



Law Firm of the Year  
2008-09



Equality & Diversity, CSR  
2008-09

Judith Woodward  
Thanet District Council  
Legal Department  
PO Box 9  
Cecil Street  
Margate  
Kent CT9 1XZ

Date 2 October 2009  
Your ref  
Our ref PETLEYS/026619-010003  
Direct dial 0845 497 4661  
simonpetley@eversheds.com

Dear Judith

**Ramsgate Boulevard**

Further to our recent correspondence I enclose the originals of the documents dated 3 September 2009 executed by SFP as follows:

1. Counterpart Hotel Site Lease. ✓
2. Counterpart Mixed Use Site Lease. ✓
3. Counterpart Residential Premises Site Lease. ✓
4. Deposit Agreement. ✓
5. Deed of Variation to the Development Agreement. ✓

The original of the Option Agreement has been sent to the Land Registry for registration and I will let you have this when I receive it back. In the meantime could you please acknowledge receipt of the enclosures.

Yours sincerely

*Simon Petley*  
**Simon Petley**  
Solicitor  
For Eversheds LLP

*acknowledged  
6/10/09*

<b>LEGAL DIV.</b>
REFERRED TO: <i>JW</i>
- 5 OCT 2009
ACTION: .....



## SCHEDULE OF DOCUMENTS

### Thanet District Council

#### Land and premises at Ramsgate Boulevard, Ramsgate, Kent

1. Deed of Variation to Development Agreement dated 3 September 2009 made between Thanet District Council (1) and SFP Ventures (UK) Limited (2)
2. Hotel Site Lease dated 3 September 2009 made between Thanet District Council (1) and SFP Ventures (UK) Limited (2)
3. Mixed Use Site Lease dated 3 September 2009 made between Thanet District Council (1) and SFP Ventures (UK) Limited (2)
4. Residential Premises Site Lease dated 3 September 2009 made between Thanet District Council (1) and SFP Ventures (UK) Limited (2)
5. Option Agreement dated 3 September 2009 made between Thanet District Council (1) and SFP Ventures (UK) Limited (2)
6. Deposit Agreement dated 3 September 2009 made between Thanet District Council (1) and SFP Ventures (UK) Limited (2)
7. Side letter from Thanet District Council to SFP Ventures (UK) Limited relating to the option agreement



Dated

*3rd*

*September*

2009

- (1) Thanet District Council
- (2) SFP Ventures (UK) Limited

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## Deed of Variation

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relating to a Development Agreement dated 20 October 2006 made between Thanet District Council (1) and SFP Ventures (UK) Limited (2) in respect of property at Ramsgate Boulevard Ramsgate Kent

## PARTICULARS

**Date**

*3rd September 2009*

**The Council**

Thanet District Council of Cecil Street, Margate, Kent CT9 1XZ.

**The Developer**

SFP Ventures (UK) Limited (registered number 05666803) whose registered office is at Lakeview House, 4 Lake Meadows Office Park, Woodbrook Crescent, Billericay, Essex CN12 0EQ.

**Principal Deed**

the Development Agreement relating to the development and sale of property at Ramsgate Boulevard, Ramsgate, Kent dated 20 October 2006 made between (1) the Council and (2) the Developer.

**Surface Water Drain**

means a surface water sewer for the purpose of draining surface water from the Property and other land in the location shown by a green line on the plan attached to this deed as Appendix 1

**THIS DEED OF VARIATION** is made on the date set out in the Particulars

**BETWEEN**

- (1) The Council; and
- (2) The Developer.

**BACKGROUND**

- (A) The Principal Deed was entered into by the persons whose names appear in the definition of the Principal Deed in the Particulars.
- (B) The parties to this Deed of Variation are now or remain entitled to the benefit of the Principal Deed and have agreed to vary it on the terms set out in this Deed of Variation.
- (C) The Site Leases, the Option Agreement and the Deposit Agreement have been completed today.

**OPERATIVE PROVISIONS**

**1. INTERPRETATION**

- 1.1 Words and expressions defined in the Principal Deed have the same meanings in this Deed of Variation except to the extent that they are expressly varied by this Deed of Variation.
- 1.2 The provisions of the Principal Deed relating to its interpretation apply to this Deed of Variation except to the extent that they are expressly varied by this Deed of Variation.
- 1.3 This Deed is supplemental to the Principal Deed. A breach of this Deed is to be regarded as a breach of the Principal Deed.
- 1.4 For the purpose of Section 2 of the Law of Property (Miscellaneous Provisions) Act 1989 the provisions of the Principal Deed shall be deemed to be incorporated in this Deed of Variation as if the provisions of the Principal Deed had been set out herein in full.
- 1.5 The Particulars form part of this Deed and words and expressions set out in the Particulars are to be treated as defined terms in this Deed.
- 1.6 The parties to this Deed do not intend that any of its terms will be enforceable by virtue of the Contracts (Rights of Third Parties) Act 1999 by any person not a party to it.

2. **VARIATION OR SUBSTITUTION OF CLAUSES**

The Principal Deed is to be read and interpreted as if the variations to it in **Schedule 1** were set out in full in the Principal Deed.

3. **STAIRWAY WORKS**

3.1 The Planning Permission provides for the Stairway Works to be carried out as part of the development authorised by the Planning Permission. The Council in its capacity as landowner (and as not as local planning authority) agrees that if the Developer obtains a variation of the Planning Permission in a form satisfactory to the Council (as landowner) acting reasonably to permit the development to be carried out without carrying out the Stairway Works by not later than the date two years and six months after the date of this Deed of Variation and the period for challenging that variation to the Planning Permission expires without a challenge having been made the Council (as landowner) agrees that the Development Works can be carried out under the Principal Deed without the Developer carrying out the Stairway Works and in that event all provisions in the Principal Deed relating to the carrying out of the Stairway Works the Stairway Land Licence and the grant of the Stairway Lease shall no longer have effect.

3.2 In the event that the variation to the Planning Permission is not obtained as aforesaid the provisions in the Principal Deed relating to the carrying out of the Stairway Works the Stairway Land Licence and the grant of the Stairway Lease shall remain in full force and effect and shall be complied with by the Developer.

3.3 Nothing in this clause 3 shall fetter the discretion of the Council in its capacity as local planning authority to determine any application for the variation of the Planning Permission in accordance with its obligations and duties as local planning authority and the Developer shall have no claim against the Council nor any right to object under the terms of the Principal Deed if such variation to the Planning Permission is not obtained or if it is granted subject to unsatisfactory conditions.

3.4 In the event that the variation to the Planning Permission is obtained as aforesaid and the Stairway Works are not carried out the freehold transfer of the Hotel Site shall include the freehold interest to the Stairway Land subject to the reservation of a right of way (exercisable by all persons from time to time authorised by the Council or its successors in title) in favour of the Council and its successors in title for the benefit of the Council's adjoining land.

4. **AS TO THE CLIFF WALL AGREEMENT**

4.1 The Developer acknowledges that the Council has carried out the works to the Cliff Wall contemplated by the Cliff Wall Agreement and the Council and the



Developer hereby agree that the provisions of the Cliff Wall Agreement and the provisions in the Principal Deed relating to it shall cease to have effect.

- 4.2 For the avoidance of doubt the Developer's obligations contained in paragraph 11 of Schedule 11 to the Principal Deed shall continue in full force and effect on the basis that the words "this Agreement as evidenced by the Cliff Wall Schedule of Condition" shall be deemed to be deleted and the words "this Deed of Variation" substituted in their place.
- 4.3 The definition of Cliff Wall Schedule of Condition shall be deleted from clause 1.2 of the Principal Deed.

## 5. **APPENDICES TO PRINCIPAL DEED**

The Appendices to the Principal Deed shall be varied as follows:-

- 5.1 The forms of Hotel Site Lease Mixed Use Site Lease and Residential Lease attached to the Principal Deed as Appendices 2, 3 and 4 shall be deemed to be varied so as to be in accordance with the forms of the Site Leases granted on the date of this Deed and the form of Option Agreement annexed to the Principal Deed as Appendix 6 shall be deemed to have been varied so as to be in accordance with the form of Option Agreement completed on the date of this Deed.
- 5.2 The forms of transfer annexed to the Principal Deed at Appendix 5 shall be amended to include such amendments as the Council shall reasonably require to reflect the circumstances applying at the date of the completion of the Freehold Transfers and in addition each Freehold Transfer shall include the right (i) insofar as the Surface Water Drain runs under land owned by the Council at the date of grant (ii) subject to and conditional upon the transferee and its successors in title paying to the relevant party a fair and proper proportion of the cost of repairing and maintaining the same (iii) insofar (if at all) as the Council has power to grant such right and (iv) in common with all other persons entitled to use the same) to use the Surface Water Drain for the purpose only of draining surface water from the property transferred by the transfer.
- 5.3 The definition of the Development Agreement in each of the Deed of Agreement and Deed of Covenant attached to the Principal Deed as Appendices 9 and 10 shall be varied to refer to the Development Agreement as amended by this Deed of Variation and any subsequent amendments from time to time applying and the draft Deed of Agreement and draft Deed of Covenant shall be subject to such other amendments as the Council shall from time to time reasonably acquire.
- 5.4 In clause 1.7 of the Deed of Agreement attached to the Principal Deed as Appendix 9 the words "(or any of them)" shall be substituted for the words "(or either of them)" and the words "provided that following Practical Completion of

the Hotel Works the Funder shall not be obliged to release any charge it may have over the Hotel Site Lease”.

- 5.5 A draft of the Deposit Agreement in the form of the Deposit Agreement completed on the date of this Deed shall be deemed to have been annexed to the Principal Deed as Appendix 7 in lieu of the draft Performance Bond
- 5.6 The drawings showing the Approved Sections attached to this Deed as Appendix 2 shall be deemed to be annexed to the Principal Deed as Appendix 13 in place of the Development Programme
- 5.7 The drawings listed in the Schedule of drawings attached to this Deed as Appendix 3 shall be deemed to be substituted for the drawings in the agreed bundle referred to in the definition of Development Specification in the Principal Deed

**6. SURFACE WATER DRAIN**

- 6.1 The Developer agrees at its own cost and expense to construct the Surface Water Drain as part of the Development Works.
- 6.2 The Developer shall be responsible for obtaining such consents from and entering into such agreements with Kent County Council (as highway authority) and Southern Water (as water authority) as shall be necessary in order to construct the Surface water Drain and/or use the same.
- 6.3 The Surface Water Drain shall be constructed in accordance with the terms of any agreements entered into with or consents obtained from Kent County Council and/or Southern Water and in addition in accordance with the requirements of Schedule 11 to the Development Agreement and the Developer shall indemnify the Council from and against all cost claims liabilities and demands (howsoever arising) arising from or relating to the construction of the surface water drain and/or the use thereof when constructed.
- 6.4 The Council shall not be required to deduce title to the Surface Water Drain or the right to use the same once constructed (whether under the Site Leases or the Freehold Transfers or otherwise) and gives no warranty as to title in relation to the Surface Water Drain or to grant the right to use the same and the Developer shall not raise any requisition or objection in relation thereto.

**7. EFFECTIVE DATE**

The provisions of this Deed and the amendments to the Principal Deed provided for herein take effect from and including the date of this Deed of Variation.

8. **CONTINUATION OF THE PRINCIPAL DEED**

8.1 The terms of the Principal Deed continue in effect as amended by this Deed of Variation.

8.2 This Deed of Variation does not release any party to it from any breaches of the Principal Deed existing at the date of this Deed of Variation.

9. **EXECUTION**

The Council and the Developer have executed this Deed of Variation as a deed and it is delivered on the date set out in the Particulars.

## SCHEDULE 1

### Variations to Principal Agreement

1. The following definitions shall be added to clause 1.2 of the Principal Agreement in alphabetical order:

**Approved Sections**

means the sections of the Development Works shown hatched black on the drawings attached to this Agreement as Appendix 13 and marked Plan A, Plan B and Plan C respectively (and the expression "Section A", shall be construed as meaning that part of the Development Works in the area shown hatched black on the plan marked Plan A) or such other or amended sections as the Council shall approve in writing such approval not to be unreasonably withheld where the section of the Development Works in question comprises a complete block or blocks of the Development Works and associated Commercial Units which shall be capable of occupation and use on a stand alone basis independently of the remainder of the Development Works to be carried out on the Property

**Deposit Agreement**

an agreement in the form annexed hereto as Appendix 7 to be made between the Council (1) and the Developer (2) under which the Developer will agree to deposit the Security Deposit with the Council by way of security for the Developer's obligations under this agreement

**Date of Section Completion**

means the date on which an Approved Section has been certified as being Practically Complete in accordance with this Agreement

**Ground works**

means the following works necessary for the carrying out of the whole of the Development Works:-

- (1) all site preparation works
- (2) all necessary site piling

- (3) construction of the foundations
- (4) laying and bringing into operation of the Surface Water Drain
- (5) connection of the site to all mains services including foul and surface water drainage mains and electricity mains water supply and (if applicable) mains gas

**Security Deposit** the sum of One Million pounds (£1,000,000.00)

**Structural Frame** means the concrete and/or steel structural frame (including floor slabs) for the whole or the relevant part of the Development Works built up to full height in accordance with the Planning Permission

- 2. Clause 1.2 of the Development Agreement shall be varied as follows:
  - 2.1 In the definition of "Approved Funder" the words "reputable bank or financial institution" shall be deleted and replaced by the words "reputable bank, financial institution or individual providing funding or finance in relation to the carrying out of the Development Works or part thereof" and the words "or individual" shall be added immediately after the words "other financial institution"
  - 2.2 In the definition of "CDM Regulations" "1994" shall be changed to "2008".
  - 2.3 In the definition of "Council's Solicitors" the words "Senator House, 85 Queen Victoria Street, London ECV4 4JL" shall be deleted and the words "One Wood Street, London EC2V 7WS" shall be substituted in their place.
  - 2.4 In the definition of Developer's Solicitors the words "Prettys of Elm House, 25 Elm Street, Ipswich, Suffolk IP1 2AD" shall be deleted and the words "Greenwoods of Monkstone House, City Road, Peterborough PE1 1JE" substituted in their place.
  - 2.5 The definition of "Highways Agreement Completion Date" shall be deleted.
  - 2.6 The definition of "Performance Bond" shall be deleted.
  - 2.7 The word letter "(a)" shall be added immediately after the word "incorporating" in the definition of Planning Permission and the following wording shall be added at the end of that definition:-

"and (b) the provisions of the letter dated 13th January 2009 from the Council's Planning (Strategic Sites) Manager to Mat Mills of PRC Group)."

- 2.8 In the definition of "Programme of Works" the reference to Schedule 8 shall be changed to refer to Schedule 9
- 2.9 In the definition of "Site Lease Completion Date" the words "the date 10 Working Days after the Highways Agreement Completion Date" shall be deleted and the date of this Deed of Variation substituted in their place.
3. Clause 3.4 of the Principal Agreement shall be deleted and replaced by the following:

"The Developer shall on the Site Lease Completion Date enter into the Deposit Agreement and provide the Security Deposit to the Council to be held on the terms of the Deposit Agreement.
4. In clause 3.6 the words "Performance Bond is provided and the Option Agreement is" shall be deleted and the words "Security Deposit is provided and the Deposit Agreement and Option Agreement are" shall be substituted in their place.
5. In clause 11.2.1 of the Development Agreement the period of 30 working days shall be replaced by the period of 40 working days.
6. For the purpose of clause 11 the Council shall be entitled (in addition to the rights of determination provided for therein) following Practical Completion of the Hotel Works to determine the Development Agreement (on the same terms (mutatis mutandis) as provided for in clause 11) insofar as it relates to the Mixed Use Site and the Residential Premises or the Mixed Use Site only and in that event the Development Agreement shall continue in full force and effect insofar as it relates to the Hotel Premises or the Hotel Premises and the Residential Premises (as the case may be) and shall cease and determine insofar as it relates to the Mixed Use Site or the Mixed Use Site and the Residential Premises (as the case may be).
7. In clause 11.3 the words "(unless the Council by notice in writing to the Developer determines otherwise)" shall be added immediately prior to the words "determine automatically".
8. In clauses 11.6 and 11.7 the words "under the Performance Bond in accordance with its terms" shall be deleted and the words "from the Security Deposit in accordance with the Deposit Agreement" substituted in their place.

9. In clause 15.1 the words "clause 15.2" shall be deleted and the words "the following provisions of this clause 15 and in the Site Leases" shall be substituted in their place.
10. In clause 15.2 the words "each of" shall be added immediately prior to the words "the Site Leases".
11. In clause 15.6 the words "the Performance Bond" shall be deleted and the words "the Council shall continue to hold the Security Deposit and the Deposit Agreement" substituted in their place.
12. The words "or as otherwise provided for in the Hotel Lease" shall be added to the end of clause 15.13
13. In clause 19.3.1 of the Principal Agreement the words "Eversheds Senator House, 85 Queen Victoria Street, London ECV4 4JL" shall be deleted and replaced with the words "Eversheds LLP, One Wood Street, London EC2V 7WS".
14. In clauses 19.3.2 and 21.4 the word "Prettys" shall be deleted and the word "Greenwoods" substituted in its place.
15. For the purpose of Schedule 2
  - 15.1 the Hotel shall be completed out to a shell and core finish ready to receive a hotel operator's bespoke fitting out works and with all usual services provided and connected to the mains
  - 15.2 the Retail Works shall be completed to a shell and core finish ready to receive bespoke fitting out works and with all usual services provided and connected to the mains
  - 15.3 the Residential Premises shall be constructed to a fully fitted out basis ready for immediate occupation but may exclude (at the option of the Developer) bathroom and kitchen fittings and floor coverings.
16. In paragraph 1.1 of Schedule 4 the words "in the Property to the Developer" shall be deleted and the words " in the Hotel Site to the party in whom the term granted by the Hotel Site Lease is then vested and the freehold interest in the Mixed Use Site to the party in whom the term granted by the Mixed use Site lease is then vested" shall be substituted in their place.
17. The following changes shall be made to Schedule 5:-
  - 17.1 The words "(or the relevant Date of Section Completion where the Development Works are carried out by way of Approved Sections)" shall be added immediately after the words "Date of Practical Completion" in paragraph 6.

17.2 In paragraph 13 the words "(or the relevant Date of Section Completion as the case may be)" immediately after the words "prior to the Date of Practical Completion" and immediately after the words "after the Date of practical Completion"

17.3 The following paragraph shall be added at the end of Schedule 5 as paragraph 17:-

"The Council agrees that (subject to the date of Section Completion having occurred in relation to an Approved Section) any completed Units within an Approved Section may be disposed of in accordance with this Schedule"

18. In Schedule 6 the definition of Highways Agreement shall be deleted and a new definition substituted as follows:

"means the Deed of Agreement dated 30 October 2007 made between the Kent County Council (1) the Developer (2) and the Council (3) made pursuant to (inter alia) Sections 278 and 38 of the Highways Act 1980 and Section 111 of the Local Government Act 1972 as varied by Deed of Variation dated 31 October 2007 and made between the same parties"

19. The following changes shall be made to Schedule 9 of the Principal Agreement:

19.1 Paragraphs 1, 2 and 3 of Schedule 9 shall be deleted and the following three paragraphs inserted in their place:

- "1. The Developer shall procure that the Ground Works are substantially and materially commenced by not later than 31 January 2010 and that the Ground Works are practically complete by not later than 31 August 2010.
2. The Developer shall procure that the Structural Frame for the whole of Section A of the Development Works is substantially and materially commenced by not later than 1st March 2011 and is Practically Complete by not later than 28 February 2012.
3. The Developer shall procure that (subject only as provided in paragraphs 4 and 5 of this Schedule) Practical Completion of the whole of the Development Works takes place by not later than 28 February 2014 provided that where the Council in its absolute discretion determines that due to a severe market downturn it would be reasonable for the Developer to be permitted an extension of time to achieve Practical Completion of the Development Works the Council shall permit such an extension for a period of up to 3 years down to 28 February 2017."

19.2 In paragraph 5 of Schedule 9 the words "the period or periods of time for carrying out and completing the relevant part or parts of the Development



Works" are to be deleted and the words "the period of time for carrying out and completing the Development Works under paragraph 3 of this Schedule" substituted in their place.

20. The wording in Schedule 10 of the Principal Deed shall be deleted and the following wording substituted in its place:-

"1. The Developer is not to start the Development Works until it has:-

1.1 complied with the requirements of the CDM Regulations so far as they apply to the Development Works and provided to the Council a copy of (a) the appointments made under Regulations 14(1) and 14(2) (b) the notice given to the Health and Safety Executive under Regulation 21; and (c) the construction phase plan required under regulation 23;

1.2 made an election under Regulation 8 of the CDM Regulations that it is to be treated as the only client in relation to the Development Works and provided a copy of that election to the Council

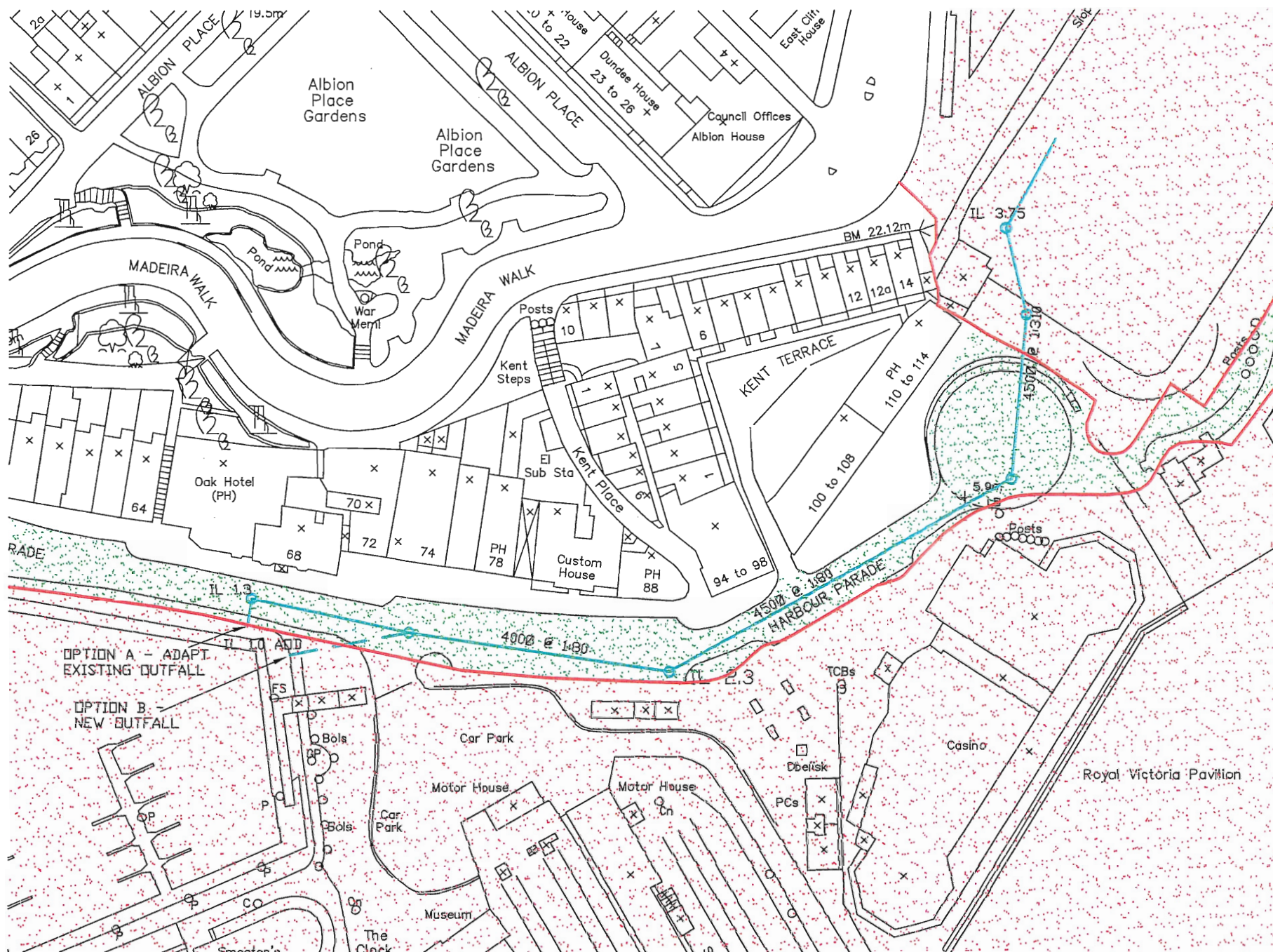
2. Without prejudice to the foregoing the Developer shall comply with the CDM Regulations in carrying out the Development Works."

21. The following paragraph shall be added as paragraph 4.7 of Schedule 11

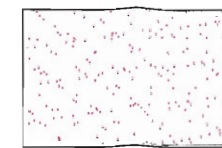
"The Council agrees that the Development Works may be carried out by way of Approved Sections (subject all of the Development Works being carried out in accordance with the Programme in Schedule 9)."

22. The words "(including each Approved Section)" shall be added immediately after the words "the Development Works" in paragraph 9.1 of Schedule 11.

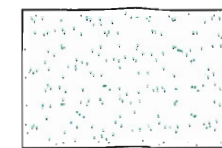




Notes:



LAND IN THANET DISTRICT COUNCIL OWNERSHIP



KENT COUNTY COUNCIL ADOPTED HIGHWAY



LINE OF PROPOSED SEWER CARRYING WATER DISCHARGED FROM ROOF ONLY

-	19/02/09	MEH	ISSUED
ref	date	intls	

revisions



THANET COUNCIL OFFICES  
P.O. BOX 9,  
CECIL STREET, MARGATE  
KENT CT9 1XZ  
Telephone: (01843) 577000  
Fax: (01843) 232120  
www.thanet.gov.uk

**REGENERATION SERVICES  
PROPERTY MANAGEMENT SECTION.**

job title  
MARINA ESPLANADE DEVELOPMENT  
PROVISION FOR SURFACE WATER SEWER

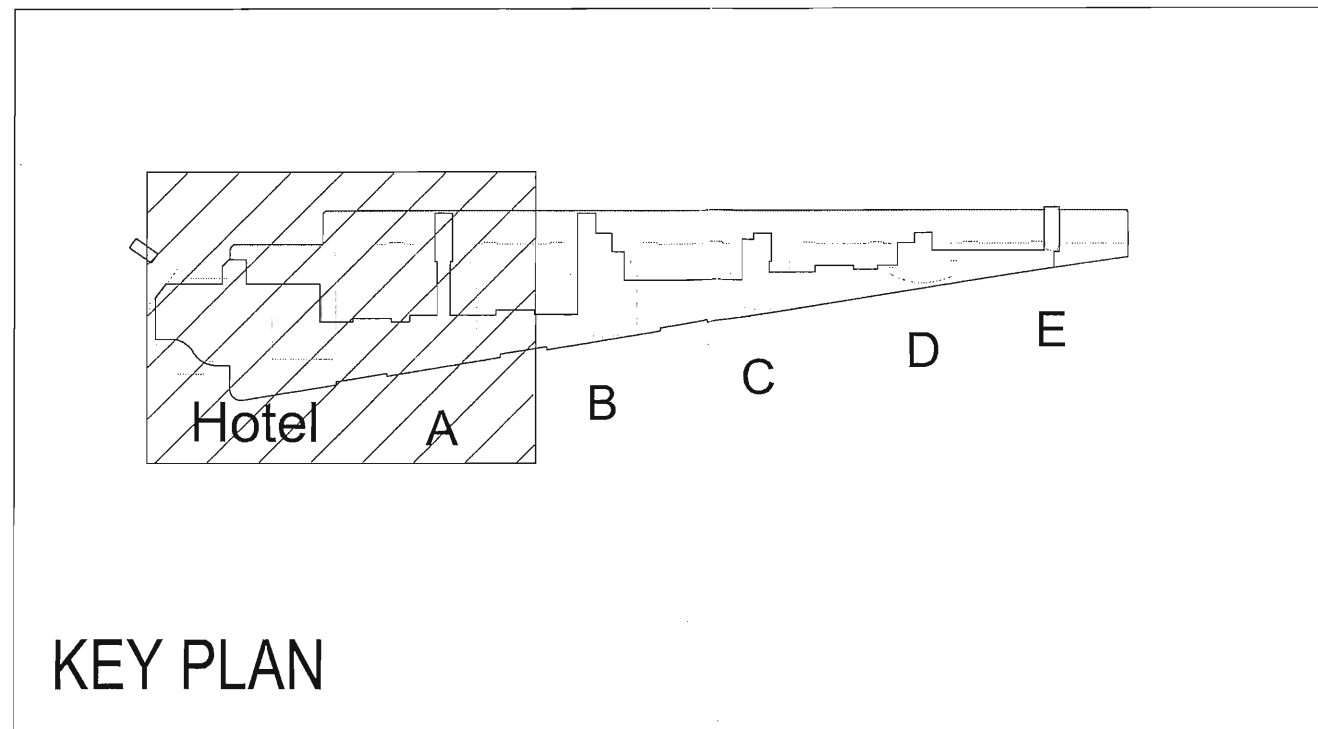
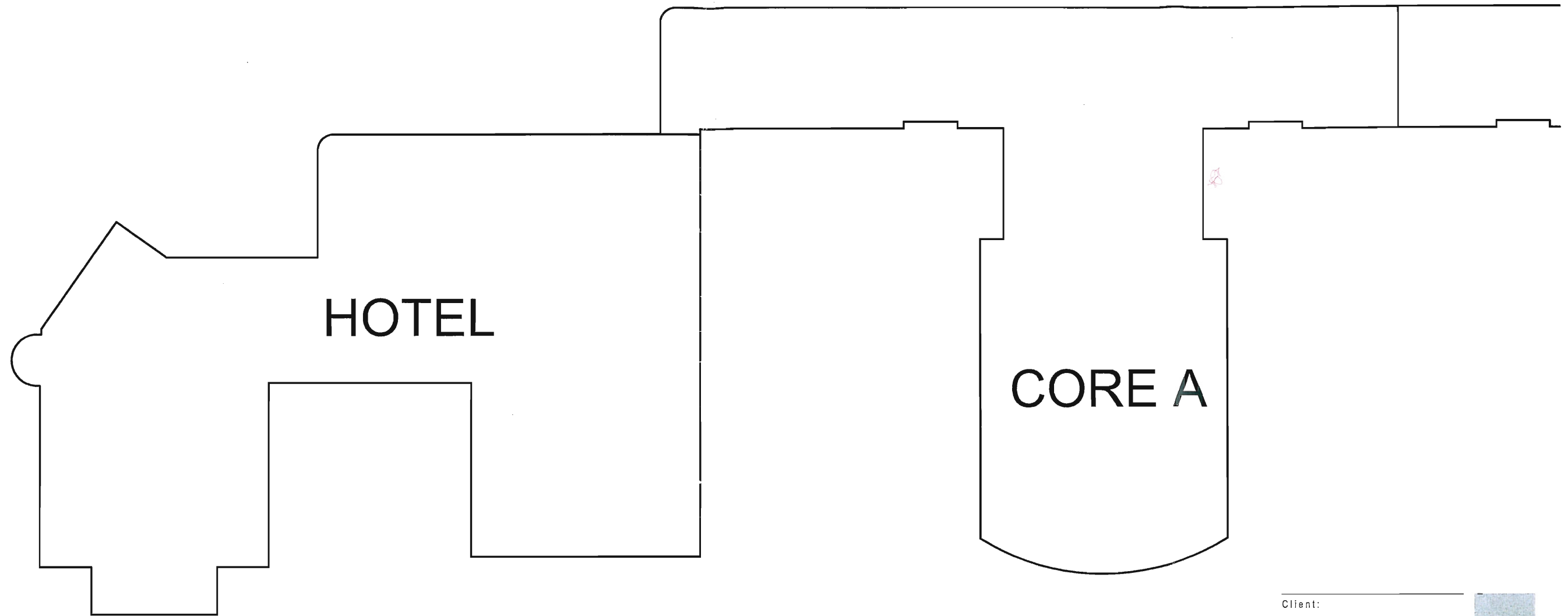
drawing title  
LAND OWNERSHIP SURROUNDING  
PROPOSED ROUTE OF SEWER

north point	scale 1:1000 AT A3	
	drawn MEH	ckd.
	date FEBRUARY 2009	

drg. no. 3553:501



PLAN A



Client:  
SFP VENTURES(UK) Ltd.

