

FRAMEWORK AGREEMENT

between

THE FORESTRY COMMISSIONERS

and

FOREST HOLIDAYS LLP

and

FOREST HOLIDAYS (SCOTLAND) LLP

and with

the **RELEVANT MINISTERS**

2005

SDC/F0585.1001

FAS NO 7646



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TABLE OF CONTENTS

CLAUSES

1.	INTERPRETATION	1
2.	COMMENCEMENT DATE	12
3.	PROJECT TERM	13
4.	GENERAL OBLIGATIONS UNDER THE PROJECT	13
5.	FC'S REPRESENTATIVE	15
6.	THE LLP'S REPRESENTATIVES	16
7.	LIAISON	16
8.	LAND ISSUES	17
	SCOTTISH SITES	17
	ENGLISH AND WELSH SITES	18
9.	NEW SITE LOCATION PROCEDURE	26
10.	STATUTORY REQUIREMENTS AND REQUIRED CONSENTS	32
11.	CDM REGULATIONS	34
12.	DESIGN	34
13.	MODERNISATION TIMETABLE	36
14.	INFORMATION ON THE MODERNISATION WORKS	36
15.	NEW SITE TIMETABLE	36
16.	INFORMATION ON NEW SITE WORKS	37
17.	TRANSFER ARRANGEMENTS ON EXPIRY	39
18.	OPENING OF NEW SITES	41
19.	OPERATION AND MAINTENANCE	41
20.	UNDERTAKING BY THE RELEVANT MINISTERS	42
21.	TUPE	43
22.	EMPLOYEES	50
23.	TERMINATION BY THE LLPS	52
24.	TERMINATION BY FC	53

25.	EXPIRY	54
26.	CONSEQUENCES OF TERMINATION OR EXPIRY	54
27.	RIGHTS OF ACCESS	54
28.	AMENDMENTS	54
29.	ASSIGNMENT AND SECURITY	54
30.	INFORMATION AND REPORTING	55
31.	INDEMNITY	56
32.	OWN ENQUIRIES	57
33.	INTELLECTUAL PROPERTY RIGHTS	57
34.	CONFIDENTIALITY	59
35.	MISCELLANEOUS	61
36.	CORRUPT GIFTS AND FRAUD	62
37.	DISPUTE RESOLUTION	63
38.	NO AGENCY OR PARTNERSHIP	63
39.	ENTIRE AGREEMENT	63
40.	COMMUNICATIONS UNDER THIS AGREEMENT	63
41.	AMENDMENTS, WAIVERS AND REMEDIES	64
42.	SEVERANCE	65
43.	SURVIVAL OF RIGHTS AND DUTIES	65
44.	COUNTERPARTS	65
45.	RIGHTS OF THIRD PARTIES	65
46.	COSTS AND EXPENSES	65
47.	GOVERNING LAW AND JURISDICTION	65
	THE SCHEDULE	73
	PART 1 CORE REQUIREMENTS	73
	PART 2 SPECIFICATION	76
1.	MODERNISATION SPECIFICATION	76
2.	NEW SITE SPECIFICATION	76

PART 3	MODERNISATION TIMETABLE AND NEW SITE TIMETABLE	77
3.	MODERNISATION TIMETABLE	77
4.	NEW SITE TIMETABLE	77
PART 4	OPERATION AND MAINTENANCE SPECIFICATION	78
PART 5	QUALITY AND ENVIRONMENTAL MANAGEMENT ARRANGEMENTS	79
PART 6	(1) TUPE LIST	80
PART 7	NOT USED	81
PART 8	LEASES	82
1.	EXISTING SITE LEASES	82
2.	APPORTIONMENT OF RENTAL AMONG EXISTING SITES	82
3.	NEW SITE LEASES	82
PART 9	DISPUTE RESOLUTION PROCEDURE	83
PART 10	OPTION AGREEMENT	85
PART 11	FC'S WIDER STRATEGIC OBJECTIVES	86
1.	PROMOTION OF FC'S BRAND VALUES	86
2.	ECOLOGICAL SUSTAINABILITY	86
3.	ECONOMIC SUSTAINABILITY	86
4.	SOCIAL SUSTAINABILITY	86
5.	RECREATION AND HEALTH	86
6.	INTEGRATION WITH THE WIDER FOREST	86
7.	DIVERSITY	86
PART 12	EXISTING SITES	87
1.	THE EXISTING SITES	87
PART 13	CURRENT FC SITES	89
PART 14	CURRENT DEFECTS	91

THIS AGREEMENT is made on 8 May 2006 between:-

THE FORESTRY COMMISSIONERS constituted under the Forestry Acts 1919 to 1967 (as amended by the Forestry Acts 1979 and 1981) with offices at 231 Corstorphine Road, Edinburgh EH12 7AT (hereinafter referred to as "FC") of the first part

and

FOREST HOLIDAYS LLP (registered as a Limited Liability Partnership in England and Wales under the Limited Liability Partnerships Act 2000 under registration number OC318816) registered office is at Greenfields House, Westwood Way, Coventry, CV4 8JH (hereinafter referred to as "**the English LLP**") of the second part

FOREST HOLIDAYS (SCOTLAND) LLP (registered as a Limited Liability Partnership in Scotland under the Limited Liability Partnerships Act 2000 under registration number S0300880) registered office is at 123 St. Vincent Street, Glasgow, G2 5EA (hereinafter referred to as "**the Scottish LLP**") of the third part

and with

the **RELEVANT MINISTERS** (as hereinafter defined) as consenters

WHEREAS:

- A FC wishes to make arrangements for the implementation of the Project comprising the Sites and in accordance with the Government's Wider Markets Initiative has invited interested persons to tender, (in accordance with the provisions of the Public Services Contracts Regulations 1993), for and negotiate contracts to take forward and grow the Forest Holidays business as a joint venture.
- B Proposals were submitted on behalf of the LLPs in response to FC's invitation. Following negotiations, it appears to FC to be expedient for the purposes of, or in connection with, the discharge of its functions to enter into this Agreement, which sets out the terms and conditions upon which (a) the English LLP will take forward and grow the Forest Holidays business in England & Wales and (b) the Scottish LLP will take forward and grow the Forest Holidays business in Scotland, in both cases, as Limited Liability Partnerships with FC and CCC as initial members.
- C This Agreement is entered into under the Government's Wider Markets Initiative.
- D This Agreement is excluded from the application of Part II of the Housing Grants, Construction and Regeneration Act 1996 by operation of, in England and Wales, the Construction Contracts (England and Wales) Exclusion Order 1998 and, in Scotland, the Construction Contracts (Scotland) Exclusion Order 1998.

NOW IT IS AGREED as follows:

1. **INTERPRETATION**

- 1.1 In this Agreement (in addition to the terms defined elsewhere in this Agreement) unless the context otherwise requires, the following words and expressions shall have the following meanings:

"**Abandon**" means (except whilst a Force Majeure Event subsists), not to carry out all of the Activities at all or any of the Sites (save for a Site no longer

operated by the relevant LLP, in whole or in part, in accordance with the provisions of Clause 19.8) for 15 consecutive days except when relieved of the obligation to do so in terms of this Agreement;

"Activities" means the Operation and Maintenance Activities, the provision of the Ancillary Services, and any other activities carried out by the LLPs pursuant to this Agreement;

"Affiliate" means, in relation to any person, any holding company or subsidiary of that person or any subsidiary of such holding company and **"holding company"** and **"subsidiary"** shall have the meaning given to them by section 736 of the Companies Act 1985;

"Agreed Form" means in relation to any document the form of that document initialled for the purposes of identification by, or on behalf of, the parties thereto;

"Ancillary Services" shall, for each Site, have the meaning assigned thereto in accordance with Clause 1.1 of each of the relevant Leases;

"Asset Transfer Agreement(s)" means the agreement(s), in the Agreed Form, to be entered into between FC and each of the LLPs on or around the Commencement Date in respect of the transfer of various movable and incorporeal assets of FC to the relevant LLPs;

"Assigned Employees" as defined in Clause 21.3(c) (LLP responsibilities)

"Business" means (A) the sale including by way of long lease and/or hiring out of cabins or other units of holiday accommodation for holidays or similar purposes together with the provision of such of the Ancillary Services as an LLP may determine and /or (B) the hiring of pitches for tents, caravans (including holiday homes), cabins and motor-homes for short-term holidays together with the provision of such of the Ancillary Services as an LLP may determine and (C) the hiring of caravans (including holiday homes), and motor homes or other similar types of holiday accommodation for use on the Sites;

"Business Day" means any day, excluding Sundays or public holidays, upon which banks are open for business in both Edinburgh and London;

"Business Plan" means the plan entitled Forest Holidays Business Plan and dated 11th April 2006 and such new Business Plan as shall be approved in accordance with the Members Agreements and as amended from time to time;

"Capital Expenditure Programme" means the programme of capital expenditure for each of the Existing Sites and the proposed New Site in the Agreed Form;

"CCC" means the Camping and Caravanning Club Limited (Company number 00445520);

"CDM Regulations" means the Construction (Design and Management) Regulations 1994;

"Certified Timbers" means timber that is certified by an internationally recognised forestry organisation or body of equivalent standing to the Forest Stewardship Council as having come from a sustainable source;

"Commencement Date" means the date of this Agreement;

"Competent Authority" includes any court of competent jurisdiction and any local, national or supranational executive, agency, inspectorate, minister, ministry, official or public or statutory person (whether autonomous or not) in or of, or of the Government or of the European Union;

"Concession Group" shall mean Duke of Edinburgh award scheme participants and scouts, guides and similar uniformed youth organisations;

"Contractor" means each or every (as the context so requires) contractor appointed by either LLP to undertake the Modernisation Works or the New Site Works;

"Core Requirements" means the minimum requirements in relation to, and minimum performance criteria for, the Sites as set out in Part 1 of the Schedule;

"Crown Land" means freehold land within the perambulation of the New Forest (as established by the New Forest Act 1964), vested in the Secretary of State for the Environment, Food and Rural Affairs and under the control of the Forestry Commission

"Data Protection Regulations" means the Data Protection Act 1998 and any secondary legislation implemented thereunder;

"Design Documentation" means drawings, diagrams, details, documents, specifications, samples, models or information (including calculations, logic or sequence overview diagrams and functional design specifications for computer software) and all amendments and revisions thereto prepared by or on behalf of either LLP in connection with the design of the Sites;

"Directive" includes any present or future directive, requirement, instruction, condition of or limitation in any necessary consent, licence, authorisation, permission, approval, permit, direction, or rule of any Competent Authority having the force of law (including any modification, extension or replacement thereof then in force);

"Employer" means the LLPs or any other provider of any Works and/or any other person carrying on the Activities;

"English & Welsh Sites" means those Existing Sites referred to in paragraph 1.2 of Part 12 of the Schedule;

"Executive" shall have the same meaning as in the CDM Regulations;

"Existing Sites" means the three cabin and twenty one camping and caravanning sites operated by FC as at the date of this Agreement, as listed at Part 12 of the Schedule and **"Existing Site"** shall mean any of them;

"Existing Site Leases" means the leases, sub-leases and other agreements relating to the Existing Sites, as listed in Part 8 of the Schedule, in the Agreed Form, to be entered into by the Relevant Ministers and the relevant LLP pursuant to Clause 8;

"Expert" means the individual(s) appointed in accordance with paragraph 5 of Part 9 of the Schedule (Dispute Resolution Procedure);

"Expiry Date" means the 75th anniversary of the Commencement Date or when all of the Leases have been terminated or have expired (and not been renewed), whichever is the later;

"FC's Actuary" means a fellow of the Institute of Actuaries or of the Faculty of Actuaries engaged by FC.

"FC's Estate" means all the land in (a) England and Wales and (b) Scotland under the direct or indirect control or management of the Forestry Commissioners and which is from time to time at the disposal of the Forestry Commissioners;

"FC's Representative" means the person from time to time appointed by FC to act as FC's Representative under this Agreement;

"FC's Solicitors" means Tods Murray LLP, 133 Fountainbridge, Edinburgh Quay, Edinburgh EH3 9AG (Ref Susan McFadyen/Caroline James);

"FC's Wider Strategic Objectives" means the objectives set out in Part 11 of the Schedule;

"FC Termination Notice" has the meaning given in Clause 24.1;

"Finance Act" means the Finance Act 2004;

"Force Majeure Event" means any event which affects all, or a majority of, the Sites, which event could not reasonably have been foreseen by the LLPs and which prevents or severely restricts the LLPs from carrying on the Business at the relevant Sites, including an act of God, war, terrorist attack; flood, fire, storm, landslide or other natural disaster; an epidemic or outbreak of disease; a nuclear, biological or chemical contamination;

"Forest Design Plans" means the forest design plans drawn up by or on behalf of the Forestry Commissioners, by means of which the proposals for management of the wooded and open areas for which the Forestry Commissioners are responsible are developed and communicated;

"Forest Stewardship Council" means the Forest Stewardship Council UK of Unit D, Station Buildings, Llanidloes, Powys SY18 6EB;

"Good Industry Practice" means the standards, practices, methods and procedures conforming to laws and that degree of skill, care, diligence, prudence and foresight which would reasonably be expected from a skilled and experienced contractor, engineer or operator, as the case may be, engaged in the United Kingdom in the same type of undertaking under the same or similar circumstances at the time when the act or operation to which the standard is to be applied is performed;

"Government" means H.M. Government of the United Kingdom of Great Britain and Northern Ireland (including the government of parts of Great Britain, particularly the Scottish Parliament and the National Assembly for Wales);

"the Guidance" has the meaning given to it in Clause 21.3(i);

"Initial Investment Period" means the period between the Commencement Date and the date falling 5 years and 6 months after the Commencement Date;

"Initial Investment Programme" means the initial investment phase of the Project, comprising the modernisation and redevelopment of the camping and caravanning sites at the Existing Sites, the construction of 300 units of permanent accommodation on five of the Existing Sites all in accordance with the Modernisation Specification, and the development of a new cabin site in accordance with the Business Plan;

"Initial Relevant Transfer" means a Relevant Transfer of Relevant Employees from FC to the relevant LLP (or any Employer) pursuant to this Agreement;

"Insolvency Event" means in respect of any person, that:

- (a) such person is unable to pay its debts (within the meaning of Section 123(1) of the Insolvency Act 1986 unless in the case of s123 (1)(a) any such demand is presented as frivolous, vexatious or genuinely disputed grounds) or has any voluntary arrangement proposed in relation to it under Section 1 of that Act or enters into any scheme or arrangement (other than for the purpose of reconstruction or amalgamation upon terms and within such period as may previously have been approved in writing by the Members, such approval not to be unreasonably withheld or delayed);
- (b) such person has a receiver (which expression shall include an administrative receiver within the meaning of Section 251 of the Insolvency Act 1986) appointed over the whole or any material part of its assets or undertaking;
- (c) such person has an administration order under Section 8 of the Insolvency Act 1986 made in relation to it;
- (d) such person becomes insolvent or makes any assignation for the benefit of its creditors or enters into an agreement or makes any arrangement with creditors for the liquidation of the debts of that person by composition or otherwise;
- (e) such person passes any resolution for winding-up other than a resolution previously approved in writing by the Members;
- (f) such person becomes subject to an order for winding-up by a court of competent jurisdiction; or
- (g) any event occurs or enforceable proceeding is taken with respect to that person in any jurisdiction which has an effect equivalent or materially similar to any of the events described in paragraphs (a) to (f) above.

"Intellectual Property Rights" means all rights in inventions, patents, copyrights, design rights, trade marks and trade names, service marks, trade secrets, know-how and other intellectual property rights (whether registered or unregistered) and all applications for any of them, anywhere in the world;

"Leases" means the Existing Site Leases and the New Site Leases and "Lease" shall be construed accordingly;

"Lender" means any person providing debt finance to either, or both, of the LLPs (but for the avoidance of doubt shall not include any Member of an LLP in its capacity as such or any Affiliate of any Member in its capacity as such);

"Licence Agreement" means the licence agreement in the Agreed Form, to be entered into between FC and each LLP on or around the date of this Agreement in relation to, *inter alia*, the use by the LLPs of the "Forest Holidays" and "Forestry Commission" brand names and logos;

"Management Agreement" means the agreement, in the Agreed Form, to be entered into between the English LLP and the Scottish LLP on or around the Commencement Date in respect of the management of the LLPs;

"Members" means the members of either of the LLPs from time to time (being, as at the date of this Agreement, FC and CCC);

"Members Agreements" means the two LLP Members Agreements in the Agreed Form, one being entered into by FC, CCC and the English LLP and one being entered into by FC, CCC, and the Scottish LLP, relating to the Project, on or around the date of this Agreement;

"Modernisation Phase" means, for an Existing Site, the period of time commencing on the Commencement Date and ending on the date on which the modernisation for such Existing Site is completed in accordance with the Initial Investment Programme;

"Modernisation Specification" means the specification for modernisation of the Existing Sites as set out in Part 2 of the Schedule;

"Modernisation Timetable" means the modernisation timetable set out in Part 3 of the Schedule as the same may be amended or revised in accordance with Clause 13;

"Modernisation Works" means all the work concerning the detailed design, specification, construction (including all necessary enabling works, landscaping, road construction, infrastructure works or any other site works), testing and completion of the Existing Sites in accordance with the provisions of this Agreement;

"National Manager" means an employee of FC nominated by FC who shall represent FC in relation to national matters in England, Scotland and Wales pursuant to Clause 7.4 of this Agreement;

"New Forest" means the New Forest as defined in the New Forest Acts;

"New Forest Acts" means The New Forest Acts 1877 to 1970 as the same may be amended varied or supplemented from time to time and includes all orders and byelaws made pursuant or supplemental thereto;

"New Forest Leases" means all and any Leases which relate to New Forest Sites;

"New Forest Sites" means the Sites at Hollands Wood, Holmsley, Roundhill, Aldridge Hill, Setthorns, Denny Wood, Matley Wood, Ashurst and Ocknell & Longbeech and any New Site to be located on Crown Land in the New Forest;

"New Sites" means Sites to be developed and operated by either of the LLPs in accordance with this Agreement on land forming part of FC's Estate at the date approval is sought in terms of Clause 9.1(f) and **"New Site"** shall mean any of them;

"New Site Leases" means the leases, sub-leases and other agreements relating to the New Sites in the form set out in Part 8 of the Schedule, to be entered into by the Relevant Ministers and the relevant LLP pursuant to Clause 20;

"New Site Location" means the area proposed by either LLP or FC, in accordance with the Clause 9, for a New Site;

"New Site Phase" means, for a New Site, the period of time commencing on the grant of the relevant New Site Lease and ending on the Opening Date for that New Site;

"New Site Specification" means the specification for the New Sites as set out in Part 2 of the Schedule;

"New Supplier" means any successor to either LLP (including for the avoidance of doubt FC) carrying out activities which are equivalent or identifiably similar to the Activities upon the cessation of provision of the Activities by either LLP; or upon the partial cessation of the provision of the Activities by either LLP, any successor to either LLP in the provision of activities which are equivalent or identifiably similar to that part or those parts of the Activities, which are to cease to be provided by either LLP;

"New Site Timetable" means the timetable for the New Sites set out in Part 3 of the Schedule as the same may be amended or revised in accordance with Clause 15;

"New Site Works" means all the work concerning the detailed design, specification, the application for and obtaining of planning approval, construction (including all necessary enabling works, landscaping, road construction, infrastructure works or any other site works), testing and completion of the New Sites in accordance with the provisions of this Agreement;

"Opening Date" means:

- (a) in relation to an Existing Site, the Commencement Date; and
- (b) in relation to a New Site to be constructed as part of the Initial Investment Programme the date on which such New Site is open for business to the public.

"Operation and Maintenance Phase" means, in respect of both the Existing and the New Sites, the period of time commencing on the Opening Date for each Site and ending on the Expiry Date;

"Operation and Maintenance Activities" means the operation and maintenance activities to be carried out by the LLPs in accordance with this Agreement and the Operation and Maintenance Requirements;

"Operation and Maintenance Requirements" means the operation and maintenance requirements and minimum standards set out in Part 4 of the Schedule;

"Option Agreement" means an option agreement to be entered into between FC and the relevant LLP in relation to a potential New Site, being in the terms *mutatis mutandis* set out in Part 10 of the Schedule;

"Part 1 Conditions" means Part 1 of the Standard Commercial Property Conditions (Second Edition);

"Part 2 Conditions" means Part 2 of the Standard Commercial Property Conditions (Second Edition);

"LLP(s)" means the English LLP and/ or the Scottish LLP, as the case may be;

"LLPs' Actuaries" means a fellow or fellows of the Institute of Actuaries or of the Faculty of Actuaries engaged by either or both of the LLPs;

"the LLPs' Representative" means the person or persons appointed by either or both of the LLPs in accordance with the provisions of Clause 6;

"LLP's Solicitors" means Pinsent Masons of 3 Colmore Circus, Birmingham, B4 6BH (ref: John Tyerman/Ian Stewart);

"Prohibited Act" means:

- (a) offering, giving or agreeing to give to any servant of FC any gift or consideration of any kind as an inducement or reward:
 - (i) for doing or not doing (or for having done or not having done) any act in relation to the obtaining or performance of this Agreement or any other contract with FC; or
 - (ii) for showing or not showing favour or disfavour to any person in relation to this Agreement or any other contract with FC; or
- (b) entering into this Agreement or any other contract with FC in connection with which commission has been paid or has been agreed to be paid by either LLP or on its behalf, or to its knowledge, unless before the relevant contract is entered into particulars of any such commission and of the terms and conditions of any such contract for the payment thereof have been disclosed in writing to FC; or
- (c) committing any offence:
 - (i) under the Prevention of Corruption Acts 1889-1916; or
 - (ii) under legislation creating offences in respect of fraudulent acts; or
 - (iii) at common law in respect of fraudulent acts in relation to this Agreement or any other contract with FC; or

1.1.1 defrauding or attempting to defraud or conspiring to defraud FC.

"Project" means the modernisation of the Existing Sites and the development of New Sites in accordance with the terms of this Agreement;

"Project Data" means:

- (a) all Design Documentation;
- (b) all drawings, reports, documents, plans, software, formulae, calculations and other data in relation to the provision of the Activities; and
- (c) any other materials, documents and/or data acquired, brought into existence or used in relation to the Works or the Activities in terms of this Agreement;

"Project Documents" means the agreements listed in Part 2 of the Schedule to each of the Members Agreements;

"Project Operations" means the carrying out of the Activities and/or the Works;

"Project Specification" means the specification for the modernisation, construction, operation and maintenance of the Sites, incorporating the Core Requirements, the New Site Specification, the New Site Timetable, the Modernisation Specification, the Modernisation Timetable, and the Operation and Maintenance Specification for and in relation to the Sites;

"Project Term" means as defined in Clause 3.1 of this Agreement;

"Quality and Environmental Management Arrangements" means those requirements set out in Part 5 of the Schedule;

"Relevant Employee" means any FC employee listed in Part 6 (1) of the Schedule (TUPE List) who is the subject of the Initial Relevant Transfer;

"Relevant Employee Services" means those of the Activities in which the Relevant Employees were engaged at the time of the Initial Relevant Transfer or similar or equivalent parts of the Activities;

"Relevant Ministers" means in relation to sites situated in Wales, the National Assembly for Wales, in relation to sites situated in England, the Secretary of State for Environment, Food and Rural Affairs and in relation to sites in Scotland, the Scottish Ministers; in each case the reference shall extend to their successors in each country who have or may have substantially the same responsibilities with regard to forestry matters;

"Relevant Transfer" means a relevant transfer for the purposes of TUPE or a transfer which FC advises the relevant LLP is to be treated as if it were a relevant transfer for the purposes of TUPE;

"Required Consents" means all consents, licences, authorisations, permissions, approvals and permits of any Competent Authority which are or were necessary for carrying out the Activities and/or the Works and the construction or operation of the Sites or for the performance of any of the obligations of either LLP under this Agreement;

"Re-transfer Date" means the date on which any cessation or partial cessation referred to in Clause 21.4 (TUPE upon Cessation) takes effect so as to transfer the contracts of employment of the Re-transferring Employees by virtue of TUPE;

"Re-transferring Employees" means those employees of the relevant LLP (or any other person carrying on the Activities) who are assigned to the provision of those parts of the Activities which are to cease to be carried out, immediately prior to the cessation or partial cessation of the Activities;

"RPI" means the Retail Price Index as published from time to time in Table 18.2 of the Monthly Digest of Statistics "Retail Price Index - all items other than mortgage interest payments and depreciation" published by the Office of National Statistics or such index in such journal as shall replace such table, and in the event that rebasing of RPI occurs, the parties shall meet and agree the consequential changes (if any) which are required to be made to this Agreement (and in default of agreement the matter shall be referred to determination in accordance with Clause 37);

"Schedule" means the schedule, in 14 parts, annexed to and forming part of this Agreement;

"Scottish Ministers" has the meaning given to it in the Scotland Act 1998;

"Scottish Sites" means those Existing Sites referred to in paragraph 1.1 of Part 12 of the Schedule;

"Services Infrastructure" means all sewers, drains, septic tanks, water courses, holding tanks, pipes, cables, conduits and other transmitters and connections relating to the Sites;

"Sites" means the Existing Sites and the New Sites and **"Site"** shall mean any of them;

"Specified Employee" means any of Kate Bee, Steven Robertson and Nicole Wilson;

"Standard Details Manual" means the manual in the Agreed Form setting out the detailed specification for the proposed Modernisation Works in accordance with and supplemental to the Modernisation Specification;

"Statutory Requirements" means (i) any applicable statute or proclamation or any delegated or subordinate legislation; (ii) any enforceable community right within the meaning of section 2(1) of the European Communities Act 1972; (iii) any applicable judgment of a relevant court of law which is a binding precedent in the relevant jurisdiction; (iv) any Directive; and (v) any enforceable bye-laws, regulations or orders affecting, or relating to, FC's Estate;

"Tax" means any kind of tax, duty, levy, charge, contribution, impost or any similar charge, whether or not similar to any in force at the date of this Agreement imposed by a local, municipal, governmental, state, federal or other body or authority;

"**TUPE**" means the Transfer of Undertakings (Protection of Employment) Regulations 2006, as amended or replaced from time to time;

"**Turnover**" means the total sales of the relevant LLP derived from the Business or in any way directly or indirectly from the Sites or the Project calculated on an accruals basis in accordance with UK Generally Accepted Accounting Principles and Accounting Standards and for the avoidance of doubt including the gross revenue derived from sub-leases, concessions and franchises and excluding only VAT on such sales but any sales made otherwise than at arms length for full consideration shall be valued for the purposes of this Agreement as if they had been made for full commercial consideration;

"**VAT**" means value added tax as provided for in the Value Added Tax Act 1994, and shall include any tax of a similar nature imposed in substitution for or in addition to value added tax;

"**UK Woodland Assurance Standard**" means the standard required for certification of forests by the Forest Stewardship Council, as such standard may be amended from time to time;

"**Uneconomic**" means, in respect of any Site, that such Site has made an operating loss (on the basis of the income and expenditure shown in a dedicated profit and loss account for that particular Site) for three consecutive years;

"**Works**" means the New Site Works, the Modernisation Works and any other works forming part of the Project.

- 1.2 Where the context requires or admits words importing the singular shall include the plural and vice versa.
- 1.3 Where the context requires or admits words importing persons shall include firms and corporations.
- 1.4 A reference to any recital, clause, sub-clause, paragraph, schedule or part of a schedule is (unless otherwise specified) a reference to such recital, clause, sub-clause, paragraph, schedule, part of a schedule of this Agreement.
- 1.5 Headings are for convenience of reference only and shall be deemed not to form part of this Agreement and shall not be taken into account in its interpretation.
- 1.6 A reference to this Agreement or to any other document, contract or agreement shall include a reference to each permitted variation of, or supplement to, this Agreement and such document, contract or agreement as amended, varied or supplemented from time to time.
- 1.7 Each reference to this Agreement (or "this agreement") refers to this Agreement together with the Schedule hereto.
- 1.8 References to any statute or statutory provision shall include any statute or statutory provision which amends or replaces or has amended or replaced it and shall include any subordinate legislation made under any such statute.
- 1.9 Any phrase introduced by the words "**including**", "**include**", "**in particular**" or any similar expression shall be construed as illustrative only and shall not be construed as limiting the generality of any preceding words.

- 1.10 The words "**other**" and "**otherwise**" shall not be construed *ejusdem generis* with any foregoing words where a wider construction is possible.
- 1.11 A person includes its successors and permitted assignees or transferees.
- 1.12 In the event of any conflict between any provision of this Agreement (other than the Schedule) and the Schedule, the provisions of this Agreement (other than the Schedule) shall prevail over the Schedule. In the event of any conflict between Parts 1 to 14 of the Schedule, the following priority shall prevail:
- (a) Part1;
 - (b) Part 2,3 and 4;
 - (c) All other parts
- 1.13 For the purposes of this Agreement, a month shall mean a calendar month.

2. COMMENCEMENT DATE

On the Commencement Date:

- 2.1 FC shall deliver to the LLPs a letter appointing FC's Representative in terms of Clause 5;
- 2.2 FC shall procure that the Relevant Ministers shall execute and deliver the Existing Site Leases in accordance with the terms of Clause 8;
- 2.3 each LLP shall exhibit the relevant principals and shall deliver certified true copies to FC of:
- (a) the validly executed Project Documents, as listed in Part 7 of the Schedule;
 - (b) confirmation in writing that the Project Documents have become unconditional in all respects (save for any condition relating only to the occurrence of the Commencement Date);
 - (c) such Required Consents as may have been granted before the Commencement Date;
- 2.4 each LLP shall deliver to FC:
- (a) evidence satisfactory to FC that each LLP has effected the appropriate registration with the Data Protection Registrar;
 - (b) certified true copies of the Minutes (in Agreed Form) of each LLP which authorise the execution of all documents being executed by each LLP on or about the Commencement Date;
 - (c) a letter appointing each LLP's Representative in terms of Clause 6;

3. PROJECT TERM

- 3.1 The Project Term shall commence on the Commencement Date and shall, subject to Clause 3.2, end on the Expiry Date unless terminated earlier by mutual agreement or in accordance with the terms of any other provision of this Agreement (“the Project Term”).
- 3.2 Notwithstanding any rule of law to the contrary, no notice shall be required to terminate this Agreement at its natural expiry date specified in Clause 3.1.
- 3.3 This Agreement may not be renewed or extended other than through the express mutual written agreement of the parties.

4. GENERAL OBLIGATIONS UNDER THE PROJECT

4.1 Each LLP shall perform its obligations under, and observe all of the provisions of, the Project Documents to which it is a party and, for so long as FC is, or in the case of the Scottish LLP the Scottish Ministers are, a member of the relevant LLP, shall not:

- (a) terminate or agree to the termination of all or part of any of the Leases or the Management Agreement;
- (b) make or agree to any material variation of any Project Document;
- (c) in any material respect depart from its obligations (or waive or allow to lapse any rights it may have in a material respect), or procure that others in any material respect depart from their obligations (or waive or allow to lapse any rights they may have in a material respect), under any Project Document; or
- (d) enter into (or permit the entry into by any other person of), any agreement replacing all or part of (or otherwise materially and adversely affecting the interpretation of) any Project Document,

unless the proposed course of action has been approved, in writing, by FC, which approval shall not be unreasonably withheld or delayed.

4.2 Delivery

Without prejudice to the provisions of this Clause 4, if at any time an amendment is made to any Project Document, or either LLP enters into a new Project Document (or any agreement which affects the interpretation or application of any Project Document), the relevant LLP shall deliver to FC a conformed copy of each such amendment or agreement within ten (10) Business Days of the date of its execution or creation, certified as a true copy by an officer of the relevant LLP.

4.3 Each LLP shall have the right and obligation at its own cost, with due care and diligence and in accordance with Good Industry Practice, to design, build, operate, finance and maintain the Sites and operate and manage the Business subject to and in accordance with the provisions of this Agreement and the Project Documents.

4.4 The English LLP shall construct or procure that the English & Welsh Sites shall, in all material respects, be constructed, in accordance with Part 1 of the

Modernisation Specification, the New Site Specification (where the proposed new cabin site is in England or Wales) and the Design Documentation applicable to the English & Welsh Sites and be operated and maintained in all material respects in accordance with the Operation and Maintenance Specification and be in accordance with Part 1 of the Modernisation Timetable and the New Site Timetable, where applicable, and meet the Core Requirements and shall use all reasonable endeavours to complete the Initial Investment Programme, relating to the English & Welsh Sites, within the Initial Investment Period. The Scottish LLP shall construct or procure that the Scottish Sites shall, in all material respects, be constructed, in accordance with Part 2 of the Modernisation Specification, the New Site Specification (where the proposed new cabin site is in Scotland) and the Design Documentation applicable to the Scottish Sites and be operated and maintained in all material respects in accordance with the Operation and Maintenance Specification and be in accordance with Part 2 of the Modernisation Timetable and the New Site Timetable, where applicable, and meet the Core Requirements and shall use all reasonable endeavours to complete the Initial Investment Programme, relating to the Scottish Sites, within the Initial Investment Period. Provided always that the relevant LLPs obligation to construct or procure the construction of the Modernisation Specification and/or New Site Specification in accordance with this Clause 4.4 shall become an obligation to do so using reasonable endeavours, (rather than an absolute obligation), in the event that FC is no longer , (or in the case of the Scottish LLP the Scottish Ministers are no longer, (save where its interests are transferred to FC)), a member of the relevant LLP.

- 4.5 For the avoidance of doubt, FC acknowledges that its sole remedy in the event of delay in construction of the Modernisation Specification and/or the New Site Specification is the exercise of its rights under Clause 24.1(b).
- 4.6 Each LLP shall perform its obligations under this Agreement at its own risk.
- 4.7 Save:
- (a) as expressly authorised by this Agreement; or
 - (b) (while FC is , or in the case of the Scottish LLP the Scottish Ministers are, a member of either LLP) where such works have been previously approved by FC as part of approval of the Business Plan in terms of the relevant Members Agreement,

the LLPs shall not carry out any work which may in any way affect the land or operation of any part of FC's Estate without the prior written consent of FC (not to be unreasonably withheld or delayed), which shall be granted only on approval by FC of the relevant LLP's detailed method statement for the work concerned or in accordance with any Statutory Requirement. The relevant LLP shall meet the reasonable cost of making good any damage to FC's Estate caused by any such work.

The parties agree that if there is any conflict or inconsistency between the provisions of this Clause 4.7 and any of the Leases then the provisions of the Leases shall prevail to the extent of the conflict or inconsistency only.

- 4.8 Each LLP shall at its own cost be solely responsible for procuring that the Project Operations are at all times performed:

- (a) in so far as not in conflict with an express obligation of the LLPs under this Agreement, or where in relation to a matter there is no express obligation or standard imposed on the LLPs under this Agreement, in accordance with Good Industry Practice;
- (b) in a manner consistent with the Quality and Environmental Management Arrangements;
- (c) in a manner that is not likely to be injurious to health or to cause damage to property;
- (d) in a manner consistent with FC discharging its statutory duties and other functions undertaken by it as such other functions may be notified to the LLPs in writing from time to time;
- (e) in compliance with all Statutory Requirements and Required Consents (including without limitation the giving of notices and the obtaining of any Required Consents) and so as not to prejudice the renewal of any Required Consents;
- (f) in a manner consistent with FC's Wider Strategic Objectives.

4.9 Notwithstanding Clause 4.1, (whether or not FC or the Scottish Ministers (as appropriate) are still members of the LLPs) the parties agree to act in good faith to use their reasonable endeavours to agree any changes to the Project Documents reasonably required in order to enable either or both of the LLPs to obtain sufficient Senior Debt (as defined in the Members Agreements) to enable the LLPs to complete the Initial Investment Programme.

5. FC'S REPRESENTATIVE

- 5.1 FC's Representative has authority to act on behalf of FC under this Agreement only where, and to the extent that, this Agreement so provides expressly. In the absence of such express provision, FC's Representative shall have no authority to give instructions to the LLPs, derogate from or amend this Agreement, relieve the LLPs of any duty or obligation under this Agreement or otherwise to act on behalf of FC under this Agreement.
- 5.2 FC may from time to time in writing delegate to FC's Representative any of the powers and authorities vested in FC pursuant to this Agreement and shall as soon as reasonably practicable furnish the LLPs with a copy of all such written delegations of powers and authorities.
- 5.3 Any written notice given by FC's Representative to the LLPs under this Agreement or within the terms of such delegation, shall bind the LLPs and FC (for whom FC's Representative shall be deemed to act as agent) as though it had been given by FC.
- 5.4 In the discharge of his functions under this Agreement FC's Representative shall not owe any duty to the LLPs and shall incur no liability to it. Where this Agreement bears to impose an obligation on FC's Representative by requiring him to take some action or otherwise, FC shall procure that, subject to Clause 5.1, FC's Representative discharges such obligations.

- 5.5 FC may remove and replace FC's Representative at any time without the consent of the LLPs but shall give the LLPs immediate notice in writing of any removal or replacement and provided always that no such removal or replacement of any person as FC's Representative shall invalidate or otherwise affect any actions or decisions of such person in his capacity as FC's Representative prior to the LLPs receiving written notice of such removal or replacement. In the event that FC removes FC's Representative, then, until it appoints a replacement, any notification to be made by the LLPs to FC's Representative shall be made to FC. During any period when FC's Representative has not been appointed or when he is through illness, incapacity or any other reason whatsoever unable or unwilling to carry out or exercise his functions hereunder, FC shall carry out and exercise the relevant functions.

6. THE LLP'S REPRESENTATIVES

- 6.1 Each LLP shall appoint a competent representative, who shall have been approved previously by FC (such approval not to be unreasonably withheld) to superintend the carrying out of the Project and to act as the relevant LLP's agent in connection with this Agreement.
- 6.2 Each LLP's Representative shall, together with such of the LLPs' staff as may be appropriate, attend all meetings with FC's Representative at times and at frequencies reasonably required by FC's Representative.
- 6.3 Each LLP's Representative shall be deemed to have full power and authority to act on behalf of the relevant LLP.
- 6.4 Each LLP, subject to the approval of FC (such approval not to be unreasonably withheld or delayed), may remove or replace their LLP's Representative at any time provided always that no such removal or replacement of any person as a LLP's Representative shall invalidate or otherwise affect any actions or decisions of such person in his capacity as that LLP's Representative prior to FC receiving written notice of such removal or replacement.

7. LIAISON

- 7.1 FC's Representative and each LLP's Representative shall meet together as often as may be required, but at least once in every six months and not less frequently than once a month during the period of any Modernisation Phase or New Site Phase.
- 7.2 Without prejudice to their legal rights, FC and the LLPs shall use their best endeavours to work together co-operatively, without the need for formality, and to raise proposals at the earliest possible stage (and before formal notification in terms hereof).
- 7.3 The LLPs shall take minutes of all meetings between FC's Representative and the relevant LLP's Representative. If such minutes are (a) agreed between the parties (as evidenced by their signatures) to be complete and accurate and (b) made available in duplicate to each party, then any matter therein recorded shall be treated as if it had been formally intimated, notified or agreed (as the case may be) in terms hereof. However, either party may qualify their approval of the minutes (or part thereof) to the effect that whilst the minutes are agreed to be a true record they, or a specified part thereof, will not constitute formal intimation, notification or agreement (as the case may be).

- 7.4 Each LLP's Representative shall meet the National Manager for the area of each Site at least once in every period of three months and FC shall procure that each National Manager shall attend such meetings and provide all reasonable assistance and information to each LLP's Representative, including ensuring that good communication and close co-operation are developed and maintained between the relevant personnel in the LLPs and FC staff at local level in order that the LLPs can benefit from the experience and expertise of the FC staff at local level.
- 7.5 Without prejudice to the terms of Clause 7.4, each LLP's Representative shall meet with FC local staff, (in relation to the New Forest Sites, not less than once in every period of one month) and FC shall procure that an appropriate member of FC local staff shall attend such meetings and provide all reasonable assistance and information to each LLP's Representative.
- 7.6 Without prejudice to the other provisions of this Clause 7, FC's Representative and each LLP's Representative shall meet, not less than annually, to discuss tree management at the Sites and to ensure that the operation of the Business at all Sites is consistent with the relevant Forest Design Plans.
- 7.7 Either FC's Representative and/or either, as appropriate, LLP's Representative may elect to refer any matters discussed at the liaison meetings to the relevant Management Committee of the relevant LLP, in terms of the relevant Members Agreement, for further consideration, discussion or resolution.

8. LAND ISSUES

Scottish Sites

- 8.1 On the Commencement Date, FC will procure the grant to the Scottish LLP of, and the Scottish Ministers will grant to the Scottish LLP, a Lease of each of the Scottish Sites upon the terms set out in Part 8 of the Schedule.
- 8.2 FC will procure that the Scottish Leases shall be executed by the Scottish Ministers and the Scottish LLP and delivered to the Scottish LLP on or before the Commencement Date.
- 8.3 The Scottish LLP shall, within seven days following receipt, deliver to FC a copy of each revenue certificate or self certificate (as appropriate) required in the terms of section 79 of the Finance Act 2003.
- 8.4 The Scottish LLP shall within eight weeks of the Commencement Date have each Scottish Lease registered in the Books of Council and Session and shall obtain two extracts of each (one of each for the Scottish Ministers which will be sent to FC and one of each for the Scottish LLP).
- 8.5 If a Lease qualifies to be registered in the Land Register of Scotland, the Scottish LLP shall (i) within eight weeks of the Commencement Date register it in the and Register of Scotland and deliver to FC a copy of the receipted Form 4 and (ii) within 7 days of receipt by the Scottish LLP of a Land Certificate in respect of that interest a copy of the Land Certificate with a colour copy of the title plan(s).
- 8.6 The LLPs will be held to have satisfied themselves as to the Scottish Ministers' title. In terms of the Scottish Sites the Scottish Ministers will exhibit a Form

10/11 Report brought down to the Commencement Date which reports shall not disclose any deed diligence or entry prejudicial to the Scottish Ministers' ability to validly grant each of the Scottish Leases. A solicitor's obligation letter in the appropriate form as contained in the Registration of Title Practice Book (as published by HMSO) or otherwise as may be agreed in relation to the registration of the Lease and the issue of a Land Certificate in favour of the Scottish LLP will be produced.

- 8.7 If a Lease qualifies to be registered in the Land Register of Scotland, FC shall forthwith on demand from time to time at its expense deliver to the Scottish LLP such documents and evidence on behalf of the Scottish Ministers as the keeper may require to enable the keeper to issue a land certificate in the name of the Scottish LLP and containing no exclusion of indemnity in terms of section 12(2) of the Land Registration (Scotland) Act 1979, which documents will include a plan or bounding description sufficient to enable the relevant Scottish Site to be identified on the Ordnance Map and evidence (such as Form P16 Report) that the description of the relevant Scottish Site contained in the title deeds is habile to include the whole occupied extent. FC warrants that any land certificate to be issued to the Scottish LLP in respect of the Scottish Sites will disclose no entry, deed or diligence prejudicial to the interest of the Scottish LLP other than such as are created by or against the Scottish LLP or have been disclosed to or accepted in writing by the Scottish Ministers prior to the settlement date.
- 8.8 FC will procure that the Scottish Ministers will grant the Scottish Leases with absolute warrandice.
- 8.9 FC will procure that the Scottish Ministers will grant the Scottish leases free from encumbrances other than:
- (a) all matters contained or referred to in the Leases of the Scottish Sites;
 - (b) any matters reasonably disclosable by inspection of the Scottish Sites prior to the date of this Agreement;
 - (c) any matters which the FC and the Scottish Ministers do not and could not reasonably know about;
 - (d) any matters other than financial charges disclosed in the Form 10/12 Reports exhibited in the terms of this Agreement.

English and Welsh Sites

- 8.10 In consideration of the LLPs' obligations under this Agreement, FC will procure the grant to the English LLP and the English LLP will accept the Leases of the English & Welsh Sites on the terms set out in Part 8 of the Schedule.
- 8.11 The LLPs cannot require FC to procure the grant of the Leases of the English & Welsh Sites to any person other than the English LLP.
- 8.12 The English LLP shall within seven days following receipt deliver to FC a copy of each revenue certificate or self certificate (as appropriate) required in the terms of section 79 of the Finance Act 2003.

- 8.13 The English LLP shall (i) within eight weeks of the Commencement Date (or if later within seven days of receiving any relevant SDLT certificate from HM Revenue and Customs); apply to the Land Registry to register each relevant Lease of the English & Welsh Sites, pay all applicable fees and use all reasonable endeavours to answer any requisitions arising from such applications promptly, and (ii) within seven days of receipt of each Title Information Document raised by the Land Registry on completion of such an application supply a complete copy of it including a colour copy of any title plans to FC.
- 8.14 In relation to the Leases of the English & Welsh Sites, The Part 1 Conditions are incorporated into this Agreement, in so far as they:-
- (a) are applicable to the grant of Leases of the English & Welsh Sites;
 - (b) are not inconsistent with any other clause of this Agreement; and
 - (c) have not been modified or excluded by any other clause of this Agreement.
- 8.15 In relation to the Leases of the English & Welsh Sites, the Part 2 Conditions are not incorporated into this Agreement.
- 8.16 In relation to the Leases of the English & Welsh Sites, Condition 9.1.1 of the Part 1 Conditions is varied to read, "If any plan or statement in this Agreement or in written replies which FC's Solicitors have given to any written enquiries raised by the LLP's Solicitors before the date of this agreement, is or was misleading or inaccurate due to any error or omission, the remedies available are as follows."
- 8.17 The following Part 1 Conditions do not apply to this Agreement:-
- (a) Conditions 1.1.4(a), 1.3, 1.4 and 1.5;
 - (b) Condition 2.2;
 - (c) Conditions 1.1.1, 3.1.2 and 3.3;
 - (d) Conditions 6.1, 6.2, 6.3 and 6.6.2;
 - (e) Condition 9.3; and
 - (f) Conditions 10.2.4 and 10.3.
- 8.18 The Relevant Ministers' respective freehold and leasehold titles to the English & Welsh Sites have been deduced to the LLP's Solicitors before the date of this Agreement and the English LLP is deemed to have full knowledge of the titles as so deduced and will not raise any requisition or enquiry in respect of such matters.
- 8.19 In each case FC will procure that the Relevant Minister will grant the Leases of the English & Welsh Sites with full title guarantee save in respect of:-
- (a) in respect of the Deerpark Site a small area of the Site will be leased without title guarantee as more particularly detailed in the Agreed Form of the Lease of that Site;

- (b) in respect of the Keldy Site no title guarantee will be given in respect of the access to the Site as more particularly detailed in the Agreed Form of the Lease of that Site; and
- (c) in respect of the Postern Hill Site where the freeholder has rights to terminate the groundlease held by the Relevant Ministers (and consequently also the Lease of the Site) and to the extent that the Lease may extend to land where the Relevant Minister's title allows only forestry uses.

8.20 In each case FC will procure that the Relevant Minister will grant the Leases of the English & Welsh Sites to the English LLP free from encumbrances other than:-

- (a) any matters, other than financial charges, contained or referred to in the entries or records made in registers maintained by the Land Registry as at the date and time of each of the official copies which the FC's Solicitors have supplied to the LLP's Solicitors prior to the date of this Agreement;
- (b) all matters contained or referred to in the Leases of the English & Welsh Sites;
- (c) any matters reasonably discoverable by inspection of the English & Welsh Sites before the date of this Agreement;
- (d) any matters which FC and the Relevant Ministers do not and could not reasonably know about;
- (e) any matters, other than financial charges, disclosed or which would have been disclosed by the searches and enquiries that a prudent prospective tenant of the Leases of the English & Welsh Sites would have made before entering into this agreement;
- (f) public requirements (within the meaning of that expression for the purposes of the Part 1 Conditions); and
- (g) any matters which are, or (where the relevant Existing Site is not registered) would be unregistered interests which override first registration under Schedule 1 to the Land Registration Act 2002 and unregistered interests which override registered dispositions under Schedule 3 to the Land Registration Act 2002.

General

8.21 The LLPs acknowledges that, prior to the date of this Agreement, FC has given the LLPs and those authorised by the LLPs, the opportunity to inspect, survey and carry out investigations as to the condition of the Existing Sites and the LLP accepts the condition of the Existing Sites.

8.22 No representation or warranty is given by FC or the Relevant Ministers that the Existing Sites may lawfully be used for the uses permitted by the Leases and the LLPs confirm that they have made all necessary enquiries to satisfy themselves on this point but FC confirms for itself and the Relevant Ministers that in the course of answering enquiries prior to the date of this Agreement

raised by the LLPs' Solicitors FC has disclosed to them in writing all material details of:

- (a) any public requirements or statutory notices served or issued by any local or other competent authority which relate to the Existing Sites and their use or prospective use for the purposes of the Business;
- (b) any disputes that are subsisting or which have been resolved in the 12 months prior to the Commencement Date concerning the occupation or use of the Existing Sites, their boundaries, or any rights or facilities used by the Existing Sites or exercised over the Existing Sites (including any facilities or amenities that are common to any of the Existing Sites and other properties).

8.23 The LLPs will not be entitled to refuse to complete or to delay completion of the grant of the Leases due to any event occurring after the date of this Agreement that results in:

- (a) any damage to the Existing Sites or any part of them; or
- (b) any damage to the means of access to the Existing Sites; or
- (c) any deterioration in the condition of the Existing Sites.

8.24 The LLPs are not entitled to and will not be permitted to take occupation or possession of the Existing Sites or of any part of them prior to completion of the grant of the Leases and this Agreement does not operate as a demise.

8.25 FC and the LLPs acknowledge that, subject to the terms of the Members Agreements, FC shall continue to operate their existing sites situated at the locations listed in Part 13 of the Schedule on the same (or substantially similar) basis as which they are operated at the Commencement Date and that such camping and caravanning sites shall not form part of the Project. For the avoidance of doubt, FC shall not be permitted to use "Forest Holidays" branding in respect of such sites.

8.26 The LLPs acknowledge that they are responsible for any Stamp Duty Land Tax in respect of the Leases including the notification of each Lease to HM Revenue and Customs by filing such land transaction returns as are appropriate and the payment of such tax as is appropriate.

8.27 The initial aggregate rent for the Existing Sites is five hundred thousand pounds (£500,000) per annum (with review in accordance with the Leases), such aggregate rental being divided among the Existing Sites in accordance with Part 8 of the Schedule, with the English LLP being responsible for the rental attributable to the English & Welsh Sites and the Scottish LLP being responsible for the rental attributable to the Scottish Sites.

8.28 Each LLP binds and obliges itself to FC to comply with all the obligations, conditions, covenants and liabilities imposed on it in terms of the Leases to which it is a party.

8.29 FC acknowledges that each LLP may require access to certain documents (previously disclosed to the LLP) ancillary to the Leases and in relation to operation of the Existing Sites. In the event that an LLP requests (such request

clearly stating (a) the document required, (b) whether a copy of the document would suffice and (c) the purpose for which it is required) any such ancillary document FC shall produce the original (or a copy of the same, as requested) ancillary document within a reasonable period, (being not more than 20 Business Days). The relevant LLP shall be permitted to hold such document for such a reasonable period as would enable that LLP to enforce the benefit (so far as available to it) of any provisions therein or for such other use as otherwise reasonably required. Provided always that any such original ancillary document is promptly returned to FC following such use.

8.30 FC hereby undertakes to indemnify and keep indemnified on demand the relevant LLP from and against all and any damages, costs, expenses (including, for the avoidance of doubt, any legal or other similar professional fees reasonably incurred) and liabilities arising out of or in connection with:

8.30.1 the access to the cabin site at Keldy Castle, near Pickering, North Yorkshire (the "Keldy Site") being restricted (either in whole or in part) for any period of time as a result of any actions of and/or proceedings taken by the owners or occupiers from time to time of the freehold land which adjoins the Keldy Site at any time during the period of 5 years from the Commencement Date and subject always to an aggregate cap of £150,000 inclusive of VAT; and

8.30.2 the works currently anticipated to be required to upgrade, modernise, replace, renew or alter the existing Glenmore Waste Water Treatment works at Glenmore Forest Park and any associated infrastructure which serves, *inter alia*, the site at Glenmore Campsite, Glenmore, by Aviemore (the "Glenmore Site") which FC undertakes or which Scottish Water or any other body exercising the current statutory functions of Scottish Water as well as or in succession to Scottish Water may require to be undertaken and/or contributed towards by the relevant LLP or by any successor in title to the relevant LLP at the Glenmore Site to the extent that such costs, expenses and liabilities exceed £300,000 exclusive of VAT ("the Base Amount") Indexed.

In this Clause 8.30 reference to amounts or sums expressed to be Indexed are references to amount or sums in May 2006 ("Base Date") prices exclusive of VAT which require to be adjusted whenever the provision containing the amount or sum is given effect in accordance with this Agreement to reflect the effects of inflation after that date. The adjustment shall be measured by changes in the relevant index published for that year as calculated in accordance with the following formula:

$$\text{the Base Amount} \quad \times \quad \frac{A}{B}$$

Where A is the value of the COPI Index most recently published prior to the date on which payment is required in accordance with this Agreement and B is the value of the COPI Index most recently published prior the Base Date.

In the circumstances that the exact indexation amount will only be known after the date when payment is required, the Base Amount plus an amount equivalent to Value Added Tax thereon shall be paid by the relevant LLP to FC on demand and the difference between the indexation amount plus an amount equivalent to the Value Added Tax thereon shall be paid by the relevant LLP to FC within 28 days of it being calculated by FC and notified to relevant LLP.

In this Clause 80.3, "COPI Index" means the All New Construction Output Price Index as published in the Quarterly Building Price and Cost Indices (HMSO-ISSN 1353-1824) by the Department of Trade and Industry or such other Index as may be agreed from time to time to replace the COPI Index.

- 8.31 The parties acknowledge that as at the Commencement Date site at Ardgartan, by Loch Long, Argyll and Bute ("the Ardgartan Site") is not owned by the Scottish Ministers and therefore the parties have agreed that the Scottish Ministers and Forest Holidays (Scotland) LLP have entered into a licence to occupy (in the form of missives between FC's Solicitors and the LLP's Solicitors dated of even date hereof) the Ardgartan Site ("the Licence to Occupy") until such time as the Scottish Ministers have obtained a title to the Ardgartan Site which entitles the Scottish Ministers to grant a lease of the Ardgartan Site to the Scottish LLP subject to no material restrictions or obligations more onerous than those disclosed to the LLP's Solicitors prior to the date hereof (the "Title Date"). On the Title Date, or as soon as practicable thereafter the parties shall enter into a Lease of the Ardgartan Site substantially in the form of the standard Scottish lease, as set out in Part 8 of the Schedule, (with any amendments limited to any matters requiring to be amended to reflect any non-commercial requirements of the conveyance to FC or disclosures made by FC's Solicitors to the LLP's Solicitors prior to the Commencement Date) and the licence to occupy shall terminate.

In the event that a lease of the Ardgartan Site has not been entered into between FC and the Scottish LLP and the Licence to Occupy has expired and has not been renewed, and FC has not obtained landlord's consent for a sub-lease of the Ardgartan Site to the Scottish LLP, then the Ardgartan Site shall be deemed not to be an Existing Site for the purposes of this Agreement or any of the Project Documents and the Scottish LLP shall not be in breach of any of the Project Documents due to its removal from the Project.

- 8.32 To the extent not handed over on the Commencement Date, FC will use all reasonable endeavours to procure that there are completed and delivered within four weeks after the Commencement Date, a statutory declaration (or declarations) for each English and Welsh Existing Site in each case in a form substantially similar to the draft thereof in Agreed Form sworn in each case by a person having (or combination of persons who between them have) at least ten years continuous knowledge of each Existing Site, which failing some other reasonable evidence of past use for the relevant statutory period required to facilitate the obtaining by the LLP of a Certificate of Lawfulness of an Existing Use (and in respect of the Scottish Existing Sites, a Certificate of Lawful Use or Development) for each Existing Site, in each case in form and substance satisfactory to the relevant LLP, acting reasonably.

8A. DEFECTS RECTIFICATION

- 8A.1 In this Clause 8A the following expressions shall have the meanings respectively attributed to them below:

"Current Defects" means, in respect of each Existing Cabin Site, those defects identified in and attributed to the relevant Existing Cabin Site in Part 14 of the Schedule (and "Current Defect" shall be construed accordingly);

"Existing Cabin Site" means (a) the following Existing Sites upon which new holiday cabin developments have been constructed by FC, namely: (i) Deerpark, Liskeard,

Cornwall, (ii) Keldy, North Yorkshire and/or (iii) Strathyre, Perthshire (as the case may be) and (b) in the case of the Glenmore campsite only, the site of the new toilet block that was constructed by FC during the 2005/2006 season;

“Latent Defect” means, in respect of an Existing Cabin Site, any latent or inherent defect in the original design and/or construction of any of the facilities present at the relevant Existing Cabin Site on the Commencement Date which adversely affects the use and/or operation of any part of such facilities and/or presents a risk to the health and safety of any person, but excluding always therefrom any defect which is (a) a Current Defect and/or (b) occasioned by normal wear and tear and/or (c) a result of any act, default or omission on the part of either of the LLPs or any person or persons for whom they are respectively responsible; and

“Rectification Completion Certificate” means, in respect of an Existing Cabin Site, a written statement issued by FC’s Representative confirming the rectification of the Current Defects or any Latent Defect (as the case may be) applicable to such Existing Cabin Site.

8A.2 *Current Defects*

8A.2.1 FC shall (at its own expense) procure the rectification (in accordance with Good Industry Practice) of all Current Defects at the Existing Cabin Sites as soon as reasonably practicable following the Commencement Date and in any event:

- (a) within three (3) months of the Commencement Date, in the case of each of those Current Defects identified as “business critical” in Part 14 of the Schedule; and
- (b) within nine (9) months of the Commencement Date, in the case of each of those Current Defects identified as “non-business critical” in Part 14 of the Schedule;

failing which the relevant LLP shall, without prejudice to Clause 8A.2.2 (*Emergency repairs*) and unless otherwise agreed, be entitled to procure the rectification (in accordance with Good Industry Practice) of any outstanding Current Defects itself, in which event FC shall, following the completion of such rectification work, reimburse the relevant LLP, in respect of all proper and reasonable costs incurred by the relevant LLP in connection with undertaking such rectification work, within ten (10) Business Days of receipt by FC of a written demand therefor from the relevant LLP together with copies of all relevant vouchers and receipts evidencing such costs.

8A.2.2 Notwithstanding the provisions of Clause 8A.2.1, if at any time following the Commencement Date emergency repairs require to be undertaken at an Existing Cabin Site (including, without limitation, where required (i) due to the bursting or overflowing of any water pipes, sewers, tanks or drains and/or the stoppage of the supply of any utility serving such Existing Cabin Site or (ii) in order to protect the health and safety of any person present at such Existing Cabin Site) the relevant LLP shall be entitled to procure the carrying out of such emergency repairs and, subject to Clause 8A.3.7, where it is agreed or determined in accordance with Clause 37 that the cause of the event or occurrence at the relevant Existing Cabin Site which necessitated the carrying out of such emergency repairs was a Current Defect or a Latent Defect, FC shall reimburse the relevant LLP, in respect of all proper and reasonable costs incurred by the relevant LLP in connection with undertaking such emergency repairs, within ten (10) Business Days of the date of such agreement or determination.

8A.2.3 When FC considers (acting reasonably and in good faith) that the Current Defects applicable to any Existing Cabin Site have been rectified it shall give notice thereof to the relevant LLP. As soon as reasonably practicable following the date of service of such notice by FC (and in any event within ten (10) Business Days of such date) the relevant LLP and FC shall respectively procure that the relevant LLP's Representative and FC's Representative (or any other persons duly authorised by either of them) shall meet at the relevant Existing Cabin Site (which meeting shall be convened by FC and may also be attended by the relevant parties' respective technical advisers) to jointly inspect the relevant Existing Cabin Site for the purpose of establishing whether or not the Current Defects applicable thereto have been rectified. In the event of any party failing to attend such meeting on the appointed date, those present may proceed with such inspection of the relevant Existing Cabin Site in their absence.

8A.2.4 FC shall procure that, as soon as practicable following each inspection meeting undertaken pursuant to Clause 8A.2.3, FC's Representative shall, if he is reasonably satisfied that the Current Defects applicable to the relevant Existing Cabin Site have been rectified, issue to the relevant LLP a Rectification Completion Certificate in respect thereof and in the event that the relevant LLP does not issue any written objection thereto to FC within ten (10) Business Days of the date of issue of such Rectification Completion Certificate (a) the relevant Rectification Completion Certificate shall be deemed to be binding and conclusive for the purposes of this Agreement and (b) FC shall be deemed to have discharged its obligations under this Clause 8A.2 in respect of the Current Defects applicable to the relevant Existing Cabin Site.

8A.2.5 In the event of the relevant LLP issuing a written objection to FC in relation to any Rectification Completion Certificate issued pursuant to Clause 8A.2.4 within the ten (10) Business Day period referred to such Clause, the matter will be referred for determination under the disputes resolution procedure set out in Clause 37.

8A.3 *Latent Defects*

8A.3.1 Subject to the following provisions of this Clause 8A.3, FC will be liable for any Latent Defects in the facilities present at the Existing Cabin Sites on the Commencement Date until the third anniversary of the Commencement Date.

8A.3.2 If, at any time during the period referred to in Clause 8A.3.1, either of the LLPs considers (acting reasonably and in good faith) that a Latent Defect has emerged or become apparent in any of the facilities at the Existing Cabin Sites, the relevant LLP shall give notice thereof to FC promptly upon the relevant LLP first becoming aware of the alleged Latent Defect and in any event prior to the expiry of the period referred to in Clause 8A.3.1 (which notice shall be accompanied by a reasonable amount of supporting information concerning the alleged Latent Defect).

8A.3.3 As soon as reasonably practicable following the date of service of each notice issued by either of the LLPs under Clause 8A.3.2 (and in any event within ten (10) Business Days of such date) the relevant LLP and FC shall respectively procure that the relevant LLP's Representative and FC's Representative (or any other persons duly authorised by either of them) shall meet at the relevant Existing Cabin Site (which meeting shall be convened by the relevant LLP and may also be attended by the relevant parties' respective technical advisers) to jointly inspect the facilities at the relevant Existing Cabin Site for the purpose of investigating whether or not the alleged Latent Defect notified by the relevant LLP as aforesaid (i) is a Latent Defect under this Agreement and (ii) requires rectification. In the event of any party failing to attend such meeting on

the appointed date, those present may proceed with such inspection of the relevant Existing Cabin Site in their absence.

8A.3.4 If, following any joint inspection meeting held at the relevant Existing Cabin Site pursuant to Clause 8A.3.3, the relevant LLP and FC are in disagreement over whether the alleged Latent Defect notified by the relevant LLP under Clause 8A.3.2 is a Latent Defect under this Agreement and/or requires rectification, the matter may at the instance of either party be referred for determination under the disputes resolution procedure set out in Clause 37.

8A.3.5 If it is agreed or determined under this Agreement that any of the facilities at the Existing Cabin Sites is subject to a Latent Defect which requires rectification, FC shall either:

- (a) procure (at its own expense) that the relevant Latent Defect is remedied (in accordance with Good Industry Practice) (i) in accordance with a programme agreed with the relevant LLP or (ii) failing agreement, with reasonable promptness; or
- (b) permit the relevant LLP to procure the rectification the relevant Latent Defect (in accordance with Good Industry Practice) itself, in which event FC shall, following the completion of such rectification work, reimburse the relevant LLP, in respect of all proper and reasonable costs incurred by the relevant LLP in connection with undertaking such rectification work, within ten (10) Business Days of receipt by FC of a written demand therefor from the relevant LLP together with copies of all relevant vouchers and receipts evidencing such costs;

and FC shall notify the relevant LLP of its selection within ten (10) Business Days of the date of such agreement or determination failing which sub-clause (a) above shall apply.

8A.3.6 FC shall procure that FC's Representative shall, when he is reasonably satisfied that any Latent Defect(s) agreed or determined as aforesaid have been rectified, issue to the relevant LLP a Rectification Completion Certificate in respect thereof and in the event that the relevant LLP does not issue any written objection thereto to FC within ten (10) Business Days of the date of issue of such Rectification Completion Certificate (a) the relevant Rectification Completion Certificate shall be deemed to be binding and conclusive for the purposes of this Agreement and (b) FC shall be deemed to have discharged its obligations under this Clause 8A.3 in respect of the relevant Latent Defect.

8A.3.7 Notwithstanding any other provision of this Agreement, on and from the third anniversary of the Commencement Date, FC's liability to each of the LLPs under this Agreement in respect of Latent Defects in any facilities at the Existing Cabin Sites shall (without prejudice to any unresolved claims submitted to FC by either of the LLPs in accordance with Clause 8A.3.2 prior to the third anniversary of the Commencement Date) cease and, subject as aforesaid, FC shall have no further or ongoing liability to either of the LLPs in respect of any Latent Defects in and/or affecting any of the facilities at the Existing Cabin Sites.

9. NEW SITE LOCATION PROCEDURE

- 9.1 The LLPs and FC shall work together to find and establish New Sites on the following basis:-
- (a) FC shall provide to the LLPs reasonable assistance in identifying potential New Site Locations by allowing appropriate access to FC's land database and other similar information.
 - (b) The LLPs shall, by written notification of the requirement to FC, obtain the prior approval (not to be unreasonably withheld or delayed) of FC before
 - (i) each visit to any potential New Site;
 - (ii) making contact with any public body (such as a planning authority) regarding a potential New Site; and at the time of giving such approval the FC shall state if:
 - A FC does not, or will not, have vacant possession; or
 - B FC intends to lease or dispose of the Site to a third party.
 - (c) Until such time as a potential New Site has been approved by FC, the relevant LLP shall use its reasonable endeavours to procure that the media and the public are not aware of its consideration.
 - (d) When an LLP has identified a potential New Site it shall call upon FC to state in a "Scoping Opinion", within a period of six weeks from request, whether or not the potential New Site:-
 - (i) is subject to a lease or other right in favour of a third party and when FC expect to have vacant possession;
 - (ii) is, so far as FC is aware, (without the requirement to carry out any diligence beyond that which is reasonable in the circumstances), subject to a title condition or encumbrance which would prevent its use for its intended purpose;
 - (iii) is capable of being leased by the Relevant Minister;
 - (iv) is intended to be leased or disposed of to a third party;
 - (v) in FC's opinion has suitable access available for the Activities;
 - (vi) is part of a site of Special Scientific Interest or so far as FC is aware, (without the requirement to carry out any diligence beyond that which is reasonable in the circumstances), is part of an area subject to international, national or local authority designations related to nature conservation, archaeology, history or the environment, or adjacent to such a designated area;
 - (vii) would, in FC's opinion, have an adverse effect upon part of FC's Estate or the management by FC of FC's Estate ; and/or

- (viii) has any other factors, of which FC is aware, (without the requirement to carry out any diligence beyond that which is reasonable in the circumstances) which might prevent its development and/or cause FC to withhold its approval of the New Site in accordance with Clause 9.1 (f).
- (e) After it has received a Scoping Opinion from FC in relation to a potential New Site, the relevant LLP shall, within 3 months either state that it is no longer interested in the potential New Site or provide FC's representative with an outline of its proposal ("**the New Site Proposal**") for approval and, in particular, with the following information:-
 - (i) site location;
 - (ii) extent of site;
 - (iii) number and type of proposed units of accommodation and/or pitches;
 - (iv) nature and capacity of proposed services including (but not limited to) common amenities such as picnic facilities and shop and other proposed Ancillary Services;
 - (v) distance from site to nearest public road and proposals for access to and from the New Site;
 - (vi) estimate of the costs of developing the New Site, and
 - (vii) the LLP's proposed annual Base Rent and Turnover Element for the New Site (as such terms "Base Rent" and "Turnover Element" are defined in Clause 9.5 of this Agreement).
- (f) FC may not unreasonably withhold or delay (and shall, in any event, inform the relevant LLP of its decision within 2 months of receipt of the New Site Proposal, save where FC has reasonably requested additional information, (in which case such 2 month period shall be extended by the period taken by the relevant LLP to supply such information) its approval of a potential New Site. The following would, without limitation, be reasonable grounds for FC to withhold its approval:-
 - (i) where FC did not have the capacity to grant (or procure the grant of) the Lease, necessary access rights or vacant possession (unless the relevant LLP does not require vacant possession);
 - (ii) where the number of cabins proposed for a Site is less than 50 or exceeds 150;
 - (iii) where the development does not conform to the Business Plan of the relevant LLP as agreed or determined pursuant to the relevant Members Agreement;
 - (iv) where suitable access, (in relation to the proposed Activities). to the proposed New Site was not available;

- (v) where the site was prior to receipt of the New Site Proposal either part of a Site of Special Scientific Interest ("SSSI") or part of an area subject to international, national or local authority designations related to nature conservation, archaeology, history or the environment;
 - (vi) where the development would have a material adverse effect upon part of FC's Estate or the management by FC of FC's Estate.
- (g) Following approval by FC in accordance with Clause 9.1(f), the relevant LLP will, subject to Clause 9.1(i) have a period of 3 months in which it is required to enter in an Option Agreement in respect of the relevant New Site, failing which the process in terms of this Clause 9.1 will be deemed to have been abandoned;
- (h) FC shall use reasonable endeavours to procure that, no later than 1 month prior to the expiry of the period referred to in Clause 9.1(g) in which the relevant LLP is entitled to enter into an Option Agreement in respect of any New Site:-
- (i) that the Relevant Ministers deduce their title to the whole of the premises intended to be comprised within the New Site and also, to the extent that they are in their ownership, any nearby areas over which the proposals for the New Site envisage that rights of way or rights for the passage of services to and from the New Site will be granted; and
 - (ii) that the Relevant Ministers or, if applicable, FC's Representative answer all reasonable and usual pre-contract enquiries that may be raised by the relevant LLP in writing relating to such land.
- (i) The parties acknowledge that only after the Relevant Ministers, or if applicable, FC's representative (both acting at all times reasonably) has answered all reasonable pre-contractual enquiries shall the relevant LLP and FC enter into an Option Agreement. For the avoidance of doubt the 3 month period referred to in Clause 9.1(g) shall, if appropriate, be extended until the date on which all reasonable pre-contractual enquiries have been answered. The LLPs shall be entitled to hold a maximum of five Option Agreements between them at any time.

9.2 Subject to agreement of the costs in accordance with Clause 9.3, the relevant LLP shall reimburse in arrears to FC within 28 days of a demand therefore the reasonable costs and expenses incurred by FC in complying with its obligation to assist that LLP in establishing New Sites under Clause 9.1.

9.3 In the event that FC's interest (or in the case of the Scottish LLP the interest of either the Scottish LLP or the Scottish Ministers) in either LLP falls to 10% or lower then, in respect of each proposed New Site from such an LLP after such date, FC shall, as soon as reasonably practicable, provide the relevant LLP with an estimate of its costs and expenses that it will incur in complying with its obligation to assist the relevant LLP under Clause 9.1. FC and the relevant LLP shall negotiate in good faith to agree such costs within 14 days of FC providing its estimate. If FC and the relevant LLP are unable to agree, the estimate shall

be referred to the dispute resolution procedure in accordance with Clause 37. For the avoidance of doubt, FC and the relevant LLP shall continue to comply with the provisions of this Agreement during the period of any such dispute.

9.4 The parties agree that the rental for each New Site ("**New Site Rent**") shall take account of:-

- (a) the quality of the location of the New Site. This will be determined by size, style and quality of development;
- (b) the investment in infrastructure, facilities and interest costs;

and

- (c) the prevailing market for this type of site and product mix in this particular location.

9.5 The parties shall agree the New Site Rent for the relevant New Site prior to an Option Agreement being entered into for the relevant New Site. In the event that the parties are unable to agree the New Site Rent the matter shall be referred to the dispute resolution procedure in accordance with Clause 37. The New Site Rent shall be made up of the following elements:-

- (a) The base rent will be assessed as the annual open market rental value of the undeveloped New Site with the benefit of planning permission in place for the operation of the Business on the New Site and on the assumption that the New Site has reasonable access to utility connections (the "Base Rent"). For the purposes of assessing the Base Rent it shall be assumed that (i) the Lease to be granted for the New Site is for a period equal to the period from the date on which the FC gave approval under Clause 9.1 (f) in respect of the New Site until the 75th anniversary of the Commencement Date and (ii) the Lease of the relevant New Site, if in England and Wales, shall be in the form of the appropriate Lease set out in Part 8 of the Schedule (and any lease of a new site in Scotland shall be in the same terms as the lease for a new English Site (other than the New Forest) mutatis mutandis) with the necessary changes having been made such that the Lease is in accordance with the provisions of Clause 9.5 and 9.6.

- (b) In addition to the Base Rent, an additional rent based on a percentage of gross turnover (x%) for the New Site shall be payable throughout the term of the Lease of the New Site (the "Turnover Element"). The percentage of gross turnover shall be as agreed between the parties or determined but shall never be less than 2.5%. Gross turnover will be defined as all pitch, site, rental and management fee income for campsites, cabins and caravan/twin unit and holiday home sites including payment for services, such as gas and electricity, excluding VAT but including rental payments for licences/franchises on the site plus the profit element from all other income on the New Site (excluding retail not directly managed by the relevant LLP) including the sale of caravans, twin units, and other holiday homes.

(c) The Base Rent will be reviewed upwards only every 5 years on an open market basis. In the intervening years it shall be adjusted upwards only on an annual basis using RPI. The Base Rent shall be paid in advance, pro rata, 50% on 1st April and 50% on 1st October each year.

9.6 The Turnover Element of the New Site Rent shall be paid on the basis of 75% of the previous calendar year's turnover on 30th September each year and the balance paid 3 months after year end on the basis of an audited statement.

9.7 On the occasion of the relevant LLP serving an Option Notice on the FC in respect of a New Site and an Acceptable Planning Permission (as such term is defined in the Option Agreement for the relevant New Site) being in the reasonable opinion of the FC or the relevant LLP for (i) development which is materially different to that applied for by the relevant LLP, or (ii) a significantly larger or smaller development than that applied for by the relevant LLP or (iii) a larger or smaller number of caravan stances, camping pitches or holiday accommodation units than that applied for by the relevant LLP, or (iv) subject to restrictions or limitations on operating the Business and/or the undertaking of works which were not reasonably in the contemplation of the parties when the Base Rent and/or the Turnover Element were first agreed or determined, then the parties shall reconsider the Base Rent and the Turnover Element and agree any necessary adjustment to the Base Rent and/or the Turnover Element. Declaring that in no circumstances shall the percentage of gross turnover for the Turnover Element be less than 2.5%.

The Base Rent and the Turnover Element adjusted as agreed or determined in terms of this Clause shall be entered in the Lease of the relevant New Site. Declaring that in no circumstances shall the percentage of gross turnover for the Turnover Element be less than 2.5%. If no adjustment of the Base Rent and the Turnover Element is required under this clause then the Base Rent and the Turnover Element to be entered in the Lease of the relevant New Site shall be as agreed or determined in terms of Clause 9.5.

9.7A The parties will each use all reasonable endeavours to agree the Agreed Form of Option Agreement to be used in respect of the Scottish New Sites (to include annexation of an agreed form of draft Lease) within seven days after the Commencement Date, such form to be in the same terms mutatis mutandis as the Option Agreement set out in Part 10 of the Schedule with such changes as are necessary to make the same compliant with Scots law and once agreed the parties will exchange formal letters recording that such document is in Agreed Form.

