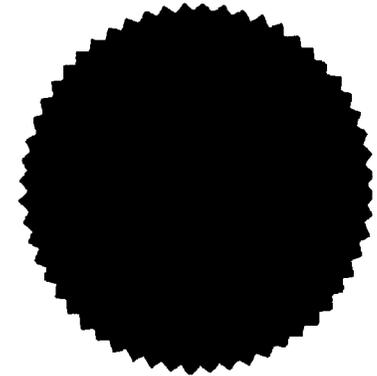
The common seal of SILVERSEA CRUISES INVESTMENTS LTD was)
affixed to this Deed in the presence of:)



.....
[Handwritten Signature]
.....
Director

[Handwritten Signature]
.....
Director/Secretary

The common seal of SILVERSEA CRUISE HOLDING LTD was)
affixed to this Deed in the presence of:)



.....
[Handwritten Signature]
.....
Director

[Handwritten Signature]
.....
Director/Secretary

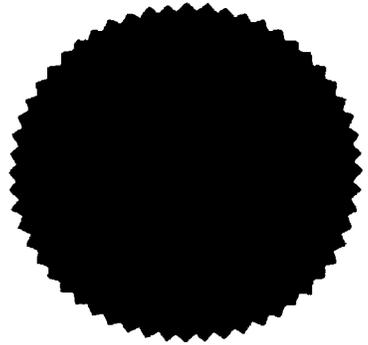
The common seal of SILVERSEA CRUISES GROUP LTD was)
affixed to this Deed in the presence of:)

.....
.....

Director

.....
.....

Director/Secretary



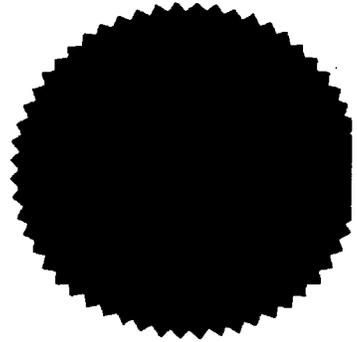
The common seal of SILVER CLOUD SHIPPING CO. LTD was)
affixed to this Deed in the presence of:)

.....
.....

Director

.....
.....

Director/Secretary



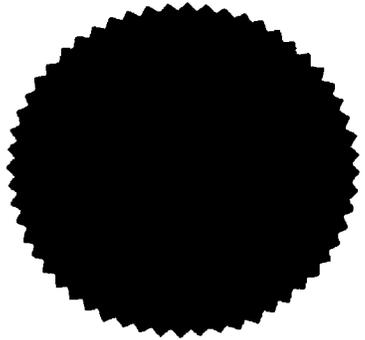
The common seal of SILVER WIND SHIPPING LTD was)
affixed to this Deed in the presence of:)

.....
.....

Director

.....
.....

Director/Secretary

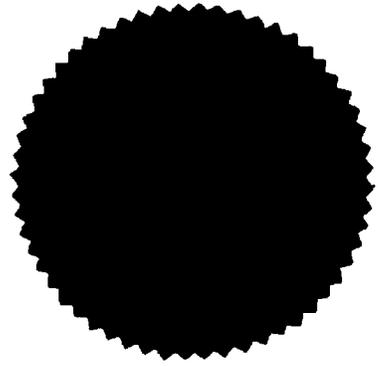


The common seal of SILVERSEA CRUISES LTD was)

affixed to this Deed in the presence of:)

.....
Director

.....
Director/Secretary

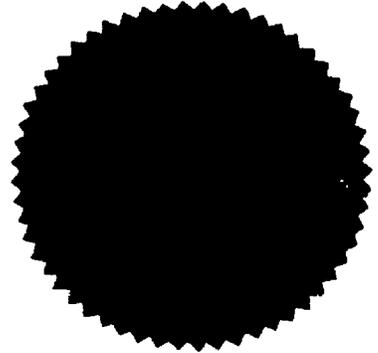


The common seal of SILVERSEA NEW BUILD ONE LTD was)

affixed to this Deed in the presence of:)

.....
Director

.....
Director/Secretary

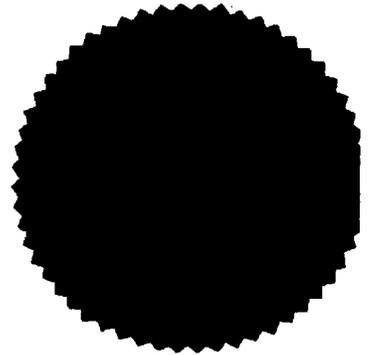


The common seal of SILVERSEA NEW BUILD TWO LTD was)

affixed to this Deed in the presence of:)

.....
Director

.....
Director/Secretary



Security Trustee

WESTLB AG, LONDON BRANCH

By:



D. EBNER

11767-01131 BK:1060348
Security Agreement

RECORDED: 10/29/2003

TRADEMARK
REEL: 002855 FRAME: 0683