Project:  
RAMSGATE

Drawing Title:  
SECTION A  
HOTEL & RESIDENTIAL/  
COMMERCIAL CORE A

Scale @ A0: NTS  
Project Co-Ordinator: [blank]  
Date: NOV. 07

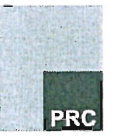
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Stage: E SK1  
Drawing No: [blank]  
Rev: [blank]

Issue Status:

Construction  Preliminary

Information  Approval

Tender



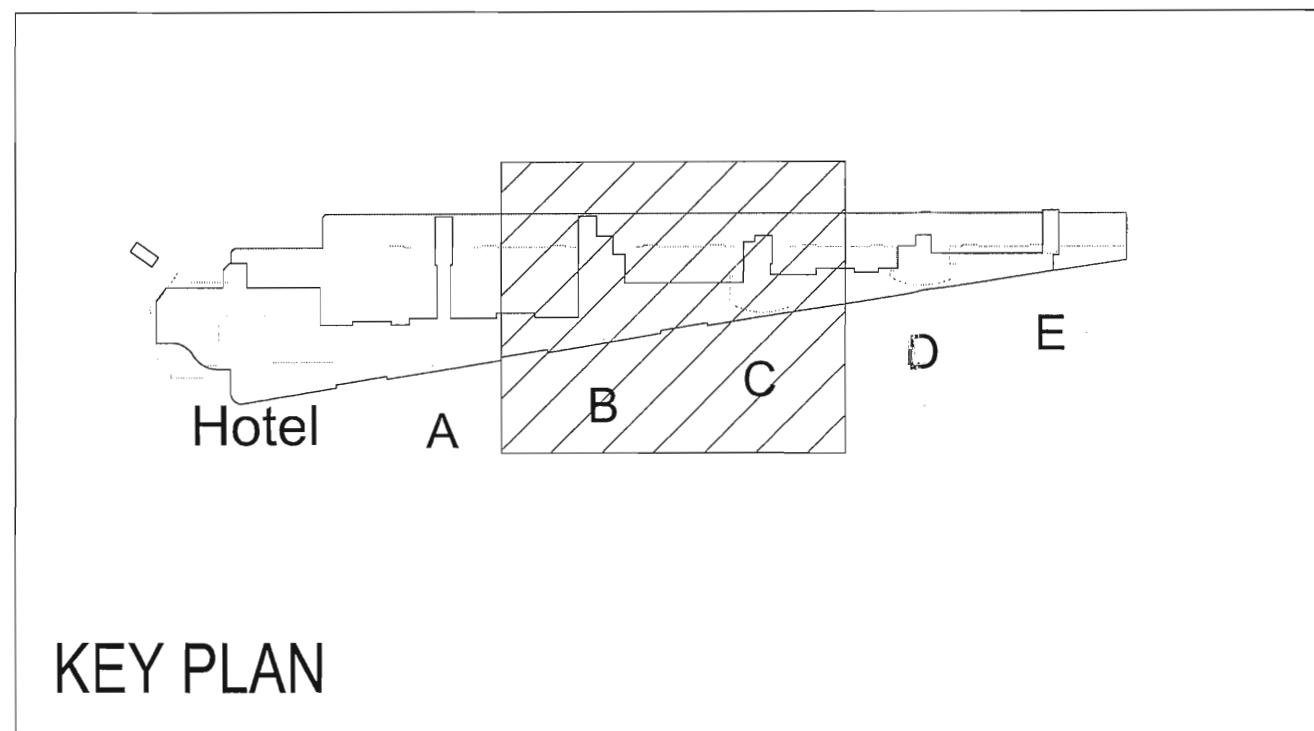
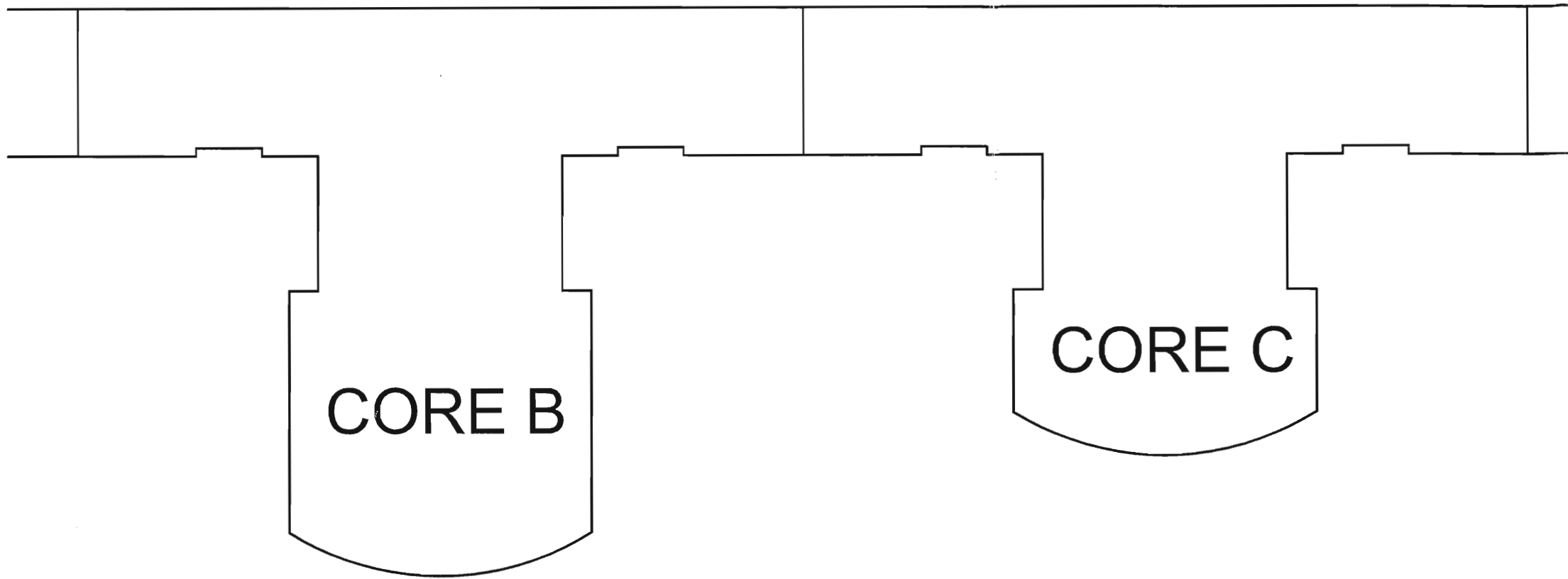
32 Victoria Road,  
Surrey,  
KT6 4JT  
020 8399 5188  
Fax: 020 8399 3863  
info@prc-group.com  
www.prc-group.com

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Engineering  
Landscape  
Interiors

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Surrey  
Basingstoke  
Milton Keynes  
Dublin  
Cork  
Warsaw  
Shanghai



PLAN B



Client:  
SFP VENTURES(UK) Ltd.


Project:  
RAMSGATE

Drawing Title:  
SECTION B  
RESIDENTIAL/COMMERCIAL  
CORES B & C

Scale @ A0: Project Co-Ordinator: Date:  
NTS NOV. 07

Job No: Stage: Drawing No: Rev:  
5598 SK2

Issue Status:  
Construction  Preliminary   
Information  Approval   
Tender

  
32 Victoria Road,  
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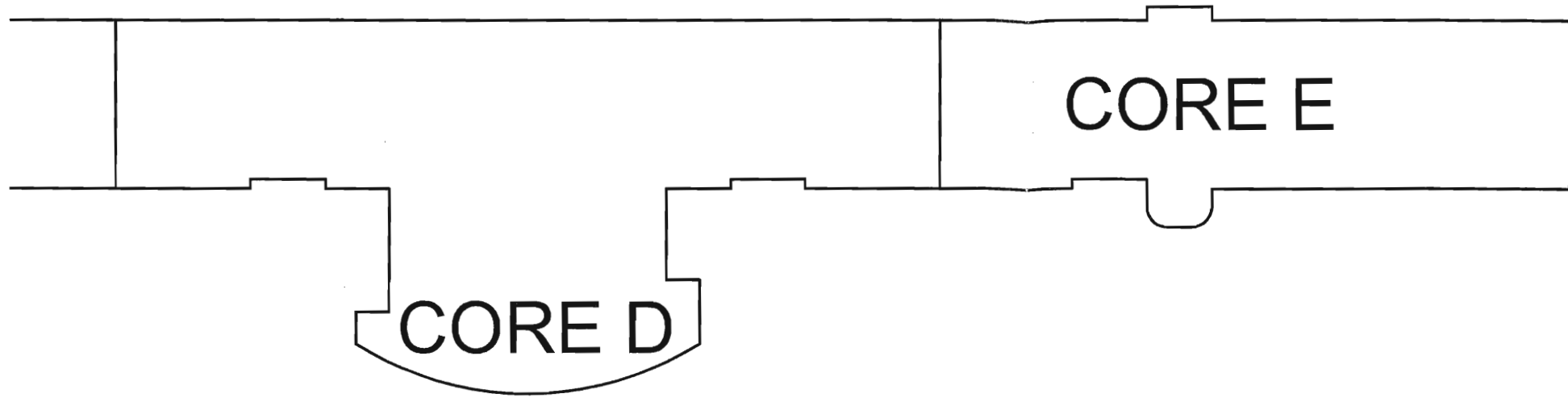
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Cork  
Warsaw  
Shanghai

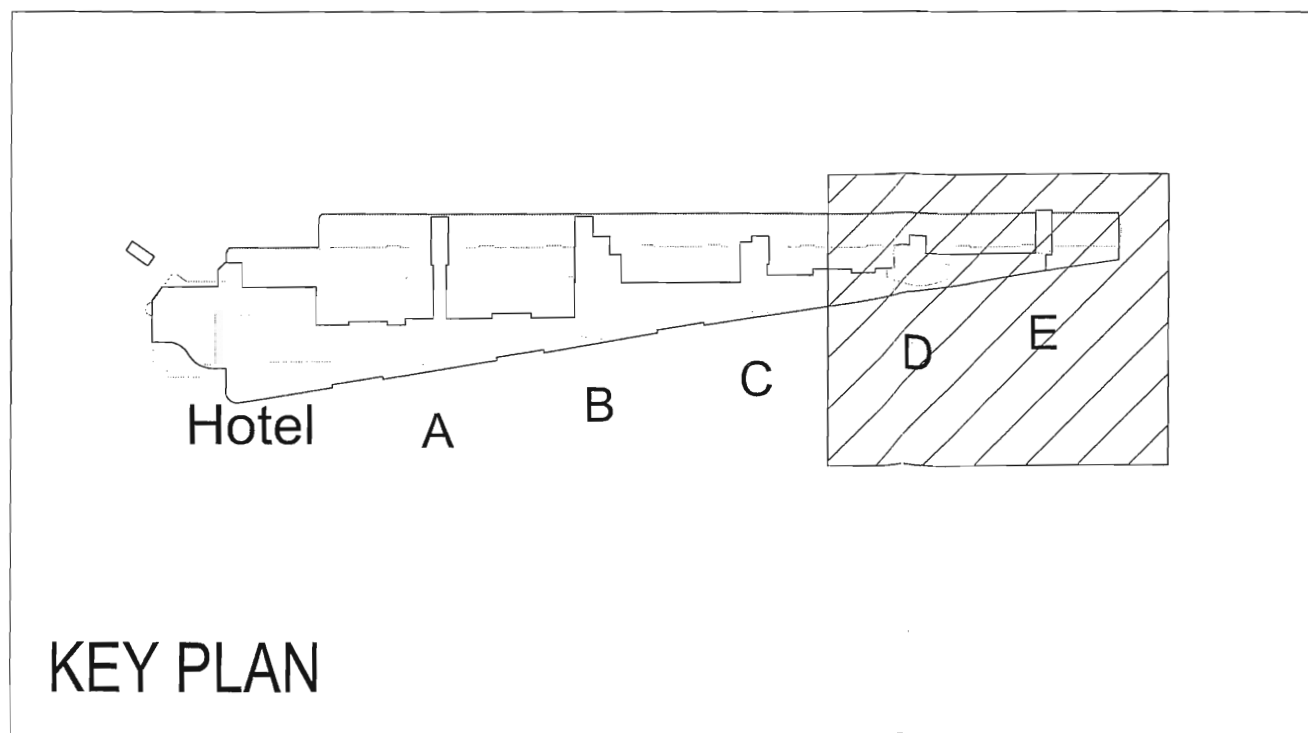




PLAN C



*[Handwritten signature]*  
*[Handwritten signature]*



Client:  
SFP VENTURES(UK) Ltd.



Project:  
RAMSGATE

32 Victoria Road,  
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020 8399 5188  
Fax: 020 8399 3863  
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www.prc-group.com

Drawing Title:  
SECTION C  
RESIDENTIAL/COMMERCIAL  
CORES D & E

Architecture  
Planning  
Urban Design  
Engineering  
Landscape  
Interiors

Scale @ A0: Project Co-Ordinator: Date:  
NTS NOV. 07

Job No: Stage: Drawing No: Rev:  
5598 SK3

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Surbiton  
Basingstoke  
Milton Keynes  
Dublin  
Cork  
Warsaw  
Shanghai

Issue Status:  
Construction  Preliminary   
Information  Approval   
Tender



## **PLEASURAMA, RAMSGATE MARINA ESPLANADE – F/TH/03/1200**

Drawings listed relate to planning approval drawings only. Additional drawings submitted to comply with conditions of permission are not listed.

### **Schedule of Approved Drawings on Grant of Permission**

<b>Drawing Number</b>	<b>Drawing Name</b>	<b>Date of Architects Amendment</b>
PL 10-100 Rev A*	Site Plan	03.10.03
PL 10-101*	Site Survey	Aug 03
PL 10-102 Rev C*	Location Plan	11.12.03
PL 13-100 Rev C	Ground Floor Plan	11.12.03
PL 13-101 Rev C	First Floor Plan	11.12.03
PL 13-102 Rev C	Second Floor Plan	11.12.03
PL 13-103 Rev C	Third Floor Plan	11.12.03
PL 13-104 Rev C	Fourth Floor Plan	11.12.03
PL 13-105 Rev C	Roof Plan	11.12.03
PL 13-106 Rev D	Elevations	11.12.03
PL 13-107 Rev C	Sections and Rear Elevation	11.12.03
PL 12.100*	Landscape Proposals	Oct 03

### **Revisions Enabling Reduction in Roof Height in 2006**

PL 13-100 Rev D	Ground Floor Plan	11.09.06
PL 13-101 Rev D	First Floor Plan	11.09.06
PL 13-102 Rev D	Second Floor Plan	11.09.06
PL 13-103 Rev D	Third Floor Plan	11.09.06
PL 13-104 Rev D	Fourth Floor Plan	11.09.06
PL 13-105 Rev E	Roof Plan	11.09.06
PL 13-106 Rev F	Elevations	11.09.06
PL 13-107 Rev F	Sections and Rear Elevations	11.09.06

### **Subsequent Further Revisions in 2008**

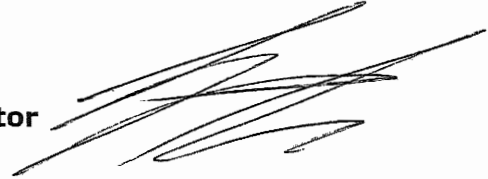
PL 13-100 Rev K*	Ground Floor Plan	24.11.08
PL 13-101 Rev E*	First Floor Plan	21.01.08
PL 13-102 Rev E*	Second Floor Plan	21.01.08
PL 13-103 Rev E*	Third Floor Plan	21.01.08
PL 13-104 Rev E*	Fourth Floor Plan	21.01.08
PL 13-105 Rev G*	Roof Plan	21.01.08
PL 13-106 Rev H*	Elevations	18.01.08
PL 13-107 Rev J*	Section A-A, B-B & Rear Elevation	14.11.08

\*Approved plans as at February 2009.

**EXECUTED** as a deed by SFP  
VENTURES (UK) LIMITED acting by  
two directors or a director and the  
secretary

)  
)  
)  
)

**Director**



**Director / Secretary**



## SITE LEASE - HOTEL SITE

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DATED *6th September* 2009

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- (1) **THANET DISTRICT COUNCIL**
- (2) **SFP VENTURES (UK) LIMITED**

---

## COUNTERPART LEASE

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Land and premises at Ramsgate Boulevard  
Ramsgate Kent

TERM: 199 years  
FROM: 1st January 2006

## EVERSHEDS LLP

One Wood Street,  
London EC2V 7WS  
Tel: 0845 497 9797  
Fax: 0845 497 4919

## CONTENTS

Clause		Page
1	DEFINITION AND INTERPRETATION .....	1
2	DEMISE - HABENDUM - REDDENDA.....	8
3	TENANT'S COVENANTS WITH THE LANDLORD .....	9
4	LANDLORD'S COVENANT FOR QUIET ENJOYMENT .....	18
5	PROVISOS AND DECLARATIONS.....	18
<b>Schedules</b>		
1	RIGHTS GRANTED.....	24
2	EXCEPTIONS AND RESERVATIONS .....	26
3	REGULATIONS .....	29

LAND REGISTRY PARTICULARS

LR1. Date of lease 3rd September 2009

LR2. Title number(s)

LR2.1 Landlord's title number(s) K838703

LR2.2 Other title numbers None

LR3. Parties to this lease

Landlord **THANET DISTRICT COUNCIL** of Cecil Street Margate Kent CT9 1X2

Tenant **SFP VENTURES (UK) LIMITED** (Company Registration Number 05666803) whose registered office is at Lakeview House, Lake Meadows Office park, Woodbrook Crescent Billericay Essex CM12 0EQ

LR4 Property **In the case of a conflict between this clause and the remainder of this lease then, for the purposes of registration, this clause shall prevail.**

The premises (referred to in this Lease as "the Premises") comprising land and premises at Ramsgate Boulevard, Ramsgate, Kent shown edged red on the plan attached to this Lease marked "Plan 1" and described in more detail in **clause 1.1**

LR5. Prescribed statements etc

LR5.1 Statements prescribed under rules 179 (dispositions in favour of a charity), 180 (dispositions by a charity) or 196 (leases under the Leasehold Reform, Housing and

Not applicable

**Urban Development Act 1993) of  
the Land Registration Rules 2003**

<b>LR5.2</b>	<b>This lease is made under, or by reference to, provisions of:</b>	Not applicable
<b>LR6.</b>	<b>Term for which the Property is leased</b>	One hundred and ninety nine years from and including 1 January 2006 (referred to in this Lease as "the Term Commencement Date")  To and including 31 December 2204.  (This term is referred to in this Lease as "the Term")
<b>LR7.</b>	<b>Premium</b>	£183,333.00 (One hundred and eighty three thousand three hundred and thirty three pounds) exclusive of VAT
<b>LR8.</b>	<b>Prohibitions or restrictions on disposing of this lease</b>	This Lease contains a provision that prohibits or restricts dispositions.
<b>LR9.</b>	<b>Rights of acquisition etc</b>	
<b>LR9.1</b>	<b>Tenant's contractual rights to renew this lease, to acquire the reversion or another lease of the Property, or to acquire an interest in other land</b>	None
<b>LR9.2</b>	<b>Tenant's covenant to (or offer to) surrender this lease</b>	None
<b>LR9.3</b>	<b>Landlord's contractual rights to acquire this lease</b>	None
<b>LR10.</b>	<b>Restrictive covenants given in this lease by the Landlord in respect of land other than the Property</b>	None
<b>LR11.</b>	<b>Easements</b>	



- |               |  |  |
|---------------|--|--|
| <b>LR11.1</b> | <b>Easements granted by this lease for the benefit of the Property</b>                                 | The rights specified in <b>Schedule 1</b>  |
| <b>LR11.2</b> | <b>Easements granted or reserved by this lease over the Property for the benefit of other property</b> | The rights specified in <b>clauses 3.9.2 and 3.14</b> and <b>Schedule 2</b>  |
| <b>LR12.</b>  | <b>Estate rentcharge burdening the Property</b>  | None   |
| <b>LR13.</b>  | <b>Application for standard form of restriction</b>  | <p>The Parties to this Lease apply to enter the following standard form of restriction against the title of the Property.</p> <p>“No transfer assignment lease charge or other disposition of the registered estate by the proprietor of the registered estate or the proprietor of any registered charge shall be registered without a written consent signed on behalf of Thanet District Council of Cecil Street Margate Kent CT9 IX2 by its solicitor”</p> |
| <b>LR14.</b>  | <b>Declaration of trust where there is more than one person comprising the Tenant</b>                  | Not applicable   |



**THIS LEASE** is made on the date set out in clause LR1 of the Land Registry Particulars

**BETWEEN**

- (1) The Landlord named in clause LR3 of the Land Registry Particulars; and
- (2) The Tenant named in clause LR3 of the Land Registry Particulars

**NOW THIS DEED WITNESSETH AS FOLLOWS:**

**1. DEFINITION AND INTERPRETATION**

**1.1 Definitions**

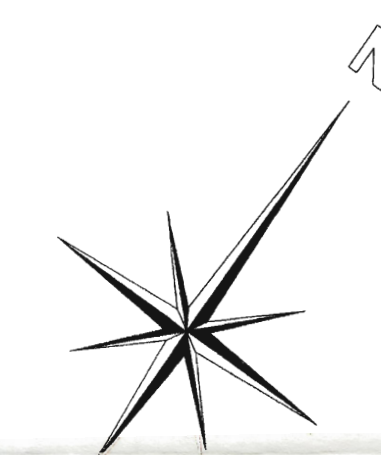
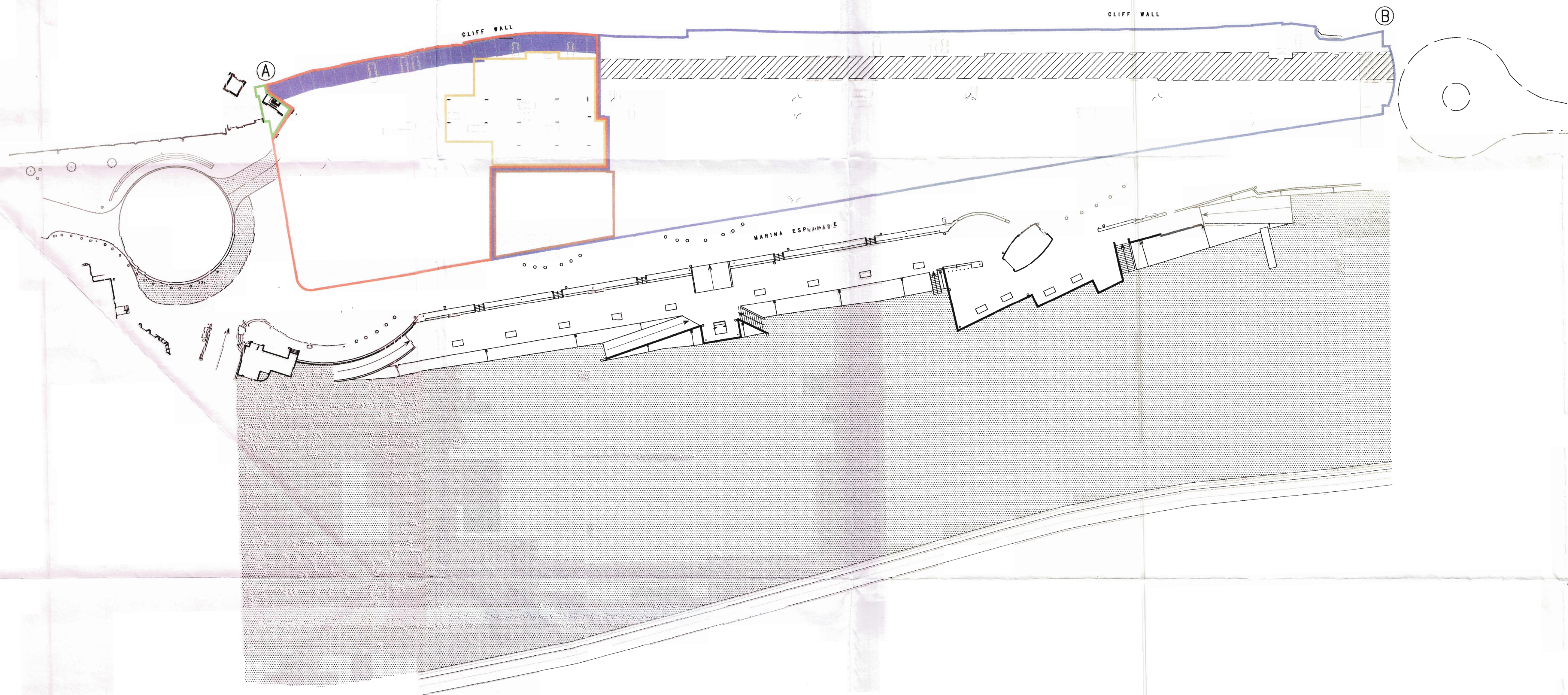
In this Lease the following expressions have the following meanings:

- 1.1.1 The Land Registry Particulars (being the particulars set out at the front of this Lease) form part of this Lease and words and expressions set out in the Land Registry Particulars are to be treated as defined terms in this Lease.
- 1.1.2 **“the 1995 Act”** means the Landlord and Tenant (Covenants) Act 1995
- 1.1.3 **“Approved Operator”** means a hotel operator approved in writing by the Landlord (such approval not to be unreasonably withheld or delayed in the case an operator with a proven track record of running good quality hotels and who owns not less than three such hotels (in addition to the hotel on the Premises) at the time of the application for Landlord’s consent)
- 1.1.4 **“Blue Land”** means that part of the Premises comprising the strip of land approximately 4 metres wide shown coloured blue on the Plan
- 1.1.5 **“Building”** means the building or buildings now or at any time during the Term erected on the whole or part of the Premises
- 1.1.6 **“Cliff Wall”** means the Cliff Wall between (inter alia) the points marked A and B on the Plan and includes all foundations footings buttresses overhangs and all other parts thereof
- 1.1.7 **“Conduits”** means pipes wires ducts cables (including optical fibres) channels sewers drains watercourses gutters shafts flues or other conducting media (and includes any fixings louvres cowls and any other ancillary apparatus) under through along over or by means of which any gas

electricity or other power source or any air water soil and the like or any electronic or telephonic signal and the like or other thing may pass

- 1.1.8 **Construction Regulations**” means the Construction (Design and Management) Regulations 2008 (as extended by sub-clause 1.2.3 of this Lease)
- 1.1.9 **“Date of Practical Completion”** means the Date of Practical Completion (as defined in the Development Agreement) of the Works
- 1.1.10 **“Date of Section Completion”** means the Date of Section Completion (as defined in the Development Agreement) of the Hotel Works
- 1.1.11 **“Development Agreement”** means the Agreement dated 20th October 2006 made between Thanet District Council (1) and SFP Ventures (UK) Limited (2) relating to the development and sale of the Premises the Mixed Use Site and the Residential Premises (as varied by a Deed of Variation of the same date as this Lease and made between the same parties and as further varied from time to time).
- 1.1.12 **“Hotel Works”** has the meaning given to that expression in the Development Agreement
- 1.1.13 **“Initial Period”** means the period commencing on the date of this Lease and expiring on the earlier of (i) the date of Section Completion and (ii) the later of (a) the date (10) years after the date of this Lease and (b) completion of the transfer of the freehold interest in the Premises pursuant to Schedule 4 to the Development Agreement.
- 1.1.14 **“Insured Risks”** means the risks in respect of loss or damage by fire lightning storm tempest flood explosion earthquake (fire and shock) impact from vehicles aircraft and articles dropped therefrom riot civil commotion malicious damage bursting or overflowing of water tanks apparatus or pipes and such other risks as the Landlord or the Tenant may from time to time reasonably deem expedient
- 1.1.15 **“Landlord’s Surveyor”** means any person or firm appointed to perform the functions of the Landlord’s Surveyor under this Lease or any of them including any surveyor architect valuer managing agent or other agent (and also including any employee of the Landlord or a company that is a member

Wood



Client:  
SFP VENTURES (UK) Ltd

Project:  
RAMSGATE MARINA ESPLANADE

Drawing Title:  
HOTEL BUILDING LEASE

Scale @ A1: 1:500  
Project Co-Ordinator: SW  
Date: 09/06

Job No: 5598  
Stage: LE 105  
Drawing No: Rev:

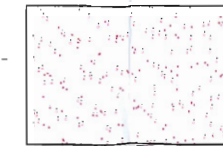
Issue Status:  
Construction  Preliminary   
Information  Approval   
Tender

**PRC**  
32 Victoria Road,  
Surliton, Surrey,  
KT6 4JT  
020 8399 5188  
Fax: 020 8399 3863  
info@prc-group.com  
www.prc-group.com

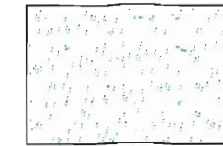
**Architecture**  
Planning  
Urban Design  
Engineering  
Landscape  
Interiors  
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London  
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Warsaw  
Shanghai



Notes:



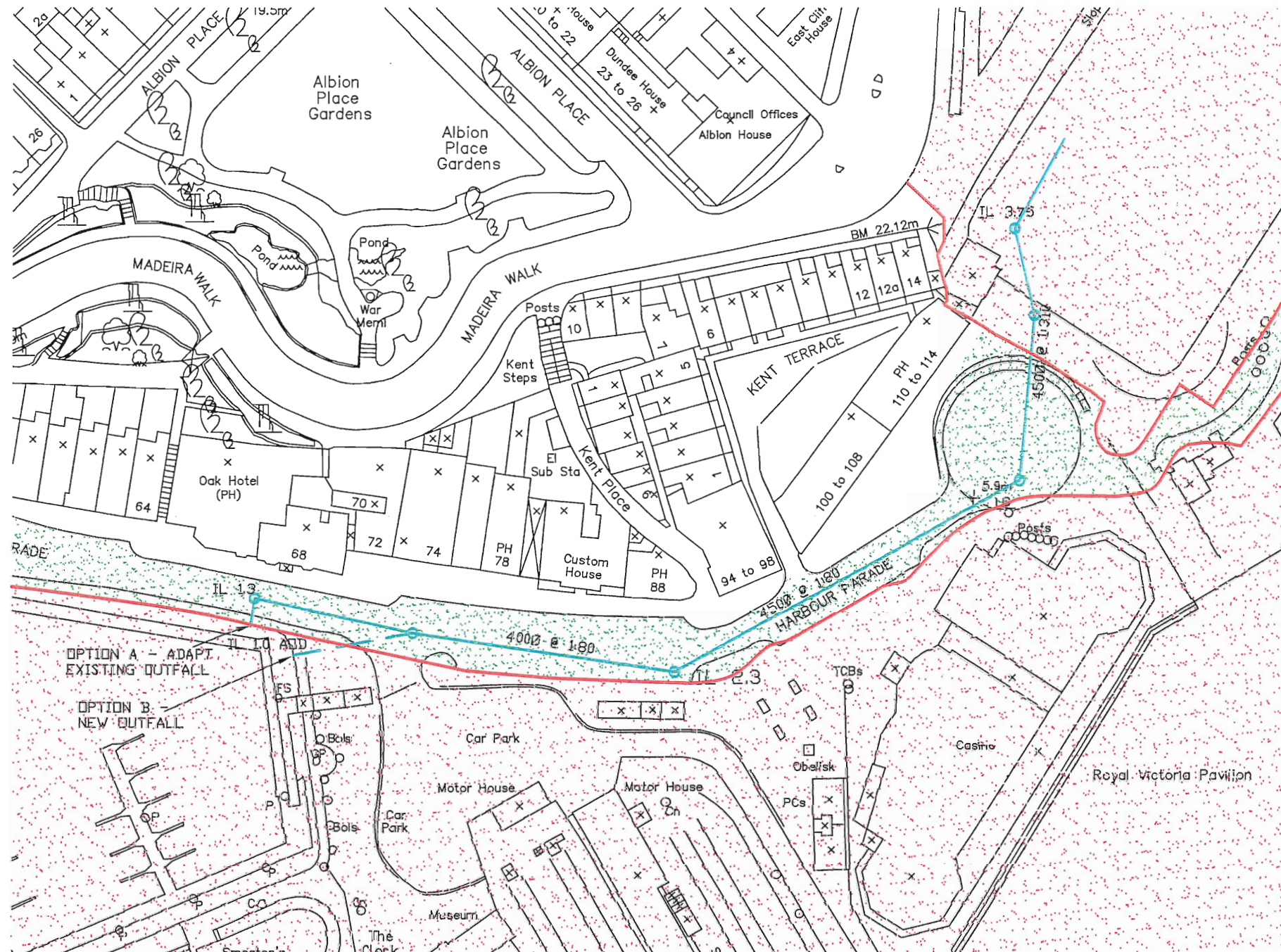
LAND IN THANET DISTRICT COUNCIL OWNERSHIP



KENT COUNTY COUNCIL ADOPTED HIGHWAY



LINE OF PROPOSED SEWER CARRYING WATER DISCHARGED FROM ROOF ONLY



-	19/02/09	MEH	ISSUED	
ref	date	intls		

revisions



THANET COUNCIL OFFICES  
P.O. BOX 9,  
CECIL STREET, MARGATE  
KENT CT9 1XZ  
Telephone: (01843) 577000  
Fax: (01843) 232120  
www.thanet.gov.uk

**REGENERATION SERVICES  
PROPERTY MANAGEMENT SECTION.**

job title  
MARINA ESPLANADE DEVELOPMENT  
PROVISION FOR SURFACE WATER SEWER

drawing title  
LAND OWNERSHIP SURROUNDING  
PROPOSED ROUTE OF SEWER

north point



scale 1:1000 AT A3

drawn MEH

ckd.

date FEBRUARY 2009





of the same group as the Landlord within the meaning of Section 42 of the Landlord and Tenant Act 1954)