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9.8

- (a) Subject to Clauses 8.25 and 19.9, in the event that FC wishes to develop or operate (or to allow or procure a third party to develop or operate) any site within the FC Estate as a camping or caravanning and/or cabin and/or self catering holiday accommodation site in any location within FC's Estate, FC shall first be required to propose that site as a New Site Location to the relevant LLP, in accordance with this Clause 9.
- (b) In the event that FC formally, in writing, proposes a New Site Location which shall include a Scoping Opinion, to an LLP, that LLP shall have 3 months to notify FC as to whether the relevant LLP wish to proceed with a New Site development at that location.
- (c) In the event that the relevant LLP does not wish to proceed with a New Site development at the New Site Location proposed by FC, FC may allow a third party to develop or operate the relevant site subject to the following:-
 - (i) such site shall be proposed to the relevant third party on terms which are no more favourable than the terms offered by FC to the LLP;
 - (ii) such site should not be operated under the "Forest Holidays" brand.

9.9 In the event that the relevant LLP notifies FC that it does wish to proceed with a New Site development at that New Site Location proposed by FC provisions Clause 9.1 (a), (b), (c), (e), (f), (g) and (h) and Clause 9.2 shall apply.

9.10 In the event that the relevant LLP does not notify FC of its intention to proceed with a New Site development at a New Site Location proposed to that LLP by FC within the 3 month period set out in Clause 9.8 or in the event that any Option Agreement has expired and that a New Site Lease has not been entered into in respect of the site referred to in the Option Agreement, FC shall be entitled to develop and/or procure the development of such location as a cabin and or/or camping and/or caravanning site and/or self catering holiday accommodation site for operation by FC or any third party, provided that such site is not operated under the "Forest Holidays" brand.

10. STATUTORY REQUIREMENTS AND REQUIRED CONSENTS

10.1 Each LLP shall at its cost carry out its obligations under this Agreement so as to comply at all times with all Statutory Requirements and Required Consents (including all those introduced after the date of this Agreement).

10.2 Each LLP shall be deemed to have satisfied itself, as at the Commencement Date, as to the adequacy of any Required Consents for all matters existing as at that date. The LLPs recognise that FC has had the benefit of Crown immunity from the full requirement to obtaining planning permission and the benefit of Crown exemption regarding other consents so that amongst other things no building or planning permissions or site licences for the Sites exist. FC shall provide reasonable assistance to an LLP in terms of any application by that LLP to obtain site licences for the Existing Sites.

- 10.3 Subject to the provisions of any of the Leases and/or Option Agreements, the LLPs shall:
- (a) be responsible for obtaining all Required Consents, but no application for any planning permission, relating to any of the Sites, shall be made until FC has approved (acting reasonably) the terms of such application.
 - (b) notify FC's Representative forthwith upon becoming aware that any Required Consent is proposed to be amended or replaced, or in the event that a new Required Consent is to be issued by a Competent Authority, and shall from time to time, at its own cost, provide to FC such other information in relation to the progress of such amendment, replacement or issue as FC's Representative may reasonably require and copy all correspondence with such Competent Authority to FC. The relevant LLP shall take account of FC's comments and follow its directions in relation to any matter concerning such amendment, replacement or issue.
 - (c) if, following an amendment or replacement of a Required Consent, or the issue of a new Required Consent, FC (acting reasonably) requests the relevant LLP to appeal a decision of a Competent Authority use all reasonable endeavours to follow the appropriate appeal procedures in accordance with FC's reasonable directions and at FC's expense. For the avoidance of doubt, the relevant LLP shall, where permitted in terms of the provisions of the relevant Lease be entitled to implement or defend its own proceedings, at its own cost with respect to the amendment or replacement of a Required Consent or issue of a new Required Consent.

in the event that the relevant LLP applies for any Required Consent prior to the Commencement Date then such application shall be deemed to have been made the day after the Commencement Date.

- 10.4 FC shall provide the LLPs with all information within FC's possession or control reasonably required by the relevant LLP in relation to, or for the purpose of obtaining, any Required Consent or appealing a decision of a Competent Authority.
- 10.5 If an LLP fails to pay any fee or other amount due pursuant to a Statutory Requirement or Required Consent when it is due, FC may (at its sole discretion) pay such fee and the amount so paid shall be immediately due and payable by the relevant LLP to FC.
- 10.6 The LLPs shall comply with any decree, declarator, order, judgement, direction, stipulation or requirement given, made or issued by any Competent Authority against or in relation to FC as a result of a breach by an LLP of any Statutory Requirement or Required Consent. The LLPs shall keep FC indemnified against all penalties and liabilities of every kind arising from any breach by an LLP of any notice, licence, approval, Statutory Requirement or Required Consent arising during the Project Term or from any failure by an LLP to give a notice or obtain a Required Consent which is its responsibility under this Agreement.
- 10.7 The LLPs shall provide FC with all information reasonably requested by it in relation to the Required Consents (including, if so requested, copies of

applications and copies of Required Consents) and shall consult with FC in connection therewith.

- 10.8 The LLPs shall use their reasonable endeavours to obtain the Required Consents on a basis which permits FC and successors to the LLPs to construct and operate the Sites.

11. CDM REGULATIONS

- 11.1 As between FC and the LLPs, the LLPs shall be entirely responsible for the safety of any design which forms part of the Works and for the adequacy, stability and safety of all site operations and methods of construction.
- 11.2 Prior to the commencement of the Works on each Site, the LLPs shall make and serve on the Executive a declaration pursuant to and in the form (if any) required by regulation 4 of the CDM Regulations that the LLPs shall act as the only client for the Project for all the purposes of the CDM Regulations for the purposes of the Modernisation Phase and the New Site Phase. The relevant LLP shall ensure a copy of the declaration is forthwith sent to FC. Upon receipt from the Executive of notice that it has received the declaration the relevant LLP shall send a copy to FC. During the Project Term the LLPs shall ensure that any relevant sub-contractor is aware of such declaration and shall not withdraw, terminate or in any manner derogate from its declaration or its acceptance of its responsibilities as client for the purposes of the CDM Regulations.
- 11.3 Without prejudice to Clause 4, the LLPs shall perform, observe and discharge:
- (a) all the obligations, requirements and duties of the client arising under the CDM Regulations in connection with the Project; and
 - (b) any code of practice for the time being and from time to time approved by the Health and Safety Commission pursuant to the Health and Safety at Work etc. Act 1974 in connection with the CDM Regulations.
- 11.4 The LLPs shall indemnify FC, its employees, agents and contractors against all liability to any person howsoever arising for death or personal injury direct, indirect or consequential liability, losses, damages, loss of or damage to any property, actions, claims, demands, costs, charges and expenses (including management and legal expenses) which may arise out of or in connection with any breach of CDM Regulations in connection with the Project.
- 11.5 Each LLP shall issue to FC's Representative within 20 Business Days of the preparation thereof a copy of each and every health and safety plan and health and safety file (as such terms are used in the CDM Regulations) to be prepared by it pursuant to the CDM Regulation and of every amendment or update made to such file during the Project Term.

12. DESIGN

- 12.1 The LLPs shall submit to FC's Representative, with a covering letter clearly marked "Approval of Design", for approval prior to the submission of any planning application for development on the Existing Sites, such Design Documentation as would be a necessary part of a planning application for planning consent for the proposed works, such approval not to be unreasonably

withheld or delayed, provided that (a) FC's Representative shall be deemed to be acting unreasonably in withholding or delaying approval of Design Documentation which is in compliance with the Core Requirements and the Standard Details Manual and (b) FC's Representative shall have a maximum period of three months (reducing to two months following the anniversary of the Commencement Date) to consider such submission following which, if the FC's Representative has failed to respond to the relevant LLP, the submission shall be deemed to have been approved by FC.;

12.2 The LLPs shall submit to FC's Representative for review:

- (a) details and, if requested by FC's Representative, copies of all design or engineering standards to be employed by the LLPs in their performance of their obligations under this Agreement; and
- (b) during the progress of the Works on the Sites within such reasonable times as FC's Representative may require such drawings of the general arrangement and details of the Sites as may be specified in this Agreement or as FC's Representative may reasonably require,

and the relevant LLP shall have due regard to (but shall not be bound by) the results of such review.

12.3 All Design Documentation shall be consistent with the Project Specification. The Sites shall be constructed, carried out and completed in accordance with the Design Documentation submitted to FC's Representative save where it has been agreed by the parties, acting reasonably, (regardless of the earlier agreement of the Project Specification and Design Documentation), that amendments should be made to the Design Documentation and/or the Project Specification:

- (a) in any period where FC is, (or in the case of the Scottish LLP the Scottish Ministers are), a member of the relevant LLP, where such amendments are in the best interests of the LLP; or
- (b) in any other period, where there is reasonable cause to amend the same due to changing conditions in the market for forest holidays or where there is a reasonable evidence that such Project Specification and Design Documentation is proving unpopular with the customers of the relevant LLP.

12.4 Subject to Clause 12.4, the LLPs shall be at liberty to amend any element of the Design Documentation subject to such amendment being resubmitted to FC for its approval in accordance with Clause 12.1 provided that:-

- (a) no such approval shall be required in relation to the substitution of materials where the substituted material is of no lesser quality than the material originally specified and the substitution will have no material effect on the external appearance of the Site; and
- (b) no such approval shall be required to variations in the internal finishes to be employed in the Works.

12.5 All timber used on the Sites (including, without limitation, all timber used in respect of the construction of the units of accommodation, the interiors thereof,

the communal buildings and notice boards on the Site) shall be Certified Timber, and shall be UK grown where reasonably possible (which, for the avoidance of doubt, shall include consideration of whether it is economically practicable to use UK grown timber).

12.6 Any dispute under this Clause 12 shall be resolved in accordance with the terms of Clause 37.

13. MODERNISATION TIMETABLE

13.1 The LLPs shall use their reasonable endeavours to carry out the Modernisation Works in accordance with the Modernisation Timetable.

13.2 FC's Representative may notify an LLP if in his reasonable opinion that LLP is departing from the Modernisation Timetable but no such notice or review by FC's Representative of the Modernisation Timetable or any comment thereon shall relieve the LLPs of any of its obligations under this Agreement.

13.3 The LLPs may propose amendments or revisions to the Modernisation Timetable from time to time and shall promptly submit a copy of such amended or revised Modernisation Timetable to FC's Representative for his approval, such approval not to be unreasonably withheld or delayed, provided that FC shall not be permitted to withhold approval to an amendment or revision which has previously been approved in the Business Plan of the relevant LLP (whilst FC is, or in the case of the Scottish LLP the Scottish Ministers are, a member of the relevant LLP).

14. INFORMATION ON THE MODERNISATION WORKS

14.1 At all times during the Modernisation Phase the LLPs shall provide FC's Representative with accurate and complete information with respect to the Modernisation Works and the events affecting the performance of the Modernisation Works to the extent such information is required, in the reasonable opinion of FC, to enable FC to monitor the performance by the LLPs of their obligations under this Agreement or to exercise FC's rights thereunder.

14.2 Each LLP shall immediately after it becomes aware of the same notify FC's Representative of all incidents of whatsoever nature affecting or likely to affect materially the progress of the Modernisation Works relevant to that LLP.

15. NEW SITE TIMETABLE

15.1 The relevant LLP shall use all its reasonable endeavours to carry out the New Site Works in accordance with the New Site Timetable.

15.2 FC's Representative may notify the relevant LLP if in his opinion that LLP is departing from the New Site Timetable but no such notice or review by FC's Representative of the New Site Timetable or any comment thereon shall relieve the relevant LLP of any of its obligations under this Agreement.

15.3 The LLP may propose amendments or revisions to the New Site Timetable from time to time and shall promptly submit a copy of such amended or revised New Site Timetable to FC's Representative for his approval, such approval not to be unreasonably withheld or delayed, provided that FC shall not be permitted to withhold approval to an amendment or revision which has previously been

approved in the Business Plan of the relevant LLP (whilst FC is, or in the case of the Scottish LLP the Scottish Ministers are, a member of the relevant LLP).

16. INFORMATION ON NEW SITE WORKS

- 16.1 At all times during the New Site Phase the relevant LLP shall provide FC's Representative with accurate and complete information with respect to the New Site Works and the events affecting the performance of the New Site Works to the extent such information is required, in the reasonable opinion of FC, to enable FC to monitor the performance by the relevant LLP of its obligations under this Agreement or to exercise FC's rights thereunder.
- 16.2 The relevant LLP shall immediately after it becomes apparent notify FC's Representative of all incidents of whatsoever nature affecting or likely to affect materially the progress of the New Site Works.

16A RELIEF EVENTS

16A.1 For the purposes of this Agreement, subject to clause 16A.6 [*Mitigation*], Relief Events mean any of the following events:

- (a) the occurrence of a Force Majeure Event,; and/or
- (b) following a failure to achieve a Required Consent in respect of an element of the Initial Investment Programme within the anticipated and/or a reasonable time period, (provided the LLPs shall have used all reasonable efforts to achieve the same), a decision being made by the LLPs to amend the Business Plan and the Initial Investment Programme to follow an altered capital expenditure programme in the first 5 years of the Project Term (the "Relief Period"),

provided that such event or reason for such failure does not arise (directly or indirectly) as a result of any wilful act or default of the relevant LLP and/or any Affiliate or sub-contractor of the relevant LLP

16A.2 In the case of a Relief Event arising under Clause 16A.1(b) above, the Relief Event shall subsist from the date of such decision for a reasonable period of time to allow the achievement of any newly required Required Consent and any subsequent construction period, provided that such period of subsistence of such Relief Event will not (unless the parties, acting reasonably, agree otherwise) extend beyond 5 years from the date of such decision.

16A.3 Notwithstanding the provisions of Clause 16A.2, the Parties agree that if the LLPs fail to achieve a Required Consent in respect of an element of the Initial Investment Programme within the anticipated and/or a reasonable time period (provided that it shall have used all reasonable efforts to achieve the same) during the Relief Period, then, within 10 Business Days following the receipt of written notice to that effect from either party to the other, the parties shall meet to agree (acting reasonably) an alternative capital expenditure programme which will enable the LLP (using its reasonable efforts to achieve the same) to complete the Initial Investment Programme and the reasonable period in which such alternative capital expenditure programme should be completed, (subject always to the maximum period of 5 years from the date of the decision referred to in Clause 16A.1(b)) . For the avoidance of doubt, the parties shall be able to agree to remove elements from the Initial Investment Programme provided

that sums equivalent to the relevant capital expenditure related to those elements so removed is agreed to be invested in alternative capital works (which will become part of an amended Initial Investment Programme) by the LLP.

16.A.4 In the case of a Relief Event arising under 16.A.1 (a) above, the Relief Event shall subsist from the date of such event of Force Majeure for such period of time until the event of Force Majeure ceases and the LLP is able to continue to comply with its obligations under this Agreement.

16.A.5 Subject to clause 16.A.6, no right of termination under Clause 24.1 (b) shall arise under this Agreement if:

a) there is a failure by the LLPs to perform any of their obligations under this Agreement to the extent that such failure to perform occurs because of the occurrence of a Relief Event; or

b) following the expiry of the Relief Period, the parties have agreed to amend the Initial Investment Programme and the date by which it must be completed in accordance with Clause 16.A.3 has not been reached.

16.A.6 Mitigation

(a) Where an LLP is (or claims to be) affected by a Relief Event:

(i) it shall take all reasonable steps to mitigate the consequences of such an event upon the performance of its obligations under this Agreement, resume performance of its obligations affected by the Relief Event as soon as practicable and use all reasonable endeavours to remedy its failure to perform; and

(ii) it shall not be entitled to rely upon the relief afforded to it pursuant to Clause 16A.5 of this Agreement to the extent that it is not able to perform, or has not in fact performed, its obligations under this Agreement due to its failure (if any) to comply with its obligations under Clause 16A.6.(a)(i) above.

(b) The LLP claiming relief shall serve written notice on FC within a reasonable period (not to extend beyond one (1) month) of it becoming aware of the relevant Relief Event. Such initial notice shall give sufficient details to identify the particular event claimed to be a Relief Event.

(c) A subsequent written notice shall be served by the LLP claiming relief on FC within a further reasonable period of the notice referred to in Clause 16A.6.(b) (not to extend beyond one (1) month) which shall contain such relevant information relating to the failure to perform (or delay in performing) as is available, including (without limitation) the effect of the Relief Event on the ability of the party to perform, the action being taken in accordance with Clause 16A.6(a), the date of the occurrence of the Relief Event and an estimate of the period of time required to overcome it (and/or its effects).

- (d) The LLP claiming relief shall notify FC as soon as the consequences of the Relief Event have ceased and of when performance of its affected obligations can be resumed.
- (e) If, following the issue of any notice referred to in Clause 16A.6(c), the LLP claiming relief receives or becomes aware of any further information relating to the Relief Event (and/or any failure to perform), it shall submit such further information to FC as soon as reasonably possible.
- (f) The parties agree that if there is any dispute as to whether or not an event constitutes a Relief Event or as to the appropriate period for relief, then the matter shall be referred to the dispute resolution procedure under Clause 37 of this Agreement.

17. TRANSFER ARRANGEMENTS ON EXPIRY

- 17.1 The provisions of this Clause 17 shall take effect on the Expiry Date of this Agreement for any reason provided that FC is no longer a Member of either LLP.
- 17.2 At the Expiry Date there shall be transferred by the LLPs to FC and/or the New Supplier the assets and liabilities of the Business as at the Expiry Date and the benefit and burden of any relevant contracts in accordance with this Clause 17.
- 17.3 12 months prior to the Expiry Date (or as soon as reasonably practicable after the Expiry Date is known and agreed by the parties) (the "**Advanced Planning Date**"), the LLPs shall use all reasonable endeavours to maximise the number of holidays booked, and deposits paid, for periods prior to the Expiry Date but always having fair regard to its own commercial interests; the LLPs shall not offer holidays after the Advance Planning Date at prices lower than those normally offered by the LLPs, excepting only normal seasonal fluctuations.
- 17.4 At the Advanced Planning Date the LLPs shall consult with the New Supplier on holiday sales expected to be made prior to the Expiry Date in relation to holidays taking place after the Expiry Date and will discuss and agree with the New Supplier the marketing plans, brochures, direct marketing programmes, booking terms and conditions and prices and all matters which will have an impact prior to the Expiry Date and could reasonably be expected to be of interest to the New Supplier in relation to periods after the Expiry Date. The parties shall co-operate on all such matters and the LLPs shall meet all reasonable requests of the New Supplier, except that the LLPs shall not be obliged to do anything which operates to the significant disadvantage of its own commercial interest.
- 17.5 At the Advanced Planning Date the LLPs shall supply to the New Supplier details of all contracts relating to the Business and details of all assets and liabilities and shall not thereafter be permitted to enter into a new contract or amend or terminate any existing contract without the prior written approval of the New Supplier, (such approval not to be necessarily withheld or delayed). The New Supplier shall notify the LLPs which contracts it requires to be assigned or novated to it not less than 6 months prior to the Expiry Date.
- 17.6 At the Expiry Date the LLPs shall, so far as not prohibited by the Data Protection Regulations, deliver to the New Supplier the books and records

aftermentioned and such other books and records in the possession of the LLPs as may be necessary to enable the New Supplier to operate (and maintain) the sites and the businesses carried out therefrom in the same manner as the LLPs. Those books and records are, so far as in existence:-

- (a) Site Maintenance Manuals
- (b) Operating Standards Manuals
- (c) Manufacturers' Instructions, Guarantees and Operating Guides for all plant and machinery installed within the previous five years
- (d) Required Consents and all such written evidence as exists that the terms of such Required Consents have been, or are being, met
- (e) Health and Safety at Work Manuals and Instructions
- (f) Health and Safety files maintained under the CDM Regulations
- (g) Fire Safety Instructions
- (h) Employment Terms and Conditions and employment policies, rules, guidelines and procedures
- (i) Personnel Records, Manuals and Instructional Booklets
- (j) Direct Marketing Lists (both in hard copy and disc format) including lists of past, (that is, within the previous three years) present and potential customers (showing at least their names, addresses and postcode)
- (k) Marketing and Customer Satisfaction Survey Results undertaken within the previous three years
- (l) Lists (both in hard copy and disk format) of all bookings made within one year of the Transfer Date and deposits and other amounts paid prior to the Transfer Date
- (m) Details of all provisional bookings
- (n) All correspondence within the previous three years with past, present and potential customers
- (o) A list of all plant and machinery in respect of which capital allowances have been claimed by the transferor, and the amount claimed for each item and, if different, the amount allowed by the Inland Revenue.

17.7 Save as mentioned in this Clause 17 no asset or liability shall pass from the LLPs to the New Supplier nor shall the New Supplier accept or assume any liability, debt or other obligation of the transferor other than as expressly set out in this Agreement.

17.8 So far as possible and so far as not prohibited by the Data Protection Regulations, present and historical information in relation to bookings and customers (particularly the information specified at Clauses 17.6(j), 17.6(l) and 17.6(m)) shall be transferred to the New Supplier in electronic form together

with the software programmes upon which such information is recorded. However, such software programmes may not be owned by the transferor, so it will be the responsibility of the transferee to make appropriate arrangements with the owners of the software.

18. OPENING OF NEW SITES

As from the date of completion of a New Site Lease, the relevant LLP shall be responsible for that site and shall be responsible for the New Site Works on that Site. As from the Opening Date for a New Site, the relevant LLP shall operate and maintain the New Site in accordance with the provisions of this Agreement which relate to the operational phase of that Site.

19. OPERATION AND MAINTENANCE

19.1 Subject to Clause 19.8, the LLP shall be obliged at their own expense to operate the Sites in accordance with the Operation and Maintenance Specification.

19.2 Without prejudice to the obligations of the LLP under the preceding sub-clause 19.1 and under Clause 4, the LLP shall ensure on a continuing basis that, at all times during the Project Term its maintenance and operating procedures are sufficient to ensure that, save as expressly provided otherwise by this Agreement (and it is hereby agreed that the execution of Modernisation Works and/or New Site Works in accordance with any relevant Programme agreed between the parties shall not be a breach of this Clause),:

(a) (on the basis of a reasonable endeavours obligation) the Core Requirements are continuously met;

(b) the Sites operate in accordance with all Statutory Requirements and Required Consents; and

without prejudice to the provisions of the Leases, the units of accommodation, central services buildings, and all other buildings or constructions, and the Services Infrastructure relating thereto shall be maintained in good and tenantable order.

19.3 The LLPs shall use reasonable endeavours (provided the costs incurred are not unreasonable) to ensure that the Sites are compliant with the UK Woodland Assurance Standard ("the UKWA Standard") at all times, to the extent that would be necessary to ensure that the condition of the Sites does not adversely affect the certification of FC's Estate, as a whole, under the UKWA Standard.

19.4 Unless otherwise agreed between FC and the LLP, the premium pricing offered to members of The Camping and Caravanning Club Limited shall be equivalent to that offered to holders of the proposed Forest Experience card (or any similar card or loyalty scheme which may be introduced by the LLPs from time to time following introduction of such card.

19.5 Whilst FC remains a Member of an LLP, that LLP shall, following the Commencement Date, continue to offer pricing concessions to employees of FC, in line with the policies and practices adopted by LLP and approved by the LLP's Management Committee from time to time.

- 19.6 During the Project Term, the LLPs shall maintain a link from the LLPs' website(s) to FC's website and FC shall maintain a link from FC's website to the LLPs' website(s).
- 19.7 Unless otherwise agreed by FC and the LLPs, the rates and prices charged by the LLPs to customers of the Business at all times during the Project Term shall be in line with market rates charged for the relevant goods or services provided.
- 19.8 For the avoidance of doubt an LLP shall not be obliged to operate a Site in accordance with the Operation and Maintenance Specification if
- (a) agreed by, and to the extent agreed by, FC (in writing) following a request to FC by an LLP (in writing), provided always that FC shall not unreasonably withhold or delay its consent to any proposal by the relevant LLP to cease to carry out the Activities where a Site is Uneconomic; or
 - (b) in the case of the Sites in the New Forest known as Ashurst, Denny Wood, Hollands Wood or Longbeech the LLP has been obliged to desist from carrying on the Activities or the Business from a material proportion of the area of that Site which has previously been used for those purposes as a result of "no camping" restrictions being imposed on that Site by FC and/or the Relevant Minister under the terms of the Lease so as to minimise the requirement for lopping or pollarding of trees
- 19.9 In the event that an LLP is no longer obliged to operate a Site in accordance with the provisions of Clause 19.8, then the parties agree that:-
- (a) the relevant LLP's right to operate that Site will come to an end and the parties (including the Relevant Ministers as appropriate) will procure the determination of the relevant Lease by surrender (without prejudice to the continued operation of the relevant Lease as to all the other sites demised by it in the case of any Site in the New Forest where ten Existing Sites are to be held on the terms of a single lease) to the intent that none of the parties will thereafter have any continuing obligation in respect of that Site under that Lease, this Agreement or any document contained or referred to in it but that without prejudice to the rights of either party to that Lease (including the Relevant Ministers as appropriate) in relation to any antecedent breach of the terms of that Lease by the other; and
 - (b) once the relevant Lease has come to an end in respect of that Site both the FC and the Relevant Minister will be entitled to use or market that Site for any purpose without reference to the LLP but may not use any "Forest Holidays" branding in doing so.

20. UNDERTAKING BY THE RELEVANT MINISTERS

- 20.1 If and to the extent that FC is bound to an LLP to execute and deliver to an LLP a New Site Lease then the Relevant Minister agrees to execute and deliver the same.
- 20.2 The Relevant Ministers enter into this Agreement for the purposes of giving the foregoing undertaking and to indicate their approval of FC entering into this Framework Agreement, but (save as specified in any of the Leases executed by

a Relevant Minister) no Relevant Minister shall have any liability or obligation to the LLPs of any nature whatsoever and whether arising in delict, tort or contract.

20.3 Without prejudice to the provisions of Clause 20.2 the Relevant Ministers as landlords of the Leases of the Existing Sites agree and acknowledge (and so far as the law permits with the intention of binding any successor to their interests as landlords entitled to the estates that are superior to those Leases) that so long as the LLPs are complying with their obligations regarding the Initial Investment Programme, in accordance with the Modernisation Specification, as set out in this Agreement, then the presence or existence upon the Existing Sites of any disrepair or dilapidation which is intended to be repaired or otherwise dealt with as part of the Modernisation Works will not be construed as a breach of the tenant's obligations in the Leases.

20.4 The Relevant Ministers agree that any sum due to them by the LLPs shall be paid to FC.

21. TUPE

21.1 Relevant Transfers

FC and the LLPs agree that where the identity of a provider of any of the Works or the Activities to be carried out under this Agreement is changed in anticipation of or consequent upon:

- (a) changes pursuant to this Agreement;
- (b) termination of the relevant subcontract as a result of the sub-contractor being in default thereunder; or
- (c) the termination of this Agreement

then the change in the identity of such provider may constitute a Relevant Transfer. On the occasion of each Relevant Transfer the LLPs shall procure that (subject to the right of any Relevant Employee to object) the Relevant Employees transfer directly to the new provider of the service(s) equivalent to the whole or the relevant part of the Works and Activities and (except in the case of termination or expiry of this Agreement) that the new provider of the relevant services(s) will comply with all of its obligations under TUPE in respect of any Relevant Employees.

21.2 FC Responsibilities

All salaries and benefits payable to (or in respect of) any Relevant Employee, including accrued holiday pay, tax and national insurance payments and pension contributions, shall be borne by FC in respect of the period up to the date of the Initial Relevant Transfer and all necessary apportionments shall be made. FC shall be responsible for any rights accrued by any Relevant Employee to any pension, lump sum on retirement or death or any other relevant benefit (as defined in section 393B of the Income Tax (Earnings & Pensions Act 2003) prior to such date. Further, FC shall indemnify the LLPs against any claims by a Relevant Employee (apart from a Relevant Employee who pursuant to Clause 21.3(b)(ii) or otherwise has transferred such rights to

another pension arrangement) or his dependants arising through him in respect of such rights.

21.3 LLPs Responsibilities

The LLPs shall or shall procure that the Employer to whom any of the Relevant Employees transfer under a Relevant Transfer shall:

- (a) become responsible for the payment of all salaries and provision of other benefits and deductions of any Relevant Employees with effect from the date of any Relevant Transfer;
- (b)
 - (i) procure that every Relevant Employee who on the date of the Initial Relevant Transfer is a member of the Principal Civil Service Pension Scheme in terms of the Principal Civil Service Pension Scheme Regulations made under section 1 of the Superannuation Act 1972 ("Principal Civil Service Scheme") or is entitled to become a member of such scheme is offered the right to become and to remain for as long as he is engaged in the Relevant Employee Services or services similar to the Relevant Employee Services a member of an occupational pension scheme (as defined in section 150(5) of the Finance Act) which is registered under Chapter 2 of the Finance Act ("Receiving Scheme") and which has been certified by the Government Actuary's Department as providing benefits which are broadly comparable to those provided by the Principal Civil Service Scheme;
 - (ii) within one month of the date of the Initial Relevant Transfer, offer each Relevant Employee the opportunity to transfer the benefits accrued in respect of him under the Principal Civil Service Scheme to the Receiving Scheme, such offer to be made on the basis that it is open for acceptance for a period of three months from the time it is made, and where there is a subsequent Relevant Transfer the opportunity to transfer the benefits accrued in respect of him under the Receiving Scheme (including any benefits granted in return for a transfer payment made to the Receiving Scheme in respect of such Relevant Employee) to the Principal Civil Service Scheme or the Receiving Scheme of a subsequent Employer; and
 - (iii) procure that the whole of the amount so transferred to the Receiving Scheme in respect of a Relevant Employee shall be applied in providing such Relevant Employee with past service credits on such actuarial basis as is agreed between the Government Actuary's Department and the LLPs' Actuary (each party acting reasonably) and on any subsequent Relevant Transfer the LLPs shall ensure that the bulk transfer value to be paid from the Receiving Scheme of the relevant LLP or the transferring Employer, as the case may be, is calculated on such actuarial basis as is agreed between the Government Actuary's Department or FC's Actuary and the LLPs' Actuary (each party acting reasonably),

and, in either case, if such actuarial basis is not so agreed by the relevant parties within 20 Business Days of its first being discussed between them, the matter will be referred to dispute resolution process in accordance with Clause 37.

- (c) ensure that all individuals (including Relevant Employees) employed or engaged in carrying out the Relevant Employee Services (“Assigned Employees”) are engaged on terms and conditions of employment which are no less favourable overall than those applying to the Relevant Employees;
- (d) subject to Clause 21.3(c) ensure that the terms and conditions offered to any Assigned Employees who are being employed or engaged in carrying out the Relevant Employee Services are offered after appropriate consultation (having regard to the Guidance) with the representatives of any recognised trade union of the Assigned Employees or, in the event that there is no recognised trade union for the Assigned Employees, with other elected representatives of such Assigned Employees;
- (e) subject to Clause 21.3(c), ensure that any changes to the terms and conditions of the Relevant Employees are achieved after appropriate consultation (having regard to the Guidance) with the representatives of any recognised trade union of such Relevant Employees or, in the event that there is no recognised trade union for such Relevant Employees, with other elected representatives of such Relevant Employees;
- (f) without prejudice to the provisions of Clause 21.3(b), ensure that the Assigned Employees who are not Relevant Employees are offered one of the following pension arrangements:
 - (i) membership of the Receiving Scheme of which the Relevant Employees are members, or, if this is not possible, either,
 - (ii) membership of a good quality occupational pension scheme, either being a contracted-out final salary based defined benefit scheme or a defined contribution scheme (in the latter case the employer must match employee contributions up to at least 6%); or
 - (iii) a stakeholder pension scheme, under which the employer will match employee contributions up to at least 6%;
- (g) use all reasonable endeavours to promote and conduct fair employment practices in relation to health and safety and equal opportunities and maintain a constructive approach to employee relations, including to the question of trade union recognition;
- (h) support any government sponsored review of any guidelines, recommendations or requirements in relation to public private partnerships in the United Kingdom and the LLPs shall provide (and shall procure that any Employer shall provide) FC with all such advice, information or other support as it shall require to enable it to assist any such reviews;

- (i) provide in writing to FC as soon as reasonably practicable upon a request from FC, subject to its obligations relating to data protection and confidentiality, all such information or documentation as FC may require acting reasonably to enable it to review and monitor the extent to which the LLPs (or any Employer) comply:
 - (i) for Assigned Employees based in Scotland with the conditions set out in the document "Public Private Partnerships in Scotland – Protocol and Guidance Concerning Employment Issues";
 - (ii) for Assigned Employees based in England and/or Wales, with the conditions set out in the document "Code of Practice on Workforce Matters in Public Sector Service Contracts"; and
 - (iii) in either case, with the conditions set out in any such similar protocol, requirements or guidance issued and with which FC, the LLPs or any Employer may be required to comply;

(together "the Guidance")

throughout the period of this Agreement. Such information may include (but shall not be limited to) information relating to the pay, terms and conditions of the Assigned Employees, including details of their pension arrangements.

- (j) provide to FC as soon as reasonably practicable any further information or documentation in its possession or under its control (or which it can reasonably obtain) which updates any information or documentation provided in accordance with Clause 21.2(i) above;
- (k) warrant that the information provided to FC in accordance with Clauses 21.2(i) and 21.2(j) above will be full, complete and accurate;
- (l) indemnify FC and keep FC indemnified in full from and against any costs, claims, liabilities and expenses (including legal expenses) suffered or incurred by FC which relate to or arise out of any act or omission by the LLPs or any Employer or any other event or occurrence (other than an event or occurrence for which FC or a sub-contractor of FC other than the LLPs is responsible) relating to the Relevant Employees in each case on or after the date of the Initial Relevant Transfer up to but not including the Re-transfer Date (including, without prejudice to the foregoing generality, in relation to negligence claims by any Relevant Employee, unfair dismissal, redundancy, unlawful discrimination, breach of contract, claims in relation to pension entitlement, unlawful deduction of wages and equal pay and any breach by the LLPs (or any Employer) of any of the provisions of this Clause 21.3).

21.4 Provision of Information by FC

FC warrants that the information set out in Part 6(2) of the Schedule relating to the Relevant Employees is accurate and complete as at the date of this Agreement.

21.5 Provision of Details and Indemnity

The LLPs shall or shall procure that the Employer to whom any of the Relevant Employees transfer under the Initial Relevant Transfer shall, subject to its or their legal obligations relating to data protection and confidentiality, immediately upon request by FC provide to FC details of any measures which the LLPs or the Employer envisages it or they will take in relation to any employees who are or who will be the subject of a Relevant Transfer and shall indemnify FC against all injury, claims, costs and expenses (including legal expenses) and/or damages resulting from any failure by the LLPs or the Employer to comply with this obligation.

FC shall indemnify the LLPs or the Employer against all injury, claims, costs and expenses (including legal expenses) and/or damages resulting from any failure by FC to comply with its obligations to inform and consult under TUPE, unless such failure to inform and consult was caused by a failure of the LLPs or the Employer to comply with its obligations under this Clause 21.5.

21.6 FC Indemnities

(a) FC agrees to indemnify and keep indemnified the LLPs or the Employer in full from and against any costs, claims, liabilities and expenses (including legal expenses) suffered or incurred by the LLPs or the Employer which relate to or arise out of any act or omission by FC or any other event or occurrence relating to:

- (i) the Relevant Employees; and
- (ii) the Specified Employees (except where any such costs, claims, liabilities and expenses relate to unfair dismissal as provided under Clause 21.7 below)

in each case on or before the Commencement Date (including, without prejudice to the foregoing generality, in relation to negligence claims by any Relevant Employee, unfair dismissal, redundancy, unlawful discrimination, breach of contract, claims in relation to pension entitlement, unlawful deduction of wages and equal pay but excluding any failure by FC to inform and consult under TUPE, as referred to in Clause 21.5) for which the LLPs and/or the Employer is or becomes liable by reason of the operation of TUPE and/or any judicial decision interpreting the same.

(b) If any contract of employment of any past or present employee of FC (other than a Relevant Employee or a Specified Employee) has effect after the Commencement Date as if originally made between either of the LLPs or the Employer and the employee concerned as a result of TUPE:-

- (i) the LLPs or the Employer (as the case may be) may, upon becoming aware of any such contract, terminate it forthwith; and
- (ii) FC shall indemnify the LLPs or the Employer (as the case may be) against all costs, claims, liabilities and expenses (including legal expenses) arising out of any such termination and against any sums payable to, or on behalf of, such employee in respect of his employment whether arising before on or after the

Commencement Date, but this indemnity shall not apply in respect of any award made by an employment tribunal following a determination of unfair dismissal in respect of such termination to the extent that it is attributable to any failure by the LLPs or the Employer (as the case may be) to comply with any statutory dismissal procedure.

- (c) Without prejudice to Clause 21.6(b), FC agrees to indemnify and keep indemnified the LLPs or the Employer in full from and against any costs, claims, liabilities and expenses (including legal expenses) suffered or incurred by the LLPs or the Employer which relate to or arise out of any act of omission by FC or any other event or occurrence, in each case on or before the Commencement Date, relating to any past or present employee of FC (whether or not his/her employment has ended) who is neither a Relevant Employee nor a Specified Employee (including, without prejudice to the foregoing generality, in relation to negligence claims by any such employee or former employee, unfair dismissal, redundancy, unlawful discrimination, breach of contract, claims in relation to pension entitlement, unlawful deduction of wages and equal pay but excluding any failure by FC to inform and consult under TUPE, as referred to in Clause 21.5) for which the LLPs and/or the Employer are or become liable by reason of the operation of TUPE and/or any judicial decision interpreting the same.

21.7 In the event that:

- (a) the relevant termination prior to the Commencement Date of the limited-term contract under which any Specified Employee was employed by FC, or
- (b) the relevant termination of the limited-term contract under which any Specified Employee is employed by the English LLP after the Commencement Date, which relevant termination in the case of Kate Bee and Nicole Wilson occurs on 26 May 2006 and in the case of Steven Robertson occurs on 9 August 2006,

is held to constitute unfair dismissal (whether by virtue of regulation 7 of TUPE or otherwise), the total amount payable by way of all awards, costs, liabilities and expenses (including legal expenses) suffered or incurred by FC and/or the LLP in respect of the claim brought by the Specified Employee relating to such relevant termination shall be shared equally between the FC and the LLPs.

For this purpose, "relevant termination" means that the limited-term contract in question is terminated by virtue of the limiting event in relation to that contract without being renewed under the same contract and "limited-term contract" and "limiting event" have the meanings respectively given to them in section 235 (2A) and (2B) respectively of the Employment Rights Act 1996.

Without prejudice to Clause 21.11, FC and the LLPs shall co-operate with the other or others with a view to resisting any claim made by a Specified Employee that the relevant termination of his limited-term contract constitutes unfair dismissal.

For the avoidance of doubt, the provisions of this sub-clause shall not apply in respect of any decision that any dismissal of a Specified Employee by FC or the English LLP otherwise than as referred to at (a) or (b) constitutes unfair dismissal.

21.8 TUPE Upon Cessation

The parties acknowledge that by virtue of the cessation or partial cessation of the Activities by the LLPs or the Employer (whether or not on the Expiry Date or earlier termination of this Agreement) the contract of employment of each Re-transferring Employee shall have effect after such cessation as if originally entered into between a New Supplier and the individual concerned pursuant to TUPE but the parties agree that the provisions of Clauses 21.9 and 21.10 shall apply irrespective of whether or not TUPE does apply as anticipated in this Clause 21.8.

21.9 Indemnities – Cessation

- (a) The LLPs shall indemnify and shall keep indemnified on demand FC and/or, on demand by FC, any New Supplier, from and against any costs, claims, liabilities and expenses (including legal expenses) which relate to or arise out of:-
 - (i) any act or omission by it, or the Employer or any other event or occurrence on or after the Commencement Date and before the Re-transfer Date (including, without prejudice to the foregoing generality, in relation to negligence claims by any of the Re-transferring Employees, unfair dismissal, redundancy, unlawful discrimination, breach of contract, claims in relation to pension entitlement, unlawful deduction of wages and equal pay) for which FC and/or any New Supplier is or becomes liable by reason of the operation of TUPE and/or any judicial decision interpreting the same; or
 - (ii) any failure by the LLPs or the Employer to comply with its or their obligations under TUPE unless such failure was caused by any failure by FC or the New Supplier to comply with its or their obligations under TUPE.
- (b) FC shall indemnify and keep indemnified on demand the LLPs and/or, on demand by the LLPs, any Employer, from and against any costs, claims liabilities and expenses (including legal expenses) suffered or incurred by the LLPs or the Employer which relate to or arise out of any breach by FC and/or any New Supplier or any other event or occurrence relating to the Re-transferring Employees in each case on or after the Re-transfer Date (including, without prejudice to the foregoing generality, in relation to negligence claims by any Re-transferring Employee, unfair dismissal, redundancy, unlawful discrimination, breach of contract, claims in relation to pension entitlement, unlawful deduction of wages and equal pay).

21.10 Indemnification of Sub-contractors

FC acknowledges and agrees that the LLPs shall grant an indemnity in favour of the Employer (if not the LLPs) to whom any of the Relevant Employees transfer under the Initial Relevant Transfer to the same extent that FC is undertaking to indemnify each of the LLPs in terms of Clauses 21.5, 21.6 and 21.9(b) of this Agreement (subject always to Clause 21.7) and agrees that in the event of a claim in terms of Clauses 21.5, 21.6 and 21.9(b) of this Agreement for loss incurred by either of the LLPs that loss shall include the amount, if any, which the relevant LLP has paid or is required to pay to the Employer.

21.11 Mitigation

In relation to all matters described in this Clause 21, FC and the LLPs shall, and the LLPs shall procure that any Employer shall, co-operate with the other or others and take all reasonable steps to mitigate any costs and expenses and any adverse effect on industrial or employee relations.

22. EMPLOYEES

22.1 FC warrants to the LLPs that it has itself complied or procured the compliance by the Relevant Employees with all of the obligations contained in Clauses 22.2 to 22.7 up to and including the Commencement Date.

22.2 The LLP's Obligations regarding Personnel

The LLPs shall procure that all persons engaged in carrying out the Activities and/or the Works:

- (a) are properly trained and adequately supervised;
- (b) have all appropriate and necessary qualifications and registrations;
- (c) have all skills required for the performance of the Works and/or the Activities in accordance with this Agreement for which they are engaged; and
- (d) wear appropriate uniforms and bear an identification badge which identifies the relevant LLP or the Employer (if not the relevant LLP) and the wearer's name.

22.3 Confidentiality

Subject to Clause 34, the LLPs shall, and shall procure that all persons engaged in carrying out the Activities, shall:

- (a) regard as confidential and shall not disclose to any person, any information which is acquired as a consequence of the carrying out of the Activities;
- (b) not read, copy or remove any file, correspondence, literature or photography from a Site unless in accordance with the proper performance of the Activities.

22.4 Employee Checks

Other than in relation to the engagement of the Relevant Employees, the LLPs shall, and shall procure that the Employer (if not the LLPs) when employing any person who shall be involved in carrying out the Activities shall act with the diligence and care expected of a prudent employer, and not employ any person in carrying out the Activities unless the LLPs or the Employer, as the case may be:

- (a) has obtained satisfactory references in respect of any such person; and
- (b) has carried out such checks as may be lawfully undertaken to establish that no such person has any criminal conviction (excepting minor road

traffic offences) or record of dishonesty or violence and such checks have established that no such person has any criminal conviction or record of dishonesty or violence.

22.5 Employee Records

The LLPs shall, and shall procure that every Employee who has access to Sites has consented to the LLPs and/or the Employer obtaining a standard disclosure under Part V of the Police Act 1997.

22.6 LLP's Acknowledgement of Public Interest

The LLPs acknowledge that the requirements on a prospective employee who has access to the Sites in terms of Clause 22.5 above, are requirements justified as being in the public interest.

22.7 Registration under the Police Act 1997

The LLPs shall and the LLPs shall procure that the Employer shall apply to be registered under section 120 of the Police Act 1997.

22.8 LLP's Notification of Offences etc

The LLPs shall, and shall procure that the Employer shall, keep FC advised at all times if the LLPs and/or the Employer (if not the LLPs) becomes aware that any Employee engaged or to be engaged in carrying out the Activities:-

- (a) has been or is convicted of an offence; or
- (b) is engaged in any behaviour

either of which may give rise to concern as to their suitability to be engaged or continue to be engaged in carrying out the Activities.

22.9 FC Notice

- (a) FC may in circumstances where information is received under the terms of Clause 22.8, at its absolute discretion, instruct the LLPs by way of a written notice not to employ or continue to employ and procure that the Employer does not employ or continue to employ that person in connection with carrying out the Activities and to remove or procure the removal of that person from the Sites. The decision of FC to issue such a notice shall be final and conclusive. FC will provide full reasons of its decision in the written notice provided to the LLP.
- (b) If an LLP receives a notice from FC in accordance with Clause 22.9(a) it shall not employ or continue to employ and shall procure that the Employer shall not employ or continue to employ the person in connection with the Activities and where the person is already employed the relevant LLP shall remove or procure that such person or persons are removed from the Sites immediately.

22.10 FC Right to Request Removal

If the LLPs do not comply with their obligations under Clauses 22.2(b), 22.2(c), 22.2(d), 22.3, 22.4 or 22.5 FC shall be entitled to request the removal

of the person or persons concerned from the Sites and the LLP shall remove or procure that such person or persons are removed immediately pending the relevant LLP taking all steps necessary to remedy such non compliance or breaches of its obligations. the relevant LLP shall, and shall procure that as soon as is reasonably possible the matter is thoroughly investigated.

23. TERMINATION BY THE LLPS

23.1 If FC commits any Serious Breach (as defined in Clause 23.2 below) of its obligations under this Agreement, the LLPs may give not less than 90 days notice, (a "**LLPs Termination Notice**") to FC, addressed to the Secretary of the Forestry Commission to terminate this Agreement. In that notice the LLPs shall specify the ground or grounds of termination, detail the breach or breaches concerned and specify the steps required to remedy the same (if it shall be capable of remedy), failing which it shall be treated as if it had never been given. That notice shall contain on each page in block capitals not smaller than 14 point the words "**PROJECT TERMINATION NOTICE REQUIRING IMMEDIATE ACTION**" failing which it shall be treated as if it had never been given.

23.2 The expression "Serious Breach" shall mean:-

- (a) an act or omission of FC that renders it impossible (and not merely more difficult) for the LLPs to perform all or the majority of their obligations under this Framework Agreement or the Leases (taking those Leases as a whole and not individually); or
- (b) an act or omission of FC that renders it impossible (and not merely more difficult) for the LLPs to carry on all or the major part of the Business at the Sites;
- (c) any material breach of Clause 9 (the New Site provisions) of this Agreement by FC (provided that time shall not be of the essence in respect of any of the provisions) that has not been remedied by FC within 30 days (or such other period as the parties may agree, acting reasonably) of the date that the relevant LLP has issued a second warning notice to FC in writing stating that FC has 30 days to remedy the material breach following which a Serious Breach will have occurred. A second warning notice may only be issued by the relevant LLP where a first warning notice to FC in writing, (stating that FC has 30 days to remedy the material breach following which a second warning notice may be issued by the relevant LLP) has been issued by the relevant LLP and the material breach has not been remedied within such 30 day period. In each case such warning notices must be addressed to the Secretary of the Forestry Commission;

and the parties hereto agree that any breach of contract on the part of FC or a Relevant Minister which does not constitute a Serious Breach shall not give the LLPs any right to terminate or repudiate this Agreement or any Lease, but in relation thereto the LLPs shall have all its rights to payment, damages, interdict or specific implement that the Law of England and Wales shall allow.

23.3 Notwithstanding Clause 23.2, the parties agree and acknowledge that the New Site provisions of Agreement (Clause 9) are fundamental to the Agreement and the parties recognise that damages may not provide the LLPs with an adequate

remedy. Therefore, FC acknowledges that the LLPs may seek specific performance in respect of the New Site provisions.

23.4 Upon expiry of the Project Termination Notice, the LLPs may, unless the ground or grounds for termination specified in the notice has or have been remedied, without prejudice to any other right under this Agreement or under the Members Agreement, by notice to FC forthwith terminate this Agreement provided that such termination shall apply to all of the Sites then operated and maintained by the LLPs.

23.5 If the LLPs terminate this Agreement under Clause 23.4 then that will be without prejudice to CCC's rights in accordance with Clause 20.6 of the Members Agreement (Consequences of FC Default)

24. TERMINATION BY FC

24.1 If:

- (a) the LLPs shall in whole or in part assign this Agreement otherwise than in accordance with Clause 29.3; or
- (b) without the prior written consent of FC and subject to the subsistence of any Relief Event, the Initial Investment Programme has not been completed by the date falling 8 years after Commencement Date; or
- (c) an LLP is in material breach of its obligations under this Agreement; or
- (d) any two or more of the Leases have been terminated by the relevant landlord in any ten year period, as a result of a breach or default being committed by the LLPs thereunder; or
- (e) an Insolvency Event occurs in relation to either of the LLPs; or
- (f) save for any Site(s) which revert to FC in accordance with Clause 19.9 an LLP Abandons the Project or any Site or Sites; or
- (g) an LLP breaches the provisions for Clause 36 (Corrupt Gifts);

then FC may give:

- (i) in relation to a breach which is capable of being remedied, not less than thirty (30) days' written notice (or such longer notice as shall be reasonable having regard to the nature of the breach concerned and the steps required to remedy the same) ; and
- (ii) in relation to a breach which is not capable of being remedied, immediate written notice

(each an "FC Termination Notice") to the LLPs to terminate this Agreement. In the FC Termination Notice, FC shall specify the ground or grounds of termination, detail the breach or breaches concerned and specify the steps required to remedy the same. That notice shall contain on each page in block capitals not smaller than 14 point the words "PROJECT TERMINATION NOTICE REQUIRING IMMEDIATE ACTION, failing which such notice shall be treated as if it had never been given.

24.2 Upon the expiry of an FC Termination Notice FC may, unless the ground or grounds for termination specified in the notice has or have been remedied, without prejudice to any other remedy under this Agreement by notice to the LLPs (provided that FC has not exercised its option under Clause 20.2.2 of the Members Agreement (Consequences of 'B' Member Default)) forthwith terminate this Agreement, but without thereby releasing the LLPs from any of its obligations or liabilities which have accrued under this Agreement and without affecting the rights and powers conferred by this Agreement on FC or FC's Representative.

25. EXPIRY

This Agreement shall expire automatically on the Expiry Date unless it shall have been terminated earlier in accordance with the provisions of this Agreement. To avoid doubt, the LLPs shall not be entitled to any compensation for expiry of this Agreement on expiry of the Project Term.

26. CONSEQUENCES OF TERMINATION OR EXPIRY

On termination or expiry of this Agreement for any reason, the provisions of Clauses 17 and 21.6 shall take effect, if applicable. If FC terminates this Agreement under Clause 24, that will be without prejudice to FC's rights in accordance with Clause 20.2 of the Members Agreement (Consequences of 'B' Member Default).

27. RIGHTS OF ACCESS

27.1 FC or FC's Representative may at all times upon reasonable notice enter upon the Sites and inspect the construction, operation and maintenance of the Sites to ensure the LLPs' obligations under this Agreement and the Leases are being performed.

27.2 FC and FC's Representative shall at all times upon reasonable notice have access to the Modernisation Works and the New Site Works and the Sites and the LLPs shall afford, and shall procure that the Contractor shall afford, every facility for and assistance in obtaining such access.

27.3 FC and FC's Representative shall at all times have access to the Sites during the Operation and Maintenance Phase.

28. AMENDMENTS

Not Used

29. ASSIGNMENT AND SECURITY

29.1 Without prejudice to any assignment or other transfer of the rights or obligations of either party under this Agreement required or effected by or under statute or by operation of law, and save as permitted by this Clause 29 or with the prior written consent of the other party, neither party may assign this Agreement or the rights arising under this Agreement nor create any security over this Agreement or such rights or over any property or rights forming part of the Sites.

29.2 FC may, for so long as it is a member of an LLP assign or transfer the whole of this Agreement to any Government department or agency of the Government or to any public sector body or organisation (but not a Competitor (as defined in

the relevant Members Agreement)) which has acquired all or most of the assets and undertaking of the Forestry Commissioners, or to whom the function of providing and managing facilities on the public forest estate is transferred, or who is otherwise undertaking all or a majority of the functions of the Forestry Commissioners as at the Commencement Date provided that such body or organisation is able to undertake a role equivalent to that of FC under the Project Documents without any materially adverse impact upon the relevant LLP

- 29.3 For the purpose of financing the construction or operation of the Sites only, the LLPs may in security assign its rights under this Agreement (and the Project Documents) to the Lenders (or the Lenders' Agent) and create any other forms of security over it or over any property or rights (heritable or moveable, corporeal or incorporeal) forming part of the Sites to the Lenders (or the Lenders' Agent) provided that all such rights and forms of security (but for the avoidance of doubt not including security over the Project Documents) shall cease in relation to the Sites upon termination or expiry of this Agreement.

30. INFORMATION AND REPORTING

- 30.1 For as long as FC is, or in the case of the Scottish LLP the Scottish Ministers are, a member of an LLP, that LLP shall permit FC to have access to all books and records and all other information in its possession as may be required in the reasonable opinion of FC to enable FC to monitor the operation of the Business by the LLPs or the performance by an LLP of its obligations under this Agreement, or to exercise FC's rights thereunder, or to verify amounts due from one party to the other under this Agreement, to audit the same and to take copies of all or part thereof. If reasonably required by FC, the LLPs shall provide [financial information] in respect of the Business on a Site by Site basis. Furthermore, for as long as FC is, or in the case of the Scottish LLP the Scottish Ministers are, a member of an LLP, that LLP shall permit the National Audit Office ("NAO") and its successors (and any other auditing or supervisory body which regulates, or have powers of investigation over, FC) to have access to all books and records and all other information in its possession or available to it as may be required to enable the NAO (or others) to carry out its statutory functions in relation to FC and, in particular, to audit the Turnover of the LLPs.
- 30.2 In the event that a matter has been referred to an Expert for determination, the LLPs shall also permit the Expert to have access to their books and records and all other information in its possession as the Expert may require in order to determine the matter in question, and to take copies of all or part thereof for such purpose, and the LLPs agree and acknowledge that FC is entitled to disclose copies of the same in its possession to the Expert.
- 30.3 The provisions of sub-clauses 30.1 and 30.2 are subject to the provisions of Clause 34 (Confidentiality).
- 30.4 During the Project Term the LLPs shall supply FC's Representative with:-
- (a) written reports at six monthly intervals containing such information as is required to be provided by the LLPs pursuant to the Project Specification or as may be reasonably required by FC's Representative having regard to FC's statutory duties or the obligations to be performed by the LLPs under this Agreement; and

- (b) in so far as it is reasonable for FC to require such information in advance of such reports such information as is requested in writing by FC.

31. INDEMNITY

- 31.1 The LLPs shall, subject to Clause 31.2, be responsible for, and shall release and indemnify FC, its employees, agents and contractors from and against, all liability for death or personal injury, loss of or damage to property (including property belonging to FC or for which it is responsible), actions, claims, demands, costs, charges and expenses which may arise out of, or in consequence of, the design, refurbishment, construction, operation or maintenance of the Sites by the LLPs or the performance or non-performance by the LLPs of their obligations under this Agreement or the presence on FC's property of the LLPs, its employees, agents or contractors.
- 31.2 The LLPs shall not be responsible or be obliged to indemnify FC pursuant to Clause 31.1 for any injury, loss, damage, cost and expense caused by the activities carried on by or the negligence or wilful default of FC, its employees, agents or contractors or by the breach by FC of its obligations under this Agreement or is as a result of the LLPs acting in accordance with an instruction or direction of FC and provided further that the LLPs' liability to indemnify FC as provided in Clause 31.1 shall be reduced proportionately to the extent that the activities, negligence, wilful default, breach, instruction or direction of FC, its employees, agents or contractors is determined to have contributed to the said injury, loss, damage, costs and expenses.
- 31.3 The parties accept the indemnities provided to them respectively in this Clause 31 in substitution for and to the entire exclusion of any other remedies available to them in the circumstances by statute or at common law.
- 31.4 An indemnity by either party under any provision of this Agreement shall be without limitation to any indemnity by the same party under any other provision of this Agreement.
- 31.5 In the event of any claim being made or action brought against either party ("the Party Entitled to be Indemnified") arising out of the matters referred to in this Clause, the other party ("the Indemnifying Party") shall be promptly notified thereof and may at his own expense conduct all negotiations for the settlement of the same, and any litigation that may arise therefrom. The Party Entitled to be Indemnified shall not, unless and until the Indemnifying Party has failed to take over the conduct of the negotiations or litigation, make any admission which might be prejudicial thereto. The conduct by the Indemnifying Party of such negotiations or litigation shall be conditional upon the Indemnifying Party having first given to the Party Entitled to be Indemnified such reasonable security as shall from time to time be required by the Party Entitled to be Indemnified to cover the amount ascertained or agreed or estimated, as the case may be, of any compensation, damages, expenses and costs for which the Party Entitled to be Indemnified may become liable. The Party Entitled to be Indemnified shall, at the request of the Indemnifying Party, afford all available assistance for the purpose of contesting any such claim or action, and shall be repaid all reasonable expenses incurred in so doing.
- 31.6 Without prejudice to Clause 31.2, FC shall be responsible for, and shall release and indemnify the LLPs, its employees, agents and contractors from and against

all liability for death or personal injury and loss of or damage to property to the extent resulting from any negligent act or omission of FC, its employees, agents or representatives or any act of FC in exercise of its rights under this Agreement or from any breach by FC of its obligations under this Agreement.

31.7 The provisions and obligations set out in this Clause shall survive and remain in force upon and following the termination or expiry of this Agreement.

31.8 In this Clause 31 any reference to FC shall be deemed to include a reference, where the context so permits, to the Relevant Minister.

32. OWN ENQUIRIES

32.1 Notwithstanding any reports, data or opinions made available to it, or used to obtain Required Consents, the LLPs shall be deemed to have satisfied itself as to the suitability of the property and facilities to which it will acquire rights and the nature and extent of the risk assumed by it in relation to the Project and shall be deemed to have gathered all information necessary to perform its obligations under this Agreement including information as to the nature, location and condition of the heritable property (including hydrological, geological, geotechnical and sub-surface conditions), archaeological finds, areas of archaeological scientific or natural interest, local conditions and facilities, the quality of existing structures and obligations assumed as a result of Required Consents and Statutory Requirements.

32.2 The LLPs shall not in any way be relieved from any obligation under this Agreement, nor shall it be entitled to claim against FC under Clause 31.6 or otherwise, on grounds that any information whether obtained from FC or otherwise (including information made available by FC) be incorrect or insufficient (whether or not contained in the Core Requirements or any other part of the Project Specification) and shall make its own enquiries as to the accuracy and adequacy of such information.

33. INTELLECTUAL PROPERTY RIGHTS

33.1 Project Data

(a) Following termination of this Agreement, the LLPs shall make available to FC free of charge (and hereby irrevocably licences FC to use for the Approved Purposes only) all Project Data that might reasonably be required by FC and the LLPs shall ensure that it obtains all necessary licences, permissions and consents to ensure that it can make the Project Data available to FC on these terms for the design or construction of the Sites and the buildings and facilities thereon, the operation, maintenance or improvement of the Sites, (the "Approved Purposes"), and in this Clause "use" shall include the acts of copying, modifying, adapting and translating the material in question and the term "the right to use" shall be construed accordingly. For the avoidance of doubt, FC shall acquire no rights of ownership in the Project Data whatsoever.

33.2 Intellectual Property Rights

(a) The LLPs hereby grant to FC, free of charge, an irrevocable, non exclusive and transferable (but transferable only to any assignee or transferee of any rights or benefits under this Agreement) licence

(including the right to grant sub licences) to use, upon or at any time following the expiry or termination of this Agreement, the Intellectual Property Rights which are or have become vested in the LLPs, solely for the Approved Purposes.

33.3 Maintenance of data

- (a) To the extent that any of the data, materials and documents referred to in this Clause 34 are generated by or maintained on a computer or similar system, the LLPs shall use all reasonable endeavours to procure for the benefit of FC, at no charge or at the lowest reasonable fee, the grant of a licence or sub licence for any relevant software to enable FC or its nominee to access and otherwise use (subject to the payment by FC of the relevant fee, if any) such data for the Approved Purposes. As an alternative, the LLPs may provide such data, materials or documents in a format which may be read by software generally available in the market at the relevant time or in hard copy format.
- (b) The LLPs shall ensure the back up and storage in safe custody of the data, materials and documents referred to in Clause 33.1(a). in accordance with Good Industry Practice. Without prejudice to this obligation, the LLPs shall submit to FC's Representative for approval its proposals for the back up and storage in safe custody of such data, materials and documents and FC shall be entitled to object if the same is not in accordance with Good Industry Practice. The LLPs shall comply with, and shall cause all Affiliates and all subcontractors of the LLPs to comply with, all procedures to which FC's Representative has given its approval. The LLPs may vary its procedures for such back-up and storage subject to submitting its proposals for change to FC's Representative, who shall be entitled to object on the basis set out above.

33.4 Claims

- (a) Where a claim or proceeding is made or brought against FC which arises out of the infringement of any rights in or to any Intellectual Property or because the use of any Project Data, materials, plant, machinery or equipment in connection with the Project Operations infringes any rights in or to any Intellectual Property Rights of a third party then, unless such infringement has arisen out of the use of any Intellectual Property Rights by or on behalf of FC otherwise than in accordance with the terms of this Agreement, the LLP shall indemnify FC at all times from and against all such claims and proceedings and the provisions of Clause 31.5 shall apply.

33.5 Data Protection

- (a) For the purpose of the following Clauses, the term "personal data" shall have the meaning given to it in the Data Protection Act 1998.
- (b) The LLPs undertake to FC that it shall comply with the obligations of a "data controller" under the provisions of the Seventh Data Protection Principle as set out in Schedule 1 of the Data Protection Act 1998. In addition, the LLPs:

- (i) warrants that it has, or will have at all material times, (and it shall use best endeavours to procure that all sub contractors (and their agents and sub contractors of any tier have or will have at all material times) the appropriate technical and organisational measures in place against unauthorised or unlawful processing of personal data and against accidental loss or destruction of, or damage to, personal data held or processed by it and that it has taken, or will take at all material times, all reasonable steps to ensure the reliability of any of its staff which will have access to personal data processed as part of the Project Operations;
- (ii) undertakes that it will act only on the instructions of FC in relation to the processing of any personal data made available by or on behalf of FC as part of the Project Operations;
- (iii) undertakes that it will only obtain, hold, process, use, store and disclose personal data as is necessary to perform its obligations under this Agreement and (without prejudice to Clause 4.2 (General standards)) that such data will be held, processed, used, stored and disclosed only in accordance with the Data Protection Act 1998 and any other applicable Statutory Requirements; and
- (iv) undertakes to allow FC access to any relevant premises on reasonable notice to inspect its procedures described at 33.5(b)(i) above.

34. CONFIDENTIALITY

34.1 Subject to Clause 34.2, the parties to this Agreement shall keep confidential all matters relating to this Agreement and shall not make any disclosure, and shall use their best endeavours to prevent their employees, agents and servants from making any disclosure, to any person of any information, data, documents, secrets, dealings, transactions or affairs of or relating to this Agreement.

34.2 The confidentiality obligation of the parties shall not apply to the following:

- (a) any matter which a party can demonstrate is already generally available and in the public domain otherwise than as a result of a breach of this Clause;
- (b) any disclosure which may reasonably be required for the performance of that party's obligations under this Agreement or to enable the Expert to make a determination where a matter has been referred to him;
- (c) without prejudice to 34.2(i) below, disclosure of information which is required by any law (including any order of a court of competent jurisdiction) or the rules of any stock exchange or governmental or regulatory FC whether or not having the force of law (but, if not having the force of law compliance with which is in accordance with the general practice of persons subject thereto);

- (d) disclosure of any information which is already lawfully in the possession of the receiving party prior to its disclosure by the disclosing party;
- (e) the provision of information to shareholders, suppliers or subcontractors of the LLP for purposes connected with the Project;
- (f) provision of information to the Lenders or the Lenders' professional advisers or insurance advisers or, where it is proposed that a person should or may provide funds (whether directly or indirectly and whether by loan, equity participation or otherwise) to the LLPs to enable it to carry out its obligations under this Agreement, to that person but only to the extent reasonably necessary to enable a decision to be taken on the proposal;
- (g) disclosure by FC of information relating to the design, construction, operation and maintenance of the Sites and such other information as may be reasonably required for the purpose of conducting a due diligence exercise to:
 - (i) any proposed new service provider, its advisers and lenders should FC decide to re-let this Project or
 - (ii) any proposed purchaser of any or all of the Sites; and
- (h) registration or recording of FC Consents and the Leases (or any of them) in the Books of Council and Session, the Land Register or the Register of Sasines.
- (i) responding to a request for information under:
 - (i) the Freedom of Information Act 2000 and/or
 - (ii) the Freedom of Information (Scotland) Act 2002; Declaring that no term of the Agreement, whether express or implied, shall preclude FC from making public under any such Act and any codes applicable from time to time relating to access to public authorities' information, details of all matters relating to the Agreement, the Project Documents to which FC is a party and other Project Documents the contents of which the parties agree may be disclosed in response to a request for information under:
 - A the Freedom of Information Act 2000 and/or
 - B the Freedom of Information (Scotland) Act 2002 to be listed here unless such details constitute a trade secret or the disclosure thereof would or would be likely to prejudice substantially the commercial interests of the LLPs or FC or the Lenders.

34.3 Where disclosure is permitted under Clause 34.2, other than 34.2(c), 34.2(h) and 34.2(i), the recipient of the information shall be subject to a similar obligation of confidentiality as that contained in this Agreement.

34.4 The provisions and obligations set out in this Clause shall survive and remain in force upon and following the termination or expiry of this Agreement.

35. MISCELLANEOUS

35.1 Save as required by law or regulation the parties to this Agreement shall not make any announcements in connection with this Agreement without the prior written consent of the other party such consent not to be unreasonably withheld.

35.2 In entering into this Agreement no party may rely on any representation, warranty, collateral contract or other assurance (except those set out in this Agreement and the documents referred to in it) made by or on behalf of any other party before the signature of this Agreement and each of the parties waives all rights and remedies which, but for this sub-clause, might otherwise be available to him in respect of any such representation, warranty, collateral contract or other assurance; provided that nothing in this sub-clause shall limit or exclude any liability for fraud.

35.3 The various agreements, exhibits and schedules which together make up this Agreement are to be taken as mutually explanatory of one another and, in the event that the LLPs or FC discovers any ambiguities or discrepancies between any of such documents, the same shall be explained and adjusted by mutual agreement between FC and the LLPs.

35.4 Each party agrees, upon the request of the other, to execute any documents and take any further steps as may be reasonably necessary in order to implement and give full effect to this Agreement.

35.5 Notwithstanding any rule of law to the contrary, and save as otherwise provided in this Agreement, this Agreement shall not be terminated or suspended on account of destruction of, or damage to, any Site for whatever reason but shall continue in full force and effect in every respect.

35.6 FC and the LLPs agree that this Agreement is a development agreement within the meaning of paragraph 6 of the Construction Contracts (England and Wales) Exclusion Order 1998 and paragraph 6 of The Construction Contracts (Scotland) Exclusion Order 1998. It is also agreed that this Agreement is a contract entered into under the Private Finance Initiative within the meaning of paragraph 4 of each of the said Orders because it fulfils the conditions set out in paragraphs 4.2(b) and 4.2(c); in order to fulfil the requirements of paragraph 4.2(a) it is stated that this Agreement is entered into under the Private Finance Initiative and/or under a project applying similar principles.

35.7 The parties agree that use of the cabins as private dwelling houses or other permanent residential accommodation is not contemplated by either party.

35.8 If CCC exercises its remedies in terms of Clause 20.6 of the Members Agreement then such exercise shall satisfy in full all and any claims by CCC and/or the LLPs arising at any time prior to such exercise and shall represent full and complete satisfaction of all losses, costs, expenses and damages (whether arising in contract, delict or tort) howsoever and whenever arising suffered or incurred by CCC and/or the LLPs arising under or in connection with or as a consequence of the entering into of this Framework Agreement or any of the Leases.

- 35.9 If FC (or in the case of the Scottish LLP the Scottish Ministers where they are a member of the Scottish LLP) exercises its remedies in terms of Clause 20.2 of the Members Agreement then such exercise shall satisfy in full all and any claims by FC arising at any time prior to such exercise and shall represent full and complete satisfaction of all losses, costs, expenses and damages (whether arising in contract, delict or tort) howsoever and whenever arising suffered or incurred by FC arising under or in connection with or as a consequence of the entering into of this Framework Agreement or any of the Leases.
- 35.10 Where any obligation of the LLPs to FC relates to one or more of the Sites (or any of the buildings thereon or the Services Infrastructure therein or thereto) then that obligation shall also be owed to the Relevant Minister and shall be enforceable by him as if set out in full in the Leases relating to the Site.
- 35.11 Each of FC and the LLPs shall at all times take all reasonable steps to minimise and mitigate any loss for which the relevant party is entitled to bring a claim against the other party pursuant to this Agreement.

36. CORRUPT GIFTS AND FRAUD

36.1 Corrupts Gifts and Fraud

The LLPs warrant that in entering into this Agreement they have not committed any Prohibited Act.

36.2 Termination for Corrupt Gifts and Fraud

- (a) If the LLPs or any of their sub-contractors (or anyone employed by or acting on behalf of any of them) or any of its or their agents or shareholders commits any Prohibited Act, then FC shall be entitled to act in accordance with Clause 36.2.
- (b) If a Prohibited Act is committed by the LLPs or by an employee not acting independently of the LLPs but acting under FC of or with the knowledge of a director of the LLPs, then FC may terminate this Agreement by giving notice to the LLPs.
- (c) If the Prohibited Act is committed by an employee of the LLPs acting independently of the LLPs, then FC may give notice to the LLPs of termination and this Agreement will terminate, unless within 30 days of receipt of such notice the LLPs terminates the employee's employment and (if necessary) procures the performance of such part of the Activities in accordance with this Agreement by another person.
- (d) If the Prohibited Act is committed by a sub-contractor of the LLPs or by an employee of that sub-contractor not acting independently of that sub-contractor then FC may give notice to the LLPs of termination and this Agreement will terminate, unless within 30 days of receipt of such notice the LLPs terminates the relevant Sub-Contract and procures the performance of such part of the Activities in accordance with this Agreement by another person.
- (e) If the Prohibited Act is committed by an employee of a sub-contractor of the LLPs acting independently of that sub-contractor then FC may give notice to the LLPs of termination and this Agreement will terminate,

unless within 30 days of receipt of such notice the sub-contractor terminates the employee's employment and (if necessary) procures the performance of such part of the Activities in accordance with this Agreement by another person.

- (f) If the Prohibited Act is committed by any other persons not specified in Clause 36 then FC may give notice to the LLPs of termination and this Agreement will terminate unless within 30 days of receipt of such notice, the LLPs procures the termination of such person's employment and of the appointment of their employer (where not employed by the LLPs or the sub-contractors) and (if necessary) procures the performance of such part of the Activities in accordance with this Agreement by another person.
- (g) Any notice of termination under this Clause 36.2 shall specify:
 - (i) the nature of the Prohibited Act;
 - (ii) the identity of the party whom FC believes has committed the Prohibited Act;
 - (iii) the date on which this Agreement will terminate, in accordance with the applicable provision of this Clause; and
 - (iv) FC's chosen option under Clause 36.2.

36.3 Compensation on Termination for Corrupt Gifts and Fraud

On termination of this Agreement in accordance with Clause 36.2 FC shall pay no compensation to the LLPs.

37. DISPUTE RESOLUTION

Any dispute arising under this Agreement shall be determined in accordance with the dispute resolution procedure forming Part 9 of the Schedule.

38. NO AGENCY OR PARTNERSHIP

Nothing in this Agreement (or any of the arrangements contemplated by this Agreement) shall operate to or shall be deemed to create any agency or partnership between the parties or any of them. No party hereto shall have any FC to bind or commit or otherwise act on behalf of any of the other parties hereto or the LLPs and no Member shall be in any way liable for the acts or defaults of any other Member.

39. ENTIRE AGREEMENT

This Agreement, and the other Project Documents, constitute the entire agreement and understanding of the parties and supersede any previous agreement between the parties relating to the subject matter of this Agreement. Nothing in this Agreement shall, however, operate to limit or exclude any liability or remedy in respect of fraud.

40. COMMUNICATIONS UNDER THIS AGREEMENT

40.1 Any notice or other communication to be given under, or in connection with the matters contemplated by, this Agreement shall be in writing and shall be served by delivering it personally or sending it by pre-paid recorded delivery or

registered post to the address and for the attention of the relevant party set out in Clause 40.2 (or as otherwise notified by that party thereunder). Any such notice shall be deemed to have been received:-

- (a) if delivered personally, at the time of delivery; and
- (b) in the case of pre-paid delivery or registered post, 48 hours from the date of posting.

Provided that if deemed receipt occurs before 9am on a Business Day the notice shall be deemed to have been received at 9am on that day and if deemed receipt occurs after 5pm on a Business Day, or on a day which is not a Business Day, the notice shall be deemed to have been received at 9 am on the next Business Day.

40.2 The addresses of the parties for the purposes of Clause 40.1 are:

in the case of FC :-

Address: 231 Corstorphine Road, Edinburgh
For the attention of: The Secretary to the Forestry Commissioners

in the case of Forest Holidays
LLP :-

Address: Heart of the National Forest, Bath Yard, Moira,
Derbyshire
For the attention of: Gary Fletcher

in the case of Forest Holidays
(Scotland) LLP :-

Address: 123 St Vincent Street, Glasgow G2 5EA
(and copied to Heart of the National Forest, Bath
Yard, Moira, Derbyshire)
For the attention of: Gary Fletcher

or such other address or facsimile number in the United Kingdom as may be notified in writing from time to time by the relevant party to the other party.

40.3 For the avoidance of doubt notice given under this Agreement shall not be validly served if sent by e-mail.

41. AMENDMENTS, WAIVERS AND REMEDIES

41.1 No amendment or variation of this Agreement shall be effective unless it is in writing and signed by or on behalf of each of the parties.

41.2 The rights, powers and remedies of each party under this Agreement:

- (a) may be exercised as often as necessary;
- (b) are cumulative and not exclusive of its rights under the general law; and
- (c) may be waived only in writing and specifically.

41.3 Delay in exercising or non-exercise or partial exercise of any right is not a waiver of that right.

Any right or remedy conferred upon a party to this Agreement shall be in addition to and without prejudice to all other rights and remedies available to it.

42. SEVERANCE

If any provision of this Agreement is or becomes illegal, invalid or unenforceable in any jurisdiction, that shall not affect:

42.1 the legality, validity or enforceability in that jurisdiction of any other provision of this Agreement; or

42.2 the legality, validity or enforceability in any other jurisdiction of that or any other provision of this Agreement.

43. SURVIVAL OF RIGHTS AND DUTIES

Termination of this Agreement for any cause shall not release a party from any liability which at the time of termination has already accrued to another party or which thereafter may accrue in respect of any act or omission prior to such termination.

44. COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which, when executed and delivered, shall be an original, and all the counterparts together shall constitute one and the same instrument.

45. RIGHTS OF THIRD PARTIES

Nothing in this Agreement confers any rights on any person (other than the parties hereto and their permitted successors and assignees) pursuant to the Contracts (Rights of Third Parties) Act 1999.

46. COSTS AND EXPENSES

The LLPs shall bear their own costs and expenses (including advisers' fees and expenses) in connection with the preparation, negotiation, completion, implementation and enforcement of this Agreement.

47. GOVERNING LAW AND JURISDICTION

47.1 The following matters shall be governed by, and construed in accordance with, the laws of the country set forth opposite the matter.