- 1.1.16 **“Mixed Use Site”** means the land shown edged blue on the Plan comprising part of the land registered at the Land Registry under title K838703
- 1.1.17 **“Mixed Use Site Lease”** means the lease of the Mixed Use Site of the same date as this Lease and made between the Landlord (1) and the Tenant (2) (as varied from time to time)
- 1.1.18 **“Option Agreement”** means the option agreement dated with the same date as this Lease made between the Tenant (1) and the Landlord (2) under which the Landlord was granted an option to acquire the term granted by this Lease and (following transfer thereof to the Tenant) the freehold interest in the Premises (as varied from time to time)
- 1.1.19 **“Permitted Use”** use as a good quality hotel with conference and other ancillary facilities appropriate to a good quality hotel (but (for the avoidance of doubt and without prejudice to the foregoing) not including (a) use as a boarding house or similar use and/or (b) use for occupation by benefit claimants) or such other use as the Landlord approves in writing
- 1.1.20 **“Perpetuity Period”** means the period of eighty years commencing on the date of this Lease which shall be the perpetuity period applicable hereto
- 1.1.21 **“Plan 1”** means the plan annexed to this Lease and marked Plan 1
- 1.1.22 **“Plan 2”** means the plan annexed to this Lease and marked Plan 2
- 1.1.23 **“Planning Acts”** means the Town and Country Planning Acts 1990 and other Acts of Parliament defined as “the planning Acts” in Section 336 of the Town and Country Planning Act 1990 and every other Act of Parliament and legislation relating to the use development and occupation of land and buildings for the time being in force (and as extended by sub-clause 1.2.3)
- 1.1.24 **“the Premises”** means all that piece or parcel of land (together with any building or buildings from time to time erected thereon or upon some part thereof) situate at Ramsgate Boulevard Ramsgate Kent which piece of land is shown edged red on Plan 1 (but excluding the Residential Premises) the freehold interest to which is registered at the Land Registry (with other

land) under title K838703 all additions and alterations which may be carried out during the Term and all landlord's fixtures and fittings from time to time in or about the same provided that:

- 1.1.24.1 the boundary between the Premises and the Cliff Wall marked on Plan 1 is shown for identification purposes only (and not by way of delineation); and
  - 1.1.24.2 the Premises do not include any part of the Cliff Wall and the Cliff Wall shall not be a party structure
- 1.1.25 **"Public Authority"** means any Minister Secretary of State and any Government Department and any public and/or local and/or fire and/or other authority or institution or corporation having functions which extend to the Premises or their use and occupation or the supply of services to the Premises or anything done thereon or thereto and includes any of their duly authorised officers
- 1.1.26 **"Quarter"** means the period of a quarter commencing on a Quarter Day and ending on the day before the next Quarter Day
- 1.1.27 **"Quarter Days"** means 31st March 30th June 30th September and 31st December in each year
- 1.1.28 **"Regulations"** means the regulations set out in **Schedule 3**
- 1.1.29 **"Relevant documents"** means
- 1.1.29.1 the Conveyance referred to in entry 1 of the Charges Register of title K838703
  - 1.1.29.2 the Option Agreement of even date between (SFP Ventures (UK) Limited) (1) and Thanet District Council (2)
  - 1.1.29.3 the Agreement dated 30th October 2007 made pursuant to (inter alia) Section 278 of the Highways Act 1980 made between The Kent County Council (1) SFP Ventures (UK) Limited (2) and Thanet District Council (3) as varied by a Deed of Variation dated 31st October 2007 made between the same parties
- 1.1.30 **"Residential Premises"** means the residential premises erected or to be erected at first floor level and above over the land shown edged orange on

the Plan and supporting columns as more particularly described in and demised by the Residential Lease

- 1.1.31 **“the Residential Premises Lease”** means the lease of the Residential Premises of the same date as this Lease and made between the Landlord (1) and the Tenant (2) (as varied from time to time)
- 1.1.32 **“Residential Works”** has the meaning given to that expression in the Development Agreement
- 1.1.33 **“Retained Land”** means the land comprised in title number K838703 (including the Stairway Land, the Residential Premises and Mixed Use Site) excluding the Premises and all other land owned by the Landlord at the date of this Lease lying adjacent to or in the vicinity of the Premises including the Cliff Wall and land and property owned by the Landlord above the top of the Cliff Wall and includes any buildings or structures erected on the Retained Land from time to time
- 1.1.34 **“Second Period”** means the period commencing on the Date of Section Completion and ending on the date ten years after the date of this Lease or (if later) the date of completion of the transfer of the freehold interest in the Premises pursuant to schedule 4 of the Development Agreement.
- 1.1.35 **“Stairway”** means the cliff stairway (if any) constructed or to be constructed on the Stairway Land in accordance with the Development Agreement
- 1.1.36 **“Stairway Land”** means the land shown edged green on the Plan
- 1.1.37 **“Stairway Lease”** means the lease (if any) granted or to be granted of the Stairway Land under the term of the Development Agreement
- 1.1.38 **“Stipulated Interest”** means interest at the Stipulated Rate (as well after as before judgement) for the period from the date on which the relevant payment is due (unless otherwise provided for herein) to the date of receipt by the Landlord (compounded with rests on the Quarter Days)
- 1.1.39 **“the Stipulated Rate”** means four per centum per annum (4%) above the base lending rate of Barclays Bank plc (or such other major clearing bank as may be nominated from time to time by the Landlord) for the time being in force or (if at any time no rate shall be ascertainable under this formula)

the Stipulated Rate shall be such reasonably equivalent rate of interest as the Landlord shall from time to time specify

- 1.1.40 **“Superior Landlord”** means any person holding an estate or interest in reversion (whether immediate or mediate) to the estate or interest of the Landlord under this Lease and includes the successors in title and assigns of such person
- 1.1.41 **“Superior Lease”** means any lease or leases under which the Landlord and/or any Superior Landlord may from time to time hold the estate or interest to which it is entitled
- 1.1.42 **“termination of the Term”** means the determination of the Term whether by effluxion of time re-entry or otherwise howsoever
- 1.1.43 **“Use Classes Order”** means the Town and Country Planning (Use Classes) Order 1987 (as amended) as enacted on the date of this Lease
- 1.1.44 **“the Works”** has the meaning given to that expression in the Development Agreement

## 1.2 Interpretation

- 1.2.1 The expressions “the Landlord” and “the Tenant” include (unless the context otherwise requires) the person for the time being entitled to the reversion immediately expectant on the determination of the Term and the Tenant’s successors in title and those deriving title under the Tenant respectively
- 1.2.2 Where there are two or more persons included in the expression “Tenant” covenants expressed to be made by the Tenant deemed to be made by such persons jointly and severally
- 1.2.3 Any reference to any Act or Acts of Parliament or legislation generally shall include any European Community legislation or decree or other supranational legislation or decree having effect in law in the United Kingdom and shall (unless expressly specified to the contrary) include any modification extension or re-enactment of any of the foregoing for the time being in force and shall also include all instruments orders plans regulations bye-laws permissions licences consents notices and directions or other things for the time being made issued or given thereunder or deriving authority therefrom

- 1.2.4 Any reference to any insurance premium shall also include any insurance premium tax payable in respect thereof
- 1.2.5 Any covenant or obligation by or of the Tenant not to do or omit to be done any act matter or thing shall be deemed to include an obligation not to permit or suffer such act matter or thing to be done or not to permit or suffer the omission of such act matter or thing as the case may be
- 1.2.6 Reference to any permission for or right of the Landlord to enter upon or to have access to the Premises shall be construed as extending to all persons authorised from time to time by the Landlord (including agents professional advisers contractors workmen and others) with all necessary appliances and materials
- 1.2.7 Any provision of this Lease requiring the consent of the Landlord shall be deemed to require also the consent of any superior landlord from time to time
- 1.2.8 If at any time or times there shall be a Superior Landlord or Superior Landlords the following provisions of this sub-clause 1.2.8 shall have effect:
- 1.2.8.1 References (however expressed) in this Lease to any matter which is required to be carried out to the satisfaction or with the approval of the Landlord shall be construed as including in addition a requirement that the matter shall be carried out to the satisfaction or with the approval of the Superior Landlord where the same is required by virtue of any corresponding terms of the Superior Lease
- 1.2.8.2 Where under this Lease the Tenant is under an obligation (however expressed) to the Landlord to pay any costs fees and expenses incurred by the Landlord in relation to any matter or to indemnify the Landlord against liability or damage in respect of any matter such obligation shall be deemed to include also an obligation to pay all costs fees and expenses incurred (in respect of such matter) by the Superior Landlord and an obligation to indemnify the Superior Landlord against such liability or damage as the case may be

- 1.2.8.3 The rights of entry and other rights reserved or otherwise permitted by this Lease shall (where the Superior Lease contains a corresponding reservation or permission) be exercisable by the Superior Landlord and others authorised by it and references to the Landlord in **Schedule 2** hereto shall be deemed to include also references to the Superior Landlord
- 1.2.8.4 Where in this Lease the Tenant covenants not to do any act matter or thing to the prejudice of or to affect adversely the Landlord such covenant shall be deemed to include also an obligation not to do any such act matter or thing to prejudice or adversely affect the Superior Landlord
- 1.2.9 The expression "Premises" (except in clause 3.13) and unless the context otherwise requires) shall be construed as extending to any part of the Premises
- 1.2.10 Any expression defined in any Schedule to this Lease shall have the same meaning where used in any other part of this Lease
- 1.2.11 Words importing one gender include all other genders and words importing the singular include the plural and vice versa
- 1.2.12 The terms "the parties" or "party" mean the Landlord and/or the Tenant
- 1.2.13 References in this Lease to any clause sub-clause paragraph or schedule is a reference to the relevant clause sub-clause paragraph or schedule of this Lease and the clause or paragraph headings or marginal notes and the Index (if any) to this Lease shall not affect the construction thereof

## 2. **DEMISE - HABENDUM - REDDENDA**

- 2.1 IN CONSIDERATION of the Premium referred to in clause LR7 of the Land Registry Particulars and of the rents and covenants on the part of the Tenant hereinafter contained the Landlord hereby demises the Premises to the Tenant
- 2.2 TOGETHER WITH the rights mentioned in **Schedule 1**
- 2.3 EXCEPTING AND RESERVING for the benefit of the Landlord and all those deriving title through or otherwise authorised by the Landlord and all others having an interest in or who may become entitled to an interest in the Retained Land or any part thereof from time to time the easements and rights specified in **Schedule 2**

- 2.4 SUBJECT to (a) all easements quasi easements rights privileges covenants and restrictions to which the Premises are or may be subject and (b) the provisions of the Relevant Documents specified in the Particulars
- 2.5 TO HOLD (except and reserved as aforesaid) unto the Tenant for the Term
- 2.6 YIELDING AND PAYING during the Term (exclusive of Value Added Tax (or any similar tax) which shall be payable in addition as hereinafter provided) the following rents namely:
- 2.6.1 The yearly rent of a peppercorn (if demanded) payable on the First day of January in each year during the Term
- 2.6.2 Any Value Added Tax payable under clause 3.3
- 2.6.3 Any interest payable under clause 3.2
- 2.6.4 Any other sums payable from time to time by the Tenant under this Lease

3. **TENANT'S COVENANTS WITH THE LANDLORD**

The Tenant hereby covenants with the Landlord as follows:

3.1 **To pay rents**

To pay all the rents hereby reserved at the times and in manner herein provided without any deduction or set off whatsoever save where required by statute notwithstanding any stipulation to the contrary

3.2 **To pay interest**

Without prejudice to any other right remedy or power herein contained or otherwise available to the Landlord if the Rent or any additional rents hereby reserved or any part thereof or any other sums payable to the Landlord pursuant to this Lease or any part thereof shall have become due and shall remain unpaid after the due date for payment (or in the case of sums other than the Rent fourteen days after the due date for payment) to pay to the Landlord on demand Stipulated Interest thereon

3.3 **To pay Value Added Tax**

To pay to the Landlord in addition to any rents or other sums payable under or by virtue of this Lease the amount of any value added tax (or similar tax whether in substitution for or in addition to it) which shall be chargeable in respect of any

supply made by the Landlord to the Tenant under or by virtue of this Lease whether or not the same is chargeable by reference to the amount of such rents or other sums and whether or not as a result of the making of any election and so that amounts under this clause shall be payable

3.3.1 if chargeable by reference to rents or other sums at the same times as those rents or other sums are respectively payable

3.3.2 in any other case on demand in writing from time to time by the Landlord

### 3.4 **To pay outgoings**

To pay all rates taxes community charges duties levies charges assessments impositions and outgoings whatsoever whether parliamentary county municipal parochial local or of any other description which are now or hereafter during the Term may be taxed assessed charged or imposed in respect of the Premises or on the owner or occupier in respect thereof (other than income tax and corporation tax on the receipt by the Landlord of income from the Premises and taxes payable in respect of any dealing with any reversion to this Lease)

### 3.5 **As to insurance**

3.5.1 At all times during the Term to keep the Premises insured at the Tenant's expense in the joint names of the Landlord and the Tenant in the full cost of reinstatement against loss or damage by the Insured Risks together with architects' surveyors' engineers' and other professional fees and also the cost of site clearance

3.5.2 The insurance to be effected by the Tenant pursuant to clause 3.5.1 shall be with a UK insurance office of repute

3.5.3 The Tenant shall supply to the Landlord upon written request from time to time (but not more frequently than once a year) a copy of the insurance policy for the Premises and evidence that all premiums due have been paid

3.5.4 In the event of the Premises being destroyed or damaged by any of the Insured Risks the Tenant shall procure that all necessary building licences and permits under regulations or enactments for the time being in force are obtained to enable the Tenant to rebuild and reinstate the Premises and shall (subject to such licences and permits being forthcoming) pay out (or procure the payment out of) all moneys received in respect of such insurance (other than for architects' surveyors' and other professional fees)



in rebuilding reinstating replacing and making good the Premises in accordance with the then existing statutory provisions bye-laws and regulations affecting the same or any necessary planning approval And in case the insurance moneys shall be insufficient for that purpose the Tenant shall make up the deficiency out of the Tenant's own moneys

3.5.5 Provided that in the event that the Tenant shall fail to effect insurance of the Premises in accordance with the foregoing provisions or to pay the premiums the Landlord shall be entitled to effect the same and/or pay the premiums as the case may be and in that event the Tenant shall pay to the Landlord on demand a sum equivalent to all premiums and other expenses incurred by the Landlord

3.5.6 Not to do or omit to be done any act matter or thing whatsoever the doing or omission of which would make void or voidable the insurance of the Premises or the Retained Land or whereby any payment thereunder may be refused in whole or in part or whereby the premium payable in respect of any such policy may be increased

### 3.6 **To pay common costs**

To pay to the Landlord on demand a fare proportion (to be determined by the Landlord or the Landlord's Surveyor acting reasonably) of the costs and expenses of maintaining, inspecting, cleaning, repairing, servicing, altering, renewing, rebuilding or replacing any party walls, Conduits and other party structures or means of access used in common between the Premises and any other property

### 3.7 **To comply with statutes**

To comply with (and carry out all works acts deeds matters or things required by) all Acts of Parliament including the Planning Acts (and all subordinate legislation made under all Acts of Parliament) and the requirements of every Public Authority in respect of the Premises their use occupation and employment of persons therein and any works thereto and anything done therein (whether or not such compliance shall be the responsibility of the owner, the landlord, the tenant or occupier) and at all times to keep the Landlord indemnified against all costs claims demands and liability in respect thereof

### 3.8 **As to the Planning Acts**

- 3.8.1 During the Initial Period not to make any application for planning permission in respect of the Premises save in accordance with the Development Agreement and without prejudice to the foregoing not to implement any planning permission or approval until the same has been submitted to and approved by the Landlord (such approval not to be unreasonably withheld or delayed)
- 3.8.2 During the Initial Period not to enter into any agreement with any Public Authority regulating the development or use of the Premises save in accordance with the Development Agreement

**3.9 As to repairs and decoration**

- 3.9.1 The Tenant shall throughout the Term keep in good repair and condition the exterior of all buildings from time to time erected on the Premises or any part thereof and (if built) the Stairway and shall keep all external parts of the Premises which are from time to time unbuilt upon in a well maintained and tidy condition
- 3.9.2 The Tenant shall allow the Landlord to have access to the Premises to view their state of repair and condition at all reasonable times during the Term on giving not less than 7 days prior written notice to the Tenant (or without notice in emergency) and shall commence any works required to remedy any breach of the Tenant's obligations under **clause 3.9** of this Lease within three months after the service of any notice specifying the works required or sooner in case of emergency and shall following commencement diligently proceed with and complete the same within 3 months after service of the notice (or sooner in case of emergency). In default, the Landlord with its contractors may enter and remain upon the Premises to carry out those works itself and all costs incurred by the Landlord shall be a debt payable on demand to the Landlord by the Tenant on a full indemnity basis

**3.10 As to alterations/additions**

- 3.10.1 Without prejudice to the obligations on the part of the Tenant contained in the Development Agreement and subject and without prejudice to **clause 3.10.2** of this Lease not at any time during the Initial Period or the Second Period to make any alteration or addition to the Premises without the prior written consent of the Landlord save that the Tenant shall carry out the Hotel Works in accordance with the Development Agreement

3.10.2 Not at any time to:

3.10.2.1 construct or place any new buildings or other temporary or permanent structures on the Premises or make any external alteration or addition to buildings on the Premises which is/are higher than the top of the Cliff Wall; or

3.10.2.2 construct or place any new building or other temporary or permanent structures of any description on the Blue Land other than removable car ports and bin stores (such approval not to be unreasonably withheld or delayed) which have been approved in writing by the Landlord and which are attached to the ground and are not in any way touching attached to or supported by the Cliff Wall; or

3.10.2.3 construct any new buildings on the Premises or rebuild extend alter or carry out any other works to any buildings from time to time on the Premises in a manner which interferes with damages or affects the structural integrity of the Cliff Wall;

3.10.2.4 attach any buildings structures or other items to or otherwise penetrate in any way the surface of the Cliff Wall

### **3.11 As to the Construction Regulations**

3.11.1 In relation to any works to the Premises which the Tenant may at any time carry out the Tenant shall comply with the Construction Regulations and shall at all times indemnify and keep the Landlord indemnified against all costs claims liabilities and demands in respect of any breach thereof

3.11.2 If the Landlord would be treated as a client in respect of the works for the purpose of the Construction Regulations the Tenant is to elect in writing to be treated as the only client in relation to those works under the Construction Regulations

### **3.12 As to User**

3.12.1 Not to use the Premises otherwise than for the Permitted Use

3.12.2 At all times following practical completion of the Hotel Works (as defined in the Development Agreement) to take all reasonable steps to procure that the Premises are fitted out and kept opened for trade for the Permitted Use

- 3.12.3 Not at any time during the Term to carry on upon the Premises any noisy or offensive trade business or occupation nor to do any act or thing which is or may be or become a nuisance annoyance disturbance or damage to the Landlord or the occupiers of any other part of the Retained Land and not to use the Premises at any time for any illegal or immoral purpose nor for a sale by auction
- 3.12.4 Not to use the Premises in any manner which obstructs the exercise of the rights reserved by this Lease and not to grant or permit any new right or easement to be granted or arise over the Premises
- 3.12.5 Without prejudice to the foregoing not at any time during the Term to carry on upon the Premises any of the following uses:-
- (a) use as an amusement arcade or for the siting of gaming machines
  - (b) use as a casino or any other use relating to gambling; and
  - (c) use as a lap dancing club or other sex establishment.

### 3.13 **As to Dealings**

- 3.13.1 In this sub-clause (unless expressly provided to the contrary) the expression "sub-lease" means a sub-lease whether immediately or mediately derived out of this Lease and "sub-let" or "sub-letting" or "sub-lessor" or "sub-lessee" shall be construed accordingly
- 3.13.2 There shall not be an assignment of part only of the Premises at any time
- 3.13.3 During the Initial Period and the Second Period there shall not be any transfer assignment charge sub-letting or parting with or sharing possession or occupation of the whole or any part of the Premises Provided that this covenant shall not preclude
- 3.13.3.1 occupation of the Premises by building contractors and others engaged in carrying out the Works in accordance with the Development Agreement provided no sub-tenancy is created
  - 3.13.3.2 the grant of an underlease of the whole of the Premises at a full open market rack rent with upwards only rent reviews at 5 yearly intervals granted for a term of not less than 15 years and not exceeding 50 years to an Approved Operator which contains

an obligation by the tenant thereunder to keep the Premises fitted out equipped and open for trade for the Permitted Use (with a proviso for re-entry for (inter alia) breach thereof) which otherwise complies with the Development Agreement and which is in a form approved in writing by the Landlord (such approval not to be unreasonably withheld or delayed)

3.13.3.3 a charge over this Lease in favour of an Approved Funder (as defined in the Development Agreement) who has complied with the provisions of clause 15.2 of the Development Agreement.

3.13.3.4 an assignment of this Lease to an Approved Funder who simultaneously with such assignment enters into a Funder Deed of Covenant and complies with the provisions of clause 15.4 of the Development Agreement

3.13.3.5 an assignment of this Lease during the Second Period with the prior written consent of the Landlord (which shall not be unreasonably withheld or delayed) provided that the assignee on or prior to the assignment enters into a deed of covenant with the Landlord in such form as the Landlord shall reasonably require to comply with

- (a) this Lease
- (b) the outstanding obligations under the Development Agreement insofar as they relate to the Hotel Works or the Premises; and
- (c) the Option Agreement

3.13.4 Within twenty-eight days after any assignment transfer sub-lease charge or other devolution of the title to the Premises (or any part thereof) to give written notice in duplicate thereof to the solicitor for the time being of the Landlord with a certified copy of the relevant instrument (certified by a solicitor) and to pay each of them their reasonable fee (not being less than Twenty pounds (£20)) for the registration of each such deed or document

### **3.14 To permit entry by the Landlord and others**

To permit the Landlord and other persons authorised by the Landlord in writing at all reasonable times (but after at least ten working days prior written notice except in

emergency) to enter and remain upon the Premises with all necessary appliances equipment (including scaffolding) and materials where the works in question cannot reasonably and conveniently be carried out without entering onto the Premises for any of the following purposes:

- (a) to execute work to any part of the Retained Land (including the Residential Premises)
- (b) to construct alter maintain repair renew or fix any thing (including any Conduits) serving or intended to serve the Retained Land (including the Residential Premises) and running through or intended to run through under on or over the Premises
- (c) for the purpose of complying with any covenant on the part of the Landlord herein contained
- (d) to remove (and not reinstate) any car ports or bin stores erected on the Blue Land where access is required to the Cliff Wall and the Tenant does not remove the same within 7 days of a request by the Landlord to do so; and
- (e) to carry out any outstanding works under the Development Agreement (whether the Development Agreement has been determined in whole or in part or not) including the construction of the Residential Works and the works to be carried out on the Mixed Use Site (including any variations to those works as the Landlord may reasonably require).

the persons entering causing as little disturbance to the Tenant as reasonably practicable and making good as soon as practicable any damage caused to the Premises

### **3.15 As to the payment of certain costs and as to indemnities**

3.15.1 To pay to the Landlord on an indemnity basis all reasonable and proper costs fees expenses and commission (including bailiff's commission) (including VAT and disbursements) incurred by the Landlord of and incidental to or in connection with any of the following:

- (a) the preparation and service of any notice under Section 146 of the Law of Property Act 1925 or incurred in or in contemplation

of proceedings under Section 146 or 147 of that Act or under the Leasehold Property (Repairs) Act 1938 notwithstanding in any such case that forfeiture may be avoided otherwise than by relief granted by the Court

- (b) any application for a licence or consent required hereunder from the Landlord whether or not such licence or consent shall be forthcoming
- (c) the recovery or attempted recovery of arrears of rent or other sums due from the Tenant

3.15.2 To pay and make good to the Landlord all and every loss and damage whatsoever incurred or sustained by the Landlord as a consequence of any breach or non-observance of the Tenant's covenants herein contained and to indemnify the Landlord from and against all actions claims liability costs and expenses thereby arising

3.15.3 Without prejudice to any other right or remedy available to the Landlord to indemnify and keep the Landlord effectually indemnified from and against all expenses proceedings claims damages costs demands loss and any other liabilities as a consequence of or in respect of:

- (a) damage to the Premises or any part of the Retained Land caused by any act default or negligence of the Tenant or the servants agents licensees or invitees of the Tenant
- (b) (as far as the law allows) any injury to or death of any person damage to any property the infringement disturbance or destruction of any right easement or privilege or otherwise by reason of or arising directly out of the state of repair and condition of the Premises

### 3.16 **Regulations**

To comply with the Regulations

### 3.17 **To comply with the provisions of other Documents**

3.17.1 To observe and perform the provisions of the Relevant Documents insofar as the same affect the Premises and to indemnify the Landlord against all actions proceedings costs claims and demands in respect thereof

3.17.2 During the Initial Period to comply with the obligations on the part of SFP Ventures (UK) Limited ("SFP") (as Developer) contained in the Development Agreement including without prejudice to the foregoing to carry out the Works on the Premises in accordance with the Development Agreement and to pay to the Landlord all sums due under the Development Agreement insofar as they relate to the Premises at the times and in the manner provided for therein) and during the Second Period to carry out or to procure that SFP carries out all such obligations insofar as they relate to the Premises

3.17.3 During the Initial Period to comply with the obligations on the part of the tenant contained in the Mixed Use Site Lease and the Residential Lease

3.17.4 To comply with the obligations on the part of the Seller contained in the Option Agreement

**3.18 Consent to Landlord's Release**

Without prejudice to the provisions of clauses 5 and 7.4 where the Landlord assigns its reversion to this Lease the Tenant shall not unreasonably withhold its consent to a request made by the Landlord under Section 8 of the 1995 Act for a release from the Landlord's covenants under this Lease

**4. LANDLORD'S COVENANT FOR QUIET ENJOYMENT**

The Landlord hereby covenants with the Tenant (but so that neither the Landlord named in the Particulars nor any successor in title (whether mediate or immediate) of the Landlord shall remain personally liable after it has disposed of the reversionary interest in the Premises save for any breach occurring prior to such disposal) that if Tenant pays the rents hereby reserved and performs and observes its obligations contained in the Lease the Tenant shall be entitled quietly to enjoy the Premises during the Term without interruption or disturbance by the Landlord or by any persons lawfully claiming through or under it

**5. PROVISOS AND DECLARATIONS**

**PROVIDED ALWAYS AND IT IS HEREBY AGREED that:**

**5.1 Re-entry**

5.1.1 If the rents hereby reserved or any part thereof or any other sum payable by the Tenant pursuant to any provision contained in this Lease or any part



thereof shall at any time be in arrear and unpaid for twenty-one days after the same shall have become due (whether or not any formal or legal demand therefor shall have been made); or

5.1.2 if the Tenant shall at any time fail to perform or observe any of the covenants conditions or agreements herein contained and on the part of the Tenant to be performed and observed; or

5.1.3 if the Development Agreement is determined for any reason during the Initial Period; or

5.1.4 if the Mixed Use Site Lease or the Residential Premises Lease or either of them is forfeited or otherwise determined for any reason during the Initial Period

THEN (subject to the Landlord having given not less than 45 days prior written notice to any Approved Funder who has taken a charge over this Lease and of whom the Landlord has received notice in writing under clause 3.13.4) it shall be lawful for the Landlord or any persons duly authorised by the Landlord to re-enter upon the Premises or any part thereof in the name of the whole and peaceably to hold and enjoy the same thenceforth as if this Lease had not been made but without prejudice to any right of action or remedy of the Landlord in respect of any antecedent breach of any of the covenants on the part of the Tenant herein contained or in respect of any obligation of the Tenant which arises or continues following re-entry

**5.2 Demise not to confer rights to enforce covenants against others or to grant further rights**

Nothing herein contained shall confer on the Tenant any right to the benefit of or to enforce any covenant or agreement contained in any lease or other instrument relating to the following Premises any other premises belonging to the Landlord or limit or affect the right of the Landlord to deal with the same now or at any time hereafter in any manner which may be thought fit and the demise made by this Lease shall not be deemed to include and shall not operate to convey or demise any ways conduits lights liberties privileges easements rights or advantages whatsoever in through over or upon any land adjoining or near to the Premises and (without prejudice to the foregoing) the provisions of Section 62 of the Law of Property Act 1925 are excluded from this Lease

**5.3 No warranty as to the Permitted Use**

Nothing herein contained or implied nor any statement or representation made by or on behalf of the Landlord shall be taken to be a covenant warranty or representation that the Premises can lawfully be used for the Permitted Use

#### 5.4 **Service of notices**

5.4.1 Section 196 of the Law of Property Act 1925 as amended by the Recorded Delivery Service Act 1962 shall apply to all notices demands requests or other communications given or made pursuant to this Lease and in addition

(a) the reference in such section to a registered letter shall also include a pre-paid first class ordinary letter

(b) any notice or document shall also be sufficiently served if sent by telegraphic facsimile transmission to the party to be served and that service shall be deemed to be effective on the day of transmission if transmitted before 4pm on a working day (meaning Monday to Friday inclusive but excluding Christmas Day Good Friday and any statutory bank holiday) and to be effected on the next following such working day if transmitted at any other time

5.4.2 Provided that whilst Thanet District Council is the Landlord hereunder any notice to be served on Thanet District Council shall be served at Cecil Street Margate Kent CT9 1X2 and marked for the attention of the Head of Legal Services or at such other address and/or marked for the attention of such other individual as shall be notified in writing from time to time to the Tenant

5.4.3 If the Tenant shall comprise more than one person the service of any such notice demand request or other communication on any one of such persons shall constitute good service on all of them

#### 5.5 **As to Value Added Tax**

5.5.1 Without prejudice to any statutory rights which the Landlord have in this respect it is confirmed that the Landlord reserves the right in its absolute discretion from time to time to exercise or not as the case may be

(a) any option which results in Value Added Tax being charged on any supply made by the Landlord or

- (b) any election to waive exemption from Value Added Tax with respect to any supply made by the Landlord

and nothing in this Lease shall create any implication as to how the Landlord may exercise that discretion from time to time

- 5.5.2 (Without prejudice to the liability imposed on the Tenant under the terms of this Lease to pay an amount equal to any Value Added Tax which may be chargeable in respect of any supply made by the Landlord to the Tenant under or by virtue of this Lease) where under this Lease the Tenant agrees to pay or contribute to (or indemnify the Landlord or any other person in respect of) any costs fees expenses outgoings or other liability of whatsoever nature whether of the Landlord or any third party reference to such costs fees expenses outgoings and other liability shall (for the avoidance of doubt) be taken to be increased by such a sum as to include any Value Added Tax (or any similar tax or taxes whether in substitution thereof or in addition thereto) charged or to be charged in relation thereto except to the extent and only to the extent that the Landlord obtains a credit for the same as allowable input tax

#### 5.6 **As to arbitration in certain events**

Where in this Lease provision is made for the appointment of some person to act as an expert or arbitrator to determine a matter of difference between the Landlord and the Tenant and such provision proves ineffective to secure such appointment then the difference in question shall if the Landlord so requires be settled by a single arbitrator under the Arbitration Act 1996

#### 5.7 **Contracts (Rights of Third Parties) Act 1999**

Any rights of any person to enforce the terms of this Lease pursuant to the Contracts (Rights of Third Parties) Act 1999 are excluded

#### 5.8 **As to the 1995 Act**

- 5.8.1 The tenancy created by this Lease is a "new tenancy" for the purposes of the 1995 Act
- 5.8.2 No covenant or provision of this Lease shall be construed as making any person in whom the Term is for the time being vested (or any guarantor of such person) liable under the covenants or provisions of this Lease (or such guarantee) to a greater extent than such person (or the guarantor of such

person) shall be liable by virtue of the 1995 Act and such covenant or provision shall be deemed to be modified in such manner as shall be necessary to ensure that it imposes on such person (or guarantor) no greater liability than it has by virtue of the 1995 Act

#### **5.9 Option Agreement**

This Lease is granted subject to the option in favour of the Landlord contained in the Option Agreement and the interest of the Tenant hereunder and of any party having the benefit of a charge over this Lease shall be subject to the terms of the Option Agreement.

#### **5.10 Party Wall**

Such of the walls (if any) of the Premises as divide the Premises from other premises of the Landlord shall be deemed to be party walls severed medially and shall be incorporated in the Premises only so far as the medial plane thereof

#### **5.11 Land Registry Applications**

5.11.1 In this clause 5.11 the expression "Landlord's Title" means the Landlord's freehold title to the Premises registered at the Land Registry under title number K838703.

5.11.2 As soon as reasonably practicable after the date of this Lease the Tenant named in the Particulars is to apply to the Land Registry for first registration of the title to this Lease and to apply for a note of this Lease to be entered on the Landlord's title. As part of the application the Tenant is to use all reasonable endeavours to ensure that the Land Registry notes both the benefit of the rights specified in Schedule 1 and the burden of the reserved rights specified in Schedule 2 on the leasehold title. On completion of the registration the Tenant is to provide official copies of the new title to the Landlord showing the Tenant registered as proprietor together with a copy of the Title Plan.

5.11.3 As part of the Tenant's application for first registration of the title to this Lease under clause 5.11.2 the Tenant shall procure that the Option Agreement is noted against the title to this Lease in priority to any charge and shall apply to the Land Registry on Form RX4 (or other appropriate form) for registration against the title to this Lease of the restriction contained in clause LR13 of the Land Registry Particulars and the

restriction contained in the Option Agreement and procure that the same are registered.

**5.11.4 Exclusion of liability**

The Landlord will not be liable to the Tenant for any failure by the Tenant to register this Lease at the Land Registry or to register or note any of the rights granted or reserved at the Land Registry.

**5.12 Enforcement**

5.12.1 This Lease is to be governed by and interpreted in accordance with English law.

5.12.2 The courts of England are to have jurisdiction in relation to any disputes between the parties arising out of or relating to this Lease. This clause operates for the benefit of the Landlord who retains the right to sue the Tenant and enforce any judgment against the Tenant in the Courts of any competent jurisdiction.

**IN WITNESS** whereof this Deed has been executed by the Landlord and the Tenant and is intended to be and is hereby delivered on the date first before written

## SCHEDULE 1

### Rights Granted

1. Full right and liberty at all times to build upon the Premises or otherwise deal with the Premises as the Tenant may think fit notwithstanding that the access of light and air to the Mixed Use Site of the Residential Premises may be affected.
2. Full and free right (in common with all others from time to time entitled to the same):
  - 2.1 Of running of water, soil, gas, electricity or other power source and any electronic or telephonic signal and the like, the flow of air and the passage of smoke or other effluxion from and to the Premises and the buildings which now are or may hereafter during the Perpetuity Period be erected thereon through the Conduits which now are or may hereafter at any time during the Perpetuity Period be upon, in, over or under the Mixed Use Site or the Residential Premises.
  - 2.2 During the Perpetuity Period to build additional or relay any Conduits upon, in, over through or under the Mixed Use Site or the Residential Premises in connection with the Premises and to enter the Mixed Use Site and the Residential Premises for that purpose subject to making good all damage to the Mixed Use Site and the Residential Premises caused thereby as soon as practicable.
  - 2.3 To make connections with any Conduits which now are or may hereafter during the Perpetuity Period be upon, in, over or under the Mixed Use Site or the Residential Premises and to enter upon the Mixed Use Site and the Residential Premises for that purpose subject to making good any damage to the Mixed Use Site and the Residential Premises as aforesaid as soon as practicable.
3. A right of way (in common as aforesaid) with or without vehicles at all times and for all purposes over that part of the Mixed Use Site shown hatched black on the Plan.
4. Full right and liberty to enter upon the Mixed Use Site and the Residential Premises at any time during the Term (after at least seven days prior written notice to the owners and occupiers thereof except in case of emergency) in order to build on or into any party or boundary wall on the boundary between the Premises and the Mixed Use Site or the Residential Premises the persons exercising such right making good all damage to the Mixed Use Site and the Residential Premises caused thereby as soon as practicable.

5. Rights of support and protection for the Premises from the Mixed Use Site and the Residential Premises.
6. The right (in common with all others from time to time entitled to the same and to the extent only that the Landlord is entitled to grant such right and subject to and conditional upon the Tenant paying to such party as the Landlord shall from time to time direct a fair and proper proportion of the cost of repairing and maintaining the same) to use the sewer shown coloured green on Plan 2 for the purpose of draining surface water from the Premises

## SCHEDULE 2

### Exceptions and Reservations

**EXCEPT AND RESERVED** unto the Landlord and all other persons at any time authorised by the Landlord or otherwise entitled thereto

1. Full right and liberty at all times to build upon the Retained Land or on any land now or hereafter during the Perpetuity Period belonging to the Landlord or any other person (adjoining or near to the Premises) or otherwise deal with or use such land as the Landlord or such other persons may think fit notwithstanding that the access of light and air to the Premises may be affected
2. Full and free right
  - 2.1 of running of water soil gas electricity or other power source and any electronic or telephonic signal and the like the flow of air and the passage of smoke or other effluvia from and to any other parts of the Retained Land and the buildings which now are or may hereafter during the Perpetuity Period be erected thereon through the Conduits which now are or may hereafter at any time during the Perpetuity Period be upon in over or under the Premises
  - 2.2 during the Perpetuity Period to build additional or relay any Conduits upon in over through or under the Premises in connection with the Retained Land any adjoining or neighbouring property now or hereafter during the Perpetuity Period belonging to the Landlord and to enter upon the Premises for that purpose subject to making good all damage to the Premises caused thereby as soon as practicable
  - 2.3 to make connections with any conduits which now are or may hereafter during the Perpetuity Period be upon in over or under the Premises and to enter upon the Premises for that purpose and subject to making good damage to the Premises as aforesaid as soon as practicable
3. Full right and liberty to enter upon the Premises at any time during the Term (but after at least 7 days prior written notice to the Tenant except in case of emergency) in order to build on or into any party or boundary wall of the Premises the persons exercising such right making good all damage to the Premises caused thereby as soon as practicable
4. The right for the landlord and those authorised by the Landlord to:



- 4.1 enter and remain upon the Blue Land or land adjacent to the Stairway Land with or without workmen plant and equipment to repair maintain decorate replace rebuild renew and clean the Cliff Wall and any stairway from time to time erected on the Stairway Land and to erect and retain scaffolding on the Blue Land or land adjacent to the Stairway Land (and to remove any car ports or bin stores erected thereon where the Tenant does not remove the same within 7 days of a request to do so by the Council) for any of these purposes
- 4.2 retain on over or under the Blue Land buttresses foundations footings drains and overhangs forming part of the Cliff Wall and the right to erect and retain on the Blue Land new buttresses foundations footings drains and overhangs for the Cliff Wall as required by the Council from time to time
5. Rights of support and protection for the Retained Land (including the Cliff Wall) from the Premises
6. Full right and liberty to enter and remain upon the Premises with all necessary plan equipment and materials at any time during the Term in connection with the exercise of the rights of entry authorised by the covenants on the part of the Tenant hereinbefore contained together with all necessary ancillary rights including the erection of scaffolding and crane oversailing.
7. A right of way of vehicular access over such part of the premises as the Tenant (acting reasonably) shall designate from time to time from the public highway in Harbour Parade to the rear of that part of the Mixed Use Site shown edged brown on the Plan for the purpose only of making deliveries thereto and to remain on the premises for brief temporary periods whilst loading and unloading
8. A right of escape on foot only in case of fire or other emergency over such parts of the Premises as are from time to time unbuilt upon from the Residential Premises and the adjoining parts of the Mixed Use Site shown edged brown on the Plan and any other parts of the Mixed Use Site from time to time requiring a right of escape over the Premises.
9. A right of access for emergency vehicles over such parts of the Premises as are from time to time not built upon or laid out as car parking spaces.
10. Full right and liberty to enter onto any part of the Premises from time to time unbuilt upon at any time during the Term (but after at least 7 days prior written notice to the Tenant except in case of emergency) to carry out works to the Residential Premises

and to erect scaffolding for that purpose the person exercising such right making good all damage caused thereby as soon as practicable

## SCHEDULE 3

### Regulations

#### 1. **Open Land**

Other than during the carrying of construction works under the Development Agreement and then only in accordance therewith:

- 1.1 To keep any part of the Premises which are not built upon ("the Open Land") adequately surfaced in good condition and free from weeds and all landscaped areas properly cultivated
- 1.2 Not to bring keep store stack or lay out upon the Open Land any materials equipment plant bins crates cartons boxes or any receptacle for waste or any other item become untidy unclean unsightly or in any way detrimental to the Premises or the area generally
- 1.3 Not to deposit or permit to be deposited any waste rubbish or refuse on the Open Land
- 1.4 Not to keep or store on the Open Land any vehicle caravan or movable dwelling
- 1.5 Not to cause any land roads or pavements abutting the Premises to be untidy or in a dirty condition and in particular (but without prejudice to the generality of the above) not to deposit on them refuse or other materials
- 1.6 Not to store any materials or goods outside the Building

#### 2. **Pollution and Nuisance**

- 2.1 Not to burn rubbish or waste materials paper wood and other combustible matter on the Premises except within boilers or incinerators provided for that purpose and approved by the Landlord or the Landlord's Surveyor
- 2.2 Not to emit any smoke fumes or smells from the Premises or to do any matter or thing on the Premises so as to cause in the opinion of the Landlord or the Landlord's Surveyor annoyance or interference with the proper enjoyment of the Retained Land

#### 3. **Refuse**

To provide facilities within the Building for the keeping of refuse in proper receptacles readily accessible for collection

4. **As to Conduits**

Not to obstruct or discharge any deleterious matter into any Conduits serving the Premises or the Retained Land and keep the same clear and functioning properly

5. **As to Dangerous Items**

Not knowingly to bring onto or store on the Premises anything of a dangerous nature or which in the opinion of the Landlord is or may become unclean unsightly or detrimental to the Premises or the Retained Land

SIGNED as a deed by  
SFP VENTURES (UK) LIMITED  
acting by a director and its secretary  
or two directors

)  
)  
)  
)

**Director**



**Director / Secretary**





## SITE LEASE - MIXED USE SITE

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DATED 3rd September 2009

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- (1) **THANET DISTRICT COUNCIL**
- (2) **SFP VENTURES (UK) LIMITED**

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## COUNTERPART LEASE

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Land and premises at Ramsgate Boulevard  
Ramsgate Kent

TERM: 199 years  
FROM: 1st January 2006

## EVERSHEDS LLP

One Wood Street,  
London EC2V 7WS  
Tel: 0845 497 9797  
Fax: 0845 497 4919





# CONTENTS

Clause		Page
1	DEFINITION AND INTERPRETATION.....	1
2	DEMISE - HABENDUM - REDDENDA.....	8
3	TENANT'S COVENANTS WITH THE LANDLORD .....	8
4	LANDLORD'S COVENANT FOR QUIET ENJOYMENT .....	17
5	PROVISOS AND DECLARATIONS.....	17
<b>Schedules</b>		
1	RIGHTS GRANTED.....	22
2	EXCEPTIONS AND RESERVATIONS .....	24
3	REGULATIONS .....	26

LAND REGISTRY PARTICULARS

LR1. Date of lease 3rd September 2009

LR2. Title number(s)

LR2.1 Landlord's title number(s) K838703

LR2.2 Other title numbers None

LR3. Parties to this lease

Landlord **THANET DISTRICT COUNCIL** of  
Cecil Street Margate Kent CT9 1X2

Tenant **SFP VENTURES (UK) LIMITED**  
(Company Registration Number  
05666803) whose registered office is at  
Lakeview House, Lake Meadows Office  
park, Woodbrook Crescent Billericay  
Essex CM12 0EQ

LR4 Property **In the case of a conflict between this  
clause and the remainder of this lease  
then, for the purposes of registration,  
this clause shall prevail.**

The premises (referred to in this Lease as  
"the Premises") comprising land and  
premises at Ramsgate Boulevard,  
Ramsgate, Kent shown edged red on the  
plan attached to this Lease and marked  
"Plan 1" and described in more detail in  
**clause 1.1**

LR5. Prescribed statements etc

LR5.1 Statements prescribed under Not applicable  
rules 179 (dispositions in favour  
of a charity), 180 (dispositions by  
a charity) or 196 (leases under the  
Leasehold Reform, Housing and

**Urban Development Act 1993) of  
the Land Registration Rules 2003**

<b>LR5.2</b>	<b>This lease is made under, or by reference to, provisions of:</b>	Not applicable
<b>LR6.</b>	<b>Term for which the Property is leased</b>	One hundred and ninety nine years from and including 1 January 2006 (referred to in this Lease as "the Term Commencement Date")  To and including 31 December 2204.  (This term is referred to in this Lease as "the Term")
<b>LR7.</b>	<b>Premium</b>	£183,334.00 (One hundred and eighty three thousand three hundred and thirty four pounds) exclusive of VAT
<b>LR8.</b>	<b>Prohibitions or restrictions on disposing of this lease</b>	This Lease contains a provision that prohibits or restricts dispositions.
<b>LR9.</b>	<b>Rights of acquisition etc</b>	
<b>LR9.1</b>	<b>Tenant's contractual rights to renew this lease, to acquire the reversion or another lease of the Property, or to acquire an interest in other land</b>	None
<b>LR9.2</b>	<b>Tenant's covenant to (or offer to) surrender this lease</b>	None
<b>LR9.3</b>	<b>Landlord's contractual rights to acquire this lease</b>	None
<b>LR10.</b>	<b>Restrictive covenants given in this lease by the Landlord in respect of land other than the Property</b>	None
<b>LR11.</b>	<b>Easements</b>	

- |               |  |  |
|---------------|--|--|
| <b>LR11.1</b> | <b>Easements granted by this lease for the benefit of the Property</b>                                 | The rights specified in <b>Schedule 1</b>  |
| <b>LR11.2</b> | <b>Easements granted or reserved by this lease over the Property for the benefit of other property</b> | The rights specified in <b>clauses 3.9.2 and 3.14</b> and <b>Schedule 2</b>  |
| <b>LR12.</b>  | <b>Estate rentcharge burdening the Property</b>  | None   |
| <b>LR13.</b>  | <b>Application for standard form of restriction</b>  | <p>The Parties to this Lease apply to enter the following standard form of restriction against the title of the Property.</p> <p>“No transfer assignment lease charge or other disposition of the registered estate by the proprietor of the registered estate or the proprietor of any registered charge shall be registered without a written consent signed on behalf of Thanet District Council of Cecil Street Margate Kent CT9 IX2 by its solicitor”</p> |
| <b>LR14.</b>  | <b>Declaration of trust where there is more than one person comprising the Tenant</b>                  | Not applicable   |

**THIS LEASE** is made on the date set out in clause LR1 the Land Registry Particulars

**BETWEEN**

- (1) The Landlord named in clause LR3 of the Land Registry Particulars; and
- (2) The Tenant named in clause LR3 of the Land Registry Particulars

**NOW THIS DEED WITNESSETH AS FOLLOWS:**

**1. DEFINITION AND INTERPRETATION**

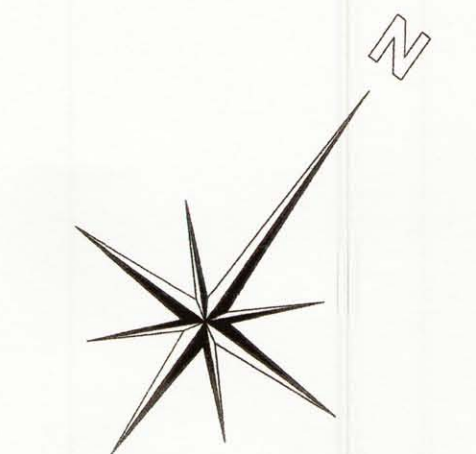
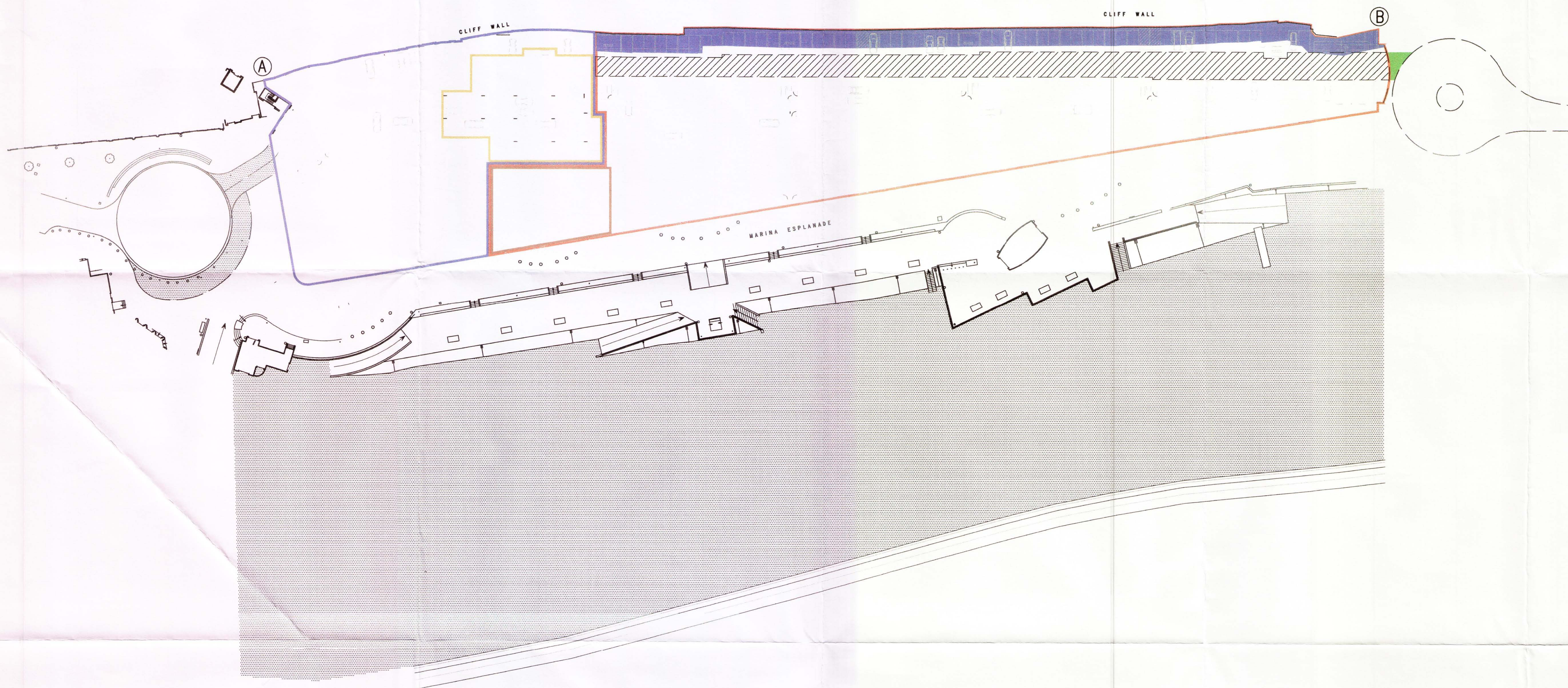
**1.1 Definitions**

In this Lease the following expressions have the following meanings:

- 1.1.1 The Land Registry Particulars (being the Particulars set out at the front of this Lease) form part of this Lease and words and expressions set out in the Land Registry Particulars are to be treated as defined terms in this Lease.
- 1.1.2 “**the 1995 Act**” means the Landlord and Tenant (Covenants) Act 1995
- 1.1.3 “**Blue Land**” means that part of the Premises comprising the strip of land approximately 4 metres wide shown coloured blue on the Plan
- 1.1.4 “**Building**” means the building or buildings now or at any time during the Term erected on the whole or part of the Premises
- 1.1.5 “**Cliff Wall**” means the Cliff Wall between (inter alia) the points marked A and B on the Plan and includes all foundations footings buttresses overhangs and all other parts thereof
- 1.1.6 “**Conduits**” means pipes wires ducts cables (including optical fibres) channels sewers drains watercourses gutters shafts flues or other conducting media (and includes any fixings louvres cowls and any other ancillary apparatus) under through along over or by means of which any gas electricity or other power source or any air water soil and the like or any electronic or telephonic signal and the like or other thing may pass
- 1.1.7 “**Construction Regulations**” means the Construction (Design and Management) Regulations 2008 (as extended by sub-clause 1.2.3 of this Lease)

- 1.1.8 **“Date of Practical Completion”** means the Date of Practical Completion (as defined in the Development Agreement) of the Works
- 1.1.9 **“Development Agreement”** means the Agreement dated 20th October 2006 made between Thanet District Council (1) and SFP Ventures (UK) Limited (2) relating to the development and sale of the Premises the Residential Site and the Hotel Site (as varied by a Deed of Variation of the same date as this Lease and made between the same parties and as further varied from time to time)
- 1.1.10 **“Hotel Site”** means the land shown edged blue on the Plan comprising part of the land registered at the Land Registry under title K838703
- 1.1.11 **“Hotel Site Lease”** means the lease of the Hotel Site of the same date as this Lease and made between the Landlord (1) and the Tenant (2) (as varied from time to time)
- 1.1.12 **“Initial Period”** means the period commencing on the date of this Lease and expiring on the date 10 years after the date of this Lease or (if later) the date of actual completion of the transfer of the freehold interest in the Premises pursuant to Schedule 4 of the Development Agreement
- 1.1.13 **“Insured Risks”** means the risks in respect of loss or damage by fire lightning storm tempest flood explosion earthquake (fire and shock) impact from vehicles aircraft and articles dropped therefrom riot civil commotion malicious damage bursting or overflowing of water tanks apparatus or pipes and such other risks as the Landlord or the Tenant may from time to time reasonably deem expedient
- 1.1.14 **“Landlord’s Surveyor”** means any person or firm appointed to perform the functions of the Landlord’s Surveyor under this Lease or any of them including any surveyor architect valuer managing agent or other agent (and also including any employee of the Landlord or a company that is a member of the same group as the Landlord within the meaning of Section 42 of the Landlord and Tenant Act 1954)
- 1.1.15 **“Overage”** has the meaning given to that expression in the Development Agreement
- 1.1.16 **“Permitted Use”** means

X  
X  
Wood  
X



Client:  
SFP VENTURES (UK) Ltd



Project:  
RAMSGATE MARINA ESPLANADE

32 Victoria Road,  
Surrey, Surrey,  
KT6 4JT  
020 8399 5188  
Fax: 020 8399 3863  
info@pro-group.com  
www.pro-group.com

Drawing Title:  
MIXED USE BUILDING LEASE

Architecture  
Planning  
Urban Design  
Engineering  
Landscape  
Interiors

Scale @ A1: Project Co-Ordinator: Date:  
1:500 SW 09/06

Job No: Stage: Drawing No: Rev:  
5598 LE 104

Offices  
London  
Surrey  
Basingstoke  
Milton Keynes  
Dublin  
Cork  
Warsaw  
Shanghai

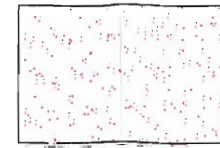
Issue Status:  
Construction  Preliminary   
Information  Approval   
Tender



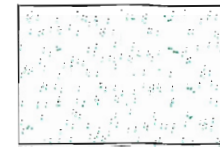


Notes:

PLAN 2



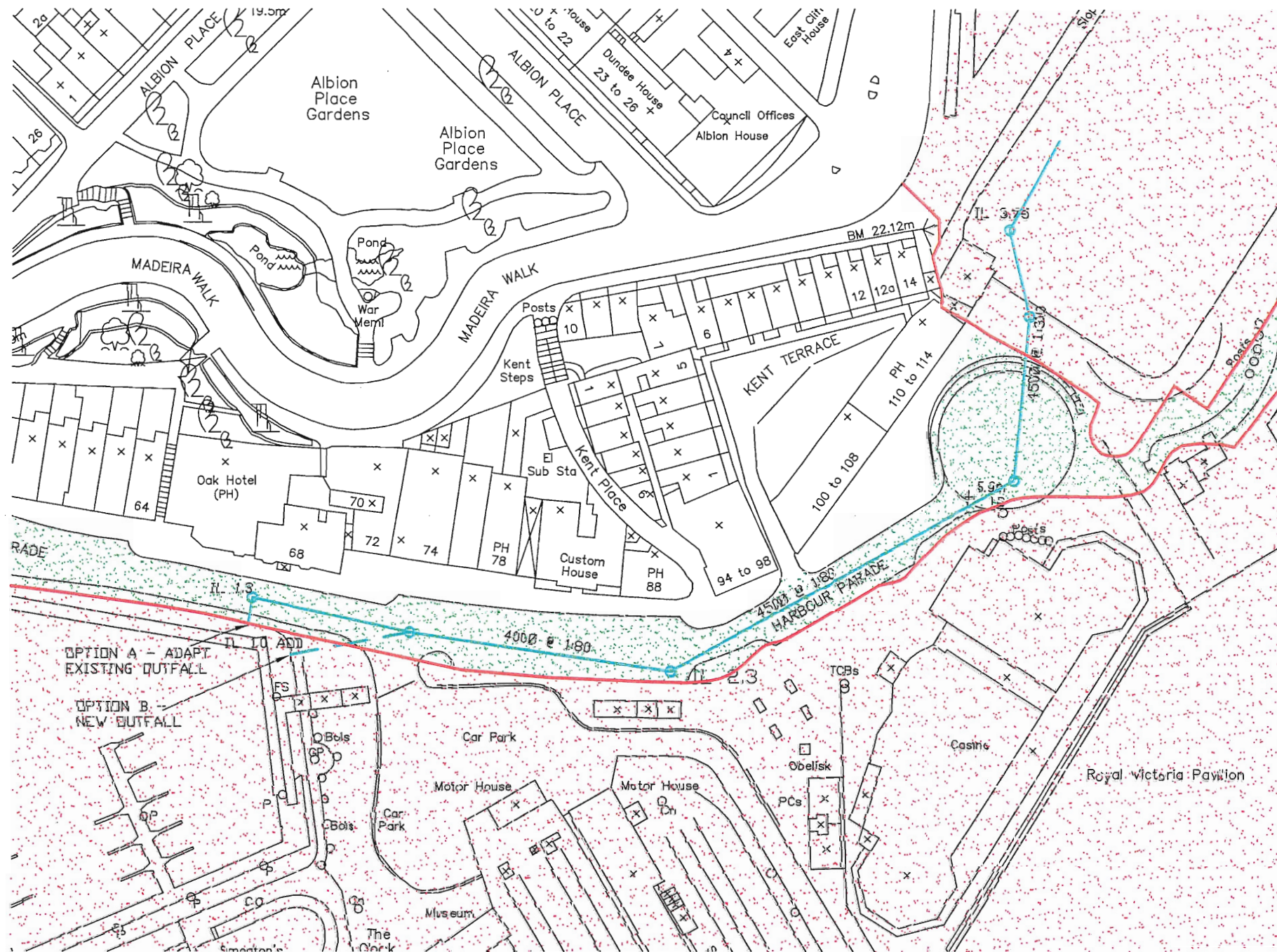
LAND IN THANET DISTRICT COUNCIL OWNERSHIP



KENT COUNTY COUNCIL ADOPTED HIGHWAY



LINE OF PROPOSED SEWER CARRYING WATER DISCHARGED FROM ROOF ONLY



-	19/02/09	MEH	ISSUED
ref	date	intls	<i>[Signature]</i>

revisions



THANET COUNCIL OFFICES  
P.O. BOX 9,  
CECIL STREET, MARGATE  
KENT CT9 1XZ  
Telephone: (01843) 577000  
Fax: (01843) 232120  
www.thanet.gov.uk

**REGENERATION SERVICES  
PROPERTY MANAGEMENT SECTION.**

job title  
MARINA ESPLANADE DEVELOPMENT  
PROVISION FOR SURFACE WATER SEWER

drawing title  
LAND OWNERSHIP SURROUNDING  
PROPOSED ROUTE OF SEWER

north point



scale 1:1000 AT A3

drawn MEH

ckd.

date FEBRUARY 2009

drg. no.

3553:501



- 1.1.16.1 In relation to the Commercial Units (as defined in the Development Agreement) for any purpose within any of Use Classes A1, A3, A4 or A5 of the Use Classes Order.
- 1.1.16.2 In relation to the children's play area referred to in Part 6 of Schedule 2 to the Development Agreement as a children's play area within Use Class D2 of the Use Classes Order.
- 1.1.16.3 In relation to the Health Club referred to in Part 5 of Schedule 2 to the Development Agreement as a good quality health and fitness centre.
- 1.1.16.4 In relation to the residential premises to be constructed under the Development Agreement for residential purposes and ancillary common parts.
- 1.1.16.5 In relation to other parts of the Premises for the purposes contemplated by the Development Agreement.
- 1.1.17 **"Perpetuity Period"** means the period of eighty years commencing on the date of this Lease which shall be the perpetuity period applicable hereto
- 1.1.18 **"Plan 1"** means the plan attached to this Lease and marked "Plan 1"
- 1.1.19 **"Plan 2"** means the plan attached to this Lease and marked "Plan 2"
- 1.1.20 **"Planning Acts"** means the Town and Country Planning Acts 1990 and other Acts of Parliament defined as "the planning Acts" in Section 336 of the Town and Country Planning Act 1990 and every other Act of Parliament and legislation relating to the use development and occupation of land and buildings for the time being in force (and as extended by sub-clause 1.2.3)
- 1.1.21 **"the Premises"** means all that piece or parcel of land (together with any building or buildings from time to time erected thereon or upon some part thereof) situate at Ramsgate Boulevard Ramsgate Kent which piece of land is shown edged red on Plan 1 and the freehold interest to which is registered at the Land Registry (with other land) under title K838703 provided that:
1. The boundary between the Premises and the Cliff Wall marked on the Plan is shown for identification purposes only (and not by way of delineation); and

2. The Premises do not include any part of the Cliff Wall and the Cliff Wall shall not be a party structure.
- 1.1.22 **“Public Authority”** means any Minister Secretary of State and any Government Department and any public and/or local and/or fire and/or other authority or institution or corporation having functions which extend to the Premises or their use and occupation or the supply of services to the Premises or anything done thereon or thereto and includes any of their duly authorised officers
- 1.1.23 **“Quarter”** means the period of a quarter commencing on a Quarter Day and ending on the day before the next Quarter Day
- 1.1.24 **“Quarter Days”** means 31st March 30th June 30th September and 31st December in each year
- 1.1.25 **“Regulations”** means the regulations set out in the Second Schedule
- 1.1.26 **“Relevant Documents”** means
1. the Conveyance referred to in entry 1 of the Charges Register of title K838703
  2. the Agreement dated 30th October 2007 made pursuant to (inter alia) Section 278 of the Highways Act 1980 made between The Kent County Council (1) SFP Ventures (UK) Limited (2) and Thanet District Council 3 as varied by a Deed of Variation dated 31st October 2007 made between the same parties
- 1.1.27 **“Residential Premises”** means the residential premises erected or to be erected at first floor level and above over the land shown edged orange on the Plan and supporting columns as more particularly described in and demised by the Residential Lease
- 1.1.28 **“Residential Premises Lease”** means the lease of the Residential Premises of the same date as this Lease and made between the Landlord (1) and the Tenant (2) (as varied from time to time)
- 1.1.29 **“Retained Land”** means the land comprised in title number K838703 (including the Stairway Land, the Hotel Site and the Residential Premises but excluding the Premises) and all other land owned by the Landlord at the date of this Lease lying adjacent to or in the vicinity of the Premises

including the Cliff Wall and land and property owned by the Landlord above the top of the Cliff Wall and includes any buildings or structures erected on the Retained Land from time to time

- 1.1.30 **“Stipulated Interest”** means interest at the Stipulated Rate (as well after as before judgement) for the period from the date on which the relevant payment is due (unless otherwise provided for herein) to the date of receipt by the Landlord (compounded with rests on the Quarter Days)
- 1.1.31 **“the Stipulated Rate”** means Four per centum per annum (4%) above the base lending rate of Barclays Bank plc (or such other major clearing bank as may be nominated from time to time by the Landlord) for the time being in force or (if at any time no rate shall be ascertainable under this formula) the Stipulated Rate shall be such reasonably equivalent rate of interest as the Landlord shall from time to time specify
- 1.1.32 **“Superior Landlord”** means any person holding an estate or interest in reversion (whether immediate or mediate) to the estate or interest of the Landlord under this Lease and includes the successors in title and assigns of such person
- 1.1.33 **“Superior Lease”** means any lease or leases under which the Landlord and/or any Superior Landlord may from time to time hold the estate or interest to which it is entitled
- 1.1.34 **“termination of the Term”** means the determination of the Term whether by effluxion of time re-entry or otherwise howsoever
- 1.1.35 **“Use Classes Order”** means the Town and Country Planning (Use Classes) Order 1989 (as amended) as enacted on the date of the Development Agreement
- 1.1.36 **“the Works”** has the meaning given to that expression in the Development Agreement

## 1.2 Interpretation

- 1.2.1 The expressions “the Landlord” and “the Tenant” include (unless the context otherwise requires) the person for the time being entitled to the reversion immediately expectant on the determination of the Term and the Tenant’s successors in title and those deriving title under the Tenant respectively

- 1.2.2 Where there are two or more persons included in the expression "Tenant" covenants expressed to be made by the Tenant deemed to be made by such persons jointly and severally
- 1.2.3 Any reference to any Act or Acts of Parliament or legislation generally shall include any European Community legislation or decree or other supranational legislation or decree having effect in law in the United Kingdom and shall (unless expressly specified to the contrary) include any modification extension or re-enactment of any of the foregoing for the time being in force and shall also include all instruments orders plans regulations bye-laws permissions licences consents notices and directions or other things for the time being made issued or given thereunder or deriving authority therefrom
- 1.2.4 Any reference to any insurance premium shall also include any insurance premium tax payable in respect thereof
- 1.2.5 Any covenant or obligation by or of the Tenant not to do or omit to be done any act matter or thing shall be deemed to include an obligation not to permit or suffer such act matter or thing to be done or not to permit or suffer the omission of such act matter or thing as the case may be
- 1.2.6 Reference to any permission for or right of the Landlord to enter upon or to have access to the Premises shall be construed as extending to all persons authorised from time to time by the Landlord (including agents professional advisers contractors workmen and others) with all necessary appliances and materials
- 1.2.7 Any provision of this Lease requiring the consent of the Landlord shall be deemed to require also the consent of any superior landlord from time to time
- 1.2.8 If at any time or times there shall be a Superior Landlord or Superior Landlords the following provisions of this sub-clause 1.2.8 shall have effect:
- 1.2.8.1 References (however expressed) in this Lease to any matter which is required to be carried out to the satisfaction or with the approval of the Landlord shall be construed as including in addition a requirement that the matter shall be carried out to the satisfaction or with the approval of the Superior Landlord where

the same is required by virtue of any corresponding terms of the Superior Lease

- 1.2.8.2 Where under this Lease the Tenant is under an obligation (however expressed) to the Landlord to pay any costs fees and expenses incurred by the Landlord in relation to any matter or to indemnify the Landlord against liability or damage in respect of any matter such obligation shall be deemed to include also an obligation to pay all costs fees and expenses incurred (in respect of such matter) by the Superior Landlord and an obligation to indemnify the Superior Landlord against such liability or damage as the case may be
- 1.2.8.3 The rights of entry and other rights reserved or otherwise permitted by this Lease shall (where the Superior Lease contains a corresponding reservation or permission) be exercisable by the Superior Landlord and others authorised by it and references to the Landlord in **Schedule 2** hereto shall be deemed to include also references to the Superior Landlord
- 1.2.8.4 Where in this Lease the Tenant covenants not to do any act matter or thing to the prejudice of or to affect adversely the Landlord such covenant shall be deemed to include also an obligation not to do any such act matter or thing to prejudice or adversely affect the Superior Landlord
- 1.2.9 The expression "Premises" (except in clause 3.13) and unless the context otherwise requires) shall be construed as extending to any part of the Premises
- 1.2.10 Any expression defined in any Schedule to this Lease shall have the same meaning where used in any other part of this Lease
- 1.2.11 Words importing one gender include all other genders and words importing the singular include the plural and vice versa
- 1.2.12 The terms "the parties" or "party" mean the Landlord and/or the Tenant
- 1.2.13 References in this Lease to any clause sub-clause paragraph or schedule is a reference to the relevant clause sub-clause paragraph or schedule of this

Lease and the clause or paragraph headings or marginal notes and the Index (if any) to this Lease shall not affect the construction thereof

2. **DEMISE - HABENDUM - REDDENDA**

2.1 IN CONSIDERATION of the premium referred to in clause LR7 of the Land Registry Particulars and of the rents and covenants on the part of the Tenant hereinafter contained the Landlord hereby demises the Premises to the Tenant

2.2 SUBJECT to (a) all easements quasi easements rights privileges covenants and restrictions to which the Premises are or may be subject and (b) the provisions of the Relevant Documents specified in the Particulars

2.3 TOGETHER WITH the rights mentioned in Schedule 1

2.4 EXCEPTING AND RESERVING for the benefit of the Landlord and all those deriving title through or otherwise authorised by the Landlord and all others having an interest in or who may become entitled to an interest in the Retained Land or any part thereof from time to time the easements and rights specified in the **Schedule 2**.