- | | | |
|-----|---|----------|
| (a) | This Framework Agreement (save in respect of provisions related to the Scottish Sites where this Agreement will be governed by, and construed in accordance with, Scots law) | England |
| (b) | The Licence | England |
| (c) | Leases of land in Scotland | Scotland |
| (d) | Leases of land in England and Wales | England |
| (e) | Disputes relating to rights to obtain or obligations to grant a lease | England |
| (f) | Corporeal moveable property in Scotland | Scotland |
| (g) | Corporeal moveable, or personal, property in England and Wales or outwith Scotland | England |
| (h) | Any matter referred to dispute resolution, in terms of Clause 37 or relating to the conduct, or appeal from the decisions of such dispute resolution. | England |
| (i) | Incorporeal moveable (or personal) property of either of the parties which in any way relates to or arises under, or as consequence (direct or indirect) of the entering into of, this Agreement and the documents herein mentioned | England |
| (j) | Disputes relating to matters mentioned in Clauses 47.1(a), (b), (d), (e), (f), (g), (h) and (i) | England |
| (k) | Disputes relating to matters mentioned in Clauses 47.1(c) and (f) | Scotland |
| (l) | Any other dispute or matter not mentioned above. | England |
- 47.2 Disputes referred to an Expert in terms of Clause 37 shall be governed by the Laws of England and Wales.
- 47.3 Save as specified in Clause 47.1, the parties agree that the courts of England and Wales shall have exclusive jurisdiction to hear and settle any action, suit, proceeding or dispute in connection with this Agreement and irrevocably submit to the jurisdiction of those courts.

IN WITNESS WHEREOF these presents consisting of this and the preceding 65 pages are, together with the Schedule (in 14 Parts) executed as follows:

EXECUTED as a Deed, (but not delivered until the date hereof) by THE FORESTRY COMMISSIONERS acting by its authorised representative

[Handwritten signature]

Authorised Signatory (Acting under an Authorisation Certificate)

Wilma Mamer

Full name

in the presence of

Susan McFadyen

Witness

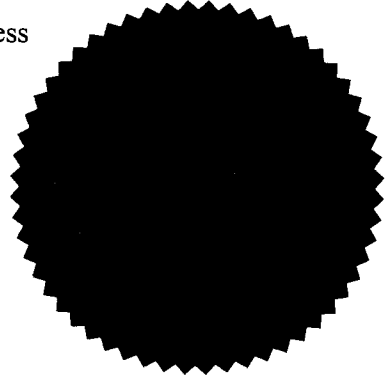
Susan McFadyen

Full Name of witness

133 Fankembridge

Address of witness

Edinburgh



EXECUTED as a Deed (but not delivered until the date hereof) by THE SECRETARY OF STATE FOR THE ENVIRONMENT, FOOD AND RURAL AFFAIRS acting by its authorised representative

Wilma Nape

Authorised Signatory (Acting under an Authorisation Certificate)

Wilma Nape

Full name

in the presence of

Susan McFadyen

Witness

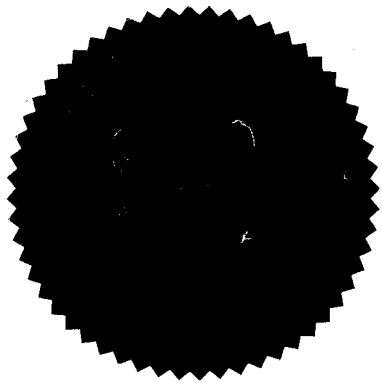
Susan McFadyen

Full Name of witness

133 Fountainbridge

Address of witness

Edinburgh



EXECUTED as a Deed (but not delivered until the date hereof) by THE SCOTTISH MINISTERS acting by its authorised representative

..... *R. McIntosh*

Authorised Signatory (Acting under an Authorisation Certificate)

..... *Robert McIntosh*

Full name

in the presence of

..... *Susan McFadyen*

Witness

..... *Susan McFadyen*

Full Name of witness

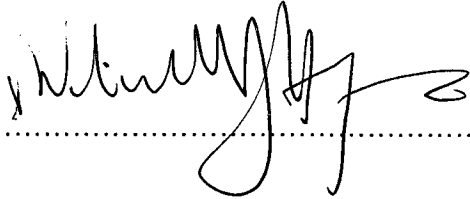
..... *133 Fountainbridge*

Address of witness

..... *Edinburgh*

.....

EXECUTED as a Deed (but not delivered until the date hereof) by THE NATIONAL ASSEMBLY FOR WALES acting by its authorised representative



.....
Authorised Signatory (Acting under an Authorisation Certificate)

.....
Wilma Harper

.....
Full name

in the presence of

.....
Susan McFadyen

.....
Witness

.....
Susan McFadyen

.....
Full Name of witness

.....
133 Fountainbridge
Edinburgh

.....
Address of witness

EXECUTED as a Deed (but not delivered until the date hereof) by **FOREST HOLIDAYS LLP** acting by *Neville Ramsbottom* director and *David Weisford* director/secretary on behalf of The Camping and Caravanning Club Limited, as Member and sealed with the official seal of The Forestry Commissioners as Member authenticated by its authorised representative:-

N Ramsbottom

.....
Director, for the Camping & Caravanning Club Limited as Member

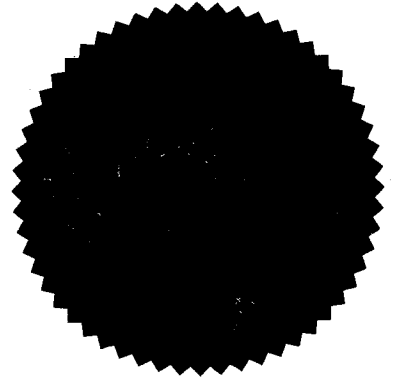
D Weisford

.....
~~Director~~/Secretary for the Camping & Caravanning Club Limited as Member

Wilma Varpe

.....
Authorised Signatory,
for the Forestry Commissioners as Member

(*Wilma Varpe*)



EXECUTED as a Deed by **FOREST HOLIDAYS (SCOTLAND) LLP** by

~~Neville Ramsbottom~~ director and by

David Wetsford director/secretary on behalf of The Camping and Caravanning Club Limited, as Member and by Robert McIntosh authorised signatory on behalf of the Scottish Ministers as Member in the present of the witness undernoted:-

NR Colth

.....
Director, for the Camping & Caravanning Club Limited as Member

DJ Wetsford

.....
Director/Secretary for the Camping & Caravanning Club Limited as Member

R. D. McIntosh

.....
Authorised Signatory,
for the Scottish Ministers as Member

Susan McFadyen

.....
Witness signature

Susan McFadyen

.....
Witness name

133 Funtanbridge

.....
Address

Edinburgh

This is the Schedule referred to in the Framework Agreement between the Forestry Commissioners, Forest Holidays LLP, Forest Holidays (Scotland) LLP and the Relevant Ministers dated 8 May 2006

THE SCHEDULE

Part 1

Core Requirements

General: All Sites should preserve the unique brand values of Forest Holidays, and recognise that the forest setting, and its opportunities to appeal to a wide range of customers, are as much part of the holiday experience as the forest itself:

- Minimal number of trees to be removed to create the Site
- Facilities on Sites to be kept in a good state of repair
- Any new Sites should maintain the brand values of the Existing Sites, and be clearly recognisable as part of the same Site network

Design of Site:

- Low density in keeping with the topography, landscape and vernacular in the area
- Cabins to be located in clusters, to make customer feel as if they are part of the forest environment
- No fences or artificial barriers to the surrounding forest
- A wooded/forest environment to the site maintained through careful management of the trees, bushes and shrubs.
- Planting of trees and shrubs of species in keeping with the surrounding forest.
- Road, parking and path materials in sympathy with environment
- Roads to be minimised throughout the site
- Low level of lighting on the site commensurate with safety to ensure minimum light pollution
- Minimum visual and landscape impact
- Minimise ecological impact and protect any endangered species

Design of cabins/other accommodation (where applicable)

- High quality design in keeping with the brand and forest environment
- Low building – maximum two storeys

- Maximum use of certified timber, UK grown where reasonably possible
- Use of large areas of glass, to make customer feel as if they are part of the forest environment
- Fully compliant with the Disability Discrimination Act 1995 and any other legislation from time to time regarding disability discrimination
- Roofing materials chosen to be sensitive to the site and buildings
- Water supply systems designed for minimum use of water
- Use of energy to be minimised
- Sustainable systems for the processing of sewage and waste water, where economically viable and appropriate
- Maximise use of materials and supplies sourced from sustainable sources
- Low maintenance
- Compliant with all legal requirements and regulations
- Colour scheme to fit the environment
- High insulation for minimal heat loss

Other Site Buildings

- High quality design in keeping with the brand and forest environment
- Roofing materials chosen to be sensitive to the site and buildings
- Water supply systems designed for minimum use of water
- Use of energy to be minimised
- Sustainable systems for the processing of sewage and waste water, where economically viable and appropriate
- Maximise use of materials and supplies sourced from sustainable sources
- Low maintenance
- Low building – maximum two storeys
- Colour scheme to fit the environment
- Fully compliant with the Disability Discrimination Act 1995 (and any other legislation from time to time regarding disability discrimination) and compliant with all legal requirements and regulations

Sites To Provide

- Play areas in keeping with the forest environment

- Barbecues
- Shop selling local produce or a tie up with local traders
- Reception
- Laundry facilities
- Forest walks from the Site
- Cycle Trails from the Site
- Information on FC's facilities in the area

Site Management

- Sites to provide a holiday experience which is unique and which gives customers an appreciation of the forest and the natural environment
- Sites to be managed in a sustainable manner
- Sites to support diversity
- Sites should support the local economy by promoting local businesses and supporting them by using them for services, materials and supplies for the site where appropriate
- Management should explain the role of FC and its link with Forest Holidays
- Provide guided walks in the local forest

THE SCHEDULE

Part 2

Specification

1. MODERNISATION SPECIFICATION

The LLPs shall carry out the Modernisation Works for the English & Welsh Sites and the Scottish Sites in accordance with a detailed specification to be agreed in accordance with the provisions of this Agreement and in accordance with the Capital Expenditure Programme. The Modernisation Works shall be completed in accordance with (a) the Standard Details Manual (and where any works listed in the Capital Expenditure Programme do not have a direct correlation to the Standard Details Manual it is accepted by the parties that such works shall be carried out to equivalent standards as those specified in the Standard Details Manual (where reasonably practicable) and (b) the Capital Expenditure Programme.

2. NEW SITE SPECIFICATION

The LLP relevant to the New Site Location shall carry out the New Site Works for a new cabin site development in accordance with a detailed specification to be agreed in accordance with the provisions of this Agreement and in accordance with the Capital Expenditure Programme. The New Site Works shall be completed in accordance with (a) the Standard Details Manual (and where any works listed in the Capital Expenditure Programme do not have a direct correlation to the Standard Details Manual it is accepted by the parties that such works shall be carried out to equivalent standards as those specified in the Standard Details Manual (where reasonably practicable) and (b) the Capital Expenditure Programme.

THE SCHEDULE

Part 3

Modernisation Timetable and New Site Timetable

3. MODERNISATION TIMETABLE

The Modernisation Timetable shall be as set out in the pages following.



Document.pdf

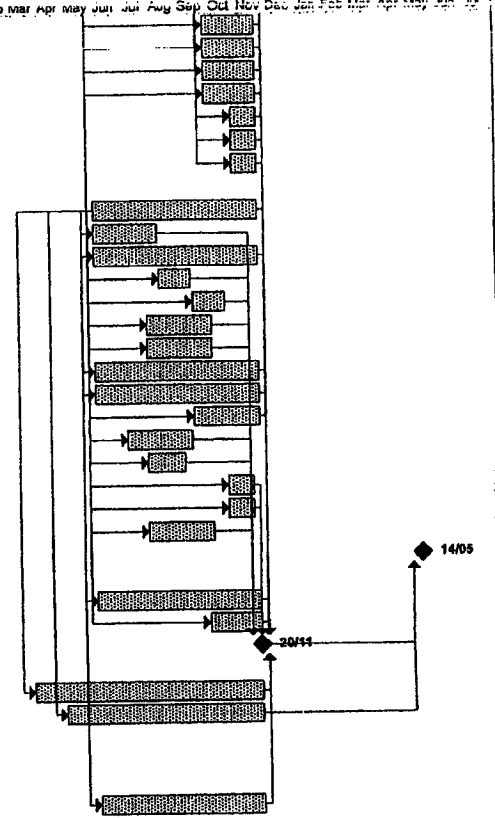
4. NEW SITE TIMETABLE

The New Cabin site development timetable shall be as set out in the pages following.



Document.pdf

ID	Task Name	Fixed Cost	2008												2009												2010											
			Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul								
62	10 No. Two Bedroom Cabins @ £65K - Phase Two	£650,000.00																																				
63	10 No. Two bedroom Cabins @ £70K (incl. Hot Tub) - Phase Two	£700,000.00																																				
64	5 No. Three Bedroom Cabins @ £95K - Phase Two	£475,000.00																																				
65	15 No. Four Bedroom Cabin @ £95K - Phase Two	£1,425,000.00																																				
66	Fixture and Fittings (One Bedroom @ £8.5K) - Phase Two	£86,000.00																																				
67	Fixtures and Fittings (Two Bedroom @ £7.5K) - Phase Two	£150,000.00																																				
68	Fixtures and Fittings (Three and Four Bedroom @ £9.5) - Phase Two	£190,000.00																																				
69	SUB-TOTAL CABIN SUPPLY AND FIT COST PHASE TWO	£4,330,000.00																																				
70	Site Preparation (incl H&S, Insurance etc) - Phase Two	£97,500.00																																				
71	Site works (incl forming pockets in woodland) - Phase Two	£48,750.00																																				
72	Electrical Supply and Infrastructure	£121,875.00																																				
73	Cable Aerial System - Phase Two	£9,750.00																																				
74	Telecoms Infrastructure - Phase Two	£7,312.00																																				
75	Water Supply - Phase Two	£68,250.00																																				
76	Site Drainage Infrastructure to incl for Pumping - Phase Two	£92,625.00																																				
77	Roads - Phase Two	£73,125.00																																				
78	Car Parking Bays - Phase Two	£24,375.00																																				
79	Landscaping (Trees and Shrub Planting) - Phase Two	£36,563.00																																				
80	Landscaping (Ground Modeling) - Phase Two	£24,375.00																																				
81	Fire Officer Main Provision (Emergency Water Supply) - Phase Two	£14,625.00																																				
82	Cycle Racks/Waste Bins/Benches/Fire Fighting Equipment/Signage - Phase Two	£19,500.00																																				
83	Play Equipment - Phase Two	£24,375.00																																				
84	Lighting - Phase Two	£14,625.00																																				
85	Retention Phase Two (2.5%)	£17,375.00																																				
86	Sub-Total excluding Cabin Supply Costs - Phase Two	£895,000.00																																				
87	General Contingency Phase Two (5% of costs excluding cabin Purchase)	£34,750.00																																				
88	Cabin Installation and Fit Out Contingency Phase Two (2%)	£86,600.00																																				
89	Phase Two Completion	£0.00																																				
90	SUB-TOTAL EXCL. CABIN SUPPLY AND FIT AND FEES - PHASE TWO	£816,350.00																																				
91	Fees - Architect, QS, M&E, Engineers (14%) - Phase Two	£114,300.00																																				
92	Project Management (2%) - Phase Two	£16,300.00																																				
93	Sub-Total incl Fees Phase Two	£946,950.00																																				
94	CABIN SUPPLY AND FIT COSTS - PHASE TWO	£4,330,000.00																																				
95	TOTAL PHASE TWO EXCL INFLATION	£5,278,950.00																																				
96	Phase Two Inflation @ 2.5%pa	£405,760.00																																				
97	TOTAL PHASE TWO	£5,682,700.00																																				
98																																						
99	TOTAL DEVELOPMENT COST	£12,651,200.00																																				



Project: New Cabin Site 08
Date: Mon 09/02/06

Task: [Pattern] Progress: [Bar] Summary: [Bar] External Tasks: [Pattern] Deadline: [Arrow]

Split: [Pattern] Milestone: [Diamond]

Project Summary: [Pattern] External Milestone: [Pattern]

HARVEY MIDDLETON LTD. SHOPFITTING AND CONSTRUCTION
2

THE SCHEDULE

Part 4

Operation and Maintenance Specification

The LLPs shall develop an operations and maintenance specification specific to the Business within 12 months of the Commencement Date and shall provide FC with a copy for approval (such approval not to be unreasonably withheld or delayed) with a view the Operation and Maintenance Specification being agreed no later than the date falling 18 months following the Commencement Date.

Prior to agreement by the parties of the Operation and Maintenance Specification, the LLPs shall consider the Club's current operation and maintenance specification in its operations (version number 2005 (the "Club's Specification")). However, the parties agree and acknowledge that the Club's Specification is not wholly appropriate for the Business and, therefore, the LLPs shall not be bound to comply with those elements of the Club's Specification which the LLP, acting reasonably, consider inappropriate.

THE SCHEDULE

Part 5

Quality and Environmental Management Arrangements

The LLPs shall develop quality and environmental management arrangements specific to the Business within 15 months of the Commencement Date and shall provide FC with a copy for approval (such approval not to be unreasonably withheld or delayed) with a view to Quality and Environmental Management Arrangements being agreed no later than the date falling 18 months following the Commencement Date.

THE SCHEDULE

Part 6 (1)

TUPE List

None

Part 6 (2)

For each Relevant Employee, FC will provide and warrant the following information:-

Name

Job Title

Gender

Date of Birth

Full time/part time status

Commencement of continuous service

Membership of the [Principal Civil Service Pension Scheme]

Commencement of Pensionable Service

Employee's contribution rate

Grade

Salary

Contracted hours

Notice period

Accommodation provided

THE SCHEDULE

Part 7

Not Used

THE SCHEDULE

Part 8

Leases

1. EXISTING SITE LEASES

SEE OVER

2. APPORTIONMENT OF RENTAL AMONG EXISTING SITES

ENGLISH & WELSH SITES

Cabin Sites	Agreed Rent
-------------	-------------

Keldy	£48000
Deerpark	£42000

Campsites

Beddgelert	£24500
Forest of Dean	£42000
Postern Hill	£5500
Spiers House	£14000
Thorpe Woodland	£8500
Aldridge Hill	£7000
Ashurst	£28000
Denny/Matley Wood	£9500
Hollands Wood	£55000
Holmsley	£42000
Ocknell/Longbeech	£17500
Roundhill	£31500
Setthorns	£31500

£406,500

SCOTTISH SITES

Cabin Sites

Strathyre	£35000
-----------	--------

Campsites

Ardgartan	£8000
Cashel	£10500
Cobleland	£5000
Glenmore	£35000

Total	£93,500
	£500,000

3. NEW SITE LEASES

See leases on following pages

EXISTING SITE LEASE STYLE - SCOTLAND

LEASE

between

THE SCOTTISH MINISTERS

and

FOREST HOLIDAYS (SCOTLAND) LLP

Subjects: Site at []

2006
WGS.AJD.F585.1001
FAS NO 7646



TODS MURRAY LLP
SOLICITORS

Edinburgh Quay 133 Fountainbridge Edinburgh EH3 9AG

Tel 0131 656 2000 Fax 0131 656 2020 DX ED58

Also at: 33 Bothwell Street Glasgow G2 6NL Tel 0141 275 4771 Fax 0141 275 4781 DX 512815-Glasgow Central

Email maildesk@todsmurray.com

www.todsmurray.com

TABLE OF CONTENTS

INTERPRETATION.....	1
LEASED PREMISES AND DURATION	5
TENANTS' OBLIGATIONS.....	5
<i>Rent</i>	5
<i>Interest</i>	6
LANDLORDS' OBLIGATIONS.....	6
EXCLUSION OF LANDLORDS' LIABILITY	7
IRRITANCY	7
NO IMPLIED SERVITUDES	8
LEASE TO CONTINUE	9
CONSENTS	9
NOTICES.....	9
LAW OF SCOTLAND TO APPLY.....	10
REGISTRATION.....	10
SCHEDULE	11
PART I.....	11
PART I(A).....	11
<i>THE PROPERTY</i>	11
PART I(B).....	12
<i>RIGHTS</i>	12
PART II	13
RESERVED RIGHTS	13
PART III.....	16
TENANTS' OBLIGATIONS.....	16
TO PAY RENT AND OTHER SUMS	16
TO INSURE	16
REINSTATEMENT	17
SSSI/SAC MANAGEMENT PLANS/GENERAL MANAGEMENT	17
OUTGOINGS	17
TO PAY FOR UTILITIES.....	17
WATER RATES	18
MAINTENANCE AND REPAIR	18
MAINTAINING EXTERIOR AND INTERIOR.....	19

ALTERATIONS	19
STATUTORY REQUIREMENTS.....	20
FIRE	21
USE	21
COSTS OF ABATING A NUISANCE.....	21
NOT TO ENDANGER INSURANCE	21
TO GIVE NOTICE OF DAMAGE	22
TO PREVENT ENCROACHMENTS	22
PLANNING ACTS.....	22
SIGNS	23
TO INFORM LANDLORDS OF DEFECTS	23
SUPPORT FOR ADJOINING PREMISES	24
ELECTRONIC INTERFERENCE.....	24
THE STOPPING UP OF DRAINS ETC.....	24
TO INFORM LANDLORDS OF NOTICES	24
TO PAY EXPENSE OF MAINTAINING MUTUAL WALLS, DRAINS, ETC.	24
NOT TO SHARE POSSESSION	25
ASSIGNATION , CHARGING AND SUB-LETTING	25
TO INDEMNIFY THE LANDLORDS	27
EXPENSES	27
TO COMPLY WITH TITLES AND BYE LAWS	28
MARKING OF BOUNDARIES	28
ARCHAEOLOGICAL FINDS	28
TO USE CERTIFIED TIMBER	29
TO LEAVE IN GOOD REPAIR	29
NOTIFIABLE EVENTS	29
TELECOMMUNICATIONS APPARATUS.....	30
CUSTOMER CHARGING	30
PART IV	31
RENT REVIEWS.....	31

LEASE

between

THE SCOTTISH MINISTERS, c/o Forestry Commission (Scotland), 231 Corstorphine Road, Edinburgh EH12 7AT (hereinafter called "the Landlords") of the first part

and

FOREST HOLIDAYS (SCOTLAND) LLP registered as a Limited Liability Partnership in Scotland under registration number [] and having its registered office at [](hereinafter called "the Tenants") of the second part

IT IS CONTRACTED AND AGREED between the Landlords and the Tenants as follows:

1 **Interpretation**

1.1 In this lease unless the context otherwise requires the following words and expressions shall have the following meanings:

- a) **"Agreed Form"** means in relation to any document the form of that document initialled for the purposes of identification by or on behalf of the parties thereto;
- b) **"Access Roads"** means the roadways coloured blue on the Plan;
- c) **"Ancillary Services"** means the provision of services (whether from the Property or otherwise and whether directly or through franchised operations) (subject always to the terms of Clause 26 of Part III of the Schedule) to short term occupiers of the holiday accommodation or pitches on the Property, which services are operated so as to form part of a holiday experience, such as food and other shops and recreational services (such as bicycle hire and boating);
- d) **"Archaeological Finds"** means antiquities, fossils and other remains of archaeological interest;
- e) **"Business"** means (A) the sale including by way of long lease and/or hiring out of cabins or other units of holiday accommodation for holidays or similar purposes together with the provision of such of the Ancillary Services as the Tenants may determine and are approved in advance by the Landlords (such approval not to be unreasonably withheld or a decision thereon unreasonably delayed) and/or (B) the hiring of pitches for tents, caravans (including holiday homes), cabins and motor-homes for short-term holidays, together with (i) the provision of such of the Ancillary Services as the Tenants may determine and are approved in advance by the Landlords (such approval not to be unreasonably withheld or a decision thereon unreasonably delayed) and

- (C) the hiring of caravans (including holiday homes) and motor-homes or other similar types of holiday accommodation for use on the Property;
- f) **“Certified Timber”** means timber that is certified by an internationally recognised forestry organisation or body of equivalent standing, to the Forest Stewardship Council, as having come from a sustainable source;
- g) **“FC”** means the Forestry Commission constituted under the Forestry Acts 1919 to 1967 (as amended by the Forestry Acts 1979 and 1981) with offices at 231 Corstorphine Road, Edinburgh EH12 7AT;
- h) **“Framework Agreement”** means the agreement[(s)], dated [] 2006 between [(1) FC and (2) the Tenants [and detail English agreement] in relation to, *inter alia*, the ongoing management of the Business;
- i) **“Insolvency Event”** means the occurrence of any of the following events:
- (1) the Tenants are unable to pay their debts (within the meaning of Section 123(1) of the Insolvency Act 1986 unless in the case of Section 123(1)(a) any demand is presented on manifestly frivolous, vexatious or genuinely disputed grounds) or have any voluntary arrangement proposed in relation to them under Section 1 of that Act or enter into any scheme or arrangement (other than for the purpose of reconstruction or amalgamation upon terms and within such period as may previously have been approved in writing by the Landlords, such approval not to be unreasonably withheld or delayed);
 - (2) the Tenants have a receiver (which expression shall include an administrative receiver within the meaning of Section 251 of the Insolvency Act 1986) appointed over the whole or any material part of their assets or undertaking;
 - (3) the Tenants have an administration order under Section 8 of the Insolvency Act 1986 made in relation to them;
 - (4) the Tenants become insolvent or apparently insolvent or make any assignment for the benefit of their creditors or enter into an agreement or make any arrangement with creditors for the liquidation of the debts of the Tenants by composition or otherwise;
 - (5) the Tenants pass any resolution for winding-up other than a resolution previously approved in writing by the Landlords;
 - (6) the Tenants become subject to an order for winding-up by a court of competent jurisdiction; or
 - (7) any event occurs or proceeding is taken with respect to the Tenants in any jurisdiction which has an effect equivalent or similar to any of the events described in paragraphs (1) to (6) above;
- j) **“Insured Risks”** means those risks against which the Tenants have effected insurance in accordance with Clause 2 of Part III of the Schedule;
- k) **“Landlords”** includes all persons deriving title from the Landlords;

- l) **“Notifiable Event”** means:
- i) the spilling, deposit or release on or from the Property of any noxious substance or vapour in a quantity which would cause serious damage to or pollution of the environment or serious damage to property or serious harm to human health;
 - ii) the occurrence of any incident on the Property involving serious personal injury to any person or the death of any person; and
 - iii) the occurrence of any uncontrolled fire on the Property;
 - iv) any unlawful incursion or trespass on the Property (other than one which has been previously approved in writing by the Landlord) by groups of people, or the occurrence of organised public activity or antisocial behaviour of any significant size or scale on the Property;
- m) **“Plan”** means the plan annexed hereto;
- n) **“Planning Acts”** means the Town and Country Planning (Scotland) Act 1997, the Planning (Consequential Provisions) (Scotland) Act 1997, the Planning (Listed Building and Conservation Areas) (Scotland) Act 1997 and the Planning (Hazardous Substances) (Scotland) Act 1997 and any future legislation of a similar nature;
- o) **“Property”** means the property described in Part I(A) of the Schedule;
- p) **“Reserved Rights”** means those rights and others specified in Part II of the Schedule;
- q) **“Retained Land”** means the land shown edged in grey on the Plan;
- r) **“Rights”** means the rights granted by the Landlords to the Tenants described in Part 1 (B) of the Schedule;
- s) **“RPI”** means the Retail Price Index as published from time to time in Table 18.2 of the Monthly Digest of Statistics “Retail Price Index – all items other than mortgage interest payments and depreciation” published by the Office of National Statistics or such index in such journal as shall replace such table, and in the event that rebasing of RPI occurs, the parties shall meet and agree the consequential changes (if any) which are required to be made to this lease (and in default of agreement the matter shall be referred for determination on the application of either party to the amicable and final decision of an Arbiter to be appointed by the parties, or, in the event of their being unable to agree on such appointment, by the President of the Law Society of Scotland for the time being and the costs and expenses of such arbitration shall be shared equally between the parties and the parties shall bear their own costs unless otherwise directed in either case by the Arbiter);
- t) **“Schedule”** means the Schedule annexed and executed as relative hereto the terms of which shall be deemed to form part of this lease;
- u) **“Service Systems”** means the pumps, valves, man-holes, meters, connections, channels, septic tanks, water courses, holding tanks, drains, sewers, pipes, wires and cables or other conducting media in, on, over, under

or passing through or otherwise exclusively serving the Property or any part thereof and all plant and equipment relative thereto and any building or structure exclusively housing the same whether situated on the Property, the Retained Land or any adjoining or neighbouring land;

- v) **"Specified Rate"** means the rate of four per centum per annum above the Bank of Scotland base lending rate for the time being in force declaring that in the event of there ceasing to be a Bank of Scotland base lending rate there shall be substituted therefor such base rate as shall be a generally accepted base rate at the time as the same shall be determined by the Landlords;
 - w) **"SSSI/SAC Management Plan"** means (where any part of the Property falls within a Site of Special Scientific Interest designated pursuant to the Wildlife and Countryside Act 1981 as amended or a Special Area of Conservation designated pursuant to the Conservation (Natural Habitats, &c.) Regulations, 1994 as subsequently amended) any plan developed by the FC from time to time for the management of such site;
 - x) **"Tenants"** includes their permitted successors and assignees and if this lease shall at any time be vested in more than one person as tenants such expression shall include each of them and the liability of each such person under any obligation on the part of the Tenants in this lease shall be joint and several;
 - y) **"Tenants' Obligations"** means those conditions, obligations and others specified in Part III of the Schedule;
 - z) **"Term"** means the term of years granted by this lease and any continuation of the same;
 - aa) **"VAT"** means Value Added Tax as provided for in the Value Added Tax Act 1994 and shall include any tax of a similar nature imposed in substitution for or in addition to value added tax; and
 - bb) **"Works"** means the replacement, renewal or rebuilding of buildings, electrical hook-ups, toilet and shower blocks, cabins and other erections on the Property, all alterations or additions thereto, including fitting out, improvements, annexing to adjoining subjects and/or any erection of new buildings (whether temporary or permanent), and/or civil engineering works, or changing the layout, design, appearance or architectural features of the Property or buildings, cabins and other erections on the Property or the Service Systems and all removals and demolitions thereof but does not include routine maintenance of such buildings or apparatus as may from time to time be on or about the Property.
- 1.2 Any reference to land, buildings or property shall as the context requires include reference to each and every part of the same.
 - 1.3 Any reference to trees refers to trees of such size and maturity as to require a felling licence under any applicable legislation (including local byelaws if relevant).
 - 1.4 Any reference to an enactment (whether generally or specifically) shall be construed as a reference to that enactment as amended, extended, re-enacted or applied by or under any other enactment and shall include all instruments, orders, plans,

regulations, bye-laws, permissions and directions and others made or intended thereunder or deriving validity therefrom.

- 1.5 Words or expressions importing the singular number shall include the plural number and vice versa and words importing persons shall include companies and corporations and vice versa.
- 1.6 Words or expressions importing the masculine gender shall include the feminine gender and vice versa; and words or expressions importing the neuter gender only shall include the masculine and feminine genders and vice versa.
- 1.7 The index and marginal headings herein are inserted for convenience of reference only and are not deemed to form part of these presents nor shall they affect the construction thereof.
- 1.8 If at any time the Tenants hereunder shall be a firm the obligations undertaken by the Tenants under this lease shall be binding upon such firm and upon any other firm or person who takes over or becomes entitled to take over the assets of the firm during the period of this lease and upon all persons who are or become partners of such firm or such other firm at any time during the period of this lease and the respective executors and representatives of all such partners and persons and in all cases jointly and severally; and notwithstanding that any such partner or person dies or ceases for any reason to be a partner of such firm or such other firm. However, if any person who by virtue of his being a partner is bound to implement the Tenants' obligations then on such person ceasing to be a partner, whether by death, retirement or otherwise, the Landlords shall on request release such person and his or her personal representatives from all Tenants' obligations arising under this lease subsequent to the date of his ceasing to be a partner or (if later) the date of such request provided it is established to the Landlords' reasonable satisfaction that such release does not prejudicially affect the strength of the Tenants' covenant and its ability to perform the Tenants' obligations in this lease.

2 Leased Premises and Duration

The Landlords in consideration of the rent and other prestations hereinafter specified hereby let to the Tenants ALL and WHOLE the Property together with the Rights but reserving to the Landlords and all others for the time being authorised by them or otherwise entitled thereto the Reserved Rights for the period of 75 (Seventy five) years from and including the [] day of [] [] (hereinafter called "the Term Commencement Date").

3 Tenants' Obligations

The Tenants hereby bind and oblige themselves throughout the currency of this lease:

3.1 to observe and perform the Tenants' Obligations; and

3.2 to pay to the Landlords:

a) Rent

without any written demand therefor the yearly rent of [] (£[]) or such greater sum as may be substituted therefor in accordance with the provisions of Part IV of the Schedule and, if the Landlords have opted or so in future opt or if otherwise

this becomes payable by law, also to pay VAT thereon at the standard rate (or, if at any time in the future the standard rate shall no longer apply to rents, such rate as shall then be applicable) appertaining for the time being, payable without any deductions whatsoever by two equal half-yearly payments in advance on 1st April and 1st October each year (each of which dates is hereinafter in this lease referred to as a "Rent Payment Day") the first of such payments becoming due and payable on the Term Commencement Date being a proportionate payment for the period from and including that date to the Rent Payment Day next occurring thereafter and the next payment at the said Rent Payment Day for the succeeding half year and so forth half yearly and proportionately thereafter during the whole currency hereof; and

b) Interest

on demand interest at the Specified Rate on any sum of money payable under this lease which shall have become more than 14 days overdue from the date upon which the same became due until payment thereof (as well after as before any decree or judgement);

Provided that:

- 3.3 nothing in this Clause contained shall entitle the Tenants to withhold or delay any payment of rent after the relevant Rent Payment Day;
- 3.4 the acceptance of or demand for rent by or on behalf of the Landlords with knowledge of a breach of any of the obligations on the part of the Tenants herein contained shall not be deemed to be a waiver by the Landlords of any such breach or to imply any agreement by the Landlords to waive any such breach and acceptance by the Landlords of part payment of rent and any other sum due by the Tenants to the Landlords shall not be deemed to be acceptance of the whole of such rent or other payment and the Tenants shall not in any proceedings be entitled to rely on any such acceptance or demand; and
- 3.5 all sums (other than rents) which under any provision of this lease or the Schedule may become payable by the Tenants to the Landlords shall be recoverable by the Landlords as if such sums were rent in arrear and such sums shall include in every case where applicable an additional sum in respect of VAT at the rate applicable thereto and appertaining for the time being.

4 Landlords' Obligations

- 4.1 Subject to the due implementation by the Tenants of the whole obligations on their part contained or referred to in this lease the Landlords bind and oblige themselves as under the reservations, conditions and others herein contained or referred to, to warrant this lease to the Tenants.
- 4.2 The Landlords undertake to the Tenants that if and to the extent the Landlords or others connect into any Service Systems and/or make use of any Access Roads and/or exercise any rights of way reserved across the Property in Part II of the Schedule the Landlords will (and will use all reasonable endeavours to require that other persons authorised or permitted by them doing so will):-
 - a) pay to the Tenants on demand a fair and equitable proportion according to use of the costs incurred by the Tenants in maintaining and repairing such facilities (save where such rights are exercised only in an occasional manner);

- b) not cause any damage to or obstruct such facilities;
- c) not exercise any such rights in or such a manner as to prevent or prejudice the use of those facilities by the Tenants or anyone entitled to do so or in such a manner as to cause unreasonable disruption to the Business.

5 Exclusion of Landlords' Liability

- 5.1 So far as permitted by law the Landlords shall not be liable to the Tenants or any sub-tenant, servant, agent, licensee or invitee of the Tenants or other person occupying or on the Property or any part thereof or calling upon the Tenants or such other persons as aforesaid for any accident, happening or injury suffered by any person in or in the vicinity of the Property or any part thereof or damage to or loss of any furnishings and/or stock or other property in the Property or for the temporary deprivation of the occupancy of the Property;
- 5.2 The Landlords shall not be liable to the Tenants or any sub-tenant or others as aforesaid nor shall the Tenants or any sub-tenant or others as aforesaid have any claim against the Landlords in respect of the bursting, leaking or failure of oil, gas, water or soil pipes or the choking, stoppage or overflow thereof or of the public sewers, drains, gutters, downpipes or conductors or failure, fusing or breakdown of the electricity supply or any appliance or from any other cause or source whatever.
- 5.3 nothing contained in this lease or in any consent or approval granted by the Landlords under this lease shall be deemed to constitute any warranty by the Landlords that the Property or any part thereof is fit for any of the Tenants' purposes under this lease nor that the Property or any part thereof is authorised for use under the Planning Acts or otherwise for any specific purpose and the Tenants hereby acknowledge that the Landlords have not given or made any representation or warranty that the use authorised by this lease is or will be a permitted use under the Planning Acts and the Tenants shall remain fully bound and liable to the Landlords in respect of the Tenants' obligations under this lease without any compensation, recompense or relief of any kind whatsoever.

6 Irritancy

If

- 6.1 the Rent or other payments stipulated for in this lease or any part or parts thereof shall be unpaid for 14 days after they have become due (whether legally demanded or not), or
- 6.2 default shall be made in the performance or observance of any of the other obligations, conditions or agreements on the part of the Tenants contained in this lease, or
- 6.3 an Insolvency Event occurs; or
- 6.4 (whilst this lease remains vested in its original tenant, JV LLP but not after it has been the subject of a permitted assignation) any two other leases entered into by [JV LLP] and/or by [English JV LLP] and to which the Framework Agreement applies at the relevant time are terminated or forfeited by the landlords within a ten year period as a result of the default of [JV LLP] or [English JV LLP] as the case may be in the performance or observance of any of the obligations, conditions or agreements under the relevant lease and such leases are not within two months thereafter replaced or

reinstated by agreement between the relevant landlords and tenants or by reason of relief from such forfeiture having been obtained;

then and in any such case the Tenants shall at the sole option of the Landlords forfeit all right and title under this lease.

If such option of forfeiture shall be exercised (a) this lease and all transmissions thereof and all that has followed or can competently follow hereon shall be ipso facto void and null and the Property shall thereupon revert to the Landlords as if this lease had never been granted but without prejudice to any right of action or remedy by the Landlords to recover all arrears of Rent or other sums due by the Tenants to the Landlords or in respect of any antecedent breach by the Tenants of their obligations under this lease (including without prejudice to the generality right to the Landlords to recover from the Tenants all loss and damage which the Landlords may have sustained by the Tenants' default) and (b) it shall not be competent to purge this irritancy at the Bar.

Provided however that (a) in the case of a breach, non-observance or non-performance by the Tenants which is capable of being remedied (albeit late) the Landlords shall not exercise such option of forfeiture unless and until they shall first have given notice to the Tenants and any heritable creditor who holds a standard security over this lease which has been consented to by the Landlords and intimated to the Landlords, under express threat of forfeiture requiring the same to be remedied within such period as may be stated in such notice (being such reasonable period of time as having regard to the nature and extent of the breach the Landlords shall reasonably determine but which in the case of non-payment of the Rent or other sums shall be a period of fourteen days only) and the Tenants or the said heritable creditor shall have failed to remedy the same within such period; and (b) in the case of the Tenants being a body corporate going into liquidation or having a Receiver or Administrator or Administrative Receiver appointed for the whole or any part of the property of the Tenants or being a firm or an individual or individuals if any of them become insolvent or apparently insolvent or make an Assignment for the benefit of creditors or enter into an Agreement or make arrangements with creditors for the liquidation of the debts of the Tenants by composition or otherwise then, and in such event, the Landlords shall not exercise their option of forfeiture by reason of the foregoing, unless and until the Landlords shall have first allowed the Liquidator or Receiver or Administrator or Administrative Receiver or Trustee or Judicial Factor, as the case may be, a period of six months from the date of appointment of such Liquidator, Receiver or Administrator or Administrative Receiver or Trustee or Curator or Judicial Factor, as the case may be, (or such shorter period as the Liquidator or others may request) in which to dispose of the Tenants' interest in this lease on the same terms *mutatis mutandis* as contained in Clause 27 of Part III of the Schedule provided always that the Liquidator or Receiver or Administrator or Administrative Receiver or Trustee or Curator or Judicial Factor, as the case may be, shall accept personally (in writing within twenty eight days of the date of the appointment of such Liquidator or other as aforesaid) full responsibility for fulfillment of all obligations of the Tenants in terms of this lease including without prejudice to the foregoing generality payment of the Rent and other sums (whether due in respect of a period occurring before or after the date of Liquidation, Receivership, Administration or appointment of such Trustee, Curator or Judicial Factor) until the expiry of said six months period or, if earlier, the date of entry under any relevant disposal.

7

No Implied Servitudes

Nothing contained in this lease shall by implication of law or otherwise operate to confer on the Tenants any servitude right or privilege whatsoever over or against any adjoining or other property belonging to the Landlords other than the Rights which might restrict or prejudicially affect the future rebuilding, alteration or development of such adjoining or other property nor shall the Tenants be entitled to compensation for any damage or disturbance caused or

suffered thereby nor shall the Tenants make or permit to be made any objection to or claim in respect of any works of construction, building, alteration, addition or repair carried out upon any land or property adjoining or near any part of the Property by the Landlords or any person authorised by the Landlords PROVIDED ALWAYS that any such works shall be carried out with as little interference to the Tenants as reasonably possible and the Landlords shall make good all damage thereby occasioned to the Property.

8 **Lease to continue**

This lease shall continue notwithstanding damage to or the destruction of the Property or any part or parts thereof from any cause and the rent and other sums payable hereunder shall continue to be payable by the Tenants.

9 **Consents**

9.1 Where under any provisions of this lease the consent or approval of the Landlords is required:

- a) such consent or approval shall be in writing;
- b) insofar as may be permitted by law the Landlords shall be deemed to be acting reasonably in withholding such consent or approval or making such consent subject to compliance by the Tenants with any conditions imposed by the Landlords if the Landlords reasonably consider that the interests of estate management so require;
- c) any such consent or approval granted shall be without prejudice to the Tenants' Obligations;
- d) the giving of any such consent or approval shall not imply that any consent or approval required from a third party has been obtained nor shall it obviate the need to obtain any consent or approval from a third party but in those circumstances the Landlords will (at the Tenants' request and cost) use reasonable endeavours to obtain any other necessary consents or to assist the Tenants in doing so.

9.2 Where under any provisions of this lease any matter is stated to be to the satisfaction of the Landlords without any further qualification the Landlords shall have absolute discretion in determining whether or not such matter is to their satisfaction.

10 **Notices**

Any notice, intimation, request or consent under this lease shall be in writing. Any notice to the Tenants (if a body corporate including a limited liability partnership) shall be sufficiently served if sent by Recorded Delivery Post to or left at the Registered Office of the Tenants and (if the Tenants shall be an individual or individuals or a firm) shall be sufficiently served if sent by Recorded Delivery Post to or left at his or their respective last known address or addresses in Great Britain or Ireland. Any notice to the Landlords shall be sufficiently served if sent by Recorded Delivery Post to or left at the Registered Office of the Landlords or the office or principal office of the managing agents (if any) of the Landlords (and for so long as the Forestry Commission are charged with administering the Property on behalf of the Landlords, notices shall be validly served if served c/o the Secretary to the Forestry Commissioners at 231 Corstorphine Road, Edinburgh, EH12 7AT or such other address as may be notified in writing for the purposes of this clause) and (if the Landlords at any time shall be an individual or individuals or a firm) shall be sufficiently served if sent to or left at

his or their last known address in Great Britain or Ireland or the office or principal office of the managing agents (if any) of the Landlords. Any notice sent by First Class Recorded Delivery shall be deemed to have been duly served at the expiry of forty eight hours after the time of posting. In proving service it shall be sufficient to prove that the envelope containing the notice was duly addressed to the Tenants or the Landlords (as the case may be) in accordance with this Clause and posted to or left at the place to which it was so addressed.

12 **Law of Scotland to apply**

This lease shall be interpreted in accordance with the Law of Scotland and any dispute, difference or question of any kind which may arise between the parties shall be determined in accordance with the Law of Scotland.

13 **Registration**

The parties hereto consent to registration hereof and of all other documents relative to this lease between the parties and of all certificates relative thereto for preservation and execution:
IN WITNESS WHEREOF:

SCHEDULE

This and the succeeding [] pages comprise the Schedule referred to in the foregoing lease between The Scottish Ministers and [JVCo] LLP.

PART I**PART I(A)****THE PROPERTY**

ALL and WHOLE [full conveyancing description] declaring that there shall be included in the Property:

- 1 all permitted additions, alterations and improvements (except tenants' and trade fittings and fixtures which for the avoidance of doubt include any caravans or similar property which is capable of removal without significant damage to Property and which is from time to time on or about the Property hereafter made on or about the Property;
- 2 all Landlords' fixtures and fittings within the Property (including all, if any, floor coverings, light fittings and sanitary fittings, if any, provided by the Landlords); and
- 3 the Service Systems.

PART I(B)

RIGHTS

- 1 The Property is let with the following rights granted in common with the Landlords [and] the occupiers of the Retained Land [and]:

[use of Services and Access Roads; right as discussed at the property meeting to install and maintain a sign approved by the Landlords (acting reasonably) at the far end of the Access Road from the Property; any site specific issues]

- 2 The Property is let with the further right to enter unbuilt parts of the Retained Land (with such workmen and materials as are appropriate) on reasonable prior notice to the Landlords (except in the case of an emergency);

2.1 to replace, repair, maintain, alter, renew and if necessary to upgrade the Access Roads and the Service Systems **[and other facilities as mentioned in Sections 1 and 2 if appropriate]**; and

2.2 with the prior consent of the Landlord (not unreasonably to be withheld or delayed so long as the Tenants can demonstrate that all necessary third party consents or approvals have been or will be obtained and will be complied with and that such proposals will not materially damage the value or the amenity of the Retained Land) to install new or additional or replacement service media (of such type and nature as may be previously approved in writing by the Landlords) for the sole benefit of and exclusive use and amenity of the Property in accordance with this lease along the same route or routes as are currently used or such other route as has previously been agreed in writing with the Landlords (acting reasonably and without undue delay in all cases)

in all cases subject to the Tenants taking all reasonable steps to mitigate any damage or disruption to the Retained Land and putting right any damage actually caused and complying throughout with all of the Tenants' Obligations which relate to such works.

PART II
RESERVED RIGHTS

1 There are reserved to the Landlords for the benefit of the Retained Land and to the tenants or occupiers of any adjoining or neighbouring property now or at any time hereafter belonging or let to the Landlords and to their respective servants, agents and workmen and all other persons authorised by them respectively:

1.1 Passage of Utilities

the right of free passage and use of water, soil, gas and electricity and other services in and through the Service Systems;

1.2 Entry for Repair and Forest Management

the right to enter upon or pass through unbuilt parts of the Property with all necessary appliances at all reasonable times (upon reasonable notice except in the case of emergency) for all necessary forest management purposes including without limitation, for the purposes of implementing any Forest Design Plan and for the purpose of inspecting, cleaning, repairing or renewing any part of the Retained Land or adjoining or neighbouring property (including without prejudice to the foregoing generality any such part which is common or mutual with the Property) where such purposes cannot reasonably be fulfilled without entering the Property and any part of the Service Systems;

1.3 To Alter etc. the Adjoining Property

the right at any time to build, rebuild or make alterations or carry out other works upon any part of the Retained Land and adjoining or neighbouring property and to erect, place or attach any necessary scaffolding, ladders or other equipment to any part of the Property and for such purpose to have all necessary rights of access to the Property in connection therewith;

1.4 New Connections to the Service Systems

With the prior consent of the Tenants (not unreasonably to be withheld or delayed so long as the Landlords can demonstrate that all necessary third party consents or approvals have been or will be obtained and that such proposals will not materially damage the value or the amenity of the Property by utilising the capacity of the Service Systems so as to materially prejudice the current operation or planned (and permitted) development of the Business) to make new connections with and make use of the Service Systems (above and beyond the use permitted at 1.1 and 1.2 above) for the benefit of the Retained Land or other nearby or adjacent premises now or hereafter owned or let to the Landlords and to have access to the Property on reasonable prior notice (except in an emergency) with such workmen and materials as are necessary for these purposes;

1.5 New Service Media

With the prior consent of the Tenants (not unreasonably to be withheld or delayed so long as the Landlords can demonstrate that all necessary third party consents or approvals have been or will be obtained and will be complied with and that such

proposals will not materially damage the value or the amenity of the Property) to install new or additional or replacement service media (of such type and nature as may be previously approved in writing by the Tenants) for the sole benefit of and exclusive use and amenity of the Retained Land or other nearby or adjoining premises now or hereafter owned or let to the Landlords along the same route or routes as are currently used or such other route as has previously been approved in writing by the Tenants such approval not to be unreasonably withheld or delayed;

1.6 Use of Common or Mutual Walls

the right to take into use all common or mutual walls and to build upon, connect with or otherwise use the same; and

1.7 [Right of Way

a right of way at all times and for all purposes with and without vehicles over that part of the Property shown coloured brown on the Plan subject to the right for the Tenants (with the prior consent of the Landlords which will not unreasonably be withheld or delayed) to vary the route of such right of way so long as the replacement right of way is not materially less convenient to the Landlords or other users of this right than the route shown coloured brown on the Plan.]

[In those leases where it is relevant.]

The Landlords and others as aforesaid shall be entitled to exercise the foregoing rights notwithstanding that any privilege or amenity for the time being pertaining to or enjoyed by the Property may be thereby interrupted or interfered with or that the Tenants might, but for this stipulation, have been entitled to object on any other grounds, provided always that the Landlords or others in the exercise of the powers reserved to them by this Clause shall make good or procure that there shall be made good all material damage thereby occasioned to the Property and such reserved powers shall be exercised in such manner as to cause as little interference as is reasonably possible to the business of the Tenants.

2 There are reserved to the Landlords the right:

2.1 Miscellaneous Rights of Entry etc.

to enter upon the Property or any part thereof on reasonable prior notice (except in case of emergency) with or without workmen and others for any of the following purposes:

- a) to examine the state and condition of the Property and all defects and wants of repair thereof and to give notice in accordance with Clause 10 of this lease requiring the Tenants to repair and make good the same within such reasonable time as shall be specified in such notice;
- b) without prejudice to the right of irritancy and forfeiture contained in Clause 6 of this lease to amend any defects and execute any repairs and works which the Tenants shall have failed to do within the time specified in the said notice (or immediately in case of emergency) (or such other period as is reasonably appropriate having regard to the extent of the work required) and notwithstanding that the carrying out of such works may cause obstruction, annoyance or inconvenience to the Tenants or any sub-tenant and to recover from the Tenants the cost thereof (including any surveyors' or other professional fees incurred and VAT thereon) such cost being on demand

repaid by the Tenants to the Landlords and if not so paid being recoverable by the Landlords with interest thereon at the Specified Rate from the date or dates of payment by the Landlords;

- c) to ascertain whether any unauthorised Works have been carried out to the Property and also whether any Works authorised by the Landlords pursuant to any provision of this lease have been carried out in accordance with the consent given by the Landlords and the requirements of the competent Planning Authority and any other relevant body;
- d) to take inventories of the Landlords' fittings and fixtures in and upon the Property; and
- e) for any other purpose connected with the interest of the Landlords in the Property or the Retained Land or their disposal or lease.

3 The Landlords and others as aforesaid shall be entitled to exercise the foregoing rights notwithstanding that any privilege or amenity for the time being pertaining to or enjoyed by the Property may be thereby interrupted or interfered with or that the Tenants might, but for this stipulation, have been entitled to object on any other grounds, provided always that the Landlords or others exercising the powers reserved to them by this Clause shall make good or procure that there shall be made good all material damage thereby occasioned to the Property and such reserved powers shall be exercised in such manner as to cause as little interference as is reasonably possible to the business of the Tenants.

4 All fishing, sporting, shooting and stalking rights (including stalking of deer) appurtenant to the Property are reserved to the Landlords. The Landlords will not exercise their reserved sporting rights (excepting fishing rights as aftermentioned) during the Term but may exercise (or authorise or permit third parties to exercise) their reserved fishing rights at all reasonable times and in any reasonable manner.

PART IIITENANTS' OBLIGATIONS1 To Pay rent and other sums

To pay the rent and other payments herein stipulated for at the times and in the manner provided in this lease. If the Landlords shall so require each payment of rent due under this lease shall be made by a banker's standing order in favour of such bank account as the Landlords may direct in writing or in such other manner as the Landlords may from time to time direct in writing. In such event the Tenants shall not, without the prior written consent of the Landlords, vary, amend or cancel any banker's order form completed by them in pursuance of this provision.

2 To Insure

2.1 To insure and keep insured at all times throughout the term of this lease except to the extent that any such insurance shall be vitiated by an act or default of the Landlords or of any person acting under the direction of or as agent or representative of the Landlords with a reputable United Kingdom insurance company:

- a) The Property (and all buildings on or forming part of the Property) in the full reinstatement value thereof against loss or damage by fire, aircraft, explosion, riot and civil commotion, malicious damage, earthquake, storm or tempest, bursting or overflowing of water tanks, apparatus or pipes, flood, impact and such other risks as the Landlords or the Tenants may from time to time consider appropriate (subject in the case of each such specified peril to insurance being available from time to time in the United Kingdom insurance market on reasonable commercial rates and terms) together with an amount in respect of architects', engineers', surveyors' and other professional fees and expenses and the cost of temporary hoarding and other temporary work, removal of debris, dismantling or demolishing and fencing and shoring up or propping and site clearance;
- b) such of the Service Systems as the Landlords or the Tenants may deem appropriate against explosion, mechanical and electrical breakdown, third party and such other risks and in such amount as the Landlords or the Tenants shall from time to time deem fit; and
- c) against public liability, employers' liability, property owners' and third party liability in such sums as the Landlords shall reasonably require.

There shall be added to all sums referred to in this Clause 2.1 the amount of any irrecoverable VAT thereon.

2.2 To procure that the insurance policy effected by them notes the interest of the Landlords in the Property and contains confirmation from the insurers that they will notify the Landlords in the event that the Tenants fail to pay the premium by the due date and that insurance coverage will remain in effect for a period of not less than 20 working days thereafter to enable the Landlords to pay the relevant outstanding amount.

- 2.3 To pay or procure the payment of all premiums and other money necessary to effect and maintain all insurances required by Clause 2.1 from time to time.
- 2.4 To procure that there is carried out by an appropriately qualified chartered surveyor full insurance valuations at least once in every three years and to provide to the Landlords copies of such valuations.

3 Reinstatement

- 3.1 Save to the extent that any such insurance may be vitiated or payment refused in whole or part because of an act or default of the Landlords or any contractor, agent or employee of the Landlords in the event of destruction of or damage to the Property by any of the Insured Risks to rebuild and reinstate the Property and all buildings forming part of the Property or the relevant part or parts thereof or as the case may be with all reasonable speed (making good any shortfall in the insurance proceeds out of the Tenants' own money except to the extent the shortfall is attributable to an act or default of the Landlords or any contractor, agent or employee of the Landlords) making good such of the Service Systems as shall have been so damaged or destroyed.
- 3.2 To carry out any reinstatement works under the above Clause 3.1 expeditiously and in a good and workmanlike manner using good quality and suitable materials in compliance with all necessary consents and applicable codes of practice.

4 SSSI/SAC Management Plans/General Management

To implement and comply with the lawful requirements of any SSSI/SAC Management Plan encompassing the Property or any part thereof to which the Tenants are a party or of which the Tenants have received notice.

5 Outgoings

During the subsistence of this lease to pay all rates, taxes, charges, duties, levies, assessments, outgoings and impositions of whatever description whether parliamentary, regional, district, municipal, parochial, local or of any other description and whether of the nature of capital or revenue which now are or shall at any time hereafter during the currency of this lease be taxed, assessed, charged, rated or imposed upon or payable in respect of the Property or any part thereof or (whether or not recurring and whether of an existing or novel nature) and whether on the Landlords or the Tenants or the owner or occupier thereof in respect thereof (including any future such payments whether the same shall or shall not be in the nature of those now in being) excepting only taxes and assessments (other than VAT) arising in consequence of the Landlords' dealings with the Landlords' interest in the Property.

6 To Pay for Utilities

- 6.1 To pay to the relevant suppliers all charges for gas, sewerage, electricity, electronic communications services and water supplied to the Property and the cost and annual rent of any meter or meters supplied to the Property and to keep the Landlords indemnified against any of such liabilities;
- 6.2 To observe and perform at the expense of the Tenants all present and future regulations and requirements of the gas, sewerage, electricity, electronic communications services and water supply authorities and to keep the Landlords indemnified against any breach, non-observance or non-performance thereof.

7 Water Rates

If required by the Landlords where none is present at the Tenants' own cost to install a water meter to measure the water consumed within the Property and to pay and discharge any water rates which may be directly and indirectly assessed on the Property.

8 Maintenance and Repair

- 8.1 To accept the Property (including all buildings, cabins and erections thereon) and the Service Systems and items for which the Tenants are liable to reimburse the Landlords for costs incurred by them in terms of Clause 25 of this Part III of the Schedule in their present condition at the Date of Entry and at the expense of the Tenants to repair, put, and keep in good and substantial repair and maintained to the reasonable satisfaction of the Landlords the Property (including all buildings, cabins, and erections thereon), the Access Roads (including repair, maintenance and renewal of barrier gates but not so as to require the Tenants to install any gates or barriers where none exist at the date of this lease (unless required to comply with a statutory or other requirement in terms of this lease) and not so as to require the Tenants to improve any Access Roads save as necessary for the purpose of repair) and the Service Systems (including any parts of the Service Systems located in, on or under the Retained Land) in each case regardless of the cause of the damage and to replace as and when necessary all Landlords' equipment, fixtures and fittings within the Property which are beyond economic repair (such replacements to be of a similar kind and quality to the items (when new) which they replace) and from time to time in the event of destruction, damage, or decay regardless of the cause to replace, renew, or rebuild whenever necessary the Property (including all buildings, cabins and erections thereon that are not the property of the Tenants), the Access Roads and the Service Systems and each and every part thereof all to the reasonable satisfaction of the Landlords.
- 8.2 At all times to keep and maintain the Service Systems in a good and substantial condition free from obstructions and to keep clean all open drains, ditches, burns or streams as often as necessary but at least once in every three years (or such longer or shorter frequency as may from time to time be prescribed in writing by the Landlords (acting reasonably) or required in terms of the SSSI/SAC Management Plan).
- 8.3 At all times to keep and maintain (i) all roads (including the Access Roads), tracks, hardstandings, parking bays and paths, (ii) all walks and paths and (iii) all children's play areas on the Property and any equipment and apparatus thereon in a safe, good and substantial condition.
- 8.4 Not to remove or fell, pollard, lop or damage any tree without first obtaining the requisite felling licence from the FC (if such licence be required).
- 8.5 In the event that the Tenants have been notified that a Forest Design Plan applies to the Property, to permit the FC all necessary rights of entry and access in terms of Part II of the Schedule to implement the Forest Design Plan (as amended from time to time), and once implemented not to interfere with it.
- 8.6 Not to fell or remove more than three percent of the trees on the Property during any rolling period of 365 days without obtaining the prior written approval of the FC and without replanting (with similar species) at least as many as are felled or removed, although not necessarily in the same locations (the denominator for calculating that percentage shall be the number of trees at the beginning of the period).

- 8.7 To maintain properly and regularly (under the supervision of a member of the Institute of Chartered Foresters) the trees on the Property in accordance with the good operating practices which would be undertaken by a Chartered Forester.
- 8.8 To keep the Property clean and tidy and not to allow rubbish of any kind to accumulate on the Property.
- 8.9 Not to do anything which shall prejudice, jeopardise or otherwise materially adversely affect the Forest Stewardship Council certification of the Property (pursuant to the UK Woodland Standard Assurance standard), any Retained Land and/or any forestry or/land adjacent to or adjoining the Property.

9 Maintaining exterior and interior

- 9.1 In the first two years of the Term of this lease and thereafter once in every three years and also in the last six months of the Term of this lease (howsoever the same may be determined) but not twice in successive years in a good and workmanlike manner all to the satisfaction of the Landlords to prepare and paint with at least two coats of good quality paint or otherwise treat all the outside wood, metal, cement, stucco and other external parts of all buildings, cabins and erections on the Property as have been previously or are usually or ought to be painted or otherwise treated and in like manner to prepare, wax and polish and otherwise maintain all the external parts of the buildings, cabins and erections on the Property which ought to be so treated and as often as in the opinion of the Landlords shall be necessary to clean the finishes by such method as shall be previously approved by the Landlords in writing and prior to the last decoration to make application to the Landlords for approval of the tints and colours proposed to be used by the Tenants (which approval shall not unreasonably be withheld or delayed).
- 9.2 In the first two years and thereafter once in every three years and also in the last six months of the term of this lease (howsoever the same may be determined) but not twice in successive years in a good and workmanlike manner to paint, whiten or colour with at least two coats of good quality paint all such parts of the interior of all buildings, cabins and erections on the Property as have been previously or are usually or ought to be painted, whitened or coloured and at the same time to repaper, distemper, stain, grain, varnish and polish all such portions of the said interior have previously been or are usually or ought to be so treated provided that in the last year of this lease the tints, colours and patterns of all such works of internal decoration shall be such as shall be approved by the Landlords (such approval not unreasonably to be withheld or delayed).

10 Alterations

- 10.1 Not at any time during the Term of this lease without the previous consent in writing of the Landlords being first obtained, which consent shall not be unreasonably withheld or a decision thereon unreasonably delayed, nor if such consent shall be given except in accordance with plans and specifications previously submitted in duplicate to and approved by the Landlords nor except to the reasonable satisfaction of the Landlords to carry out any Works to the Property or the buildings, cabins and erections but provided that the Landlords' consent shall not be required in terms of this sub-clause in respect of any internal non-structural alterations to cabins, buildings or other erections on the Property.
- 10.2 Without prejudice to the generality of Clause 10.1 of this part of the Schedule not to construct any new building or adapt any existing building for use as a new or

additional shop, restaurant, bar, public house, sports or other leisure or entertainment facility on the Property without the prior written consent of the Landlords (not unreasonably to be withheld or delayed in respect of such facilities where they are in line with the FC's sustainability policies, reasonable and appropriate to the rural setting of the Property, consistent with the operation of a holiday site in a natural woodland setting, are intended only to offer services and amenities to those who are staying at the Property and are not materially detrimental to the amenity of any Retained Land or any neighbouring area).

- 10.3 Without prejudice to the generality of Clause 11 of this Part of the Schedule, to comply at all times with the Construction (Design and Management) Regulations 1994 with regard to any Works and to ensure that on completion thereof there shall be delivered to the Landlords a complete copy of the Health and Safety file for the Property issued in respect of the Works or updated to take account thereof; if the Works are not subject to or notifiable under the Construction (Design and Management) Regulations 1994 then the Tenants shall provide to the Landlords such information as the Landlords shall reasonably require to enable them to update any existing Health and Safety file.
- 10.4 At the expense of the Tenants to remove any Works carried out without the previous consent in writing of the Landlords where this is required and at the like expense to make good all damage caused thereby, and to restore all parts of the Property affected thereby to a state of good repair and condition consistent with the Tenants' repairing obligations herein contained.
- 10.5 At the expiry or earlier termination of this lease forthwith if and when called upon to do so by the Landlords to reinstate and restore at the cost of the Tenants the Property to the state, condition and form in which they were prior to the carrying out of any Works but only to the extent that the same may be required by the Landlords.
- 10.6 No compensation will be payable to the Tenants by the Landlords on the termination of this lease, whether on its natural expiry or otherwise, in respect of any additions, alterations or improvements or new or additional buildings or provision of fixed equipment or services provided at the Property.

11 Statutory Requirements

At the expense of the Tenants to comply with all obligations (whether relating to the Property, the Access Roads, the Service Systems or any Works thereto, the employment of persons therein, fixtures, machinery, plant or equipment thereon or the business carried on therein or otherwise) imposed by any enactment or lawfully directed or required by any local or other competent authority or Court of competent jurisdiction including without limitation any bye-laws made by the FC and that whether on the owner or occupier and at the expense of the Tenants to do and execute or cause to be done or executed or to join with other persons in doing or executing all such works, acts, deeds, matters and things which under or by virtue of any enactment or otherwise are or shall be properly directed or are necessary to be done or executed upon or in respect of the Property, the Access Roads, the Service Systems or any part thereof; Without prejudice to the foregoing generality to comply at all times with and to undertake all such works which may be directed or necessary to be done in pursuance of the Offices, Shops and Railway Premises Act 1963, the Fire Precautions Act 1971, the Health and Safety at Work etc. Act 1974, the Environmental Protection Act 1990 and other relevant statutes and to comply at their own expense with any other requirements of any other public authority in respect of the Property, the Access Roads, the Service Systems or the use thereof; In particular (a) to comply with current fire regulations including any rule or regulation with regard to the storage of inflammable materials which may under or in pursuance of any

enactment be directed or required by any public authority or by the Landlords' insurers and (b) not to permit or suffer to be working in the Property (or on the Retained Land at any time such number of persons as will infringe the requirements in relation to the sanitary conveniences and working facilities required by any enactment; and to indemnify the Landlords at all times against all claims, demands, fines, penalties, expenses and liabilities properly incurred by or imposed upon the Landlords or which the Landlords may become liable to pay whether during this lease or afterwards in consequence of anything done or omitted or suffered to be done or omitted by the Tenants on or about the Property or the Retained Land.

12 Fire

To take all reasonable precautions to prevent an outbreak of fire as a result of the use and occupation of the Property or the exercise of any of the Tenants' rights and the spread of fire on to any adjacent or adjoining property owned by the Landlords or the Retained Land or any other adjoining property.

13 Use

13.1 To keep and use the Property for the Business and for no other purpose whatsoever.

13.2 Not to use or permit to be used the Property or any part thereof for any purpose which in the reasonable opinion of the Landlords constitutes offensive, noisy, noxious or dangerous trade, business or manufacture or for any purposes which may be or grow to be a nuisance, annoyance or disturbance to the Landlords or to the owners or occupiers of any adjoining or neighbouring properties and in particular not to use the Property or any part thereof for any illegal or immoral purpose or for gaming or gambling or as an employment agency, betting shop, amusement arcade, or as a permanent residence for any person (other than a service occupancy of any warden's accommodation which may from time to time be on the Property) or for sale by auction or public meeting (but not so as to prohibit camping and caravanning rallies and similar uses).

13.3 To offer special rates or charges for overnight accommodation at the Property which are designed to encourage use of the Property by groups undertaking activities under the Duke of Edinburgh Award Scheme and by groups of scouts, guides and similar uniformed youth organisations by being at least ten per cent less than the standard adult nightly rate (or the closest equivalent) charged by the Tenants from time to time at the Property.

14 Costs of Abating a Nuisance

To pay to the Landlords on demand all costs, charges and expenses which may properly be incurred by the Landlords in abating a nuisance, and executing all such works which may be necessary for abating a nuisance, both in obedience to a notice served by a Local Authority in respect of the Property.

15 Not to Endanger Insurance

Not to do or permit to be done or omit to do within or upon the Property any act or thing whereby the insurance of the Property or any part thereof against the Insured Risks may be rendered void or voidable or whereby the risk of the Property or any adjoining or neighbouring premises now or at any time belonging or let to the Landlords being destroyed or damaged by any of the Insured Risks may be increased.

16 To Give Notice of Damage

In the event of the Property or any part thereof being destroyed or damaged by any of the Insured Risks or any claim or potential claim arising under any policy or policies of insurance effected by or on behalf of the Tenants to give notice thereof to the Landlords or their managing agents forthwith on becoming aware of this.

17 To Prevent Encroachments

Not to permit any new path, passageway, drainage or other encroachment or servitude to be made or acquired into, against or over the Property or any part thereof and in case any such encroachment or servitude whatsoever shall be attempted to be made or acquired by any person or persons whomsoever to give notice thereof in writing to the Landlords or their managing agents immediately the same shall come to the notice of the Tenants and to do all things which may be proper for preventing any such encroachment or servitude being made or acquired and to use all reasonable endeavours to prevent the interruption or loss of any servitude or right of a similar nature belonging to or used with the Property and if the Tenants shall omit or neglect to do all such things as aforesaid the Landlords and their agents, servants or workmen may enter upon the Property and do the same and recover the cost thereof from the Tenants on demand.

18 Planning Acts

In relation to the Planning Acts:

- 18.1 At all times during the subsistence of this lease to comply in all respects with the provisions and requirements of the Planning Acts and of all consents, permissions and conditions (if any) granted or imposed or having effect thereunder so far as the same respectively relate to or affect the Property or any part thereof or any operation, works, acts or things already or hereafter to be carried out, executed, done or omitted thereon or the use thereof for any purpose and not to do or omit or suffer to be done or omitted anything on or in connection with the Property or any part thereof the doing or omission of which shall be a contravention of the Planning Acts or any consent, permission or condition granted or imposed thereunder and to indemnify the Landlords against all actions, proceedings, damages, penalties, costs, charges, claims and demands in respect of such acts or omissions or any of them.
- 18.2 In the event of the Landlords giving written consent to any of the matters in respect of which the Landlords' consent shall be required under the provisions of this lease (or in any case where Landlords' consent is not required) and where permission from any Planning Authority under the Planning Acts is also necessary for any such matter then to obtain the Landlords' prior written consent to the making of such application (not unreasonably to be withheld or delayed) and thereafter to apply at the cost of the Tenants for such permission and to give notice to the Landlords of the granting or refusal of any such permission forthwith on the receipt thereof.
- 18.3 In the event of the Planning Authority agreeing to grant the required permission only with modifications or subject to any conditions, to give to the Landlords forthwith full particulars of such modifications or conditions and not to accept such modifications or conditions without the consent in writing of the Landlords (not unreasonably to be withheld or delayed) and in the event of any planning permission being granted to bear the cost of all works and other things authorised by the said permission and observe and perform all conditions (if any) attached thereto and to keep the Landlords effectually indemnified as aforesaid in respect of the said application and work done in pursuance of said permission and in respect of all breaches (if any) of the said

planning consent (and conditions imposed thereby) provided always that if the Planning Authority shall only agree to grant the required permission with such modifications and on such terms and subject to such conditions as the Landlords shall in their reasonable opinion think damaging to the interest of the Landlords in the Property, the Retained Land or any other nearby property then the Tenants shall, at the request of the Landlords, not implement such permission.

- 18.4 To give notice forthwith to the Landlords of any notice, order or proposal for a notice or order served on or received by or which comes to the notice of the Tenants under the Planning Acts and if so required by the Landlords and at the Tenants' expense to make or join in making such objections or representations in respect of any such notice, order or proposal that the Landlords may reasonably require.
- 18.5 To comply at the Tenants' cost with any notice or order served in respect of the Property under the provisions of the Planning Acts.
- 18.6 If and when called upon so to do to produce to the Landlords or the Landlords' managing agents all such plans, documents and other evidence that the Landlords may reasonably require in order to satisfy the Landlords that the provisions of this Clause have been complied with in all respects.
- 18.7 If the Tenants receive any compensation with respect to the Property in consequence of any revocation or modification of a planning permission or of any restriction placed on the use of the Property under or by virtue of the Planning Acts then and on the expiry of this lease whether the same shall have its natural or any prior termination the Tenants shall make such provision as is just and equitable for the Landlords to receive a due proportion of such compensation.
- 18.8 To advise the Landlords and the FC forthwith as soon as the Tenants become aware of any breach at the Property of the Planning Acts and any related subordinate legislation, bye-laws, rules or regulations.

19 Signs

Not to cause or permit to be displayed upon any part of the Property any name, legend, sign, notice or advertisement whatsoever which may be visible from outside the Property except such as have been first approved by the Landlords (such approval not unreasonably to be withheld or delayed in respect of notices which relate to the conduct of the Business) save that no such Landlords' approval is needed in the case of information and direction signs of reasonable and proportionate size (bearing no commercial branding other than the Tenants' normal trade branding) located entirely within the Property and not visible from the outside of the Property and upon the termination of this lease to remove or efface any such name, legend, sign, notice or advertisement and make good to the satisfaction of the Landlords (acting reasonably) any damage occasioned thereby.

20 To Inform Landlords of Defects

To inform the Landlords forthwith on becoming aware of the same and in the most expeditious manner possible and thereafter in writing within a reasonable time of any defects in the Property and to indemnify and keep indemnified the Landlords from and against any loss, claims or demands arising from a breach of any obligation on the part of the Tenants contained in this Clause.

21 Support for Adjoining Premises

Not to do or omit or permit or suffer to be done or omitted in and upon the Property any matter or thing which might impair or prejudicially affect the support of the Retained Land or the adjoining or adjacent premises whether above, below or beside the Property but at all times during the subsistence of this lease to maintain and preserve such support.

22 Electronic Interference

Not to use or permit or suffer to be used on or at the Property any radio, electric or electronic equipment in such manner or condition as to cause electrical, electronic or other forms of interference to adjoining or neighbouring premises or equipment operated therein.

23 The Stopping up of Drains etc.

Not to allow any polluting agent to pass into the sewers, drains or water courses serving the Property or into adjoining or neighbouring premises or otherwise to stop up, obstruct or permit to be stopped up or obstructed the same and in the event of any obstruction or injury being occasioned thereby forthwith to remove such obstruction and to make good all damage to the reasonable satisfaction of the Landlords and to employ such plant for treating any deleterious effluent as may reasonably be required by the Landlords.

24 To Inform Landlords of Notices

Within seven days of the receipt of notice of the same to give full particulars to the Landlords of any notice, order or proposal for a notice or order made, given or issued in respect of or affecting the Property by any Government Department or Local or Public Authority under or by virtue of any statutory power or otherwise and if so required by the Landlords to produce such notice, order or proposal and without delay at the Tenants' expense to take all reasonable or necessary steps to comply with any such notice or order or if reasonably required by the Landlords to make or join with the Landlords in making objections or representations against or in respect of any such notice, order or proposal as aforesaid as the Landlords may reasonably require.

25 To Pay Expense of Maintaining Mutual Walls, Drains, etc.

To pay:

- 25.1 a fair and equitable proportion (which may, if appropriate, be 100%) as determined by the Landlords (acting reasonably) of the costs and expenses properly and reasonably incurred by the Landlords in repairing, maintaining, rebuilding, renewing and cleansing all walls, roofs, foundations, steelwork, fences, structures and other items which may belong to or be used for the Property in common or mutually with other adjoining premises but which do not form part of the Property, and
- 25.2 a fair and equitable proportion (which may, if appropriate, be 100%) as determined by the Landlords (acting reasonably) of the costs and expenses properly and reasonably incurred by the Landlords in repairing, maintaining, rebuilding, renewing and cleansing (i) all access roads or ways leading to and from the Property and (ii) all pumps, valves, man-holes, meters, connections, channels, septic tanks, water courses, holding tanks, cables, wires, pipes, drains, sewers or other conducting media and all plant and equipment relative thereto serving the Property (either exclusively or in common with other premises) but situated on land owned by the Landlords or third parties, and which do not form part of the Property.

26 Not to Share Possession

Not to share or licence the occupation of the whole or any part of the Property with or to anyone whomsoever without the consent of the Landlords having been first obtained which consent will not unreasonably be withheld or delayed in the case of a bona fide concession or franchise agreement to operate Ancillary Services and not giving rise to any subtenancy or other formal occupancy right but for the avoidance of doubt:

- 26.1 nothing in this clause will operate to permit the Tenants to allow any third party to independently operate or manage the whole or substantially the whole of the Business carried on from the Property by way of concession or franchise; but
- 26.2 no such consent from the Landlords will be needed for the Tenants to enter into modest concession or franchise arrangements providing for the sale/supply of goods and services at the Property in the ordinary course of the Business from mobile vans visiting the Property (but not parking there overnight).

27 Assignment, Charging and Sub-Letting

- 27.1 Subject to the following provisions of this Clause not to assign, charge, grant a security over, sub-let or otherwise in any way or for any purpose deal with the Tenants' interest in the whole or in part of the Property without the prior written consent of the Landlords.
- 27.2 In the event of the Tenants at any time or times proposing to assign their whole interest under this lease to any proposed assignee of sound financial standing and demonstrated to the reasonable satisfaction of the Landlords to be capable of fulfilling the whole obligations of the Tenants under this lease the Landlords shall not unreasonably refuse their consent to such assignment.