2.5 TO HOLD (except and reserved as aforesaid) unto the Tenant for the Term

2.6 YIELDING AND PAYING during the Term (exclusive of Value Added Tax (or any similar tax) which shall be payable in addition as hereinafter provided) the following rents namely:

2.6.1 The yearly rent of a peppercorn (if demanded) payable on the First day of January in each year during the Term

2.6.2 Any Value Added Tax payable under clause 3.3

2.6.3 Any interest payable under clause 3.2

2.6.4 Any other sums payable from time to time by the Tenant under this Lease

3. **TENANT'S COVENANTS WITH THE LANDLORD**

The Tenant hereby covenants with the Landlord as follows:



**3.1 To pay rents**

To pay all the rents hereby reserved at the times and in manner herein provided without any deduction or set off whatsoever save where required by statute notwithstanding any stipulation to the contrary

**3.2 To pay interest**

Without prejudice to any other right remedy or power herein contained or otherwise available to the Landlord if the Rent or any additional rents hereby reserved or any part thereof or any other sums payable to the Landlord pursuant to this Lease or any part thereof shall have become due and shall remain unpaid after the due date for payment (or in the case of sums other than the Rent fourteen days after the due date for payment) to pay to the Landlord on demand Stipulated Interest thereon

**3.3 To pay Value Added Tax**

To pay to the Landlord in addition to any rents or other sums payable under or by virtue of this Lease the amount of any value added tax (or similar tax whether in substitution for or in addition to it) which shall be chargeable in respect of any supply made by the Landlord to the Tenant under or by virtue of this Lease whether or not the same is chargeable by reference to the amount of such rents or other sums and whether or not as a result of the making of any election and so that amounts under this clause shall be payable

3.3.1 if chargeable by reference to rents or other sums at the same times as those rents or other sums are respectively payable

3.3.2 in any other case on demand in writing from time to time by the Landlord

**3.4 To pay outgoings**

To pay all rates taxes community charges duties levies charges assessments impositions and outgoings whatsoever whether parliamentary county municipal parochial local or of any other description which are now or hereafter during the Term may be taxed assessed charged or imposed in respect of the Premises or on the owner or occupier in respect thereof (other than income tax and corporation tax on the receipt by the Landlord of income from the Premises and taxes payable in respect of any dealing with any reversion to this Lease)

### 3.5 As to insurance

- 3.5.1 At all times during the Term to keep the Premises insured at the Tenant's expense in the joint names of the Landlord and the Tenant in the full cost of reinstatement against loss or damage by the Insured Risks together with architects' surveyors' engineers' and other professional fees and also the cost of site clearance
- 3.5.2 The insurance to be effected by the Tenant pursuant to clause 3.5.1 shall be with a UK insurance office of repute
- 3.5.3 The Tenant shall supply to the Landlord upon written request from time to time (but not more frequently than once a year) a copy of the insurance policy for the Premises and evidence that all premiums due have been paid
- 3.5.4 In the event of the Premises being destroyed or damaged by any of the Insured Risks the Tenant shall procure that all necessary building licences and permits under regulations or enactments for the time being in force are obtained to enable the Tenant to rebuild and reinstate the Premises and shall (subject to such licences and permits being forthcoming) pay out (or procure the payment out of) all moneys received in respect of such insurance (other than for architects' surveyors' and other professional fees) in rebuilding reinstating replacing and making good the Premises in accordance with the then existing statutory provisions bye-laws and regulations affecting the same or any necessary planning approval And in case the insurance moneys shall be insufficient for that purpose the Tenant shall make up the deficiency out of the Tenant's own moneys
- 3.5.5 Provided that in the event that the Tenant shall fail to effect insurance of the Premises in accordance with the foregoing provisions or to pay the premiums the Landlord shall be entitled to effect the same and/or pay the premiums as the case may be and in that event the Tenant shall pay to the Landlord on demand a sum equivalent to all premiums and other expenses incurred by the Landlord
- 3.5.6 Not to do or omit to be done any act matter or thing whatsoever the doing or omission of which would make void or voidable the insurance of the Premises or the Retained Land or whereby any payment thereunder may be refused in whole or in part or whereby the premium payable in respect of any such policy may be increased

### **3.6 To pay common costs**

To pay to the Landlord on demand a fair proportion (to be determined by the Landlord or the Landlord's Surveyor acting reasonably) of the costs and expenses of maintaining, inspecting, cleaning, repairing, servicing, altering, renewing, rebuilding or replacing any party walls, Conduits and other party structures or means of access used in common between the Premises and any other property

### **3.7 To comply with statutes**

To comply with (and carry out all works acts deeds matters or things required by) all Acts of Parliament including the Planning Acts (and all subordinate legislation made under all Acts of Parliament) and the requirements of every Public Authority in respect of the Premises their use occupation and employment of persons therein and any works thereto and anything done therein (whether or not such compliance shall be the responsibility of the owner, the landlord, the tenant or occupier) and at all times to keep the Landlord indemnified against all costs claims demands and liability in respect thereof

### **3.8 As to the Planning Acts**

3.8.1 During the Initial Period not to make any application for planning permission in respect of the Premises save in accordance with the Development Agreement and without prejudice to the foregoing not to implement any planning permission or approval until the same has been submitted to and approved by the Landlord (such approval not to be unreasonably withheld or delayed)

3.8.2 During the Initial Period not to enter into any agreement with any Public Authority regulating the development or use of the Premises save in accordance with the Development Agreement

### **3.9 As to repairs and decoration**

3.9.1 The Tenant shall throughout the Term keep in good repair and condition the exterior of all buildings from time to time erected on the Premises or any part thereof and shall keep all external parts of the Premises which are from time to time unbuilt upon in a well maintained and tidy condition

3.9.2 The Tenant shall allow the Landlord to have access to the Premises to view their state of repair and condition at all reasonable times during the Term on giving not less than 7 days prior written notice to the Tenant (or without

notice in emergency) and shall commence any works required to remedy any breach of the Tenant's obligations under clause 3.9 of this Lease within three months after the service of any notice specifying the works required or sooner in case of emergency and shall following commencement diligently proceed with and complete the same within 3 months after service of the notice (or sooner in case of emergency). In default, the Landlord with its contractors may enter and remain upon the Premises to carry out those works itself and all costs incurred by the Landlord shall be a debt payable on demand to the Landlord by the Tenant on a full indemnity basis

### 3.10 As to alterations/additions

3.10.1 Without prejudice to the obligations on the part of the Tenant contained in the Development Agreement and subject to and (without prejudice to clause 3.9.2 of this Lease) not at any time during the Initial Period to make an alteration or addition to Premises without the prior written consent of the Landlord save that the Tenant shall carry out the Works in accordance with the Development Agreement

3.10.2 Not at any time to:

3.10.2.1 construct or place any new buildings or other temporary or permanent structures on the Premises or make any external alteration or addition to buildings on the Premises which is/are higher than the top of the Cliff Wall; or

3.10.2.2 construct or place any new building or other temporary or permanent structures of any description on the Blue Land other than removable car ports and bin stores which have been approved in writing by the Landlord and which are attached to the ground and are not in any way touching, attached to or supported by the Cliff Wall; or

3.10.2.3 construct any new buildings on the Premises or rebuild extend alter or carry out any other works to any buildings from time to time on the Premises in a manner which interferes with damages or affects the structural integrity of the Cliff Wall; or

3.10.2.4 attach any buildings structures or other items to or otherwise penetrate in any way the surface of the Cliff Wall

**3.11 As to the Construction Regulations**

- 3.11.1 In relation to any works to the Premises which the Tenant may at any time carry out the Tenant shall comply with the Construction Regulations and shall at all times indemnify and keep the Landlord indemnified against all costs claims liabilities and demands in respect of any breach thereof
- 3.11.2 If the Landlord would be treated as a client in respect of the works for the purpose of the Construction Regulations the Tenant is to elect to be treated as the only client in respect of those works under the Construction Regulations

**3.12 As to User**

- 3.12.1 Not to use the Premises otherwise than for the Permitted Use
- 3.12.2 Not at any time during the Term to carry on upon the Premises any noisy or offensive trade business or occupation nor to do any act or thing which is or may be or become a nuisance annoyance disturbance or damage to the Landlord or the occupiers of any other part of the Retained Land and not to use the Premises at any time for any illegal or immoral purpose nor for a sale by auction
- 3.12.3 Not to use the Premises in any manner which obstructs the exercise of the rights reserved by this Lease and not to grant or permit any new right or easement to be granted or arise over the Premises
- 3.12.4 Without prejudice to the foregoing not at any time during the Term to carry on upon the Premises any of the following uses:-
- (a) use as an amusement arcade or for the siting of gaming machines
  - (b) use as a casino or any other use relating to gambling; and
  - (c) use as a lap dancing club or other sex establishment.

**3.13 As to Dealings**

- 3.13.1 In this sub-clause (unless expressly provided to the contrary) the expression "sub-lease" means a sub-lease whether immediately or mediately derived out of this Lease and "sub-let" or "sub-letting" or "sub-lessor" or "sub-lessee" shall be construed accordingly.

- 3.13.2 There shall not be an assignment of part only of the Premises at any time
- 3.13.3 During the Initial Period there shall not be any transfer assignment charge sub-letting or parting with or sharing possession or occupation of the whole or any part of the Premises Provided That the covenant shall not preclude
- 3.13.3.1 occupation of the Premises by building contractors and others engaged in carrying out the Works in accordance with the Development Agreement provided no sub-tenancy is created;
  - 3.13.3.2 the grant of underleases in accordance with Schedule 5 of the Development Agreement; and
  - 3.13.3.3 the grant of a charge over this Lease in favour of an Approved Funder (as defined in the Development Agreement) who has complied with the provisions of clause 15.2 of the Development Agreement
  - 3.13.3.4 an assignment of this Lease to an Approved Funder who simultaneously with such assignment enters into a Funder Deed of Covenant in accordance with clause 15.4 of the Development Agreement and simultaneously takes an assignment of the Hotel Site Lease and the Residential premises Lease
- 3.13.4 Within twenty-eight days after any assignment transfer sub-lease charge or other devolution of the title to the Premises (or any part thereof) to give written notice in duplicate thereof to the solicitor for the time being of the Landlord with a certified copy of the relevant instrument (certified by a solicitor) and to pay each of them their reasonable fee (not being less than Twenty pounds (£20)) for the registration of each such deed or document
- 3.13.5 The Landlord and the Tenant hereby apply to the Chief Land Registrar to note a Restriction in the Proprietorship Register of the title relating to this Lease in the form set out in clause LR13 of the Land Registry Particulars:

**3.14 To permit entry by the Landlord and others**

To permit the Landlord and other persons authorised by the Landlord in writing at all reasonable times (but after at least seven days prior written notice except in emergency) to enter and remain upon the Premises with all necessary appliances where the works in question cannot reasonably and conveniently be carried out without entering onto the Premises for any of the following purposes:

- (a) to execute work to any part of the Retained Land
- (b) to construct alter maintain repair renew or fix any thing (including any Conduits) serving or intended to serve the Retained Land and running through or intended to run through under on or over the Premises
- (c) for the purpose of complying with any covenant on the part of the Landlord herein contained; and
- (d) to carry out any outstanding works under the Development Agreement

the persons entering causing as little disturbance to the Tenant as reasonably practicable and making good as soon as practicable any damage caused to the Premises

### **3.15 As to the payment of certain costs and as to indemnities**

3.15.1 To pay to the Landlord on an indemnity basis all reasonable and proper costs fees expenses and commission (including bailiff's commission) (including VAT and disbursements) incurred by the Landlord of and incidental to or in connection with any of the following:

- (a) the preparation and service of any notice under Section 146 of the Law of Property Act 1925 or incurred in or in contemplation of proceedings under Section 146 or 147 of that Act or under the Leasehold Property (Repairs) Act 1938 notwithstanding in any such case that forfeiture may be avoided otherwise than by relief granted by the Court
- (b) any application for a licence or consent required hereunder from the Landlord whether or not such licence or consent shall be forthcoming
- (c) the recovery or attempted recovery of arrears of rent or other sums due from the Tenant

3.15.2 To pay and make good to the Landlord all and every loss and damage whatsoever incurred or sustained by the Landlord as a consequence of any breach or non-observance of the Tenant's covenants herein contained and to

indemnify the Landlord from and against all actions claims liability costs and expenses thereby arising

3.15.3 Without prejudice to any other right or remedy available to the Landlord to indemnify and keep the Landlord effectually indemnified from and against all expenses proceedings claims damages costs demands loss and any other liabilities as a consequence of or in respect of:

(a) damage to the Premises or any part of the Retained Land caused by any act default or negligence of the Tenant or the servants agents licensees or invitees of the Tenant

(b) so far as the law allows any injury to or death of any person damage to any property the infringement disturbance or destruction of any right easement or privilege or otherwise by reason of or arising directly out of the state of repair and condition of the Premises

### 3.16 **Regulations**

To comply with the Regulations

### 3.17 **To comply with the provisions of the other Documents**

3.17.1 To observe and perform the provisions of the Relevant Documents insofar as the same affect the Premises and to indemnify the Landlord against all actions proceedings costs claims and demands in respect thereof

3.17.2 To comply with the obligations on the part of SFP Ventures (UK) Limited (as Developer) contained in the Development Agreement and without prejudice to the foregoing to carry out the Works on the Premises in accordance with the Development Agreement and to pay to the Landlord all Overage and other sums due under the Development Agreement insofar as they relate to the Premises at the times and in the manner provided for therein

3.17.3 To comply with the obligations on the part of the tenant contained in the Hotel Site Lease and the Residential Lease

### 3.18 **Consent to Landlord's Release**



Without prejudice to the provisions of clauses 5 and 7.4 where the Landlord assigns its reversion to this Lease the Tenant shall not unreasonably withhold its consent to a request made by the Landlord under Section 8 of the 1995 Act for a release from the Landlord's covenants under this Lease

4. **LANDLORD'S COVENANT FOR QUIET ENJOYMENT**

The Landlord hereby covenants with the Tenant (but so that neither the Landlord named in the Particulars nor any successor in title (whether mediate or immediate) of the Landlord shall remain personally liable after it has disposed of the reversionary interest in the Premises save for any breach occurring prior to such disposal) that if Tenant pays the rents hereby reserved and performs and observes its obligations contained in the Lease the Tenant shall be entitled quietly to enjoy the Premises during the Term without interruption or disturbance by the Landlord or by any persons lawfully claiming through or under it

5. **PROVISOS AND DECLARATIONS**

**PROVIDED ALWAYS AND IT IS HEREBY AGREED** that:

5.1 **Re-entry**

5.1.1 If the rents hereby reserved or any part thereof or any other sum payable by the Tenant pursuant to any provision contained in this Lease or any part thereof shall at any time be in arrear and unpaid for twenty-one days after the same shall have become due (whether or not any formal or legal demand therefor shall have been made) or

5.1.2 if the Tenant shall at any time fail to perform or observe any of the covenants conditions or agreements herein contained and on the part of the Tenant to be performed and observed or

5.1.3 if the Development Agreement is determined for any reason

5.1.4 if the Hotel Lease or the Residential Lease is forfeited or is otherwise determined for any reason

THEN it shall be lawful for the Landlord or any persons duly authorised by the Landlord to re-enter upon the Premises or any part thereof in the name of the whole and peaceably to hold and enjoy the same thenceforth as if this Lease had not been made but without prejudice to any right of action or remedy of the Landlord in respect of any antecedent breach of any of the covenants on the part of the Tenant

herein contained or in respect of any obligation of the Tenant which arises or continues following re-entry

**5.2 Demise not to confer rights to enforce covenants against others or to grant further rights**

Nothing herein contained shall confer on the Tenant any right to the benefit of or to enforce any covenant or agreement contained in any lease or other instrument relating to the following Premises any other premises belonging to the Landlord or limit or affect the right of the Landlord to deal with the same now or at any time hereafter in any manner which may be thought fit and the demise made by this Lease shall not be deemed to include and shall not operate to convey or demise any ways conduits lights liberties privileges easements rights or advantages whatsoever in through over or upon any land adjoining or near to the Premises and (without prejudice to the foregoing) the provisions of Section 62 of the Law of Property Act 1925 are excluded from this Lease

**5.3 No warranty as to the Permitted Use**

Nothing herein contained or implied nor any statement or representation made by or on behalf of the Landlord shall be taken to be a covenant warranty or representation that the Premises can lawfully be used for the Permitted Use

**5.4 Service of notices**

5.4.1 Section 196 of the Law of Property Act 1925 as amended by the Recorded Delivery Service Act 1962 shall apply to all notices demands requests or other communications given or made pursuant to this Lease and in addition

- (a) the reference in such section to a registered letter shall also include a pre-paid first class ordinary letter
- (b) any notice or document shall also be sufficiently served if sent by telegraphic facsimile transmission to the party to be served and that service shall be deemed to be effective on the day of transmission if transmitted before 4pm on a working day (meaning Monday to Friday inclusive but excluding Christmas Day Good Friday and any statutory bank holiday) and to be effected on the next following such working day if transmitted at any other time

5.4.2 Provided that whilst Thanet District Council is the Landlord hereunder any notice to be served on Thanet District Council shall be served at Cecil Street Margate Kent CT9 1X2 and marked for the attention of the Head of Legal Services or at such other address and/or marked for the attention of such other individual as shall be notified in writing from time to time to the Tenant

5.4.3 If the Tenant shall comprise more than one person the service of any such notice demand request or other communication on any one of such persons shall constitute good service on all of them

## 5.5 **As to Value Added Tax**

5.5.1 Without prejudice to any statutory rights which the Landlord have in this respect it is confirmed that the Landlord reserves the right in its absolute discretion from time to time to exercise or not as the case may be

- (a) any option which results in Value Added Tax being charged on any supply made by the Landlord or
- (b) any election to waive exemption from Value Added Tax with respect to any supply made by the Landlord

and nothing in this Lease shall create any implication as to how the Landlord may exercise that discretion from time to time

5.5.2 (Without prejudice to the liability imposed on the Tenant under the terms of this Lease to pay an amount equal to any Value Added Tax which may be chargeable in respect of any supply made by the Landlord to the Tenant under or by virtue of this Lease) where under this Lease the Tenant agrees to pay or contribute to (or indemnify the Landlord or any other person in respect of) any costs fees expenses outgoings or other liability of whatsoever nature whether of the Landlord or any third party reference to such costs fees expenses outgoings and other liability shall (for the avoidance of doubt) be taken to be increased by such a sum as to include any Value Added Tax (or any similar tax or taxes whether in substitution thereof or in addition thereto) charged or to be charged in relation thereto except to the extent and only to the extent that the Landlord obtains a credit for the same as allowable input tax

## 5.6 **As to arbitration in certain events**

Where in this Lease provision is made for the appointment of some person to act as an expert or arbitrator to determine a matter of difference between the Landlord and the Tenant and such provision proves ineffective to secure such appointment then the difference in question shall if the Landlord so requires be settled by a single arbitrator under the Arbitration Act 1996

**5.7 Contracts (Rights of Third Parties) Act 1999**

Any rights of any person to enforce the terms of this Lease pursuant to the Contracts (Rights of Third Parties) Act 1999 are excluded

**5.8 As to the 1995 Act**

5.8.1 The tenancy created by this Lease is a "new tenancy" for the purposes of the 1995 Act

5.8.2 No covenant or provision of this Lease shall be construed as making any person in whom the Term is for the time being vested (or any guarantor of such person) liable under the covenants or provisions of this Lease (or such guarantee) to a greater extent than such person (or the guarantor of such person) shall be liable by virtue of the 1995 Act and such covenant or provision shall be deemed to be modified in such manner as shall be necessary to ensure that it imposes on such person (or guarantor) no greater liability than it has by virtue of the 1995 Act

**5.9 Party Walls**

Such of the walls (if any) of the Premises as divide the Premises from other premises of the Landlord shall be deemed to be party walls severed medially and shall be incorporated in the Premises only so far as the medial plane thereof

**5.10 Land Registry Applications**

5.10.1 In this clause 5.9 the expression "Landlord's Title" means the Landlord's freehold title to the Premises registered at the Land Registry under title number K838703

5.10.2 As soon as reasonably practicable after the date of this Lease the Tenant named in the Particulars is to apply to the Land Registry for first registration of the title to this Lease and to apply for a note of this Lease to be entered on the Landlord's title. As part of the application the Tenant is to use all reasonable endeavours to ensure that the Land Registry notes both

the benefit of the rights specified in Schedule 1 and the burden of the reserve rights specified in Schedule 2 on the leasehold titles. On completion of the registration the Tenant is to provide official copies of the new title to the Landlord showing the Tenant registered as proprietors together with a copy of the Title Plan.

5.10.3 As part of the Tenant's application for first registration of the title to this Lease under clause 5.10.2 the Tenant shall apply to the Land Registry on Form RX4 (or other appropriate form) for registration against the leasehold title of the restriction contained in clause LR13 of the Land Registry Particulars

5.10.4 The Landlord will not be liable to the Tenant for any failure by the Tenant to register this Lease at the Land Registry or to register or note any of the rights granted or reserved at the Land Registry

#### **5.11 Jurisdiction clause**

5.11.1 This Lease is to be governed by and interpreted in accordance with English law

5.11.2 The courts of England are to have jurisdiction in relation to any disputes between the parties arising out of or relating to this Lease. This clause operates for the benefit of the Landlord who retains the right to sue the Tenant and enforce any judgment against the Tenant in the Courts of any competent jurisdiction

#### **5.12 Non-waiver of forfeiture**

The Developer's obligations hereunder to pay Overage (and any VAT and/or interest thereon) shall be deemed to arise afresh on each day that the same remains unpaid (without prejudice to the Landlord's right in its discretion to charge interest on and exercise any other remedies for non payment with effect from and on the basis that such monies become payable on the first day on which the same became due) to the intent that (to the extent permitted by law) non-payment of any Overage (and VAT and/or interest thereon) shall be a continuing breach of this Lease and the Landlord's right of re-entry under clause 5.1 shall not be waived by any affirmation of this Lease after the due date for payment under the Development Agreement

**IN WITNESS** whereof this Deed has been executed by the Landlord and the Tenant and is intended to be and is hereby delivered on the date first before written

## SCHEDULE 1

### Rights Granted

1. Full right and liberty at all times to build upon the Premises or otherwise deal with the Premises as the Tenant may think fit notwithstanding that access of light and air to the Hotel Site and the Residential Premises may be affected.
2. Full and free right (in common as aforesaid).
  - 2.1 of running of water soil gas electricity or other power source and any electronic or telephonic signal and the like the flow of air and the passage of smoke or other effluvia from the Premises and the buildings which now are or may hereafter during the Perpetuity Period be erected thereon through the Conduits which now are or may hereafter at any time during the Perpetuity Period be upon in over or under the Hotel Site the Residential Premises and the land shown coloured green on the Plan ("the green land")
  - 2.2 during the Perpetuity Period to build additional or relay any Conduits upon in over through or under the Hotel site the Residential Premises and the green land and to enter upon the Hotel Site the Residential Premises and the green land for that purpose subject to making good all damage caused thereby
  - 2.3 to make connections with any conduits which now are or may hereafter during the Perpetuity Period be upon in over or under the Hotel Site the Residential Premises and the green land and to enter upon the Hotel Site the Residential Premises and the green land for that purpose subject to making good all damage as aforesaid
3. Full right and liberty to enter upon the Hotel site and the Residential Premises at any time during the Term (but after at least 7 days prior written notice to the owners and occupiers thereof except in case of emergency) in order to build on or into any party or boundary wall of the Premises the persons exercising such right making good all damage to the Premises caused thereby
4. The right for the owners and occupiers of the Commercial Units referred to in the definition of Permitted Use on that part of the Premises shown edged brown on the Plan to use such part of the car park on the Hotel Site as is not built upon from time to time or laid out as car parking spaces and designated by the Landlord this purpose for the purpose of making deliveries to that part of the Premises provided that any vehicles making deliveries shall not be entitled to park on the car park on the Hotel

Site and shall be entitled to remain there only for such short temporary periods as are necessary in order for deliveries to be made.

5. A right of escape on foot only in case of fire or other emergency over such parts of the Hotel Site as are from time to time unbuilt upon from those parts of the Premises shown edged brown on the Plan.
6. A right of way at all times and for all purposes with or without vehicles until the same becomes adopted as part of the public highway over the green land
7. The right (in common with all others from time to time entitled to the same and to the extent only that the landlord is entitled to grant such right and subject to and conditional upon the Tenant paying to such party as the Landlord shall from time to time direct a fair and proper proportion of the cost of repairing and maintaining the same) to use the sewer shown coloured green on Plan 2 for the purpose of draining surface water from the Premises

## SCHEDULE 2

### Exceptions and Reservations

**EXCEPT AND RESERVED** unto the Landlord and all other persons at any time authorised by the Landlord or otherwise entitled thereto

1. Full right and liberty at all times to build upon the Retained Land or on any land now or hereafter during the Perpetuity Period belonging to the Landlord or any other person (adjoining or near to the Premises) or otherwise deal with or use such land as the Landlord or such other persons may think fit notwithstanding that the access of light and air to the Premises may be affected
2. Full and free right
  - 2.1 of running of water soil gas electricity or other power source and any electronic or telephonic signal and the like the flow of air and the passage of smoke or other effluvia from and to any other parts of the Retained Land and the buildings which now are or may hereafter during the Perpetuity Period be erected thereon through the Conduits which now are or may hereafter at any time during the Perpetuity Period be upon in over or under the Premises
  - 2.2 during the Perpetuity Period to build additional or relay any Conduits upon in over through or under the Premises in connection with the Retained Land any adjoining or neighbouring property now or hereafter during the Perpetuity Period belonging to the Landlord and to enter upon the Premises for that purpose subject to making good all damage to the Premises caused thereby as soon as practicable
  - 2.3 to make connections with any conduits which now are or may hereafter during the Perpetuity Period be upon in over or under the Premises and to enter upon the Premises for that purpose and subject to making good damage to the Premises as aforesaid
3. Full right and liberty to enter upon the Premises at any time during the Term (but after at least 7 days prior written notice to the Tenant except in case of emergency) in order to build on or into any party or boundary wall of the Premises the persons exercising such right making good all damage to the Premises caused thereby as soon as practicable
4. The right for the landlord and those authorised by the Landlord to:



- 4.1 enter and remain upon the Blue Land with or without workmen plant and equipment to repair maintain decorate replace rebuild renew and clean the Cliff Wall and to erect and retain scaffolding on the Blue Land (and to remove any car ports and bin stores erected thereon) for any of these purposes
- 4.2 retain on over or under the Blue Land buttresses foundations footings drains and overhangs forming part of the Cliff Wall and the right to erect and retain on the Blue Land new buttresses foundations footings drains and overhangs for the Cliff Wall as required by the Council from time to time
5. Rights of support and protection for the Retained Land (including the Cliff Wall) from the Premises
6. Full right and liberty to enter upon the Premises at any time during the Term in connection with the exercise of the rights of entry authorised by the covenants on the part of the Tenant hereinbefore contained
7. A right of way for the owners, lessees and occupiers from time to time of the Hotel Site (including the Residential Premises) with or without vehicles at all times and for all purposes over that part of the Premises shown hatched black on the Plan subject to the right of the Tenant to vary the route of the right of way from time to time provided that the route as varied is no less commodious and suitable that it was prior to the variation
8. A right of escape on foot only in case of fire or other emergency over such parts of the Premises as are from time to time unbuilt upon from the Residential Premises and any adjoining parts of the Hotel Site requiring a right of escape over the Premises.
9. A right of access for emergency vehicles over such parts of the Premises as are from time to time not built upon or laid out as car parking spaces.

## SCHEDULE 3

### Regulations

#### 1. **Open Land**

Other than during the carrying out of construction works under the Development Agreement and then only in accordance therewith:-

- 1.1 To keep any part of the Premises which are not built upon ("the Open Land") adequately surfaced in good condition and free from weeds and all landscaped areas properly cultivated
- 1.2 Not to bring keep store stack or lay out upon the Open Land any materials equipment plant bins crates cartons boxes or any receptacle for waste or any other item become untidy unclean unsightly or in any way detrimental to the Premises or the area generally
- 1.3 Not to deposit or permit to be deposited any waste rubbish or refuse on the Open Land
- 1.4 Not to keep or store on the Open Land any vehicle caravan or movable dwelling
- 1.5 Not to cause any land roads or pavements abutting the Premises to be untidy or in a dirty condition and in particular (but without prejudice to the generality of the above) not to deposit on them refuse or other materials
- 1.6 Not to store any materials or goods outside the Building

#### 2. **Pollution and Nuisance**

- 2.1 Not to burn rubbish or waste materials paper wood and other combustible matter on the Premises except within boilers or incinerators provided for that purpose and approved by the Landlord or the Landlord's Surveyor
- 2.2 Not to emit any smoke fumes or smells from the Premises or to do any matter or thing on the Premises so as to cause in the opinion of the Landlord or the Landlord's Surveyor annoyance or interference with the proper enjoyment of the Retained Land

#### 3. **Refuse**

To provide facilities within the Building for the keeping of refuse in proper receptacles readily accessible for collection

4. **As to Conduits**

Not to obstruct or discharge any deleterious matter into any Conduits serving the Premises or the Retained Land and keep the same clear and functioning properly

5. **As to Dangerous Items**

Not knowingly to bring onto or store on the Premises anything of a dangerous nature or which in the opinion of the Landlord is or may become unclean unsightly or detrimental to the Premises or the Retained Land

SIGNED as a deed by  
SFP VENTURES (UK) LIMITED  
acting by a director and its secretary  
or two directors

)  
)  
)  
)

**Director**

X

**Director / Secretary**

X



# SITE LEASE - RESIDENTIAL PREMISES

DATED

*3rd September*

2009

- (1) **THANET DISTRICT COUNCIL**
- (2) **SFP VENTURES (UK) LIMITED**

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## COUNTERPART LEASE

---

Residential premises at Ramsgate Boulevard  
Ramsgate Kent

TERM: 199 years  
FROM: 1st January 2006

## EVERSHEDS LLP

One Wood Street,  
London EC2V 7WS  
Tel: 0845 497 9797  
Fax: 0845 497 4919

# CONTENTS

Clause		Page
1	DEFINITION AND INTERPRETATION .....	1
2	DEMISE - HABENDUM - REDDENDA.....	7
3	TENANT'S COVENANTS WITH THE LANDLORD .....	8
4	LANDLORD'S COVENANT FOR QUIET ENJOYMENT .....	16
5	PROVISOS AND DECLARATIONS.....	16
<b>Schedules</b>		
1	RIGHTS GRANTED .....	22
2	EXCEPTIONS AND RESERVATIONS .....	24
3	REGULATIONS .....	26

## LAND REGISTRY PARTICULARS

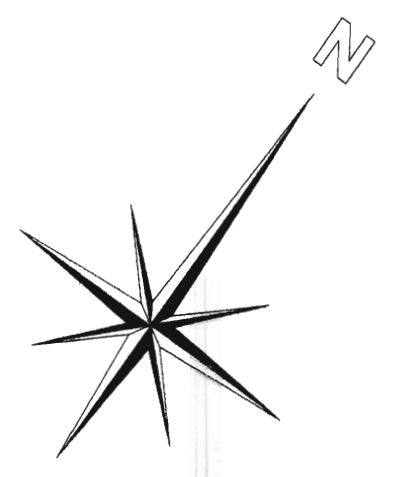
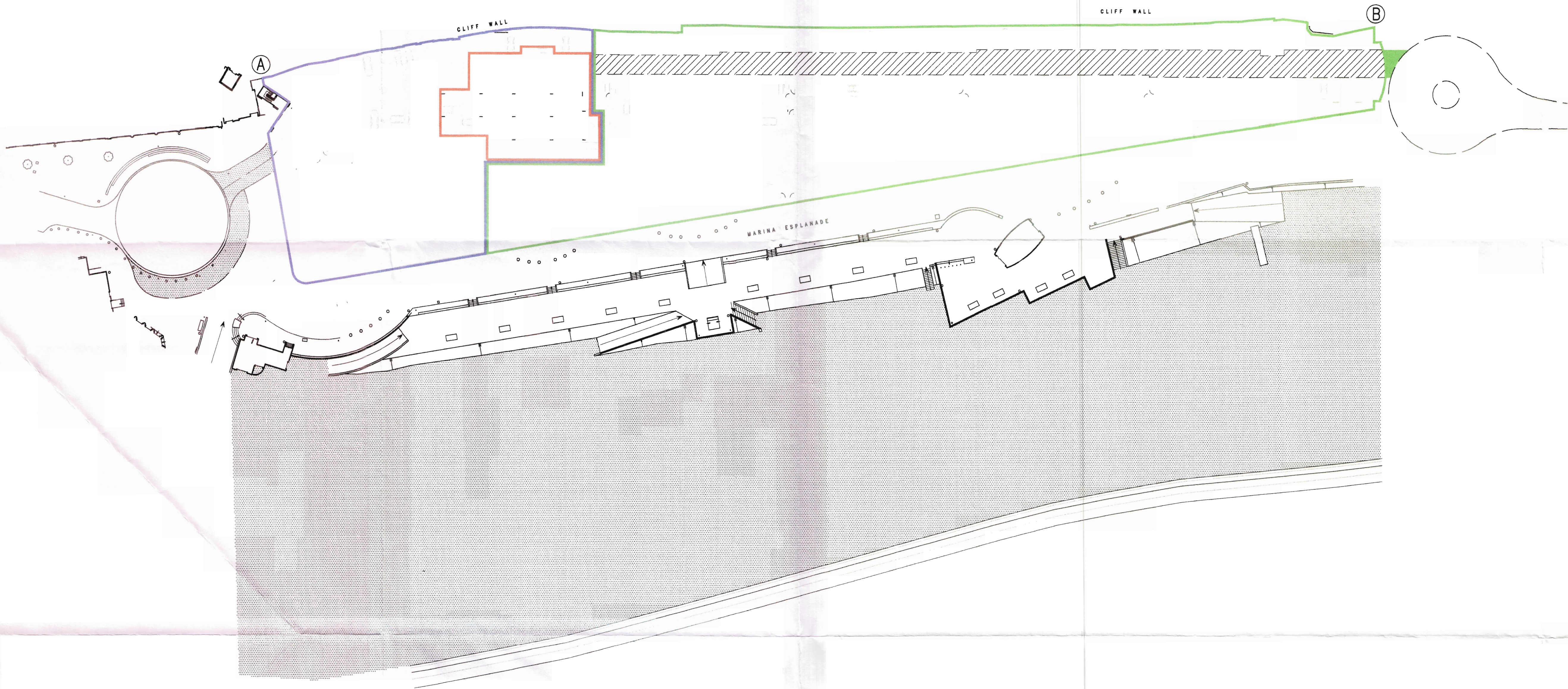
LR1.	Date of lease	3rd September	2009
LR2.	Title number(s)		
LR2.1	Landlord's title number(s)	K838703	
LR2.2	Other title numbers	None	
LR3.	Parties to this lease		
	Landlord	THANET DISTRICT COUNCIL of Cecil Street Margate Kent CT9 1X2	
	Tenant	SFP VENTURES (UK) LIMITED (Company Registration Number 05666803) whose registered office is at Lakeview House, Lake Meadows Office Park, Woodbrook Crescent Billericay Essex CM12 0EQ	
LR4	Property	<b>In the case of a conflict between this clause and the remainder of this lease then, for the purposes of registration, this clause shall prevail.</b>	
		The premises (referred to in this Lease as "the Premises") comprising airspace above land at Ramsgate Boulevard, Ramsgate, Kent shown edged red on the plan attached to this Lease and marked "Plan 1" and described in more detail in <b>clause 1.1</b>	
LR5.	Prescribed statements etc		
LR5.1	Statements prescribed under rules 179 (dispositions in favour of a charity), 180 (dispositions by a charity) or 196 (leases under the Leasehold Reform, Housing and	Not applicable	

**Urban Development Act 1993) of  
the Land Registration Rules 2003**

<b>LR5.2</b>	<b>This lease is made under, or by reference to, provisions of:</b>	Not applicable
<b>LR6.</b>	<b>Term for which the Property is leased</b>	One hundred and ninety nine years from and including 1 January 2006 (referred to in this Lease as "the Term Commencement Date")  To and including 31 December 2204.  (This term is referred to in this Lease as "the Term")
<b>LR7.</b>	<b>Premium</b>	£184,333.00 (One hundred and eighty four thousand three hundred and thirty three pounds) exclusive of VAT
<b>LR8.</b>	<b>Prohibitions or restrictions on disposing of this lease</b>	This Lease contains a provision that prohibits or restricts dispositions.
<b>LR9.</b>	<b>Rights of acquisition etc</b>	
<b>LR9.1</b>	<b>Tenant's contractual rights to renew this lease, to acquire the reversion or another lease of the Property, or to acquire an interest in other land</b>	None
<b>LR9.2</b>	<b>Tenant's covenant to (or offer to) surrender this lease</b>	None
<b>LR9.3</b>	<b>Landlord's contractual rights to acquire this lease</b>	None
<b>LR10.</b>	<b>Restrictive covenants given in this lease by the Landlord in respect of land other than the Property</b>	None
<b>LR11.</b>	<b>Easements</b>	



*[Handwritten signature]*  
*[Handwritten signature]*



Client:  
SFP VENTURES (UK) Ltd

Project:  
RAMSGATE MARINA ESPLANADE

Drawing Title:  
RESIDENTIAL LEASE

Scale @ A1: 1:500  
Project Co-Ordinator: SW  
Date: 09/06

Job No: 5598  
Stage: LE 107

Issue Status:

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Information	<input type="checkbox"/>	Approval	<input type="checkbox"/>
Tender	<input type="checkbox"/>		

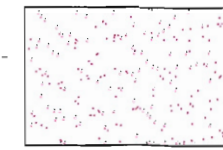
**PRC**  
32 Victoria Road,  
Surrey, Surrey,  
KT8 4JT  
020 8399 5188  
Fax: 020 8399 3863  
info@prc-group.com  
www.prc-group.com

**Architecture**  
Planning  
Urban Design  
Engineering  
Landscape  
Interiors

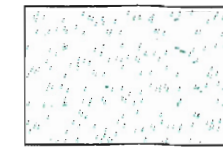
**Offices**  
London  
Surrey  
Basingstoke  
Milton Keynes  
Dublin  
Cork  
Warsaw  
Shanghai



Notes:



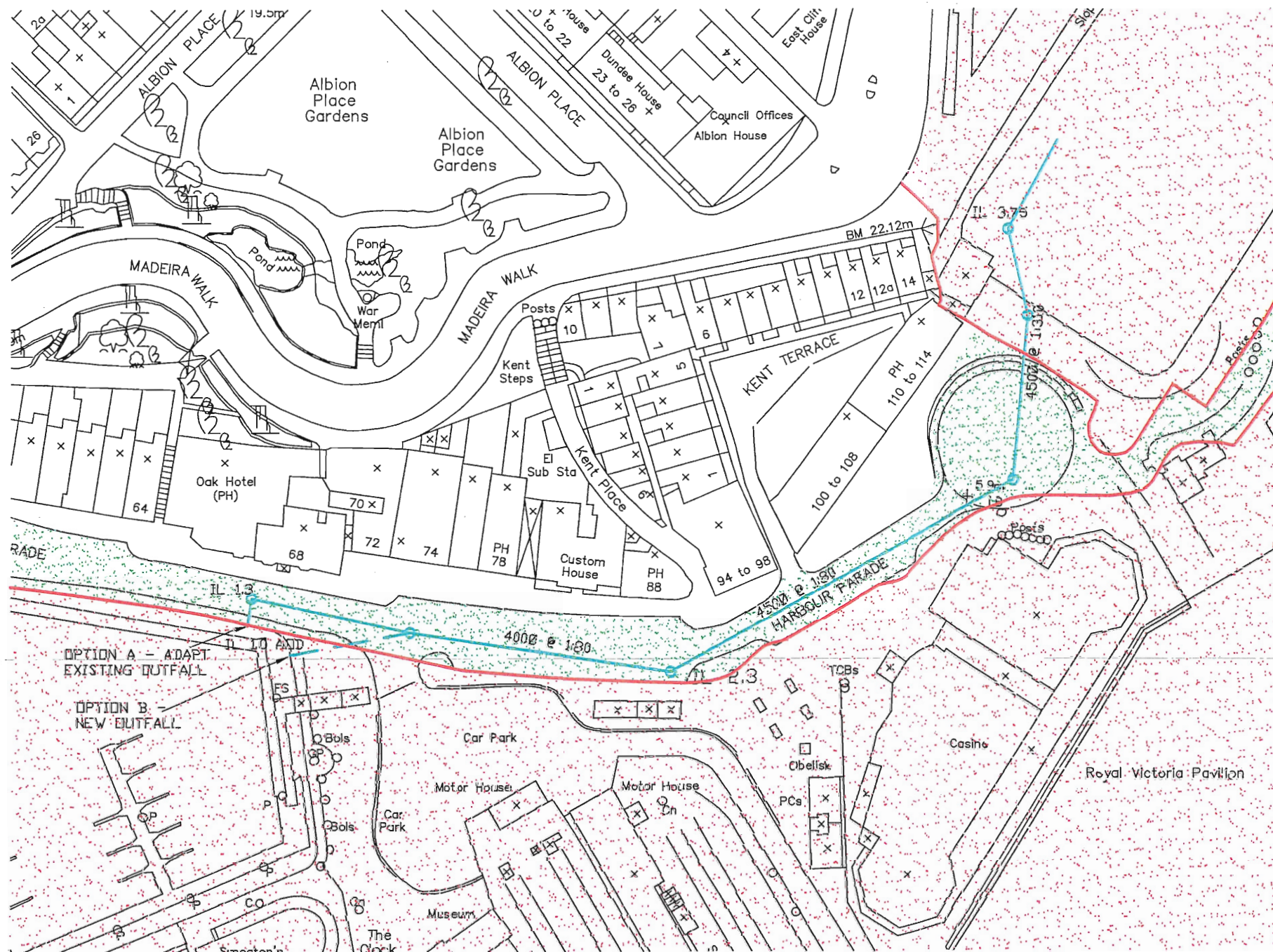
LAND IN THANET DISTRICT COUNCIL OWNERSHIP



KENT COUNTY COUNCIL ADOPTED HIGHWAY



LINE OF PROPOSED SEWER CARRYING WATER DISCHARGED FROM ROOF ONLY



ref	19/02/09	MEH	ISSUED
date		intls	

revisions



THANET COUNCIL OFFICES  
P.O. BOX 9,  
CECIL STREET, MARGATE  
KENT CT9 1XZ  
Telephone: (01843) 577000  
Fax: (01843) 232120  
www.thanet.gov.uk

**REGENERATION SERVICES  
PROPERTY MANAGEMENT SECTION.**

job title  
**MARINA ESPLANADE DEVELOPMENT  
PROVISION FOR SURFACE WATER SEWER**

drawing title  
**LAND OWNERSHIP SURROUNDING  
PROPOSED ROUTE OF SEWER**

north point	scale 1:1000 AT A3	
	drawn MEH	ckd.
	date FEBRUARY 2009	

drg. no. 3553:501



- |               |  |  |
|---------------|--|--|
| <b>LR11.1</b> | <b>Easements granted by this lease for the benefit of the Property</b>                                 | The rights specified in <b>Schedule 1</b>  |
| <b>LR11.2</b> | <b>Easements granted or reserved by this lease over the Property for the benefit of other property</b> | The rights specified in <b>clauses 3.9.2 and 3.14</b> and <b>Schedule 2</b>  |
| <b>LR12.</b>  | <b>Estate rentcharge burdening the Property</b>  | None   |
| <b>LR13.</b>  | <b>Application for standard form of restriction</b>  | <p>The Parties to this Lease apply to enter the following standard form of restriction against the title of the Property.</p> <p>“No transfer assignment lease charge or other disposition of the registered estate by the proprietor of the registered estate or the proprietor of any registered charge shall be registered without a written consent signed on behalf of Thanet District Council of Cecil Street Margate Kent CT9 IX2 by its solicitor”</p> |
| <b>LR14.</b>  | <b>Declaration of trust where there is more than one person comprising the Tenant</b>                  | Not applicable   |

**THIS LEASE** is made on the date shown in clause LR1 of the Land Registry Particulars

**BETWEEN**

- (1) The Landlord named in clause LR3 of the Land Registry Particulars; and
- (2) The Tenant named in clause LR3 of the Land Registry Particulars

**NOW THIS DEED WITNESSETH AS FOLLOWS:**

**1. DEFINITION AND INTERPRETATION**

**1.1 Definitions**

In this Lease the following expressions have the following meanings:

- 1.1.1 The Land Registry Particulars (being the particulars set out at the front of this Lease) form part of this Lease and the words and expressions set out in the Land Registry Particulars are to be treated as defined terms in this Lease
- 1.1.2 “**the 1995 Act**” means the Landlord and Tenant (Covenants) Act 1995
- 1.1.3 “**Building**” means the building or buildings now or at any time during the Term erected on the whole or part of the Premises
- 1.1.4 “**Cliff Wall**” means the Cliff Wall between (inter alia) the points marked A and B on the Plan and includes all foundations footings buttresses overhangs and all other parts thereof
- 1.1.5 “**Conduits**” means pipes wires ducts cables (including optical fibres) channels sewers drains watercourses gutters shafts flues or other conducting media (and includes any fixings louvres cowls and any other ancillary apparatus) under through along over or by means of which any gas electricity or other power source or any air water soil and the like or any electronic or telephonic signal and the like or other thing may pass
- 1.1.6 “**Construction Regulations**” means the Construction (Design and Management) Regulations 2008 (as extended by sub-clause 1.2.3 of this Lease)
- 1.1.7 “**Date of Practical Completion**” means the Date of Practical Completion (as defined in the Development Agreement) of the Works

- 1.1.8 “**Development Agreement**” means the Agreement dated 20th October 2006 made between Thanet District Council (1) and SFP Ventures (UK) Limited (2) relating to the development and sale of the Premises and the Hotel Site (as varied by a Deed of Variation of the same date as this Lease and made between the same parties and as further varied from time to time)
- 1.1.9 “**Hotel Site**” means the land shown edged blue on the Plan comprising part of the land registered at the Land Registry under title K838703 (excluding the Premises)
- 1.1.10 “**Hotel Site Lease**” means the lease of the Hotel Site of the same date as this Lease and made between the Landlord (1) and the Tenant (2) (as varied from time to time)
- 1.1.11 “**Initial Period**” means the period commencing on the date of this Lease and expiring on the date 10 years after the date of this Lease or (if later) the date of actual completion of the transfer of the freehold interest in the Premises pursuant to Schedule 4 of the Development Agreement
- 1.1.12 “**Insured Risks**” means the risks in respect of loss or damage by fire lightning storm tempest flood explosion earthquake (fire and shock) impact from vehicles aircraft and articles dropped therefrom riot civil commotion malicious damage bursting or overflowing of water tanks apparatus or pipes and such other risks as the Landlord or the Tenant may from time to time reasonably deem expedient
- 1.1.13 “**Landlord’s Surveyor**” means any person or firm appointed to perform the functions of the Landlord’s Surveyor under this Lease or any of them including any surveyor architect valuer managing agent or other agent (and also including any employee of the Landlord or a company that is a member of the same group as the Landlord within the meaning of Section 42 of the Landlord and Tenant Act 1954)
- 1.1.14 “**Mixed Use Site**” means the land shown edged green on the Plan comprising part of the land registered at the Land Registry under title K838703
- 1.1.15 “**Mixed Use Site Lease**” means the lease of the Mixed Use Site of the same date as this Lease and made between the Landlord (1) and the Tenant (2) (as varied from time to time)

- 1.1.16 **“Overage”** has the meaning given to that expression in the Development Agreement
- 1.1.17 **“Permitted Use”** for residential purposes and ancillary common parts
- 1.1.18 **“Perpetuity Period”** means the period of eighty years commencing on the date of this Lease which shall be the perpetuity period applicable hereto
- 1.1.19 **“Plan 1”** means the plan attached to this Lease and marked “Plan 1”
- 1.1.20 **“Plan 2”** means the plan attached to this Lease and marked “Plan 2”
- 1.1.21 **“Planning Acts”** means the Town and Country Planning Acts 1990 and other Acts of Parliament defined as “the planning Acts” in Section 336 of the Town and Country Planning Act 1990 and every other Act of Parliament and legislation relating to the use development and occupation of land and buildings for the time being in force (and as extended by sub-clause 1.2.3)
- 1.1.22 **“Premises”** means the airspace above the land situate at Ramsgate Boulevard Ramsgate Kent shown edged red on Plan 1 (together with any building or buildings from time to time erected therein or thereon or some part thereof and including all additions and alterations which may be carried out during the Term and all landlord’s fixtures and fittings from time to time in or about the same) the freehold interest to which is registered at the Land Registry (with other land) under title K838703 but excluding from this Lease all airspace above the land shown edged red on the Plan up to a height of 3 (three) metres above ground level at the date of this Lease (other than the airspace occupied or to be occupied by the columns shown coloured black on the Plan which shall be included in the Premises)
- 1.1.23 **“Public Authority”** means any Minister Secretary of State and any Government Department and any public and/or local and/or fire and/or other authority or institution or corporation having functions which extend to the Premises or their use and occupation or the supply of services to the Premises or anything done thereon or thereto and includes any of their duly authorised officers
- 1.1.24 **“Quarter”** means the period of a quarter commencing on a Quarter Day and ending on the day before the next Quarter Day



- 1.1.25 **“Quarter Days”** means 31st March 30th June 30th September and 31st December in each year
- 1.1.26 **“Regulations”** means the regulations set out in the Schedule 3
- 1.1.27 **“Relevant Documents”**
1. The Conveyance referred to in entry 1 of the Chares Register of title K838703
  2. The Agreement dated 30th October 2007 made pursuant to (inter alia) Section 278 of the Highways Act 1980 made between The Kent County Council (1) SFP Ventures (UK) Limited (2) and Thanet District Council (3) as varied by a Deed of Variation dated 31st October 2007 made between the same parties
- 1.1.28 **“Retained Land”** means the land comprised in title number K838703 (including the Stairway Land, the Hotel Site and the Mixed Use Site but excluding the Premises) and all other land owned by the Landlord at the date of this Lease lying adjacent to or in the vicinity of the Premises including the Cliff Wall and land and property owned by the Landlord above the top of the Cliff Wall and includes any buildings or structures erected on the Retained Land from time to time
- 1.1.29 **“Stipulated Interest”** means interest at the Stipulated Rate (as well after as before judgement) for the period from the date on which the relevant payment is due (unless otherwise provided for herein) to the date of receipt by the Landlord (compounded with rests on the Quarter Days)
- 1.1.30 **“the Stipulated Rate”** means Four per centum per annum (4%) above the base lending rate of Barclays Bank plc (or such other major clearing bank as may be nominated from time to time by the Landlord) for the time being in force or (if at any time no rate shall be ascertainable under this formula) the Stipulated Rate shall be such reasonably equivalent rate of interest as the Landlord shall from time to time specify
- 1.1.31 **“Superior Landlord”** means any person holding an estate or interest in reversion (whether immediate or mediate) to the estate or interest of the Landlord under this Lease and includes the successors in title and assigns of such person

- 1.1.32 “**Superior Lease**” means any lease or leases under which the Landlord and/or any Superior Landlord may from time to time hold the estate or interest to which it is entitled
- 1.1.33 “**termination of the Term**” means the determination of the Term whether by effluxion of time re-entry or otherwise howsoever
- 1.1.34 “**Use Classes Order**” means the Town and Country Planning (Use Classes) Order 1989 (as amended) as enacted on the date of the Development Agreement
- 1.1.35 “**the Works**” has the meaning given to that expression in the Development Agreement

## 1.2 **Interpretation**

- 1.2.1 The expressions “the Landlord” and “the Tenant” include (unless the context otherwise requires) the person for the time being entitled to the reversion immediately expectant on the determination of the Term and the Tenant’s successors in title and those deriving title under the Tenant respectively
- 1.2.2 Where there are two or more persons included in the expression “Tenant” covenants expressed to be made by the Tenant deemed to be made by such persons jointly and severally
- 1.2.3 Any reference to any Act or Acts of Parliament or legislation generally shall include any European Community legislation or decree or other supranational legislation or decree having effect in law in the United Kingdom and shall (unless expressly specified to the contrary) include any modification extension or re-enactment of any of the foregoing for the time being in force and shall also include all instruments orders plans regulations bye-laws permissions licences consents notices and directions or other things for the time being made issued or given thereunder or deriving authority therefrom
- 1.2.4 Any reference to any insurance premium shall also include any insurance premium tax payable in respect thereof
- 1.2.5 Any covenant or obligation by or of the Tenant not to do or omit to be done any act matter or thing shall be deemed to include an obligation not to

permit or suffer such act matter or thing to be done or not to permit or suffer the omission of such act matter or thing as the case may be

- 1.2.6 Reference to any permission for or right of the Landlord to enter upon or to have access to the Premises shall be construed as extending to all persons authorised from time to time by the Landlord (including agents professional advisers contractors workmen and others) with all necessary appliances and materials
- 1.2.7 Any provision of this Lease requiring the consent of the Landlord shall be deemed to require also the consent of any superior landlord from time to time
- 1.2.8 If at any time or times there shall be a Superior Landlord or Superior Landlords the following provisions of this sub-clause 1.2.8 shall have effect:
  - 1.2.8.1 References (however expressed) in this Lease to any matter which is required to be carried out to the satisfaction or with the approval of the Landlord shall be construed as including in addition a requirement that the matter shall be carried out to the satisfaction or with the approval of the Superior Landlord where the same is required by virtue of any corresponding terms of the Superior Lease
  - 1.2.8.2 Where under this Lease the Tenant is under an obligation (however expressed) to the Landlord to pay any costs fees and expenses incurred by the Landlord in relation to any matter or to indemnify the Landlord against liability or damage in respect of any matter such obligation shall be deemed to include also an obligation to pay all costs fees and expenses incurred (in respect of such matter) by the Superior Landlord and an obligation to indemnify the Superior Landlord against such liability or damage as the case may be
  - 1.2.8.3 The rights of entry and other rights reserved or otherwise permitted by this Lease shall (where the Superior Lease contains a corresponding reservation or permission) be exercisable by the Superior Landlord and others authorised by it and references to the Landlord in of the First Schedule hereto

shall be deemed to include also references to the Superior Landlord

1.2.8.4 Where in this Lease the Tenant covenants not to do any act matter or thing to the prejudice of or to affect adversely the Landlord such covenant shall be deemed to include also an obligation not to do any such act matter or thing to prejudice or adversely affect the Superior Landlord

1.2.9 The expression "Premises" (except in clause 3.13) and unless the context otherwise requires) shall be construed as extending to any part of the Premises

1.2.10 Any expression defined in any Schedule to this Lease shall have the same meaning where used in any other part of this Lease

1.2.11 Words importing one gender include all other genders and words importing the singular include the plural and vice versa

1.2.12 The terms "the parties" or "party" mean the Landlord and/or the Tenant

1.2.13 References in this Lease to any clause sub-clause paragraph or schedule is a reference to the relevant clause sub-clause paragraph or schedule of this Lease and the clause or paragraph headings or marginal notes and the Index (if any) to this Lease shall not affect the construction thereof

## 2. **DEMISE - HABENDUM - REDDENDA**

2.1 IN CONSIDERATION of the premium referred to in clause LR7 of the Land Registry Particulars and of the rents and covenants on the part of the Tenant hereinafter contained the Landlord hereby demises the Premises to the Tenant

2.2 SUBJECT to (a) all easements quasi easements rights privileges covenants and restrictions to which the Premises are or may be subject and (b) the provisions of the Relevant Documents specified in the Particulars

2.3 TOGETHER WITH the rights specified in Schedule 1

2.4 EXCEPTING AND RESERVING for the benefit of the Landlord and all those deriving title through or otherwise authorised by the Landlord and all others having an interest in or who may become entitled to an interest in the Retained Land or any part thereof from time to time the easements and rights specified in the Schedule 2

- 2.5 TO HOLD (except and reserved as aforesaid) unto the Tenant for the Term
- 2.6 YIELDING AND PAYING during the Term (exclusive of Value Added Tax (or any similar tax) which shall be payable in addition as hereinafter provided) the following rents namely:
- 2.6.1 The yearly rent of a peppercorn (if demanded) payable on the First day of January in each year during the Term
- 2.6.2 Any Value Added Tax payable under clause 3.3
- 2.6.3 Any interest payable under clause 3.2
- 2.6.4 Any other sums payable from time to time by the Tenant under this Lease

**3. TENANT'S COVENANTS WITH THE LANDLORD**

The Tenant hereby covenants with the Landlord as follows:

**3.1 To pay rents**

To pay all the rents hereby reserved at the times and in manner herein provided without any deduction or set off whatsoever save where required by statute notwithstanding any stipulation to the contrary

**3.2 To pay interest**

Without prejudice to any other right remedy or power herein contained or otherwise available to the Landlord if the Rent or any additional rents hereby reserved or any part thereof or any other sums payable to the Landlord pursuant to this Lease or any part thereof shall have become due and shall remain unpaid after the due date for payment (or in the case of sums other than the Rent fourteen days after the due date for payment) to pay to the Landlord on demand Stipulated Interest thereon

**3.3 To pay Value Added Tax**

To pay to the Landlord in addition to any rents or other sums payable under or by virtue of this Lease the amount of any value added tax (or similar tax whether in substitution for or in addition to it) which shall be chargeable in respect of any supply made by the Landlord to the Tenant under or by virtue of this Lease whether or not the same is chargeable by reference to the amount of such rents or other sums and whether or not as a result of the making of any election and so that amounts under this clause shall be payable

3.3.1 if chargeable by reference to rents or other sums at the same times as those rents or other sums are respectively payable

3.3.2 in any other case on demand in writing from time to time by the Landlord

**3.4 To pay outgoings**

To pay all rates taxes community charges duties levies charges assessments impositions and outgoings whatsoever whether parliamentary county municipal parochial local or of any other description which are now or hereafter during the Term may be taxed assessed charged or imposed in respect of the Premises or on the owner or occupier in respect thereof (other than income tax and corporation tax on the receipt by the Landlord of income from the Premises and taxes payable in respect of any dealing with any reversion to this Lease)

**3.5 As to insurance**

3.5.1 At all times during the Term to keep the Premises insured at the Tenant's expense in the joint names of the Landlord and the Tenant in the full cost of reinstatement against loss or damage by the Insured Risks together with architects' surveyors' engineers' and other professional fees and also the cost of site clearance

3.5.2 The insurance to be effected by the Tenant pursuant to clause 3.5.1 shall be with a UK insurance office of repute

3.5.3 The Tenant shall supply to the Landlord upon written request from time to time (but not more frequently than once a year) a copy of the insurance policy for the Premises and evidence that all premiums due have been paid

3.5.4 In the event of the Premises being destroyed or damaged by any of the Insured Risks the Tenant shall procure that all necessary building licences and permits under regulations or enactments for the time being in force are obtained to enable the Tenant to rebuild and reinstate the Premises and shall (subject to such licences and permits being forthcoming) pay out (or procure the payment out of) all moneys received in respect of such insurance (other than for architects' surveyors' and other professional fees) in rebuilding reinstating replacing and making good the Premises in accordance with the then existing statutory provisions bye-laws and regulations affecting the same or any necessary planning approval And in

case the insurance moneys shall be insufficient for that purpose the Tenant shall make up the deficiency out of the Tenant's own moneys

3.5.5 Provided that in the event that the Tenant shall fail to effect insurance of the Premises in accordance with the foregoing provisions or to pay the premiums the Landlord shall be entitled to effect the same and/or pay the premiums as the case may be and in that event the Tenant shall pay to the Landlord on demand a sum equivalent to all premiums and other expenses incurred by the Landlord

3.5.6 Not to do or omit to be done any act matter or thing whatsoever the doing or omission of which would make void or voidable the insurance of the Premises or the Retained Land or whereby any payment thereunder may be refused in whole or in part or whereby the premium payable in respect of any such policy may be increased

**3.6 To pay Common Costs**

To pay to the Landlord on demand a fair proportion (to be determined by the Landlord or the Landlord's Surveyor acting reasonably) of the costs and expenses of maintaining, inspecting, cleaning, repairing, servicing altering, renewing, rebuilding or replacing any party walls, Conduits and other party structures or means of access used in common between the Premises and other property

**3.7 To comply with statutes**

To comply with (and carry out all works acts deeds matters or things required by) all Acts of Parliament including the Planning Acts (and all subordinate legislation made under all Acts of Parliament) and the requirements of every Public Authority in respect of the Premises their use occupation and employment of persons therein and any works thereto and anything done therein (whether or not such compliance shall be the responsibility of the owner, the landlord, the tenant or occupier) and at all times to keep the Landlord indemnified against all costs claims demands and liability in respect thereof

**3.8 As to the Planning Acts**

3.8.1 During the Initial Period not to make any application for planning permission in respect of the Premises save in accordance with the Development Agreement and without prejudice to the foregoing not to implement any planning permission or approval until the same has been

submitted to and approved by the Landlord (such approval not to be unreasonably withheld or delayed)

- 3.8.2 During the Initial Period not to enter into any agreement with any Public Authority regulating the development or use of the Premises save in accordance with the Development Agreement

**3.9 As to repairs and decoration**

- 3.9.1 The Tenant shall throughout the Term keep in good repair and condition all structural parts and the exterior of all buildings from time to time erected on the Premises or any part thereof

- 3.9.2 The Tenant shall allow the Landlord to have access to the Premises to view their state of repair and condition at all reasonable times during the Term on giving not less than 7 days prior written notice to the Tenant (or without notice in emergency) and shall commence any works required to remedy any breach of the Tenant's obligations under clause 3.9 of this Lease within three months after the service of any notice specifying the works required or sooner in case of emergency and shall following commencement diligently proceed with and complete the same within 3 months after service of the notice (or sooner in case of emergency). In default, the Landlord with its contractors may enter and remain upon the Premises to carry out those works itself and all costs incurred by the Landlord shall be a debt payable on demand to the Landlord by the Tenant on a full indemnity basis

**3.10 As to alterations/additions**

- 3.10.1 Without prejudice to the obligations on the part of the Tenant contained in the Development Agreement and subject to and without prejudice to clause 3.10.2 of this Lease, not at any time during the Initial Period to make any alteration or addition to Premises without the prior written consent of the Landlord (such consent not to be unreasonably withheld after the expiry of the Initial Period) save that the Tenant shall carry out the Works in accordance with the Development Agreement

- 3.10.2 Not at any time to:

- 3.10.2.1 construct or place any new buildings or other temporary or permanent structures on the Premises or make any external



alteration or addition to buildings on the Premises which is/are higher than the top of the Cliff Wall; or

3.10.2.2 construct or place any new building or other temporary or permanent structures of any description on or over the Blue Land; or

3.10.2.3 construct any new buildings on the Premises or rebuild extend alter or carry out any other works to any buildings from time to time on the Premises in a manner which interferes with damages or affects the structural integrity of the Cliff Wall

### **3.11 As to the Construction Regulations**

3.11.1 In relation to any works to the Premises which the Tenant may at any time carry out the Tenant shall comply with the Construction Regulations and shall at all times indemnify and keep the Landlord indemnified against all costs claims liabilities and demands in respect of any breach thereof

3.11.2 If the Landlord would be treated as a client in respect of the works for the purpose of the Construction Regulations the Tenant is to elect in writing to be treated as the only client in relation to those works under the Construction Regulations

### **3.12 As to User**

3.12.1 Not to use the Premises otherwise than for the Permitted Use

3.12.2 Not at any time during the Term to carry on upon the Premises any noisy or offensive trade business or occupation nor to do any act or thing which is or may be or become a nuisance annoyance disturbance or damage to the Landlord or the occupiers of any other part of the Retained Land and not to use the Premises at any time for any illegal or immoral purpose nor for a sale by auction

3.12.3 Not to use the Premises in any manner which obstructs the exercise of the rights reserved by this Lease and not to grant or permit any new right or easement to be granted or arise over the Premises

3.12.4 Without prejudice to the foregoing not at any time during the Term to carry on upon the Premises any of the following uses:-

- (a) use as an amusement arcade or for the siting of gaming machines
- (b) use as a casino or any other use relating to gambling; and
- (c) use as a lap dancing club or other sex establishment.