Notwithstanding the foregoing, the Landlords and the Tenants agree that the Landlords may refuse their consent to an application by the Tenants to assign their interest in this lease if (a) any rent or other money due under this lease is outstanding; (b) the Landlords are not satisfied (acting reasonably) that the proposed assignee is (i) reputable and responsible, (ii) experienced in the operation of businesses substantially comparable in size, scale and quality to the Business as operated from the Property and (iii) demonstrably capable of complying with the Tenants' obligations under this lease.

- 27.3 The Tenants shall not sub-let the whole or any part of the Property except in accordance with this clause 27.3 and clauses 27.4, 27.5, 27.6, 27.7 and 27.8 below nor without the prior written consent of the Landlords, such consent not to be unreasonably withheld or delayed.
- 27.4 The Tenants shall not sub-let part only of the Property except in the case of a sub-lease:
- a) by way of a lease at a full market rent and with the prior written consent of the Landlords (not unreasonably to be withheld or delayed) to an operator of premises at the Property exclusively used for the provision of Ancillary Services to the Property; or
 - b) by way of a service occupancy in the case of any residential accommodation at the Property to be occupied by a site manager or similar member of staff; or

- c) by way of a lease at a normal commercial ground rent of a specific caravan pitch or site of a cabin associated with any sale of a caravan or an individual cabin in the ordinary course of the Business and to which the prior written consent of the Landlords (not unreasonably to be withheld or delayed) has been obtained either on an individual basis or by reference to an agreed form of disposal lease for use in an agreed set of transactions;

in each and any individual case not exceeding five per cent of the Property by area.

27.5 The Tenants shall not sub-let the whole or any part of the Property together with any property or any right over property that is not included within this lease nor sub-let the Property as a whole

- a) at a fine or premium or reverse premium (except in the case of a normal commercial premium payable by a purchaser of such a sub-letting as is referred to in Clause 27.4 (c) above); nor
- b) allowing any rent free period by way of inducement to the sub-tenant.

27.6 Any sub-letting by the Tenants shall be formally documented and the sub-lease shall include:

- a) (in the case of any sub-lease of the whole of the Property) the payment of a rent which is not less than the higher of the current rent then passing under this lease or the full open market rental value of the Property at the date the Property is sub-let and which is payable at the same times as the rent under this lease;
- b) (in the case of any sub-lease of the whole of the Property) provisions for the review of rent at the same dates and on the same basis as the review of rent in this lease, unless the term of the sub-lease does not extend beyond the next Review Date;
- c) provisions requiring the consent of the Landlords to be obtained in respect of any matter for which the consent of the Landlords is required under this lease; and
- d) an obligation on the sub-tenant not to assign the sub-lease without the prior consent of the Landlords, which consent will not be unreasonably withheld, and an obligation on the sub-tenant that it shall not grant any further sub-lease or sub-leases of the whole or any part of the sub-let property

and shall otherwise be consistent with and include tenants' obligations no less onerous (other than as to the annual rent) than those in this lease and in a form approved by the Landlords, such approval not to be unreasonably withheld.

27.7 In relation to any sub-lease granted by the Tenants, the Tenants shall:

- a) not vary the terms of the sub-lease nor accept a surrender of the sub-lease without the consent of the Landlords, such consent not to be unreasonably withheld; and
- b) enforce the tenants' obligations in the sub-lease and not waive any of them nor allow any reduction in the rent payable under the sub-lease; and

- c) notify the Landlords of the level of reviewed rent forthwith after it has been agreed or determined.

27.8 The Tenants shall not charge or grant a security over the Tenants' interest in the whole or part of the Property without the prior written consent of the Landlords, such consent not to be unreasonably withheld in the case of a charge of the whole to a charge holder or security holder which is a bona fide lending institution. The Tenants shall procure such information with regard to the status and financial standing of any proposed charge holder or security holder as the Landlords shall reasonably require.

27.9 Within twenty eight days of any permitted assignation, sub-lease or other devolution of the interest of the Tenants in this lease or of any sub-tenant or of any charge, security or release of any charge or security over or affecting the Property or any part thereof to give or procure that there will be given to the Landlords' solicitors a certified copy of the relevant document together with such further information as the said solicitors shall reasonably require and an extract of the relevant document as soon as reasonably practicable.

28 To Indemnify the Landlords

To indemnify and keep indemnified the Landlords and the FC (and in respect of that indemnity (if and to the extent reasonably required by the Landlords and only so far as the risk is insurable) maintain insurance cover to the reasonable satisfaction of the Landlords with a reputable insurance office and to exhibit the policy and receipts for premiums to the Landlords when required):

28.1 against all liability in respect of injury to or the death of any person, damage to any property heritable or moveable, any interdict or court action, the infringement, disturbance or destruction of any right, servitude or privilege or otherwise by reason of or arising directly or indirectly from or upon (a) any defect or want of repair of the Property, (b) the use of the Property, (c) the execution of any alterations to the Property so far as effected by or on behalf of the Tenants or any sub-tenant, (d) any interference or obstruction on the part of the Tenants or others deriving right from them of any rights of light or drainage or other alleged right existing or hereinafter to be constituted in or in respect of any adjoining property, (e) any stoppage of drains used in common with the owners or occupiers of adjoining property caused by any act or omission on the part of the Tenants or others deriving right from them and (f) any failure or omission by the Tenants in the implementation or observance of the obligations on their part herein contained;

28.2 against all actions, proceedings, damages, penalties, costs, charges, claims and demands properly incurred by the Landlords in relation to any of the matters mentioned in this Clause;

28.3 against all rates which may be payable by the Landlords as a result of the Tenants vacating the Property at any date prior to the expiry or earlier termination of this lease;

and this Clause 28 shall remain in force notwithstanding the expiry or earlier termination of this lease.

29 Expenses

29.1 On demand to pay the Stamp Duty Land Tax on this lease and the cost of registering this lease in the Books of Council and Session and of obtaining three extracts thereof

(two being for the Landlords' purposes) and (if required) in the Sasine Register or the Land Register (as the case may be) and in the latter case the Tenants shall procure and deliver to the Landlords two extracts of this lease as so registered.

29.2 On demand to pay to the Landlords all costs, charges and expenses (including solicitors', counsel's, surveyors', architects', engineers' and other professional costs and fees and VAT thereon) reasonably and properly in the case of matters falling within paragraphs a), b) and d) below, and in any other case, properly incurred by the Landlords:

- a) in connection with any application to the Landlords for consent or approval or in consequence thereof, whether or not such consent is granted;
- b) in the preparation and service of any notice of want of repair or other notice served by the Landlords on the Tenants or in the preparation and service of a schedule of dilapidations during the subsistence of this lease or after its expiry or earlier termination;
- c) in connection with the recovery of arrears of rent or any other sum at any time due by the Tenants to the Landlords under this lease;
- d) in connection with any agreement, memorandum, addendum, assignation, sub-lease or other document consequential upon this lease to which the Landlords shall be a party;
- e) in connection with the enforcement or protection of any of the rights of the Landlords under this lease and notwithstanding that such enforcement be rendered unnecessary by the Tenants' subsequent compliance with the provisions of this lease.

30 To Comply with Titles

At all times to observe and perform, insofar as still valid, subsisting and applicable, all the real liens, burdens, conditions, restrictions, declarations, servitudes, public rights of way and others howsoever constituted affecting any part or parts of the Property and to indemnify the Landlords against all actions, costs, claims and demands which may arise in respect of any of the same.

31 Marking of Boundaries

At all times throughout the duration of this lease, the Tenants shall procure that the boundaries of the Property (where not bounding a loch or river) are clearly marked and identifiable either through the use of painted marker posts or stone or concrete slabs or (where possible) marker paint on the trunks of trees.

32 Archaeological Finds

32.1 As between the Landlords and the Tenants, any Archaeological Finds shall be deemed to be the property of the Landlords.

32.2 The Tenants shall inform the Landlords forthwith upon the discovery of any Archaeological Finds, and comply with the reasonable directions of the Landlords in relation to the removal or disposal of such Archaeological Finds, or shall allow the Landlords to enter the Property for the purposes of such removal or disposal:

Provided that the Landlords shall act with all reasonable speed to carry out and complete such removal or disposal.

- 32.3 The Tenants shall not attempt to remove any Archaeological Find without the Landlords' consent (not unreasonably to be withheld or delayed) and shall procure that their employees and sub-contractors shall neither remove nor damage such Archaeological Finds.
- 32.4 In the event that the relevant Archaeological Find cannot be moved, or that it is inappropriate that the same be moved, then the Tenants shall allow the Landlords or those authorised by them access to the Property subject to the terms of Part II of the Schedule to carry out any investigation which they deem is appropriate in connection with its or their statutory duties or which is otherwise required by law: Provided that the Landlords shall, and shall use all reasonable endeavours to procure that anyone authorised by them shall, act with all reasonable speed to carry out and complete such investigation.
- 32.5 The provisions of sub-clauses 32.1 to 32.4 (inclusive) shall not affect the rights or obligations of either party under any applicable legislation.

33 To use Certified Timber

In any Works carried out on the Property by the Tenants or by parties on their behalf, all timber used in such works shall be Certified Timber, and such timber shall be United Kingdom grown where reasonably possible (which for the avoidance of doubt shall include consideration of whether it is economically practicable to use UK grown timber).

34 To Leave in Good Repair

34.1 On the expiry or sooner determination of the term of this lease quietly and without any warning away or other process of removal notwithstanding any law or practice to the contrary to surrender to the Landlords the Property together with all additions and improvements made thereto and all fittings and fixtures in or upon the Property or which during the term of this lease may have been affixed or fastened to or placed on or upon the same and that in such state and condition as shall be consistent with full and due performance by the Tenants of their obligations in this lease contained with all locks, keys and fastenings complete and at the cost of the Tenants to repair and make good to the reasonable satisfaction of the Landlords all damage including damage to paintwork caused by the removal of Tenants' fittings and fixtures.

34.2 In respect of any works which may be required after the date of termination of this lease to constitute full and due performance by the Tenants of their obligations under this lease, the Tenants shall, in the option of the Landlords, either carry out such works or pay to the Landlords a sum equal to the proper cost of carrying out the same and in either case the Tenants will also pay to the Landlords a sum equivalent to the loss of rent properly incurred by the Landlords during the period from the date of termination of the lease until such works have been fully implemented, together with interest thereon at the Specified Rate from the Date or Dates of demand until paid.

35 Notifiable Events

In the event of the occurrence of a Notifiable Event:

- 35.1 the Tenants shall immediately on becoming aware of the same inform the Landlords and the FC of its occurrence and permit the Landlords to enter and inspect the Property;
- 35.2 the Tenants shall consult and liaise closely with the FC regarding any public statements made by the Tenants or parties on behalf of the Tenants about any Notifiable Event and any information made publicly available regarding a Notifiable Event.

36 Telecommunications Apparatus

Not to permit the installation, retention or operation of any electronic communications apparatus (as the same is defined in the Telecommunications Act 1984 as amended by the Communications Act 2003) on the Property.

37 Customer Charging

Except in cases where the Tenants are applying a discount in compliance with Clause 13 of Part III of the Schedule, unless otherwise agreed by the Landlords and the FC, the rates and prices charged for goods and/or services by the Tenants to customers of the business carried on at the Property shall be in line with normal market rates charged for such goods and/or services.

PART IV

RENT REVIEWSPART A

In this Part A of Part IV of the Schedule the following expression shall have the meaning hereby assigned to it, namely:

“Review Date” means each anniversary of the Term Commencement Date and the expression “relevant Review Date” shall be construed accordingly.

1 On each Review Date but not the Twentieth, Thirtieth, Fortieth, Fiftieth, Sixtieth or Seventieth anniversaries of the Term Commencement Date the annual rent payable under this lease shall be reviewed to the greater of : -

- 1.1 the annual rent payable immediately before the relevant Review Date; and
- 1.2 such amount as is calculated by the Landlords in accordance with the following formula:

$$NR = R \times (CV \div BV)$$

Where:

- NR is: The new rent payable with effect from the relevant Review Date.
- R is: The rent payable under this lease immediately prior to the relevant Review Date.
- CV is: The value of RPI for the month falling three months before the relevant Review Date.
- BV is: The value of RPI on the Term Commencement Date or (if later) for the month which is three months earlier than the Review Date immediately preceding the relevant Review Date.

Once the Landlords have determined the new rent payable as and from the relevant Review Date they shall serve notice on the Tenants as to the level of the new rent. Until the new rent payable has been intimated by the Landlords to the Tenants, the Tenants shall pay rent under this lease at the rate prevailing immediately before the relevant Review Date. The new rent shall be due and payable as and from the relevant Review Date. The Tenants shall pay to the Landlords forthwith any shortfall between the rent paid immediately before the relevant Review Date and the new rent determined as set out above with interest thereon at two per cent below the Specified Rate.

2 Forthwith after the new rent shall have been ascertained in accordance with this Part A of Part IV of the Schedule and on each such occasion there shall be signed by, for or on behalf of the Landlords and the Tenants respectively a Memorandum in duplicate specifying the new increased yearly rent payable under this lease and such Memorandum shall be evidence of the amount of such new yearly rent. Such Memorandum shall be prepared, completed and registered at the sole cost of the Tenants.

PART B

- 1 Wherever in this Part B of Part IV of the Schedule the context admits the following expressions shall have the meanings hereby assigned to them, namely:
- 1.1 "Review Date" means the Twentieth, Thirtieth, Fortieth, Fiftieth, Sixtieth and Seventieth anniversaries of the Term Commencement Date and the expression "relevant Review Date" shall be construed accordingly;
 - 1.2 "Review Period" means the period commencing on a Review Date and ending on the day immediately preceding the next Review Date or (in the case of the period commencing on the last Review Date occurring during the term of this lease) on the expiry of this lease;
 - 1.3 "Market Rent" means the full annual rent at which the Property could be let as one entity on the open market at and from the relevant Review Date for a term equivalent to the original duration of this lease and otherwise subject to the provisions of this lease (other than the actual amount of rent payable hereunder but including the provisions for rent review similar to those contained in this Part of the Schedule) and on the assumption (if not a fact) that:
 - a) the Property is available for immediate letting by a willing landlord to a willing tenant without fine or premium and with vacant possession;
 - b) the provisions of this lease have been fully performed and observed and the Landlords and the Tenants have complied in all respects with all the obligations imposed on them under this lease;
 - c) the use permitted by this lease of the Property complies with the Planning Acts free from onerous conditions;
 - d) all licences and consents necessary for the use permitted by this lease have been granted by the relevant public authorities or bodies without onerous conditions;
 - e) the Property is fit for immediate occupation and use and without prejudice to the foregoing generality, are connected to the usual public utilities and have satisfactory supplies of water and adequate drainage and sewerage;
 - f) no Works have been carried out to the Property by the Tenants or any sub-tenant or their respective predecessors in title or any of them which has diminished the rental value of the Property;
 - g) in case the Property or any part thereof have been destroyed or damaged they have been fully restored;
 - h) any prospective tenants are able fully to recover input VAT whether or not this is the case; and
 - i) any rent free period or period of discounted rent has expired and any other consideration which the Landlords might then be expected to grant to a tenant

on taking a lease of the Property has been paid or otherwise discharged but in each case only to the extent that it would be referable to the fitting out of the Property by such tenant;

But disregarding any effect on rent of:

- j) the fact that the Tenants, any sub-tenants and their respective predecessors in title or any of them are, or have been, in occupation of the Property;
 - k) any goodwill attached to the Property by reason of the carrying on within the Property of the business of the Tenants or any sub-tenant;
 - l) any Works carried out to the Property or any part thereof after the Term Commencement Date with any necessary consent of and otherwise than in pursuance of any obligation to the Landlords, whether under this lease or otherwise, at the cost of the Tenants or any sub-tenant;
 - m) any timber holiday letting cabins upon the Property;
 - n) so far as may be permitted by law all statutory restrictions relating to the assessment and recovery of rent; and
 - o) the fact that any prospective tenants might not be able fully to recover input VAT;
- 1.4 "Surveyor" means such Chartered Surveyor having recent substantial experience in valuing premises of a location, kind and character similar to the Property and who is a member of a leading firm of Surveyors practising *inter alia* in the field of commercial leisure property lettings as may be nominated by agreement between the Landlords and the Tenants or in default of agreement appointed by or on behalf of the Chairman (or Senior Office Holder at the time available) of the Royal Institution of Chartered Surveyors in Scotland (as constituted, reconstituted, formed or reformed from time to time) or if such Chairman or Senior Office Holder shall not be available appointed by such officer of such professional body of surveyors as the Landlords, acting reasonably, shall designate;
- 1.5 "Revised Rent" for a Review Period means the yearly Market Rent in respect of that Review Period agreed in writing between the Landlords and the Tenants or determined (in default of agreement) by the Surveyor all as hereinafter provided;
- 1.6 "Current Rent" means the yearly rent payable under this lease immediately preceding the commencement of the relevant Review Period;
- 1.7 "Shortfall" means in respect of the period (if any) beginning on the relevant Review Date and ending on the Rent Payment Day next following the date on which the Revised Rent for that Review Period is ascertained the amount (if any) by which the aggregate equal half-yearly instalments of the Revised Rent which would have been payable during that period had the Revised Rent been ascertained at the commencement thereof exceeds the aggregate of the instalments of the Current Rent paid for the same period; and
- 1.8 "Shortfall Interest" means a capital sum equal to interest at Two per centum below the Specified Rate on the aggregate of the component parts of the Shortfall for the period from the date each component part became due until payment of the Shortfall.

- 2 On the relevant Review Date the yearly rent for the relevant Review Period shall be reviewed to the greater of:
 - 2.1 the Current Rent;
 - and
 - 2.2 the Revised Rent.
- 3 If the Landlords and the Tenants have not agreed the Market Rent by a date two months prior to the relevant Review Date the Landlords or the Tenants may at any time thereafter require the Market Rent to be determined by a Surveyor acting as an expert and not as an arbiter whose decision shall be final and binding on the parties and the following provisions shall apply:
 - 3.1 the fees and expenses of the Surveyor including the cost of his appointment shall be borne equally by the Landlords and the Tenants who shall each otherwise bear their own costs;
 - 3.2 the Landlords and the Tenants shall each be entitled to submit to the Surveyor in accordance with a timetable to be determined by the Surveyor written valuations, statements and other evidence relating to or supporting their assessments of the Market Rent in which event each shall at the same time deliver to the other party a copy of all such valuations and others submitted as aforesaid. The Surveyor shall, if so requested by written notice by either the Landlords or the Tenants (a copy of which shall be served on the other party) and which notice shall be given by a date to be determined by the Surveyor, hold a hearing at which both the Landlords and the Tenants or their respective representatives may be heard and if present cross-examined and that at such time or times and such place or places as the Surveyor shall appoint for that purpose; and
 - 3.3 if the Surveyor shall fail to determine the Market Rent within six months of his appointment (or such longer period as the Landlords and the Tenants may agree in writing) or if prior to his making such determination he shall relinquish his appointment or die or it shall become apparent that, for any reason, he will be unable to complete his duties hereunder then it shall be open to either party on notice in writing to the other party and the Surveyor or his representatives to terminate forthwith the appointment of such person and to apply to the other party in the manner specified in Clause 1 of this Part B of Part IV of the Schedule for a substitute Surveyor to be appointed.
- 4 If the Revised Rent for any Review Period has not been ascertained by the commencement of such Review Period then in respect of the period commencing with the Review Date in question and ending on the Rent Payment Day next occurring after the date on which the Revised Rent is ascertained payment on account of the yearly rent shall be made by the Tenants at not less than the rate of the Current Rent at the times and in the manner specified in Clause 3.2a) of the foregoing lease and on the said last mentioned Rent Payment Day the Tenants shall pay in addition to the instalment of the Revised Rent then payable the Shortfall and Shortfall Interest but without prejudice to the right of the Tenants to make earlier payment of the Shortfall and Shortfall Interest.
- 5 On request from the Landlords at any time prior to a Review Date, the Tenants shall deliver to the Landlords professionally audited accounts or where the Tenants are not under a statutory duty to file audited accounts then accounts which are certified by an officer of the Tenant to be true accurate and complete in all material respects (providing full details of all income,

expenditure and transactions) for the business run by the Tenants at the Property in respect of the three years preceding the date of the Landlords' request.

- 6 Forthwith after the Revised Rent shall have been ascertained and on each such occasion there shall be signed by, for or on behalf of the Landlords and the Tenants respectively a Memorandum in duplicate specifying the new increased yearly rent payable under the foregoing lease and such Memorandum shall be evidence of the amount of such new increased yearly rent. Such Memorandum shall be prepared, completed and registered at the sole cost of the Tenants.

PART C

In the event of the Landlords being prevented or prohibited in whole or in part (in part meaning anything less than the whole) from exercising their rights under this Part IV of the Schedule and/or obtaining an increase in the annual rent at any Review Date under Part A or Part B above by reason of any legislation, government order or decree or notice (increase in this context meaning such increase as would be obtainable disregarding the provisions of any such legislation and others as aforesaid) then and upon each and every occasion on which such event shall occur if the occurrence gives rise to total prevention or prohibition the date on which such Review would have otherwise taken effect shall be deemed to be extended to permit and require such Review to take place on the first date or dates thereafter upon which such right of increase may be exercised and/or obtained in whole or part and when in part on so many occasions as shall be necessary to obtain the whole increase (meaning the whole of the increase which the Landlords would have obtained if not prevented or prohibited as aforesaid) and if there shall be a partial prevention or prohibition only there shall be a further review or reviews (as the case may require) on the first date or dates as aforesaid and notwithstanding that the yearly rent may have been increased in part on or since the last occurring Review Date (as such term is defined in either Part A or Part B as appropriate) provided always that the provisions of this Clause shall be without prejudice to the Landlords' rights to review the annual rent on the Review Dates as specified in the foregoing Parts A and B of this Part IV of the Schedule.

Schedule 8

Form A – Main Site Lease

DRAFT: 7-05-06

LEASE

between

[THE SECRETARY OF STATE FOR ENVIRONMENT, FOOD AND RURAL
AFFAIRS]

[THE NATIONAL ASSEMBLY FOR WALES]

and

FOREST HOLIDAYS LLP

Subjects: Site at []

2006
CSJ.F0585.1001



TABLE OF CONTENTS

PRESCRIBED CLAUSES	4
DEFINITIONS	1
LEASED PREMISES AND DURATION	6
TENANTS' OBLIGATIONS.....	6
Rent 7	
Interest 7	
LANDLORD'S OBLIGATIONS.....	7
EXCLUSION OF LANDLORDS' LIABILITY	8
CONDITION FOR RE-ENTRY	9
NO IMPLIED EASEMENTS.....	9
LEASE TO CONTINUE	9
CONSENTS.....	10
NOTICES10	
NOTICES11	
LANDLORD AND TENANT (COVENANTS) ACT 1995	11
GOVERNING LAW.....	11
REGISTRATION	11
SCHEDULE	11
PART I(A).....	11
THE LEASED PREMISES	11
PART 1(B).....	2
RIGHTS	2
PART 1(C).....	3
THIRD PARTY RIGHTS	3
PART II4	
RESERVED RIGHTS	4
PART III.....	8
TENANTS' OBLIGATIONS	8
To Pay rent and other sums	8
To Insure	8
Reinstatement.....	9
SSSI/SAC Management Plans.....	9

Outgoings	10
To Pay for Utilities	10
Water Rates	10
Maintenance and Repair	10
Maintaining exterior and interior	12
Alterations	12
Statutory Requirements	14
Fire 14	
Use 15	
Costs of Abating a Nuisance	15
Not to Endanger Insurance	15
To Give Notice of Damage	16
To Prevent Encroachments	16
Planning Acts	16
Signs 18	
To Inform Landlords of Defects	18
Support for Adjoining Premises	18
Electronic Interference	18
The Stopping up of Drains etc	19
To Inform Landlords of Notices	19
To Pay Expense of Maintaining Mutual Walls, Drains, etc.	19
Not to Share Possession	20
Assignments	20
Underlettings	21
Charging	24
Prohibition of other dealings	24
Registration and Notification of Dealings and Occupation	24
Closure of the Registered Title of this lease	25
To Indemnify the Landlords	25
Expenses	26
Title Matters and bye laws affecting the Leased Premises	26
Marking of Boundaries	27
Archaeological Finds	27

To Use Certified Timber 28

To Leave in Good Repair 28

Compensation on Vacating..... 28

Notifiable Events 28

Telecommunications Apparatus 29

PART IV 30

RENT REVIEWS..... 30

PART V38

GUARANTEE AND INDEMNITY 38

PRESCRIBED CLAUSES¹²³⁴⁵⁶⁷

LR1. Date of lease

LR2. Title number(s)

LR2.1 Landlord's title number(s)⁸

LR2.2 Other title numbers⁹

LR3. Parties to this lease¹⁰

Landlord

Tenant

Other parties¹¹

LR4. Property¹²

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.

LR5. Prescribed statements etc.¹³

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

¹ All words in italicised text and inapplicable alternative wording in a clause may be omitted or deleted. TM preference is for them to remaining the document but marked as "None" or "Not Applicable"

² Clause LR13 may be omitted or deleted.

³ Clause LR14 may be omitted or deleted where the Tenant is one person.

⁴ Otherwise, do not omit or delete any words in bold text unless italicised.

⁵ Side-headings may appear as headings if this is preferred.

⁶ Vertical or horizontal lines, or both, may be omitted

⁷ Remember to add the list of prescribed clauses to the contents page

⁸ Title number(s) out of which this lease is granted. Leave blank if not registered.

⁹ Existing title number(s) against which entries of matters referred to in LR9, LR10, LR11 and LR13 are to be made.

¹⁰ Give full names, addresses and company's registered number, if any, of each of the parties. For Scottish companies use a SC prefix and for limited liability partnerships use an OC prefix. For foreign companies give territory in which incorporated.

¹¹ Specify capacity of each party, for example "management company", "guarantor", etc. Insert "None" if not applicable

¹² Insert a full description of the land being leased or Refer to the clause, schedule or paragraph of a schedule in this lease in which the land being leased is more fully described. Where there is a letting of part of a registered title, a plan must be attached to this lease and any floor levels must be specified.

LR5.2 This lease is made under, or by reference to, provisions of:
Leasehold Reform Act 1967

Housing Act 1985

Housing Act 1988

Housing Act 1996

LR6. Term for which the Property is leased¹⁴ From and including

To and including

OR

The term as specified in this lease at clause/schedule/paragraph

OR

The term is as follows:

LR7. Premium¹⁵

LR8. Prohibitions or restrictions on disposing of this lease¹⁶ This lease does not contain a provision that prohibits or restricts dispositions.

OR

This lease contains a provision that prohibits or restricts dispositions.

LR9. Rights of acquisition etc.¹⁷

LR9.1 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

¹³ If this lease includes a statement falling within LR5.1, insert under that sub-clause the relevant statement or refer to the clause, schedule or paragraph of a schedule in this lease which contains the statement. b In LR5.2, omit or delete those Acts which do not apply to this lease.

¹⁴ Include only the appropriate statement (duly completed) from the three options.

NOTE: The information you provide, or refer to, here will be used as part of the particulars to identify the lease under rule 6 of the Land Registration Rules 2003.

¹⁵ Specify the total premium, inclusive of any VAT where payable.

¹⁶ Include whichever of the two statements is appropriate. Do not set out here the wording of the provision.

¹⁷ Insert the relevant provisions in the sub-clauses or refer to the clause, schedule or paragraph of a schedule in this lease which contains the provisions.

LR9.2 Tenant's covenant to (or offer to) surrender this lease

LR9.3 Landlord's contractual rights to acquire this lease

LR10. Restrictive covenants given in this lease by the Landlord in respect of land other than the Property¹⁸

LR11. Easements¹⁹

LR11.1 Easements granted by this lease for the benefit of the Property

LR11.2 Easements granted or reserved by this lease over the Property for the benefit of other property

LR12. Estate rentcharge burdening the Property²⁰

LR13. Application for standard form of restriction²¹

The Parties to this lease apply to enter the following standard form of restriction [against the title of the Property] *or* [against title number []]

LR14. Declaration of trust where there is more than one person comprising the Tenant²²

The Tenant is more than one person. They are to hold the Property on trust for themselves as joint tenants

OR

The Tenant is more than one person. They are to hold the Property on trust for themselves as tenants in common in equal shares

¹⁸ *Insert the relevant provisions or refer to the clause, schedule or paragraph of a schedule in this lease which contains the provisions.*

¹⁹ *Refer here only to the clause, schedule or paragraph of a schedule in this lease which sets out the easements.*

²⁰ *Refer here only to the clause, schedule or paragraph of a schedule in this lease which sets out the rentcharge.*

²¹ *Set out the full text of the standard form of restriction and the title against which it is to be entered. If you wish to apply for more than one standard form of restriction use this clause to apply for each of them, state who is applying against which title and set out the full text of the restriction you are applying for. Standard forms of restriction are set out in Schedule 4 to the Land Registration Rules 2003*

²² *If the Tenant is one person, omit or delete all the alternative statements.*

If the Tenant is more than one person, complete this clause by omitting or deleting all inapplicable alternative statements.

OR

The Tenant is more than one person. They are to hold the Property on trust *Complete as necessary*.

LEASE

between

[**THE SECRETARY OF STATE FOR ENVIRONMENT, FOOD AND RURAL AFFAIRS**, of Nobel House, 17 Smith Square, London, SW1P 3JR c/o Forestry Commission, 231 Corstorphine Road, Edinburgh EH12 7AT]

[**THE NATIONAL ASSEMBLY FOR WALES** care of Forestry Commission Wales, Victoria House, Victoria Terrace, Aberystwyth, Ceredigion, SY23 2 DQ c/o Forestry Commission, 231 Corstorphine Road, Edinburgh EH12 7AT]

(hereinafter called "the Landlords") of the first part

and

FOREST HOLIDAYS LLP (registered as a Limited Liability Partnership in England and Wales under the Limited Liability Partnerships Act 2000 under registration number OC318816) and having its registered office at Greenfields House, Westwood Way, Coventry, CV4 8JH (hereinafter called "the Tenants") of the second part

IT IS CONTRACTED AND AGREED between the Landlords and the Tenants as follows:

1 **Definitions**

1.1 In this lease unless the context otherwise requires the following expressions shall have the following meanings :

- a) "**Agreed Form**" means in relation to any document the form of that document initialled for the purposes of identification by or on behalf of the parties thereto;
- b) "**Access Roads**" means the roadways coloured blue on the Plan
- c) "**Ancillary Services**" means the provision of services (whether from the Property or otherwise and whether directly or through franchised operations

(subject always to the terms of Clause 23 of Part III of the Schedule)) to short term occupiers of the holiday accommodation or pitches on the Property, which services are operated so as to form part of a holiday experience, such as food and other shops, and recreational services (such as bicycle hire and boating);

- d) **“Archaeological Finds”** means antiquities, fossils and other remains of archaeological interest including without limitation items covered by the Treasure Act 1996;
- e) **“Business”** means (A) the sale including by way of long lease and/or hiring out of cabins or other units of holiday accommodation for holidays or similar purposes together with the provision of such of the Ancillary Services as the Tenants may determine and are approved in advance by the Landlords (such approval not to be unreasonably withheld or a decision thereon unreasonably delayed) and/or (B) the hiring of pitches for tents, caravans (including holiday homes), cabins and motor-homes for short-term holidays, together with (i) the provision of such of the Ancillary Services as the Tenants may determine and are approved in advance by the Landlords (such approval not to be unreasonably withheld or a decision thereon unreasonably delayed) and (C) the hiring of caravans (including holiday homes) and motor-homes or other similar types of holiday accommodation for use on the Property;
- f) **“Certified Timber”** means timber that is certified by an internationally recognised forestry organisation or body of equivalent standing to the Forest Stewardship Council as having come from a sustainable source;
- g) **“FC”** means the Forestry Commission constituted under the Forestry Acts 1919 to 1967 (as amended by the Forestry Acts 1979 and 1981) with offices at 231 Corstorphine Road, Edinburgh EH12 7AT;
- h) **“Framework Agreement”** means the agreement[(s)] dated 2006 made between [(1) FC and (2) the Tenants [and *detail Scottish Agreement*]] in relation to, *inter alia*, the ongoing management of the Business;
- i) **“Insolvency Event”** means the occurrence of any of the following events;
 - 1) the Tenants are unable to pay their debts (within the meaning of Section 123(1) of the Insolvency Act 1986 unless in the case of Section 123(1)(a) any such demand is presented on manifestly frivolous vexatious or genuinely disputed grounds) or have any voluntary arrangement proposed in relation to them under Section 1 of that Act or enter into any scheme or arrangement (other than for the purpose of reconstruction or amalgamation upon terms and within such period as may previously have been approved in writing by the Landlords, such approval not to be unreasonably withheld or delayed);

- 2) the Tenants have a receiver (which expression shall include an administrative receiver within the meaning of Section 251 of the Insolvency Act 1986) appointed over the whole or any material part of its assets or undertaking;
 - 3) the Tenants have an administration order under Section 8 of the Insolvency Act 1986 made in relation to them;
 - 4) the Tenants become insolvent or make any assignment for the benefit of their creditors or enter into an agreement or make any arrangement with creditors for the liquidation of the debts of the Tenants by composition or otherwise;
 - 5) the Tenants pass any resolution for winding-up other than a resolution previously approved in writing by the Landlords;
 - 6) the Tenants become subject to an order for winding-up by a court of competent jurisdiction; or
 - 7) any event occurs or proceeding is taken with respect to the Tenants in any jurisdiction which has an effect equivalent or similar to any of the events described in paragraphs (1) to (6) above;
- j) **"Insured Risks"** means those risks against which the Tenants have effected insurance in accordance with Clause 2 of Part III of the Schedule;
- k) **"Landlords"** includes all persons deriving title from the Landlords;
- l) **"Notifiable Event"** means:
- i) the spilling, deposit or release on or from the Property of any noxious substance or vapour in a quantity which would cause serious damage to or pollution of the environment or serious damage to property or serious harm to human health;
 - ii) the occurrence of any incident on the Property involving serious personal injury to any person or the death of any person; and
 - iii) the occurrence of any uncontrolled fire on the Property; and
 - iv) any unlawful incursion or trespass on the Property (other than one which has been previously approved in writing by the Landlord) by groups of people, or the occurrence of organised public activity or antisocial behaviour of any significant size or scale on the Property.
- m) **"Perpetuity Period"** means eighty years from the date of this lease
- n) **"Plan"** means the plan annexed hereto

- o) "**Planning Acts**" means the Town and Country Planning Act 1990, and The Planning (Listed Building and Conservation Areas) Act 1990 and the Planning (Hazardous Substances) Act 1990 and the Planning (Consequential Provisions) Act 1990 and any future legislation of a similar nature;
- p) "**Property**" means the property described in Part I(A) of the Schedule.
- q) "**Reserved Rights**" means those rights and others specified in Part II of the Schedule;
- r) "**Retained Land**" means the land (if any) shown edged in grey on the Plan
- s) "**Rights**" means the rights granted by the Landlords to the Tenants described in Part 1(B) of the Schedule;
- t) "**RPI**" means the Retail Price Index as published from time to time in Table 18.2 of the Monthly Digest of Statistics "Retail Price Index – all items other than mortgage interest payments and depreciation" published by the Office of National Statistics or such index in such journal as shall replace such table and in the event that rebasing of RPI occurs, the parties shall meet and agree the consequential changes (if any) which are required to be made to this lease (and in default of agreement the matter shall be referred for determination on the application of either party to the amicable and final decision of an Arbitrator to be appointed by the parties, or, in the event of their being unable to agree on such appointment, by the President of the Law Society of England and Wales for the time being and the costs and expenses of such arbitration shall be shared equally between the parties and the parties shall bear their own costs unless otherwise directed in either case by the Arbitrator.
- u) "**Schedule**" means the Schedule annexed and executed as relative hereto the terms of which shall be deemed to form part of this lease;
- v) "**Service Systems**" means the pumps, valves, man-holes, meters, connections, channels, septic tanks, water courses, holding tanks, drains, sewers, pipes, wires and cables or other conducting media in, on, over, under or passing through or otherwise exclusively serving the Property or any part thereof and all plant and equipment relative thereto and any building or structure exclusively housing the same whether situated on the Property, the Retained Land or any adjoining or neighbouring land;
- w) "**SSSI/SAC Management Plan**" means (where any part of the Property falls within a Site of Special Scientific Interest designated pursuant to the Wildlife and Countryside Act 1981 as amended or a Special Area of Conservation designated pursuant to the Conservation (Natural Habitats, &c.) Regulations, 1992) any plan developed by the FC and approved by English Nature/ the Countryside Council for Wales from time to time for the management of such site;

- x) **"Specified Rate"** means the rate of four per centum per annum above the Bank of Scotland base lending rate for the time being in force declaring that in the event of there ceasing to be a Bank of Scotland base lending rate there shall be substituted therefor such base rate as shall be a generally accepted base rate at the time as the same shall be determined by the Landlords;
 - y) **"Tenants"** includes their permitted successors and assignees and if this lease shall at any time be vested in more than one person as tenants such expression shall include each of them and the liability of each such person under any obligation on the part of the Tenants in this lease shall be joint and several;
 - z) **"Tenants' Obligations"** means those conditions, obligations and others specified in Part III of the Schedule;
 - aa) **"Term"** means the term of years granted by this lease and any continuation of the same;
 - bb) **"Third Party Rights"** means all rights, covenants and restrictions affecting the Property as more particularly described in Part 1(C) of the Schedule;
 - cc) **"VAT"** means Value Added Tax as provided for in the Value Added Tax Act 1994 and shall include any tax of a similar nature imposed in substitution for or in addition to Value Added Tax; and
 - dd) **"Works"** means the replacement, renewal or rebuilding of buildings, electrical hook-ups, toilet and shower blocks, cabins and other erections on the Property, all alterations or additions thereto, including fitting out, improvements, annexing to adjoining subjects and/or any erection of new buildings (whether temporary or permanent), and/or civil engineering works, or changing the layout, design, appearance or architectural features of the Property or buildings, cabins and other erections on the Property or the Service Systems and all removals and demolitions thereof but does not include routine maintenance of such buildings or apparatus as may from time to time be on or about the Property.
- 1.2 Any reference to land buildings property or premises shall as the context requires include reference to each and every part of the same.
- 1.3 Any reference to trees refers to trees of such size and maturity as to require a felling licence under any applicable legislation (including local byelaws if relevant).
- 1.4 Any reference to an enactment (whether generally or specifically) shall be construed as a reference to that enactment as amended, extended, re-enacted or applied by or under any other enactment and shall include all instruments, orders, plans, regulations, bye-laws, permissions and directions and others made or intended thereunder or deriving validity therefrom.

- 1.5 Words or expressions importing the singular number shall include the plural number and vice versa and words importing persons shall include companies and corporations and vice versa.
- 1.6 Words or expressions importing the masculine gender shall include the feminine gender and vice versa; and words or expressions importing the neuter gender only shall include the masculine and feminine genders and vice versa.
- 1.7 The index and marginal headings herein are inserted for convenience of reference only and are not deemed to form part of these presents nor shall they affect the construction thereof.
- 1.8 If at any time the Tenants hereunder shall be a firm the obligations undertaken by the Tenants under this lease shall be binding upon such firm and upon any other firm or person who takes over or becomes entitled to take over the assets of the firm during the period of this lease and upon all persons who are or become partners of such firm or such other firm at any time during the period of this lease and the respective executors and representatives of all such partners and persons and in all cases jointly and severally and notwithstanding that any such partner or person dies or ceases for any reason to be a partner of such firm or such other firm. However if any person who by virtue of his being a partner is bound to implement the Tenant's obligations then on such person ceasing to be a partner, whether by death, retirement or otherwise, the Landlords shall on request release such person and his or her personal representatives from all Tenant obligations arising under this lease subsequent to the date of his ceasing to be a partner or (if later) the date of such request provided it is established to the Landlords' reasonable satisfaction that such release does not prejudicially affect the strength of the Tenant's covenant and its ability to perform the Tenant's obligations in this lease.

2 **Demise and Duration**

The Landlords in consideration of the rent and the covenants contained in this lease hereby [with full title guarantee] let the Property to the Tenants together with the Rights but reserving to the Landlords and all others for the time being authorised by them or otherwise entitled thereto the Reserved Rights and subject to the Third Party Rights for the period of years from and including _____ (hereinafter called "the Term Commencement Date").

3 **Tenants' Obligations**

The Tenants covenant:

- 3.1 to observe and perform the Tenants' Obligations; and
- 3.2 to pay to the Landlords:

a) Rent

without any written demand therefor the yearly rent of [] (£[]) or such greater sum as may be substituted therefor in accordance with the provisions of Part IV of the Schedule ("the Base Rent") and in addition thereto the Turnover Rent calculated and payable in accordance with Part IV D of the Schedule, if the Landlords have opted or in future so opt or if otherwise this becomes payable by law, also to pay VAT thereon at the standard rate (or, if at any time in the future the standard rate shall no longer apply to rents, such rate as shall then be applicable) appertaining for the time being, payable without any deductions whatsoever by two equal half-yearly payments in advance on 1st April and 1st October in each year (each of which dates is hereinafter in this lease referred to as a "Rent Payment Day") the first of such payments becoming due and payable on the Term Commencement Date being a proportionate payment for the period from and including that date to the Rent Payment Day next occurring thereafter and the next payment at the said Rent Payment Day for the succeeding half year and so forth half yearly and proportionately thereafter during the whole currency hereof; and

b) Interest

on demand interest at the Specified Rate on any sum of money payable under this lease which shall have become more than 14 days overdue from the date upon which the same became due until payment thereof (as well after as before any decree or judgement);

Provided that:

- 3.3 nothing in this Clause contained shall entitle the Tenants to withhold or delay any payment of rent after the relevant Rent Payment Day;
- 3.4 the acceptance of or demand for rent by or on behalf of the Landlords with knowledge of a breach of any of the obligations on the part of the Tenants herein contained shall not be deemed to be a waiver by the Landlords of any such breach or to imply any agreement by the Landlords to waive any such breach and acceptance by the Landlords of part payment of rent and any other sum due by the Tenants to the Landlords shall not be deemed to be acceptance of the whole of such rent or other payment and the Tenants shall not in any proceedings be entitled to rely on any such acceptance or demand; and
- 3.5 all sums (other than rents) which under any provision of this lease or the Schedule may become payable by the Tenants to the Landlords shall be recoverable by the Landlords as if such sums were rent in arrear and such sums shall include in every case where applicable an additional sum in respect of VAT at the rate applicable thereto and appertaining for the time being.

4 Landlord's Obligations

- 4.1 The Landlords covenant with the Tenants that so long as the Tenants pay the rents reserved by and comply with their obligations in this lease the Tenants shall have quiet enjoyment of the Property without any lawful interruption by the Landlords or any person claiming through or under the Landlords.
- 4.2 The Landlords covenant with the Tenants that if and to the extent the Landlords or others connect into any Service Systems and/or make use of any Access Roads and/or exercise any rights of way reserved across the Property in Part II of the Schedule the Landlords will (and will use all reasonable endeavours to require that other persons authorised or permitted by them doing so will):-
- a) pay to the Tenants on demand a fair and equitable proportion according to use of the costs incurred by the Tenants in maintaining and repairing such facilities (save where such rights are exercised only in an occasional manner) but in respect of any rights of way such contribution shall be limited to a proportion of the cost of maintaining any roads or ways only to the standard applicable from time to time to that of a waterbound stone surface road, regardless of the actual surface of such roads or ways;
 - b) not cause any damage to or obstruct such facilities;
 - c) not exercise any such rights in or such a manner as to prevent or prejudice the use of those facilities by the Tenants or anyone entitled to do so or in such a manner as to cause unreasonable disruption to the Business.

5 Exclusion of Landlords' Liability

- 5.1 So far as permitted by law the Landlords shall not be liable to the Tenants or any sub-tenant, servant, agent, licensee or invitee of the Tenants or other person occupying or on the Property or any part thereof or calling upon the Tenants or such other persons as aforesaid for any accident, happening or injury suffered by any person in or in the vicinity of the Property or any part thereof or damage to or loss of any furnishings and/or stock or other property in the Property or for the temporary deprivation of the occupancy of the Property;
- 5.2 The Landlords shall not be liable to the Tenants or any sub-tenant or others as aforesaid nor shall the Tenants or any sub-tenant or others as aforesaid have any claim against the Landlords in respect of the bursting, leaking or failure of oil, gas, water or soil pipes or the choking, stoppage or overflow thereof or of the public sewers, drains, gutters, downpipes or conductors or failure, fusing or breakdown of the electricity supply or any appliance or from any other cause or source whatever.
- 5.3 nothing contained in this lease or in any consent or approval granted by the Landlords under this lease shall be deemed to constitute any warranty by the Landlords that the Property or any part thereof is fit for any of the Tenants' purposes under this lease nor that the Property or any part thereof is authorised for use under the Planning Acts or otherwise for any specific purpose and the Tenants hereby acknowledge that the Landlords have not given or made any representation or warranty that the use

authorised by this lease is or will be a permitted use under the Planning Acts and the Tenants shall remain fully bound and liable to the Landlords in respect of the Tenants' obligations under this lease without any compensation, recompense or relief of any kind whatsoever.

6 Condition for Re-Entry

The Landlords may re-enter the Property at any time after any of the following occurs

- 6.1 the Rent or other payments stipulated for in this lease or any part or parts thereof shall be unpaid for 14 days after they have become due (whether legally demanded or not), or
- 6.2 default shall be made in the performance or observance of any of the other obligations, conditions or agreements on the part of the Tenants contained in this lease, or
- 6.3 an Insolvency Event occurs; or
- 6.4 (whilst this lease remains vested in its original tenant Forest Holidays LLP but not once it has been the subject of a permitted assignment) any two other leases entered into by Forest Holidays LLP and/or by Forest Holidays (Scotland) LLP and to which the Framework Agreement applies at the relevant time are forfeited within a ten year period as a result of the default of Forest Holidays LLP or Forest Holidays (Scotland) LLP (as the case may be) in the performance or observance of any of the obligations, conditions or agreements under the relevant lease and such leases are not within two months thereafter replaced or reinstated by agreement between the relevant landlords and tenants or by reason of relief from such forfeiture having been obtained;

If the Landlords re-enter the Property pursuant to this clause this lease shall immediately end but without prejudice to any right or remedy of the Landlords in respect of any breach of covenant by the Tenants.

7 No Implied Easements

Nothing contained in this lease shall by implication of law or otherwise operate to confer on the Tenants any easement right or privilege whatsoever over or against any adjoining or other property belonging to the Landlords other than the Rights which might restrict or prejudicially affect the future rebuilding, alteration or development of such adjoining or other property nor shall the Tenants be entitled to compensation for any damage or disturbance caused or suffered thereby nor shall the Tenants make or permit to be made any objection to or claim in respect of any works of construction, building, alteration, addition or repair carried out upon any land or property adjoining or near any part of the Property by the Landlords or any person authorised by the Landlords PROVIDED ALWAYS that any such works shall be carried out with as little interference to the Tenants as reasonably possible and the Landlords shall make good all damage thereby occasioned to the Property.

8 Lease to continue

This lease shall continue notwithstanding damage to or the destruction of the Property or any part or parts thereof from any cause and the rent payable hereunder shall continue to be payable by the Tenants.

9 Consents

9.1 Where under any provisions of this lease the consent or approval of the Landlords is required:

- a) such consent or approval shall be in writing;
- b) insofar as may be permitted by law the Landlords shall be deemed to be acting reasonably in withholding such consent or approval or making such consent subject to compliance by the Tenants with any conditions imposed by the Landlords if the Landlords reasonably consider that the interests of estate management so require;
- c) any such consent or approval granted shall be without prejudice to the Tenants' Obligations.
- d) the giving of any such consent or approval shall not imply that any consent or approval required from a third party has been obtained nor shall it obviate the need to obtain any consent or approval from a third party but in those circumstances the Landlords will (at the Tenant's request and cost) use reasonable endeavours to obtain any other necessary consents or to assist the Tenant in doing so.

9.2 Where under any provisions of this lease any matter is stated to be to the satisfaction of the Landlords without any further qualification the Landlords shall have absolute discretion in determining whether or not such matter is to their satisfaction.

10 Notices

Any notice, intimation, request or consent under this lease shall be in writing. Any notice to the Tenants (if a body corporate including a limited liability partnership) shall be sufficiently served if sent by Recorded Delivery Post to or left at the Registered Office of the Tenants and (if the Tenants shall be an individual or individuals or a firm) shall be sufficiently served if sent by Recorded Delivery Post to or left at his or their respective last known address or addresses in Great Britain or Ireland. Any notice to the Landlords shall be sufficiently served if sent by Recorded Delivery Post to or left at the Registered Office of the Landlords or the office or principal office of the managing agents (if any) of the Landlords (and for so long as the Forestry Commission are charged with administering the Property on behalf of the Landlords, notices shall be validly served if served c/o the Secretary to the Forestry Commissioners at 231 Corstorphine Road, Edinburgh, EH12 7AT or such other address as may be notified in writing for the purposes of this clause) and (if the Landlords at any time shall be an individual or individuals or a firm) shall be sufficiently served if sent to or left at his or their last known address in Great Britain or Ireland or the office or principal office of the managing agents (if any) of the Landlords. Any notice sent by First Class Recorded

Delivery shall be deemed to have been duly served at the expiry of forty eight hours after the time of posting. In proving service it shall be sufficient to prove that the envelope containing the notice was duly addressed to the Tenants or the Landlords (as the case may be) in accordance with this Clause and posted to or left at the place to which it was so addressed.

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

A person who is not a party to this lease shall not have any rights under or in connection with this lease by virtue of the Contracts (Rights of Third Parties) Act 1999.

12 **Landlord and Tenant (Covenants) Act 1995**

This lease creates a new tenancy for the purposes of the Landlord and Tenant (Covenants) Act 1995.

13 **Governing Law**

This lease shall be governed by and construed in accordance with the law of England and any dispute, difference or question of any kind which may arise between the parties shall be determined in accordance with the law of England.

14 **Registration**

Promptly following the grant of this lease, the Tenants shall apply to register this lease at HM Land Registry. The Tenants shall pay all relevant fees and use all reasonable endeavours to ensure that any requisitions raised by HM Land Registry in connection with that application are dealt with promptly and properly. Within one month after completion of the registration, the Tenants shall send the Landlords official copies of their title.

This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

SCHEDULE

PART I(A)

THE PROPERTY

The land extending to approximately [] hectares known as [] [*insert name of campsite*] as edged in green on the Plan and there shall be included in the expression "the Property":

- 1 all permitted additions, alterations and improvements (except tenants' and trade fittings and fixtures which for the avoidance of doubt include any caravans or similar property which is capable of removal without significant damage to the Property and which is from time to time on or about the Property) hereafter made on or about the Property;

- 2 all Landlords' fixtures and fittings within the Property (including all if any floor coverings, light fittings and sanitary fittings, if any, provided by the Landlords); and
- 3 the Service Systems.

PART 1(B)

RIGHTS

- 1 The Property is demised with the following rights granted in common with the Landlords and other occupiers of the Retained Land or any adjoining or neighbouring land and subject always to the Tenants complying with their obligations in to Clauses 8, 9, 11 and 25 of Part III of the Schedule to the extent applicable to the rights hereby granted and subject in each case to such rights being granted only to the extent if any that the subject of such rights (a) where they comprise roadways, are not existing public highways, and (b) where they comprise the right to use Service Systems or any part thereof, are not comprised within existing mains services or supplies and declaring that the Landlords give no warranty or guarantee as to the quantity, quality or adequacy of any water, drainage or other supplies or services:

1.1

[use of Services and Access Roads; right as discussed at the property meeting to install and maintain a sign approved by the Landlords (acting reasonably) at the far end of the Access Road from the Property; any site specific issues]

- 2 The Property is demised with the further right to enter unbuilt parts of the Retained Land (with such workmen and materials as are appropriate) on reasonable prior notice to the Landlords (except in the case of an emergency);

2.1 to replace, repair, maintain, alter, renew and if necessary to upgrade the Access Roads and the Service Systems **[and other facilities as mentioned in Sections 1 and 2 if appropriate];** and

2.2 with the prior consent of the Landlord (not unreasonably to be withheld or delayed so long as the Tenants can demonstrate that all necessary third party consents or approvals have been or will be obtained and will be complied with and that such proposals will not materially damage the value or the amenity of the Retained Land) to install new or additional or replacement service media (of such type and nature as may be previously approved in writing by the landlords) for the sole benefit of and exclusive use and amenity of the Property in accordance with this lease along the same route or routes as are currently used or such other route as has previously been agreed in

writing with the Landlords (acting reasonably and without undue delay in all cases)

in all cases subject to the Tenants taking all reasonable steps to mitigate any damage or disruption to the Retained Land and putting right any damage actually caused and complying throughout with all of the Tenants Obligations which relate to such works;

- 3 Neither the grant of this lease nor anything in it confers any right over neighbouring property nor is to be taken to show that the Tenant may have any right over neighbouring property, and section 62 of the Law of Property Act 1925 does not apply to this lease.

PART 1(C)

THIRD PARTY RIGHTS

The Property is demised subject to:

- 1 The rights, covenants and restrictions contained in the following documents so far as they relate to the Property and are still enforceable:

	<u>Date</u>	<u>Document</u>	<u>Parties</u>
2		[Any specific rights enjoyed by third parties but not documented, eg a right of way agreed informally etc, specifying the nature and extent of the right and which land benefits from it, including rights over the brown land];	

PART II

RESERVED RIGHTS

1 There are reserved to the Landlords for the benefit of the Retained Land and to the tenants or occupiers of any adjoining or neighbouring property now or at any time hereafter belonging or let to the Landlords and to their respective servants, agents and workmen and all other persons authorised by them respectively:

1.1 Passage of Utilities

all existing and implied rights to free passage and use of, water, soil, gas and electricity and other services in and through the Service Systems;

1.2 Entry for Repair and Forest Management

the right to enter upon or pass through unbuilt parts of the Property with all necessary appliances at all reasonable times (upon reasonable notice except in the case of emergency) for all necessary forest management purposes including without limitation, for the purposes of implementing any Forest Design Plan and for the purpose of inspecting, cleaning, repairing or renewing any part of the Retained Land or adjoining or neighbouring property (including without prejudice to the foregoing generality any such part which is common or mutual with the Property) where such purposes cannot reasonably be fulfilled without entering the Property and any part of the Service Systems;

1.3 To Alter etc. the Adjoining Property

the right at any time to build, rebuild or make alterations or carry out other works upon any part of the Retained Land and adjoining or neighbouring property and to erect, place or attach any necessary scaffolding, ladders or other equipment to any part of the Property and for such purpose to have all necessary rights of access to the Property in connection therewith;

1.4 New Connections to the Service Systems

With the prior consent of the Tenants (not unreasonably to be withheld or delayed so long as the landlord can demonstrate that all necessary third party consents or approvals have been or will be obtained and that such proposals will not materially damage the value or the amenity of the Property by utilising the capacity of the Service

Systems so as to materially prejudice the current operation or planned (and permitted) development of the Business) to make new connections with and make use of the Service Systems (above and beyond the use permitted at 1.1 and 1.2 above) for the benefit of the Retained Land or other nearby or adjacent premises now or hereafter owned or let to the Landlords and to have access to the Property on reasonable prior notice (except in an emergency) with such workmen and materials as are necessary for these purposes;

1.5 New Service Media

With the prior consent of the Tenants (not unreasonably to be withheld or delayed so long as the Landlords can demonstrate that all necessary third party consents or approvals have been or will be obtained and will be complied with and that such proposals will not materially damage the value or the amenity of the Property) to install new or additional or replacement service media (of such type and nature as may be previously approved in writing by the Tenants) for the sole benefit of and exclusive use and amenity of the Retained Land or other nearby or adjacent premises now or hereafter owned or let to the Landlords along the same route or routes as are currently used or such other route as has previously been approved in writing by the Tenants such approval not to be unreasonably withheld or delayed;

1.6 Use of Common or Mutual Walls

the right to take into use all common or mutual walls and to build upon, connect with or otherwise use the same; and

1.7 [Right of Way

a right of way at all times and for all purposes with and without vehicles over that part of the Property shown coloured brown on the Plan subject to the right for the Tenants (with the prior consent of the Landlords which will not unreasonably be withheld or delayed) to vary the route of such right of way so long as the replacement right of way is not materially less convenient to the Landlords or other users of this right than the route shown coloured brown on the Plan]

[In those leases where it is relevant]

The Landlords and others as aforesaid shall be entitled to exercise the foregoing rights notwithstanding that any privilege or amenity for the time being pertaining to or enjoyed by the Property may be thereby interrupted or interfered with or that the Tenants might, but for this stipulation, have been entitled to object on any other grounds, provided always that the Landlords or

others in the exercise of the powers reserved to them by this Clause shall make good or procure that there shall be made good all material damage thereby occasioned to the Property and such reserved powers shall be exercised in such manner as to cause as little interference as is reasonably possible to the business of the Tenants.

2 There are reserved to the Landlords the right:

2.1 Miscellaneous Rights of Entry etc.

to enter upon the Property or any part thereof on reasonable prior notice (except in case of emergency) with or without workmen and others for any of the following purposes:

- a) to examine the state and condition of the Property and all defects and wants of repair thereof and to give notice in accordance with Clause 10 of this lease requiring the Tenants to repair and make good the same within such reasonable time as shall be specified in such notice;
- b) without prejudice to the right of re-entry contained in Clause 6 of this lease to amend any defects and execute any repairs and works which the Tenants shall have failed to do within the time specified in the said notice (or immediately in case of emergency) (or such other period as is reasonably appropriate having regard to the extent of the work required) and notwithstanding that the carrying out of such works may cause obstruction, annoyance or inconvenience to the Tenants or any sub-tenant and to recover from the Tenants the cost thereof (including any surveyors' or other professional fees incurred and VAT thereon) such cost being on demand repaid by the Tenants to the Landlords and if not so paid being recoverable by the Landlords with interest thereon at the Specified Rate from the date or dates of payment by the Landlords;
- c) to ascertain whether any unauthorised Works have been carried out to the Property and also whether any Works authorised by the Landlords pursuant to any provision of this lease have been carried out in accordance with the consent given by the Landlords and the requirements of the competent Planning Authority and any other relevant body;
- d) to take inventories of the Landlords' fittings and fixtures in and upon the Property; and

- e) for any other purpose connected with the interest of the Landlords in the Property or the Retained Land or their disposal or lease.

The Landlords and others as aforesaid shall be entitled to exercise the foregoing rights notwithstanding that any privilege or amenity for the time being pertaining to or enjoyed by the Property may be thereby interrupted or interfered with or that the Tenants might, but for this stipulation, have been entitled to object on any other grounds, provided always that the Landlords or others exercising the powers reserved to them by this Clause shall make good or procure that there shall be made good all material damage thereby occasioned to the Property and such reserved powers shall be exercised in such manner as to cause as little interference as is reasonably possible to the business of the Tenants.

- 3 All fishing, sporting, shooting and stalking rights (including stalking of deer) appurtenant to the Property are reserved to the Landlords. The Landlords will not exercise their reserved sporting rights during the Lease Term but may exercise (or authorise or permit third parties to exercise) their reserved fishing rights at all reasonable times and in any reasonable manner.
- 4 The minerals are reserved to the Landlords.

PART III

TENANTS' OBLIGATIONS

1 To Pay rent and other sums

To pay the rent and other payments herein stipulated for at the times and in the manner provided in this lease. If the Landlords shall so require each payment of rent due under this lease shall be made by a banker's standing order in favour of such bank account as the Landlords may direct in writing or in such other manner as the Landlords may from time to time direct in writing. In such event the Tenants shall not, without the prior written consent of the Landlords, vary, amend or cancel any banker's order form completed by them in pursuance of this provision.

2 To Insure

2.1 To insure and keep insured at all times throughout the term of this lease except to the extent that any such insurance shall be vitiated by an act or default of the Landlords or of any person acting under the direction of or as agent or representative of the Landlords with a reputable United Kingdom insurance company:

- a) The Property (and all buildings on or forming part of the Property) in the full reinstatement value thereof against loss or damage by fire, aircraft, explosion, riot and civil commotion, malicious damage, earthquake, storm or tempest, bursting or overflowing of water tanks, apparatus or pipes, flood, impact and such other risks as the Landlords or the Tenants may from time to time consider appropriate (subject in the case of each such specified peril to insurance being available from time to time in the United Kingdom insurance market on reasonable commercial rates and terms) together with an amount in respect of architects', engineers', surveyors' and other professional fees and expenses and the cost of temporary hoarding and other temporary work, removal of debris, dismantling or demolishing and fencing and shoring up or propping and site clearance;
- b) such of the Service Systems as the Landlords or the Tenants may deem appropriate against explosion, mechanical and electrical breakdown, third party and such other risks and in such amount as the Landlords or the Tenants shall from time to time deem fit; and

- c) against public liability, employers' liability, property owners' and third party liability in such sums as the Landlords shall reasonably require.

There shall be added to all sums referred to in this Clause 2.1 the amount of any irrecoverable VAT thereon.

- 2.2 To procure that the insurance policy effected by them notes the interest of the Landlords in the Property and contains confirmation from the insurers that they will notify the Landlords in the event that the Tenants fail to pay the premium by the due date and that insurance coverage will remain in effect for a period of not less than 20 working days thereafter to enable the Landlords to pay the relevant outstanding amount.
- 2.3 To pay or procure the payment of all premiums and other money necessary to effect and maintain all insurances required by Clause 2.1 from time to time.
- 2.4 To procure that there is carried out by an appropriately qualified chartered surveyor full insurance valuations at least once in every three years and to provide to the Landlords copies of such valuations.

3 Reinstatement

- 3.1 Save to the extent that any such insurance may be vitiated or payment refused in whole or part because of an act or default of the Landlords or any contractor agent or employee of the Landlords in the event of destruction of or damage to the Property by any of the Insured Risks to rebuild and reinstate the Property and all buildings forming part of the Property or the relevant part or parts thereof or as the case may be with all reasonable speed (making good any shortfall in the insurance proceeds out of the Tenants' own money except to the extent the shortfall is attributable to an act or default of the Landlords or any contractor agent or employee of the Landlords) making good such of the Service Systems as shall have been so damaged or destroyed.
- 3.2 To carry out any reinstatement works under the above clause 3.1 expeditiously and in a good and workmanlike manner using good quality and suitable materials in compliance with all necessary consents and applicable codes of practice.

4 SSSI/SAC Management Plans/General Management

To implement and comply with the lawful requirements of any SSSI/SAC Management Plan encompassing the Property or any part thereof to which the Tenants are a party or of which the Tenants have received notice.

5 Outgoings

During the subsistence of this lease to pay all rates, taxes, charges, duties, levies, assessments, outgoings and impositions of whatever description whether parliamentary, regional, district, municipal, parochial, local or of any other description and whether of the nature of capital or revenue which now are or shall at any time hereafter during the currency of this lease be taxed, assessed, charged, rated or imposed upon or payable in respect of the Property or any part thereof or (whether or not recurring and whether of an existing or novel nature) and whether on the Landlords or the Tenants or the owner or occupier thereof in respect thereof (including any future such payments whether the same shall or shall not be in the nature of those now in being) excepting only taxes and assessments (other than VAT) arising in consequence of the Landlords' dealings with the Landlords' reversionary interest in the Property.

6 To Pay for Utilities

6.1 To pay to the relevant suppliers all charges for gas, sewerage, electricity, electronic communications services and water supplied to the Property and the cost and annual rent of any meter or meters supplied to the Property and to keep the Landlords indemnified against any of such liabilities;

6.2 To observe and perform at the expense of the Tenants all present and future regulations and requirements of the gas, sewerage, electricity, electronic communications services and water supply authorities and to keep the Landlords indemnified against any breach, non-observance or non-performance thereof.

7 Water Rates

If required by the Landlords where none is present at the Tenants' own cost to install a water meter to measure the water consumed within the Property and to pay and discharge any water rates which may be directly and indirectly assessed on the Property.

8 Maintenance and Repair

8.1 To repair, put, and keep in good and substantial repair and maintained to the reasonable satisfaction of the Landlords the Property (including all buildings, cabins, and erections thereon) the Access Roads (including repair maintenance and renewal of barrier gates but not so as to require the Tenants to install any gates or barriers where none exist at the date of this lease (unless required to comply with a statutory or other requirement in terms of this lease) and not so as to require the Tenants to improve any Access Roads save as necessary

for the purposes of repair) and the Service Systems (including any parts of the Service Systems located in on or under Retained Land) in each case regardless of the cause of the damage and to replace as and when necessary all Landlords' equipment, fixtures and fittings within the Property which are beyond economic repair (such replacements to be of a similar kind and quality to the items (when new) which they replace) and from time to time in the event of destruction, damage, or decay to replace, renew, or rebuild whenever necessary the Property (including all buildings, cabins and erections thereon that are not the property of the Tenants) the Access Roads and the Service Systems and each and every part thereof all to the reasonable satisfaction of the Landlords.

- 8.2 At all times to keep and maintain the Service Systems in a good and substantial condition free from obstructions and to keep clean all open drains, ditches, burns or streams as often as necessary but at least once in every three years (or such longer or shorter frequency as may from time to time be prescribed in writing by the Landlords (acting reasonably) or required in terms of the SSSI/SAC Management Plan).
- 8.3 At all times to keep and maintain (i) all roads (including the Access Roads) , tracks hardstandings, parking bays and paths (ii) all walks and paths and (iii) all children's play areas on the Property and any equipment and apparatus thereon in a safe, good and substantial condition.
- 8.4 Not to remove or fell pollard, lop or damage any tree without first obtaining the requisite felling licence from the FC (if such licence be required).
- 8.5 In the event that the Tenants have been notified that a Forest Design Plan applies to the Property, to permit the FC all necessary rights of entry and access in terms of Part II of the Schedule to implement the Forest Design Plan (as amended from time to time) and once implemented not to interfere with it.
- 8.6 Not to fell or remove more than three percent of the trees on the Property during any rolling period of 365 days without obtaining the prior written approval of the FC and without replanting (with similar species) at least as many as are felled or removed, although not necessarily in the same locations (the denominator for calculating that percentage shall be the number of trees at the beginning of the period).
- 8.7 Properly and regularly to maintain (under the supervision of a member of the Institute of Chartered Foresters) the trees on the

Property in accordance with the good operating practices which would be undertaken by a Chartered Forester.

8.8 To keep the Property clean and tidy and not to allow rubbish of any kind to accumulate on the Property.

8.9 Not to do anything which shall prejudice, jeopardise or otherwise materially adversely affect the Forest Stewardship Council certification of the Property (pursuant to the UK Woodland Standard Assurance Standard), any Retained Land and/or any forestry or/land adjacent to or adjoining the Property.

9 Maintaining exterior and interior

9.1 In the first two years of the Term of this lease and thereafter once in every three years and also in the last six months of the Term of this lease (howsoever the same may be determined) but not twice in successive years in a good and workmanlike manner all to the satisfaction of the Landlords to prepare and paint with at least two coats of good quality paint or otherwise treat all the outside wood, metal, cement, stucco and other external parts of all buildings, cabins and erections on the Property as have been previously or are usually or ought to be painted or otherwise treated and in like manner to prepare, wax and polish and otherwise maintain all the external parts of the buildings, cabins and erections on the Property which ought to be so treated and as often as in the opinion of the Landlords shall be necessary to clean the finishes by such method as shall be previously approved by the Landlords in writing and prior to the last decoration to make application to the Landlords for approval of the tints and colours proposed to be used by the Tenants (which approval shall not unreasonably be withheld or delayed).

9.2 In the first two years and thereafter once in every three years and also in the last six months of the Term of this lease (howsoever the same may be determined) but not twice in successive years in a good and workmanlike manner to paint, whiten or colour with at least two coats of good quality paint all such parts of the interior of all buildings, cabins and erections on the Property as have been previously or are usually or ought to be painted, whitened or coloured and at the same time to repaper, distemper, stain, grain, varnish and polish all such portions of the said interior have previously been or are usually or ought to be so treated provided that in the last year of this lease the tints, colours and patterns of all such works of internal decoration shall be such as shall be approved by the Landlords (such approval not unreasonably to be withheld or delayed).

10 Alterations

- 10.1 Not at any time during the Term of this lease without the previous consent in writing of the Landlords being first obtained which consent shall not be unreasonably withheld or a decision thereon unreasonably delayed nor if such consent shall be given except in accordance with plans and specifications previously submitted in duplicate to and approved by the Landlords nor except to the reasonable satisfaction of the Landlords to carry out any Works to the Property or the buildings, cabins and erections but provided that the Landlords' consent shall not be required in terms of this sub-clause in respect of any internal non-structural alterations to cabins, buildings or other erections on the Property.
- 10.2 Without prejudice to the generality of Clause 10.1 of this part of the Schedule not to construct any new building or adapt any existing building for use as a new or additional shop, restaurant, bar, public house, sports or other leisure or entertainment facility on the Property without the prior written consent of the Landlords (not unreasonably to be withheld or delayed in respect of such facilities where they are in line with the FC's sustainability policies, reasonable and appropriate to the rural setting of the Property, consistent with the operation of a holiday site in a natural woodland setting, are intended only to offer services and amenities to those who are staying at the Property and are not materially detrimental to the amenity of any Retained Land or any neighbouring area).
- 10.3 Without prejudice to the generality of Clause 11 of this Part of the Schedule, to comply at all times with the Construction (Design and Management) Regulations 1994 with regard to any Works and to ensure that on completion thereof there shall be delivered to the Landlords a complete copy of the Health and Safety file for the Property issued in respect of the Works or updated to take account thereof; if the Works are not subject to or notifiable under the Construction (Design and Management) Regulations 1994 then the Tenants shall provide to the Landlords such information as the Landlords shall reasonably require to enable them to update any existing Health and Safety file.
- 10.4 At the expense of the Tenants to remove any Works carried out without the previous consent in writing of the Landlords where this is required and at the like expense to make good all damage caused thereby, and to restore all parts of the Property affected thereby to a state of good repair and condition consistent with the Tenants' repairing obligations herein contained.
- 10.5 At the expiry or earlier termination of this lease forthwith if and when called upon to do so by the Landlords to reinstate and restore at the

cost of the Tenants the Property to the state, condition and form in which they were prior to the carrying out of any Works but only to the extent that the same may be required by the Landlords.

- 10.6 No compensation will be payable to the Tenants by the Landlords on the termination of this lease, whether on its natural expiry or otherwise, in respect of any additions, alterations or improvements or new or additional buildings or provision of fixed equipment or services provided at the Property.

11 Statutory Requirements

At the expense of the Tenants to comply with all obligations (whether relating to the Property, the Access Roads, the Service Systems or any Works thereto, the employment of persons therein, fixtures, machinery, plant or equipment thereon or the business carried on therein or otherwise) imposed by any enactment or lawfully directed or required by any local or other competent authority or Court of competent jurisdiction including without limitation any byelaws made by FC and that whether on the owner or occupier and at the expense of the Tenants to do and execute or cause to be done or executed or to join with other persons in doing or executing all such works, acts, deeds, matters and things which under or by virtue of any enactment or otherwise are or shall be properly directed or are necessary to be done or executed upon or in respect of the Property, the Access Roads, the Service Systems or any part thereof; Without prejudice to the foregoing generality to comply at all times with and to undertake all such works which may be directed or necessary to be done in pursuance of the Offices, Shops and Railway Premises Act 1963, the Fire Precautions Act 1971, the Health and Safety at Work etc. Act 1974, the Environmental Protection Act 1990 and other relevant statutes and to comply at their own expense with any other requirements of any other public authority in respect of the Property, the Access Roads, the Service Systems or the use thereof; In particular (a) to comply with current fire regulations including any rule or regulation with regard to the storage of inflammable materials which may under or in pursuance of any enactment be directed or required by any public authority or by the Landlords' insurers and (b) not to permit or suffer to be working in the Property (or on the Retained Land) at any time such number of persons as will infringe the requirements in relation to the sanitary conveniences and working facilities required by any enactment; and to indemnify the Landlords at all times against all claims, demands, fines, penalties, expenses and liabilities properly incurred by or imposed upon the Landlords or which the Landlords may become liable to pay whether during this lease or afterwards in consequence of anything done or omitted or suffered to be done or omitted by the Tenants on or about the Property or the Retained Land.

12 Fire

To take all reasonable precautions to prevent an outbreak of fire as a result of the use and occupation of the Property or the exercise of any of the Tenants' rights and the spread of fire on to any adjacent or adjoining property owned by the Landlords or the Retained Land or any other adjoining property.

13 Use

- 13.1 To keep and use the Property for the Business and for no other purpose whatsoever.
- 13.2 Not to use or permit to be used the Property or any part thereof for any purpose which in the reasonable opinion of the Landlords constitutes an offensive, noisy, noxious or dangerous trade, business or manufacture or for any purposes which may be or grow to be a nuisance, annoyance or disturbance to the Landlords or to the owners or occupiers of any adjoining or neighbouring properties and in particular not to use the Property or any part thereof for any illegal or immoral purpose or for gaming or gambling or as an employment agency, betting shop, amusement arcade, or as a permanent residence for any person (other than a service occupancy of any warden's accommodation which may from time to time be on the Property) or for sale by auction or public meeting (but not so as to prohibit camping and caravanning rallies and similar uses).
- 13.3 To offer special rates or charges for overnight accommodation at the Property which are designed to encourage use of the Property by groups undertaking activities under the Duke of Edinburgh Award Scheme and by groups of scouts, guides and similar uniformed youth organisations by being at least ten per cent less than the standard adult nightly rate (or the closest equivalent) charged by the Tenant from time to time at the Property.

14 Costs of Abating a Nuisance

To pay to the Landlords on demand all costs, charges and expenses which may properly be incurred by the Landlords in abating a nuisance, and executing all such works which may be necessary for abating a nuisance, both in obedience to a notice served by a Local Authority in respect of the Property.

15 Not to Endanger Insurance

Not to do or permit to be done or omit to do within or upon the Property any act or thing whereby the insurance of the Property or any part thereof against the Insured Risks may be rendered void or voidable or whereby the risk of the Property or any adjoining or neighbouring premises now or at any time

belonging or let to the Landlords being destroyed or damaged by any of the Insured Risks may be increased.

16 To Give Notice of Damage

In the event of the Property or any part thereof being destroyed or damaged by any of the Insured Risks or any claim or potential claim arising under any policy or policies of insurance effected by or on behalf of the Tenants to give notice thereof to the Landlords or their managing agents forthwith on becoming aware of this.

17 To Prevent Encroachments

Not to permit any new path, passageway, drainage or other encroachment or easement to be made or acquired into, against or over the Property or any part thereof and in case any such encroachment or easement whatsoever shall be attempted to be made or acquired by any person or persons whomsoever to give notice thereof in writing to the Landlords or their managing agents immediately the same shall come to the notice of the Tenants and to do all things which may be proper for preventing any such encroachment or easement being made or acquired and to use all reasonable endeavours to prevent the interruption or loss of any easement or right of a similar nature belonging to or used with the Property and if the Tenants shall omit or neglect to do all such things as aforesaid the Landlords and their agents, servants or workmen may enter upon the Property and do the same and recover the cost thereof from the Tenants on demand.

18 Planning Acts

In relation to the Planning Acts:

18.1 At all times during the subsistence of this lease to comply in all respects with the provisions and requirements of the Planning Acts and of all consents, permissions and conditions (if any) granted or imposed or having effect thereunder so far as the same respectively relate to or affect the Property or any part thereof or any operation, works, acts or things already or hereafter to be carried out, executed, done or omitted thereon or the use thereof for any purpose and not to do or omit or suffer to be done or omitted anything on or in connection with the Property or any part thereof the doing or omission of which shall be a contravention of the Planning Acts or any consent, permission or condition granted or imposed thereunder and to indemnify the Landlords against all actions, proceedings, damages, penalties, costs, charges, claims and demands in respect of such acts or omissions or any of them.