### 3.13 As to Dealings

3.13.1 In this sub-clause (unless expressly provided to the contrary) the expression “sub-lease” means a sub-lease whether immediately or mediately derived out of this Lease and “sub-let” or “sub-letting” or “sub-lessor” or “sub-lessee” shall be construed accordingly.

3.13.2 There shall not be an assignment of part only of the Premises at any time

3.13.3 During the Initial Period there shall not be any transfer assignment charge sub-letting or parting with or sharing possession or occupation of the whole or any part of the Premises Provided That the covenant shall not preclude

3.13.3.1 occupation of the Premises by building contractors and others engaged in carrying out the Works in accordance with the Development Agreement provided no sub-tenancy is created;

3.13.3.2 the grant of underleases in accordance with Schedule 5 of the Development Agreement; and

3.13.3.3 the grant of a charge over this Lease in favour of an Approved Funder (as defined in the Development Agreement) who has complied with the provisions of clause 15.2 of the Development Agreement

3.13.3.4 an assignment of this Lease to an Approved Funder who simultaneously with such assignment enters into a Funder deed of Covenant in accordance with clause 15.4 of the Development Agreement and simultaneously takes an assignment of the Hotel Site Lease and the Mixed Use Site Lease

3.13.4 Within twenty-eight days after any assignment transfer sub-lease charge or other devolution of the title to the Premises (or any part thereof) to give written notice in duplicate thereof to the solicitor for the time being of the Landlord with a certified copy of the relevant instrument (certified by a

solicitor) and to pay each of them their reasonable fee (not being less than Twenty pounds (£20)) for the registration of each such deed or document

### **3.14 To permit entry by the Landlord and others**

To permit the Landlord and other persons authorised by the Landlord in writing at all reasonable times (but after at least seven days prior written notice except in emergency) to enter and remain upon the Premises with all necessary appliances where the works in question cannot reasonably and conveniently be carried out without entering onto the Premises for any of the following purposes:

- (a) to execute work to any part of the Retained Land
- (b) to construct alter maintain repair renew or fix any thing (including any Conduits) serving or intended to serve the Retained Land and running through or intended to run through under on or over the Premises
- (c) for the purpose of complying with any covenant on the part of the Landlord herein contained; and
- (d) to carry out any outstanding works under the Development Agreement

the persons entering causing as little disturbance to the Tenant as reasonably practicable and making good as soon as practicable any damage caused to the Premises

### **3.15 As to the payment of certain costs and as to indemnities**

3.15.1 To pay to the Landlord on an indemnity basis all reasonable and proper costs fees expenses and commission (including bailiff's commission) (including VAT and disbursements) incurred by the Landlord of and incidental to or in connection with any of the following:

- (a) the preparation and service of any notice under Section 146 of the Law of Property Act 1925 or incurred in or in contemplation of proceedings under Section 146 or 147 of that Act or under the Leasehold Property (Repairs) Act 1938 notwithstanding in any such case that forfeiture may be avoided otherwise than by relief granted by the Court

- (b) any application for a licence or consent required hereunder from the Landlord whether or not such licence or consent shall be forthcoming
  - (c) the recovery or attempted recovery of arrears of rent or other sums due from the Tenant
- 3.15.2 To pay and make good to the Landlord all and every loss and damage whatsoever incurred or sustained by the Landlord as a consequence of any breach or non-observance of the Tenant's covenants herein contained and to indemnify the Landlord from and against all actions claims liability costs and expenses thereby arising
- 3.15.3 Without prejudice to any other right or remedy available to the Landlord to indemnify and keep the Landlord effectually indemnified from and against all expenses proceedings claims damages costs demands loss and any other liabilities as a consequence of or in respect of:
- (a) damage to the Premises or any part of the Retained Land caused by any act default or negligence of the Tenant or the servants agents licensees or invitees of the Tenant
  - (b) so far as the law allows any injury to or death of any person damage to any property the infringement disturbance or destruction of any right easement or privilege or otherwise by reason of or arising directly out of the state of repair and condition of the Premises

### 3.16 **Regulations**

To comply with the Regulations

### 3.17 **To comply with the provisions of the other Documents**

- 3.17.1 To observe and perform the provisions of the Relevant Documents insofar as the same affect the Premises and to indemnify the Landlord against all actions proceedings costs claims and demands in respect thereof
- 3.17.2 To comply with the obligations on the part of SFP Ventures (UK) Limited (as Developer) contained in the Development Agreement and without prejudice to the foregoing to carry out the Works on the Premises in accordance with the Development Agreement and to pay to the Landlord all

Overage and other sums due under the Development Agreement insofar as they relate to the Premises at the times and in the manner provided for therein

3.17.3 To comply with the obligations on the part of the tenant contained in the Hotel Site Lease and the Mixed Use Site Lese

3.18 **Consent to Landlord's Release**

Without prejudice to the provisions of clauses 5 and 7.4 where the Landlord assigns its reversion to this Lease the Tenant shall not unreasonably withhold its consent to a request made by the Landlord under Section 8 of the 1995 Act for a release from the Landlord's covenants under this Lease

4. **LANDLORD'S COVENANT FOR QUIET ENJOYMENT**

The Landlord hereby covenants with the Tenant (but so that neither the Landlord named in the Particulars nor any successor in title (whether mediate or immediate) of the Landlord shall remain personally liable after it has disposed of the reversionary interest in the Premises save for any breach occurring prior to such disposal) that if Tenant pays the rents hereby reserved and performs and observes its obligations contained in the Lease the Tenant shall be entitled quietly to enjoy the Premises during the Term without interruption or disturbance by the Landlord or by any persons lawfully claiming through or under it

5. **PROVISOS AND DECLARATIONS**

**PROVIDED ALWAYS AND IT IS HEREBY AGREED** that:

5.1 **Re-entry**

5.1.1 If the rents hereby reserved or any part thereof or any other sum payable by the Tenant pursuant to any provision contained in this Lease or any part thereof shall at any time be in arrear and unpaid for twenty-one days after the same shall have become due (whether or not any formal or legal demand therefor shall have been made) or

5.1.2 if the Tenant shall at any time fail to perform or observe any of the covenants conditions or agreements herein contained and on the part of the Tenant to be performed and observed or

5.1.3 if the Development Agreement is determined for any reason

5.1.4 if the Hotel Lease or the Mixed Use Site Lease is forfeited or is otherwise determined for any reason

THEN it shall be lawful for the Landlord or any persons duly authorised by the Landlord to re-enter upon the Premises or any part thereof in the name of the whole and peaceably to hold and enjoy the same thenceforth as if this Lease had not been made but without prejudice to any right of action or remedy of the Landlord in respect of any antecedent breach of any of the covenants on the part of the Tenant herein contained or in respect of any obligation of the Tenant which arises or continues following re-entry

**5.2 Demise not to confer rights to enforce covenants against others or to grant further rights**

Nothing herein contained shall confer on the Tenant any right to the benefit of or to enforce any covenant or agreement contained in any lease or other instrument relating to the following Premises any other premises belonging to the Landlord or limit or affect the right of the Landlord to deal with the same now or at any time hereafter in any manner which may be thought fit and the demise made by this Lease shall not be deemed to include and shall not operate to convey or demise any ways conduits lights liberties privileges easements rights or advantages whatsoever in through over or upon any land adjoining or near to the Premises and (without prejudice to the foregoing) the provisions of Section 62 of the Law of Property Act 1925 are excluded from this Lease

**5.3 No warranty as to the Permitted Use**

Nothing herein contained or implied nor any statement or representation made by or on behalf of the Landlord shall be taken to be a covenant warranty or representation that the Premises can lawfully be used for the Permitted Use

**5.4 Service of notices**

5.4.1 Section 196 of the Law of Property Act 1925 as amended by the Recorded Delivery Service Act 1962 shall apply to all notices demands requests or other communications given or made pursuant to this Lease and in addition

- (a) the reference in such section to a registered letter shall also include a pre-paid first class ordinary letter
- (b) any notice or document shall also be sufficiently served if sent by telegraphic facsimile transmission to the party to be served

and that service shall be deemed to be effective on the day of transmission if transmitted before 4pm on a working day (meaning Monday to Friday inclusive but excluding Christmas Day Good Friday and any statutory bank holiday) and to be effected on the next following such working day if transmitted at any other time

- 5.4.2 Provided that whilst Thanet District Council is the Landlord hereunder any notice to be served on Thanet District Council shall be served at Cecil Street Margate Kent CT9 1X2 and marked for the attention of the Head of Legal Service or at such other address and/or marked for the attention of such other individual as shall be notified in writing from time to time to the Tenant
- 5.4.3 If the Tenant shall comprise more than one person the service of any such notice demand request or other communication on any one of such persons shall constitute good service on all of them

## 5.5 **As to Value Added Tax**

- 5.5.1 Without prejudice to any statutory rights which the Landlord have in this respect it is confirmed that the Landlord reserves the right in its absolute discretion from time to time to exercise or not as the case may be
- (a) any option which results in Value Added Tax being charged on any supply made by the Landlord or
  - (b) any election to waive exemption from Value Added Tax with respect to any supply made by the Landlord

and nothing in this Lease shall create any implication as to how the Landlord may exercise that discretion from time to time

- 5.5.2 (Without prejudice to the liability imposed on the Tenant under the terms of this Lease to pay an amount equal to any Value Added Tax which may be chargeable in respect of any supply made by the Landlord to the Tenant under or by virtue of this Lease) where under this Lease the Tenant agrees to pay or contribute to (or indemnify the Landlord or any other person in respect of) any costs fees expenses outgoings or other liability of whatsoever nature whether of the Landlord or any third party reference to such costs fees expenses outgoings and other liability shall (for the

avoidance of doubt) be taken to be increased by such a sum as to include any Value Added Tax (or any similar tax or taxes whether in substitution thereof or in addition thereto) charged or to be charged in relation thereto except to the extent and only to the extent that the Landlord obtains a credit for the same as allowable input tax

**5.6 As to arbitration in certain events**

Where in this Lease provision is made for the appointment of some person to act as an expert or arbitrator to determine a matter of difference between the Landlord and the Tenant and such provision proves ineffective to secure such appointment then the difference in question shall if the Landlord so requires be settled by a single arbitrator under the Arbitration Act 1996

**5.7 Contracts (Rights of Third Parties) Act 1999**

Any rights of any person to enforce the terms of this Lease pursuant to the Contracts (Rights of Third Parties) Act 1999 are excluded

**5.8 As to the 1995 Act**

5.8.1 The tenancy created by this Lease is a "new tenancy" for the purposes of the 1995 Act

5.8.2 No covenant or provision of this Lease shall be construed as making any person in whom the Term is for the time being vested (or any guarantor of such person) liable under the covenants or provisions of this Lease (or such guarantee) to a greater extent than such person (or the guarantor of such person) shall be liable by virtue of the 1995 Act and such covenant or provision shall be deemed to be modified in such manner as shall be necessary to ensure that it imposes on such person (or guarantor) no greater liability than it has by virtue of the 1995 Act

**5.9 Land Registry Applications**

5.9.1 In this clause 5.9 the expression "Landlord's Title" means the Landlord's freehold title to the Premises registered at the Land Registry under title number K838703

5.9.2 As soon as reasonably practicable after the date of this Lease the Tenant named in the Particulars is to apply to the Land Registry for first registration of the title to this Lease and to apply for a note of this Lease to



be entered on the Landlord's title. As part of the application the Tenant is to use all reasonable endeavours to ensure that the Land Registry notes both the benefit of the rights specified in Schedule 1 and the burden of the reserved rights specified in Schedule 2 on the leasehold titles. On completion of the registration the Tenant is to provide official copies of the new title to the Landlord showing the Tenant registered as proprietors together with a copy of the Title Plan.

5.9.3 As part of the Tenant's application for first registration of the title to this Lease under clause 5.10.2 the Tenant shall apply to the Land Registry on Form RX4 (or other appropriate form) for registration against the leasehold title of the restriction contained in clause LR13 of the Land Registry Particulars

5.9.4 The Landlord will not be liable to the Tenant for any failure by the Tenant to register this Lease at the Land Registry or to register or note any of the rights granted or reserved at the Land Registry

#### **5.10 Party Walls**

Such of the walls (if any) of the Premises as divide the Premises from other premises of the Landlord shall be deemed to be party walls severed medially and shall be included in the Premises as far only as the medial plane thereof

#### **5.11 Jurisdiction clause**

5.11.1 This Lease is to be governed by and interpreted in accordance with English law

5.11.2 The courts of England are to have jurisdiction in relation to any disputes between the parties arising out of or relating to this Lease. This clause operates for the benefit of the Landlord who retains the right to sue the Tenant and enforce any judgment against the Tenant in the Courts of any competent jurisdiction

#### **5.12 Non-waiver of forfeiture**

The Developer's obligations hereunder to pay Overage (and any VAT and/or interest thereon) shall be deemed to arise afresh on each day that the same remains unpaid (without prejudice to the Landlord's right in its discretion to charge interest on and exercise any other remedies for non payment with effect from and on the basis that such monies become payable on the first day on which the same became due) to the

intent that (to the extent permitted by law) non-payment of any Overage (and VAT and/or interest thereon) shall be a continuing breach of this Lease and the Landlord's right of re-entry under clause 5.1 shall not be waived by any affirmation of this Lease after the due date for payment under the Development Agreement

**IN WITNESS** whereof this Deed has been executed by the Landlord and the Tenant and is intended to be and is hereby delivered on the date first before written

## SCHEDULE 1

### Rights Granted

1. Full and free right (in common with all others from time to time entitled to the same):
  - 1.1 of running of water, soil, gas, electricity or other power source and any electronic or telephonic signal and the like, the flow of air and the passage of smoke or other effluvia from and to the Premises and the buildings which now are or may hereafter during the Perpetuity Period be erected thereon through the Conduits which now are or may hereafter at any time during the Perpetuity Period be upon, in, over or under the Hotel Site the Mixed Use Site and the land coloured green on the Plan (“the green land”)
  - 1.2 during the Perpetuity Period to build additional or relay any Conduits upon, in, over through or under the Hotel Site the Mixed Use Site and the green land in connection with the Premises and to enter the Hotel Site the Mixed Use Site and the green land for that purpose subject to the persons exercising such right causing as little inconvenience as possible and forthwith making good all damage caused thereby.
  - 1.3 to make connections with any Conduits which now are or may hereafter during the Perpetuity Period be upon, in, over or under the Hotel Site the Mixed Use Site and the green land and to enter upon the Hotel Site the mixed use site and the green land for that purpose (subject as aforesaid).
2. A right of escape (in common as aforesaid) on foot only in case of fire or other emergency over the car park of the Hotel Site over such reasonable route as the Landlord shall designate from time to time.
3. Full right and liberty (subject as aforesaid) to enter upon a part of the Hotel Site which is not from time to time built upon at any time during the Term (after at least twenty eight days prior written notice to the owners and occupiers thereof except in case of emergency) in order to repair maintain and decorate the Building (and to erect scaffolding for that purpose) where the works cannot otherwise be carried out and to build on or into any party or boundary wall on the boundary between the Premises and the Hotel Site and the Premises and the Mixed Use Site.
4. Rights of support and protection for the Premises from the Hotel Site and the Mixed Use Site.

5. The right for emergency vehicles to use such parts of the Hotel Site as are from time to time unbuilt upon and not laid out as car parking spaces.
6. A right of way (in common as aforesaid) with or without vehicles and at all times and for all purposes over and along that part of the Mixed Use Site shown hatched black on the Plan and (until the same is adopted as part of the public highway) the green land
7. The right (in common with the Landlord and all others entitled to the same and to the extent only that the Landlord is entitled to grant such right and subject to and conditional upon the Tenant paying to such party as the Landlord shall from time to time direct a fair and proper proportion of the cost of repairing and maintaining the same) to use the sewer shown coloured green on Plan 2 for the purpose of draining surface water from the Premises

## SCHEDULE 2

### Exceptions and Reservations

**EXCEPT AND RESERVED** unto the Landlord and all other persons at any time authorised by the Landlord or otherwise entitled thereto

1. Full right and liberty at all times to build upon the Retained Land or on any land now or hereafter during the Perpetuity Period belonging to the Landlord or any other person (adjoining or near to the Premises) or otherwise deal with or use such land as the Landlord or such other persons may think fit notwithstanding that the access of light and air to the Premises may be affected
2. Full and free right
  - 2.1 of running of water soil gas electricity or other power source and any electronic or telephonic signal and the like the flow of air and the passage of smoke or other effluvia from and to any other parts of the Retained Land and the buildings which now are or may hereafter during the Perpetuity Period be erected thereon through the Conduits which now are or may hereafter at any time during the Perpetuity Period be upon in over or under the Premises
  - 2.2 during the Perpetuity Period to build additional or relay any Conduits upon in over through or under the Premises in connection with the Retained Land any adjoining or neighbouring property now or hereafter during the Perpetuity Period belonging to the Landlord and to enter upon the Premises for that purpose subject to making good all damage to the Premises caused thereby as soon as practicable
  - 2.3 to make connections with any conduits which now are or may hereafter during the Perpetuity Period be upon in over or under the Premises and to enter upon the Premises for that purpose and subject to making good damage to the Premises as aforesaid
3. Full right and liberty to enter upon the Premises at any time during the Term (but after at least 7 days prior written notice to the Tenant except in case of emergency) in order to build on or into any party or boundary wall of the Premises the persons exercising such right making good all damage to the Premises caused thereby as soon as practicable.
4. Rights of support and protection for the Retained Land from the Premises

5. Full right and liberty to enter upon the Premises at any time during the Term in connection with the exercise of the rights of entry authorised by the covenants on the part of the Tenant hereinbefore contained

## SCHEDULE 3

### Regulations

#### 1. Open Land

Other than during the carrying out of construction works under the Development Agreement and then only in accordance therewith:-

- 1.1 To keep any part of the Premises which are not built upon ("the Open Land") adequately surfaced in good condition and free from weeds and all landscaped areas properly cultivated
- 1.2 Not to bring keep store stack or lay out upon the Open Land any materials equipment plant bins crates cartons boxes or any receptacle for waste or any other item become untidy unclean unsightly or in any way detrimental to the Premises or the area generally
- 1.3 Not to deposit or permit to be deposited any waste rubbish or refuse on the Open Land
- 1.4 Not to keep or store on the Open Land any vehicle caravan or movable dwelling
- 1.5 Not to cause any land roads or pavements abutting the Premises to be untidy or in a dirty condition and in particular (but without prejudice to the generality of the above) not to deposit on them refuse or other materials
- 1.6 Not to store any materials or goods outside the Building

2. **Pollution and Nuisance** Not to burn rubbish or waste materials paper wood and other combustible matter on the Premises except within boilers or incinerators provided for that purpose and approved by the Landlord or the Landlord's Surveyor

2.2 Not to emit any smoke fumes or smells from the Premises or to do any matter or thing on the Premises so as to cause in the opinion of the Landlord or the Landlord's Surveyor annoyance or interference with the proper enjoyment of the Retained Land

#### 3. Refuse

To provide facilities within the Building for the keeping of refuse in proper receptacles readily accessible for collection

#### 4. As to Conduits

Not to obstruct or discharge any deleterious matter into any Conduits serving the Premises or the Retained Land and keep the same clear and functioning properly

5. **As to Dangerous Items**

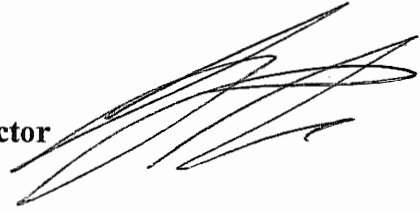
Not knowingly to bring onto or store on the Premises anything of a dangerous nature or which in the opinion of the Landlord is or may become unclean unsightly or detrimental to the Premises or the Retained Land



SIGNED as a deed by  
SFP VENTURES (UK) LIMITED  
acting by a director and its secretary  
or two directors

)  
)  
)  
)

**Director**



**Director / Secretary**





DATED

*2nd September*

2009

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- (1) S F P VENTURES (UK) LIMITED
- (2) THANET DISTRICT COUNCIL

---

**OPTION AGREEMENT**

---

relating to property at Ramsgate Boulevard Ramsgate Kent

**EVERSHEDS LLP**

One Wood Street,  
London EC2V 7WS  
Tel: 0845 497 9797  
Fax: 0845 497 4919



## CONTENTS

Clause		Page
1	INTERPRETATION.....	1
2	OPTION TO BUY .....	3
3	EXERCISE OF THE OPTION .....	4
4	REGISTRATION OF THE OPTION .....	4
5	TERMINATION .....	5
6	RIGHT OF ENTRY .....	5
7	ENCUMBRANCES AND DISPOSALS .....	6
8	SALE CONDITIONS.....	7
9	VALUE ADDED TAX.....	7
10	SERVICE OF NOTICES .....	8
11	DETERMINATION OF DISPUTES .....	8
12	ADDITIONAL PROVISIONS.....	9
13	LAW AND JURISDICTION .....	9
14	SIGNING .....	9
<b>Schedules</b>		
1	Form of option notice.....	10
2	Sale conditions .....	11
	PART 1: GENERAL.....	11
	PART 2: VARIATIONS TO THE COMMERCIAL CONDITIONS.....	13
	PART 3: TITLE MATTERS.....	13
	PART 4: INSURANCE.....	14
3	Calculation of the Price.....	16

## PARTICULARS

**DATE**

*3rd September*

2009

**Seller**

**SFP VENTURES (UK) LIMITED** (a company registered with registered number 5666803) whose registered office is at Lakeview House, Lake Meadows Office Park, Woodbrook Crescent Billericay Essex CM12 0EQ.

**Buyer**

**THANET DISTRICT COUNCIL** of Cecil Street Margate Kent CT9 1XZ

**Buyer's Solicitors**

Eversheds LLP of One Wood Street London EC2V 7WS (Ref: JSP) or such other solicitors as the Buyer notifies in writing to the Seller.

**Completion Date**

twenty working days after the date of service of the Option Notice.

**End Date**

the date 10 years after the date of this Agreement.

**Freehold Transfer**

the freehold transfer of the Hotel Site and (where applicable) the Stairway Land pursuant to Schedule 4 of the Development Agreement.

**Freehold Transfer Date**

means the date of actual completion of the Freehold Transfer.

**Hotel Site**

has the meaning given to that expression in the Development Agreement.

**Interest**

means (pending completion of the Freehold Transfer) the term granted by the Hotel Lease and (following completion of the Freehold Transfer) the freehold interest in the Property (and the freehold interest in the Stairway Land where this is included in the Freehold Transfer) and the terms granted by the Stairway Lease

	and the Hotel Lease (in either case if still subsisting)
<b>Hotel Lease</b>	the lease of the Hotel Site of the same date as this Option Agreement granted pursuant to the Development Agreement and made between the Buyer (1) and the Seller (2) (as varied from time to time).
<b>Option Fee</b>	£1.00 (the sum of one pound).
<b>Option Period</b>	the period from and including the Start Date to and including the End Date.
<b>Price</b>	the price agreed or determined in accordance with <b>Schedule 3</b> .
<b>Property</b>	the property at Ramsgate Boulevard Ramsgate Kent comprising the Hotel Site and shown more particularly edged red on the Plan.
<b>Residential Lease</b>	has the meaning given to that expression in the Development Agreement (as varied from time to time).
<b>Seller's Solicitors</b>	Greenwoods LLP of Monkstone House, City Road, Peterborough PE1 1JE (Ref: David Clark) or such other solicitors as the Seller notifies in writing to the Buyer.
<b>Start Date</b>	the date 2 years after the date of this Agreement.
<b>Stairway Land</b>	has the meaning given to that expression in the Development Agreement
<b>Stairway Lease</b>	has the meaning given to that expression in the Development Agreement.
<b>Title Numbers</b>	means the title numbers to be allocated to the Hotel Lease and (if granted) the Stairway Lease and (following the Freehold Transfer Date) the title number to be allocated to the freehold interest transferred by the Freehold Transfer.

**THIS AGREEMENT** is made on the date set out in the Particulars

**BETWEEN**

- (1) the Seller; and
- (2) the Buyer.

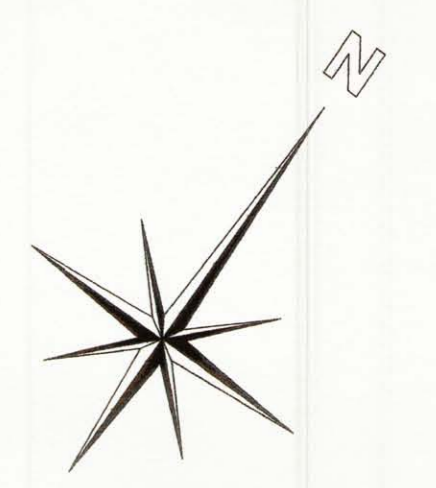
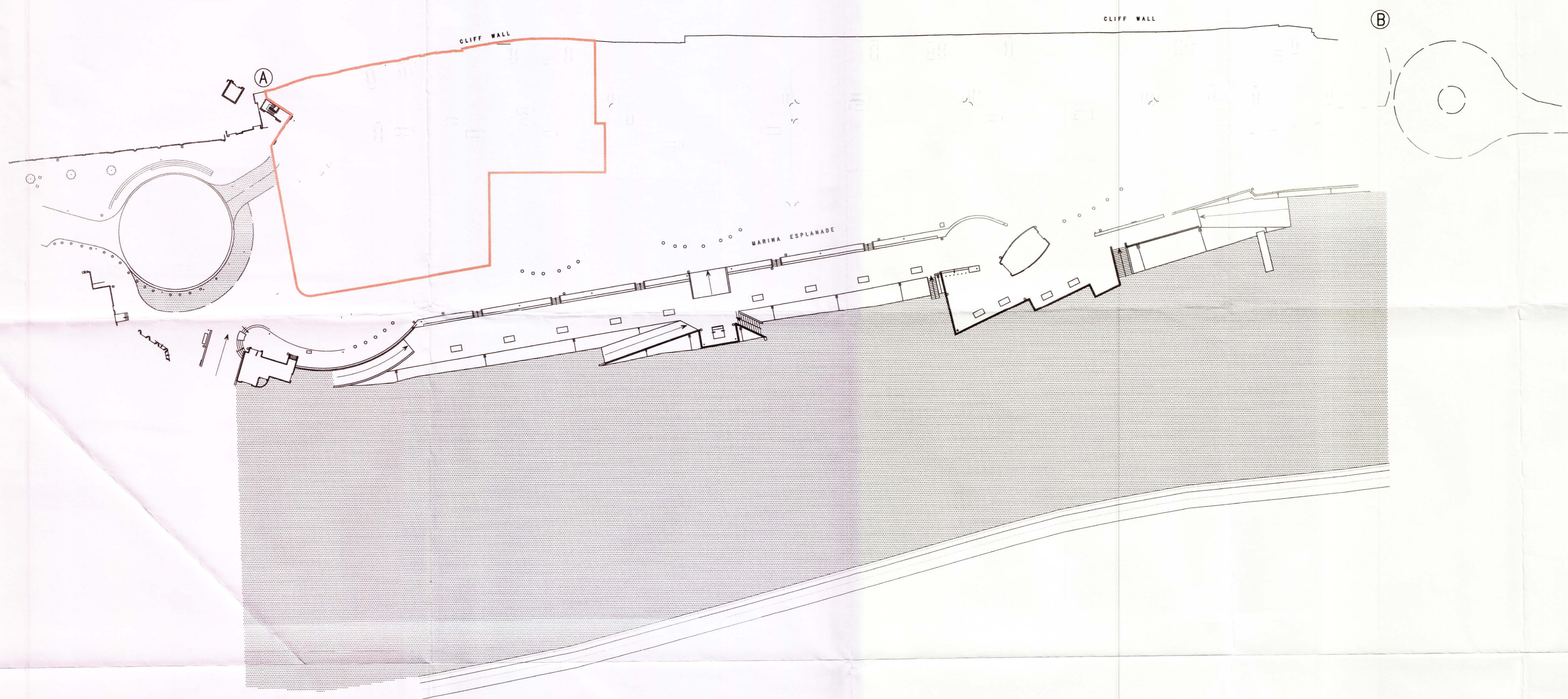
**OPERATIVE PROVISIONS**

**1. INTERPRETATION**

1.1 In this Agreement, the following words and expressions have the following meanings:

- |                                |   |
|--------------------------------|---|
| <b>“Actual Completion”</b>     | actual completion of the sale and purchase of the Interest and <b>“Date of Actual Completion”</b> is to be interpreted accordingly  |
| <b>“Approved Funder”</b>       | has the same meaning as in the Development Agreement  |
| <b>“Approved Operator”</b>     | means a hotel operator approved in writing by the Buyer (such approval not to be unreasonably withheld or delayed in the case of an operator with a proven track record of running good quality hotels and who owns not less than three such hotels (in addition to the hotel on the Hotel Site) at the time the application for the Buyer’s consent is made. |
| <b>“Commercial Conditions”</b> | the Standard Commercial Property Conditions (First Edition)   |
| <b>“Contract Rate”</b>         | 4% per annum above the base lending rate from time to time of National Westminster Bank PLC   |
| <b>“Development Agreement”</b> | means the agreement dated 20th October 2006 relating to the development and sale of land and premises at Ramsgate Boulevard Ramsgate Kent (including the Property) and made between the Buyer (1) and the Seller (2) as varied by a Deed  |





Client:  
SFP VENTURES (UK) Ltd

Project:  
RAMSGATE MARINA ESPLANADE

Drawing Title:  
OPTION AGREEMENT  
HOTEL SITE

Scale @ A1: 1:500  
Project Co-Ordinator: SW  
Date: 09/06

Job No: 5598  
Stage: LE 103

Issue Status:  
 Construction  Preliminary   
 Information  Approval   
 Tender

**PRC**  
 32 Victoria Road,  
 Surbiton, Surrey,  
 KT6 4JT  
 020 8399 8188  
 Fax: 020 8399 3883  
 info@prc-group.com  
 www.prc-group.com

**Architecture**  
 Planning  
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**Offices**  
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 Surbiton  
 Basingstoke  
 Milton Keynes  
 Dublin  
 Cork  
 Warsaw  
 Shanghai



of Variation of the same date as this Agreement and as otherwise varied from time to time

**“Election”** an election to waive exemption from VAT in respect of the Property pursuant to paragraph 2(1) Schedule 10 to the Value Added Tax Act 1994

**“Option”** the option granted by **clause 2**

**“Option Notice”** the notice exercising the Option served in accordance with **clause 3**

**“Particulars”** the Particulars set out at the front of this Agreement

**“Permitted Use”** use as a good quality hotel with conference and other ancillary facilities appropriate to a good quality hotel (but (for the avoidance of doubt and without prejudice to the foregoing) not including (a) use as a boarding house or similar use and/or (b) use for occupation by benefit claimants)

**“Plan”** the plan or plans attached to this Agreement

**“Title Matters”** the matters set out in **paragraph 1 of Part 3 of Schedule 2** and **paragraph 2 of Part 3 of Schedule 2** in each case so far as they are subsisting, capable of taking effect and affect the Property but not including any mortgages or financial charges

**“VAT”** Value Added Tax

1.2 In this Agreement:

1.2.1 the clause headings do not affect its interpretation;

1.2.2 unless otherwise indicated, references to clauses and Schedules are to clauses of and Schedules to this Agreement and references in a Schedule to a Part or paragraph are to a Part or paragraph of that Schedule;

1.2.3 references to any statute or statutory provision include references to:

- 1.2.3.1 all Acts of Parliament and all other legislation having legal effect in the United Kingdom; and
  - 1.2.3.2 any subsequent statutes directly or indirectly amending, consolidating, extending, replacing or re-enacting that statute and also include any orders, regulations, instruments or other subordinate legislation made under that statute;
  - 1.2.4 references to the Property include any part of it;
  - 1.2.5 “including” means “including, without limitation”;
  - 1.2.6 “indemnify” means to indemnify against all actions, claims, demands and proceedings taken or made against the Seller and all costs, damages, expenses, liabilities and losses incurred by the Seller;
  - 1.2.7 “working day” has the meaning given to it in the Commercial Conditions; and
  - 1.2.8 if any provision is held to be illegal, invalid or unenforceable, the legality, validity and enforceability of the remainder of the Agreement is to be unaffected.
- 1.3 The parties to this Agreement do not intend that any of its terms will be enforceable by virtue of the Contracts (Rights of Third Parties) Act 1999 by any person not a party to it.
- 1.4 References in this Agreement to the Buyer include any person to whom the benefit of the Agreement has been assigned and references to the Seller include the Seller’s successors in title to the Interest.
- 1.5 The Particulars form part of this Agreement and words and expressions set out in the Particulars are to be treated as defined terms in this Agreement.
- 2. OPTION TO BUY**
- 2.1 In consideration of the Option Fee, which the Seller has received, the Seller grants the Option to the Buyer.
- 2.2 The Option confers the right on the Buyer during the Option Period to require the Seller to sell the Interest in the whole of the Property to the Buyer at the Price on the terms of this Agreement.