- 18.2 In the event of the Landlords giving written consent to any of the matters in respect of which the Landlords' consent shall be required under the provisions of this lease (or in any case where Landlords consent is not required) and where permission from any Planning Authority under the Planning Acts is also necessary for any such matter then to obtain the Landlords prior written consent to the making of such application (not unreasonably to be withheld or delayed) and thereafter to apply at the cost of the Tenants for such permission and to give notice to the Landlords of the granting or refusal of any such permission forthwith on the receipt thereof.
- 18.3 In the event of the Planning Authority agreeing to grant the required permission only with modifications or subject to any conditions, to give to the Landlords forthwith full particulars of such modifications or conditions and not to accept such modifications or conditions without the consent in writing of the Landlords (not unreasonably to be withheld or delayed) and in the event of any planning permission being granted to bear the cost of all works and other things authorised by the said permission and observe and perform all conditions (if any) attached thereto and to keep the Landlords effectually indemnified as aforesaid in respect of the said application and work done in pursuance of said permission and in respect of all breaches (if any) of the said planning consent (and conditions imposed thereby) provided always that if the Planning Authority shall only agree to grant the required permission with such modifications and on such terms and subject to such conditions as the Landlords shall in their reasonable opinion think damaging to the interest of the Landlords in the Property, the Retained Property or any other nearby property then the Tenants shall, at the request of the Landlords, not implement such permission.
- 18.4 To give notice forthwith to the Landlords of any notice, order or proposal for a notice or order served on or received by or which comes to the notice of the Tenants under the Planning Acts and if so required by the Landlords and at the Tenants' expense to make or join in making such objections or representations in respect of any such notice, order or proposal that the Landlords may reasonably require .
- 18.5 To comply at the Tenants' cost with any notice or order served in respect of the Property under the provisions of the Planning Acts.
- 18.6 If and when called upon so to do to produce to the Landlords or the Landlords' managing agents all such plans, documents and other evidence that the Landlords may reasonably require in order to satisfy the Landlords that the provisions of this Clause have been complied with in all respects.

- 18.7 If the Tenants receive any compensation with respect to the Property in consequence of any revocation or modification of a planning permission or of any restriction placed on the use of the Property under or by virtue of the Planning Acts then and on the expiry of this lease whether the same shall have its natural or any prior termination the Tenants shall make such provision as is just and equitable for the Landlords to receive a due proportion of such compensation.
- 18.8 To advise the Landlords and the FC forthwith as soon as the Tenants become aware of any breach at the Property of the Planning Acts and any related subordinate legislation, bye-laws rules or regulations.

19 Signs

Not to cause or permit to be displayed upon any part of the Property any name, legend, sign, notice or advertisement whatsoever which may be visible from outside the Property except such as have been first approved by the Landlords (such approval not unreasonably to be withheld or delayed in respect of notices which relate to the conduct of the Business) save that no such Landlords' approval is needed in the case of information and direction signs of reasonable and proportionate size (bearing no commercial branding other than the Tenant's normal trade branding) located entirely within the Property and not visible from the outside of the Property and upon the termination of this lease to remove or efface any such name, legend, sign, notice or advertisement and make good to the satisfaction of the Landlords (acting reasonably) any damage occasioned thereby.

20 To Inform Landlords of Defects

To inform the Landlords forthwith on becoming aware of the same and in the most expeditious manner possible and thereafter in writing within a reasonable time of any defects in the Property and to indemnify and keep indemnified the Landlords from and against any loss, claims or demands arising from a breach of any obligation on the part of the Tenants contained in this clause.

21 Support for Adjoining Premises

Not to do or omit or permit or suffer to be done or omitted in and upon the Property any matter or thing which might impair or prejudicially affect the support of the Retained Land or the adjoining or adjacent premises whether above, below or beside the Property but at all times during the subsistence of this lease to maintain and preserve such support.

22 Electronic Interference

Not to use or permit or suffer to be used on or at the Property any radio, electric or electronic equipment in such manner or condition as to cause electrical, electronic or other forms of interference to adjoining or neighbouring premises or equipment operated therein.

23 The Stopping up of Drains etc.

Not to allow any polluting agent to pass into the sewers, drains or water courses serving the Property or into adjoining or neighbouring premises or otherwise to stop up, obstruct or permit to be stopped up or obstructed the same and in the event of any obstruction or injury being occasioned thereby forthwith to remove such obstruction and to make good all damage to the reasonable satisfaction of the Landlords and to employ such plant for treating any deleterious effluent as may reasonably be required by the Landlords.

24 To Inform Landlords of Notices

Within seven days of the receipt of notice of the same to give full particulars to the Landlords of any notice, order or proposal for a notice or order made, given or issued in respect of or affecting the Property by any Government Department or Local or Public Authority under or by virtue of any statutory power or otherwise and if so required by the Landlords to produce such notice, order or proposal and without delay at the Tenants' expense to take all reasonable or necessary steps to comply with any such notice or order or if reasonably required by the Landlords to make or join with the Landlords in making objections or representations against or in respect of any such notice, order or proposal as aforesaid as the Landlords may reasonably require.

25 To Pay Expense of Maintaining Mutual Walls, Drains, etc.

To pay:

25.1 a fair and equitable proportion (which may, if appropriate, be 100%) as determined by the Landlords (acting reasonably) of the costs and expenses properly and reasonably incurred by the Landlords in repairing, maintaining, rebuilding, renewing and cleansing all walls, roofs, foundations, steelwork, fences, structures and other items which may belong to or be used for the Property in common or mutually with other adjoining premises but which do not form part of the Property, and

25.2 a fair and equitable proportion (which may, if appropriate, be 100%) as determined by the Landlords (acting reasonably) of the costs and expenses properly and reasonably incurred by the Landlords in repairing, maintaining, rebuilding, renewing and cleansing (i) all access roads or ways leading to and from the Property and (ii) all pumps, valves, man-holes, meters, connections, channels, septic

tanks, water courses, holding tanks, cables, wires, pipes, drains, sewers or other conducting media and all plant and equipment relative thereto serving the Property (either exclusively or in common with other premises) but situated on land owned by the Landlords or third parties, and which do not form part of the Property.

26 Not to Share Possession

Not to share or licence the occupation of the whole or any part of the Property with or to anyone whomsoever without the consent of the Landlords having been first obtained which consent will not unreasonably be withheld or delayed in the case of a bona fide concession or franchise agreement to operate Ancillary Services and not giving rise to any subtenancy or other formal occupancy right but for the avoidance of doubt:

26.1 nothing in this clause will operate to permit the Tenants to allow any third party to independently operate or manage the whole or substantially the whole of the Business carried on from the Property by way of concession or franchise; but

26.2 no such consent from the Landlords will be needed for the Tenants to enter into modest concession or franchise arrangements providing for the sale/supply of goods and services at the Property in the ordinary course of the Business from mobile vans visiting the Property (but not parking there overnight).

27 Assignments

27.1 The Tenants shall not assign the whole of this lease without the prior written consent of the Landlords such consent not to be unreasonably withheld.

27.2 The Tenants shall not assign part only of this lease.

27.3 The Landlords and the Tenants agree that for the purposes of section 19(1A) of the Landlord and Tenant Act 1927 the Landlords may give their consent to an assignment subject to all or any of the following conditions:

a) a condition that the assignor (and any former tenant who because of section 11 of the Landlord and Tenant (Covenants) Act 1995 has not been released from the tenant covenants of this lease) enters into an authorised guarantee agreement which:

i) is in respect of all the tenant covenants of this lease;

- ii) is in respect of the period beginning with the date the assignee becomes bound by those covenants and ending on the date when the assignee is released from those covenants by virtue of section 5 of the Landlord and Tenant (Covenants) Act 1995;
 - iii) imposes principal debtor liability on the assignor (and any former tenant);
 - iv) requires (in the event of a disclaimer of liability of this lease) the assignor (or former tenant as the case may be) to enter into a new tenancy for a term equal to the unexpired residue of the Term; and
 - v) is otherwise in a form reasonably required by the Landlord
- b) a condition that if reasonably required by the Landlords a person of standing acceptable to the Landlords enters into a guarantee and indemnity of the tenant covenants of this lease in the form set out in Part V of this lease (but with such amendments and additions as the Landlords may reasonably require.)

27.4 The Landlords and the Tenants agree that for the purposes of section 19(1A) of the Landlord and Tenant Act 1927 the Landlords may refuse their consent to an assignment if (a) any rent or other money due under this lease is outstanding; or (b) where the Landlords are not satisfied (acting reasonably) that the proposed assignee is reputable and responsible, experienced in the operation of businesses substantially comparable in size, scale and quality to the Business as operated from the Property and that the assignee is otherwise demonstrably capable of complying with the tenants covenants under this lease.

27.5 Nothing in this clause shall prevent the Landlords from giving consent subject to any other reasonable condition, nor from refusing consent to an assignment in any other circumstances where it is reasonable to do so.

28 Underlettings

28.1 The Tenants shall not underlet the whole or any part of the Property except in accordance with this clause nor without the prior written consent of the Landlords, such consent not to be unreasonably withheld or delayed.

28.2 The Tenants shall not underlet part only of the Property except in the case of an underlease:

- a) by way of a lease at a full market rent and with the prior written consent of the Landlords (not unreasonably to be withheld or delayed) to an operator of premises at the Property exclusively used for the provision of Ancillary Services to the Property; or
- b) by way of a service occupancy in the case of any residential accommodation at the Property to be occupied by a site manager or similar member of staff; or
- c) by way of a lease at a normal commercial ground rent of a specific caravan pitch or site of a cabin associated with any sale of a caravan or an individual cabin in the ordinary course of the Business and to which the prior written consent of the Landlords (not unreasonably to be withheld or delayed) has been obtained either on an individual basis or by reference to an agreed form of disposal lease for use in an agreed set of transactions;

in each and any individual case not exceeding five percent of the Property by area.

28.3 The Tenants shall not underlet the whole or any part of the Property together with any property or any right over property that is not included within this lease nor underlet the Property as a whole

- a) at a fine or premium or reverse premium (except in the case of a normal commercial premium payable by a purchaser of such a subletting as is referred to in Clause 28.2(c) above); nor
- b) allowing any rent free period by way of inducement to the undertenant;.

28.4 Any underletting by the Tenants shall be by deed and shall include:

- a) (in the case of any business tenancy) a valid agreement between the Tenants and the undertenant that the provisions of sections 24 to 28 of the 1954 Act are excluded from applying to the tenancy created by the underlease in relation to which all necessary prior notices or other procedural steps from time to time required have been duly served or implemented and (in any other case) such terms as are

necessary and permissible to obviate the incidence of security of tenure;

- b) (in the case of any lease of the whole of the Property) the reservation of a rent which is not less than the higher of the current rent then passing under this lease or the full open market rental value of the Property at the date the Property is underlet and which is payable at the same times as the Base Rent under this lease;
- c) (in the case of any lease of the whole of the Property) provisions for the review of rent at the same dates and on the same basis as the review of rent in this lease, unless the term of the underlease does not extend beyond the next Review Date;
- d) a covenant by the undertenant, enforceable by and expressed to be enforceable by the Landlords (as superior landlord at the date of grant) and their successors in title in their own right, to observe and perform the tenant covenants in the underlease and any document that is supplemental or collateral to it and to observe the tenant covenants in this lease so far as they relate to the underlet premises;
- e) provisions requiring the consent of the Landlords to be obtained in respect of any matter for which the consent of the Landlords is required under this lease, and
- f) a covenant that the undertenant shall not assign the underlet property without the prior consent of the Landlords, which consent will not be unreasonably withheld, and a covenant that the undertenant will not underlet the whole or any part of the underlet property.

and shall otherwise be consistent with and include tenant covenants no less onerous (other than as to the annual rent) than those in this lease and in a form approved by the Landlords, such approval not to be unreasonably withheld.

28.5 In relation to any underlease granted by the Tenants, the Tenants shall:

- a) not vary the terms of the underlease nor accept a surrender of the underlease without the consent of the Landlords, such consent not to be unreasonably withheld; and

- b) enforce the tenant covenants in the underlease and not waive any of them nor allow any reduction in the rent payable under the underlease; and
- c) notify the Landlords of the level of reviewed rent forthwith after it has been agreed or determined

29 Charging

The Tenants shall not charge the whole or part only of this lease without the prior written consent of the Landlords such consent not to be unreasonably withheld in the case of a charge of the whole to a charge holder or security holder which is a bona fide lending institution. The Tenants shall procure such information with regard to the status and financial standing of any proposed charge holder, or security holder as the Landlords shall reasonably require.

30 Prohibition of other dealings

Except as expressly permitted by this lease, the Tenants shall not assign, underlet, charge, part with possession or share occupation of this lease or the Property or hold the Lease on trust for any person (except pending registration of a dealing permitted by this lease at HM Land Registry or by reason only of joint legal ownership).

31 Registration and Notification of Dealings and Occupation

31.1 In this clause a **Transaction** is:

- a) any dealing with this lease or the devolution or transmission of, or parting with possession of any interest in it, or
- b) the creation of any underlease or other interest out of this lease, or out of any interest, underlease derived from it, and any dealing, devolution or transmission of, or parting with possession of any such interest or underlease, or
- c) the making of any other arrangement for the occupation of the Property.

31.2 In respect of every Transaction that is registrable at HM Land Registry, the Tenants shall promptly following completion of the Transaction apply to register it (or procure that the relevant person so applies). The Tenants shall (or shall procure that) any fees are paid to the Land Registry and that all reasonable endeavours are made to answer any requisitions raised by the Land Registry in connection with an application to register a Transaction promptly. Within one month of completion of the registration, the Tenants shall send the

Landlords official copies of its title (and where applicable of the undertenant's title).

31.3 No later than one month after a Transaction the Tenants shall:

- a) give the Landlords' solicitors notice of the Transaction, and
- b) deliver two certified copies of any document effecting the Transaction to the Landlords' solicitors, and pay the Landlords' solicitors a registration fee of £30 (plus VAT) or such other reasonable registration fee as the Landlords shall notify the Tenants in writing from time to time

31.4 If the Landlords so request, the Tenants shall promptly supply the Landlords with full details of the occupiers of the Property and the terms upon which they occupy it.

32 Closure of the Registered Title of this lease

Within one month after the end of the Term (and notwithstanding that the Term has ended), the Tenants shall make an application to close the registered title of this lease and shall ensure that any requisitions raised by the Land Registry in connection with that application are dealt with promptly and properly; the Tenants shall keep the Landlords informed of the progress and completion of its application.

33 To Indemnify the Landlords

To indemnify and keep indemnified the Landlords and the FC and in respect of that indemnity (if and to the extent reasonably required by the Landlords and only so far as the risk is insurable) maintain insurance cover to the reasonable satisfaction of the Landlords with a reputable insurance office and to exhibit the policy and receipts for premiums to the Landlords when required:

- 33.1 against all liability in respect of injury to or the death of any person, damage to any property real or personal, any claims, court actions, or proceedings the infringement, disturbance or destruction of any right, easement or privilege or otherwise by reason of or arising directly or indirectly from or upon (a) any defect or want of repair of the Property, (b) the use of the Property, (c) the execution of any alterations to the Property so far as effected by or on behalf of the Tenants or any sub-tenant, (d) any interference or obstruction on the part of the Tenants or others deriving right from them of any rights of light or drainage or other alleged right existing or hereinafter to be constituted in or in respect of any adjoining property, (e) any stoppage of drains used in common with the owners or occupiers of adjoining

property caused by any act or omission on the part of the Tenants or others deriving right from them and (f) any failure or omission by the Tenants in the implementation or observance of the obligations on their part herein contained;

- 33.2 against all actions, proceedings, damages, penalties, costs, charges, claims and demands properly incurred by the Landlords in relation to any of the matters mentioned in this Clause;
- 33.3 against all rates which may be payable by the Landlords as a result of the Tenants vacating the Property at any date prior to the expiry or earlier termination of this lease;

and this Clause 33 shall remain in force notwithstanding the expiry or earlier termination of this lease.

34 Expenses

On demand to pay to the Landlords all costs, charges and expenses (including solicitors', counsel's, surveyors', architects', engineers' and other professional costs and fees and VAT thereon) reasonably and properly incurred by the Landlords in the case of matters falling within paragraphs a), b) and d) below, and in any other case, properly incurred by the Landlords:

- 34.1 in connection with any application to the Landlords for consent or approval or in consequence thereof, whether or not such consent is granted;
- 34.2 in the preparation and service of any notice of want of repair or other notice served by the Landlords on the Tenants or in the preparation and service of a schedule of dilapidations during the subsistence of this lease or after its expiry or earlier termination;
- 34.3 in connection with the recovery of arrears of rent or any other sum at any time due by the Tenants to the Landlords under this lease;
- 34.4 in connection with any agreement, memorandum, addendum, assignation, sub-lease or other document consequential upon this lease to which the Landlords shall be a party; and
- 34.5 in connection with the enforcement or protection of any of the rights of the Landlords under this lease and notwithstanding that such enforcement be rendered unnecessary by the Tenants' subsequent compliance with the provisions of this lease.

35 Title Matters and bye laws affecting the Property

At all times to observe and perform, insofar as still valid, subsisting and applicable, all covenants, conditions, restrictions, declarations, and others howsoever constituted affecting any part or parts of the Property including but not limited to the Third Party Rights and to indemnify the Landlords against all actions, costs, claims and demands which may arise in respect of any of the same.

36 Marking of Boundaries

At all times throughout the duration of this lease, the Tenants shall procure that the boundaries of the Premises (where not bounding a lake or river) are clearly marked and identifiable either through the use of painted marker posts or stone or concrete slabs or (where possible) marker paint on the trunks of trees.

37 Archaeological Finds

37.1 As between the Landlords and the Tenants, any Archaeological Finds shall be deemed to be the property of the Landlords.

37.2 The Tenants shall inform the Landlords forthwith upon the discovery of any Archaeological Finds, and comply with the reasonable directions of the Landlords in relation to the removal or disposal of such Archaeological Finds, or shall allow the Landlords to enter the Property for the purposes of such removal or disposal: Provided that the Landlords shall act with all reasonable speed to carry out and complete such removal or disposal.

37.3 The Tenants shall not attempt to remove any Archaeological Find without the Landlords' consent (not unreasonably to be withheld or delayed) and shall procure that its employees and sub-contractors shall neither remove nor damage such Archaeological Finds.

37.4 In the event that the relevant Archaeological Find cannot be moved, or that it is inappropriate that the same be moved, then the Tenants shall allow the Landlords or those authorised by them access to the Property subject to the terms of Part II of the Schedule to carry out any investigation which they deem is appropriate in connection with its or their statutory duties or which is otherwise required by law: Provided that the Landlords shall and shall use all reasonable endeavours to procure that anyone authorised by them shall act with all reasonable speed to carry out and complete such investigation.

37.5 The provisions of sub-clauses 37.1 to 37.4 (inclusive) shall not affect the rights or obligations of either party under any applicable legislation.

38 To use Certified Timber

In any Works carried out on the Property by the Tenants or by parties on their behalf, all timber used in such works shall be Certified Timber and such timber shall be United Kingdom grown where reasonably possible (which for the avoidance of doubt shall include consideration of whether it is economically practicable to use UK grown timber).

39 To Leave in Good Repair

39.1 On the expiry or sooner determination of the term of this lease quietly and notwithstanding any law or practice to the contrary to surrender to the Landlords the Property together with all additions and improvements made thereto and all fittings and fixtures in or upon the Property or which during the term of this lease may have been affixed or fastened to or placed on or upon the same and that in such state and condition as shall be consistent with full and due performance by the Tenants of their obligations in this lease contained with all locks, keys and fastenings complete and at the cost of the Tenants to repair and make good to the reasonable satisfaction of the Landlords all damage including damage to paintwork caused by the removal of Tenants' fittings and fixtures.

39.2 In respect of any works which may be required after the date of termination of this lease to constitute full and due performance by the Tenants of their obligations under this lease, the Tenants shall, in the option of the Landlords, either carry out such works or pay to the Landlords a sum equal to the proper cost of carrying out the same and in either case the Tenants will also pay to the Landlords a sum equivalent to the loss of rent properly incurred by the Landlords during the period from the date of termination of the Lease until such works have been fully implemented, together with interest thereon at the Specified Rate from the date or dates of demand until paid.

40 Compensation on Vacating

Any right of the Tenants or anyone deriving title under the Tenants to claim compensation from the Landlords on leaving the Property under the Landlord and Tenant Act 1927 or the 1954 Act are excluded, except to the extent that the legislation prevents that right being excluded.

41 Notifiable Events

In the event of the occurrence of a Notifiable Event:

41.1 the Tenants shall immediately on becoming aware of the same inform the Landlords and the FC of its occurrence and permit the Landlords to enter and inspect the Property;

41.2 the Tenants shall consult and liaise closely with the FC regarding any public statements made by the Tenants or parties on behalf of the Tenants about any Notifiable Event and any information made publicly available regarding a Notifiable Event.

42 Telecommunications Apparatus

Not to permit the installation, retention or operation of any electronic communications apparatus (as the same is defined in the Telecommunications Act 1984 as amended by the Communications Act 2003) on the Property.

PART IV

RENT REVIEWSPART A

In this Part A of Part IV of the Schedule the following expression shall have the meaning hereby assigned to it, namely:

“Review Date” means each anniversary of the Term Commencement Date and the expression “relevant Review Date” shall be construed accordingly.

1 On each Review Date but not the Fifth, Tenth, Fifteenth, Twentieth, Twenty fifth, Thirtieth, Thirty fifth, Fortieth, Forty fifth, Fiftieth, Fifty fifth, Sixtieth, Sixty fifth and Seventieth [*delete unnecessary anniversary dates to accord with duration of the Lease*] anniversaries of the Term Commencement Date the annual Base Rent payable under this lease shall be reviewed to the greater of : -

1.1 the annual Base Rent payable immediately before the relevant Review Date; and

1.2 such amount as is calculated by the Landlords in accordance with the following formula:

$$NR = R \times (CV \div BV)$$

Where:

NR is: The new Base Rent payable with effect from the relevant Review Date.

R is: The Base Rent payable under this lease immediately prior to the relevant Review Date.

CV is: The value of RPI for the month falling three months before the relevant Review Date.

BV is: The value of RPI on the Term Commencement Date or (if later) for the month which is three months earlier than the Review Date immediately preceding the relevant Review Date.

Once the Landlords have determined the new Base Rent payable as and from the relevant Review Date they shall serve notice on the Tenants as to the level of the new Base Rent. Until the new Base Rent payable has been intimated by the Landlords to the Tenants, the Tenants shall pay rent under this lease at the rate prevailing immediately before the relevant Review Date. The new Base Rent shall be due and payable as and from the relevant Review Date. The

Tenants shall pay to the Landlords forthwith any shortfall between the Base Rent paid immediately before the relevant Review Date and the new Base Rent determined as set out above with interest thereon at two per cent below the Specified Rate.

- 2 Forthwith after the new Base Rent shall have been ascertained in accordance with this Part A of Part IV of the Schedule and on each such occasion there shall be signed by, for or on behalf of the Landlords and the Tenants respectively a Memorandum in duplicate specifying the new increased yearly Base Rent payable under this lease and such Memorandum shall be evidence of the amount of such new yearly Base Rent. Such Memorandum shall be prepared, completed and registered at the sole cost of the Tenants.

PART B

1 Wherever in this Part B of Part IV of the Schedule the context admits the following expressions shall have the meanings hereby assigned to them, namely:

- 1.1 "Review Date" means the Fifth, Tenth, Fifteenth, Twentieth, Twenty fifth, Thirtieth, Thirty fifth, Fortieth, Forty fifth, Fiftieth, Fifty fifth, Sixtieth, Sixty fifth and Seventieth [*delete unnecessary anniversary dates to accord with duration of the Lease*] anniversaries of the Term Commencement Date and the expression "relevant Review Date" shall be construed accordingly;
- 1.2 "Review Period" means the period commencing on a Review Date and ending on the day immediately preceding the next Review Date or (in the case of the period commencing on the last Review Date occurring during the term of this lease) on the expiry of this lease;
- 1.3 "Market Rent" means the full annual rent at which the Property could be let as one entity on the open market at and from the relevant Review Date for a term equivalent to the original duration of this lease and otherwise subject to the provisions of this lease (other than the actual amount of Base Rent payable hereunder but including the provisions for rent review similar to those contained in this Part of the Schedule) and on the assumption (if not a fact) that:
- a) the Property is available for immediate letting by a willing landlord to a willing tenant without fine or premium and with vacant possession;
 - b) the provisions of this lease have been fully performed and observed and the Landlords and the Tenants have complied in all respects with all the obligations imposed on them under this lease;
 - c) the use permitted by this lease of the Property complies with the Planning Acts free from onerous conditions;
 - d) all licences and consents necessary for the use permitted by this lease have been granted by the relevant public authorities or bodies without onerous conditions;
 - e) the Property is fit for immediate occupation and use and without prejudice to the foregoing generality, are connected to the usual public utilities and have satisfactory supplies of water and adequate drainage and sewerage;

- f) no Works have been carried out to the Property by the Tenants or any sub-tenant or their respective predecessors in title or any of them which has diminished the rental value of the Property;
- g) in case the Property or any part thereof have been destroyed or damaged they have been fully restored;
- h) any prospective tenants are able fully to recover input VAT whether or not this is the case; and
- i) any rent free period or period of discounted rent has expired and any other consideration which the Landlords might then be expected to grant to a tenant on taking a lease of the Property has been paid or otherwise discharged but in each case only to the extent that it would be referable to the fitting out of the Property by such tenant

But disregarding any effect on rent of:

- j) the fact that the Tenants, any sub-tenants and their respective predecessors in title or any of them are, or have been, in occupation of the Property;
- k) any goodwill attached to the Property by reason of the carrying on within the Property of the business of the Tenants or any sub-tenant;
- l) any Works carried out to the Property or any part thereof after the Term Commencement Date with any necessary consent of and otherwise than in pursuance of any obligation to the Landlords, whether under this lease or otherwise, at the cost of the Tenants or any sub-tenant;
- m) so far as may be permitted by law all statutory restrictions relating to the assessment and recovery of rent; and
- n) the fact that any prospective tenants might not be able fully to recover input VAT;

- 1.4 "Surveyor" means such Chartered Surveyor having recent substantial experience in valuing premises of a location, kind and character similar to the Property and who is a member of a leading firm of Surveyors practising inter alia in the field of commercial leisure property lettings as may be nominated by agreement between the Landlords and the Tenants or in default of agreement appointed by or on behalf of the President (or senior office holder at the time available) of the Royal Institution of Chartered Surveyors (as

constituted, reconstituted, formed or reformed from time to time) or if such President or senior office holder shall not be available appointed by such officer of such professional body of surveyors as the Landlords, acting reasonably, shall designate;

- 1.5 "Revised Base Rent" for a Review Period means the yearly Market Rent in respect of that Review Period agreed in writing between the Landlords and the Tenants or determined (in default of agreement) by the Surveyor all as hereinafter provided;
 - 1.6 "Current Base Rent" means the yearly rent payable under this lease immediately preceding the commencement of the relevant Review Period;
 - 1.7 "Shortfall" means in respect of the period (if any) beginning on the relevant Review Date and ending on the Rent Payment Day next following the date on which the Revised Base Rent for that Review Period is ascertained the amount (if any) by which the aggregate equal half-yearly instalments of the Revised Base Rent which would have been payable during that period had the Revised Base Rent been ascertained at the commencement thereof exceeds the aggregate of the instalments of the Current Base Rent paid for the same period; and
 - 1.8 "Shortfall Interest" means a capital sum equal to interest at two per centum below the Specified Rate on the aggregate of the component parts of the Shortfall for the period from the date each component part became due until payment of the Shortfall.
- 2 On the relevant Review Date the yearly rent for the relevant Review Period shall be reviewed to the greater of:
- 2.1 the Current Base Rent;
 - and
 - 2.2 the Revised Base Rent.
- 3 If the Landlords and the Tenants have not agreed the Market Rent by a date two months prior to the relevant Review Date the Landlords or the Tenants may at any time thereafter require the Market Rent to be determined by a Surveyor acting as an expert and not as an arbiter whose decision shall be final and binding on the parties and the following provisions shall apply:
- 3.1 the fees and expenses of the Surveyor including the cost of his appointment shall be borne equally by the Landlords and the Tenants who shall each otherwise bear their own costs;

- 3.2 the Landlords and the Tenants shall each be entitled to submit to the Surveyor in accordance with a timetable to be determined by the Surveyor written valuations, statements and other evidence relating to or supporting their assessments of the Market Rent in which event each shall at the same time deliver to the other party a copy of all such valuations and others submitted as aforesaid. The Surveyor shall, if so requested by written notice by either the Landlords or the Tenants (a copy of which shall be served on the other party) and which notice shall be given by a date to be determined by the Surveyor, hold a hearing at which both the Landlords and the Tenants or their respective representatives may be heard and if present cross-examined and that at such time or times and such place or places as the Surveyor shall appoint for that purpose; and
- 3.3 if the Surveyor shall fail to determine the Market Rent within six months of his appointment (or such longer period as the Landlords and the Tenants may agree in writing) or if prior to his making such determination he shall relinquish his appointment or die or it shall become apparent that, for any reason, he will be unable to complete his duties hereunder then it shall be open to either party on notice in writing to the other party and the Surveyor or his representatives to terminate forthwith the appointment of such person and to apply to the other party in the manner specified in Clause 1 of this Part B of Part IV of the Schedule for a substitute Surveyor to be appointed.
- 4 If the Revised Base Rent for any Review Period has not been ascertained by the commencement of such Review Period then in respect of the period commencing with the Review Date in question and ending on the Rent Payment Day next occurring after the date on which the Revised Base Rent is ascertained payment on account of the yearly rent shall be made by the Tenants at not less than the rate of the Current Base Rent at the times and in the manner specified in Clause 3.2a) of the foregoing Lease and on the said last mentioned Rent Payment Day the Tenants shall pay in addition to the instalment of the Revised Base Rent then payable the Shortfall and Shortfall Interest but without prejudice to the right of the Tenants to make earlier payment of the Shortfall and Shortfall Interest.
- 5 On request from the Landlords at any time prior to a Review Date, the Tenants shall deliver to the Landlords professionally audited accounts or where the Tenants are not under a statutory duty to file audited accounts then accounts which are certified by an officer of the Tenant to be true accurate and complete in all material respects (providing full details of all income, expenditure and transactions) for the business run by the Tenants at the Property in respect of the three years preceding the date of the Landlords' request.

6. Forthwith after the Revised Base Rent shall have been ascertained and on each such occasion there shall be signed by, for or on behalf of the Landlords and the Tenants respectively a Memorandum in duplicate specifying the new increased yearly rent payable under the foregoing Lease and such Memorandum shall be evidence of the amount of such new increased yearly rent. Such Memorandum shall be prepared, completed and registered at the sole cost of the Tenants.

PART C

In the event of the Landlords being prevented or prohibited in whole or in part (in part meaning anything less than the whole) from exercising their rights under this Part IV of the Schedule and/or obtaining an increase in the annual Base Rent at any Review Date under Part A or Part B above by reason of any legislation, government order or decree or notice (increase in this context meaning such increase as would be obtainable disregarding the provisions of any such legislation and others as aforesaid) then and upon each and every occasion on which such event shall occur if the occurrence gives rise to total prevention or prohibition the date on which such Review would have otherwise taken effect shall be deemed to be extended to permit and require such Review to take place on the first date or dates thereafter upon which such right of increase may be exercised and/or obtained in whole or part and when in part on so many occasions as shall be necessary to obtain the whole increase (meaning the whole of the increase which the Landlords would have obtained if not prevented or prohibited as aforesaid) and if there shall be a partial prevention or prohibition only there shall be a further review or reviews (as the case may require) on the first date or dates as aforesaid and notwithstanding that the yearly Base Rent may have been increased in part on or since the last occurring Review Date (as such term is defined in either Part A or Part B as appropriate) provided always that the provisions of this Clause shall be without prejudice to the Landlords' rights to review the annual Base Rent on the Review Dates as specified in the foregoing Parts A and B of this Part IV of the Schedule.

PART D

Turnover Rent

[insert here provisions to be proposed and agreed between the parties as to the mechanism for calculating and paying the Turnover Element of the Rent based on Clause 9.[] of the Framework Agreement]

PART V

GUARANTEE AND INDEMNITY

1 **Guarantee and Indemnity**

- 1.1 The Guarantor guarantees to the Landlords that the Tenants shall:
- a) pay the rents reserved by this lease and observe and perform the tenant covenants of this lease and that if the Tenants fail to pay any of those rents or to observe or perform any of those tenant covenants, the Guarantor shall pay or observe and perform them, and
 - b) observe and perform any obligations the Tenants enter into in an authorised guarantee agreement made in respect of this lease (the **Authorised Guarantee Agreement**) and that if the Tenants fail to do so, the Guarantor shall observe and perform those obligations.
- 1.2 The Guarantor covenants with the Landlords as a separate and independent primary obligation to indemnify the Landlords against any failure by the Tenants:
- a) to pay any of the rents reserved by this lease or any failure to observe or perform any of the tenant covenants of this lease, and
 - b) to observe or perform any of the obligations the Tenants enter into in the Authorised Guarantee Agreement.

2 **Guarantor's Liability**

- 2.1 The liability of the Guarantor under paragraphs 1.1(a) and 1.2(a) shall continue until the end of the Term, or until the Tenants are released from the tenant covenants of this lease by virtue of the Landlord and Tenant (Covenants) Act 1995, if earlier.
- 2.2 The liability of the Guarantor shall not be affected by:
- a) any time or indulgence granted by the Landlords to the Tenants, or
 - b) any delay or forbearance by the Landlords in enforcing the payment of any of the rents, or the observance or performance of any of the tenant covenants of this lease (or the Tenants' obligations under the Authorised Guarantee Agreement) or in making any demand in respect of any of them, or

- c) any refusal by the Landlords to accept any rent or other payment due under this lease where the Landlords believe that the acceptance of such rent or payment may prejudice its ability to re-enter the Property, or
- d) the Landlords exercising any right or remedy against the Tenant for any failure to pay the rents reserved by this lease or to observe or perform the tenant covenants of this lease (or the Tenants' obligations under the Authorised Guarantee Agreement), or
- e) the Landlords taking any action or refraining from taking any action in connection with any other security held by the Landlords in respect of the Tenants' liability to pay the rents reserved by this lease or observe and perform the tenant covenants of the Lease (or the Tenants' obligations under the Authorised Guarantee Agreement) including the release of any such security, or
- f) a release or compromise of the liability of any one of the persons who is the Guarantor, or the grant of any time or concession to any one of them, or
- g) any legal limitation or disability on the Tenants or any invalidity or irregularity of any of the tenant covenants of the Lease (or the Tenants' obligations under the Authorised Guarantee Agreement) or any unenforceability of any of them against the Tenants, or
- h) the Tenants being dissolved, or being struck off the register of companies or otherwise ceasing to exist, or, if the Tenants are individuals by the Tenants dying or becoming incapable of managing their affairs, or
- i) without prejudice to paragraph 4, the disclaimer of the Tenants' liability under this lease or the forfeiture of this lease, or
- j) the surrender of part of the Property, except that the Guarantor shall not be under any liability in relation to the surrendered part in respect of any period after the surrender, or

by any other act or omission except an express written release of the Guarantor by the Landlord.

- 2.3 The liability of each of the persons making up the Guarantor is joint and several.
- 2.4 Any sum payable by the Guarantor shall be paid without any deduction, set-off or counter-claim against the Landlords or the Tenants.

3 Variations and Supplemental Documents

- 3.1 The Guarantor shall, at the request of the Landlords, join in and give its consent to the terms of any consent, approval, variation or other document that may be entered into by the Tenants in connection with this lease (or the Authorised Guarantee Agreement).
- 3.2 Whether or not the Landlords have requested that the Guarantor join in any such document and whether or not the Guarantor has done so, the Guarantor shall not be released by any variation of the rents reserved by, or the tenant covenants of, this lease (or the Tenants' obligations under the Authorised Guarantee Agreement), whether or not the variation is material or prejudicial to the Guarantor and whether or not it is made in any document.
- 3.3 The liability of the Guarantor shall apply to the rents reserved by and the tenant covenants of this lease (and the Tenants' obligations under the Authorised Guarantee Agreement) as varied whether or not:
- a) the variation is material or prejudicial to the Guarantee, or
 - b) the variation is made in any document, or
 - c) the Guarantor has consented to the variation (except to the extent that the liability of the Guarantor is affected by section 18 of the Landlord and Tenant (Covenants) Act 1995).

4 Guarantor to take a New Lease or Make Payment

- 4.1 If this lease is forfeited or the liability of the Tenants under this lease is disclaimed and the Landlords give the Guarantor notice not later than six months after the forfeiture or the Landlords having received notice of the disclaimer, the Guarantor shall enter into a new lease of the Property on the terms set out in paragraph 4.2.
- 4.2 The rights and obligations under the new lease shall take effect from the date of the forfeiture or disclaimer and the new lease shall:
- a) be granted subject to the right of any person to have this lease vested in them by the court and to the terms on which any

such order may be made and subject to the rights of any third party existing at the of the grant,

- b) be for a term that expires at the same date as the end of the Term of this lease had there been no forfeiture or disclaimer,
- c) reserve as an initial annual rent an amount equal to the rent on the date of the forfeiture or disclaimer (subject to paragraph 5) and which is subject to review on the same terms and dates provided by this lease,
- d) be excluded from sections 24 to 28 of the Landlord and Tenant Act, and
- e) otherwise be on the same terms as this lease (as varied if there has been any variation).

4.3 The Guarantor shall pay the Landlords' solicitors' costs and disbursements (on a full indemnity basis) and any VAT in respect of them in relation to the new lease and shall execute and deliver to the Landlords a counterpart of the new lease within one month after service of the Landlords' notice.

4.4 The grant of a new lease and its acceptance by the Guarantor shall be without prejudice to any other rights which the Landlords may have against the Guarantor or against any other person or in respect of any other security that the Landlords may have in connection with this lease.

4.5 The Landlords may, instead of giving the Guarantor notice pursuant to paragraph 4.1 but in the same circumstances and within the same time limit, require the Guarantor to pay an amount equal to six months rent and the Guarantor shall pay that amount on demand.

5 **Rent at the Date of Forfeiture or Disclaimer**

If at the date of the forfeiture or disclaimer there is a rent review pending under this lease, then the initial annual Base Rent to be reserved by the new lease shall be the open market rent of the Property at the relevant Review Date, as determined by the Landlords before the grant of the new lease.

6 Payments in gross and restrictions on the Guarantor

- 6.1 Any payment or dividend that the Landlords receive from the Tenants or its estate or any other person in connection with any insolvency proceedings or arrangement involving the Tenants shall be taken and applied as a payment in gross and shall not prejudice the right of the Landlords to recover from the Guarantor to the full extent of the obligations that are the subject of this guarantee and indemnity.
- 6.2 The Guarantor shall not claim in competition with the Landlords any insolvency proceedings or arrangement of the Tenants in respect of any payment made by the Guarantor pursuant to this guarantee and indemnity. If it otherwise receives any money in such proceedings or arrangement, it shall hold that money on trust for the Landlords to the extent of its liability to the Landlords.
- 6.3 The Guarantor shall not, without the consent of the Landlords exercise any right or remedy that it may have (whether against the Tenants or any other person) in respect of any amount paid or other obligation performed by the Guarantor under this guarantee and indemnity unless and until all the obligations of the Guarantor under this guarantee and indemnity have been fully performed.

7 Other Securities

- 7.1 The Guarantor warrants that it has not taken any covenants that it shall not take any security from or over the assets of the Tenants in respect of any liability of the Tenants to the Guarantor. If it does take or hold any such security it shall hold it for the benefit of the Landlords.
- 7.2 This guarantee and indemnity is in addition to any other security that the Landlord may at any time hold from the Guarantor or the Tenants or any other person in respect of the liability of the Tenants to pay the rents reserved by this lease and to observe and perform the tenant covenants of this lease. It shall not merge in or be affected by any other security.
- 7.3 The Guarantor shall not be entitled to claim or participate in any other security held by the Landlords in respect of the liability of the Tenants to pay the rents reserved by this lease or to observe and perform the tenant covenants of this lease.

Executed as a Deed by
FOREST HOLIDAYS LLP
acting by two Members

.....
Member

.....
Member

The Corporate Seal of the
**SECRETARY OF STATE FOR ENVIRONMENT
FOOD AND RURAL AFFAIRS** hereby affixed
is authenticated by the signature of:

.....
Authorised signatory.

Executed as a Deed by affixing
the Common Seal of the **NATIONAL
ASSEMBLY FOR WALES**
Which is authenticated by:

.....
Authorised signatory.

Form B – New Forest Site Lease

DRAFT 07-05-2006

LEASE

between

**THE SECRETARY OF STATE FOR ENVIRONMENT, FOOD AND RURAL
AFFAIRS**

and

FOREST HOLIDAYS LLP

Subjects: In relation to [New Forest Site]

2006
CSJ.F0585.1001



TODS MURRAY LLP
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csj-11-

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TABLE OF CONTENTS

PREScribed CLAUSES	4
DEFINITIONS	1
LEASED PREMISES AND DURATION	7
TENANTS' OBLIGATIONS.....	7
Rent 7	
Interest 8	
LANDLORD'S OBLIGATIONS.....	8
EXCLUSION OF LANDLORDS' LIABILITY	9
CONDITION FOR RE-ENTRY.....	10
NO IMPLIED EASEMENTS.....	10
LEASE TO CONTINUE	11
CONSENTS.....	11
NEW FOREST ENVIRONMENT	12
NOTICES	12
CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999	13
LANDLORD AND TENANT (COVENANTS) ACT 1995	13
GOVERNING LAW.....	13
REGISTRATION	13
SCHEDULE	14
PART I(A).....	14
THE LEASED PREMISES	14
PART 1(B)	14
RIGHTS	14
THIRD PARTY RIGHTS	15
PART II	18
RESERVED RIGHTS.....	18
PART III.....	22
TENANTS' OBLIGATIONS	22
To Pay rent and other sums	22
To Insure	22
Reinstatement	23

SSSI/SAC Management Plans	23
Outgoings	24
To Pay for Utilities	24
Water Rates	24
Maintenance and Repair	24
Maintaining exterior and interior	26
Alterations	26
Statutory Requirements	27
Fire 28	
Use 28	
Costs of Abating a Nuisance	29
Not to Endanger Insurance	29
To Give Notice of Damage	29
To Prevent Encroachments	29
Planning Acts	30
Signs 31	
To Inform Landlords of Defects	31
Support for Adjoining Premises	32
Electronic Interference	32
The Stopping up of Drains etc	32
Shops etc.	32
To Inform Landlords of Notices	32
To Pay Expense of Maintaining Mutual Walls, Drains, etc.	33
Not to Share Possession	33
Assignments	33
Underlettings	34
Charging	36
Prohibition of other dealings	36
Registration and Notification of Dealings and Occupation	36
Closure of the Registered Title of this lease	37
To Indemnify the Landlords	37
Expenses	38
Title Matters and bye laws affecting the Leased Premises	38

Marking of Boundaries..... 39

Archaeological Finds..... 39

To Use Certified Timber 39

To Leave in Good Repair 40

Compensation on Vacating..... 40

Notifiable Events..... 40

Potentially Damaging Operations (PDO's)..... 40

2002 Memorandum of Understanding..... 40

Telecommunications Apparatus 41

PART IV 42

RENT REVIEWS..... 42

PART V53

PRESCRIBED CLAUSES**LR1. Date of lease****LR2. Title number(s)****LR2.1 Landlord's title number(s)****LR2.2 Other title numbers****LR3. Parties to this lease****Landlord**

THE SECRETARY OF STATE FOR ENVIRONMENT, FOOD AND RURAL AFFAIRS, of Nobel House, 17 Smith Square, London, SW1P 3JR c/o Forestry Commission, 231 Corstorphine Road, Edinburgh EH12 7AT

Tenant

FOREST HOLIDAYS LLP (registered as a Limited Liability Partnership in England and Wales under the Limited Liability Partnerships Act 2000 under registration number OC318816) and having its registered office at Greenfields House, Westwood Way, Coventry, CCV4 8JH

Other parties

None

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 Property described in Part 1(A) of the Schedule

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 Urban Development Act

1993) of the Land Registration Rules 2003.

None

LR5.2 This lease is made under, or by reference to, provisions of:

Not applicable

LR6. Term for which the Property is leased

The term as specified in this lease at clause 2

LR7. Premium

None

LR8. Prohibitions or restrictions on disposing of this lease

This lease contains a provision that prohibits or restricts dispositions.

LR9. Rights of acquisition etc.

LR9.1 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

None

LR9.2 Tenant's covenant to (or offer to) surrender this lease

The covenant contained in Clause 46 of Part III of the Schedule.

LR9.3 Landlord's contractual rights to acquire this lease

None

LR10. Restrictive covenants given in this lease by the Landlord in respect of land other than the Property

None

LR11. Easements

LR11.1 Easements granted by this lease for the benefit of the Property

The rights set out in Part 1 (B) of the Schedule

LR11.2 Easements granted or reserved by this lease over the Property for the benefit of other property

The rights reserved in Part II of the Schedule

LR12. Estate rentcharge burdening the Property None

LR13. Application for standard form of restriction None

LR14. Declaration of trust where there is more than one person comprising the Tenant Not applicable

LEASE

between

THE SECRETARY OF STATE FOR ENVIRONMENT, FOOD AND RURAL AFFAIRS, of Nobel House, 17 Smith Square, London, SW1P 3JR acting through and c/o Forestry Commission, 231 Corstorphine Road, Edinburgh EH12 7AT (hereinafter called "the Landlords") of the first part

and

FOREST HOLIDAYS LLP (registered as a Limited Liability Partnership in England and Wales under the Limited Liability Partnerships Act 2000 under registration number OC318816) and having its registered office at Greenfields House, Westwood Way, Coventry, CCV4 8JH (hereinafter called "the Tenants") of the second part

IT IS CONTRACTED AND AGREED between the Landlords and the Tenants as follows:

15 **Definitions**

15.1 In this lease unless the context otherwise requires the following expressions shall have the following meanings :

- a) **"2002 Memorandum of Understanding"** means the Memorandum of Understanding entered into between the FC and the Verderers dated 12th November 2002 a copy of which is annexed hereto as the same may be varied amended supplemented or restated from time to time and notified in writing to the Tenants
- b) **"Access Roads"** means the roadways coloured blue on the Plan
- c) **"Agreed Form"** means in relation to any document the form of that document initialled for the purposes of identification by or on behalf of the parties thereto;
- d) **"Ancillary Services"** means, subject to the Tenant first obtaining any consents or approvals required in terms of this lease, the provision of services (whether from the Property or otherwise and whether directly or through franchised operations (subject always to the terms of Clause 27 of

Part III of the Schedule)) to short term occupiers of the holiday accommodation or pitches on the Property, which services are (subject to the terms of this lease) operated so as to form part of a holiday experience, such as food and other shops, and recreational services (such as bicycle hire and boating);

- e) **“Archaeological Finds”** means antiquities, fossils and other remains of archaeological interest including without limitation items covered by the Treasure Act 1996;
- f) **“Business”** means (a) the hiring of pitches for tents, caravans and motor-homes for short-term holidays, together with the provision of such of the Ancillary Services as are approved in advance by the Landlords (such approval not to be unreasonably withheld or delayed); and/or (b) any additional use within the definition of “Business” contained in the Framework Agreement as is previously approved in writing by the Landlords, such approval not to be unreasonably withheld or delayed;
- g) **“Certified Timber”** means timber that is certified by an internationally recognised forestry organisation or body of equivalent standing to the Forest Stewardship Council as having come from a sustainable source;
- h) **“Commoners”** means any parties occupying land or premises to which there attaches any one or more of the rights of common of the New Forest referred to in the New Forest Acts
- i) **“English Nature”** means English Nature established pursuant to Section 128 of the Environmental Protection Act 1990 but including any other government agency which may be established from time to time as a successor exercising any of the responsibilities with which English Nature is currently charged and which may include, if applicable, the body intended to be established pursuant to the Natural Environment and Rural Communities Bill and known or to be known as “Natural England”
- j) **“FC”** means the Forestry Commission constituted under the Forestry Acts 1919 to 1967 (as amended by the Forestry Acts 1979 and 1981) with offices at 231 Corstorphine Road, Edinburgh EH12 7AT but including any other government agency which may be established from time to time as a successor exercising any of the responsibilities with which the Forestry Commission is currently charged;
- k) **“Forest Management”** means all actions and activities relating to the FC’s management of the Crown Lands of the New Forest
- l) **“Framework Agreement”** means the agreement dated2006 made between FC (1) the Tenants (2) Forest Holidays (Scotland) LLP (3) and the Relevant Ministers (defined therein) (4) in relation to, *inter alia*, the ongoing management of the Business;

- m) **“Insolvency Event”** means the occurrence of any of the following events;
- 1) the Tenants are unable to pay their debts (within the meaning of Section 123(1) of the Insolvency Act 1986 unless in the case of Section 123(1)(a) any such demand is presented on manifestly frivolous vexatious or genuinely disputed grounds) or have any voluntary arrangement proposed in relation to them under Section 1 of that Act or enter into any scheme or arrangement (other than for the purpose of reconstruction or amalgamation upon terms and within such period as may previously have been approved in writing by the Landlords, such approval not to be unreasonably withheld or delayed);
 - 2) the Tenants have a receiver (which expression shall include an administrative receiver within the meaning of Section 251 of the Insolvency Act 1986) appointed over the whole or any material part of its assets or undertaking;
 - 3) the Tenants have an administration order under Section 8 of the Insolvency Act 1986 made in relation to them;
 - 4) the Tenants become insolvent or make any assignment for the benefit of their creditors or enter into an agreement or make any arrangement with creditors for the liquidation of the debts of the Tenants by composition or otherwise;
 - 5) the Tenants pass any resolution for winding-up other than a resolution previously approved in writing by the Landlords;
 - 6) the Tenants become subject to an order for winding-up by a court of competent jurisdiction; or
 - 7) any event occurs or proceeding is taken with respect to the Tenants in any jurisdiction which has an effect equivalent or similar to any of the events described in paragraphs (1) to (6) above;
- n) **“Insured Risks”** means those risks against which the Tenants have effected insurance in accordance with Clause 2 of Part III of the Schedule;
- o) **“Landlords”** includes all persons deriving title from the Landlords;
- p) **“New Forest”** means the New Forest as defined in the New Forest Acts.
- q) **“New Forest Acts”** means The New Forest Acts 1877 to 1970 as the same may be amended varied or supplemented from time to time and includes all orders and byelaws made pursuant or supplemental thereto
- r) **“Notifiable Event”** means:

- i) the spilling, deposit or release on or from the Property of any noxious substance or vapour in a quantity which would cause serious damage to or pollution of the environment or serious damage to property or serious harm to human health;
 - ii) the occurrence of any incident on the Property or any Access Roads involving serious personal injury to any person or the death of any person; and
 - iii) the occurrence of any uncontrolled fire on the Property; and
 - iv) any unlawful incursion or trespass on the Property (other than one which has been previously approved in writing by the Landlord) by groups of people, or the occurrence of organised public activity or antisocial behaviour of any significant size or scale on the Property;
- s) **"Perpetuity Period"** means eighty years from the date of this lease;
 - t) **"Plan"** means the Plan annexed hereto;
 - u) **"Planning Acts"** means the Town and Country Planning Act 1990, and The Planning (Listed Building and Conservation Areas) Act 1990 and the Planning (Hazardous Substances) Act 1990 and the Planning (Consequential Provisions) Act 1990 and any future legislation of a similar nature;
 - v) **"Potentially Damaging Operation"** has the meaning set out in the Wildlife and Countryside Act 1981
 - w) **"Property"** means the [] more particularly described and defined in Part I of the Schedule;
 - x) **"Reserved Rights"** means those rights specified in Part II of the Schedule;
 - y) **"Retained Land"** means the land (if any) shown edged in grey on the Plan ;
 - z) **"Rights"** means the rights granted by the Landlords to the Tenants described in Part 1(B) of the Schedule;
 - aa) **"RPI"** means the Retail Price Index as published from time to time in Table 18.2 of the Monthly Digest of Statistics "Retail Price Index – all items other than mortgage interest payments and depreciation" published by the Office of National Statistics or such index in such journal as shall replace such table and in the event that rebasing of RPI occurs, the parties shall meet and agree the consequential changes (if any) which are required to be made to this lease (and in default of agreement the matter shall be referred for determination on the application of either party to the amicable and final decision of an Arbitrator to be appointed by the parties, or, in the event of their being unable to agree on such appointment, by the President of the Law Society of England

and Wales for the time being and the costs and expenses of such arbitration shall be shared equally between the parties and the parties shall bear their own costs unless otherwise directed in either case by the Arbitrator.

- bb) "**Schedule**" means the Schedule annexed hereto the terms of which shall be deemed to form part of this lease;
- cc) "**Service Systems**" means the pumps, valves, man-holes, meters, connections, channels, septic tanks, water courses, holding tanks, drains, sewers, pipes, wires and cables or other conducting media in, on, over, under or passing through or otherwise exclusively serving the Property or any part thereof and all plant and equipment relative thereto and any building or structure exclusively housing the same whether situated on the Property, the Retained Land or any adjoining or neighbouring land;
- dd) "**Specified Rate**" means the rate of four per centum per annum above the Bank of Scotland base lending rate for the time being in force declaring that in the event of there ceasing to be a Bank of Scotland base lending rate there shall be substituted therefor such base rate as shall be a generally accepted base rate at the time as the same shall be determined by the Landlords;
- ee) "**SSSI/SAC Management Plan**" means (where any part of the Property falls within a Site of Special Scientific Interest designated pursuant to the Wildlife and Countryside Act 1981 as amended or a Special Area of Conservation designated pursuant to the Conservation (Natural Habitats, &c.) Regulations, 1992) any plan developed from time to time for the management of such site;
- ff) "**Tenants**" includes their permitted successors and assignees and if this lease shall at any time be vested in more than one person as tenants such expression shall include each of them and the liability of each such person under any obligation on the part of the Tenants in this lease shall be joint and several;
- gg) "**Tenants' Obligations**" means those conditions, obligations and others specified in Part III of the Schedule;
- hh) "**Term**" means the term of years granted by this lease and any continuation of the same;
- ii) "**Third Party Rights**" means all rights, covenants and restrictions affecting the Property as more particularly described in Part 1(C) of the Schedule;
- jj) "**VAT**" means Value Added Tax as provided for in the Value Added Tax Act 1994 and shall include any tax of a similar nature imposed in substitution for or in addition to Value Added Tax;
- kk) "**Verderers**" means the parties from time to time comprising the verderers of the New Forest as constituted under the New Forest Acts; and

- 11) **"Works"** means the replacement, renewal or rebuilding (including widening) of roads, paths, buildings, electrical hook-ups, toilet and shower blocks, water and waste service points, and other erections in or on the Property, and/or any erection of new buildings (whether temporary or permanent), and/or civil engineering works, and/or any changes to the layout of hardstanding on the Property, and/or the gravel, permanent signage, fencing, lighting, and drainage pertaining thereto, and all alterations or additions thereto, including fitting out, improvements, annexing to adjoining subjects or changing the layout, design, appearance or architectural features of the Property or buildings, and other erections on the Property or the Service Systems and all removals and demolitions thereof including for the avoidance of doubt any work which requires the consent of the Verderers but does not include (unless such work requires the Verderers' consent as aforesaid) the routine repair and maintenance of buildings or apparatus on the Property;
- 15.2 Any reference to land buildings or premises on any element of the Property shall as the context requires include reference to each and every part of the same.
- 15.3 Any reference to trees refers to trees of such size and maturity as to require a felling licence under any applicable legislation (including local byelaws if relevant).
- 15.4 Any reference to an enactment (whether generally or specifically) shall be construed as a reference to that enactment as amended, extended, re-enacted or applied by or under any other enactment and shall include all instruments, orders, plans, regulations, bye-laws, permissions and directions and others made or intended thereunder or deriving validity therefrom.
- 15.5 Words or expressions importing the singular number shall include the plural number and vice versa and words importing persons shall include companies and corporations and vice versa.
- 15.6 Words or expressions importing the masculine gender shall include the feminine gender and vice versa; and words or expressions importing the neuter gender only shall include the masculine and feminine genders and vice versa.
- 15.7 The index and marginal headings herein are inserted for convenience of reference only and are not deemed to form part of these presents nor shall they affect the construction thereof.
- 15.8 If at any time the Tenants hereunder shall be a firm the obligations undertaken by the Tenants under this lease shall be binding upon such firm and upon any other firm or person who takes over or becomes entitled to take over the assets of the firm during the period of this lease and upon all persons who are or become partners of such firm or such other firm at any time during the period of this lease and the respective executors and representatives of all such partners and persons and in all cases jointly and severally and notwithstanding that any such partner or person dies or ceases for any reason to be a partner of such firm or such other firm. However if any person

who by virtue of his being a partner is bound to implement the Tenant's obligations then on such person ceasing to be a partner, whether by death, retirement or otherwise, the Landlords shall on request release such person and his or her personal representatives from all Tenant obligations arising under this lease subsequent to the date of his ceasing to be a partner or (if later) the date of such request provided it is established to the Landlords' reasonable satisfaction that such release does not prejudicially affect the strength of the Tenant's covenant and its ability to perform the Tenant's obligations in this lease.

- 15.9 Whenever the consent of the Landlords is required in relation to this lease and the consents of third parties (such as, but without limitation, the Verderers or English Nature) are also required the Landlords shall not be acting unreasonably if their consent is refused because they have been unable to obtain the consents of such third parties. Nothing in this Lease shall be construed as implying a duty upon a third party not to unreasonably withhold their consent. The grant or procuring of any consent by the Landlords will not obviate the need for the Tenants to obtain any other required consent, permission or approval.
- 15.10 Any right reserved to the Landlords may (if the Landlords so require or permit) be exercised on their behalf by FC, the Verderers or English Nature or any other duly authorised person and their respective servants agents and contractors.
- 15.11 Whilst it is recognised that the 2002 Memorandum of Understanding does not have legal effect, for the purposes of this lease its requirements shall be deemed to be binding upon the FC and the Landlords.

16 Demise and Duration

The Landlords with full title guarantee in consideration of the rent and the covenants contained in this lease hereby let the whole of the Property to the Tenants in each case together with the Rights but reserving to the Landlords and all others for the time being authorised by them or otherwise entitled thereto the Reserved Rights and subject to the Third Party Rights for the period of 75 (seventy five) years from and including (hereinafter called "**the Term Commencement Date**")

17 Tenants' Obligations

The Tenants covenant:

17.1 to observe and perform the Tenants' Obligations; and

17.2 to pay to the Landlords:

a) Rent

without any written demand therefor the yearly rent of POUNDS (£)
STERLING ("the Base Rent") or such greater sum as may be substituted
therefor in accordance with the provisions of Part IV A of the Schedule

together with the Turnover Rent calculated and payable in accordance with Part IV D of the Schedule and, if the Landlords have opted or in future so opt or if otherwise this becomes payable by law, also to pay VAT thereon at the standard rate (or, if at any time in the future the standard rate shall no longer apply to rents, such rate as shall then be applicable) appertaining for the time being, payable without any deductions whatsoever by two equal half-yearly payments in advance on 1st April and 1st October in each year (each of which dates is hereinafter in this lease referred to as a "**Rent Payment Day**") the first of such payments becoming due and payable on the Term Commencement Date being a proportionate payment for the period from and including that date to the Rent Payment Day next occurring thereafter and the next payment at the said Rent Payment Day for the succeeding half year and so forth half yearly and proportionately thereafter during the whole currency hereof; and

b) Interest

on demand interest at the Specified Rate on any sum of money payable under this lease which shall have become more than 14 days overdue from the date upon which the same became due until payment thereof (as well after as before any decree or judgement);

Provided that:

- 17.3 nothing in this Clause contained shall entitle the Tenants to withhold or delay any payment of rent after the relevant Rent Payment Day;
- 17.4 the acceptance of or demand for rent by or on behalf of the Landlords with knowledge of a breach of any of the obligations on the part of the Tenants herein contained shall not be deemed to be a waiver by the Landlords of any such breach or to imply any agreement by the Landlords to waive any such breach and acceptance by the Landlords of part payment of rent and any other sum due by the Tenants to the Landlords shall not be deemed to be acceptance of the whole of such rent or other payment and the Tenants shall not in any proceedings be entitled to rely on any such acceptance or demand; and
- 17.5 all sums (other than rents) which under any provision of this lease or the Schedule may become payable by the Tenants to the Landlords shall be recoverable by the Landlords as if such sums were rent in arrear and such sums shall include in every case where applicable an additional sum in respect of VAT at the rate applicable thereto and appertaining for the time being.

18 Landlord's Obligations

The Landlords covenant with the Tenants:

- 18.1 that so long as the Tenants pay the rents reserved by and comply with their obligations in this lease the Tenants shall have quiet enjoyment (subject to the Third

Party Rights) of the Property without any lawful interruption by the Landlords or any person claiming through or under the Landlords;

18.2 that if and to the extent the Landlords or others connect into any Service Systems and/or make use of any Access Roads and/or exercise any rights of way reserved across the Property in Part II of the Schedule the Landlords will (and will use all reasonable endeavours to require that the other persons authorised or permitted by them doing so will):-

- a) pay to the Tenants on demand a fair and equitable proportion according to use of the costs incurred by the Tenants in maintaining and repairing such facilities (save where such rights are exercised only in an occasional manner) but in respect of any rights of way such contribution shall be limited to a proportion of the cost of maintaining any roads or ways only to the standard applicable from time to time to that of a waterbound stone surface road, regardless of the actual surface of such roads or ways;
- b) not cause any damage to or obstruct such facilities;
- c) not exercise any such rights in or such a manner as to prevent or prejudice the use of those facilities by the Tenants or anyone entitled to do so or in such a manner as to cause unreasonable disruption to the Business;

18.3 that if and whenever the Tenants require the consents (here including any form of licence, authority or assent) of parties other than the Landlords (such as the Verderers, the FC or English Nature) to carry on any aspect of the Business or to undertake any Works at the Property then unless the Landlords object to such proposals (acting reasonably where that is required by the general law or the express terms of this lease) they may at the Tenants' request and cost (but at their own discretion) take reasonable steps to assist the Tenants in securing whatever such other consents are required including (for the avoidance of doubt) in circumstances where the consent of the Landlords under this lease is not required to be given.

19 **Exclusion of Landlords' Liability**

19.1 So far as permitted by law the Landlords shall not be liable to the Tenants or any servant, agent, licensee or invitee of the Tenants or other person occupying or on the Property or any part thereof or calling upon the Tenants or such other persons as aforesaid for any accident, happening or injury suffered by any person in or in the vicinity of the Property or any part thereof or damage to or loss of any furnishings and/or stock or other property in the Property (whether or not the loss or damage is due to the exercise of any rights of common) nor for the temporary deprivation of the occupancy of the Property;

19.2 The Landlords shall not be liable to the Tenants or others as aforesaid nor shall the Tenants or others as aforesaid have any claim against the Landlords in respect of the bursting, leaking or failure of oil, gas, water or soil pipes or the choking, stoppage or overflow thereof or of the public sewers, drains, gutters, downpipes or conductors or

failure, fusing or breakdown of the electricity supply or any appliance or from any other cause or source whatever.

- 19.3 nothing contained in this Lease or in any consent or approval granted by the Landlords under this Lease shall be deemed to constitute any warranty by the Landlords that the Property or any part thereof are fit for any of the Tenants' purposes under this Lease nor that the Property or any part thereof are authorised for use under the Planning Acts or the New Forest Acts or otherwise for any specific purpose and the Tenants hereby acknowledge that the Landlords have not given or made any representation or warranty that the use authorised by this Lease is or will be a permitted use under the Planning Acts or the New Forest Acts and the Tenants shall remain fully bound and liable to the Landlords in respect of the Tenants' obligations under this Lease without any compensation, recompense or relief of any kind whatsoever.

20 **Condition for Re-Entry**

The Landlords may re-enter the Property at any time after any of the following occurs

- 20.1 the Rent or other payments stipulated for in this lease or any part or parts thereof shall be unpaid for 14 days after they have become due (whether legally demanded or not), or
- 20.2 default shall be made in the performance or observance of any of the other obligations, conditions or agreements on the part of the Tenants contained in this lease, or
- 20.3 an Insolvency Event occurs; or

(whilst this lease remains vested in its original tenant Forest Holidays LLP but not once it has been the subject of a permitted assignment) any two other leases entered into by Forest Holidays LLP and/or by Forest Holidays (Scotland) LLP and to which the Framework Agreement applies at the relevant time are forfeited within a ten year period as a result of the default of Forest holidays LLP or Forest Holidays (Scotland) LLP (as the case may be) in the performance or observance of any of the obligations, conditions or agreements under the relevant lease and such leases are not within two months thereafter replaced or reinstated by agreement between the relevant landlords and tenants or by reason of relief from such forfeiture having been obtained;

If the Landlords re-enter the Property pursuant to this clause this lease shall immediately end but without prejudice to any right or remedy of the Landlords in respect of any breach of covenant by the Tenants.

21 **No Implied Easements**

Nothing contained in this lease shall by implication of law or otherwise operate to confer on the Tenants any easement right or privilege whatsoever over or against any adjoining or other property belonging to the Landlords other than the Rights which might restrict or prejudicially

affect the future rebuilding, alteration or development of such adjoining or other property nor shall the Tenants be entitled to compensation for any damage or disturbance caused or suffered thereby nor shall the Tenants make or permit to be made any objection to or claim in respect of any works of construction, building, alteration, addition or repair carried out upon any land or property adjoining or near any part of the Property by the Landlords or any person authorised by the Landlords PROVIDED ALWAYS that any such works shall be carried out with as little interference to the Tenants as reasonably possible and the Landlords shall make good all damage thereby occasioned to the Property.

22 **Lease to continue**

This lease shall continue notwithstanding damage to or the destruction of the whole of the Property or any part or parts thereof from any cause and the rent payable hereunder shall continue to be payable by the Tenants.

23 **Consents**

23.1 Where under any provisions of this lease the consent or approval of the Landlords is required having regard to the FC's statutory responsibilities under *inter alia* the New Forest Acts:

- a) such consent or approval shall be in writing;
- b) insofar as may be permitted by law the Landlords shall be deemed to be acting reasonably in withholding such consent or approval or making such consent subject to compliance by the Tenants with any conditions imposed by the Landlords if the Landlords reasonably consider that the interests of estate management so require having regard to the FC's statutory responsibilities under *inter alia* the New Forest Acts;
- c) any such consent or approval granted shall be without prejudice to the Tenants' Obligations.
- d) the giving of any such consent or approval shall not imply that any consent or approval required from a third party has been obtained nor shall it obviate the need to obtain any consent or approval from a third party but in those circumstances the Landlords may (but are not obliged to) (at the Tenant's request and cost) use reasonable endeavours to obtain any other necessary consents or to assist the Tenant in doing so in the terms of Clause 4.3.

23.2 Where under any provisions of this lease any matter is stated to be to the satisfaction of the Landlords without any further qualification the Landlords shall have absolute discretion in determining whether or not such matter is to their satisfaction.

23.3 Whenever the Tenants make an application for Landlords' consent and the Landlords in their reasonable discretion decide that (a) the consent of a third party is also necessary or desirable and (b) that it would be more appropriate for the Landlords to obtain that consent; then subject to the Tenants indemnifying the Landlords in respect

of the whole reasonable cost thereof the Landlords shall take reasonable steps to obtain that consent and in the event that the Landlords are unable to or otherwise fail to procure such consent within a reasonable period the Tenants may thereafter on prior written notice to the Landlords proceed to take steps to obtain such consent themselves.

24 New Forest Environment

The parties agree that they will in good faith:-

- 24.1 co-operate in the management and operation of the Property to respect the rights of the Commoners and the powers and responsibilities of the Verderers arising under the New Forest Acts, to observe the 2002 Memorandum of Understanding, to take account of the needs and requirements of Forest Management in the New Forest and any similar policies for the ongoing management of the New Forest published by any competent public authority, and at all times seek to maintain a good working relationship with the local community and all bodies having an interest in preserving the environment and amenity of the New Forest and making it accessible to the public,
- 24.2 consult with each other on the best way to represent the interests of both parties on matters relating to the development of local or public policies or strategy for the area in which the Property is situated and which require consultation between or amongst the Landlords and the Tenants, the Verderers, the Environment Agency, FC, English Nature, the New Forest National Park Authority or other interested public bodies recognising that wherever the interests of the parties coincide it will be preferable for the Landlords and the Tenants to involve themselves on a joint basis in such circumstances.

25 Notices

Any notice, intimation, request or consent under this lease shall be in writing. Any notice to the Tenants (if a body corporate including a limited liability partnership) shall be sufficiently served if sent by Recorded Delivery Post to or left at the Registered Office of the Tenants and (if the Tenants shall be an individual or individuals or a firm) shall be sufficiently served if sent by Recorded Delivery Post to or left at his or their respective last known address or addresses in Great Britain or Ireland. Any notice to the Landlords shall be sufficiently served if sent by Recorded Delivery Post to or left at the Registered Office of the Landlords or the office or principal office of the managing agents (if any) of the Landlords (and for so long as the FC are charged with administering the Property on behalf of the Landlords such notices shall be validly served if served c/o the Secretary to the Forestry Commissioners at 231 Corstorphine Road, Edinburgh EH12 7AT or such other address as may be notified from time to time for the purposes of this Clause, and (if the Landlords at any time shall be an individual or individuals or a firm) shall be sufficiently served if sent to or left at his or their last known address in Great Britain or Ireland or the office or principal office of the managing agents (if any) of the Landlords. Any notice sent by First Class Recorded Delivery shall be deemed to have been duly served at the expiry of forty eight hours after the time of posting. In proving

service it shall be sufficient to prove that the envelope containing the notice was duly addressed to the Tenants or the Landlords (as the case may be) in accordance with this Clause and posted to or left at the place to which it was so addressed.

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

A person who is not a party to this lease shall not have any rights under or in connection with this lease by virtue of the Contracts (Rights of Third Parties) Act 1999.

27 **Landlord and Tenant (Covenants) Act 1995**

This lease creates a new tenancy for the purposes of the Landlord and Tenant (Covenants) Act 1995.

28 **Governing Law**

This lease shall be governed by and construed in accordance with the law of England and any dispute, difference or question of any kind which may arise between the parties shall be determined in accordance with the law of England.

29 **Registration**

Promptly following the grant of this lease, the Tenants shall apply to register this lease at HM Land Registry. The Tenants shall pay all relevant fees and use all reasonable endeavours to ensure that any requisitions raised by HM Land Registry in connection with that application are dealt with promptly and properly. Within one month after completion of the registration, the Tenants shall send the Landlords official copies of their title.

This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

SCHEDULE

PART I(A)

THE PROPERTY

The Property consisting of the property known as [] shown edged green on the Plan and extending to approximately [] hectares:

and including with it:

- 4 all permitted additions, alterations and improvements (except tenants' and trade fittings and fixtures which for the avoidance of doubt include any caravans or similar property on or about the Property) hereafter made on or about the Property;
- 5 all Landlords' fixtures and fittings within the Property (including all if any floor coverings, light fittings and sanitary fittings, if any, provided by the Landlords); and
- 6 the Service Systems.

PART I(B)

RIGHTS

- 4 The Property is demised with the following rights, subject always to the Tenants complying with their obligations in clauses 6, 7, 8 and 11 of Part III of the Schedule in respect of the said rights and subject in each case to such rights being granted only to the extent, if any, that the subject of such rights (a) where they comprise roadways, are not existing public highways, and (b) where they comprise the right to use Service Systems or any part thereof, are not comprised within existing mains services or supplies and declaring that the Landlords give no warranty or guarantee as to the quantity, quality or adequacy of any water, drainage or other supplies or services:

4.1 [insert here details of any exclusive rights required]

- 5 The Property is demised with the following rights granted in common with the Landlords and all occupiers and users of the relevant Retained Land and any neighbouring land, subject always to the Tenants complying with their obligations in Part III of the Schedule in respect thereof (including but not limited to Clauses 6 and 26 of Part III of the Schedule) and with any additional provisions set out below and subject in each case to such rights being granted only to the extent, if any, that the subject of such rights (a) where they comprise roadways, are not existing public highways, and (b) where they comprise the right to use Service Systems or any part thereof, are not comprised within existing mains services or supplies and declaring that the Landlords give no warranty or guarantee as to the quantity, quality or adequacy of any water, drainage or other supplies or services;

5.1 [insert here details of any shared rights required]

- 6 The Property is demised with the further right (subject always to the Tenants first obtaining any required consents or approvals from parties other than the Landlords) to enter unbuilt parts of the relevant Retained Land (with such workmen and materials as are appropriate) on reasonable prior notice to the Landlords (except in the case of an emergency);
- 6.1 to replace, repair, maintain, alter, renew the Access Roads and the Service Systems and other facilities as mentioned in Sections 1 and 2 if appropriate; and
- 6.2 with the prior consent of the Landlord (not unreasonably to be withheld or delayed so long as the Tenants can demonstrate that all necessary third party consents or approvals have been obtained and will be complied with and all necessary payments made (including if appropriate payment of compensation to the Verderers) and that such proposals will not damage the value or the amenity of the Retained Land) to install new or additional or replacement service media (of such type and nature as may be previously approved in writing by the Landlords) for the sole benefit of and exclusive use and amenity of the Property in accordance with this lease along the same route or routes as are currently used or such other route as has previously been agreed in writing with the Landlords (acting reasonably and without undue delay in all cases) in all cases subject to the Tenants taking all reasonable steps to mitigate any damage or disruption to the Retained Land and putting right any damage actually caused and complying throughout with all of the Tenants Obligations which relate to such works;
- 7 Neither the grant of this lease nor anything in it confers any right over neighbouring property nor is to be taken to show that the Tenant may have any right over neighbouring property, and section 62 of the Law of Property Act 1925 does not apply to this lease.

PART 1 (C)

THIRD PARTY RIGHTS

1. All rights of common enjoyed and exercisable by the Commoners under the New Forest Acts
2. All public rights affecting the Property including without limitation those granted under the Countryside and Rights of Way Act 2000 and the Law of Property Act 1925, rights of the public on foot and on horseback over the whole of the Property and/or on bicycle on presently existing Forestry Commission cycle routes.

The Property is demised subject to:

1. The entries contained in the Charges section of the Registers of Title for each of the title numbers set out in schedule Part 1 (A) above;
2. The rights, covenants and restrictions contained in the following documents so far as they relate to the Property and are still enforceable:

Date

Document

Parties

- 3 Any existing wayleaves or easements for existing water supply pipes, drains, electricity, and telephone cables (and associated water towers, plant, apparatus and equipment) including without limitation [detail]

PART II

RESERVED RIGHTS

5 There are reserved to the Landlords from the Property for the benefit of the relevant Retained Land and to the tenants or occupiers or users of any adjoining or neighbouring property now or at any time hereafter belonging or let to the Landlords and to their respective servants, agents and workmen and all other persons authorised by them respectively:

5.1 Passage of Utilities

- a) all existing rights to free passage and use of, water, soil, gas and electricity and other services in and through the Service Systems including without limitation [detail here any required]

5.2 Entry for Repair and Forest Management

the right to enter upon and/or pass through unbuilt parts of the Property with all necessary appliances at all reasonable times (upon reasonable notice except in the case of emergency) for all Forest Management purposes whether in respect of the Property or any Retained Land including without limitation, for the purposes of implementing any Forest Design Plan or other plan or policy relating to management of the New Forest which is made by any statutory authority and for the purpose of inspecting, cleaning, repairing or renewing any part of the Retained Land or adjoining or neighbouring property (including without prejudice to the foregoing generality any such part which is common or mutual with the Property) where such purposes cannot reasonably be fulfilled without entering the Property;

5.3 To Alter etc. the Adjoining Property

the right at any time to build, rebuild or make alterations or carry out other works upon any part of the Retained Land and adjoining or neighbouring property and for such purpose to have all necessary rights of access to the Property in connection therewith;

5.4 New Connections to the Service Systems

with the prior consent of the Tenants (not unreasonably to be withheld or delayed so long as the Landlords can demonstrate that all necessary third party consents or approvals have been or will be obtained and that such proposals will not damage the value or the amenity of the Property for example by utilising the capacity of the Service Systems so as to prejudice the current operation or planned development of the Business) to make new connections with and use the Service Systems for the benefit of the Retained Land or other nearby or adjacent premises now or hereafter owned or let to the Landlords and to have access to the Property on reasonable prior

notice (except in an emergency) with such workmen and materials as are necessary for these purposes;

5.5 New Service Media

With the prior consent of the Tenants (not unreasonably to be withheld or delayed so long as the Landlords can demonstrate that all necessary third party consents or approvals have been or will be obtained and will be complied with and that such proposals will not materially damage the value or the amenity of the Property) to install new or additional or replacement service media (of such type and nature as may be previously approved in writing by the Tenants) for the sole benefit of and exclusive use and amenity of the Retained Land or other nearby or adjacent premises now or hereafter owned or let to the Landlords along the same route or routes as are currently used or such other route as has previously been approved in writing by the Tenants such approval not to be unreasonably withheld or delayed

5.6 Use of Common or Mutual Walls

the right to take into use all common or mutual walls and to build upon, connect with or otherwise use the same; and

5.7 Right of Way

a right of way at all times and for all purposes with and without vehicles over that part of the Property shown coloured brown on the Plan provided that the Tenants may (subject to first obtaining all necessary third party consents required) vary the route of such right of way so long as the replacement right of way is not materially less convenient to the Landlords or other users of this right than the route shown coloured brown on the Plan.

The Landlords and others as aforesaid shall be entitled to exercise the foregoing rights notwithstanding that any privilege or amenity for the time being pertaining to or enjoyed by the Property may be thereby interrupted or interfered with or that the Tenants might, but for this stipulation, have been entitled to object on any other grounds, provided always that the Landlords or others in the exercise of the powers reserved to them by this Clause shall make good or procure that there shall be made good all material damage thereby occasioned to the Property and such reserved powers shall be exercised in such manner as to cause as little interference as is reasonably possible to the business of the Tenants.

6 There are reserved to the Landlords the right:

6.1 Miscellaneous Rights of Entry etc.

to enter upon the Property or any part thereof on reasonable prior notice (except in case of emergency) with or without workmen and others for any of the following purposes:

- a) to examine the state and condition of the Property and all defects and wants of repair thereof and to give notice in accordance with Clause 11 of this lease requiring the Tenants to repair and make good the same within such reasonable time as shall be specified in such notice;
- b) without prejudice to the right of re-entry contained in Clause 6 of this lease to amend any defects and execute any repairs and works which the Tenants shall have failed to do within the time specified in the said notice (or immediately in case of emergency) (or such other period as is reasonably appropriate having regard to the extent of the work required) and notwithstanding that the carrying out of such works may cause obstruction, annoyance or inconvenience to the Tenants and to recover from the Tenants the cost thereof (including any surveyors' or other professional fees incurred and VAT thereon) such cost being on demand repaid by the Tenants to the Landlords and if not so paid being recoverable by the Landlords with interest thereon at the Specified Rate from the date or dates of payment by the Landlords;
- c) to ascertain whether any unauthorised Works have been carried out to the Property and also whether any Works authorised by the Landlords pursuant to any provision of this lease have been carried out in accordance with the consent given by the Landlords and the requirements of the competent Planning Authority and any other relevant body;
- d) to take inventories of the Landlords' fittings and fixtures in and upon the Property; and
- e) for any other purpose connected with the interest of the Landlords in the Property or the Retained Land or their disposal or lease.

The Landlords and others as aforesaid shall be entitled to exercise the foregoing rights notwithstanding that any privilege or amenity for the time being pertaining to or enjoyed by the Property may be thereby interrupted or interfered with or that the Tenants might, but for this stipulation, have been entitled to object on any other grounds, provided always that the Landlords or others exercising the powers reserved to them by this Clause shall make good or procure that there shall be made good all material damage thereby occasioned to the Property and such reserved powers shall be exercised in such manner as to cause as little interference as is reasonably possible to the Business .

- 3 All fishing sporting shooting and stalking rights (including the stalking or culling of deer) appurtenant to the Property are reserved to the Landlords but save in emergency the Landlords will exercise their reserved sporting rights only during periods when the Property is closed for camping purposes but may exercise (or authorise or permit third parties to exercise) their reserved fishing rights at all reasonable times and in any reasonable manner.
- 4 The minerals under the Property are reserved to the Landlords.

PART III

TENANTS' OBLIGATIONS

43 To Pay rent and other sums

43.1 To pay the rent and other payments herein stipulated for at the times and in the manner provided in this lease. If the Landlords shall so require each payment of rent due under this lease shall be made by a banker's standing order in favour of such bank account as the Landlords may direct in writing or in such other manner as the Landlords may from time to time direct in writing. In such event the Tenants shall not, without the prior written consent of the Landlords, vary, amend or cancel any banker's order form completed by them in pursuance of this provision.

43.2 On demand to pay or otherwise indemnify the Landlords in respect of all fines or compensation which may be payable from time to time in accordance with the New Forest Acts in respect of any interference with the rights of the Commoners arising out of the grant of this lease, any breach of the terms of this lease or the use of the Property in accordance with its terms. The Tenants hereby authorise the Landlords to carry out all consultations with the Verderers in respect of the standard rate of compensation payable in respect of areas of land within the New Forest subject to rights of Commoners which have been abrogated or diminished from time to time and the Landlords undertake to keep the Tenants informed as to the progress of the consultations and if the Tenants so request to permit the Tenants to be present at such consultations.

44 To Insure

44.1 To insure and keep insured at all times throughout the term of this lease except to the extent that any such insurance shall be vitiated by an act or default of the Landlords or of any person acting under the direction of or as agent or representative of the Landlords with a reputable United Kingdom insurance company:

- a) The Property in the full reinstatement value thereof against loss or damage by fire, aircraft, explosion, riot and civil commotion, malicious damage, earthquake, storm or tempest, bursting or overflowing of water tanks, apparatus or pipes, flood, impact and such other risks as the Landlords or the Tenants may from time to time consider appropriate (subject in the case of each such specified peril to insurance being available from time to time in the United Kingdom insurance market on reasonable commercial rates and terms) together with an amount in respect of architects', engineers', surveyors' and other professional fees and expenses and the cost of temporary hoarding and other temporary work, removal of debris, dismantling or demolishing and fencing and shoring up or propping and site clearance;

- b) such of the Service Systems as the Landlords or the Tenants may deem appropriate against explosion, mechanical and electrical breakdown, third party and such other risks and in such amount as the Landlords or the Tenants shall from time to time deem fit; and
- c) against public liability, employers' liability, property owners' and third party liability in such sums as the Landlords shall reasonably require.

There shall be added to all sums referred to in this Clause 2.1 the amount of any irrecoverable VAT thereon.

- 44.2 To procure that the insurance policy effected by them notes the interest of the Landlords in the Property and contains confirmation from the insurers that they will notify the Landlords in the event that the Tenants fail to pay the premium by the due date and that insurance coverage will remain in effect for a period of not less than 20 working days thereafter to enable the Landlords to pay the relevant outstanding amount.
- 44.3 To pay or procure the payment of all premiums and other money necessary to effect and maintain all insurances required by Clause 2.1 from time to time.
- 44.4 To procure that there is carried out by an appropriately qualified chartered surveyor full insurance valuations at least once in every three years and to provide to the Landlords copies of such valuations.

45 Reinstatement

- 45.1 Save to the extent that any such insurance may be vitiated or payment refused in whole or part because of an act or default of the Landlords or any contractor agent or employee of the Landlords in the event of destruction of or damage to the Property by any of the Insured Risks subject to first obtaining all necessary consents or approvals thereto (including but not limited to any required approval from the Verderers, the FC and English Nature), to rebuild and reinstate the Property or the relevant part or parts thereof or as the case may be with all reasonable speed (making good any shortfall in the insurance proceeds out of the Tenants' own money except to the extent the shortfall is attributable to an act or default of the Landlords or any contractor agent or employee of the Landlords) making good such of the Service Systems as shall have been so damaged or destroyed.
- 45.2 To carry out any reinstatement works under the above clause 3.1 expeditiously and in a good and workmanlike manner using good quality and suitable materials in compliance with all necessary consents (including but not limited to any required approval from the Verderers, the FC and English Nature) and all applicable codes of practice and to the reasonable satisfaction of the Landlords.

46 SSSI/SAC Management Plans/General Management

To implement and comply with the lawful requirements of any SSSI/SAC Management Plan encompassing the Property or any part thereof to which the Tenants are a party or of which the Tenants have received notice.

47 Outgoings

During the subsistence of this lease to pay all rates, taxes, charges, duties, levies, assessments, outgoings and impositions of whatever description whether parliamentary, regional, district, municipal, parochial, local or of any other description and whether of the nature of capital or revenue which now are or shall at any time hereafter during the currency of this lease be taxed, assessed, charged, rated or imposed upon or payable in respect of the Property or any part thereof or (whether or not recurring and whether of an existing or novel nature) and whether on the Landlords or the Tenants or the owner or occupier thereof in respect thereof (including any future such payments whether the same shall or shall not be in the nature of those now in being) excepting only taxes and assessments (other than VAT) arising in consequence of the Landlords' dealings with the Landlords' reversionary interest in the Property.

48 To Pay for Utilities

- 48.1 To pay to the relevant suppliers all charges for gas, sewerage, electricity, electronic communications services and water supplied to the Property and the cost and annual rent of any meter or meters supplied to the Property and to keep the Landlords indemnified against any of such liabilities;
- 48.2 To observe and perform at the expense of the Tenants all present and future regulations and requirements of the gas, sewerage, electricity, electronic communications services and water supply authorities and to keep the Landlords indemnified against any breach, non-observance or non-performance thereof
- 48.3 [If required] to pay or otherwise reimburse the Landlord on demand in respect of the cost of all water consumed on or at the Property and in respect of a fair proportion of the cost of all standing charges, purification annually of the reservoir (if the parties agree that it is more convenient for the Landlords to undertake this), maintenance and other charges properly payable by the Landlords (and the Landlords reasonable and proper administration charges) for so long as any water supply is shared by the Property and the Retained Land or any adjoining or neighbouring land.

49 Water Rates

If required by the Landlords where none is present at the Tenants' own cost to install a water meter to measure the water consumed within the Property and to pay and discharge any water rates which may be directly and indirectly assessed on the Property.

50 Maintenance and Repair

- 50.1 To put, and keep in good and substantial repair and maintained to the reasonable satisfaction of the Landlords (a) the Property (including all buildings, and erections

thereon) (b) the Access Roads (including repair maintenance and renewal of barrier gates, cattle grids, gates, dragon's teeth and car free area ditches forming part of or adjoining thereto but not so as to permit or require the Tenants to install any gates or barriers where none have previously existed (unless the Landlords reasonably so require or as may be needed to comply with a statutory requirement) and not so as to permit or require the Tenants to improve any Access Roads save where necessary for the purposes of repair) and (c) the Service Systems (including any parts of the Service Systems located in on or under Retained Land) not so as to permit or require the Tenants to improve any Service Systems save where necessary for the purposes of repair; in each case regardless of the cause of the damage and to replace as and when necessary all Landlords' equipment, fixtures and fittings within the Property which are beyond economic repair (such replacements to be of a similar kind and quality to the items (when new) which they replace) and from time to time in the event of destruction, damage, or decay subject to the Tenants first obtaining any necessary third party consents to replace, renew, or rebuild whenever necessary the Property (including all buildings, and erections thereon that are not the property of the Tenants) the Access Roads and the Service Systems and each and every part thereof all to the reasonable satisfaction of the Landlords.

- 50.2 At all times to keep and maintain the Service Systems in a good and substantial condition free from obstructions and to keep clean all open drains, ditches, burns or streams as often as necessary as may from time to time be prescribed in writing by the Landlords (acting reasonably) or required in terms of the SSSI/SAC Management Plan).
- 50.3 At all times to keep and maintain (i) all roads (including the Access Roads) , hardstandings, parking bays, tracks and paths (ii) all walks and paths and (iii) all children's play areas and any equipment and apparatus thereon on the Property in a safe, good and substantial condition.
- 50.4 Not to remove or fell, prune, pollard, lop or damage any tree shrub or sapling or other vegetation (including without limitation gorse, bramble and holly) without first obtaining (a) the consent of the Landlords (which may be granted or withheld in accordance with their Forest Management policies from time to time or which may take the form of a generic consent comprised within a written plan for the management of such vegetation which the parties will use reasonable endeavours to agree from time to time), and thereafter (b) the requisite felling licence from the FC (if such licence be required).
- 50.5 [If required] to comply with any "no camping" requirements imposed by the Landlords from time to time which are designed to minimise the requirement for lopping or pollarding of trees.
- 50.6 In the event that the Tenants have been notified that a Forest Design Plan (or other plan or policy relating to management of the New Forest which is made by any statutory authority) applies to the Property, to permit the FC all necessary rights of entry and access in terms of Part II of the Schedule to implement the Forest Design

Plan (as amended from time to time) or such other plan and once implemented not to interfere with it.

- 50.7 To keep the Property clean and tidy and not to allow rubbish of any kind to accumulate on the Property and to ensure that camping and caravanning units are regularly rotated around and within the Property to prevent deterioration of the grass.
- 50.8 Not to do anything which shall prejudice, jeopardise or otherwise materially adversely affect the Forest Stewardship Council certification (pursuant to the UK Woodland Assurance Standard) of the Property, any Retained Land and/or any forestry or/land within the New Forest.

51 Maintaining exterior and interior

- 51.1 In the first two years of the Term of this lease and thereafter once in every three years and also in the last six months of the Term of this lease (howsoever the same may be determined) but not twice in successive years in a good and workmanlike manner and in accordance with the reasonable requirements of the Landlords as to the manner, methodology, and timing of the carrying out of such works and to the materials specified for use in connection therewith and to the satisfaction of the Landlords to prepare and paint with at least two coats of good quality paint or otherwise treat all the outside wood, metal, cement, stucco and other external parts of all buildings, and erections on the Property as have been previously or are usually or ought to be painted or otherwise treated and in like manner to prepare, wax and polish and otherwise maintain all the external parts of the buildings, and erections on the Property which ought to be so treated and as often as in the opinion of the Landlords shall be necessary to clean the finishes by such method as shall be previously approved by the Landlords in writing and prior to each external decoration to make application to the Landlords for approval of the tints, colours and types of materials proposed to be used by the Tenants if these are different from those previously approved in writing by the Landlords.
- 51.2 In the first two years and thereafter once in every three years and also in the last six months of the Term of this lease (howsoever the same may be determined) but not twice in successive years in a good and workmanlike manner to paint, whiten or colour with at least two coats of good quality paint all such parts of the interior of all buildings, and erections on the Property as have been previously or are usually or ought to be painted, whitened or coloured and at the same time to repaper, distemper, stain, grain, varnish and polish all such portions of the said interior have previously been or are usually or ought to be so treated provided that in the last year of this lease the tints, colours and patterns of all such works of internal decoration shall be such as shall be approved by the Landlords (such approval not unreasonably to be withheld or delayed).

52 Alterations

- 52.1 Not at any time during the Term of this lease without (a) the previous consent in writing of the Landlords being first obtained which consent shall not be unreasonably withheld or a decision thereon unreasonably delayed and (b) first obtaining all necessary third party consents; nor if such consents shall be given except in accordance with plans and specifications previously submitted in duplicate to and approved by the Landlords nor except to the reasonable satisfaction of the Landlords and in compliance with such consents to carry out any Works to the Property or the buildings, and erections but provided that the Landlords' consent shall not be required in terms of this sub-clause in respect of any internal non-structural alterations to, buildings or other erections on the Property.
- 52.2 Without prejudice to the generality of Clause 11 of this Part of the Schedule, to comply at all times with the Construction (Design and Management) Regulations 1994 with regard to any Works and to ensure that on completion thereof there shall be delivered to the Landlords a complete copy of the Health and Safety file for the Property issued in respect of the Works or updated to take account thereof; if the Works are not subject to or notifiable under the Construction (Design and Management) Regulations 1994 then the Tenants shall provide to the Landlords such information as the Landlords shall reasonably require to enable them to update any existing Health and Safety file.
- 52.3 At the expense of the Tenants to remove any Works carried out (a) without the previous consent in writing of the Landlords where this is required or (b) without such third party consents as aforesaid; and at the like expense to make good all damage caused thereby, and to restore all parts of the Property affected thereby to a state of good repair and condition consistent with the Tenants' repairing obligations herein contained and in effecting the removal of such Works the Tenants must comply with the requirements of the Landlords as to the manner, methodology, and timing of the carrying out of such removal and to the materials to be specified for use in connection therewith;
- 52.4 At the expiry or earlier termination of this lease forthwith if and when called upon to do so by the Landlords to reinstate and restore at the cost of the Tenants the Property to the state, condition and form in which they were prior to the carrying out of any Works but only to the extent that the same may be required by the Landlords to the Landlords reasonable satisfaction.
- 52.5 No compensation will be payable to the Tenants by the Landlords on the termination of this lease, whether on its natural expiry or otherwise, in respect of any additions, alterations or improvements or new or additional buildings or provision of fixed equipment or services provided at the Property.

53 Statutory Requirements

At the expense of the Tenants to comply with all obligations (whether relating to the Property, the Access Roads, the Service Systems or any Works thereto, the employment of persons therein, fixtures, machinery, plant or equipment thereon or the business carried on therein or

otherwise) imposed by any enactment including without limitation any byelaws made by FC or lawfully directed or required by any local or other competent authority or Court of competent jurisdiction and that whether on the owner or occupier and at the expense of the Tenants to do and execute or cause to be done or executed or to join with other persons in doing or executing all such works, acts, deeds, matters and things which under or by virtue of any enactment or otherwise are or shall be properly directed or are necessary to be done or executed upon or in respect of the Property, the Access Roads, the Service Systems or any part thereof; Without prejudice to the foregoing generality to comply at all times with and to undertake all such works which may be directed or necessary to be done in pursuance of the Offices, Shops and Railway Premises Act 1963, the Fire Precautions Act 1971, the Health and Safety at Work etc. Act 1974, the Environmental Protection Act 1990 and other relevant statutes and to comply at their own expense with any other requirements of any other public authority in respect of the Property, the Access Roads, the Service Systems or the use thereof; In particular (a) to comply with current fire regulations including any rule or regulation with regard to the storage of inflammable materials which may under or in pursuance of any enactment be directed or required by any public authority or by the Landlords' insurers and (b) not to permit or suffer to be working in the Property (or on the Retained Land) at any time such number of persons as will infringe the requirements in relation to the sanitary conveniences and working facilities required by any enactment; and to indemnify the Landlords at all times against all claims, demands, fines, penalties, expenses and liabilities properly incurred by or imposed upon the Landlords or which the Landlords may become liable to pay whether during this lease or afterwards in consequence of anything done or omitted or suffered to be done or omitted by the Tenants on or about the Property or the Retained Land.

54 Fire

Not to cause or permit any camp fires or open fires on the Property at any time and to take all precautions reasonably required from time to time by the Landlords to prevent an outbreak of fire as a result of the use and occupation of the Property or the exercise of any of the Tenants' rights and the spread of fire on to any adjacent or adjoining property owned by the Landlords or the Retained Land or any other adjoining property.

55 Use

55.1 To keep and use the Property for the Business and for no other purpose whatsoever.

55.2 Not to use or permit to be used the Property or any part thereof for any purpose which in the reasonable opinion of the Landlords constitutes an offensive, noisy, noxious or dangerous trade, business or manufacture nor in a manner which might cause injury to any livestock from time to time present on the Property or might interfere with any rights of the Commoners or for any purposes which may be or grow to be a nuisance, annoyance or disturbance to the Landlords or to the owners or occupiers or users of any adjoining or neighbouring properties and in particular not to use the Property or any part thereof for any illegal or immoral purpose or for gaming or gambling or as an employment agency, betting shop, amusement arcade, or as a permanent residence for any person (other than a temporary service occupancy of any site manager's

accommodation which may from time to time be on the Property) or for sale by auction or public meeting (but not so as to prohibit camping and caravanning rallies and similar uses).

55.3 Not to use or permit the use of the Property:

- a) for any purpose which is for the time being prohibited under the terms of the 2002 Memorandum of Understanding;
- b) for any purpose which (whether under the terms of the 2002 Memorandum of Understanding or otherwise) requires the consent or approval of the Verderers without first obtaining that consent and then only in the manner to which the Verderers have consented.

55.4 Not to use the Property outwith the seasonal opening and closing dates set out in Part VI of the Schedule without the Landlords' prior written consent which consent will not be unreasonably withheld or delayed where [insert agreed parameters].

55.5 To offer special rates or charges for overnight accommodation at the Property which are designed to encourage use of the Property by groups undertaking activities under the Duke of Edinburgh Award Scheme and by groups of scouts, guides and similar uniformed youth organisations by being at least ten per cent less than the standard adult nightly rate (or the closest equivalent) charged by the Tenant from time to time at the Property.

56 Costs of Abating a Nuisance

To pay to the Landlords on demand all costs, charges and expenses which may properly be incurred by the Landlords in abating a nuisance, and executing all such works which may be necessary for abating a nuisance, both in obedience to a notice served by a Local Authority in respect of the Property.

57 Not to Endanger Insurance

Not to do or permit to be done or omit to do within or upon the Property any act or thing whereby the insurance of the Property or any part thereof against the Insured Risks may be rendered void or voidable or whereby the risk of the Property or any adjoining or neighbouring premises now or at any time belonging or let to the Landlords being destroyed or damaged by any of the Insured Risks may be increased.

58 To Give Notice of Damage

In the event of the Property or any part thereof being destroyed or damaged by any of the Insured Risks or any claim or potential claim arising under any policy or policies of insurance effected by or on behalf of the Tenants to give notice thereof to the Landlords or their managing agents forthwith on becoming aware of this.

59 To Prevent Encroachments

Not to permit any new path, passageway, drainage or other encroachment or easement to be made or acquired into, against or over the Property or any part thereof and in case any such encroachment or easement whatsoever shall be attempted to be made or acquired by any person or persons whomsoever to give notice thereof in writing to the Landlords or their managing agents immediately the same shall come to the notice of the Tenants and to do all things which may be proper for preventing any such encroachment or easement being made or acquired and to use all reasonable endeavours to prevent the interruption or loss of any easement or right of a similar nature belonging to or used with the Property and if the Tenants shall omit or neglect to do all such things as aforesaid the Landlords and their agents, servants or workmen may enter upon the Property and do the same and recover the cost thereof from the Tenants on demand.

60 Planning Acts

In relation to the Planning Acts:

- 60.1 At all times during the subsistence of this lease to comply in all respects with the provisions and requirements of the Planning Acts and of all consents, permissions and conditions (if any) granted or imposed or having effect thereunder so far as the same respectively relate to or affect the Property or any part thereof or any operation, works, acts or things already or hereafter to be carried out, executed, done or omitted thereon or the use thereof for any purpose and not to do or omit or suffer to be done or omitted anything on or in connection with the Property or any part thereof the doing or omission of which shall be a contravention of the Planning Acts or any consent, permission or condition granted or imposed thereunder and to indemnify the Landlords against all actions, proceedings, damages, penalties, costs, charges, claims and demands in respect of such acts or omissions or any of them.
- 60.2 In the event of the Landlords giving written consent to any of the matters in respect of which the Landlords' consent shall be required under the provisions of this lease (or in any case where Landlords consent is not required) and where permission from any Planning Authority under the Planning Acts is also necessary for any such matter then to obtain the Landlords prior written consent to the making of such application (not unreasonably to be withheld or delayed) and thereafter to apply at the cost of the Tenants for such permission and to give notice to the Landlords of the granting or refusal of any such permission forthwith on the receipt thereof.
- 60.3 In the event of the Planning Authority agreeing to grant the required permission only with modifications or subject to any conditions, to give to the Landlords forthwith full particulars of such modifications or conditions and not to accept such modifications or conditions without the consent in writing of the Landlords (not unreasonably to be withheld or delayed) and in the event of any planning permission being granted to bear the cost of all works and other things authorised by the said permission and observe and perform all conditions (if any) attached thereto and to keep the Landlords effectually indemnified as aforesaid in respect of the said application and work done in pursuance of said permission and in respect of all breaches (if any) of the said planning consent (and conditions imposed thereby) provided always that if the

Planning Authority shall only agree to grant the required permission with such modifications and on such terms and subject to such conditions as the Landlords shall in their reasonable opinion think damaging to the interest of the Landlords in the Property, the Retained Land or any other nearby property then the Tenants shall, at the request of the Landlords, not implement such permission.

- 60.4 To give notice forthwith to the Landlords of any notice, order or proposal for a notice or order served on or received by or which comes to the notice of the Tenants under the Planning Acts and if so required by the Landlords and at the Tenants' expense to make or join in making such objections or representations in respect of any such notice, order or proposal that the Landlords may reasonably require .
- 60.5 To comply at the Tenants' cost with any notice or order served in respect of the Property under the provisions of the Planning Acts.
- 60.6 If and when called upon so to do to produce to the Landlords or the Landlords' managing agents all such plans, documents and other evidence that the Landlords may reasonably require in order to satisfy the Landlords that the provisions of this Clause have been complied with in all respects.
- 60.7 If the Tenants receive any compensation with respect to the Property in consequence of any revocation or modification of a planning permission or of any restriction placed on the use of the Property under or by virtue of the Planning Acts then and on the expiry of this lease whether the same shall have its natural or any prior termination the Tenants shall make such provision as is just and equitable for the Landlords to receive a due proportion of such compensation.
- 60.8 To advise the Landlords and the FC forthwith as soon as the Tenants become aware of any breach at the Property of the Planning Acts and any related subordinate legislation, bye-laws rules or regulations.

61 Signs

Not to cause or permit to be displayed upon any part of the Property any name, legend, sign, notice or advertisement whatsoever (including directional signs) whether temporary or permanent except such as have been first approved in writing by the Landlords (such approval not unreasonably to be withheld or delayed in respect of notices which relate to the conduct of the Business) save that no such Landlords' approval is needed in the case of information and direction signs of modest size located entirely within any building on the Property so long as these are not erected in breach of Clause 13.3 of this part of the Schedule and upon the termination of this lease to remove or efface any such name, legend, sign, notice or advertisement and make good to the satisfaction of the Landlords (acting reasonably) any damage occasioned thereby.

62 To Inform Landlords of Defects

To inform the Landlords forthwith on becoming aware of the same and in the most expeditious manner possible and thereafter in writing within a reasonable time of any defects

in the Property and to indemnify and keep indemnified the Landlords from and against any loss, claims or demands arising from a breach of any obligation on the part of the Tenants contained in this clause.

63 Support for Adjoining Premises

Not to do or omit or permit or suffer to be done or omitted in and upon the Property any matter or thing which might impair or prejudicially affect the support of the Retained Land or the adjoining or adjacent premises whether above, below or beside the Property but at all times during the subsistence of this lease to maintain and preserve such support.

64 Electronic Interference

Not to use or permit or suffer to be used on or at the Property any radio, electric or electronic equipment in such manner or condition as to cause electrical, electronic or other forms of interference to adjoining or neighbouring premises or equipment operated therein.

65 The Stopping up of Drains etc.

Not to allow any polluting agent to pass into the sewers, drains or water courses serving the Property or into adjoining or neighbouring premises or otherwise to stop up, obstruct or permit to be stopped up or obstructed the same and in the event of any obstruction or injury being occasioned thereby forthwith to remove such obstruction and to make good all damage to the reasonable satisfaction of the Landlords and to employ such plant for treating any deleterious effluent as may reasonably be required by the Landlords.

66 New Buildings.

Not to build or allow or permit any new road, wall, fence, building or erection, chemical disposal point, or any other form of building, construction or infrastructure work of whatever nature to be built on the Property nor any new trade or business to be carried out upon the Property without the prior written consent of the Landlords (which is not unreasonably to be withheld or delayed in the case of any such works which will comply with clause 13.3 of the Schedule).

67 To Inform Landlords of Notices

Within seven days of the receipt of notice of the same to give full particulars to the Landlords of any notice, order or proposal for a notice or order made, given or issued in respect of or affecting the Property by any Government Department or Local or Public Authority under or by virtue of any statutory power or otherwise and if so required by the Landlords to produce such notice, order or proposal and without delay at the Tenants' expense (but subject to obtaining the Landlords' prior written consent to any works (where the terms of this lease so require) to take all steps to comply with any such notice or order or if required by the Landlords to make or join with the Landlords in making objections or representations against or in respect of any such notice, order or proposal as aforesaid as the Landlords may reasonably require.

68 To Pay Expense of Maintaining Party Walls, Drains, etc.

To pay:

- 68.1 a fair and equitable proportion (which may, if appropriate, be 100%) as determined by the Landlords (acting reasonably) of the costs and expenses properly and reasonably incurred by the Landlords in repairing, maintaining, rebuilding, renewing and cleansing all walls, roofs, foundations, steelwork, fences, structures and other items which may belong to or be used for the Property in common or mutually with other adjoining premises but which do not form part of the Property, and
- 68.2 a fair and equitable proportion (which may, if appropriate, be 100%) as determined by the Landlords (acting reasonably) of the costs and expenses properly and reasonably incurred by the Landlords in repairing, maintaining, rebuilding, renewing and cleansing (i) all access roads or ways leading to and from the Property and (ii) all pumps, valves, man-holes, meters, connections, channels, septic tanks, water courses, holding tanks, cables, wires, pipes, drains, sewers or other conducting media and all plant and equipment relative thereto serving the Property (either exclusively or in common with other premises) but situated on land owned by the Landlords or third parties, and which do not form part of the Property.

69 Not to Share Possession

Not to share or licence the occupation of the whole or any part of the Property with or to anyone whomsoever without the consent of the Landlords (and any relevant third parties) having been first obtained which consent in the case of the Landlords will not unreasonably be withheld or delayed in the case of a bona fide concession or franchise agreement not giving rise to any subtenancy or other formal occupancy right. For the avoidance of doubt (a) nothing in this clause will allow the Tenants to operate or permit any third party to independently operate or manage the whole or substantially the whole of the Business carried on at the Property by way of concession or franchise; and (b) subject to the Tenants first obtaining any necessary consents from the Verderers or any other third party, no consent from the Landlords will be needed for the Tenants to enter into modest concession or franchise arrangements providing for the sale/supply of goods and services at the Property in the ordinary course of the Business from mobile vans visiting the Property (but not parking there overnight).

70 Assignments

- 70.1 Not to assign the whole of this lease without the prior written consent of the Landlords such consent not to be unreasonably withheld.
- 70.2 Not to assign part only of this lease.
- 70.3 The Landlords and the Tenants agree that for the purposes of section 19(1A) of the Landlord and Tenant Act 1927 the Landlords may give their consent to an assignment subject to all or any of the following conditions:

- a) a condition that the assignor (and any former tenant who because of section 11 of the Landlord and Tenant (Covenants) Act 1995 has not been released from the tenant covenants of this lease) enters into an authorised guarantee agreement which:
- i) is in respect of all the tenant covenants of this lease;
 - ii) is in respect of the period beginning with the date the assignee becomes bound by those covenants and ending on the date when the assignee is released from those covenants by virtue of section 5 of the Landlord and Tenant (Covenants) Act 1995;
 - iii) imposes principal debtor liability on the assignor (and any former tenant);
 - iv) requires (in the event of a disclaimer of liability of this lease) the assignor (or former tenant as the case may be) to enter into a new tenancy for a term equal to the unexpired residue of the Term; and
 - v) is otherwise in a form reasonably required by the Landlord
- b) a condition that if reasonably required by the Landlords a person of standing acceptable to the Landlords enters into a guarantee and indemnity of the tenant covenants of this lease in the form set out in Part V of this lease (but with such amendments and additions as the Landlords may reasonably require.)

70.4 The Landlords and the Tenants agree that for the purposes of section 19(1A) of the Landlord and Tenant Act 1927 the Landlords may refuse their consent to an assignment if (a) any rent or other money due under this lease is outstanding; (b) where the Landlords are not satisfied (acting reasonably) that the proposed assignee is reputable and responsible, experienced in the operation of businesses substantially comparable in size, scale and quality to the Business as operated from the Property; and that the assignee is otherwise demonstrably capable of complying with the tenants covenants under this lease.

70.5 Nothing in this clause shall prevent the Landlords from giving consent subject to any other reasonable condition, nor from refusing consent to an assignment in any other circumstances where it is reasonable to do so.

71 Underlettings

71.1 Not to underlet the whole of the Property.

71.2 Not to underlet any part of the Property except in accordance with this clause and then not without the prior written consent of the Landlords, such consent not to be unreasonably withheld or delayed.

71.3 Not to underlet part only of the Property except:

- a) by way of a lease at a full market rent to an operator of premises used for the provision of Ancillary Services to the Property; or
- b) by way of a temporary service occupancy in the case of any residential accommodation at the Property to be occupied by a site manager or similar member of staff;

in each and any individual case not exceeding five percent of the Property by area.

71.4 Not to underlet any part of the Property together with any property or any right over property that is not included within this lease nor to do so:

- a) at a fine or premium or reverse premium; nor
- b) allowing any rent free period by way of inducement to the undertenant.

71.5 Not to underlet any part of the Property otherwise than by a formal lease or tenancy agreement which includes:

- a) (in the case of any business tenancy) a valid agreement between the Tenants and the undertenant that the provisions of sections 24 to 28 of the 1954 Act are excluded from applying to the tenancy created by the underlease in relation to which all necessary prior notices or other procedural steps from time to time required have been duly served or implemented and (in any other case) such terms as are necessary and permissible to obviate the incidence of security of tenure;
- b) a covenant by the undertenant, enforceable by and expressed to be enforceable by the Landlords (as superior landlord at the date of grant) and their successors in title in their own right, to observe and perform the tenant covenants in the underlease and any document that is supplemental or collateral to it and to observe the tenant covenants in this lease so far as they relate to the underlet premises;
- c) provisions requiring the consent of the Landlords to be obtained in respect of any matter for which the consent of the Landlords is required under this lease, and
- d) a covenant that the undertenant shall not assign the underlet property without the prior consent of the Landlords, which consent will not be unreasonably withheld, and a covenant that the undertenant will not underlet the whole or any part of the underlet property.

and shall otherwise be consistent with and include tenant covenants no less onerous (other than as to the annual rent) than those in this lease and in a form approved by the Landlords, such approval not to be unreasonably withheld.

71.6 In relation to any underlease granted by the Tenants, the Tenants shall:

- a) not vary the terms of the underlease nor accept a surrender of the underlease without the consent of the Landlords, such consent not to be unreasonably withheld; and
- b) enforce the tenant covenants in the underlease and not waive any of them nor allow any reduction in the rent payable under the underlease; and
- c) notify the Landlords of the level of any reviewed rent forthwith after it has been agreed or determined

72 Charging

The Tenants shall not charge the whole or part only of this lease without the prior written consent of the Landlords such consent not to be unreasonably withheld in the case of a charge of the whole to a charge holder or security holder which is a bona fide lending institution. The Tenants shall procure such information with regard to the status and financial standing of any proposed charge holder, or security holder as the Landlords shall reasonably require.

73 Prohibition of other dealings

Except as expressly permitted by this lease, the Tenants shall not assign, underlet, charge, part with possession or share occupation of this lease or the Property or hold the Lease on trust for any person (except pending registration of a dealing permitted by this lease at HM Land Registry or by reason only of joint legal ownership).

74 Registration and Notification of Dealings and Occupation

74.1 In this clause a **Transaction** is:

- a) any dealing with this lease or the devolution or transmission of, or parting with possession of any interest in it, or
- b) the creation of any underlease or other interest out of this lease, or out of any interest, underlease derived from it, and any dealing, devolution or transmission of, or parting with possession of any such interest or underlease, or
- c) the making of any other arrangement for the occupation of the Property.

74.2 In respect of every Transaction that is registrable at HM Land Registry, the Tenants shall promptly following completion of the Transaction apply to register it (or procure that the relevant person so applies). The Tenants shall (or shall procure that) any fees are paid to the Land Registry and that all reasonable endeavours are made to answer

any requisitions raised by the Land Registry in connection with an application to register a Transaction promptly. Within one month of completion of the registration, the Tenants shall send the Landlords official copies of its title (and where applicable of the undertenant's title).

74.3 No later than one month after a Transaction the Tenants shall:

- a) give the Landlords' solicitors notice of the Transaction, and
- b) deliver two certified copies of any document effecting the Transaction to the Landlords' solicitors, and pay the Landlords' solicitors a registration fee of £30 (plus VAT) or such other reasonable sum as the Landlords shall notify the Tenants from time to time for the purposes of this clause.

74.4 If the Landlords so request, the Tenants shall promptly supply the Landlords with full details of the occupiers of the Property and the terms upon which they occupy it.

75 Closure of the Registered Title of this lease

Within one month after the end of the Term (and notwithstanding that the Term has ended), the Tenants shall make an application to close the registered title of this lease and shall ensure that any requisitions raised by the Land Registry in connection with that application are dealt with promptly and properly; the Tenants shall keep the Landlords informed of the progress and completion of its application.

76 To Indemnify the Landlords

To indemnify and keep indemnified the Landlords and the FC and in respect of that indemnity (if and to the extent reasonably required by the Landlords and only so far as the risk is insurable) maintain insurance cover to the reasonable satisfaction of the Landlords with a reputable insurance office and to exhibit the policy and receipts for premiums to the Landlords when required:

- 76.1 against all liability in respect of injury to or the death of any person, damage to any property real or personal, any claims, court actions, or proceedings the infringement, disturbance or destruction of any right, easement or privilege or otherwise by reason of or arising directly or indirectly from or upon (a) any defect or want of repair of the Property, (b) the use of the Property, (c) the execution of any alterations to the Property so far as effected by or on behalf of the Tenants or any sub-tenant, (d) any interference or obstruction on the part of the Tenants or others deriving right from them of any rights of light or drainage or other alleged right existing or hereinafter to be constituted in or in respect of any adjoining property, (e) any stoppage of drains used in common with the owners or occupiers of adjoining property caused by any act or omission on the part of the Tenants or others deriving right from them and (f) any failure or omission by the Tenants in the implementation or observance of the obligations on their part herein contained;

76.2 against all actions, proceedings, damages, penalties, costs, charges, claims and demands properly incurred by the Landlords in relation to any of the matters mentioned in this Clause;

76.3 against all rates which may be payable by the Landlords as a result of the Tenants vacating the Property at any date prior to the expiry or earlier termination of this lease;

and this Clause 34 shall remain in force notwithstanding the expiry or earlier termination of this lease.

77 Expenses

77.1 On demand to pay to the Landlords all costs, charges and expenses (including solicitors', counsel's, surveyors', architects', engineers' and other professional costs and fees and VAT thereon) reasonably and properly incurred by the Landlords in the case of matters falling within paragraphs a), b) and d) below, and in any other case, properly incurred by the Landlords:

- a) in connection with any application to the Landlords for consent or approval or in consequence thereof, whether or not such consent is granted;
- b) in the preparation and service of any notice of want of repair or other notice served by the Landlords on the Tenants or in the preparation and service of a schedule of dilapidations during the subsistence of this lease or after its expiry or earlier termination;
- c) in connection with the recovery of arrears of rent or any other sum at any time due by the Tenants to the Landlords under this lease;
- d) in connection with any agreement, memorandum, addendum, assignation, sub-lease or other document consequential upon this lease to which the Landlords shall be a party; and
- e) in connection with the enforcement or protection of any of the rights of the Landlords under this lease and notwithstanding that such enforcement be rendered unnecessary by the Tenants' subsequent compliance with the provisions of this lease.

77.2 On demand to pay or reimburse the Landlords or the FC (as the case may be) for the reasonable and proper costs incurred in connection with the provision to the Property of such services as the parties may agree relating to the training of Tenants' staff and the provision of ranger services such as walks, events and information made available to campers.

78 Title Matters affecting the Property

At all times to observe and perform, insofar as still valid, subsisting and applicable, all covenants, conditions, restrictions, declarations, and others howsoever constituted affecting any part or parts of the Property including but not limited to the Third Party Rights and to indemnify the Landlords against all actions, costs, claims and demands which may arise in respect of any of the same.

79 Marking of Boundaries

If, but only if, the Landlords require the Tenants to do so, the Tenants shall procure that the boundaries of the Premises are marked and identifiable in a manner prescribed by the Landlords.

80 Archaeological Finds

80.1 As between the Landlords and the Tenants, any Archaeological Finds shall be deemed to be the property of the Landlords.

80.2 The Tenants shall inform the Landlords forthwith upon the discovery of any Archaeological Finds, and comply with the reasonable directions of the Landlords in relation to the removal or disposal of such Archaeological Finds, or shall allow the Landlords to enter the Property for the purposes of such removal or disposal: Provided that the Landlords shall act with all reasonable speed to carry out and complete such removal or disposal.

80.3 The Tenants shall not attempt to remove any Archaeological Find without the Landlords' consent (not unreasonably to be withheld or delayed) and shall procure that its employees and sub-contractors shall neither remove nor damage such Archaeological Finds.

80.4 In the event that the relevant Archaeological Find cannot be moved, or that it is inappropriate that the same be moved, then the Tenants shall allow the Landlords or those authorised by them access to the Property subject to the terms of Part II of the Schedule to carry out any investigation which they deem is appropriate in connection with its or their statutory duties or which is otherwise required by law: Provided that the Landlords shall and shall use all reasonable endeavours to procure that anyone authorised by them shall act with all reasonable speed to carry out and complete such investigation.

80.5 The provisions of sub-clauses 38.1 to 38.4 (inclusive) shall not affect the rights or obligations of either party under any applicable legislation.

81 To use Certified Timber

In any Works carried out on the Property by the Tenants or by parties on their behalf, all timber used in such works shall be Certified Timber and such timber shall be United Kingdom grown where reasonably possible (which for the avoidance of doubt shall include consideration of whether it is economically practicable to use UK grown timber).

82 To Leave in Good Repair

82.1 On the expiry or sooner determination of the term of this lease quietly and notwithstanding any law or practice to the contrary to surrender to the Landlords the Property together with all additions and improvements made thereto and all fittings and fixtures in or upon the Property or which during the term of this lease may have been affixed or fastened to or placed on or upon the same and that in such state and condition as shall be consistent with full and due performance by the Tenants of their obligations in this lease contained with all locks, keys and fastenings complete and at the cost of the Tenants to repair and make good to the reasonable satisfaction of the Landlords all damage including damage to paintwork caused by the removal of Tenants' fittings and fixtures.

82.2 In respect of any works which may be required after the date of termination of this lease to constitute full and due performance by the Tenants of their obligations under this lease, the Tenants shall, in the option of the Landlords, either carry out such works or pay to the Landlords a sum equal to the proper cost of carrying out the same and in either case the Tenants will also pay to the Landlords a sum equivalent to the loss of rent properly incurred by the Landlords during the period from the date of termination of the lease until such works have been fully implemented, together with interest thereon at the Specified Rate from the date or dates of demand until paid.

83 Compensation on Vacating

Any right of the Tenants or anyone deriving title under the Tenants to claim compensation from the Landlords on leaving the Property under the Landlord and Tenant Act 1927 or the 1954 Act are excluded, except to the extent that the legislation prevents that right being excluded.

84 Notifiable Events

In the event of the occurrence of a Notifiable Event:

84.1 the Tenants shall immediately on becoming aware of the same inform the Landlords and the FC of its occurrence and permit the Landlords to enter and inspect the Property;

84.2 the Tenants shall consult and liaise closely with the FC regarding any public statements made by the Tenants or parties on behalf of the Tenants about any Notifiable Event and any information made publicly available regarding a Notifiable Event.

85 Potentially Damaging Operations (PDO's)

Not to carry out any Potentially Damaging Operation without the prior written consent of the Landlords.

86 2002 Memorandum of Understanding

To comply with and not to do anything which would or might put the FC in breach of its obligations under the 2002 Memorandum of Understanding.

87 Telecommunications Apparatus

Not to permit the installation, retention or operation of any electronic communications apparatus (as the same is defined in the Telecommunications Act 1984 as amended by the Communications Act 2003) on the Property.

88 To Surrender Surplus Land

Following the implementation of any permitted planning permission obtained by or on behalf of the Tenants to surrender back to the Landlords any of the land hereby demised which as a result of such implementation is no longer capable of use or operation for the purposes of the Business, such surrender to be in a form agreed between the parties (acting reasonably) and to incorporate appropriate provision for the grant and reservation of such rights and easements over the land thereby surrendered subject to such provisos as in each case may be reasonably required by the parties at the relevant time and including a release of the Tenants from their obligations in respect of the land so surrendered from the date of the surrender.

PART IV

RENT REVIEWSPART A

In this Part A of Part IV of the Schedule the following expression shall have the meaning hereby assigned to it, namely:

“Review Date” means each anniversary of the Term Commencement Date and the expression “relevant Review Date” shall be construed accordingly.

3 On each Review Date but not the Fifth, Tenth, Fifteenth, Twentieth, Twenty fifth, Thirtieth, Thirty fifth, Fortieth, Forty fifth, Fiftieth, Fifty fifth, Sixtieth, Sixty fifth and Seventieth [*delete unnecessary anniversary dates to accord with duration of the Lease*] anniversaries of the Term Commencement Date the annual Base Rent payable under this lease shall be reviewed to the greater of : -

3.1 the annual Base Rent payable immediately before the relevant Review Date; and

3.2 such amount as is calculated by the Landlords in accordance with the following formula:

$$NR = R \times (CV \div BV)$$

Where:

NR is: The new Base Rent payable with effect from the relevant Review Date.

R is: The Base Rent payable under this lease immediately prior to the relevant Review Date.

CV is: The value of RPI for the month falling three months before the relevant Review Date.

BV is: The value of RPI on the Term Commencement Date or (if later) for the month which is three months earlier than the Review Date immediately preceding the relevant Review Date.

Once the Landlords have determined the new Base Rent payable as and from the relevant Review Date they shall serve notice on the Tenants as to the level of the new Base Rent. Until the new Base Rent payable has been intimated by the Landlords to the Tenants, the Tenants shall pay rent under this lease at the rate prevailing immediately before the relevant Review Date. The new Base Rent shall be due and payable as and from the relevant Review Date. The Tenants shall pay to the Landlords forthwith any shortfall between the Base Rent

paid immediately before the relevant Review Date and the new Base Rent determined as set out above with interest thereon at two per cent below the Specified Rate.

- 4 Forthwith after the new Base Rent shall have been ascertained in accordance with this Part A of Part IV of the Schedule and on each such occasion there shall be signed by, for or on behalf of the Landlords and the Tenants respectively a Memorandum in duplicate specifying the new increased yearly Base Rent payable under this lease and such Memorandum shall be evidence of the amount of such new yearly Base Rent. Such Memorandum shall be prepared, completed and registered at the sole cost of the Tenants.

PART B

7 Wherever in this Part B of Part IV of the Schedule the context admits the following expressions shall have the meanings hereby assigned to them, namely:

- 7.1 "Review Date" means the Fifth, Tenth, Fifteenth, Twentieth, Twenty fifth, Thirtieth, Thirty fifth, Fortieth, Forty fifth, Fiftieth, Fifty fifth, Sixtieth, Sixty fifth and Seventieth [*delete unnecessary anniversary dates to accord with duration of the Lease*] anniversaries of the Term Commencement Date and the expression "relevant Review Date" shall be construed accordingly;
- 7.2 "Review Period" means the period commencing on a Review Date and ending on the day immediately preceding the next Review Date or (in the case of the period commencing on the last Review Date occurring during the term of this lease) on the expiry of this lease;
- 7.3 "Market Rent" means the full annual rent at which the Property could be let as one entity on the open market at and from the relevant Review Date for a term equivalent to the original duration of this lease and otherwise subject to the provisions of this lease (other than the actual amount of rent payable hereunder but including the provisions for rent review similar to those contained in this Part of the Schedule) and on the assumption (if not a fact) that:
- a) the Property is available for immediate letting by a willing landlord to a willing tenant without fine or premium and with vacant possession;
 - b) the provisions of this lease have been fully performed and observed and the Landlords and the Tenants have complied in all respects with all the obligations imposed on them under this lease;
 - c) the use permitted by this lease of the Property complies with the Planning Acts free from onerous conditions;
 - d) all licences and consents necessary for the use permitted by this lease have been granted by the relevant public authorities or bodies without onerous conditions;
 - e) the Property is fit for immediate occupation and use and without prejudice to the foregoing generality, are connected to the usual public utilities and have satisfactory supplies of water and adequate drainage and sewerage;
 - f) no Works have been carried out to the Property by the Tenants or any sub-tenant or their respective predecessors in title or any of them which has diminished the rental value of the Property;

- g) in case the Property or any part thereof has been destroyed or damaged it has been fully restored;
- h) any prospective tenants are able fully to recover input VAT whether or not this is the case; and
- i) any rent free period or period of discounted rent has expired and any other consideration which the Landlords might then be expected to grant to a tenant on taking a lease of the Property has been paid or otherwise discharged but in each case only to the extent that it would be referable to the fitting out of the Property by such tenant

But disregarding any effect on rent of:

- j) the fact that the Tenants, any sub-tenants and their respective predecessors in title or any of them are, or have been, in occupation of the Property;
- k) any goodwill attached to the Property by reason of the carrying on within the Property of the business of the Tenants or any sub-tenant;
- l) any Works carried out to the Property or any part thereof after the Term Commencement Date with any necessary consent of and otherwise than in pursuance of any obligation to the Landlords, whether under this lease or otherwise, at the cost of the Tenants or any sub-tenant;
- m) so far as may be permitted by law all statutory restrictions relating to the assessment and recovery of rent; and
- n) the fact that any prospective tenants might not be able fully to recover input VAT;

7.4 "Surveyor" means such Chartered Surveyor having recent substantial experience in valuing premises of a location, kind and character similar to the Property and who is a member of a leading firm of Surveyors practising inter alia in the field of commercial leisure property lettings as may be nominated by agreement between the Landlords and the Tenants or in default of agreement appointed by or on behalf of the President (or senior office holder at the time available) of the Royal Institution of Chartered Surveyors (as constituted, reconstituted, formed or reformed from time to time) or if such President or senior office holder shall not be available appointed by such officer of such professional body of surveyors as the Landlords, acting reasonably, shall designate;

7.5 "Revised Base Rent" for a Review Period means the yearly Market Rent in respect of that Review Period agreed in writing between the Landlords and the Tenants or determined (in default of agreement) by the Surveyor all as hereinafter provided;

7.6 "Current Base Rent" means the yearly rent payable under this lease immediately preceding the commencement of the relevant Review Period;

- 7.7 "Shortfall" means in respect of the period (if any) beginning on the relevant Review Date and ending on the Rent Payment Day next following the date on which the Revised Base Rent for that Review Period is ascertained the amount (if any) by which the aggregate equal half-yearly instalments of the Revised Base Rent which would have been payable during that period had the Revised Base Rent been ascertained at the commencement thereof exceeds the aggregate of the instalments of the Current Base Rent paid for the same period; and
- 7.8 "Shortfall Interest" means a capital sum equal to interest at two per centum below the Specified Rate on the aggregate of the component parts of the Shortfall for the period from the date each component part became due until payment of the Shortfall.
- 8 On the relevant Review Date the yearly Base Rent for the relevant Review Period shall be reviewed to the greater of:
- 8.1 the Current Base Rent;
- and
- 8.2 the Revised Base Rent.
- 9 If the Landlords and the Tenants have not agreed the Market Rent by a date two months prior to the relevant Review Date the Landlords or the Tenants may at any time thereafter require the Market Rent to be determined by a Surveyor acting as an expert and not as an arbitrator whose decision shall be final and binding on the parties and the following provisions shall apply:
- 9.1 the fees and expenses of the Surveyor including the cost of his appointment shall be borne equally by the Landlords and the Tenants who shall each otherwise bear their own costs;
- 9.2 the Landlords and the Tenants shall each be entitled to submit to the Surveyor in accordance with a timetable to be determined by the Surveyor written valuations, statements and other evidence relating to or supporting their assessments of the Market Rent in which event each shall at the same time deliver to the other party a copy of all such valuations and others submitted as aforesaid. The Surveyor shall, if so requested by written notice by either the Landlords or the Tenants (a copy of which shall be served on the other party) and which notice shall be given by a date to be determined by the Surveyor, hold a hearing at which both the Landlords and the Tenants or their respective representatives may be heard and if present cross-examined and that at such time or times and such place or places as the Surveyor shall appoint for that purpose; and
- 9.3 if the Surveyor shall fail to determine the Market Rent within six months of his appointment (or such longer period as the Landlords and the Tenants may agree in writing) or if prior to his making such determination he shall relinquish his appointment or die or it shall become apparent that, for any reason, he will be unable to complete his duties hereunder then it shall be open to either party on notice in

writing to the other party and the Surveyor or his representatives to terminate forthwith the appointment of such person and to apply to the other party in the manner specified in Clause 1 of this Part B of Part IV of the Schedule for a substitute Surveyor to be appointed.

- 10 If the Revised Base Rent for any Review Period has not been ascertained by the commencement of such Review Period then in respect of the period commencing with the Review Date in question and ending on the Rent Payment Day next occurring after the date on which the Revised Base Rent is ascertained payment on account of the yearly rent shall be made by the Tenants at not less than the rate of the Current Base Rent at the times and in the manner specified in Clause 3.2a) of the foregoing Lease and on the said last mentioned Rent Payment Day the Tenants shall pay in addition to the instalment of the Revised Base Rent then payable the Shortfall and Shortfall Interest but without prejudice to the right of the Tenants to make earlier payment of the Shortfall and Shortfall Interest.
- 11 On request from the Landlords at any time prior to a Review Date, the Tenants shall deliver to the Landlords professionally audited accounts (providing full details of all income, expenditure and transactions) for the business run by the Tenants at the Property in respect of the three years preceding the date of the Landlords' request.
- 12 Forthwith after the Revised Base Rent shall have been ascertained and on each such occasion there shall be signed by, for or on behalf of the Landlords and the Tenants respectively a Memorandum in duplicate specifying the new increased yearly Base Rent payable under the foregoing Lease and such Memorandum shall be evidence of the amount of such new increased yearly rent. Such Memorandum shall be prepared, completed and registered at the sole cost of the Tenants.

PART C

In the event of the Landlords being prevented or prohibited in whole or in part (in part meaning anything less than the whole) from exercising their rights under this Part IV of the Schedule and/or obtaining an increase in the annual Base Rent at any Review Date under Part A or Part B above by reason of any legislation, government order or decree or notice (increase in this context meaning such increase as would be obtainable disregarding the provisions of any such legislation and others as aforesaid) then and upon each and every occasion on which such event shall occur if the occurrence gives rise to total prevention or prohibition the date on which such Review would have otherwise taken effect shall be deemed to be extended to permit and require such Review to take place on the first date or dates thereafter upon which such right of increase may be exercised and/or obtained in whole or part and when in part on so many occasions as shall be necessary to obtain the whole increase (meaning the whole of the increase which the Landlords would have obtained if not prevented or prohibited as aforesaid) and if there shall be a partial prevention or prohibition only there shall be a further review or reviews (as the case may require) on the first date or dates as aforesaid and notwithstanding that the yearly Base Rent may have been increased in part on or since the last occurring Review Date (as such term is defined in either Part A or Part B as appropriate) provided always that the provisions of this Clause shall be without prejudice to the Landlords' rights to review the annual Base Rent on the Review Dates as specified in the foregoing Parts A and B of this Part IV of the Schedule.

PART D

Turnover Rent

[insert here provisions to be proposed and agreed between the parties as to the mechanism for calculating and paying the Turnover Element of the Rent based on Clause 9.[] of the Framework Agreement]

PART V

GUARANTEE AND INDEMNITY

8 **Guarantee and Indemnity**

8.1 The Guarantor guarantees to the Landlords that the Tenants shall:

- a) pay the rents reserved by this lease and observe and perform the tenant covenants of this lease and that if the Tenants fail to pay any of those rents or to observe or perform any of those tenant covenants, the Guarantor shall pay or observe and perform them, and
- b) observe and perform any obligations the Tenants enter into in an authorised guarantee agreement made in respect of this lease (the **Authorised Guarantee Agreement**) and that if the Tenants fail to do so, the Guarantor shall observe and perform those obligations.

8.2 The Guarantor covenants with the Landlords as a separate and independent primary obligation to indemnify the Landlords against any failure by the Tenants:

- a) to pay any of the rents reserved by this lease or any failure to observe or perform any of the tenant covenants of this lease, and
- b) to observe or perform any of the obligations the Tenants enter into in the Authorised Guarantee Agreement.

9 **Guarantor's Liability**

9.1 The liability of the Guarantor under paragraphs 1.1(a) and 1.2(a) shall continue until the end of the Term, or until the Tenants are released from the tenant covenants of this lease by virtue of the Landlord and Tenant (Covenants) Act 1995, if earlier.

9.2 The liability of the Guarantor shall not be affected by:

- a) any time or indulgence granted by the Landlords to the Tenants, or
- b) any delay or forbearance by the Landlords in enforcing the payment of any of the rents, or the observance or performance of any of the tenant covenants of this lease (or the Tenants' obligations under the Authorised Guarantee Agreement) or in making any demand in respect of any of them, or
- c) any refusal by the Landlords to accept any rent or other payment due under this lease where the Landlords believe that the acceptance of such rent or payment may prejudice its ability to re-enter the Property, or
- d) the Landlords exercising any right or remedy against the Tenant for any failure to pay the rents reserved by this lease or to observe or perform the

tenant covenants of this lease (or the Tenants' obligations under the Authorised Guarantee Agreement), or

- e) the Landlords taking any action or refraining from taking any action in connection with any other security held by the Landlords in respect of the Tenants' liability to pay the rents reserved by this lease or observe and perform the tenant covenants of the Lease (or the Tenants' obligations under the Authorised Guarantee Agreement) including the release of any such security, or
- f) a release or compromise of the liability of any one of the persons who is the Guarantor, or the grant of any time or concession to any one of them, or
- g) any legal limitation or disability on the Tenants or any invalidity or irregularity of any of the tenant covenants of the Lease (or the Tenants' obligations under the Authorised Guarantee Agreement) or any unenforceability of any of them against the Tenants, or
- h) the Tenants being dissolved, or being struck off the register of companies or otherwise ceasing to exist, or, if the Tenants are individuals by the Tenants dying or becoming incapable of managing their affairs, or
- i) without prejudice to paragraph 4, the disclaimer of the Tenants' liability under this lease or the forfeiture of this lease, or
- j) the surrender of part of the Property, except that the Guarantor shall not be under any liability in relation to the surrendered part in respect of any period after the surrender, or

by any other act or omission except an express written release of the Guarantor by the Landlord.

9.3 The liability of each of the persons making up the Guarantor is joint and several.

9.4 Any sum payable by the Guarantor shall be paid without any deduction, set-off or counter-claim against the Landlords or the Tenants.

10 Variations and Supplemental Documents

10.1 The Guarantor shall, at the request of the Landlords, join in and give its consent to the terms of any consent, approval, variation or other document that may be entered into by the Tenants in connection with this lease (or the Authorised Guarantee Agreement).

10.2 Whether or not the Landlords have requested that the Guarantor join in any such document and whether or not the Guarantor has done so, the Guarantor shall not be released by any variation of the rents reserved by, or the tenant covenants of, this lease (or the Tenants' obligations under the Authorised Guarantee Agreement),

whether or not the variation is material or prejudicial to the Guarantor and whether or not it is made in any document.

- 10.3 The liability of the Guarantor shall apply to the rents reserved by and the tenant covenants of this lease (and the Tenants' obligations under the Authorised Guarantee Agreement) as varied whether or not:
- a) the variation is material or prejudicial to the Guarantee, or
 - b) the variation is made in any document, or
 - c) the Guarantor has consented to the variation (except to the extent that the liability of the Guarantor is affected by section 18 of the Landlord and Tenant (Covenants) Act 1995).

11 Guarantor to take a New Lease or Make Payment

- 11.1 If this lease is forfeited or the liability of the Tenants under this lease is disclaimed and the Landlords give the Guarantor notice not later than six months after the forfeiture or the Landlords having received notice of the disclaimer, the Guarantor shall enter into a new lease of the Property on the terms set out in paragraph 4.2.
- 11.2 The rights and obligations under the new lease shall take effect from the date of the forfeiture or disclaimer and the new lease shall:
- a) be granted subject to the right of any person to have this lease vested in them by the court and to the terms on which any such order may be made and subject to the rights of any third party existing at the of the grant,
 - b) be for a term that expires at the same date as the end of the Term of this lease had there been no forfeiture or disclaimer,
 - c) reserve as an initial annual rent an amount equal to the rent on the date of the forfeiture or disclaimer (subject to paragraph 5) and which is subject to review on the same terms and dates provided by this lease,
 - d) be excluded from sections 24 to 28 of the Landlord and Tenant Act, and
 - e) otherwise be on the same terms as this lease (as varied if there has been any variation).
- 11.3 The Guarantor shall pay the Landlords' solicitors' costs and disbursements (on a full indemnity basis) and any VAT in respect of them in relation to the new lease and shall execute and deliver to the Landlords a counterpart of the new lease within one month after service of the Landlords' notice.
- 11.4 The grant of a new lease and its acceptance by the Guarantor shall be without prejudice to any other rights which the Landlords may have against the Guarantor or

against any other person or in respect of any other security that the Landlords may have in connection with this lease.

- 11.5 The Landlords may, instead of giving the Guarantor notice pursuant to paragraph 4.1 but in the same circumstances and within the same time limit, require the Guarantor to pay an amount equal to six months rent and the Guarantor shall pay that amount on demand.

12 **Rent at the Date of Forfeiture or Disclaimer**

If at the date of the forfeiture or disclaimer there is a rent review pending under this lease, then the initial annual Base Rent to be reserved by the new lease shall be the open market rent of the Property at the relevant Review Date, as determined by the Landlords before the grant of the new lease.

PART VI

Seasonal Opening and Closing Dates

[detail]

Executed as a Deed by
FOREST HOLIDAYS LLP
acting by two Members

.....

Member

.....

Member

The Corporate Seal of the
**SECRETARY OF STATE FOR ENVIRONMENT
FOOD AND RURAL AFFAIRS** hereby affixed
is authenticated by the signature of:

.....

Authorised signatory.

**MEMORANDUM OF UNDERSTANDING BETWEEN THE
FORESTRY COMMISSIONERS AND THE VERDERERS OF THE
NEW FOREST**

INTRODUCTION

1. In carrying out their statutory role as managers of the New Forest the Forestry Commissioners are constrained by the existence of rights of common. However, these rights are subject to the Forestry Commissioners' statutory powers. Under section 18(1)(c), (d) and (e) of the New Forest Act 1949 (as amended by the New Forest Act 1964), the Commissioners have power, amongst other things, to authorise the use of land in the New Forest for the purpose of recreation and the appropriation of land in the New Forest for car parking and for camping sites. They also have powers under section 23(2) of the Countryside Act 1968 to provide tourist, recreational or sporting facilities. The powers in the New Forest Act 1949 and, by virtue of section 1 of the New Forest Act 1970, those in the Countryside Act are only exercisable with the agreement of the Verderers of the New Forest.

2. In the context of the day-to-day management of the New Forest it is necessary to decide how particular activities or other items which the Forestry Commissioners propose to permit fall to be treated in the light of the legal rights and obligations described in the preceding paragraph. In particular, the parties have not always been able to agree whether particular items legally require the agreement of the Verderers. The purpose of this Memorandum of Understanding is therefore to set out the parties' intended approach in respect of specific items which the Forestry Commissioners are likely to wish to permit in the New Forest in the future.

3. This Memorandum of Understanding is not intended to constitute a legally enforceable contract or to create any rights or obligations which are legally enforceable. It is intended to be binding in honour only.

OPERATION AND REVIEW

4. This Memorandum of Understanding is expected to continue in operation unless it is brought to an end by either party in accordance with the following paragraph. The parties intend to formally review the provisions of the Memorandum after three years from the date of its signing but either party may propose an amendment at any time if they consider it necessary. Any changes to the Memorandum must be decided upon by both parties.

BRINGING THE MEMORANDUM TO AN END

5. Either party may bring this Memorandum of Understanding to an end by giving at least three months' notice in writing of its intention to do so to the other party.

NO LEGAL REQUIREMENT FOR CONSENT

6. The parties regard the items and activities listed in Schedule I as not requiring the agreement of the Verderers under section 18 of the New Forest Act 1949 (as amended by the New Forest Act 1964) or section 1 of the New Forest Act 1970 ("the New Forest Acts").

7. The Forestry Commissioners will notify the Verderers of their intention to permit any of the items or activities listed in Schedule IB and may seek the Verderers' comments and views in respect of such proposals.

LEGAL REQUIREMENT FOR CONSENT

8. The parties regard the items and activities listed in Schedule II as requiring the agreement of the Verderers under the New Forest Acts.

NO AGREEMENT OR REQUIREMENT FOR CONSENT

9. The parties have been unable to agree upon whether the items and activities listed in Schedule III require the agreement of the Verderers under the New Forest Acts.

Schedule IIIA

10. The Forestry Commissioners will seek the agreement of the Verderers to permit any of the items or activities listed in Schedule IIIA and the Verderers will not unreasonably refuse their consent to these items.

11. If the Verderers refuse consent to any item or activity listed in Schedule IIIA they will notify the Forestry Commissioners of the reasons for their decision and, if the Forestry Commissioners consider the Verderers' refusal of consent to be unreasonable, they will not proceed to permit the activity or item without first notifying the Verderers of their reasons for holding that opinion.

Schedule IIIB

12. The Forestry Commissioners will seek the advice of the Verderers in respect of the permitting of any of the items or activities listed in Schedule IIIB and will not unreasonably disregard any advice received.

SCHEDULE I

Items and activities regarded as not requiring consent

A

Items not to be notified

Sporting licences
Angling licences
Motoring permits
Individual carriage driving
Non-commercial and small scale commercial filming
Builders' temporary skips and material
Ranger led walks

B

Items to be notified

Fox-hunting
Backpacking
Duke of Edinburgh training
Sponsored walks, rides, map reading exercises
Dog training
Hawking
Bird watching from temporary hides (eg Montagu's Harrier)
Scouting and guiding activities
Military training
Scientific studies
Archaeology
Carriage driving events
Large scale commercial filming
Educational visits
School parties or organised events

SCHEDULE II

Items regarded as requiring consent

Car parks
Campsites
Reptile Centre
Open Forest recreation paths

Bar-B-Q sites
Information boards on fresh grass
Viewing platforms on fresh grass
Toilets
Classrooms
Marked trails on the Open Forest
Fixed seats on the Open Forest
Scout sites and buildings
Sports club buildings and associated infrastructure such as roads and tracks

SCHEDULE III

No agreement on requirement for consent

A

Consent not to be unreasonably withheld

Moveable benches and tables on the Open Forest
Cycle routes on the Open Forest
Horsedrawn wagon routes on the Open Forest
Sites for beehives
Ice-cream trading sites
Sports club activities

B

Advice not to be unreasonably disregarded

Donation meters
Notice boards
Viewing platforms
Litter bins
Horse riding by commercial establishments
Draghunting
Orienteering
Motorised models and toys

13. In formulating their advice in respect of the items and activities listed in Schedule IIB the Verderers will, as applicable, have regard to -

13.1 the scale of the item or activity, and/or the area affected and/or the time over which it occurs;

13.2 the proposed change to the current status of the item or activity as at the time the advice is sought;

13.3 the status of the item or activity as at the time the advice is sought as against its status at the date of this Memorandum of Understanding.

TRANSITIONAL PROVISIONS

14. The parties intend any decisions taken by the Verderers before the date of this Memorandum of Understanding in respect of any items or activities falling within its scope to continue to apply until there is a change in circumstance such as to justify reconsideration of that item or activity.

SIGNED: 
On behalf of the Forestry Commissioners

DATE 12 November 2002

SIGNED: 
On behalf of the Verderers of the New Forest

DATE 12 November 2002

Signed by [NAME OF MEMBER]
for and on behalf of FOREST Director
HOLIDAYS LLP

Signed by [NAME OF AUTHORISED
SIGNATORY] for and on behalf of the
Secretary of State for Environment Food
and Rural Affairs/National Assembly for Wales

THE SCHEDULE

Part 9

Dispute Resolution Procedure

- 1 Save where otherwise specified in this Agreement, if any dispute arises between the parties they shall attempt to resolve such dispute, acting in good faith.
- 2 If the attempts by the parties to resolve the dispute are not successful within 20 Business Days of the dispute being notified in writing by one party to the other, either party may request in writing that a senior executive officer of each party shall meet to resolve the dispute.
- 3 Within 20 Business Days of such request the Members shall procure that such senior executive officers shall meet and attempt to resolve the dispute on the basis of utmost good faith. Any decision of the senior executive officers shall be final and binding unless the parties otherwise agree.
- 4 Subject to paragraph 5 below, if the senior executive officers are unable to resolve the dispute within a further period of 20 Business Days (or such longer period as the parties may agree), either party may then pursue the remedies which are available to them at law.
- 5 Where the parties agree in writing to refer a matter arising under or in connection with this Agreement to an expert who shall be an independent person with appropriate qualifications and experience ("an Expert"), the matter in question (failing a resolution having been agreed pursuant to paragraph 1 or paragraph 3 above) shall be determined by an Expert appointed jointly by the parties and whose identity shall first have been agreed in writing between the parties.
- 6 If the parties have not agreed upon the appointment of an Expert or his identity within 5 Business Days of a written request by either party for such an appointment then (on the written application of either party) an independent expert with appropriate qualifications and experience (who is willing to act in such capacity) shall be appointed:-
 - 6.1 in relation to a dispute of a legal nature, by the then President of the Law Society of England and Wales, (in relation to a dispute regarding legal matters in England and Wales), or by the then President of the Law Society of Scotland, (in relation to a dispute regarding legal matters in Scotland);
 - 6.2 in relation to a dispute of a land and property nature, by the then President of the Royal Institution of Chartered Surveyors in England and Wales (in relation to a dispute regarding land and property matters in England and Wales) or by the then President of the Royal Institution of Chartered Surveyors in Scotland (in relation to a dispute regarding land and property matters in Scotland); or
 - 6.3 in relation to a dispute of a financial nature, by the then President of the Institute of Chartered Accountants in England and Wales (in relation to a dispute regarding financial matters in England and Wales) or by the then President of the Royal Institution of Chartered Accountants in Scotland (in relation to a dispute regarding financial matters in Scotland).
 - 6.4 in relation to a dispute of a building or construction nature, by either the then President of (a) the Chartered Institute of Building, (b) the Royal Institute of

British Architects or (c) the Royal Institution of Chartered Surveyors, as appropriate, in England and Wales (in relation to a dispute regarding building or construction matters in England and Wales) or by the then President of (a) the Chartered Institute of Building, (b) the Royal Institute of British Architects or (c) the Royal Institution of Chartered Surveyors, as appropriate, in Scotland (in relation to a dispute regarding building or construction matters in Scotland).

provided that, without prejudice to Clause 47.1, where a dispute relates to matters in both England and Wales and Scotland, the parties agree that where practicable given the differences in jurisdiction, the expert shall be appointed in England and Wales only.

- 7 The parties agree to co-operate fully with any such Expert, and upon request of the Expert, to make such representations, whether written or oral, as may be required. The Expert shall act as an expert and not as an arbitrator and may appoint such additional advisors as he sees fit and his decisions shall be final and binding upon the parties in the absence of manifest material error or fraud, save that either party shall be entitled to appeal to the Courts on a point of law in relation to the Expert's decision. The Expert shall, under the terms of his appointment, be required to provide the parties in writing with the reasons for his determination. The costs of the appointment and determination by the Expert (and if appropriate the appointment by the relevant President under paragraph 6 above and of any additional advisors appointed pursuant to this paragraph 7) shall be borne by the parties in such proportions as the Expert shall determine.

THE SCHEDULE

Part 10

Option Agreement

See pages following

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DATED

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DRAFT
OPTION AGREEMENT

by

THE SECRETARY OF STATE FOR THE ENVIRONMENT, FOOD AND
RURAL AFFAIRS/NATIONAL ASSEMBLY FOR WALES

and

FOREST HOLIDAYS LLP

Property: []

200[]
CSJ.F00585.1001.0005



TODS MURRAY LLP
SOLICITORS

33 Bothwell Street Glasgow G2 6NL
Tel 0141 275 4771 Fax 0141 275 4781 DX 512815-Glasgow Central
Also at: Edinburgh Quay 133 Fountainbridge Edinburgh EH3 9AG Tel 0131 656 2000 Fax 0131 656 2020 DX ED58

Email maildesk@todsmurray.com
www.todsmurray.com

THIS AGREEMENT is dated20..

PARTIES

- (1) **THE SECRETARY OF STATE FOR THE ENVIRONMENT, FOOD AND RURAL AFFAIRS**, of Whitehall Place, West London, SW1A 2HH c/o Forestry Commission Scotland, Silvan House, 231 Corstorphine Road, Edinburgh, EH12 7AT [or Forest Enterprise 340 Bristol Business Park, Coldharbour Lane, Bristol BS16 1EJ][**NATIONAL ASSEMBLY FOR WALES - design**] (hereinafter called "**the Owner**").
- (2) **FOREST HOLIDAYS LLP** (registered as a Limited Liability LLP in England and Wales under the Limited Liability LLPs Act 2000 under registration number OC318816) and having its registered office at Greenfields House, Westwood Way, Coventry, CCV4 8JH (hereinafter called "**the LLP**").

BACKGROUND

- (A) The Owner owns the Property and has agreed to grant the LLP an option to take a lease of the Option Site in accordance with the terms of this agreement.
- (B) The parties have agreed that the LLP will apply for planning permission for development of the Option Site [as *insert here the approved outline proposals for the site approved pursuant to clause 9 of the Framework Agreement*].

AGREED TERMS

1. INTERPRETATION

- 1.1 The definitions in this clause apply in this agreement.

Access Roads: all existing roads within the Property.

Acceptable Planning Permission: Planning Permission following on from the Planning Application and which is agreed or determined by the terms of this agreement to contain no conditions which the parties are entitled to consider unreasonable.

Approved Terms: in terms previously approved by the Owner in writing, acting reasonably.

Business Day: any day, excluding Sundays and public holidays, upon which banks are open for business in both Edinburgh and London.

Core Requirements: has the meaning referred to in the Framework Agreement.

Deemed Refusal: any failure to determine a Planning Application by the Planning Authority within the statutory period which would entitle the LLP to appeal against the deemed refusal of that Planning Application or any other

period which the Partnership and the Planning Authority may agree shall constitute the period for determination of the Planning Application for the purposes of any appeal by the LLP

Development Package: information reasonably required by the Owner as being ancillary to the Proposed Development but which need not necessarily be included in a Planning Application (including without limitation all items encompassed within the term Development Package as defined in the Framework Agreement) and approved by the Owner in accordance with clause 4.

Dispute Resolution Procedure: has the meaning referred to in the Framework Agreement.

Expert: a suitably qualified solicitor appointed by agreement between the Owner and the LLP or in default of agreement within 14 days of one party giving notice to the other of its nomination or nominations, nominated by the President on the application of either party.

Expiry Date: *[insert date of expiry of Lease being the day before the 75th anniversary of the Commencement Date, as detailed in the Framework Agreement].*

Framework Agreement: means the agreement dated2006 made between FC (1) the LLP (2) Forest Holidays (Scotland) LLP (3) and the Relevant Ministers (defined therein) (4)

Lease: subject to any changes required in respect of Rent, the lease in the form of the draft A annexed to this agreement, save where the New Site or any part of the land comprised within it is situate in the New Forest National Park, in which case the lease will comprise a Lease in the form of the draft B annexed to this agreement .