2.3 The Option is binding on the Seller and the Seller's successors in title to the Interest.

2.4 The Buyer may assign the benefit of this Agreement.

### 3. **EXERCISE OF THE OPTION**

3.1 The obligation to complete the sale and purchase of the Interest is subject to the Buyer exercising the Option during the Option Period in accordance with this **clause 3**.

3.2 The Option may only be exercised by the Buyer serving an Option Notice in writing on the Seller (being the party then entitled to the benefit of the Interest) during the Option Period.

3.3 The Buyer agrees not to exercise the Option unless and until the Hotel is closed for trade and/or not operated for the Permitted Use for a continuous period of 56 days during the Option Period and in that event the Buyer shall be entitled to exercise the Option at any time thereafter during the Option Period provided that in the event that such an event occurs and the Buyer does not exercise the Option this shall not preclude the Buyer from exercising the Option if such an event occurs subsequently.

3.4 The Option Notice is to be substantially in the form set out in **Schedule 1**.

3.5 No deposit will be payable on the exercise of the Option.

3.6 The Seller is to provide details of its solicitor's client account to the Buyer on written request.

3.7 The Seller is to sign and return a copy of the Option Notice to the Buyer within two working days of its receipt but the absence of the Seller's signature to the Option Notice will not invalidate the Option Notice.

3.8 If the service of an Option Notice in the exercise or attempted exercise of the Option is not sufficient to create a legally binding and enforceable contract for the sale of the Interest, the Seller and the Buyer will execute all such further documents as either of them may reasonably require to create a legally binding and enforceable contract for the sale of the Interest on the terms of this Agreement.

### 4. **REGISTRATION OF THE OPTION**

4.1 The Seller agrees to the registration of a restriction on the proprietorship register of each of the Title Numbers in the following Land Registry standard form:

“No disposition of the registered estate by the proprietor of the registered estate or by the proprietor of any registered charge is to be registered without the written consent of Thanet District Council of Cecil Street Margate Kent CT9 1XZ or its statutory successor.”

4.2 The Seller consents in addition to the registration of an Agreed Notice against the Title Numbers relating to the Hotel Lease and the land comprised in the Freehold Transfer.

## 5. TERMINATION

5.1 This Agreement will end if the Seller has not received a valid Option Notice by 4.00 pm on the End Date.

5.2 The Buyer may serve notice in writing on the Seller at any time before the service of a valid Option Notice specifying that it does not wish to exercise the Option. On the service of notice under this **clause 5.2**, this Agreement will end.

5.3 If this Agreement ends without the parties completing the sale of the Property, the Buyer is at its own expense to remove any notice or restriction made against the Interest in respect of this Agreement.

5.4 The obligations in **clause 5.3** will continue notwithstanding the ending of this Agreement.

5.5 The Option Fee will not be repayable on the ending of this Agreement.

5.6 The ending of this Agreement will be without prejudice to any claims, liabilities or rights of the Seller or the Buyer existing at the date on which this Agreement ends.

## 6. RIGHT OF ENTRY

6.1 During any period before the exercise of the Option by the Buyer, the Seller is to allow the Buyer to enter and remain on the Property as often as reasonably necessary at all reasonable times and upon reasonable prior written notice for the purpose of preparing any drawings, reports and applications or carrying out surveys subject to the Buyer:

6.1.1 making good any physical damage to the Property caused in the exercise of these rights and leaving the Property in a safe and satisfactory condition; and

- 6.1.2 causing as little inconvenience as reasonably practicable to the Seller and to the business of any tenants or other occupiers of the Property.
- 6.2 The Buyer entering and remaining on the Property pursuant to this **clause 6** will not constitute the Buyer being treated as being let into occupation for the purposes of Commercial Condition 5.2 or as an exercise of the Option.

## 7. ENCUMBRANCES AND DISPOSALS

- 7.1 Unless and until this Agreement has come to an end without the exercise of the Option, the Seller is not (save only as expressly provided in this clause 7) to create any further encumbrance over the Interest or the Property without the prior written consent of the Buyer (such approval not to be unreasonably withheld or delayed where the encumbrance will not adversely affect the value of the interest or adversely affect the use of the Property for the permitted use and does not comprise a lease or charge).
- 7.2 An encumbrance includes any charge, easement, restrictive covenant, lease or other right of occupation use or enjoyment of the whole or any part of the Property, except a lease granted in accordance with **clause 7.3** or a charge granted in accordance with **clause 7.5**.
- 7.3 Prior to the exercise of the Option the Seller may grant a lease of the whole of the Property at a full open market rack rent with five yearly upwards only rent reviews which is :
- 7.3.1 granted for a term of not less than 15 years and not exceeding 50 years;
- 7.3.2 granted to a hotel operator approved by the Buyer (such approval not to be unreasonably withheld or delayed where the hotel operator is an Approved Operator);
- 7.3.3 on terms which oblige the tenant to keep the Property fitted out and open for trade for the Permitted Use with a right of re-entry upon (inter alia) breach of such covenant; and
- 7.3.4 is otherwise in a form and on terms approved by the Buyer (such approval not to be unreasonably withheld or delayed)

7.4 Following the Freehold Transfer Date the Seller is not to sell or otherwise dispose of its freehold interest in the Property except as a whole and unless the Seller procures that:

7.4.1 the new owner of the freehold interest in the Property executes and delivers a deed of covenant to the Buyer in the form required by the Buyer under which the new owner covenants with the Buyer to observe and perform the obligations on the part of the Seller contained in this Agreement;

7.4.2 the new owner of the freehold interest in the Property simultaneously takes a transfer of the Stairway Lease (if subsisting); and

7.4.3 upon any subsequent sale or other disposal by the new owner of the freehold interest in the Property, the same obligations as are contained in this **clause 7.4** apply.

7.5 The Seller may charge the whole of the Interest to an Approved Funder or otherwise with the prior written consent of the Buyer (not to be unreasonably withheld or delayed) if (in any case) the Approved Funder or other mortgagee has first entered into a deed of agreement with the Seller in the like form (*mutatis mutandis*) as provided for in clause 15.2 of the Development Agreement and (the Approved Funder or other mortgagee) (if not registered in the United Kingdom) has provided to the Buyer an opinion letter (in a form approved by the Buyer acting reasonably) in relation to the deed of agreement in similar form (*mutatis mutandis*) to the opinion letter referred to in **paragraph 5.4 of Schedule 2** and (on an irrevocable basis) an address within the United Kingdom for service of notices and proceedings on the Approved Funder or other mortgagee.

7.6 During the period from the Freehold Transfer Date until the expiry of the Option Period the Seller shall not vary take a surrender of or otherwise terminate the Residential Lease without the prior written consent of the Buyer.

## 8. **SALE CONDITIONS**

The provisions of **Schedule 2** apply and the Seller and the Buyer are to comply with their obligations in that Schedule.

## 9. **VALUE ADDED TAX**

Sums payable under this Agreement are exclusive of VAT. An obligation to pay money includes an obligation to pay any VAT chargeable on that payment. When a



taxable supply is made for the purposes of VAT under this Agreement, a valid VAT invoice is to be issued in respect of that supply.

## 10. SERVICE OF NOTICES

10.1 An Option Notice served under this Agreement is to be delivered by hand or sent by first class post, pre-paid or recorded delivery to the address of the Seller set out above or to the address of the Seller's Solicitors set out above or to such other address as the Seller and the Buyer may agree from time to time.

10.2 Unless the time of actual receipt is proved, an Option Notice sent by the following means is to be treated as having been served:

10.2.1 if delivered by hand, at the time of delivery; or

10.2.2 if sent by post, on the second working day after posting.

10.3 If an Option Notice is served after 4.00 pm on a working day, or on a day which is not a working day, it is to be treated as having been served on the next working day.

10.4 Service by fax or e-mail is not a permitted form of service under this Agreement.

## 11. DETERMINATION OF DISPUTES

11.1 The provisions of this clause 11 apply where a dispute under this Agreement is to be determined by an independent expert.

11.2 The independent expert is to be appointed by agreement between the Seller and the Buyer but if they cannot reach an agreement, either of them may ask the President for the time being of the Royal Institution of Chartered Surveyors to nominate an expert and if he is unable or unwilling to do so, the next most senior officer may make the nomination.

11.3 The following provisions apply to the independent expert:

11.3.1 he is to act as an expert and not as an arbitrator;

11.3.2 he is to give the Seller and the Buyer an opportunity to make written representations and to comment on each other's representations;

11.3.3 another expert may replace him if he dies, becomes unwilling or incapable of acting or it becomes apparent for any other reason that he will be unable to determine the matter referred to him within a reasonable time;

11.3.4 he will be instructed to make his determination within 20 working days of the matter being referred to him;

11.3.5 his decision is to be final and binding on the Seller and the Buyer; and

11.3.6 his fees, including those of his appointment, are to be borne between the Seller and the Buyer as he determines or, in the absence of a determination, shared equally between the Seller and the Buyer.

## **12. ADDITIONAL PROVISIONS**

12.1 The Seller irrevocably appoints the Buyer named in this Agreement as its attorney for the purpose of executing all documents necessary for the purpose of transferring the Interest to the Buyer following the exercise of the Option under this Agreement should the Seller fail to do so within 28 days of the due date for completion of such documents under the Agreement.

12.2 This Agreement constitutes the entire contract between the parties and may be varied or modified only in writing by the parties or their authorised representatives specifically referring to this clause and stating that this Agreement is varied in the manner specified.

## **13. LAW AND JURISDICTION**

13.1 This Agreement is to be governed by and interpreted in accordance with English law.

13.2 The courts of England are to have jurisdiction in relation to any disputes between the parties arising out of or related to this Agreement. This clause operates for the benefit of the Buyer who retains the right to sue the Seller and enforce any judgment against the Seller in the courts of any competent jurisdiction.

## **14. SIGNING**

This Agreement has been signed under hand by or on behalf of the Seller and the Buyer and it is exchanged on the date set out in the Particulars.

## SCHEDULE 1

### Form of option notice

To: [NAME OF SELLER]

Dated: [DATE]

**Option Agreement (“the Agreement”) dated [DATE] made between (1) S F P Ventures (UK) Limited (“the Seller”) and (2) Thanet District Council (“the Buyer”)**

We give you notice that, pursuant to **clause 3** of the Agreement, we as the Buyer exercise the Option and call on you to complete the sale and purchase of the Property in accordance with the terms of the Agreement.

In accordance with the terms of the Agreement, you should sign and date the attached duplicate of this Notice and return it to the address given below where our solicitors will receive it on our behalf.

Yours faithfully

**Signed by [NAME]**

Authorised signatory for and on behalf of the Buyer

*OR*

Buyer’s Solicitors duly authorised for and on behalf of the Buyer

[Address]

We as the Seller acknowledge receipt of this Option Notice and confirm the agreement to sell the Property in accordance with the terms of the Agreement.

**Signed by [NAME]**

Authorised signatory for and on behalf of the Seller

*OR*

Seller’s Solicitors duly authorised for and on behalf of the Seller

## SCHEDULE 2

### Sale conditions

#### PART 1: GENERAL

##### 1. Commercial conditions

The Commercial Conditions, as varied by **Part 2** of this Schedule, form part of this Schedule so far as they are applicable to the sale of the Interest and are consistent with the express terms of this Agreement.

##### 2. Completion

2.1 Subject to the exercise of the Option, completion of the sale of the Interest will take place on the Completion Date.

2.2 The Option Fee is to be deducted from the Price payable on completion.

2.3 The Interest is sold subject to any lease granted in accordance with clause 7.3 but otherwise with vacant possession on completion.

##### 3. Title

3.1 The Seller shall if required by the Buyer at any time during the Option Period before exercise of the Option within 28 days of written request by the Buyer:

3.1.1 provide to the Buyer written replies to the then current editions of enquiries CPSE1 and CPSE2 in relation to the Property;

3.1.2 deduce title to the Interest to the Buyer; and

3.1.3 provided a complete copy of any lease (together with copies of all deeds and documents supplemental thereto) to which the Interest is then subject.

3.2 The Buyer shall be entitled to raise proper and reasonable requisitions in relation to the title or any lease to which the Interest is then subject except in respect of any entries registered against the title K838703 at the date of this Agreement.

3.3 The Seller sells with full title guarantee.

3.4 The Buyer shall be entitled to raise observations on any replies to enquiries or requisitions and the Seller shall reply promptly to such observations.

4. **Title matters**

4.1 The Property is sold subject to and, to the extent that the Seller is able to transfer them, with the benefit of the Title Matters.

4.2 The Buyer's Solicitors have been provided with copies of the Title Matters and the Buyer is to be treated as buying the Property with full knowledge of them and will not raise any requisition or objection to them.

4.3 The Property is also sold subject to the matters contained or referred to in Commercial Condition 3.1.2 but without prejudice to the Seller's duty of disclosure.

5. **The transfer**

5.1 The transfer is to be prepared by the Buyer's Solicitors. The transfer is to be executed in duplicate and the Buyer is to ensure that the duplicate is returned to the Seller's Solicitors as soon as possible after completion.

5.2 The transfer is to contain a covenant by the Buyer that it and its successors in title to the Property will by way of indemnity only comply with and indemnify the Seller against any future breach of the Title Matters in so far as they relate to the Property and remain binding on the Seller, any future breach of the tenant's covenants in the Hotel Lease and the Stairway Lease (if subsisting and comprised in the Interest) and any future breach of the landlord's covenants in any lease granted in accordance with **clause 7.3**

5.3 Any party that executes the transfer pursuant to a power of attorney is to provide a copy of that power of attorney in English, certified in accordance with section 3 Powers of Attorney Act 1971, to the other parties on the Date of Actual Completion.

5.4 On the Date of Actual Completion, (if the Seller is not registered in the United Kingdom) the Seller is to provide the Buyer with an opinion letter from a reputable firm of lawyers in the jurisdiction in which the Seller is incorporated to confirm that the Seller:

5.4.1 is properly incorporated and registered in that jurisdiction;

5.4.2 has power to enter into its obligations under the transfer and any other documentation entered into under this Agreement and to hold land in the England and Wales;

- 5.4.3 has validly executed this Agreement, the transfer and any other documents entered into on the Date of Actual Completion.
- 5.5 On the Date of Actual Completion the Seller is to provide the Buyer with a duly executed release of any charge or mortgage over the Property

## **PART 2: VARIATIONS TO THE COMMERCIAL CONDITIONS**

### **1. Exclusion of Commercial Conditions**

Commercial Conditions 1.1.2, 2.2, 3.3, 4.1.1, 4.2.1, 6.3.7, 6.3.8, 6.3.9, 8.2.4 and 8.3 are excluded.

### **2. Variation of Commercial Conditions**

- 2.1 In Commercial Condition 4.5.2, the reference to Condition 4.5.4 is a reference to Condition 4.5.3.
- 2.2 In Commercial Condition 5.1.2, the words “but the buyer is to be credited with any contributions to the premium receivable by the seller from a tenant or other third party so far as they are attributable to that period” are included at the end of that condition.
- 2.3 In Commercial Condition 5.1.2(c), the words “at any time” are replaced by the words “on reasonable prior notice during normal business hours, but not more than once between exchange and completion unless the terms of the policy change.”
- 2.4 In Commercial Condition 5.1.2(d), the words “obtain or” are deleted.
- 2.5 In Commercial Condition 5.2.1, the words “the buyer ... property, and” are deleted.
- 2.6 In Commercial Condition 6.3.1, the words “Subject to Condition 6.3.7” are deleted.
- 2.7 Commercial Condition 6.3.2 reads “Apportionment is to be made with effect from the date of actual completion.”

## **PART 3: TITLE MATTERS**

### **1. Register entries**

The matters contained or referred to in the Property and Charges Registers of the title number K838703 as at the date of this Agreement.

2. **Other deeds and documents**

The matters contained or referred to in the following deeds and documents:

<b>Date</b>	<b>Document</b>	<b>Parties</b>
30th October 2007	Section 278 Agreement	The Kent County Council (1) SFP Ventures (UK) Limited (2) Thanet District Council (3)
31st October 2007	Deed of Variation to Section 278 Agreement	The Kent County Council (1) SFP Ventures (UK) Limited (2) Thanet District Council (3)

3. **Residential Site Lease**

The Residential Site Lease (where the option is exercised after completion of the freehold transfer).

4. Any encumbrance to which the Buyer has consented in writing under clause 7.1

**PART 4: INSURANCE**

1. **Maintenance of the insurance**

1.1 The Seller is to maintain insurance of the Property in accordance with clause 16.1 of the Development Agreement until the End Date or (if earlier) the Date of Actual Completion and to supply written evidence that such insurance is in place upon written request from time to time by the Buyer.

1.2 The Seller is to cancel its insurance cover for the Property on or as soon as practicable after the Date of Actual Completion.

2. **Insurance claims**

2.1 If the Property is damaged or destroyed before the Date of Actual Completion by any of the risks covered by the Seller's policy or policies of insurance in respect of the Property:

2.1.1 the Seller is to apply all insurance proceeds in making good the damage or destruction; and

2.1.2 the Seller is to pay or provide that there is released to the Buyer on Actual Completion the amount of the policy moneys which the Seller has received to the extent that they have not been applied in making good the damage or destruction; and

2.1.3 if no final payment has been received by the Date of Actual Completion the Seller is to assign to the Buyer (insofar as its insurers allow) all rights to claim under the Seller's insurance policy in such form as the Buyer reasonably requires.



## SCHEDULE 3

### Calculation of the Price

#### 1. **Defined terms**

In this Schedule the following words and expressions have the following meanings

**“Price”** means a sum equivalent to the Construction Cost provided that where at the date of exercise of the Option the Seller has entered into a disposition of the Property or any part thereof in breach of the terms of this Agreement the Price shall be the lesser of:

- (a) the Construction Cost; and
- (b) the open market value of the Interest on the date of the Option Notice;

**“Construction Cost”** means the aggregate of all sums paid by the Seller under the building contract or contracts for the carrying out of the Hotel Works provided that where any such building contract or contracts relates to both the Hotel Works and other works the Construction Cost shall include such proportion of the sums payable under such building contract or contracts as shall fairly and properly be attributable to the Hotel Works.

**“Open Market Value”** is the price at which the Interest might reasonably be expected to be sold at arms length on the open market at the date of the Option Notice assuming:

- (i) a willing seller and buyer;
- (ii) there has been a reasonable period prior to the valuation date within which to negotiate the sale taking into account the nature of the Interest and the state of the market;

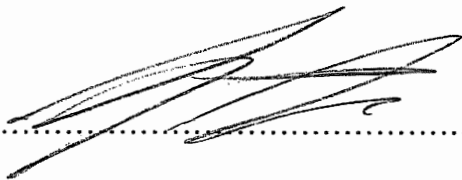
- (iii) values remain static throughout that period;
- (iv) the Interest will be freely exposed to the market;
- (v) no account is taken of any additional bid by a buyer with a special interest;
- (vi) both the Buyer and the Seller acted knowledgeably prudently and without compulsion.

## 2. Calculation of the Construction Cost

- 2.1 The Seller shall both during the carrying out of the Hotel Works and following practical completion thereof keep the Buyer informed on a regular basis (accompanied by such vouchers invoices receipts and such other information as the Buyer shall reasonably require) of the monies expended under the building contract or building contracts for the Hotel Works and shall provide to the Buyer all information that the Buyer shall require to enable the Buyer to ascertain the Construction Cost for the purpose of this Agreement.
- 2.2 The Seller and the Buyer shall as soon as practicable after the date of practical Completion of the Hotel Works co-operate with each other with a view to agreeing the amount of the Construction Cost for the purpose of this Agreement and in the event that such Construction Cost is not agreed within three months following the date of practical completion either party may on notice to the other require the dispute to be resolved in accordance with **clause 11** of this Agreement.
- 2.3 In the event that the Seller shall not supply to the Buyer such information as the Buyer shall reasonably require in order to ascertain the amount of the Construction Cost the Construction Cost for the purpose of determining the Price to be paid on exercise of the Option shall be such amount as the Buyer acting reasonably shall determine by notice in writing to the Seller to that effect but without prejudice to the right of the Seller to refer any dispute in relation to such amount (within the period of 2 months after the Date of Actual Completion) to an independent expert in accordance with **paragraph 2.4** of this Schedule and where the independent expert determines that the Construction Cost is greater than that determined by the Buyer under **paragraph 2.3** the Buyer shall pay to the Seller an amount equivalent to the excess with 28 days of determination by the independent expert.

2.4 Any dispute between the Seller and the Buyer under this **Schedule 3** is to be determined by an independent expert in accordance with **clause 11** of the Agreement.

.....  
SIGNED by

A handwritten signature in black ink, consisting of several overlapping, slanted strokes, positioned above a dotted line.

For and on behalf of S F P VENTURES (UK) LIMITED



EVERSHEDS

Dated

*3rd September*

2009

- (1) THANET DISTRICT COUNCIL
- (2) S F P VENTURES (UK) LIMITED

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## Deposit Agreement

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relating to a Development Agreement dated 20th October 2006 relating to premises at Ramsgate Boulevard, Ramsgate, Kent

**Eversheds LLP**  
One Wood Street  
London  
EC2V 7WS

Tel 0845 497 9797  
Fax 0845 497 4919  
Int +44 20 7919 4500  
DX 154280 Cheapside 8  
[www.eversheds.com](http://www.eversheds.com)

## CONTENTS

Clause		Page
1	INTERPRETATION.....	1
2	DEPOSIT ACCOUNT .....	3
3	PAYMENT OF THE DEPOSIT .....	3
4	DEPOSIT BALANCE .....	3
5	REPAYMENT OF THE DEPOSIT BALANCE.....	4
6	INTEREST .....	5
7	DEED OF COVENANT .....	5
8	PAYMENT OF OVERAGE FROM THE DEPOSIT ACCOUNT .....	6
9	EXECUTION.....	6

## PARTICULARS

**Date**

3rd September

2009

**the Council**

THANET DISTRICT COUNCIL of Cecil Street, Margate, Kent CT9 1XZ.

**the Developer**

SFP VENTURES (UK) LIMITED (registered number 05666803) whose registered office is at Lakeview House, 4 Lake Meadows Office Park, Woodbrook Crescent, Billericay, Essex CN12 0EQ.

**Deposit**

One million pounds (£1,000,000.00).

**Development Agreement**

An agreement dated 20th October 2006 made between the Council (1) and the Developer (2) relating to the development and sale of the Property (as varied by a Deed of Variation of the same date as this Agreement and made between the same parties and as further varied from time to time)

**Property**

The premises comprising land at Ramsgate Boulevard, Ramsgate Kent described in more detail in the Development Agreement.

**THIS DEED** is made on the date set out in the Particulars

**BETWEEN**

- (1) the Council; and
- (2) the Developer.

**OPERATIVE PROVISIONS**

**1. INTERPRETATION**

1.1 In this Deed, the following words and expressions have the following meanings:

<b>"Bank"</b>	National Westminster Bank plc
<b>"Covenants"</b>	the obligations and conditions in the Development Agreement to be complied with by the Developer
<b>"Date of Practical Completion"</b>	has the same meaning as in the Development Agreement
<b>"Deposit Account"</b>	a separate interest-bearing deposit account opened with the Bank (at a reasonable rate of interest)
<b>"Deposit Balance"</b>	the balance from time to time standing to the credit of the Deposit Account
<b>"Event of Default"</b>	one or more of the following events: <ul style="list-style-type: none"><li>(a) the disclaimer of the Development Agreement by the Crown or by a liquidator of the Developer;</li><li>(b) the Developer is struck off the register of companies or otherwise ceases to exist; and</li><li>(c) the forfeiture of the Site Leases</li></ul>
<b>"Overage"</b>	has the same meaning as in the Development Agreement
<b>"Repayment Date"</b>	the earlier of:



(a) the date on which the Developer has complied in all material respects with all of its obligations under the Development Agreement and;

(b) the Freehold Transfer Completion Date

**"Successor"**

any person who is a successor in title to the Council's interest in the Property

1.2 Other expressions used in this Deed shall have the same meanings as in the Development Agreement

1.3 The Particulars form part of this Deed and words and expressions set out in the Particulars are defined terms in this Deed.

1.4 In this Deed:

1.4.1 the clause headings do not affect its interpretation;

1.4.2 references to clauses not otherwise attributed are to clauses of this Deed;

1.4.3 references to the parties include their successors in title;

1.4.4 where two or more people form a party to this Deed, the obligations they undertake may be enforced against them all jointly or against each individually; and

1.4.5 if any provision is held to be illegal, invalid or unenforceable, the legality, validity and enforceability of the remainder of the Deed will be unaffected.

1.5 The parties to this Deed do not intend that any of its terms will be enforceable by virtue of the Contracts (Rights of Third Parties) Act 1999 by any person not a party to it.

1.6 This Deed is supplemental to the Development Agreement. A breach of this Deed is to be regarded as a breach of the Development Agreement and will permit the Council (as landlord) to exercise its right of re-entry or other appropriate remedy under the Site Leases.

1.7 This Agreement shall continue in full force and effect notwithstanding any termination of the Development Agreement and/or any of the Site Leases.

## 2. **DEPOSIT ACCOUNT**

- 2.1 If it has not already done so, the Council is to open the Deposit Account as soon as reasonably practicable after the date of this Deed.
- 2.2 The Council may transfer the Deposit Balance into another Deposit Account at the Bank or at another bank for retention on the terms of this Deed and if the transfer is to another bank, the replacement bank will become "the Bank" for the purposes of this Deed.
- 2.3 The Council is not to close the Deposit Account before the Repayment Date except where another Deposit Account has been opened in accordance with **clause 2.2**.
- 2.4 The Bank's reasonable and proper costs for opening and operating the Deposit Account may be deducted from any interest earned on the Deposit Account.
- 2.5 The Council shall give written notice to the Developer of any withdrawals from the Deposit Account.

## 3. **PAYMENT OF THE DEPOSIT**

The Council acknowledges receipt of the Deposit from the Developer and agrees to pay it into the Deposit Account.

## 4. **DEPOSIT BALANCE**

- 4.1 The Developer acknowledges that:
- 4.1.1 the Deposit Balance is with effect from the date of this Deed and will remain beneficially the property of the Council subject to the provisions of clause 5 of this Deed.
- 4.1.2 the Council is entitled to make withdrawals from the Deposit Account on the terms of this Deed.
- 4.2 The Council agrees that it will not make any withdrawals from the Deposit Account except on the terms of this Deed.
- 4.3 The Council may make withdrawals from the Deposit Account for all or any of the following purposes:-
- 4.3.1 to make good any loss or damage to the Council from any breach by the Developer of any of the Covenants
- 4.3.2 (where the Developer is in breach of any of its development obligations under the Development Agreement) to reimburse any costs and expenses (including sums payable under any building contract and

professional fees) incurred by the Council in relation to any of the following:-

- 4.3.2.1 completing any uncompleted building on the Property or completing any unfinished part of the Development Works
  - 4.3.2.2 remedying or making good any defects in any buildings or other works on the Property
  - 4.3.2.3 repairing and/or re-instating any damage to any buildings on the Property by fire or other risks
  - 4.3.2.4 altering any buildings or partly completed buildings on the Property as part of any new or varied development of the Property; and/or
  - 4.3.2.5 site clearance
- 4.3.3 to make good any loss or damage to the Council arising from an Event of Default, including any sums for which the Council is entitled to prove in the winding up of the Developer whether or not following a disclaimer of the Development Agreement
- 4.3.4 to pay any Overage and/or under monies due to the Council under the Development Agreement
- 4.4 For the purpose of clause 4.3 the reference to a breach by the Developer of its development obligations shall include any delay by the Developer in starting and/or completing any part of the Development Works under the development Agreement and/or any delay in complying with the programme set out in Schedule 9 of the Development Agreement and the Council shall have full discretion as to which (if any) of the remedies referred to in clauses 4.3.2.1 to 4.3.2.5 (inclusive ) it shall pursue
- 4.5 The Council shall notify the Developer in writing of any withdrawal from the Deposit Account under this Deed.

## 5. **REPAYMENT OF THE DEPOSIT BALANCE**

- 5.1 Within ten working days after the Repayment Date, the Council is to pay to the Developer an amount equal to the Deposit Balance on the Repayment Date together with any interest due up to the Repayment Date but after deducting:
- 5.1.1 any outstanding monies due to the Council under this Deed at the Repayment Date; and

5.1.2 any outstanding costs of the Bank, including any costs payable on the closure of the Deposit Account.

5.2 If any monies are due to the Council at the Repayment Date but are unquantified at that date:

5.2.1 the Council may deduct under clause 5.1.1 an amount equal to the Council's reasonable estimate, to be made in good faith, of the amount outstanding;

5.2.2 any sums so deducted will be held in the Deposit Account on the terms of this Deed until the relevant outstanding amounts have been quantified;

5.2.3 when the relevant outstanding amounts have been quantified, the Council is to deduct those amounts from the Deposit Account and will pay any credit balance on the Deposit Account to the Developer within 10 working days of the amounts having been quantified; and

5.2.4 if the monies retained on the Deposit Account are insufficient to pay the relevant outstanding amounts, the Developer is to pay the balance to the Council on demand.

5.3 Following the repayment of the whole of the Deposit Balance, the Council may close the Deposit Account.

## 6. **INTEREST**

6.1 Interest earned on the Deposit Account is to be left in the Deposit Account and will form part of the Deposit Balance.

## 7. **DEED OF COVENANT**

7.1 At the request of the Council, the Developer is to enter into a deed of covenant at its own cost with the Council and any Successor containing the following provisions:

7.1.1 a covenant by the Successor with the Developer to comply with the Council's obligations in this Deed;

7.1.2 a covenant by the Developer with the Successor to comply with the Developer's obligations in this Deed; and

7.1.3 a release by the Developer of the Council from its obligations in this Deed.

7.2 Subject to the completion of the deed of covenant in accordance with clause 7.1:

7.2.1 the Council may give a mandate to the Bank authorising the Bank to accept the Successor as the signatory to the Deposit Account and the person entitled to operate the Deposit Account; or

7.2.2 the Successor may open a new Deposit Account and transfer the Deposit Balance to it to be held on the terms of this Deed.

7.3 The Developer shall not be entitled to assign its interest under this Deed.

## **8. PAYMENT OF OVERAGE FROM THE DEPOSIT ACCOUNT**

8.1 Prior to the later of the Date of Practical Completion and the Council being satisfied as provided for in clause 8.2 of this Agreement the Council shall not be obliged to apply the Deposit or any part of it towards payment of Overage payable to the Council under the Development Agreement (although the Council may in its discretion do so if it so wishes) and the Developer shall remain liable to pay such Overage to the Council in full whether or not any monies are held by the Council in the Deposit Account.

8.2 Following the Date of Practical Completion and subject to the Council (acting reasonably) being satisfied that there are sufficient monies (excluding interest) remaining in the Deposit Account to pay in full all future Overage which may become payable to the Council under the Development Agreement the Council shall if required by the Developer apply the monies then standing to the credit of the Deposit Account towards payment of Overage due to the Council under the Development Agreement but without prejudice to the Developer's obligation to pay to the Council in full all Overage payable to the Council under the Development Agreement to the extent not paid from the monies in the Deposit Account

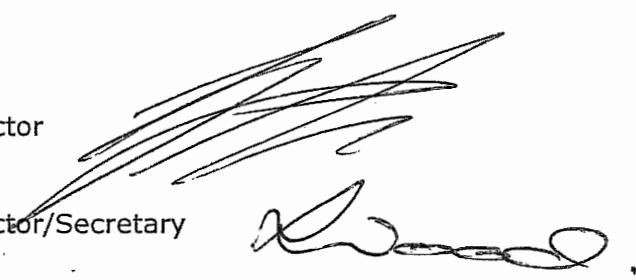
## **9. EXECUTION**

The parties have executed this Deed as a deed and it is delivered on the date set out in the Particulars.

**EXECUTED** as a Deed by )  
S F P VENTURES (UK) LIMITED )  
acting by two Directors or a )  
Director and the Secretary )

Director

Director/Secretary

The image shows two handwritten signatures. The first signature, corresponding to the 'Director' label, is a dense, scribbled signature. The second signature, corresponding to the 'Director/Secretary' label, is a more legible, cursive signature.