Leading Counsel: Counsel experienced in town and country planning matters and practising at the Town and Country Bar who:-

(i) shall be agreed upon by the LLP and the Owner or, in default of agreement, shall be of 15 years call and identified by the Chairman of the Planning and Environmental Bar Association and his deputy; and

(ii) accepts instructions to provide an opinion pursuant to clause 4

LLP's Conveyancer: Pinsent Masons, 3 Colmore Circus, Birmingham [Ref Ian Stewart] or such other conveyancer as may be notified from time to time in writing to the Owner.

LLP's Rights: the rights conferred on the LLP in clauses 3 and 4.

Act: means the Town and Country Planning Act 1990.

Option: the option granted by the Owner to the LLP to take a lease of the Option Site as provided for in this agreement.

Option Notice: written notice exercising the Option in accordance with the terms of this agreement materially in the form set out in Schedule 1.

Option Period: the period of 24 months from the date of this agreement.

Option Sum: £1.00 (exclusive of VAT).

Option Site: that part of the Property shown edged in green on the plan attached to this agreement.

Owner's Conveyancer: Tods Murray LLP, 33 Bothwell Street, Glasgow G2 6NL Ref: CSJ/F00585.1001.0005 or such other conveyancer as may be notified from time to time in writing to the LLP.

Part 1 Conditions:

Part 1 of the Standard Commercial Property Conditions (Second Edition) and **Condition** means any one of them.

Part 2 Conditions: Part 2 of the Standard Commercial Property Conditions (Second Edition).

Planning Application: an application or applications, but not more than two applications at any one time in either case in Approved Terms for the Planning Permission and includes any appeal arising from such an application and made pursuant to Clause 4.

Planning Authority: means the relevant authority for the purposes of the Planning Act.

Planning Obligation: a statutory obligation that is necessary for or will materially assist in either:

- (a) the obtaining of Planning Permission; or
- (b) the carrying out of the Proposed Development,

including (but not limited to) an obligation under section 106 of the Town and Country Planning Act 1990, sections 38 or 278 of the Highways Act 1980 or section 104 of the Water Industry Act 1991.

Planning Permission: detailed planning permission for the Proposed Development on the Option Site and for the avoidance of doubt being in every case either:

- (a) detailed planning permission; or
- (b) outline planning permission together with such approvals of reserved matters as are required to enable the LLP to commence the Proposed Development.

Planning Process: all steps in the process of securing Planning Permission through to its being granted or finally refused or the termination of this agreement if earlier including (without prejudice to that generality) negotiations and discussions with the Planning Authority and the preparation of and conduct of any inquiry or hearing.

President: the President of the Law Society or other senior office holder authorised by the President to make appointments on his behalf.

Proceedings: any of the following:

- (a) a calling in and/or a holding direction or determination by the Secretary of State or any inspector appointed by him, of the Planning Application under the Planning Act;
- (b) an appeal against refusal (including Deemed Refusal) of any Planning Application;
- (c) an application for a new Planning Permission pursuant to section 73 of the Planning Act;
- (d) an appeal against refusal (including Deemed Refusal) of any application pursuant to section 73 of the Planning Act;
- (e) an application to the Court pursuant to sections 288 and/or 289 of the Planning Act; and
- (f) an application for judicial review made by the LLP and/or a third party;

Property: the freehold property of which the Option Site forms part at [ADDRESS] being the whole of the land [comprised in a conveyance dated [DATE] between [PARTIES]] [registered with Title Number(s) [TITLE NUMBER(S)]]].

Proposed Development: *[insert here a summary of the approved outline proposals for the site approved pursuant to clause 9 of the Framework Agreement, which, for the avoidance of doubt must not be inconsistent with the "Business" as defined in the Lease] on the Option Site.*

Rent: the base rent agreed or determined pursuant to clauses 9.4, 9.5, 9.6, and 9.7 of the Framework Agreement added to which will be the turnover element detailed in Clause 9.5 (as modified by any agreement or determination under Clause 9.7), and the detailed drafting of the manner in which the rent is to be calculated and payable is to be proposed by the Owner and approved by the LLP (acting reasonably) and set out by way of additional drafting to Schedule IV of the Lease (subject to review as set out in the Lease) on or prior to the date of this Agreement, in each case exclusive of VAT.

VAT: value added tax chargeable under the Value Added Tax Act 1994 and any similar replacement tax and any similar additional tax.

- 1.2 The rules of interpretation in this clause apply in this agreement.
- 1.3 Clause and schedule headings do not affect the interpretation of this agreement.

- 1.4 Except where a contrary intention appears, a reference to a clause or a schedule is a reference to a clause of, or schedule to this agreement.
- 1.5 Unless otherwise specified, a reference to a law is a reference to it as it is in force for the time being, taking account of any amendment, extension, application or re-enactment and includes any subordinate legislation for the time being in force made under it.
- 1.6 A **person** includes a corporate or unincorporated body.
- 1.7 Any obligation in this agreement on a person not to do something includes an obligation not to agree or allow that thing to be done.

2. OPTION

- 2.1 On the date of this agreement, the LLP will pay the Option Sum to the Owner.
- 2.2 In consideration of the Option Sum and subject to the terms of this agreement, the Owner grants the LLP an Option during the Option Period to lease the Option Site on the basis of the Lease.
- 2.3 The Option is personal to the LLP. The LLP may not assign, sublet, share or part with the benefit of this agreement or any part of it.

3. SITE INVESTIGATIONS

The LLP shall, subject to:

- 3.1 such reasonable conditions as the Owner requires (including as to insurance) in the interests of preventing or mitigating (and indemnifying the Owner against liability for) any damage or injury to the Option Site or persons thereon (including without limitation staff, tenants, licensees and invitees) or disruption to the business of any occupiers of the Property; and
- 3.2 obtaining the prior written consent of the Owner (not to be unreasonably withheld or delayed)

be permitted access during the Option Period to the Property for the purpose of preparation of the Planning Application, carrying out surveys and undertaking test bores and other such preliminary works or investigations

associated with a prospective or pending Planning Application not requiring planning permission subject always to an obligation on the LLP to make good all damage caused to the reasonable satisfaction of the Owner.

4. PLANNING

- 4.1 At all times throughout the Planning Process, the LLP shall liaise closely and regularly with the Owner and keep them informed of all material developments and copy to them all relevant correspondence and documents relating to the Planning Process including (without prejudice to that generality) any responses from consultees and objections to the Planning Application which are material.
- 4.2 The LLP shall serve a written notice seeking approval of the Planning Application on the Owner enclosing a copy of the Planning Application and supporting information as soon as reasonably practicable after the same has been finalised but prior to submission to the Planning Authority. The LLP shall not lodge any Planning Application with the Owner which:
- (a) does not conform to the proposals submitted to the Owner;
 - (b) does not conform to the Core Requirements; and
 - (c) is not in Approved Terms.
- 4.3 At the same time as the LLP seeks the approval of the Owner to any Planning Application it shall submit, and obtain the approval of the Owner (and which approval shall not unreasonably be withheld or delayed and shall be given or withheld no later than the date when approval is given or withheld to the Planning Application), to:
- (a) its detailed proposals on roads, pathways, parking, landscaping and services (in so far as not contained in the Planning Application); and
 - (b) its proposals as to any ancillary facilities to be provided at the Option Site for holidaymakers; and
 - (c) full details of any rights or easements which it will require the Owner to grant pursuant to Schedule I of the Lease to enable it to implement the Proposed Development

the landscaping proposals, lease amendments and ancillary proposals, as approved by the Owner being hereinafter referred to as "the Development Package".

- 4.4 In exercising its reasonable discretion to approve the terms and contents of the Planning Application and/or the Development Package or amendments to such documents for the purposes of this clause 4 the Owner may (acting reasonably) take account of any or all of the following factors that are material to the circumstances:
- (a) whether the proposals require facilities or easements to be made available to the Option Site from land which is not part of the Property or otherwise controlled by one or other of the parties to this agreement and which the parties cannot expect to be made available at reasonable cost or on reasonable terms;
 - (b) whether the proposals require the co-operation, approval or consent of a third party which the parties cannot expect to be given either at all or at reasonable cost or on reasonable terms;
 - (c) whether the proposals if implemented could reasonably be expected to have a materially adverse effect upon the present or future value to the Owner of the whole or any part of the Property or other land in the vicinity of the Property that is owned or managed by the Owner

and any dispute between the parties as to whether the Owner has acted reasonably in giving or withholding approval to such matters will be determined in accordance with the Dispute Resolution Procedure set out in the Framework Agreement

- 4.5 After the Planning Application (or each Planning Application if there is more than one) has been submitted to the Owner under clause 4.2 and the Owner has provided its approval to the Planning Application and the Development Package (such approval not to be unreasonably withheld or delayed) the LLP shall formally submit the Planning Application to the Planning Authority as soon as practicable thereafter and then shall use all reasonable endeavours to obtain an Acceptable Planning Permission. The LLP will keep the Owner regularly informed as to the progress of each Planning Application and will copy any written decision, approval or grant of or in respect of the Planning Application to the Owner forthwith upon its receipt (and in any event within 10 Business Days of receipt thereof). In the event that the Planning Authority grants its approval of the Planning Application subject to conditions, the LLP shall also advise the Owner in writing, forthwith upon receipt of such approval (and in any event within 10

Business Days of receipt thereof) as to the nature and terms of such conditions.

- 4.6 The Owner will not raise any written objection to any Planning Application submitted with its approval under this clause 4 and in particular will not during the first 12 months of the Option Period make or authorise the making of any planning application for the same or a materially similar use or purpose as any such Planning Application anywhere on the Property or on other land in the immediate vicinity of the Property that is owned or managed by the Owner nor will it object to any appeal arising from the Planning Application that is lodged under the terms of this Agreement.
- 4.7 During the Option Period (but not if an Acceptable Planning Permission has been granted for the purposes of this Agreement):-
- (a) the LLP may (but need not) make one further Planning Application but only after having complied with clauses 4.2 and 4.3 concerning the prior approval of the Owner to the terms of that Planning Application and of any relevant Development Package .
 - (b) the LLP may (but need not) withdraw or propose amendments to a pending Planning Application to the Planning Authority or agree with the Planning Authority an extension of the time within which the Planning Authority must determine a Planning Application or be deemed to have refused it but only in each case after receiving the prior approval of the Owner (which approval shall not be unreasonably withheld or delayed);
 - (c) the LLP may (but need not) propose amendments to any Development Package relating to a pending Planning Application for the approval of the Owner (which approval shall not be unreasonably withheld or delayed) and "the Development Package" relating to that Planning Application will thereafter include such amendments to the original Development Package as have been so approved;
 - (d) the LLP may (and so far as is consistent with its obligations in this clause 4 will) provide the Planning Authority with whatever further information it may lawfully request in relation to the Planning Application or which the LLP reasonably considers may support or promote the Planning Application:

- (i) with the prior approval of the Owner (which approval will not unreasonably be withheld or delayed) where such information is not within the Development Package; but
- (ii) without the need to obtain the approval of the Owner where such information is within the Development Package

but for the avoidance of doubt the LLP's obligations in clauses 4.1 and 4.5 to continue to use all reasonable endeavours to obtain an Acceptable Planning Permission whilst keeping the Owner advised of progress and developments and the Owner's obligations in clause 4.6 not to object to such Planning Applications will apply both to the initial Planning Application described in clause 4.2 which the LLP is obliged to prepare and (subject to the Owner's approval) to submit to the Planning Authority and also to any amended, additional or replacement Planning Application which may be prepared and submitted under the terms of this clause 4.

4.8 Within two months from but excluding the date when in accordance with its obligations in clause 4.5 the LLP gives notice to the Owner of the terms of and (if applicable) the conditions upon which the Planning Authority has granted or has indicated it will grant any Planning Permission (for the avoidance of doubt including the terms of any proposed Planning Obligation) or (as the case may be) the basis on which any Planning Application has been refused or has been deemed to have been refused by virtue of not having been dealt with in the required period:

- (a) the LLP must notify the Owner whether (and if applicable to what extent and in what particulars) the LLP considers either the terms or conditions of a grant of any Planning Permission to be unreasonable or the refusal (including a deemed refusal) of Planning Permission to be unreasonable ("an Unacceptable Planning Decision") and in default it is deemed that the LLP considers either the terms of grant or the refusal of Planning Permission to be reasonable; and
- (b) the Owner must notify the LLP whether (and if applicable to what extent and in which particulars) the Owner considers the terms and conditions of a grant of any Planning Permission to be unreasonable and in default it is deemed that the Owner considers the terms of grant of Planning Permission to be reasonable

PROVIDED THAT whilst the LLP may act in its discretion in determining whether in its view the terms of grant are or the refusal of Planning Permission is reasonable the Owner may only consider that the terms and conditions of a grant of any Planning Permission are unreasonable if one or

more of the conditions or limitations required by the Planning Authority as a term of the Planning Permission (including in any Planning Obligation) would if implemented (a) materially or adversely affect the present or future value to the Owner of the whole or any part of the Property; (b) impose an unreasonable continuing obligation, restriction or liability upon the Owner in respect of any land outwith the Option Site; (c) impose an unreasonable obligation upon the Owner or the incurring of any liability by the Owner that would not be wholly discharged and/or indemnified by the LLP under the terms of the Lease or by a separate indemnity by the LLP which the LLP has previously undertaken to provide; or (d) involve the co-operation or approval of a third party which cannot reasonably be expected to be obtained either at all or on terms that are reasonable in the circumstances.

4.9 If the LLP notifies the Owner under clause 4.8 that there has been an Unacceptable Planning Decision it may after the giving of such notice also notify the Owner that it proposes to appeal some or all of the points it considers to be unreasonable. If no such notice of appeal has been made by the LLP upon the earlier of (a) three months after the giving of such notice; (b) expiry of any prescribed statutory period for the making of such appeal or (c) expiry of the Option Period then the LLP may not appeal on any of those matters and the obligations of the parties in this agreement in relation to that Planning Application will be at an end and that Planning Application may not result in an Acceptable Planning Permission but this is without prejudice to the operation of this agreement in relation to any other permitted Planning Application.

4.10 If, in respect of any Planning Application, the Planning Authority:-

4.10.1 resolves to or is minded to grant permission for a Planning Application and that Planning Application is called-in and/or a holding direction is made by the Secretary of State under the Planning Act;

4.10.2 refuses to grant permission for a Planning Application (including any refusal on any re-determination of a Planning Application following the quashing of a decision to grant permission for such Planning Application) or there is a Deemed Refusal

4.10.3 grants permission for a Planning Application which is an Unacceptable Planning Decision in circumstances where the LLP and the Owner agree (or are unable to agree and it is determined pursuant to the dispute resolution clause in the Framework Agreement) that Proceedings may secure an Acceptable Planning Permission the LLP shall take the opinion of Leading Counsel as to the merits of pursuing Proceedings and shall make that opinion available to the Owner. If Leading Counsel advises the LLP that there is a reasonable prospect of success in pursuing any

Proceedings in order to obtain an Acceptable Planning Permission the LLP shall pursue or defend the same until determination of such Proceedings unless subsequently in accordance with clause 4.11 the LLP and the Owner agree that such Proceedings shall cease to be pursued.

- 4.11 In the event that Leading Counsel advises in a written opinion under clause 4.10 or subsequently during the course of the Proceedings that there is no reasonable prospect of success, the LLP shall cease to pursue any Proceedings and clause 4.13 shall apply. The Owner may at reasonable intervals during the progress of any such Proceedings require the LLP to seek an opinion from Leading Counsel as to whether there remains any reasonable prospect of success.
- 4.12 The LLP shall bear all costs of any Proceedings.
- 4.13 For the purposes of this Agreement an Acceptable Planning Permission comes into being on the date when:
- (a) in accordance with its obligations in clause 4.5 the LLP notifies the Owner that the Planning Authority has issued or granted a Planning Permission that is free from any conditions and also notifies the Owner of the LLP's view of the Planning Permission and is sufficient to authorise all the works and proposals comprised in the relevant Planning Application and Development Package and also is not considered by the LLP to be an Unacceptable Planning Decision; or
 - (b) in accordance with its obligations in clause 4.5 the LLP notifies the owner that the Planning Authority has issued a Planning Permission sufficient to authorise all the works and proposals comprised in the relevant Planning Application and Development Package and that both parties have confirmed (which in the case of the LLP shall be deemed to be the case if the LLP has not given notice under clause 4.8(a) and in the case of the Owner shall be deemed to be the case if the Owner has not given notice under clause 4.8(b)) or it has been determined that that both parties regard the terms and conditions of the Planning Permission (including the terms of any Planning Obligation) as reasonable
- 4.14 In the event that Proceedings have been instituted in accordance with clauses 4.10 and 4.11 the LLP may apply for extensions to the Option Period sufficient to allow the Proceedings to run their course but in no circumstances shall the Option Period be extended in this way:

4.14.1 for a period in excess of a further two years (being in aggregate four years from the commencement of the Option Period; or; if earlier'

4.14.2 beyond the date on which Leading Counsel has provided an opinion under Clause 4.11 that there is no reasonable prospect of success in the Proceedings;

5. PLANNING OBLIGATION

- 5.1 In the event that a grant of Planning Permission is made conditional upon a Planning Obligation being entered into by the Owner, the LLP shall be entitled to request the Owner to consider entering into a Planning Obligation in the form required. The Owner shall be bound to act reasonably in deciding whether or not to agree to enter into the Planning Obligation in that form and the grounds on which the Owner may only consider deciding that a Planning Obligation is unreasonable shall be the same grounds as set out in clause 4.8.
- 5.2 Throughout the Planning Process and in negotiating the terms of the Planning Obligation, the LLP shall be obliged to use all reasonable endeavours to ensure that:
- (a) the material obligations in such Planning Obligation shall not apply unless the Proposed Development is actually constructed;
 - (b) the said material obligations shall cease to apply on the termination of the Lease or if construction of the Proposed Development has not begun within a minimum of three years of the date of the recording or registration of the Planning Obligation;
- 5.3 The LLP will indemnify the Owner within 28 days of demand against all losses, costs, claims, damages, expenses and liabilities reasonably incurred in connection with the agreement, completion and implementation of the Planning Obligation subject to receipt of satisfactory evidence and invoices.
- 5.4 Execution and delivery of the Planning Obligation by the Owner may (at the discretion of the Owner) constitute deemed service of an Option Notice pursuant to clause 6.1. *[note: if Acceptable Planning Permission not issued at that time the base rent will be calculated with reference to a deemed grant of planning permission in terms of the then current application.]*

6. EXERCISE OF THE OPTION

- 6.1 Subject to the terms of clause 6.4, the LLP may exercise the Option at any time during the Option Period (but not prior to (nor more than three months after) the grant of an Acceptable Planning Permission) by serving an Option Notice on the Owner. Time shall be of the essence in respect of service of the Option Notice by the LLP prior to the expiry of the Option Period.
- 6.2 If the Option is exercised in accordance with the terms of this agreement the Owner will lease the Option Site to the LLP on the basis of the Lease including any amendments (a) proposed by the Owner (acting reasonably) and accepted by the LLP (acting reasonably); or (b) proposed by the LLP within 10 Business Days after service of the Option Notice and accepted by the Owner (acting reasonably but having regard to the extent to whether such amendments go beyond those previously proposed and approved in terms of the Development Package) and which are necessary to facilitate the implementation of the Acceptable Planning Permission.
- 6.3 The Owner and the LLP undertake that they will use their reasonable endeavours to adjust and finalise the terms of the Lease as soon as possible after the exercise of the Option.
- 6.4 If the Lease has not been agreed within 20 Business Days from but excluding the date of exercise of the Option by the LLP then any areas of dispute shall be referred to the Expert in order that he may settle the same. The Expert's decision shall be final and binding on the Owner and the LLP. The fees and expenses of the Expert including the cost of his appointment shall be borne by the Owner and the LLP in such proportions as the Expert shall decide. In the event of no decision being made by the Expert as to the proportions in which such fees, expenses and costs shall be borne the parties shall bear such costs equally.

7. GRANT OF LEASE

The Lease shall be granted with effect from the date of service of the Option Notice or if earlier the grant of an Acceptable Planning Permission notwithstanding the date on which it is actually completed and shall endure until the Expiry Date. Rent shall be payable under the Lease as from such term commencement date. The Completion Date will be 20 Business Days after the date of service of the Option Notice or (if later) ten Business Days after the date on which the terms of the Lease are agreed or determined.

8. VACANT POSSESSION

Subject to Clause [9.1 (p)] of the Framework Agreement, the Owner will give the LLP vacant possession of the Option Site on completion of the grant of the Lease.

9. RISK AND INSURANCE

9.1 With effect from exercise of the Option, the Option Site will as between the LLP and the Owner be at the LLP's risk and the Owner will be under no obligation to the LLP to insure the Option Site.

9.2 The LLP will not be entitled to refuse to complete or to delay completion due to any event occurring after exercise of the Option that results in:

- (a) any damage to the Option Site or any part of it; or
- (b) any deterioration in the Option Site's condition.

10. NON-EXERCISE OF THE OPTION

If the Option is not exercised in accordance with the terms of this agreement then within 10 Business Days after the earlier of the expiry of the Option Period or termination of this agreement, the LLP will use reasonable endeavours to:

- (a) remove all entries relating to the Option registered against the Owner's title to the Property;
- (b) deliver to the Owner the originals or certified true copies of all documentation under its control relating to the Planning Application, and any proposed Planning Obligation; and
- (c) procure the assignment to the Owner of the full copyright in, or take any other steps available to ensure that the Owner has a right or licence to use the documentation referred to in clause 10 (b) without payment to any person.

11. INSOLVENCY

11.1 The Owner may terminate this agreement immediately by notice to the LLP without affecting any other rights it may have if any of the following events occur:

- (a) the LLP is in fundamental breach of any of its obligations in this agreement;

- (b) the LLP is in substantial breach of any of its obligations in this agreement and has failed to rectify the breach within a reasonable time after receiving notice to rectify from the Owner;
- (c) any step is taken in connection with any voluntary arrangement or any compromise or arrangement for the benefit of any creditors of the LLP;
- (d) an application is made for an administration order in relation to the LLP;
- (e) in relation to the LLP, there is the appointment of an administrator, the filing of documents with the court for the appointment of an administrator or the giving of notice of intention to appoint an administrator by the LLP or its directors, or by a qualifying floating charge holder (as defined in paragraph 14 of Schedule B1 to the Insolvency Act 1986);
- (f) a receiver or manager is appointed in relation to any property or income of the LLP;
- (g) a liquidator is appointed in respect of the LLP;
- (h) a voluntary winding up of the LLP is commenced, except a winding-up for the purpose of amalgamation or reconstruction of a solvent LLP in respect of which a statutory declaration of solvency has been filed with the Registrar of Companies;
- (i) a petition is made for a winding-up order for the LLP;
- (j) the LLP is struck off from the Registrar of Companies; or the LLP otherwise ceases to exist.

12. CONDITIONS

- 12.1 The Part 1 Conditions are incorporated in this agreement, in so far as they:
- (a) are applicable to the grant of a lease;
 - (b) are not inconsistent with the other clauses in this agreement; and
 - (c) have not been modified or excluded by any of the other clauses in this agreement.
- 12.2 The Part 2 Conditions are not incorporated in this agreement.
- 12.3 Condition 9.1.1 is varied to read "If any plan or statement in the contract or in written replies which the Owner's Conveyancer has given to any written enquiries raised by the LLP's Conveyancer before the date of this contract, is or was misleading or inaccurate due to any error or omission, the remedies available are as follows."

12.4 The following Part 1 Conditions do not apply to this agreement:

- (a) Conditions 1.1.4(a), 1.2, 1.3, 1.4 and 1.5;
- (b) Condition 2.2;
- (c) Conditions 3.1.1, 3.1.2, 3.1.3 and 3.3;
- (d) Conditions 6.1, 6.2, 6.3, 6.4.2 and 6.6.2;
- (e) Conditions 7.1.2, 7.1.3 and 7.1.4(b);
- (f) Condition 9.3; and
- (g) Conditions 10.2.4 and 10.3.

13. CONDITION OF THE PROPERTY

The LLP acknowledges that, prior to the date of this agreement, the Owner has given the LLP and those authorised by the LLP, the opportunity to inspect, survey and carry out investigations as to the condition of the Option Site and the LLP accepts the condition of the Option Site.

14. DEDUCING TITLE

- 14.1 The Owner's freehold title to the Option Site has been deduced to the LLP's Conveyancer before the date of this agreement.
- 14.2 The LLP is deemed to have full knowledge of the Owner's title as so deduced and is not entitled to raise any enquiry, objection, enquiry or requisition in relation to the matters so disclosed.

15. TITLE GUARANTEE

- 15.1 The Owner will grant the Lease with full title guarantee unless otherwise agreed in writing.

16. MATTERS AFFECTING THE PROPERTY

- 16.1 The Owner will grant the Lease to the LLP free from encumbrances other than:
 - (a) any matters, other than financial charges, contained or referred to in the entries or records made in registers maintained by [HM Land Registry as at [DATE AND TIME OF OFFICIAL COPIES] under title number [NUMBER]] [and] [the Land Charges Department of HM Land Registry as at [DATE OF SEARCH];

- (b) all matters contained or referred to in the Lease;
- (c) any matters discoverable by inspection of the Option Site or Property before the date of this agreement;
- (d) any matters which the Owner does not and could not reasonably know about;
- (e) any matters, other than financial charges, disclosed or which would have been disclosed by the searches and enquiries that a prudent tenant would have made before entering into this agreement;
- (f) public requirements;
- (g) any matters which are, or (where the Option Site is not registered would be) unregistered interests which override first registration under Schedule 1 to the Land Registration Act 2002 and/ or unregistered interests which override registered dispositions under Schedule 3 to the Land Registration Act 2002;
- (h) any matters disclosed by the documents listed in Schedule 2 [*detail these from pre-option title investigations*]

16.2 The LLP is deemed to have full knowledge of the matters referred to in clause 14.1 and will not raise any enquiry, objection, requisition or claim in respect of any of them.

17. VAT

- 17.1 Each amount stated to be payable by the LLP to the Owner under or pursuant to this agreement is exclusive of VAT (if any).
- 17.2 If any VAT is chargeable on any supply made by the Owner under or pursuant to this agreement, the LLP will pay the Owner an amount equal to that VAT as additional consideration on completion, subject to the Owner supplying the LLP with a VAT invoice in exchange for payment.

18. COSTS

- 18.1 The LLP shall pay on demand the reasonable and proper legal and surveyor's fees including VAT and outlays reasonably incurred by the Owner in relation to this agreement, and the preparation and execution of the Lease and the cost of obtaining any consents or approvals required pursuant to this agreement

- 18.2 The LLP shall be responsible for any Stamp Duty Land Tax payable in respect of the Lease and for the cost of registering the Lease at HM Land Registry.

19. ENTIRE AGREEMENT

- 19.1 The LLP acknowledges and agrees that in entering into this agreement, it does not rely on and will have no remedy in respect of any statement, representation, warranty, collateral agreement or other assurance (whether made negligently or innocently) of any person (whether party to this agreement or not) other than:

- (a) as expressly set out in this agreement or the documents annexed to it; or
- (b) in any written replies which the Owner's Conveyancer has given to any written enquiries raised by the LLP's Conveyancer before the date of this agreement.

- 19.2 Nothing in this clause will, however, operate to limit or exclude any liability for fraud.

20. JOINT AND SEVERAL LIABILITY

Where the LLP or the Owner is more than one person, their obligations are joint and several and the other party may release or compromise the liability of any of those persons under this agreement or grant time or other indulgence without affecting the liability of any one of them.

21. NOTICES

- 21.1 Any notice given under this agreement shall be in writing.
- 21.2 Any notice to the LLP shall be sufficiently served if sent by Recorded Delivery post to the Registered Office of the LLP.
- 21.3 Any notice to the Owner shall be sufficiently served if sent by Recorded Delivery post to the Secretary of the Forestry Commissioners, Silvan House, 231 Corstorphine Road, Edinburgh or such other address as has been notified to the LLP in writing from time to time for the purposes of service of notices.

- 21.4 Any notice sent by First Class Recorded Delivery post shall be deemed to have been duly served at the expiry of Forty-eight hours after the time of posting.
- 21.5 In proving service it shall be sufficient to prove that the envelope containing the notice was duly addressed to the LLP or the Secretary of the Forestry Commissioners (as the case may be) in accordance with this clause and posted to the place to which it was so addressed.

22. RIGHTS OF THIRD PARTIES

A person who is not a party to this agreement may not enforce any of its terms under the Contracts (Rights of Third Parties) Act 1999.

23. GOVERNING LAW AND JURISDICTION

- 23.1 This agreement will be governed by and construed in accordance with the law of England and Wales.
- 23.2 Each party irrevocably agrees to submit to the exclusive jurisdiction of the courts of England and Wales over any claim or matter arising under or in connection with this agreement.
- 23.3 Each party irrevocably consents to any process in any legal action or proceedings arising out of or in connection with this agreement being served on it in accordance with the provisions of this agreement relating to service of notices. Nothing contained in this agreement will affect the right to serve process in any other manner permitted by law.

This agreement has been entered into on the date stated at the beginning of it.

Schedule 1 The Option Notice

To: *[Owner]*

Address: *[Address]*

by pre-paid First Class Recorded Delivery post

Pursuant to the Option Agreement (“the Agreement”) dated [] entered into between and *[LLP]* relating to *[Property]* *[Owner]*

[The LLP] gives *[Owner]* notice of the exercise of the Option contained in the Agreement to take a Lease of the Option Site on the terms set out in the Agreement.

[Date]

Executed for and on behalf of *[LLP]*

.....
Director/Company Secretary

.....
Witness

.....
Full Name

Full Name

.....
Address

Director/Company Secretary

Schedule 2 Documents of title referred to in clause 16.1

Date	Description	Parties

Schedule 3

Form A – Main Site Lease

DRAFT: 7-05-06

LEASE

between

[THE SECRETARY OF STATE FOR ENVIRONMENT, FOOD AND RURAL
AFFAIRS]

[THE NATIONAL ASSEMBLY FOR WALES]

and

FOREST HOLIDAYS LLP

Subjects: Site at []

2006
CSJ.F0585.1001



TABLE OF CONTENTS

PRESCRIBED CLAUSES	4
DEFINITIONS	1
LEASED PREMISES AND DURATION	6
TENANTS' OBLIGATIONS.....	6
Rent 7	
Interest 7	
LANDLORD'S OBLIGATIONS.....	7
EXCLUSION OF LANDLORDS' LIABILITY	8
CONDITION FOR RE-ENTRY	9
NO IMPLIED EASEMENTS.....	9
LEASE TO CONTINUE	9
CONSENTS.....	10
NOTICES10	
NOTICES11	
LANDLORD AND TENANT (COVENANTS) ACT 1995	11
GOVERNING LAW.....	11
REGISTRATION	11
SCHEDULE	11
PART I(A)	11
THE LEASED PREMISES	11
PART 1(B)	2
RIGHTS	2
PART 1(C)	3
THIRD PARTY RIGHTS	3
PART II4	
RESERVED RIGHTS	4
PART III	8
TENANTS' OBLIGATIONS	8
To Pay rent and other sums	8
To Insure	8
Reinstatement	9
SSSI/SAC Management Plans.....	9

Outgoings	10
To Pay for Utilities	10
Water Rates	10
Maintenance and Repair	10
Maintaining exterior and interior	12
Alterations	12
Statutory Requirements	14
Fire 14	
Use 15	
Costs of Abating a Nuisance	15
Not to Endanger Insurance	15
To Give Notice of Damage.....	16
To Prevent Encroachments.....	16
Planning Acts	16
Signs 18	
To Inform Landlords of Defects.....	18
Support for Adjoining Premises	18
Electronic Interference	18
The Stopping up of Drains etc.....	19
To Inform Landlords of Notices.....	19
To Pay Expense of Maintaining Mutual Walls, Drains, etc.	19
Not to Share Possession	20
Assignments	20
Underlettings	21
Charging.....	24
Prohibition of other dealings	24
Registration and Notification of Dealings and Occupation.....	24
Closure of the Registered Title of this lease.....	25
To Indemnify the Landlords.....	25
Expenses.....	26
Title Matters and bye laws affecting the Leased Premises.....	26
Marking of Boundaries.....	27
Archaeological Finds.....	27

To Use Certified Timber 28

To Leave in Good Repair 28

Compensation on Vacating 28

Notifiable Events 28

Telecommunications Apparatus 29

PART IV 30

RENT REVIEWS 30

PART V38

GUARANTEE AND INDEMNITY 38

PRESCRIBED CLAUSES¹²³⁴⁵⁶⁷

LR1. Date of lease

LR2. Title number(s)

LR2.1 Landlord's title number(s)⁸

LR2.2 Other title numbers⁹

LR3. Parties to this lease¹⁰

Landlord

Tenant

Other parties¹¹

LR4. Property¹²

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.

LR5. Prescribed statements etc.¹³

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

¹ All words in italicised text and inapplicable alternative wording in a clause may be omitted or deleted. TM preference is for them to remain in the document but marked as "None" or "Not Applicable"

² Clause LR13 may be omitted or deleted.

³ Clause LR14 may be omitted or deleted where the Tenant is one person.

⁴ Otherwise, do not omit or delete any words in bold text unless italicised.

⁵ Side-headings may appear as headings if this is preferred.

⁶ Vertical or horizontal lines, or both, may be omitted

⁷ Remember to add the list of prescribed clauses to the contents page

⁸ Title number(s) out of which this lease is granted. Leave blank if not registered.

⁹ Existing title number(s) against which entries of matters referred to in LR9, LR10, LR11 and LR13 are to be made.

¹⁰ Give full names, addresses and company's registered number, if any, of each of the parties. For Scottish companies use a SC prefix and for limited liability partnerships use an OC prefix. For foreign companies give territory in which incorporated.

¹¹ Specify capacity of each party, for example "management company", "guarantor", etc. Insert "None" if not applicable

¹² Insert a full description of the land being leased or Refer to the clause, schedule or paragraph of a schedule in this lease in which the land being leased is more fully described. Where there is a letting of part of a registered title, a plan must be attached to this lease and any floor levels must be specified.

LR5.2 This lease is made under, or by reference to, provisions of:
Leasehold Reform Act 1967

Housing Act 1985

Housing Act 1988

Housing Act 1996

LR6. Term for which the Property is leased¹⁴ From and including

To and including

OR

The term as specified in this lease at clause/schedule/paragraph

OR

The term is as follows:

LR7. Premium¹⁵

LR8. Prohibitions or restrictions on disposing of this lease¹⁶ This lease does not contain a provision that prohibits or restricts dispositions.

OR

This lease contains a provision that prohibits or restricts dispositions.

LR9. Rights of acquisition etc.¹⁷

LR9.1 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

¹³ If this lease includes a statement falling within LR5.1, insert under that sub-clause the relevant statement or refer to the clause, schedule or paragraph of a schedule in this lease which contains the statement. In LR5.2, omit or delete those Acts which do not apply to this lease.

¹⁴ Include only the appropriate statement (duly completed) from the three options.

NOTE: The information you provide, or refer to, here will be used as part of the particulars to identify the lease under rule 6 of the Land Registration Rules 2003.

¹⁵ Specify the total premium, inclusive of any VAT where payable.

¹⁶ Include whichever of the two statements is appropriate. Do not set out here the wording of the provision.

¹⁷ Insert the relevant provisions in the sub-clauses or refer to the clause, schedule or paragraph of a schedule in this lease which contains the provisions.

LR9.2 Tenant's covenant to (or offer to) surrender this lease

LR9.3 Landlord's contractual rights to acquire this lease

LR10. Restrictive covenants given in this lease by the Landlord in respect of land other than the Property¹⁸

LR11. Easements¹⁹

LR11.1 Easements granted by this lease for the benefit of the Property

LR11.2 Easements granted or reserved by this lease over the Property for the benefit of other property

LR12. Estate rentcharge burdening the Property²⁰

LR13. Application for standard form of restriction²¹

The Parties to this lease apply to enter the following standard form of restriction [against the title of the Property] *or* [against title number []]

LR14. Declaration of trust where there is more than one person comprising the Tenant²²

The Tenant is more than one person. They are to hold the Property on trust for themselves as joint tenants

OR

The Tenant is more than one person. They are to hold the Property on trust for themselves as tenants in common in equal shares

OR

The Tenant is more than one person. They

¹⁸ *Insert the relevant provisions or refer to the clause, schedule or paragraph of a schedule in this lease which contains the provisions.*

¹⁹ *Refer here only to the clause, schedule or paragraph of a schedule in this lease which sets out the easements.*

²⁰ *Refer here only to the clause, schedule or paragraph of a schedule in this lease which sets out the rentcharge.*

²¹ *Set out the full text of the standard form of restriction and the title against which it is to be entered. If you wish to apply for more than one standard form of restriction use this clause to apply for each of them, state who is applying against which title and set out the full text of the restriction you are applying for. Standard forms of restriction are set out in Schedule 4 to the Land Registration Rules 2003*

are to hold the Property on trust *Complete as necessary.*

²² *If the Tenant is one person, omit or delete all the alternative statements.
If the Tenant is more than one person, complete this clause by omitting or deleting all inapplicable alternative statements.*

LEASE

between

[**THE SECRETARY OF STATE FOR ENVIRONMENT, FOOD AND RURAL AFFAIRS**, of Nobel House, 17 Smith Square, London, SW1P 3JR c/o Forestry Commission, 231 Corstorphine Road, Edinburgh EH12 7AT]

[**THE NATIONAL ASSEMBLY FOR WALES** care of Forestry Commission Wales, Victoria House, Victoria Terrace, Aberystwyth, Ceredigion, SY23 2 DQ c/o Forestry Commission, 231 Corstorphine Road, Edinburgh EH12 7AT]

(hereinafter called "the Landlords") of the first part

and

FOREST HOLIDAYS LLP (registered as a Limited Liability Partnership in England and Wales under the Limited Liability Partnerships Act 2000 under registration number OC318816) and having its registered office at Greenfields House, Westwood Way, Coventry, CCV4 8JH (hereinafter called "the Tenants") of the second part

IT IS CONTRACTED AND AGREED between the Landlords and the Tenants as follows:

1 **Definitions**

1.1 In this lease unless the context otherwise requires the following expressions shall have the following meanings :

- a) "**Agreed Form**" means in relation to any document the form of that document initialled for the purposes of identification by or on behalf of the parties thereto;
- b) "**Access Roads**" means the roadways coloured blue on the Plan
- c) "**Ancillary Services**" means the provision of services (whether from the Property or otherwise and whether directly or through franchised operations

(subject always to the terms of Clause 23 of Part III of the Schedule)) to short term occupiers of the holiday accommodation or pitches on the Property, which services are operated so as to form part of a holiday experience, such as food and other shops, and recreational services (such as bicycle hire and boating);

- d) **“Archaeological Finds”** means antiquities, fossils and other remains of archaeological interest including without limitation items covered by the Treasure Act 1996;
- e) **“Business”** means (A) the sale including by way of long lease and/or hiring out of cabins or other units of holiday accommodation for holidays or similar purposes together with the provision of such of the Ancillary Services as the Tenants may determine and are approved in advance by the Landlords (such approval not to be unreasonably withheld or a decision thereon unreasonably delayed) and/or (B) the hiring of pitches for tents, caravans (including holiday homes), cabins and motor-homes for short-term holidays, together with (i) the provision of such of the Ancillary Services as the Tenants may determine and are approved in advance by the Landlords (such approval not to be unreasonably withheld or a decision thereon unreasonably delayed) and (C) the hiring of caravans (including holiday homes) and motor-homes or other similar types of holiday accommodation for use on the Property;
- f) **“Certified Timber”** means timber that is certified by an internationally recognised forestry organisation or body of equivalent standing to the Forest Stewardship Council as having come from a sustainable source;
- g) **“FC”** means the Forestry Commission constituted under the Forestry Acts 1919 to 1967 (as amended by the Forestry Acts 1979 and 1981) with offices at 231 Corstorphine Road, Edinburgh EH12 7AT;
- h) **“Framework Agreement”** means the agreement[(s)] dated 2006 made between [(1) FC and (2) the Tenants [and *detail Scottish Agreement*]] in relation to, *inter alia*, the ongoing management of the Business;
- i) **“Insolvency Event”** means the occurrence of any of the following events;
 - 1) the Tenants are unable to pay their debts (within the meaning of Section 123(1) of the Insolvency Act 1986 unless in the case of Section 123(1)(a) any such demand is presented on manifestly frivolous vexatious or genuinely disputed grounds) or have any voluntary arrangement proposed in relation to them under Section 1 of that Act or enter into any scheme or arrangement (other than for the purpose of reconstruction or amalgamation upon terms and within such period as may previously have been approved in writing by the Landlords, such approval not to be unreasonably withheld or delayed);

- 2) the Tenants have a receiver (which expression shall include an administrative receiver within the meaning of Section 251 of the Insolvency Act 1986) appointed over the whole or any material part of its assets or undertaking;
 - 3) the Tenants have an administration order under Section 8 of the Insolvency Act 1986 made in relation to them;
 - 4) the Tenants become insolvent or make any assignment for the benefit of their creditors or enter into an agreement or make any arrangement with creditors for the liquidation of the debts of the Tenants by composition or otherwise;
 - 5) the Tenants pass any resolution for winding-up other than a resolution previously approved in writing by the Landlords;
 - 6) the Tenants become subject to an order for winding-up by a court of competent jurisdiction; or
 - 7) any event occurs or proceeding is taken with respect to the Tenants in any jurisdiction which has an effect equivalent or similar to any of the events described in paragraphs (1) to (6) above;
- j) **"Insured Risks"** means those risks against which the Tenants have effected insurance in accordance with Clause 2 of Part III of the Schedule;
- k) **"Landlords"** includes all persons deriving title from the Landlords;
- l) **"Notifiable Event"** means:
- i) the spilling, deposit or release on or from the Property of any noxious substance or vapour in a quantity which would cause serious damage to or pollution of the environment or serious damage to property or serious harm to human health;
 - ii) the occurrence of any incident on the Property involving serious personal injury to any person or the death of any person; and
 - iii) the occurrence of any uncontrolled fire on the Property; and
 - iv) any unlawful incursion or trespass on the Property (other than one which has been previously approved in writing by the Landlord) by groups of people, or the occurrence of organised public activity or antisocial behaviour of any significant size or scale on the Property.
- m) **"Perpetuity Period"** means eighty years from the date of this lease
- n) **"Plan"** means the plan annexed hereto

- o) **"Planning Acts"** means the Town and Country Planning Act 1990, and The Planning (Listed Building and Conservation Areas) Act 1990 and the Planning (Hazardous Substances) Act 1990 and the Planning (Consequential Provisions) Act 1990 and any future legislation of a similar nature;
- p) **"Property"** means the property described in Part I(A) of the Schedule.
- q) **"Reserved Rights"** means those rights and others specified in Part II of the Schedule;
- r) **"Retained Land"** means the land (if any) shown edged in grey on the Plan
- s) **"Rights"** means the rights granted by the Landlords to the Tenants described in Part 1(B) of the Schedule;
- t) **"RPI"** means the Retail Price Index as published from time to time in Table 18.2 of the Monthly Digest of Statistics "Retail Price Index – all items other than mortgage interest payments and depreciation" published by the Office of National Statistics or such index in such journal as shall replace such table and in the event that rebasing of RPI occurs, the parties shall meet and agree the consequential changes (if any) which are required to be made to this lease (and in default of agreement the matter shall be referred for determination on the application of either party to the amicable and final decision of an Arbitrator to be appointed by the parties, or, in the event of their being unable to agree on such appointment, by the President of the Law Society of England and Wales for the time being and the costs and expenses of such arbitration shall be shared equally between the parties and the parties shall bear their own costs unless otherwise directed in either case by the Arbitrator.
- u) **"Schedule"** means the Schedule annexed and executed as relative hereto the terms of which shall be deemed to form part of this lease;
- v) **"Service Systems"** means the pumps, valves, man-holes, meters, connections, channels, septic tanks, water courses, holding tanks, drains, sewers, pipes, wires and cables or other conducting media in, on, over, under or passing through or otherwise exclusively serving the Property or any part thereof and all plant and equipment relative thereto and any building or structure exclusively housing the same whether situated on the Property, the Retained Land or any adjoining or neighbouring land;
- w) **"SSSI/SAC Management Plan"** means (where any part of the Property falls within a Site of Special Scientific Interest designated pursuant to the Wildlife and Countryside Act 1981 as amended or a Special Area of Conservation designated pursuant to the Conservation (Natural Habitats, &c.) Regulations, 1992) any plan developed by the FC and approved by English Nature/ the Countryside Council for Wales from time to time for the management of such site;

- x) **"Specified Rate"** means the rate of four per centum per annum above the Bank of Scotland base lending rate for the time being in force declaring that in the event of there ceasing to be a Bank of Scotland base lending rate there shall be substituted therefor such base rate as shall be a generally accepted base rate at the time as the same shall be determined by the Landlords;
 - y) **"Tenants"** includes their permitted successors and assignees and if this lease shall at any time be vested in more than one person as tenants such expression shall include each of them and the liability of each such person under any obligation on the part of the Tenants in this lease shall be joint and several;
 - z) **"Tenants' Obligations"** means those conditions, obligations and others specified in Part III of the Schedule;
 - aa) **"Term"** means the term of years granted by this lease and any continuation of the same;
 - bb) **"Third Party Rights"** means all rights, covenants and restrictions affecting the Property as more particularly described in Part 1(C) of the Schedule;
 - cc) **"VAT"** means Value Added Tax as provided for in the Value Added Tax Act 1994 and shall include any tax of a similar nature imposed in substitution for or in addition to Value Added Tax; and
 - dd) **"Works"** means the replacement, renewal or rebuilding of buildings, electrical hook-ups, toilet and shower blocks, cabins and other erections on the Property, all alterations or additions thereto, including fitting out, improvements, annexing to adjoining subjects and/or any erection of new buildings (whether temporary or permanent), and/or civil engineering works, or changing the layout, design, appearance or architectural features of the Property or buildings, cabins and other erections on the Property or the Service Systems and all removals and demolitions thereof but does not include routine maintenance of such buildings or apparatus as may from time to time be on or about the Property.
- 1.2 Any reference to land buildings property or premises shall as the context requires include reference to each and every part of the same.
- 1.3 Any reference to trees refers to trees of such size and maturity as to require a felling licence under any applicable legislation (including local byelaws if relevant).
- 1.4 Any reference to an enactment (whether generally or specifically) shall be construed as a reference to that enactment as amended, extended, re-enacted or applied by or under any other enactment and shall include all instruments, orders, plans, regulations, bye-laws, permissions and directions and others made or intended thereunder or deriving validity therefrom.

- 1.5 Words or expressions importing the singular number shall include the plural number and vice versa and words importing persons shall include companies and corporations and vice versa.
- 1.6 Words or expressions importing the masculine gender shall include the feminine gender and vice versa; and words or expressions importing the neuter gender only shall include the masculine and feminine genders and vice versa.
- 1.7 The index and marginal headings herein are inserted for convenience of reference only and are not deemed to form part of these presents nor shall they affect the construction thereof.
- 1.8 If at any time the Tenants hereunder shall be a firm the obligations undertaken by the Tenants under this lease shall be binding upon such firm and upon any other firm or person who takes over or becomes entitled to take over the assets of the firm during the period of this lease and upon all persons who are or become partners of such firm or such other firm at any time during the period of this lease and the respective executors and representatives of all such partners and persons and in all cases jointly and severally and notwithstanding that any such partner or person dies or ceases for any reason to be a partner of such firm or such other firm. However if any person who by virtue of his being a partner is bound to implement the Tenant's obligations then on such person ceasing to be a partner, whether by death, retirement or otherwise, the Landlords shall on request release such person and his or her personal representatives from all Tenant obligations arising under this lease subsequent to the date of his ceasing to be a partner or (if later) the date of such request provided it is established to the Landlords' reasonable satisfaction that such release does not prejudicially affect the strength of the Tenant's covenant and its ability to perform the Tenant's obligations in this lease.

2 **Demise and Duration**

The Landlords in consideration of the rent and the covenants contained in this lease hereby [with full title guarantee] let the Property to the Tenants together with the Rights but reserving to the Landlords and all others for the time being authorised by them or otherwise entitled thereto the Reserved Rights and subject to the Third Party Rights for the period of years from and including _____ (hereinafter called "the Term Commencement Date").

3 **Tenants' Obligations**

The Tenants covenant:

- 3.1 to observe and perform the Tenants' Obligations; and
- 3.2 to pay to the Landlords:

a) Rent

without any written demand therefor the yearly rent of [] (£[]) or such greater sum as may be substituted therefor in accordance with the provisions of Part IV of the Schedule ("the Base Rent") and in addition thereto the Turnover Rent calculated and payable in accordance with Part IV D of the Schedule, if the Landlords have opted or in future so opt or if otherwise this becomes payable by law, also to pay VAT thereon at the standard rate (or, if at any time in the future the standard rate shall no longer apply to rents, such rate as shall then be applicable) appertaining for the time being, payable without any deductions whatsoever by two equal half-yearly payments in advance on 1st April and 1st October in each year (each of which dates is hereinafter in this lease referred to as a "Rent Payment Day") the first of such payments becoming due and payable on the Term Commencement Date being a proportionate payment for the period from and including that date to the Rent Payment Day next occurring thereafter and the next payment at the said Rent Payment Day for the succeeding half year and so forth half yearly and proportionately thereafter during the whole currency hereof; and

b) Interest

on demand interest at the Specified Rate on any sum of money payable under this lease which shall have become more than 14 days overdue from the date upon which the same became due until payment thereof (as well after as before any decree or judgement);

Provided that:

- 3.3 nothing in this Clause contained shall entitle the Tenants to withhold or delay any payment of rent after the relevant Rent Payment Day;
- 3.4 the acceptance of or demand for rent by or on behalf of the Landlords with knowledge of a breach of any of the obligations on the part of the Tenants herein contained shall not be deemed to be a waiver by the Landlords of any such breach or to imply any agreement by the Landlords to waive any such breach and acceptance by the Landlords of part payment of rent and any other sum due by the Tenants to the Landlords shall not be deemed to be acceptance of the whole of such rent or other payment and the Tenants shall not in any proceedings be entitled to rely on any such acceptance or demand; and
- 3.5 all sums (other than rents) which under any provision of this lease or the Schedule may become payable by the Tenants to the Landlords shall be recoverable by the Landlords as if such sums were rent in arrear and such sums shall include in every case where applicable an additional sum in respect of VAT at the rate applicable thereto and appertaining for the time being.

4 Landlord's Obligations

- 4.1 The Landlords covenant with the Tenants that so long as the Tenants pay the rents reserved by and comply with their obligations in this lease the Tenants shall have quiet enjoyment of the Property without any lawful interruption by the Landlords or any person claiming through or under the Landlords.
- 4.2 The Landlords covenant with the Tenants that if and to the extent the Landlords or others connect into any Service Systems and/or make use of any Access Roads and/or exercise any rights of way reserved across the Property in Part II of the Schedule the Landlords will (and will use all reasonable endeavours to require that other persons authorised or permitted by them doing so will):-
- a) pay to the Tenants on demand a fair and equitable proportion according to use of the costs incurred by the Tenants in maintaining and repairing such facilities (save where such rights are exercised only in an occasional manner) but in respect of any rights of way such contribution shall be limited to a proportion of the cost of maintaining any roads or ways only to the standard applicable from time to time to that of a waterbound stone surface road, regardless of the actual surface of such roads or ways;
 - b) not cause any damage to or obstruct such facilities;
 - c) not exercise any such rights in or such a manner as to prevent or prejudice the use of those facilities by the Tenants or anyone entitled to do so or in such a manner as to cause unreasonable disruption to the Business.

5 Exclusion of Landlords' Liability

- 5.1 So far as permitted by law the Landlords shall not be liable to the Tenants or any sub-tenant, servant, agent, licensee or invitee of the Tenants or other person occupying or on the Property or any part thereof or calling upon the Tenants or such other persons as aforesaid for any accident, happening or injury suffered by any person in or in the vicinity of the Property or any part thereof or damage to or loss of any furnishings and/or stock or other property in the Property or for the temporary deprivation of the occupancy of the Property;
- 5.2 The Landlords shall not be liable to the Tenants or any sub-tenant or others as aforesaid nor shall the Tenants or any sub-tenant or others as aforesaid have any claim against the Landlords in respect of the bursting, leaking or failure of oil, gas, water or soil pipes or the choking, stoppage or overflow thereof or of the public sewers, drains, gutters, downpipes or conductors or failure, fusing or breakdown of the electricity supply or any appliance or from any other cause or source whatever.
- 5.3 nothing contained in this lease or in any consent or approval granted by the Landlords under this lease shall be deemed to constitute any warranty by the Landlords that the Property or any part thereof is fit for any of the Tenants' purposes under this lease nor that the Property or any part thereof is authorised for use under the Planning Acts or otherwise for any specific purpose and the Tenants hereby acknowledge that the Landlords have not given or made any representation or warranty that the use

authorised by this lease is or will be a permitted use under the Planning Acts and the Tenants shall remain fully bound and liable to the Landlords in respect of the Tenants' obligations under this lease without any compensation, recompense or relief of any kind whatsoever.

6 Condition for Re-Entry

The Landlords may re-enter the Property at any time after any of the following occurs

- 6.1 the Rent or other payments stipulated for in this lease or any part or parts thereof shall be unpaid for 14 days after they have become due (whether legally demanded or not), or
- 6.2 default shall be made in the performance or observance of any of the other obligations, conditions or agreements on the part of the Tenants contained in this lease, or
- 6.3 an Insolvency Event occurs; or
- 6.4 (whilst this lease remains vested in its original tenant Forest Holidays LLP but not once it has been the subject of a permitted assignment) any two other leases entered into by Forest Holidays LLP and/or by Forest Holidays (Scotland) LLP and to which the Framework Agreement applies at the relevant time are forfeited within a ten year period as a result of the default of Forest Holidays LLP or Forest Holidays (Scotland) LLP (as the case may be) in the performance or observance of any of the obligations, conditions or agreements under the relevant lease and such leases are not within two months thereafter replaced or reinstated by agreement between the relevant landlords and tenants or by reason of relief from such forfeiture having been obtained;

If the Landlords re-enter the Property pursuant to this clause this lease shall immediately end but without prejudice to any right or remedy of the Landlords in respect of any breach of covenant by the Tenants.

7 No Implied Easements

Nothing contained in this lease shall by implication of law or otherwise operate to confer on the Tenants any easement right or privilege whatsoever over or against any adjoining or other property belonging to the Landlords other than the Rights which might restrict or prejudicially affect the future rebuilding, alteration or development of such adjoining or other property nor shall the Tenants be entitled to compensation for any damage or disturbance caused or suffered thereby nor shall the Tenants make or permit to be made any objection to or claim in respect of any works of construction, building, alteration, addition or repair carried out upon any land or property adjoining or near any part of the Property by the Landlords or any person authorised by the Landlords PROVIDED ALWAYS that any such works shall be carried out with as little interference to the Tenants as reasonably possible and the Landlords shall make good all damage thereby occasioned to the Property.

8 Lease to continue

This lease shall continue notwithstanding damage to or the destruction of the Property or any part or parts thereof from any cause and the rent payable hereunder shall continue to be payable by the Tenants.

9 **Consents**

9.1 Where under any provisions of this lease the consent or approval of the Landlords is required:

- a) such consent or approval shall be in writing;
- b) insofar as may be permitted by law the Landlords shall be deemed to be acting reasonably in withholding such consent or approval or making such consent subject to compliance by the Tenants with any conditions imposed by the Landlords if the Landlords reasonably consider that the interests of estate management so require;
- c) any such consent or approval granted shall be without prejudice to the Tenants' Obligations.
- d) the giving of any such consent or approval shall not imply that any consent or approval required from a third party has been obtained nor shall it obviate the need to obtain any consent or approval from a third party but in those circumstances the Landlords will (at the Tenant's request and cost) use reasonable endeavours to obtain any other necessary consents or to assist the Tenant in doing so.

9.2 Where under any provisions of this lease any matter is stated to be to the satisfaction of the Landlords without any further qualification the Landlords shall have absolute discretion in determining whether or not such matter is to their satisfaction.

10 **Notices**

Any notice, intimation, request or consent under this lease shall be in writing. Any notice to the Tenants (if a body corporate including a limited liability partnership) shall be sufficiently served if sent by Recorded Delivery Post to or left at the Registered Office of the Tenants and (if the Tenants shall be an individual or individuals or a firm) shall be sufficiently served if sent by Recorded Delivery Post to or left at his or their respective last known address or addresses in Great Britain or Ireland. Any notice to the Landlords shall be sufficiently served if sent by Recorded Delivery Post to or left at the Registered Office of the Landlords or the office or principal office of the managing agents (if any) of the Landlords (and for so long as the Forestry Commission are charged with administering the Property on behalf of the Landlords, notices shall be validly served if served c/o the Secretary to the Forestry Commissioners at 231 Corstorphine Road, Edinburgh, EH12 7AT or such other address as may be notified in writing for the purposes of this clause) and (if the Landlords at any time shall be an individual or individuals or a firm) shall be sufficiently served if sent to or left at his or their last known address in Great Britain or Ireland or the office or principal office of the managing agents (if any) of the Landlords. Any notice sent by First Class Recorded

Delivery shall be deemed to have been duly served at the expiry of forty eight hours after the time of posting. In proving service it shall be sufficient to prove that the envelope containing the notice was duly addressed to the Tenants or the Landlords (as the case may be) in accordance with this Clause and posted to or left at the place to which it was so addressed.

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

A person who is not a party to this lease shall not have any rights under or in connection with this lease by virtue of the Contracts (Rights of Third Parties) Act 1999.

12 **Landlord and Tenant (Covenants) Act 1995**

This lease creates a new tenancy for the purposes of the Landlord and Tenant (Covenants) Act 1995.

13 **Governing Law**

This lease shall be governed by and construed in accordance with the law of England and any dispute, difference or question of any kind which may arise between the parties shall be determined in accordance with the law of England.

14 **Registration**

Promptly following the grant of this lease, the Tenants shall apply to register this lease at HM Land Registry. The Tenants shall pay all relevant fees and use all reasonable endeavours to ensure that any requisitions raised by HM Land Registry in connection with that application are dealt with promptly and properly. Within one month after completion of the registration, the Tenants shall send the Landlords official copies of their title.

This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

SCHEDULE

PART I(A)

THE PROPERTY

The land extending to approximately [] hectares known as [] [*insert name of campsite*] as edged in green on the Plan and there shall be included in the expression "the Property":

- 1 all permitted additions, alterations and improvements (except tenants' and trade fittings and fixtures which for the avoidance of doubt include any caravans or similar property which is capable of removal without significant damage to the Property and which is from time to time on or about the Property) hereafter made on or about the Property;

- 2 all Landlords' fixtures and fittings within the Property (including all if any floor coverings, light fittings and sanitary fittings, if any, provided by the Landlords); and
- 3 the Service Systems.

PART 1(B)

RIGHTS

- 1 The Property is demised with the following rights granted in common with the Landlords and other occupiers of the Retained Land or any adjoining or neighbouring land and subject always to the Tenants complying with their obligations in to Clauses 8, 9, 11 and 25 of Part III of the Schedule to the extent applicable to the rights hereby granted and subject in each case to such rights being granted only to the extent if any that the subject of such rights (a) where they comprise roadways, are not existing public highways, and (b) where they comprise the right to use Service Systems or any part thereof, are not comprised within existing mains services or supplies and declaring that the Landlords give no warranty or guarantee as to the quantity, quality or adequacy of any water, drainage or other supplies or services:

1.1

[use of Services and Access Roads; right as discussed at the property meeting to install and maintain a sign approved by the Landlords (acting reasonably) at the far end of the Access Road from the Property; any site specific issues]

- 2 The Property is demised with the further right to enter unbuilt parts of the Retained Land (with such workmen and materials as are appropriate) on reasonable prior notice to the Landlords (except in the case of an emergency);
- 2.1 to replace, repair, maintain, alter, renew and if necessary to upgrade the Access Roads and the Service Systems **[and other facilities as mentioned in Sections 1 and 2 if appropriate]**; and
- 2.2 with the prior consent of the Landlord (not unreasonably to be withheld or delayed so long as the Tenants can demonstrate that all necessary third party consents or approvals have been or will be obtained and will be complied with and that such proposals will not materially damage the value or the amenity of the Retained Land) to install new or additional or replacement service media (of such type and nature as may be previously approved in writing by the landlords) for the sole benefit of and exclusive use and amenity of the Property in accordance with this lease along the same route or routes as are currently used or such other route as has previously been agreed in

writing with the Landlords (acting reasonably and without undue delay in all cases)

in all cases subject to the Tenants taking all reasonable steps to mitigate any damage or disruption to the Retained Land and putting right any damage actually caused and complying throughout with all of the Tenants Obligations which relate to such works;

- 3 Neither the grant of this lease nor anything in it confers any right over neighbouring property nor is to be taken to show that the Tenant may have any right over neighbouring property, and section 62 of the Law of Property Act 1925 does not apply to this lease.

PART 1(C)

THIRD PARTY RIGHTS

The Property is demised subject to:

- 1 The rights, covenants and restrictions contained in the following documents so far as they relate to the Property and are still enforceable:

	<u>Date</u>	<u>Document</u>	<u>Parties</u>
2		[Any specific rights enjoyed by third parties but not documented, eg a right of way agreed informally etc, specifying the nature and extent of the right and which land benefits from it, including rights over the brown land];	

PART II

RESERVED RIGHTS

1 There are reserved to the Landlords for the benefit of the Retained Land and to the tenants or occupiers of any adjoining or neighbouring property now or at any time hereafter belonging or let to the Landlords and to their respective servants, agents and workmen and all other persons authorised by them respectively:

1.1 Passage of Utilities

all existing and implied rights to free passage and use of, water, soil, gas and electricity and other services in and through the Service Systems;

1.2 Entry for Repair and Forest Management

the right to enter upon or pass through unbuilt parts of the Property with all necessary appliances at all reasonable times (upon reasonable notice except in the case of emergency) for all necessary forest management purposes including without limitation, for the purposes of implementing any Forest Design Plan and for the purpose of inspecting, cleaning, repairing or renewing any part of the Retained Land or adjoining or neighbouring property (including without prejudice to the foregoing generality any such part which is common or mutual with the Property) where such purposes cannot reasonably be fulfilled without entering the Property and any part of the Service Systems;

1.3 To Alter etc. the Adjoining Property

the right at any time to build, rebuild or make alterations or carry out other works upon any part of the Retained Land and adjoining or neighbouring property and to erect, place or attach any necessary scaffolding, ladders or other equipment to any part of the Property and for such purpose to have all necessary rights of access to the Property in connection therewith;

1.4 New Connections to the Service Systems

With the prior consent of the Tenants (not unreasonably to be withheld or delayed so long as the landlord can demonstrate that all necessary third party consents or approvals have been or will be obtained and that such proposals will not materially damage the value or the amenity of the Property by utilising the capacity of the Service

Systems so as to materially prejudice the current operation or planned (and permitted) development of the Business) to make new connections with and make use of the Service Systems (above and beyond the use permitted at 1.1 and 1.2 above) for the benefit of the Retained Land or other nearby or adjacent premises now or hereafter owned or let to the Landlords and to have access to the Property on reasonable prior notice (except in an emergency) with such workmen and materials as are necessary for these purposes;

1.5 New Service Media

With the prior consent of the Tenants (not unreasonably to be withheld or delayed so long as the Landlords can demonstrate that all necessary third party consents or approvals have been or will be obtained and will be complied with and that such proposals will not materially damage the value or the amenity of the Property) to install new or additional or replacement service media (of such type and nature as may be previously approved in writing by the Tenants) for the sole benefit of and exclusive use and amenity of the Retained Land or other nearby or adjacent premises now or hereafter owned or let to the Landlords along the same route or routes as are currently used or such other route as has previously been approved in writing by the Tenants such approval not to be unreasonably withheld or delayed;

1.6 Use of Common or Mutual Walls

the right to take into use all common or mutual walls and to build upon, connect with or otherwise use the same; and

1.7 [Right of Way

a right of way at all times and for all purposes with and without vehicles over that part of the Property shown coloured brown on the Plan subject to the right for the Tenants (with the prior consent of the Landlords which will not unreasonably be withheld or delayed) to vary the route of such right of way so long as the replacement right of way is not materially less convenient to the Landlords or other users of this right than the route shown coloured brown on the Plan]

[In those leases where it is relevant]

The Landlords and others as aforesaid shall be entitled to exercise the foregoing rights notwithstanding that any privilege or amenity for the time being pertaining to or enjoyed by the Property may be thereby interrupted or interfered with or that the Tenants might, but for this stipulation, have been entitled to object on any other grounds, provided always that the Landlords or

others in the exercise of the powers reserved to them by this Clause shall make good or procure that there shall be made good all material damage thereby occasioned to the Property and such reserved powers shall be exercised in such manner as to cause as little interference as is reasonably possible to the business of the Tenants.

2 There are reserved to the Landlords the right:

2.1 Miscellaneous Rights of Entry etc.

to enter upon the Property or any part thereof on reasonable prior notice (except in case of emergency) with or without workmen and others for any of the following purposes:

- a) to examine the state and condition of the Property and all defects and wants of repair thereof and to give notice in accordance with Clause 10 of this lease requiring the Tenants to repair and make good the same within such reasonable time as shall be specified in such notice;
- b) without prejudice to the right of re-entry contained in Clause 6 of this lease to amend any defects and execute any repairs and works which the Tenants shall have failed to do within the time specified in the said notice (or immediately in case of emergency) (or such other period as is reasonably appropriate having regard to the extent of the work required) and notwithstanding that the carrying out of such works may cause obstruction, annoyance or inconvenience to the Tenants or any sub-tenant and to recover from the Tenants the cost thereof (including any surveyors' or other professional fees incurred and VAT thereon) such cost being on demand repaid by the Tenants to the Landlords and if not so paid being recoverable by the Landlords with interest thereon at the Specified Rate from the date or dates of payment by the Landlords;
- c) to ascertain whether any unauthorised Works have been carried out to the Property and also whether any Works authorised by the Landlords pursuant to any provision of this lease have been carried out in accordance with the consent given by the Landlords and the requirements of the competent Planning Authority and any other relevant body;
- d) to take inventories of the Landlords' fittings and fixtures in and upon the Property; and

- e) for any other purpose connected with the interest of the Landlords in the Property or the Retained Land or their disposal or lease.

The Landlords and others as aforesaid shall be entitled to exercise the foregoing rights notwithstanding that any privilege or amenity for the time being pertaining to or enjoyed by the Property may be thereby interrupted or interfered with or that the Tenants might, but for this stipulation, have been entitled to object on any other grounds, provided always that the Landlords or others exercising the powers reserved to them by this Clause shall make good or procure that there shall be made good all material damage thereby occasioned to the Property and such reserved powers shall be exercised in such manner as to cause as little interference as is reasonably possible to the business of the Tenants.

- 3 All fishing, sporting, shooting and stalking rights (including stalking of deer) appurtenant to the Property are reserved to the Landlords. The Landlords will not exercise their reserved sporting rights during the Lease Term but may exercise (or authorise or permit third parties to exercise) their reserved fishing rights at all reasonable times and in any reasonable manner.
- 4 The minerals are reserved to the Landlords.

PART III

TENANTS' OBLIGATIONS

1 To Pay rent and other sums

To pay the rent and other payments herein stipulated for at the times and in the manner provided in this lease. If the Landlords shall so require each payment of rent due under this lease shall be made by a banker's standing order in favour of such bank account as the Landlords may direct in writing or in such other manner as the Landlords may from time to time direct in writing. In such event the Tenants shall not, without the prior written consent of the Landlords, vary, amend or cancel any banker's order form completed by them in pursuance of this provision.

2 To Insure

2.1 To insure and keep insured at all times throughout the term of this lease except to the extent that any such insurance shall be vitiated by an act or default of the Landlords or of any person acting under the direction of or as agent or representative of the Landlords with a reputable United Kingdom insurance company:

- a) The Property (and all buildings on or forming part of the Property) in the full reinstatement value thereof against loss or damage by fire, aircraft, explosion, riot and civil commotion, malicious damage, earthquake, storm or tempest, bursting or overflowing of water tanks, apparatus or pipes, flood, impact and such other risks as the Landlords or the Tenants may from time to time consider appropriate (subject in the case of each such specified peril to insurance being available from time to time in the United Kingdom insurance market on reasonable commercial rates and terms) together with an amount in respect of architects', engineers', surveyors' and other professional fees and expenses and the cost of temporary hoarding and other temporary work, removal of debris, dismantling or demolishing and fencing and shoring up or propping and site clearance;
- b) such of the Service Systems as the Landlords or the Tenants may deem appropriate against explosion, mechanical and electrical breakdown, third party and such other risks and in such amount as the Landlords or the Tenants shall from time to time deem fit; and

- c) against public liability, employers' liability, property owners' and third party liability in such sums as the Landlords shall reasonably require.

There shall be added to all sums referred to in this Clause 2.1 the amount of any irrecoverable VAT thereon.

- 2.2 To procure that the insurance policy effected by them notes the interest of the Landlords in the Property and contains confirmation from the insurers that they will notify the Landlords in the event that the Tenants fail to pay the premium by the due date and that insurance coverage will remain in effect for a period of not less than 20 working days thereafter to enable the Landlords to pay the relevant outstanding amount.
- 2.3 To pay or procure the payment of all premiums and other money necessary to effect and maintain all insurances required by Clause 2.1 from time to time.
- 2.4 To procure that there is carried out by an appropriately qualified chartered surveyor full insurance valuations at least once in every three years and to provide to the Landlords copies of such valuations.

3 Reinstatement

- 3.1 Save to the extent that any such insurance may be vitiated or payment refused in whole or part because of an act or default of the Landlords or any contractor agent or employee of the Landlords in the event of destruction of or damage to the Property by any of the Insured Risks to rebuild and reinstate the Property and all buildings forming part of the Property or the relevant part or parts thereof or as the case may be with all reasonable speed (making good any shortfall in the insurance proceeds out of the Tenants' own money except to the extent the shortfall is attributable to an act or default of the Landlords or any contractor agent or employee of the Landlords) making good such of the Service Systems as shall have been so damaged or destroyed.
- 3.2 To carry out any reinstatement works under the above clause 3.1 expeditiously and in a good and workmanlike manner using good quality and suitable materials in compliance with all necessary consents and applicable codes of practice.

4 SSSI/SAC Management Plans/General Management

To implement and comply with the lawful requirements of any SSSI/SAC Management Plan encompassing the Property or any part thereof to which the Tenants are a party or of which the Tenants have received notice.

5 Outgoings

During the subsistence of this lease to pay all rates, taxes, charges, duties, levies, assessments, outgoings and impositions of whatever description whether parliamentary, regional, district, municipal, parochial, local or of any other description and whether of the nature of capital or revenue which now are or shall at any time hereafter during the currency of this lease be taxed, assessed, charged, rated or imposed upon or payable in respect of the Property or any part thereof or (whether or not recurring and whether of an existing or novel nature) and whether on the Landlords or the Tenants or the owner or occupier thereof in respect thereof (including any future such payments whether the same shall or shall not be in the nature of those now in being) excepting only taxes and assessments (other than VAT) arising in consequence of the Landlords' dealings with the Landlords' reversionary interest in the Property.

6 To Pay for Utilities

6.1 To pay to the relevant suppliers all charges for gas, sewerage, electricity, electronic communications services and water supplied to the Property and the cost and annual rent of any meter or meters supplied to the Property and to keep the Landlords indemnified against any of such liabilities;

6.2 To observe and perform at the expense of the Tenants all present and future regulations and requirements of the gas, sewerage, electricity, electronic communications services and water supply authorities and to keep the Landlords indemnified against any breach, non-observance or non-performance thereof.

7 Water Rates

If required by the Landlords where none is present at the Tenants' own cost to install a water meter to measure the water consumed within the Property and to pay and discharge any water rates which may be directly and indirectly assessed on the Property.

8 Maintenance and Repair

8.1 To repair, put, and keep in good and substantial repair and maintained to the reasonable satisfaction of the Landlords the Property (including all buildings, cabins, and erections thereon) the Access Roads (including repair maintenance and renewal of barrier gates but not so as to require the Tenants to install any gates or barriers where none exist at the date of this lease (unless required to comply with a statutory or other requirement in terms of this lease) and not so as to require the Tenants to improve any Access Roads save as necessary

for the purposes of repair) and the Service Systems (including any parts of the Service Systems located in on or under Retained Land) in each case regardless of the cause of the damage and to replace as and when necessary all Landlords' equipment, fixtures and fittings within the Property which are beyond economic repair (such replacements to be of a similar kind and quality to the items (when new) which they replace) and from time to time in the event of destruction, damage, or decay to replace, renew, or rebuild whenever necessary the Property (including all buildings, cabins and erections thereon that are not the property of the Tenants) the Access Roads and the Service Systems and each and every part thereof all to the reasonable satisfaction of the Landlords.

- 8.2 At all times to keep and maintain the Service Systems in a good and substantial condition free from obstructions and to keep clean all open drains, ditches, burns or streams as often as necessary but at least once in every three years (or such longer or shorter frequency as may from time to time be prescribed in writing by the Landlords (acting reasonably) or required in terms of the SSSI/SAC Management Plan).
- 8.3 At all times to keep and maintain (i) all roads (including the Access Roads) , tracks hardstandings, parking bays and paths (ii) all walks and paths and (iii) all children's play areas on the Property and any equipment and apparatus thereon in a safe, good and substantial condition.
- 8.4 Not to remove or fell pollard, lop or damage any tree without first obtaining the requisite felling licence from the FC (if such licence be required).
- 8.5 In the event that the Tenants have been notified that a Forest Design Plan applies to the Property, to permit the FC all necessary rights of entry and access in terms of Part II of the Schedule to implement the Forest Design Plan (as amended from time to time) and once implemented not to interfere with it.
- 8.6 Not to fell or remove more than three percent of the trees on the Property during any rolling period of 365 days without obtaining the prior written approval of the FC and without replanting (with similar species) at least as many as are felled or removed, although not necessarily in the same locations (the denominator for calculating that percentage shall be the number of trees at the beginning of the period).
- 8.7 Properly and regularly to maintain (under the supervision of a member of the Institute of Chartered Foresters) the trees on the

Property in accordance with the good operating practices which would be undertaken by a Chartered Forester.

- 8.8 To keep the Property clean and tidy and not to allow rubbish of any kind to accumulate on the Property.
- 8.9 Not to do anything which shall prejudice, jeopardise or otherwise materially adversely affect the Forest Stewardship Council certification of the Property (pursuant to the UK Woodland Standard Assurance Standard), any Retained Land and/or any forestry or/land adjacent to or adjoining the Property.

9 Maintaining exterior and interior

- 9.1 In the first two years of the Term of this lease and thereafter once in every three years and also in the last six months of the Term of this lease (howsoever the same may be determined) but not twice in successive years in a good and workmanlike manner all to the satisfaction of the Landlords to prepare and paint with at least two coats of good quality paint or otherwise treat all the outside wood, metal, cement, stucco and other external parts of all buildings, cabins and erections on the Property as have been previously or are usually or ought to be painted or otherwise treated and in like manner to prepare, wax and polish and otherwise maintain all the external parts of the buildings, cabins and erections on the Property which ought to be so treated and as often as in the opinion of the Landlords shall be necessary to clean the finishes by such method as shall be previously approved by the Landlords in writing and prior to the last decoration to make application to the Landlords for approval of the tints and colours proposed to be used by the Tenants (which approval shall not unreasonably be withheld or delayed).
- 9.2 In the first two years and thereafter once in every three years and also in the last six months of the Term of this lease (howsoever the same may be determined) but not twice in successive years in a good and workmanlike manner to paint, whiten or colour with at least two coats of good quality paint all such parts of the interior of all buildings, cabins and erections on the Property as have been previously or are usually or ought to be painted, whitened or coloured and at the same time to repaper, distemper, stain, grain, varnish and polish all such portions of the said interior have previously been or are usually or ought to be so treated provided that in the last year of this lease the tints, colours and patterns of all such works of internal decoration shall be such as shall be approved by the Landlords (such approval not unreasonably to be withheld or delayed).

10 Alterations

- 10.1 Not at any time during the Term of this lease without the previous consent in writing of the Landlords being first obtained which consent shall not be unreasonably withheld or a decision thereon unreasonably delayed nor if such consent shall be given except in accordance with plans and specifications previously submitted in duplicate to and approved by the Landlords nor except to the reasonable satisfaction of the Landlords to carry out any Works to the Property or the buildings, cabins and erections but provided that the Landlords' consent shall not be required in terms of this sub-clause in respect of any internal non-structural alterations to cabins, buildings or other erections on the Property.
- 10.2 Without prejudice to the generality of Clause 10.1 of this part of the Schedule not to construct any new building or adapt any existing building for use as a new or additional shop, restaurant, bar, public house, sports or other leisure or entertainment facility on the Property without the prior written consent of the Landlords (not unreasonably to be withheld or delayed in respect of such facilities where they are in line with the FC's sustainability policies, reasonable and appropriate to the rural setting of the Property, consistent with the operation of a holiday site in a natural woodland setting, are intended only to offer services and amenities to those who are staying at the Property and are not materially detrimental to the amenity of any Retained Land or any neighbouring area).
- 10.3 Without prejudice to the generality of Clause 11 of this Part of the Schedule, to comply at all times with the Construction (Design and Management) Regulations 1994 with regard to any Works and to ensure that on completion thereof there shall be delivered to the Landlords a complete copy of the Health and Safety file for the Property issued in respect of the Works or updated to take account thereof; if the Works are not subject to or notifiable under the Construction (Design and Management) Regulations 1994 then the Tenants shall provide to the Landlords such information as the Landlords shall reasonably require to enable them to update any existing Health and Safety file.
- 10.4 At the expense of the Tenants to remove any Works carried out without the previous consent in writing of the Landlords where this is required and at the like expense to make good all damage caused thereby, and to restore all parts of the Property affected thereby to a state of good repair and condition consistent with the Tenants' repairing obligations herein contained.
- 10.5 At the expiry or earlier termination of this lease forthwith if and when called upon to do so by the Landlords to reinstate and restore at the

cost of the Tenants the Property to the state, condition and form in which they were prior to the carrying out of any Works but only to the extent that the same may be required by the Landlords.

- 10.6 No compensation will be payable to the Tenants by the Landlords on the termination of this lease, whether on its natural expiry or otherwise, in respect of any additions, alterations or improvements or new or additional buildings or provision of fixed equipment or services provided at the Property.

11 Statutory Requirements

At the expense of the Tenants to comply with all obligations (whether relating to the Property, the Access Roads, the Service Systems or any Works thereto, the employment of persons therein, fixtures, machinery, plant or equipment thereon or the business carried on therein or otherwise) imposed by any enactment or lawfully directed or required by any local or other competent authority or Court of competent jurisdiction including without limitation any byelaws made by FC and that whether on the owner or occupier and at the expense of the Tenants to do and execute or cause to be done or executed or to join with other persons in doing or executing all such works, acts, deeds, matters and things which under or by virtue of any enactment or otherwise are or shall be properly directed or are necessary to be done or executed upon or in respect of the Property, the Access Roads, the Service Systems or any part thereof; Without prejudice to the foregoing generality to comply at all times with and to undertake all such works which may be directed or necessary to be done in pursuance of the Offices, Shops and Railway Premises Act 1963, the Fire Precautions Act 1971, the Health and Safety at Work etc. Act 1974, the Environmental Protection Act 1990 and other relevant statutes and to comply at their own expense with any other requirements of any other public authority in respect of the Property, the Access Roads, the Service Systems or the use thereof; In particular (a) to comply with current fire regulations including any rule or regulation with regard to the storage of inflammable materials which may under or in pursuance of any enactment be directed or required by any public authority or by the Landlords' insurers and (b) not to permit or suffer to be working in the Property (or on the Retained Land) at any time such number of persons as will infringe the requirements in relation to the sanitary conveniences and working facilities required by any enactment; and to indemnify the Landlords at all times against all claims, demands, fines, penalties, expenses and liabilities properly incurred by or imposed upon the Landlords or which the Landlords may become liable to pay whether during this lease or afterwards in consequence of anything done or omitted or suffered to be done or omitted by the Tenants on or about the Property or the Retained Land.

12 Fire

To take all reasonable precautions to prevent an outbreak of fire as a result of the use and occupation of the Property or the exercise of any of the Tenants' rights and the spread of fire on to any adjacent or adjoining property owned by the Landlords or the Retained Land or any other adjoining property.

13 Use

13.1 To keep and use the Property for the Business and for no other purpose whatsoever.

13.2 Not to use or permit to be used the Property or any part thereof for any purpose which in the reasonable opinion of the Landlords constitutes an offensive, noisy, noxious or dangerous trade, business or manufacture or for any purposes which may be or grow to be a nuisance, annoyance or disturbance to the Landlords or to the owners or occupiers of any adjoining or neighbouring properties and in particular not to use the Property or any part thereof for any illegal or immoral purpose or for gaming or gambling or as an employment agency, betting shop, amusement arcade, or as a permanent residence for any person (other than a service occupancy of any warden's accommodation which may from time to time be on the Property) or for sale by auction or public meeting (but not so as to prohibit camping and caravanning rallies and similar uses).

13.3 To offer special rates or charges for overnight accommodation at the Property which are designed to encourage use of the Property by groups undertaking activities under the Duke of Edinburgh Award Scheme and by groups of scouts, guides and similar uniformed youth organisations by being at least ten per cent less than the standard adult nightly rate (or the closest equivalent) charged by the Tenant from time to time at the Property.

14 Costs of Abating a Nuisance

To pay to the Landlords on demand all costs, charges and expenses which may properly be incurred by the Landlords in abating a nuisance, and executing all such works which may be necessary for abating a nuisance, both in obedience to a notice served by a Local Authority in respect of the Property.

15 Not to Endanger Insurance

Not to do or permit to be done or omit to do within or upon the Property any act or thing whereby the insurance of the Property or any part thereof against the Insured Risks may be rendered void or voidable or whereby the risk of the Property or any adjoining or neighbouring premises now or at any time

belonging or let to the Landlords being destroyed or damaged by any of the Insured Risks may be increased.

16 To Give Notice of Damage

In the event of the Property or any part thereof being destroyed or damaged by any of the Insured Risks or any claim or potential claim arising under any policy or policies of insurance effected by or on behalf of the Tenants to give notice thereof to the Landlords or their managing agents forthwith on becoming aware of this.

17 To Prevent Encroachments

Not to permit any new path, passageway, drainage or other encroachment or easement to be made or acquired into, against or over the Property or any part thereof and in case any such encroachment or easement whatsoever shall be attempted to be made or acquired by any person or persons whomsoever to give notice thereof in writing to the Landlords or their managing agents immediately the same shall come to the notice of the Tenants and to do all things which may be proper for preventing any such encroachment or easement being made or acquired and to use all reasonable endeavours to prevent the interruption or loss of any easement or right of a similar nature belonging to or used with the Property and if the Tenants shall omit or neglect to do all such things as aforesaid the Landlords and their agents, servants or workmen may enter upon the Property and do the same and recover the cost thereof from the Tenants on demand.

18 Planning Acts

In relation to the Planning Acts:

- 18.1 At all times during the subsistence of this lease to comply in all respects with the provisions and requirements of the Planning Acts and of all consents, permissions and conditions (if any) granted or imposed or having effect thereunder so far as the same respectively relate to or affect the Property or any part thereof or any operation, works, acts or things already or hereafter to be carried out, executed, done or omitted thereon or the use thereof for any purpose and not to do or omit or suffer to be done or omitted anything on or in connection with the Property or any part thereof the doing or omission of which shall be a contravention of the Planning Acts or any consent, permission or condition granted or imposed thereunder and to indemnify the Landlords against all actions, proceedings, damages, penalties, costs, charges, claims and demands in respect of such acts or omissions or any of them.

- 18.2 In the event of the Landlords giving written consent to any of the matters in respect of which the Landlords' consent shall be required under the provisions of this lease (or in any case where Landlords consent is not required) and where permission from any Planning Authority under the Planning Acts is also necessary for any such matter then to obtain the Landlords prior written consent to the making of such application (not unreasonably to be withheld or delayed) and thereafter to apply at the cost of the Tenants for such permission and to give notice to the Landlords of the granting or refusal of any such permission forthwith on the receipt thereof.
- 18.3 In the event of the Planning Authority agreeing to grant the required permission only with modifications or subject to any conditions, to give to the Landlords forthwith full particulars of such modifications or conditions and not to accept such modifications or conditions without the consent in writing of the Landlords (not unreasonably to be withheld or delayed) and in the event of any planning permission being granted to bear the cost of all works and other things authorised by the said permission and observe and perform all conditions (if any) attached thereto and to keep the Landlords effectually indemnified as aforesaid in respect of the said application and work done in pursuance of said permission and in respect of all breaches (if any) of the said planning consent (and conditions imposed thereby) provided always that if the Planning Authority shall only agree to grant the required permission with such modifications and on such terms and subject to such conditions as the Landlords shall in their reasonable opinion think damaging to the interest of the Landlords in the Property, the Retained Property or any other nearby property then the Tenants shall, at the request of the Landlords, not implement such permission.
- 18.4 To give notice forthwith to the Landlords of any notice, order or proposal for a notice or order served on or received by or which comes to the notice of the Tenants under the Planning Acts and if so required by the Landlords and at the Tenants' expense to make or join in making such objections or representations in respect of any such notice, order or proposal that the Landlords may reasonably require .
- 18.5 To comply at the Tenants' cost with any notice or order served in respect of the Property under the provisions of the Planning Acts.
- 18.6 If and when called upon so to do to produce to the Landlords or the Landlords' managing agents all such plans, documents and other evidence that the Landlords may reasonably require in order to satisfy the Landlords that the provisions of this Clause have been complied with in all respects.

18.7 If the Tenants receive any compensation with respect to the Property in consequence of any revocation or modification of a planning permission or of any restriction placed on the use of the Property under or by virtue of the Planning Acts then and on the expiry of this lease whether the same shall have its natural or any prior termination the Tenants shall make such provision as is just and equitable for the Landlords to receive a due proportion of such compensation.

18.8 To advise the Landlords and the FC forthwith as soon as the Tenants become aware of any breach at the Property of the Planning Acts and any related subordinate legislation, bye-laws rules or regulations.

19 Signs

Not to cause or permit to be displayed upon any part of the Property any name, legend, sign, notice or advertisement whatsoever which may be visible from outside the Property except such as have been first approved by the Landlords (such approval not unreasonably to be withheld or delayed in respect of notices which relate to the conduct of the Business) save that no such Landlords' approval is needed in the case of information and direction signs of reasonable and proportionate size (bearing no commercial branding other than the Tenant's normal trade branding) located entirely within the Property and not visible from the outside of the Property and upon the termination of this lease to remove or efface any such name, legend, sign, notice or advertisement and make good to the satisfaction of the Landlords (acting reasonably) any damage occasioned thereby.

20 To Inform Landlords of Defects

To inform the Landlords forthwith on becoming aware of the same and in the most expeditious manner possible and thereafter in writing within a reasonable time of any defects in the Property and to indemnify and keep indemnified the Landlords from and against any loss, claims or demands arising from a breach of any obligation on the part of the Tenants contained in this clause.

21 Support for Adjoining Premises

Not to do or omit or permit or suffer to be done or omitted in and upon the Property any matter or thing which might impair or prejudicially affect the support of the Retained Land or the adjoining or adjacent premises whether above, below or beside the Property but at all times during the subsistence of this lease to maintain and preserve such support.

22 Electronic Interference

Not to use or permit or suffer to be used on or at the Property any radio, electric or electronic equipment in such manner or condition as to cause electrical, electronic or other forms of interference to adjoining or neighbouring premises or equipment operated therein.

23 The Stopping up of Drains etc.

Not to allow any polluting agent to pass into the sewers, drains or water courses serving the Property or into adjoining or neighbouring premises or otherwise to stop up, obstruct or permit to be stopped up or obstructed the same and in the event of any obstruction or injury being occasioned thereby forthwith to remove such obstruction and to make good all damage to the reasonable satisfaction of the Landlords and to employ such plant for treating any deleterious effluent as may reasonably be required by the Landlords.

24 To Inform Landlords of Notices

Within seven days of the receipt of notice of the same to give full particulars to the Landlords of any notice, order or proposal for a notice or order made, given or issued in respect of or affecting the Property by any Government Department or Local or Public Authority under or by virtue of any statutory power or otherwise and if so required by the Landlords to produce such notice, order or proposal and without delay at the Tenants' expense to take all reasonable or necessary steps to comply with any such notice or order or if reasonably required by the Landlords to make or join with the Landlords in making objections or representations against or in respect of any such notice, order or proposal as aforesaid as the Landlords may reasonably require.

25 To Pay Expense of Maintaining Mutual Walls, Drains, etc.

To pay:

25.1 a fair and equitable proportion (which may, if appropriate, be 100%) as determined by the Landlords (acting reasonably) of the costs and expenses properly and reasonably incurred by the Landlords in repairing, maintaining, rebuilding, renewing and cleansing all walls, roofs, foundations, steelwork, fences, structures and other items which may belong to or be used for the Property in common or mutually with other adjoining premises but which do not form part of the Property, and

25.2 a fair and equitable proportion (which may, if appropriate, be 100%) as determined by the Landlords (acting reasonably) of the costs and expenses properly and reasonably incurred by the Landlords in repairing, maintaining, rebuilding, renewing and cleansing (i) all access roads or ways leading to and from the Property and (ii) all pumps, valves, man-holes, meters, connections, channels, septic

tanks, water courses, holding tanks, cables, wires, pipes, drains, sewers or other conducting media and all plant and equipment relative thereto serving the Property (either exclusively or in common with other premises) but situated on land owned by the Landlords or third parties, and which do not form part of the Property.

26 Not to Share Possession

Not to share or licence the occupation of the whole or any part of the Property with or to anyone whomsoever without the consent of the Landlords having been first obtained which consent will not unreasonably be withheld or delayed in the case of a bona fide concession or franchise agreement to operate Ancillary Services and not giving rise to any subtenancy or other formal occupancy right but for the avoidance of doubt:

- 26.1 nothing in this clause will operate to permit the Tenants to allow any third party to independently operate or manage the whole or substantially the whole of the Business carried on from the Property by way of concession or franchise; but
- 26.2 no such consent from the Landlords will be needed for the Tenants to enter into modest concession or franchise arrangements providing for the sale/supply of goods and services at the Property in the ordinary course of the Business from mobile vans visiting the Property (but not parking there overnight).

27 Assignments

- 27.1 The Tenants shall not assign the whole of this lease without the prior written consent of the Landlords such consent not to be unreasonably withheld.
- 27.2 The Tenants shall not assign part only of this lease.
- 27.3 The Landlords and the Tenants agree that for the purposes of section 19(1A) of the Landlord and Tenant Act 1927 the Landlords may give their consent to an assignment subject to all or any of the following conditions:
- a) a condition that the assignor (and any former tenant who because of section 11 of the Landlord and Tenant (Covenants) Act 1995 has not been released from the tenant covenants of this lease) enters into an authorised guarantee agreement which:
- i) is in respect of all the tenant covenants of this lease;

- ii) is in respect of the period beginning with the date the assignee becomes bound by those covenants and ending on the date when the assignee is released from those covenants by virtue of section 5 of the Landlord and Tenant (Covenants) Act 1995;
 - iii) imposes principal debtor liability on the assignor (and any former tenant);
 - iv) requires (in the event of a disclaimer of liability of this lease) the assignor (or former tenant as the case may be) to enter into a new tenancy for a term equal to the unexpired residue of the Term; and
 - v) is otherwise in a form reasonably required by the Landlord
- b) a condition that if reasonably required by the Landlords a person of standing acceptable to the Landlords enters into a guarantee and indemnity of the tenant covenants of this lease in the form set out in Part V of this lease (but with such amendments and additions as the Landlords may reasonably require.)

27.4 The Landlords and the Tenants agree that for the purposes of section 19(1A) of the Landlord and Tenant Act 1927 the Landlords may refuse their consent to an assignment if (a) any rent or other money due under this lease is outstanding; or (b) where the Landlords are not satisfied (acting reasonably) that the proposed assignee is reputable and responsible, experienced in the operation of businesses substantially comparable in size, scale and quality to the Business as operated from the Property and that the assignee is otherwise demonstrably capable of complying with the tenants covenants under this lease.

27.5 Nothing in this clause shall prevent the Landlords from giving consent subject to any other reasonable condition, nor from refusing consent to an assignment in any other circumstances where it is reasonable to do so.

28 Underlettings

28.1 The Tenants shall not underlet the whole or any part of the Property except in accordance with this clause nor without the prior written consent of the Landlords, such consent not to be unreasonably withheld or delayed.

28.2 The Tenants shall not underlet part only of the Property except in the case of an underlease:

- a) by way of a lease at a full market rent and with the prior written consent of the Landlords (not unreasonably to be withheld or delayed) to an operator of premises at the Property exclusively used for the provision of Ancillary Services to the Property; or
- b) by way of a service occupancy in the case of any residential accommodation at the Property to be occupied by a site manager or similar member of staff; or
- c) by way of a lease at a normal commercial ground rent of a specific caravan pitch or site of a cabin associated with any sale of a caravan or an individual cabin in the ordinary course of the Business and to which the prior written consent of the Landlords (not unreasonably to be withheld or delayed) has been obtained either on an individual basis or by reference to an agreed form of disposal lease for use in an agreed set of transactions;

in each and any individual case not exceeding five percent of the Property by area.

28.3 The Tenants shall not underlet the whole or any part of the Property together with any property or any right over property that is not included within this lease nor underlet the Property as a whole

- a) at a fine or premium or reverse premium (except in the case of a normal commercial premium payable by a purchaser of such a subletting as is referred to in Clause 28.2(c) above); nor
- b) allowing any rent free period by way of inducement to the undertenant;

28.4 Any underletting by the Tenants shall be by deed and shall include:

- a) (in the case of any business tenancy) a valid agreement between the Tenants and the undertenant that the provisions of sections 24 to 28 of the 1954 Act are excluded from applying to the tenancy created by the underlease in relation to which all necessary prior notices or other procedural steps from time to time required have been duly served or implemented and (in any other case) such terms as are

necessary and permissible to obviate the incidence of security of tenure;

- b) (in the case of any lease of the whole of the Property) the reservation of a rent which is not less than the higher of the current rent then passing under this lease or the full open market rental value of the Property at the date the Property is underlet and which is payable at the same times as the Base Rent under this lease;
- c) (in the case of any lease of the whole of the Property) provisions for the review of rent at the same dates and on the same basis as the review of rent in this lease, unless the term of the underlease does not extend beyond the next Review Date;
- d) a covenant by the undertenant, enforceable by and expressed to be enforceable by the Landlords (as superior landlord at the date of grant) and their successors in title in their own right, to observe and perform the tenant covenants in the underlease and any document that is supplemental or collateral to it and to observe the tenant covenants in this lease so far as they relate to the underlet premises;
- e) provisions requiring the consent of the Landlords to be obtained in respect of any matter for which the consent of the Landlords is required under this lease, and
- f) a covenant that the undertenant shall not assign the underlet property without the prior consent of the Landlords, which consent will not be unreasonably withheld, and a covenant that the undertenant will not underlet the whole or any part of the underlet property.

and shall otherwise be consistent with and include tenant covenants no less onerous (other than as to the annual rent) than those in this lease and in a form approved by the Landlords, such approval not to be unreasonably withheld.

28.5 In relation to any underlease granted by the Tenants, the Tenants shall:

- a) not vary the terms of the underlease nor accept a surrender of the underlease without the consent of the Landlords, such consent not to be unreasonably withheld; and

- b) enforce the tenant covenants in the underlease and not waive any of them nor allow any reduction in the rent payable under the underlease; and
- c) notify the Landlords of the level of reviewed rent forthwith after it has been agreed or determined

29 Charging

The Tenants shall not charge the whole or part only of this lease without the prior written consent of the Landlords such consent not to be unreasonably withheld in the case of a charge of the whole to a charge holder or security holder which is a bona fide lending institution. The Tenants shall procure such information with regard to the status and financial standing of any proposed charge holder, or security holder as the Landlords shall reasonably require.

30 Prohibition of other dealings

Except as expressly permitted by this lease, the Tenants shall not assign, underlet, charge, part with possession or share occupation of this lease or the Property or hold the Lease on trust for any person (except pending registration of a dealing permitted by this lease at HM Land Registry or by reason only of joint legal ownership).

31 Registration and Notification of Dealings and Occupation

31.1 In this clause a **Transaction** is:

- a) any dealing with this lease or the devolution or transmission of, or parting with possession of any interest in it, or
- b) the creation of any underlease or other interest out of this lease, or out of any interest, underlease derived from it, and any dealing, devolution or transmission of, or parting with possession of any such interest or underlease, or
- c) the making of any other arrangement for the occupation of the Property.

31.2 In respect of every Transaction that is registrable at HM Land Registry, the Tenants shall promptly following completion of the Transaction apply to register it (or procure that the relevant person so applies). The Tenants shall (or shall procure that) any fees are paid to the Land Registry and that all reasonable endeavours are made to answer any requisitions raised by the Land Registry in connection with an application to register a Transaction promptly. Within one month of completion of the registration, the Tenants shall send the

Landlords official copies of its title (and where applicable of the undertenant's title).

31.3 No later than one month after a Transaction the Tenants shall:

- a) give the Landlords' solicitors notice of the Transaction, and
- b) deliver two certified copies of any document effecting the Transaction to the Landlords' solicitors, and pay the Landlords' solicitors a registration fee of £30 (plus VAT) or such other reasonable registration fee as the Landlords shall notify the Tenants in writing from time to time

31.4 If the Landlords so request, the Tenants shall promptly supply the Landlords with full details of the occupiers of the Property and the terms upon which they occupy it.

32 Closure of the Registered Title of this lease

Within one month after the end of the Term (and notwithstanding that the Term has ended), the Tenants shall make an application to close the registered title of this lease and shall ensure that any requisitions raised by the Land Registry in connection with that application are dealt with promptly and properly; the Tenants shall keep the Landlords informed of the progress and completion of its application.

33 To Indemnify the Landlords

To indemnify and keep indemnified the Landlords and the FC and in respect of that indemnity (if and to the extent reasonably required by the Landlords and only so far as the risk is insurable) maintain insurance cover to the reasonable satisfaction of the Landlords with a reputable insurance office and to exhibit the policy and receipts for premiums to the Landlords when required:

- 33.1 against all liability in respect of injury to or the death of any person, damage to any property real or personal, any claims, court actions, or proceedings the infringement, disturbance or destruction of any right, easement or privilege or otherwise by reason of or arising directly or indirectly from or upon (a) any defect or want of repair of the Property, (b) the use of the Property, (c) the execution of any alterations to the Property so far as effected by or on behalf of the Tenants or any sub-tenant, (d) any interference or obstruction on the part of the Tenants or others deriving right from them of any rights of light or drainage or other alleged right existing or hereinafter to be constituted in or in respect of any adjoining property, (e) any stoppage of drains used in common with the owners or occupiers of adjoining

property caused by any act or omission on the part of the Tenants or others deriving right from them and (f) any failure or omission by the Tenants in the implementation or observance of the obligations on their part herein contained;

33.2 against all actions, proceedings, damages, penalties, costs, charges, claims and demands properly incurred by the Landlords in relation to any of the matters mentioned in this Clause;

33.3 against all rates which may be payable by the Landlords as a result of the Tenants vacating the Property at any date prior to the expiry or earlier termination of this lease;

and this Clause 33 shall remain in force notwithstanding the expiry or earlier termination of this lease.

34 Expenses

On demand to pay to the Landlords all costs, charges and expenses (including solicitors', counsel's, surveyors', architects', engineers' and other professional costs and fees and VAT thereon) reasonably and properly incurred by the Landlords in the case of matters falling within paragraphs a), b) and d) below, and in any other case, properly incurred by the Landlords:

34.1 in connection with any application to the Landlords for consent or approval or in consequence thereof, whether or not such consent is granted;

34.2 in the preparation and service of any notice of want of repair or other notice served by the Landlords on the Tenants or in the preparation and service of a schedule of dilapidations during the subsistence of this lease or after its expiry or earlier termination;

34.3 in connection with the recovery of arrears of rent or any other sum at any time due by the Tenants to the Landlords under this lease;

34.4 in connection with any agreement, memorandum, addendum, assignation, sub-lease or other document consequential upon this lease to which the Landlords shall be a party; and

34.5 in connection with the enforcement or protection of any of the rights of the Landlords under this lease and notwithstanding that such enforcement be rendered unnecessary by the Tenants' subsequent compliance with the provisions of this lease.

35 Title Matters and bye laws affecting the Property

At all times to observe and perform, insofar as still valid, subsisting and applicable, all covenants, conditions, restrictions, declarations, and others howsoever constituted affecting any part or parts of the Property including but not limited to the Third Party Rights and to indemnify the Landlords against all actions, costs, claims and demands which may arise in respect of any of the same.

36 Marking of Boundaries

At all times throughout the duration of this lease, the Tenants shall procure that the boundaries of the Premises (where not bounding a lake or river) are clearly marked and identifiable either through the use of painted marker posts or stone or concrete slabs or (where possible) marker paint on the trunks of trees.

37 Archaeological Finds

37.1 As between the Landlords and the Tenants, any Archaeological Finds shall be deemed to be the property of the Landlords.

37.2 The Tenants shall inform the Landlords forthwith upon the discovery of any Archaeological Finds, and comply with the reasonable directions of the Landlords in relation to the removal or disposal of such Archaeological Finds, or shall allow the Landlords to enter the Property for the purposes of such removal or disposal: Provided that the Landlords shall act with all reasonable speed to carry out and complete such removal or disposal.

37.3 The Tenants shall not attempt to remove any Archaeological Find without the Landlords' consent (not unreasonably to be withheld or delayed) and shall procure that its employees and sub-contractors shall neither remove nor damage such Archaeological Finds.

37.4 In the event that the relevant Archaeological Find cannot be moved, or that it is inappropriate that the same be moved, then the Tenants shall allow the Landlords or those authorised by them access to the Property subject to the terms of Part II of the Schedule to carry out any investigation which they deem is appropriate in connection with its or their statutory duties or which is otherwise required by law: Provided that the Landlords shall and shall use all reasonable endeavours to procure that anyone authorised by them shall act with all reasonable speed to carry out and complete such investigation.

37.5 The provisions of sub-clauses 37.1 to 37.4 (inclusive) shall not affect the rights or obligations of either party under any applicable legislation.

38 To use Certified Timber

In any Works carried out on the Property by the Tenants or by parties on their behalf, all timber used in such works shall be Certified Timber and such timber shall be United Kingdom grown where reasonably possible (which for the avoidance of doubt shall include consideration of whether it is economically practicable to use UK grown timber).

39 To Leave in Good Repair

39.1 On the expiry or sooner determination of the term of this lease quietly and notwithstanding any law or practice to the contrary to surrender to the Landlords the Property together with all additions and improvements made thereto and all fittings and fixtures in or upon the Property or which during the term of this lease may have been affixed or fastened to or placed on or upon the same and that in such state and condition as shall be consistent with full and due performance by the Tenants of their obligations in this lease contained with all locks, keys and fastenings complete and at the cost of the Tenants to repair and make good to the reasonable satisfaction of the Landlords all damage including damage to paintwork caused by the removal of Tenants' fittings and fixtures.

39.2 In respect of any works which may be required after the date of termination of this lease to constitute full and due performance by the Tenants of their obligations under this lease, the Tenants shall, in the option of the Landlords, either carry out such works or pay to the Landlords a sum equal to the proper cost of carrying out the same and in either case the Tenants will also pay to the Landlords a sum equivalent to the loss of rent properly incurred by the Landlords during the period from the date of termination of the Lease until such works have been fully implemented, together with interest thereon at the Specified Rate from the date or dates of demand until paid.

40 Compensation on Vacating

Any right of the Tenants or anyone deriving title under the Tenants to claim compensation from the Landlords on leaving the Property under the Landlord and Tenant Act 1927 or the 1954 Act are excluded, except to the extent that the legislation prevents that right being excluded.

41 Notifiable Events

In the event of the occurrence of a Notifiable Event:

41.1 the Tenants shall immediately on becoming aware of the same inform the Landlords and the FC of its occurrence and permit the Landlords to enter and inspect the Property;

41.2 the Tenants shall consult and liaise closely with the FC regarding any public statements made by the Tenants or parties on behalf of the Tenants about any Notifiable Event and any information made publicly available regarding a Notifiable Event.

42 Telecommunications Apparatus

Not to permit the installation, retention or operation of any electronic communications apparatus (as the same is defined in the Telecommunications Act 1984 as amended by the Communications Act 2003) on the Property.

PART IV

RENT REVIEWSPART A

In this Part A of Part IV of the Schedule the following expression shall have the meaning hereby assigned to it, namely:

“Review Date” means each anniversary of the Term Commencement Date and the expression “relevant Review Date” shall be construed accordingly.

1 On each Review Date but not the Fifth, Tenth, Fifteenth, Twentieth, Twenty fifth, Thirtieth, Thirty fifth, Fortieth, Forty fifth, Fiftieth, Fifty fifth, Sixtieth, Sixty fifth and Seventieth [*delete unnecessary anniversary dates to accord with duration of the Lease*] anniversaries of the Term Commencement Date the annual Base Rent payable under this lease shall be reviewed to the greater of : -

1.1 the annual Base Rent payable immediately before the relevant Review Date; and

1.2 such amount as is calculated by the Landlords in accordance with the following formula:

$$NR = R \times (CV \div BV)$$

Where:

NR is: The new Base Rent payable with effect from the relevant Review Date.

R is: The Base Rent payable under this lease immediately prior to the relevant Review Date.

CV is: The value of RPI for the month falling three months before the relevant Review Date.

BV is: The value of RPI on the Term Commencement Date or (if later) for the month which is three months earlier than the Review Date immediately preceding the relevant Review Date.

Once the Landlords have determined the new Base Rent payable as and from the relevant Review Date they shall serve notice on the Tenants as to the level of the new Base Rent. Until the new Base Rent payable has been intimated by the Landlords to the Tenants, the Tenants shall pay rent under this lease at the rate prevailing immediately before the relevant Review Date. The new Base Rent shall be due and payable as and from the relevant Review Date. The

Tenants shall pay to the Landlords forthwith any shortfall between the Base Rent paid immediately before the relevant Review Date and the new Base Rent determined as set out above with interest thereon at two per cent below the Specified Rate.

- 2 Forthwith after the new Base Rent shall have been ascertained in accordance with this Part A of Part IV of the Schedule and on each such occasion there shall be signed by, for or on behalf of the Landlords and the Tenants respectively a Memorandum in duplicate specifying the new increased yearly Base Rent payable under this lease and such Memorandum shall be evidence of the amount of such new yearly Base Rent. Such Memorandum shall be prepared, completed and registered at the sole cost of the Tenants.

PART B

1 Wherever in this Part B of Part IV of the Schedule the context admits the following expressions shall have the meanings hereby assigned to them, namely:

1.1 "Review Date" means the Fifth, Tenth, Fifteenth, Twentieth, Twenty fifth, Thirtieth, Thirty fifth, Fortieth, Forty fifth, Fiftieth, Fifty fifth, Sixtieth, Sixty fifth and Seventieth [*delete unnecessary anniversary dates to accord with duration of the Lease*] anniversaries of the Term Commencement Date and the expression "relevant Review Date" shall be construed accordingly;

1.2 "Review Period" means the period commencing on a Review Date and ending on the day immediately preceding the next Review Date or (in the case of the period commencing on the last Review Date occurring during the term of this lease) on the expiry of this lease;

1.3 "Market Rent" means the full annual rent at which the Property could be let as one entity on the open market at and from the relevant Review Date for a term equivalent to the original duration of this lease and otherwise subject to the provisions of this lease (other than the actual amount of Base Rent payable hereunder but including the provisions for rent review similar to those contained in this Part of the Schedule) and on the assumption (if not a fact) that:

- a) the Property is available for immediate letting by a willing landlord to a willing tenant without fine or premium and with vacant possession;
- b) the provisions of this lease have been fully performed and observed and the Landlords and the Tenants have complied in all respects with all the obligations imposed on them under this lease;
- c) the use permitted by this lease of the Property complies with the Planning Acts free from onerous conditions;
- d) all licences and consents necessary for the use permitted by this lease have been granted by the relevant public authorities or bodies without onerous conditions;
- e) the Property is fit for immediate occupation and use and without prejudice to the foregoing generality, are connected to the usual public utilities and have satisfactory supplies of water and adequate drainage and sewerage;

- f) no Works have been carried out to the Property by the Tenants or any sub-tenant or their respective predecessors in title or any of them which has diminished the rental value of the Property;
- g) in case the Property or any part thereof have been destroyed or damaged they have been fully restored;
- h) any prospective tenants are able fully to recover input VAT whether or not this is the case; and
- i) any rent free period or period of discounted rent has expired and any other consideration which the Landlords might then be expected to grant to a tenant on taking a lease of the Property has been paid or otherwise discharged but in each case only to the extent that it would be referable to the fitting out of the Property by such tenant

But disregarding any effect on rent of:

- j) the fact that the Tenants, any sub-tenants and their respective predecessors in title or any of them are, or have been, in occupation of the Property;
- k) any goodwill attached to the Property by reason of the carrying on within the Property of the business of the Tenants or any sub-tenant;
- l) any Works carried out to the Property or any part thereof after the Term Commencement Date with any necessary consent of and otherwise than in pursuance of any obligation to the Landlords, whether under this lease or otherwise, at the cost of the Tenants or any sub-tenant;
- m) so far as may be permitted by law all statutory restrictions relating to the assessment and recovery of rent; and
- n) the fact that any prospective tenants might not be able fully to recover input VAT;

- 1.4 "Surveyor" means such Chartered Surveyor having recent substantial experience in valuing premises of a location, kind and character similar to the Property and who is a member of a leading firm of Surveyors practising inter alia in the field of commercial leisure property lettings as may be nominated by agreement between the Landlords and the Tenants or in default of agreement appointed by or on behalf of the President (or senior office holder at the time available) of the Royal Institution of Chartered Surveyors (as

constituted, reconstituted, formed or reformed from time to time) or if such President or senior office holder shall not be available appointed by such officer of such professional body of surveyors as the Landlords, acting reasonably, shall designate;

- 1.5 "Revised Base Rent" for a Review Period means the yearly Market Rent in respect of that Review Period agreed in writing between the Landlords and the Tenants or determined (in default of agreement) by the Surveyor all as hereinafter provided;
 - 1.6 "Current Base Rent" means the yearly rent payable under this lease immediately preceding the commencement of the relevant Review Period;
 - 1.7 "Shortfall" means in respect of the period (if any) beginning on the relevant Review Date and ending on the Rent Payment Day next following the date on which the Revised Base Rent for that Review Period is ascertained the amount (if any) by which the aggregate equal half-yearly instalments of the Revised Base Rent which would have been payable during that period had the Revised Base Rent been ascertained at the commencement thereof exceeds the aggregate of the instalments of the Current Base Rent paid for the same period; and
 - 1.8 "Shortfall Interest" means a capital sum equal to interest at two per centum below the Specified Rate on the aggregate of the component parts of the Shortfall for the period from the date each component part became due until payment of the Shortfall.
- 2 On the relevant Review Date the yearly rent for the relevant Review Period shall be reviewed to the greater of:
- 2.1 the Current Base Rent;
 - and
 - 2.2 the Revised Base Rent.
- 3 If the Landlords and the Tenants have not agreed the Market Rent by a date two months prior to the relevant Review Date the Landlords or the Tenants may at any time thereafter require the Market Rent to be determined by a Surveyor acting as an expert and not as an arbiter whose decision shall be final and binding on the parties and the following provisions shall apply:
- 3.1 the fees and expenses of the Surveyor including the cost of his appointment shall be borne equally by the Landlords and the Tenants who shall each otherwise bear their own costs;

- 3.2 the Landlords and the Tenants shall each be entitled to submit to the Surveyor in accordance with a timetable to be determined by the Surveyor written valuations, statements and other evidence relating to or supporting their assessments of the Market Rent in which event each shall at the same time deliver to the other party a copy of all such valuations and others submitted as aforesaid. The Surveyor shall, if so requested by written notice by either the Landlords or the Tenants (a copy of which shall be served on the other party) and which notice shall be given by a date to be determined by the Surveyor, hold a hearing at which both the Landlords and the Tenants or their respective representatives may be heard and if present cross-examined and that at such time or times and such place or places as the Surveyor shall appoint for that purpose; and
- 3.3 if the Surveyor shall fail to determine the Market Rent within six months of his appointment (or such longer period as the Landlords and the Tenants may agree in writing) or if prior to his making such determination he shall relinquish his appointment or die or it shall become apparent that, for any reason, he will be unable to complete his duties hereunder then it shall be open to either party on notice in writing to the other party and the Surveyor or his representatives to terminate forthwith the appointment of such person and to apply to the other party in the manner specified in Clause 1 of this Part B of Part IV of the Schedule for a substitute Surveyor to be appointed.
- 4 If the Revised Base Rent for any Review Period has not been ascertained by the commencement of such Review Period then in respect of the period commencing with the Review Date in question and ending on the Rent Payment Day next occurring after the date on which the Revised Base Rent is ascertained payment on account of the yearly rent shall be made by the Tenants at not less than the rate of the Current Base Rent at the times and in the manner specified in Clause 3.2a) of the foregoing Lease and on the said last mentioned Rent Payment Day the Tenants shall pay in addition to the instalment of the Revised Base Rent then payable the Shortfall and Shortfall Interest but without prejudice to the right of the Tenants to make earlier payment of the Shortfall and Shortfall Interest.
- 5 On request from the Landlords at any time prior to a Review Date, the Tenants shall deliver to the Landlords professionally audited accounts or where the Tenants are not under a statutory duty to file audited accounts then accounts which are certified by an officer of the Tenant to be true accurate and complete in all material respects (providing full details of all income, expenditure and transactions) for the business run by the Tenants at the Property in respect of the three years preceding the date of the Landlords' request.

- 6 Forthwith after the Revised Base Rent shall have been ascertained and on each such occasion there shall be signed by, for or on behalf of the Landlords and the Tenants respectively a Memorandum in duplicate specifying the new increased yearly rent payable under the foregoing Lease and such Memorandum shall be evidence of the amount of such new increased yearly rent. Such Memorandum shall be prepared, completed and registered at the sole cost of the Tenants.

PART C

In the event of the Landlords being prevented or prohibited in whole or in part (in part meaning anything less than the whole) from exercising their rights under this Part IV of the Schedule and/or obtaining an increase in the annual Base Rent at any Review Date under Part A or Part B above by reason of any legislation, government order or decree or notice (increase in this context meaning such increase as would be obtainable disregarding the provisions of any such legislation and others as aforesaid) then and upon each and every occasion on which such event shall occur if the occurrence gives rise to total prevention or prohibition the date on which such Review would have otherwise taken effect shall be deemed to be extended to permit and require such Review to take place on the first date or dates thereafter upon which such right of increase may be exercised and/or obtained in whole or part and when in part on so many occasions as shall be necessary to obtain the whole increase (meaning the whole of the increase which the Landlords would have obtained if not prevented or prohibited as aforesaid) and if there shall be a partial prevention or prohibition only there shall be a further review or reviews (as the case may require) on the first date or dates as aforesaid and notwithstanding that the yearly Base Rent may have been increased in part on or since the last occurring Review Date (as such term is defined in either Part A or Part B as appropriate) provided always that the provisions of this Clause shall be without prejudice to the Landlords' rights to review the annual Base Rent on the Review Dates as specified in the foregoing Parts A and B of this Part IV of the Schedule.

PART D

Turnover Rent

[insert here provisions to be proposed and agreed between the parties as to the mechanism for calculating and paying the Turnover Element of the Rent based on Clause 9.[] of the Framework Agreement]

PART V

GUARANTEE AND INDEMNITY

1 **Guarantee and Indemnity**

- 1.1 The Guarantor guarantees to the Landlords that the Tenants shall:
- a) pay the rents reserved by this lease and observe and perform the tenant covenants of this lease and that if the Tenants fail to pay any of those rents or to observe or perform any of those tenant covenants, the Guarantor shall pay or observe and perform them, and
 - b) observe and perform any obligations the Tenants enter into in an authorised guarantee agreement made in respect of this lease (the **Authorised Guarantee Agreement**) and that if the Tenants fail to do so, the Guarantor shall observe and perform those obligations.
- 1.2 The Guarantor covenants with the Landlords as a separate and independent primary obligation to indemnify the Landlords against any failure by the Tenants:
- a) to pay any of the rents reserved by this lease or any failure to observe or perform any of the tenant covenants of this lease, and
 - b) to observe or perform any of the obligations the Tenants enter into in the Authorised Guarantee Agreement.

2 **Guarantor's Liability**

- 2.1 The liability of the Guarantor under paragraphs 1.1(a) and 1.2(a) shall continue until the end of the Term, or until the Tenants are released from the tenant covenants of this lease by virtue of the Landlord and Tenant (Covenants) Act 1995, if earlier.
- 2.2 The liability of the Guarantor shall not be affected by:
- a) any time or indulgence granted by the Landlords to the Tenants, or
 - b) any delay or forbearance by the Landlords in enforcing the payment of any of the rents, or the observance or performance of any of the tenant covenants of this lease (or the Tenants' obligations under the Authorised Guarantee Agreement) or in making any demand in respect of any of them, or

- c) any refusal by the Landlords to accept any rent or other payment due under this lease where the Landlords believe that the acceptance of such rent or payment may prejudice its ability to re-enter the Property, or
- d) the Landlords exercising any right or remedy against the Tenant for any failure to pay the rents reserved by this lease or to observe or perform the tenant covenants of this lease (or the Tenants' obligations under the Authorised Guarantee Agreement), or
- e) the Landlords taking any action or refraining from taking any action in connection with any other security held by the Landlords in respect of the Tenants' liability to pay the rents reserved by this lease or observe and perform the tenant covenants of the Lease (or the Tenants' obligations under the Authorised Guarantee Agreement) including the release of any such security, or
- f) a release or compromise of the liability of any one of the persons who is the Guarantor, or the grant of any time or concession to any one of them, or
- g) any legal limitation or disability on the Tenants or any invalidity or irregularity of any of the tenant covenants of the Lease (or the Tenants' obligations under the Authorised Guarantee Agreement) or any unenforceability of any of them against the Tenants, or
- h) the Tenants being dissolved, or being struck off the register of companies or otherwise ceasing to exist, or, if the Tenants are individuals by the Tenants dying or becoming incapable of managing their affairs, or
- i) without prejudice to paragraph 4, the disclaimer of the Tenants' liability under this lease or the forfeiture of this lease, or
- j) the surrender of part of the Property, except that the Guarantor shall not be under any liability in relation to the surrendered part in respect of any period after the surrender, or

by any other act or omission except an express written release of the Guarantor by the Landlord.

- 2.3 The liability of each of the persons making up the Guarantor is joint and several.
- 2.4 Any sum payable by the Guarantor shall be paid without any deduction, set-off or counter-claim against the Landlords or the Tenants.

3 Variations and Supplemental Documents

- 3.1 The Guarantor shall, at the request of the Landlords, join in and give its consent to the terms of any consent, approval, variation or other document that may be entered into by the Tenants in connection with this lease (or the Authorised Guarantee Agreement).
- 3.2 Whether or not the Landlords have requested that the Guarantor join in any such document and whether or not the Guarantor has done so, the Guarantor shall not be released by any variation of the rents reserved by, or the tenant covenants of, this lease (or the Tenants' obligations under the Authorised Guarantee Agreement), whether or not the variation is material or prejudicial to the Guarantor and whether or not it is made in any document.
- 3.3 The liability of the Guarantor shall apply to the rents reserved by and the tenant covenants of this lease (and the Tenants' obligations under the Authorised Guarantee Agreement) as varied whether or not:
- a) the variation is material or prejudicial to the Guarantee, or
 - b) the variation is made in any document, or
 - c) the Guarantor has consented to the variation (except to the extent that the liability of the Guarantor is affected by section 18 of the Landlord and Tenant (Covenants) Act 1995).

4 Guarantor to take a New Lease or Make Payment

- 4.1 If this lease is forfeited or the liability of the Tenants under this lease is disclaimed and the Landlords give the Guarantor notice not later than six months after the forfeiture or the Landlords having received notice of the disclaimer, the Guarantor shall enter into a new lease of the Property on the terms set out in paragraph 4.2.
- 4.2 The rights and obligations under the new lease shall take effect from the date of the forfeiture or disclaimer and the new lease shall:
- a) be granted subject to the right of any person to have this lease vested in them by the court and to the terms on which any

such order may be made and subject to the rights of any third party existing at the of the grant,

- b) be for a term that expires at the same date as the end of the Term of this lease had there been no forfeiture or disclaimer,
- c) reserve as an initial annual rent an amount equal to the rent on the date of the forfeiture or disclaimer (subject to paragraph 5) and which is subject to review on the same terms and dates provided by this lease,
- d) be excluded from sections 24 to 28 of the Landlord and Tenant Act, and
- e) otherwise be on the same terms as this lease (as varied if there has been any variation).

4.3 The Guarantor shall pay the Landlords' solicitors' costs and disbursements (on a full indemnity basis) and any VAT in respect of them in relation to the new lease and shall execute and deliver to the Landlords a counterpart of the new lease within one month after service of the Landlords' notice.

4.4 The grant of a new lease and its acceptance by the Guarantor shall be without prejudice to any other rights which the Landlords may have against the Guarantor or against any other person or in respect of any other security that the Landlords may have in connection with this lease.

4.5 The Landlords may, instead of giving the Guarantor notice pursuant to paragraph 4.1 but in the same circumstances and within the same time limit, require the Guarantor to pay an amount equal to six months rent and the Guarantor shall pay that amount on demand.

5 Rent at the Date of Forfeiture or Disclaimer

If at the date of the forfeiture or disclaimer there is a rent review pending under this lease, then the initial annual Base Rent to be reserved by the new lease shall be the open market rent of the Property at the relevant Review Date, as determined by the Landlords before the grant of the new lease.

6 **Payments in gross and restrictions on the Guarantor**

- 6.1 Any payment or dividend that the Landlords receive from the Tenants or its estate or any other person in connection with any insolvency proceedings or arrangement involving the Tenants shall be taken and applied as a payment in gross and shall not prejudice the right of the Landlords to recover from the Guarantor to the full extent of the obligations that are the subject of this guarantee and indemnity.
- 6.2 The Guarantor shall not claim in competition with the Landlords any insolvency proceedings or arrangement of the Tenants in respect of any payment made by the Guarantor pursuant to this guarantee and indemnity. If it otherwise receives any money in such proceedings or arrangement, it shall hold that money on trust for the Landlords to the extent of its liability to the Landlords.
- 6.3 The Guarantor shall not, without the consent of the Landlords exercise any right or remedy that it may have (whether against the Tenants or any other person) in respect of any amount paid or other obligation performed by the Guarantor under this guarantee and indemnity unless and until all the obligations of the Guarantor under this guarantee and indemnity have been fully performed.

7 **Other Securities**

- 7.1 The Guarantor warrants that it has not taken any covenants that it shall not take any security from or over the assets of the Tenants in respect of any liability of the Tenants to the Guarantor. If it does take or hold any such security it shall hold it for the benefit of the Landlords.
- 7.2 This guarantee and indemnity is in addition to any other security that the Landlord may at any time hold from the Guarantor or the Tenants or any other person in respect of the liability of the Tenants to pay the rents reserved by this lease and to observe and perform the tenant covenants of this lease. It shall not merge in or be affected by any other security.
- 7.3 The Guarantor shall not be entitled to claim or participate in any other security held by the Landlords in respect of the liability of the Tenants to pay the rents reserved by this lease or to observe and perform the tenant covenants of this lease.

Executed as a Deed by
FOREST HOLIDAYS LLP
acting by two Members

.....
Member

.....
Member

The Corporate Seal of the
**SECRETARY OF STATE FOR ENVIRONMENT
FOOD AND RURAL AFFAIRS** hereby affixed
is authenticated by the signature of:

.....
Authorised signatory.

Executed as a Deed by affixing
the Common Seal of the **NATIONAL
ASSEMBLY FOR WALES**
Which is authenticated by:

.....
Authorised signatory.

Form B – New Forest Site Lease

DRAFT 07-05-2006

LEASE

between

**THE SECRETARY OF STATE FOR ENVIRONMENT, FOOD AND RURAL
AFFAIRS**

and

FOREST HOLIDAYS LLP

Subjects: In relation to [New Forest Site]

2006

CSJ.F0585.1001



TODS MURRAY LLP
SOLICITORS

W:AFV
csj-11-

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TABLE OF CONTENTS

PREScribed CLAUSES	4
DEFINITIONS	1
LEASED PREMISES AND DURATION	7
TENANTS' OBLIGATIONS.....	7
Rent	7
Interest	8
LANDLORD'S OBLIGATIONS.....	8
EXCLUSION OF LANDLORDS' LIABILITY	9
CONDITION FOR RE-ENTRY	10
NO IMPLIED EASEMENTS.....	10
LEASE TO CONTINUE	11
CONSENTS	11
NEW FOREST ENVIRONMENT	12
NOTICES	12
CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999	13
LANDLORD AND TENANT (COVENANTS) ACT 1995	13
GOVERNING LAW.....	13
REGISTRATION	13
SCHEDULE	14
PART I(A)	14
THE LEASED PREMISES	14
PART 1(B)	14
RIGHTS	14
THIRD PARTY RIGHTS	15
PART II	18
RESERVED RIGHTS	18
PART III	22
TENANTS' OBLIGATIONS	22
To Pay rent and other sums	22
To Insure	22
Reinstatement	23

SSSI/SAC Management Plans	23
Outgoings	24
To Pay for Utilities	24
Water Rates	24
Maintenance and Repair	24
Maintaining exterior and interior	26
Alterations	26
Statutory Requirements	27
Fire 28	
Use 28	
Costs of Abating a Nuisance	29
Not to Endanger Insurance	29
To Give Notice of Damage	29
To Prevent Encroachments	29
Planning Acts	30
Signs 31	
To Inform Landlords of Defects	31
Support for Adjoining Premises	32
Electronic Interference	32
The Stopping up of Drains etc.	32
Shops etc.	32
To Inform Landlords of Notices	32
To Pay Expense of Maintaining Mutual Walls, Drains, etc.	33
Not to Share Possession	33
Assignments	33
Underlettings	34
Charging	36
Prohibition of other dealings	36
Registration and Notification of Dealings and Occupation	36
Closure of the Registered Title of this lease	37
To Indemnify the Landlords	37
Expenses	38
Title Matters and bye laws affecting the Leased Premises	38

Marking of Boundaries..... 39

Archaeological Finds..... 39

To Use Certified Timber 39

To Leave in Good Repair 40

Compensation on Vacating..... 40

Notifiable Events..... 40

Potentially Damaging Operations (PDO's)..... 40

2002 Memorandum of Understanding..... 40

Telecommunications Apparatus 41

PART IV 42

RENT REVIEWS..... 42

PART V53

PRESCRIBED CLAUSES**LR1. Date of lease****LR2. Title number(s)****LR2.1 Landlord's title number(s)****LR2.2 Other title numbers****LR3. Parties to this lease****Landlord**

THE SECRETARY OF STATE FOR ENVIRONMENT, FOOD AND RURAL AFFAIRS, of Nobel House, 17 Smith Square, London, SW1P 3JR c/o Forestry Commission, 231 Corstorphine Road, Edinburgh EH12 7AT

Tenant

FOREST HOLIDAYS LLP (registered as a Limited Liability Partnership in England and Wales under the Limited Liability Partnerships Act 2000 under registration number OC318816) and having its registered office at Greenfields House, Westwood Way, Coventry, CCV4 8JH

Other parties

None

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 Property described in Part 1(A) of the Schedule

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 Urban Development Act

1993) of the Land Registration Rules 2003.

None

LR5.2 This lease is made under, or by reference to, provisions of:

Not applicable

LR6. Term for which the Property is leased

The term as specified in this lease at clause 2

LR7. Premium

None

LR8. Prohibitions or restrictions on disposing of this lease

This lease contains a provision that prohibits or restricts dispositions.

LR9. Rights of acquisition etc.

LR9.1 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

None

LR9.2 Tenant's covenant to (or offer to) surrender this lease

The covenant contained in Clause 46 of Part III of the Schedule.

LR9.3 Landlord's contractual rights to acquire this lease

None

LR10. Restrictive covenants given in this lease by the Landlord in respect of land other than the Property

None

LR11. Easements

LR11.1 Easements granted by this lease for the benefit of the Property

The rights set out in Part 1 (B) of the Schedule

LR11.2 Easements granted or reserved by this lease over the Property for the benefit of other property

The rights reserved in Part II of the Schedule

LR12. Estate rentcharge burdening the Property None

LR13. Application for standard form of restriction None

LR14. Declaration of trust where there is more than one person comprising the Tenant Not applicable

LEASE

between

THE SECRETARY OF STATE FOR ENVIRONMENT, FOOD AND RURAL AFFAIRS, of Nobel House, 17 Smith Square, London, SW1P 3JR acting through and c/o Forestry Commission, 231 Corstorphine Road, Edinburgh EH12 7AT (hereinafter called "the Landlords") of the first part

and

FOREST HOLIDAYS LLP (registered as a Limited Liability Partnership in England and Wales under the Limited Liability Partnerships Act 2000 under registration number OC318816) and having its registered office at Greenfields House, Westwood Way, Coventry, CCV4 8JH (hereinafter called "the Tenants") of the second part

IT IS CONTRACTED AND AGREED between the Landlords and the Tenants as follows:

15 **Definitions**

15.1 In this lease unless the context otherwise requires the following expressions shall have the following meanings :

- a) **"2002 Memorandum of Understanding"** means the Memorandum of Understanding entered into between the FC and the Verderers dated 12th November 2002 a copy of which is annexed hereto as the same may be varied amended supplemented or restated from time to time and notified in writing to the Tenants
- b) **"Access Roads"** means the roadways coloured blue on the Plan
- c) **"Agreed Form"** means in relation to any document the form of that document initialled for the purposes of identification by or on behalf of the parties thereto;
- d) **"Ancillary Services"** means, subject to the Tenant first obtaining any consents or approvals required in terms of this lease, the provision of services (whether from the Property or otherwise and whether directly or through franchised operations (subject always to the terms of Clause 27 of

Part III of the Schedule)) to short term occupiers of the holiday accommodation or pitches on the Property, which services are (subject to the terms of this lease) operated so as to form part of a holiday experience, such as food and other shops, and recreational services (such as bicycle hire and boating);

- e) **“Archaeological Finds”** means antiquities, fossils and other remains of archaeological interest including without limitation items covered by the Treasure Act 1996;
- f) **“Business”** means (a) the hiring of pitches for tents, caravans and motor-homes for short-term holidays, together with the provision of such of the Ancillary Services as are approved in advance by the Landlords (such approval not to be unreasonably withheld or delayed); and/or (b) any additional use within the definition of “Business” contained in the Framework Agreement as is previously approved in writing by the Landlords, such approval not to be unreasonably withheld or delayed;
- g) **“Certified Timber”** means timber that is certified by an internationally recognised forestry organisation or body of equivalent standing to the Forest Stewardship Council as having come from a sustainable source;
- h) **“Commoners”** means any parties occupying land or premises to which there attaches any one or more of the rights of common of the New Forest referred to in the New Forest Acts
- i) **“English Nature”** means English Nature established pursuant to Section 128 of the Environmental Protection Act 1990 but including any other government agency which may be established from time to time as a successor exercising any of the responsibilities with which English Nature is currently charged and which may include, if applicable, the body intended to be established pursuant to the Natural Environment and Rural Communities Bill and known or to be known as “Natural England”)
- j) **“FC”** means the Forestry Commission constituted under the Forestry Acts 1919 to 1967 (as amended by the Forestry Acts 1979 and 1981) with offices at 231 Corstorphine Road, Edinburgh EH12 7AT but including any other government agency which may be established from time to time as a successor exercising any of the responsibilities with which the Forestry Commission is currently charged;
- k) **“Forest Management”** means all actions and activities relating to the FC’s management of the Crown Lands of the New Forest
- l) **“Framework Agreement”** means the agreement dated2006 made between FC (1) the Tenants (2) Forest Holidays (Scotland) LLP (3) and the Relevant Ministers (defined therein) (4) in relation to, *inter alia*, the ongoing management of the Business;

- m) **“Insolvency Event”** means the occurrence of any of the following events;
- 1) the Tenants are unable to pay their debts (within the meaning of Section 123(1) of the Insolvency Act 1986 unless in the case of Section 123(1)(a) any such demand is presented on manifestly frivolous vexatious or genuinely disputed grounds) or have any voluntary arrangement proposed in relation to them under Section 1 of that Act or enter into any scheme or arrangement (other than for the purpose of reconstruction or amalgamation upon terms and within such period as may previously have been approved in writing by the Landlords, such approval not to be unreasonably withheld or delayed);
 - 2) the Tenants have a receiver (which expression shall include an administrative receiver within the meaning of Section 251 of the Insolvency Act 1986) appointed over the whole or any material part of its assets or undertaking;
 - 3) the Tenants have an administration order under Section 8 of the Insolvency Act 1986 made in relation to them;
 - 4) the Tenants become insolvent or make any assignation for the benefit of their creditors or enter into an agreement or make any arrangement with creditors for the liquidation of the debts of the Tenants by composition or otherwise;
 - 5) the Tenants pass any resolution for winding-up other than a resolution previously approved in writing by the Landlords;
 - 6) the Tenants become subject to an order for winding-up by a court of competent jurisdiction; or
 - 7) any event occurs or proceeding is taken with respect to the Tenants in any jurisdiction which has an effect equivalent or similar to any of the events described in paragraphs (1) to (6) above;
- n) **“Insured Risks”** means those risks against which the Tenants have effected insurance in accordance with Clause 2 of Part III of the Schedule;
- o) **“Landlords”** includes all persons deriving title from the Landlords;
- p) **“New Forest”** means the New Forest as defined in the New Forest Acts.
- q) **“New Forest Acts”** means The New Forest Acts 1877 to 1970 as the same may be amended varied or supplemented from time to time and includes all orders and byelaws made pursuant or supplemental thereto
- r) **“Notifiable Event”** means:

- i) the spilling, deposit or release on or from the Property of any noxious substance or vapour in a quantity which would cause serious damage to or pollution of the environment or serious damage to property or serious harm to human health;
 - ii) the occurrence of any incident on the Property or any Access Roads involving serious personal injury to any person or the death of any person; and
 - iii) the occurrence of any uncontrolled fire on the Property; and
 - iv) any unlawful incursion or trespass on the Property (other than one which has been previously approved in writing by the Landlord) by groups of people, or the occurrence of organised public activity or antisocial behaviour of any significant size or scale on the Property;
- s) **"Perpetuity Period"** means eighty years from the date of this lease;
- t) **"Plan"** means the Plan annexed hereto;
- u) **"Planning Acts"** means the Town and Country Planning Act 1990, and The Planning (Listed Building and Conservation Areas) Act 1990 and the Planning (Hazardous Substances) Act 1990 and the Planning (Consequential Provisions) Act 1990 and any future legislation of a similar nature;
- v) **"Potentially Damaging Operation"** has the meaning set out in the Wildlife and Countryside Act 1981
- w) **"Property"** means the [] more particularly described and defined in Part I of the Schedule;
- x) **"Reserved Rights"** means those rights specified in Part II of the Schedule;
- y) **"Retained Land"** means the land (if any) shown edged in grey on the Plan ;
- z) **"Rights"** means the rights granted by the Landlords to the Tenants described in Part 1(B) of the Schedule;
- aa) **"RPI"** means the Retail Price Index as published from time to time in Table 18.2 of the Monthly Digest of Statistics "Retail Price Index – all items other than mortgage interest payments and depreciation" published by the Office of National Statistics or such index in such journal as shall replace such table and in the event that rebasing of RPI occurs, the parties shall meet and agree the consequential changes (if any) which are required to be made to this lease (and in default of agreement the matter shall be referred for determination on the application of either party to the amicable and final decision of an Arbitrator to be appointed by the parties, or, in the event of their being unable to agree on such appointment, by the President of the Law Society of England

and Wales for the time being and the costs and expenses of such arbitration shall be shared equally between the parties and the parties shall bear their own costs unless otherwise directed in either case by the Arbitrator.

- bb) "**Schedule**" means the Schedule annexed hereto the terms of which shall be deemed to form part of this lease;
- cc) "**Service Systems**" means the pumps, valves, man-holes, meters, connections, channels, septic tanks, water courses, holding tanks, drains, sewers, pipes, wires and cables or other conducting media in, on, over, under or passing through or otherwise exclusively serving the Property or any part thereof and all plant and equipment relative thereto and any building or structure exclusively housing the same whether situated on the Property, the Retained Land or any adjoining or neighbouring land;
- dd) "**Specified Rate**" means the rate of four per centum per annum above the Bank of Scotland base lending rate for the time being in force declaring that in the event of there ceasing to be a Bank of Scotland base lending rate there shall be substituted therefor such base rate as shall be a generally accepted base rate at the time as the same shall be determined by the Landlords;
- ee) "**SSSI/SAC Management Plan**" means (where any part of the Property falls within a Site of Special Scientific Interest designated pursuant to the Wildlife and Countryside Act 1981 as amended or a Special Area of Conservation designated pursuant to the Conservation (Natural Habitats, &c.) Regulations, 1992) any plan developed from time to time for the management of such site;
- ff) "**Tenants**" includes their permitted successors and assignees and if this lease shall at any time be vested in more than one person as tenants such expression shall include each of them and the liability of each such person under any obligation on the part of the Tenants in this lease shall be joint and several;
- gg) "**Tenants' Obligations**" means those conditions, obligations and others specified in Part III of the Schedule;
- hh) "**Term**" means the term of years granted by this lease and any continuation of the same;
- ii) "**Third Party Rights**" means all rights, covenants and restrictions affecting the Property as more particularly described in Part 1(C) of the Schedule;
- jj) "**VAT**" means Value Added Tax as provided for in the Value Added Tax Act 1994 and shall include any tax of a similar nature imposed in substitution for or in addition to Value Added Tax;
- kk) "**Verderers**" means the parties from time to time comprising the verderers of the New Forest as constituted under the New Forest Acts; and

ll) **"Works"** means the replacement, renewal or rebuilding (including widening) of roads, paths, buildings, electrical hook-ups, toilet and shower blocks, water and waste service points, and other erections in or on the Property, and/or any erection of new buildings (whether temporary or permanent), and/or civil engineering works, and/or any changes to the layout of hardstanding on the Property, and/or the gravel, permanent signage, fencing, lighting, and drainage pertaining thereto, and all alterations or additions thereto, including fitting out, improvements, annexing to adjoining subjects or changing the layout, design, appearance or architectural features of the Property or buildings, and other erections on the Property or the Service Systems and all removals and demolitions thereof including for the avoidance of doubt any work which requires the consent of the Verderers but does not include (unless such work requires the Verderers' consent as aforesaid) the routine repair and maintenance of buildings or apparatus on the Property;

- 15.2 Any reference to land buildings or premises on any element of the Property shall as the context requires include reference to each and every part of the same.
- 15.3 Any reference to trees refers to trees of such size and maturity as to require a felling licence under any applicable legislation (including local byelaws if relevant).
- 15.4 Any reference to an enactment (whether generally or specifically) shall be construed as a reference to that enactment as amended, extended, re-enacted or applied by or under any other enactment and shall include all instruments, orders, plans, regulations, bye-laws, permissions and directions and others made or intended thereunder or deriving validity therefrom.
- 15.5 Words or expressions importing the singular number shall include the plural number and vice versa and words importing persons shall include companies and corporations and vice versa.
- 15.6 Words or expressions importing the masculine gender shall include the feminine gender and vice versa; and words or expressions importing the neuter gender only shall include the masculine and feminine genders and vice versa.
- 15.7 The index and marginal headings herein are inserted for convenience of reference only and are not deemed to form part of these presents nor shall they affect the construction thereof.
- 15.8 If at any time the Tenants hereunder shall be a firm the obligations undertaken by the Tenants under this lease shall be binding upon such firm and upon any other firm or person who takes over or becomes entitled to take over the assets of the firm during the period of this lease and upon all persons who are or become partners of such firm or such other firm at any time during the period of this lease and the respective executors and representatives of all such partners and persons and in all cases jointly and severally and notwithstanding that any such partner or person dies or ceases for any reason to be a partner of such firm or such other firm. However if any person

who by virtue of his being a partner is bound to implement the Tenant's obligations then on such person ceasing to be a partner, whether by death, retirement or otherwise, the Landlords shall on request release such person and his or her personal representatives from all Tenant obligations arising under this lease subsequent to the date of his ceasing to be a partner or (if later) the date of such request provided it is established to the Landlords' reasonable satisfaction that such release does not prejudicially affect the strength of the Tenant's covenant and its ability to perform the Tenant's obligations in this lease.

- 15.9 Whenever the consent of the Landlords is required in relation to this lease and the consents of third parties (such as, but without limitation, the Verderers or English Nature) are also required the Landlords shall not be acting unreasonably if their consent is refused because they have been unable to obtain the consents of such third parties. Nothing in this Lease shall be construed as implying a duty upon a third party not to unreasonably withhold their consent. The grant or procuring of any consent by the Landlords will not obviate the need for the Tenants to obtain any other required consent, permission or approval.
- 15.10 Any right reserved to the Landlords may (if the Landlords so require or permit) be exercised on their behalf by FC, the Verderers or English Nature or any other duly authorised person and their respective servants agents and contractors.
- 15.11 Whilst it is recognised that the 2002 Memorandum of Understanding does not have legal effect, for the purposes of this lease its requirements shall be deemed to be binding upon the FC and the Landlords.

16 Demise and Duration

The Landlords with full title guarantee in consideration of the rent and the covenants contained in this lease hereby let the whole of the Property to the Tenants in each case together with the Rights but reserving to the Landlords and all others for the time being authorised by them or otherwise entitled thereto the Reserved Rights and subject to the Third Party Rights for the period of 75 (seventy five) years from and including (hereinafter called "**the Term Commencement Date**")

17 Tenants' Obligations

The Tenants covenant:

17.1 to observe and perform the Tenants' Obligations; and

17.2 to pay to the Landlords:

a) Rent

without any written demand therefor the yearly rent of POUNDS (£)
STERLING ("the Base Rent") or such greater sum as may be substituted
therefor in accordance with the provisions of Part IV A of the Schedule

together with the Turnover Rent calculated and payable in accordance with Part IV D of the Schedule and, if the Landlords have opted or in future so opt or if otherwise this becomes payable by law, also to pay VAT thereon at the standard rate (or, if at any time in the future the standard rate shall no longer apply to rents, such rate as shall then be applicable) appertaining for the time being, payable without any deductions whatsoever by two equal half-yearly payments in advance on 1st April and 1st October in each year (each of which dates is hereinafter in this lease referred to as a "**Rent Payment Day**") the first of such payments becoming due and payable on the Term Commencement Date being a proportionate payment for the period from and including that date to the Rent Payment Day next occurring thereafter and the next payment at the said Rent Payment Day for the succeeding half year and so forth half yearly and proportionately thereafter during the whole currency hereof; and

b) Interest

on demand interest at the Specified Rate on any sum of money payable under this lease which shall have become more than 14 days overdue from the date upon which the same became due until payment thereof (as well after as before any decree or judgement);

Provided that:

- 17.3 nothing in this Clause contained shall entitle the Tenants to withhold or delay any payment of rent after the relevant Rent Payment Day;
- 17.4 the acceptance of or demand for rent by or on behalf of the Landlords with knowledge of a breach of any of the obligations on the part of the Tenants herein contained shall not be deemed to be a waiver by the Landlords of any such breach or to imply any agreement by the Landlords to waive any such breach and acceptance by the Landlords of part payment of rent and any other sum due by the Tenants to the Landlords shall not be deemed to be acceptance of the whole of such rent or other payment and the Tenants shall not in any proceedings be entitled to rely on any such acceptance or demand; and
- 17.5 all sums (other than rents) which under any provision of this lease or the Schedule may become payable by the Tenants to the Landlords shall be recoverable by the Landlords as if such sums were rent in arrear and such sums shall include in every case where applicable an additional sum in respect of VAT at the rate applicable thereto and appertaining for the time being.

18 Landlord's Obligations

The Landlords covenant with the Tenants:

- 18.1 that so long as the Tenants pay the rents reserved by and comply with their obligations in this lease the Tenants shall have quiet enjoyment (subject to the Third

Party Rights) of the Property without any lawful interruption by the Landlords or any person claiming through or under the Landlords;

- 18.2 that if and to the extent the Landlords or others connect into any Service Systems and/or make use of any Access Roads and/or exercise any rights of way reserved across the Property in Part II of the Schedule the Landlords will (and will use all reasonable endeavours to require that the other persons authorised or permitted by them doing so will):-
- a) pay to the Tenants on demand a fair and equitable proportion according to use of the costs incurred by the Tenants in maintaining and repairing such facilities (save where such rights are exercised only in an occasional manner) but in respect of any rights of way such contribution shall be limited to a proportion of the cost of maintaining any roads or ways only to the standard applicable from time to time to that of a waterbound stone surface road, regardless of the actual surface of such roads or ways;
 - b) not cause any damage to or obstruct such facilities;
 - c) not exercise any such rights in or such a manner as to prevent or prejudice the use of those facilities by the Tenants or anyone entitled to do so or in such a manner as to cause unreasonable disruption to the Business;
- 18.3 that if and whenever the Tenants require the consents (here including any form of licence, authority or assent) of parties other than the Landlords (such as the Verderers, the FC or English Nature) to carry on any aspect of the Business or to undertake any Works at the Property then unless the Landlords object to such proposals (acting reasonably where that is required by the general law or the express terms of this lease) they may at the Tenants' request and cost (but at their own discretion) take reasonable steps to assist the Tenants in securing whatever such other consents are required including (for the avoidance of doubt) in circumstances where the consent of the Landlords under this lease is not required to be given.

19 **Exclusion of Landlords' Liability**

- 19.1 So far as permitted by law the Landlords shall not be liable to the Tenants or any servant, agent, licensee or invitee of the Tenants or other person occupying or on the Property or any part thereof or calling upon the Tenants or such other persons as aforesaid for any accident, happening or injury suffered by any person in or in the vicinity of the Property or any part thereof or damage to or loss of any furnishings and/or stock or other property in the Property (whether or not the loss or damage is due to the exercise of any rights of common) nor for the temporary deprivation of the occupancy of the Property;
- 19.2 The Landlords shall not be liable to the Tenants or others as aforesaid nor shall the Tenants or others as aforesaid have any claim against the Landlords in respect of the bursting, leaking or failure of oil, gas, water or soil pipes or the choking, stoppage or overflow thereof or of the public sewers, drains, gutters, downpipes or conductors or

failure, fusing or breakdown of the electricity supply or any appliance or from any other cause or source whatever.

- 19.3 nothing contained in this Lease or in any consent or approval granted by the Landlords under this Lease shall be deemed to constitute any warranty by the Landlords that the Property or any part thereof are fit for any of the Tenants' purposes under this Lease nor that the Property or any part thereof are authorised for use under the Planning Acts or the New Forest Acts or otherwise for any specific purpose and the Tenants hereby acknowledge that the Landlords have not given or made any representation or warranty that the use authorised by this Lease is or will be a permitted use under the Planning Acts or the New Forest Acts and the Tenants shall remain fully bound and liable to the Landlords in respect of the Tenants' obligations under this Lease without any compensation, recompense or relief of any kind whatsoever.

20 Condition for Re-Entry

The Landlords may re-enter the Property at any time after any of the following occurs

- 20.1 the Rent or other payments stipulated for in this lease or any part or parts thereof shall be unpaid for 14 days after they have become due (whether legally demanded or not), or
- 20.2 default shall be made in the performance or observance of any of the other obligations, conditions or agreements on the part of the Tenants contained in this lease, or
- 20.3 an Insolvency Event occurs; or

(whilst this lease remains vested in its original tenant Forest Holidays LLP but not once it has been the subject of a permitted assignment) any two other leases entered into by Forest Holidays LLP and/or by Forest Holidays (Scotland) LLP and to which the Framework Agreement applies at the relevant time are forfeited within a ten year period as a result of the default of Forest holidays LLP or Forest Holidays (Scotland) LLP (as the case may be) in the performance or observance of any of the obligations, conditions or agreements under the relevant lease and such leases are not within two months thereafter replaced or reinstated by agreement between the relevant landlords and tenants or by reason of relief from such forfeiture having been obtained;

If the Landlords re-enter the Property pursuant to this clause this lease shall immediately end but without prejudice to any right or remedy of the Landlords in respect of any breach of covenant by the Tenants.

21 No Implied Easements

Nothing contained in this lease shall by implication of law or otherwise operate to confer on the Tenants any easement right or privilege whatsoever over or against any adjoining or other property belonging to the Landlords other than the Rights which might restrict or prejudicially

affect the future rebuilding, alteration or development of such adjoining or other property nor shall the Tenants be entitled to compensation for any damage or disturbance caused or suffered thereby nor shall the Tenants make or permit to be made any objection to or claim in respect of any works of construction, building, alteration, addition or repair carried out upon any land or property adjoining or near any part of the Property by the Landlords or any person authorised by the Landlords PROVIDED ALWAYS that any such works shall be carried out with as little interference to the Tenants as reasonably possible and the Landlords shall make good all damage thereby occasioned to the Property.

22 **Lease to continue**

This lease shall continue notwithstanding damage to or the destruction of the whole of the Property or any part or parts thereof from any cause and the rent payable hereunder shall continue to be payable by the Tenants.

23 **Consents**

23.1 Where under any provisions of this lease the consent or approval of the Landlords is required having regard to the FC's statutory responsibilities under *inter alia* the New Forest Acts:

- a) such consent or approval shall be in writing;
- b) insofar as may be permitted by law the Landlords shall be deemed to be acting reasonably in withholding such consent or approval or making such consent subject to compliance by the Tenants with any conditions imposed by the Landlords if the Landlords reasonably consider that the interests of estate management so require having regard to the FC's statutory responsibilities under *inter alia* the New Forest Acts;
- c) any such consent or approval granted shall be without prejudice to the Tenants' Obligations.
- d) the giving of any such consent or approval shall not imply that any consent or approval required from a third party has been obtained nor shall it obviate the need to obtain any consent or approval from a third party but in those circumstances the Landlords may (but are not obliged to) (at the Tenant's request and cost) use reasonable endeavours to obtain any other necessary consents or to assist the Tenant in doing so in the terms of Clause 4.3.

23.2 Where under any provisions of this lease any matter is stated to be to the satisfaction of the Landlords without any further qualification the Landlords shall have absolute discretion in determining whether or not such matter is to their satisfaction.

23.3 Whenever the Tenants make an application for Landlords' consent and the Landlords in their reasonable discretion decide that (a) the consent of a third party is also necessary or desirable and (b) that it would be more appropriate for the Landlords to obtain that consent; then subject to the Tenants indemnifying the Landlords in respect

of the whole reasonable cost thereof the Landlords shall take reasonable steps to obtain that consent and in the event that the Landlords are unable to or otherwise fail to procure such consent within a reasonable period the Tenants may thereafter on prior written notice to the Landlords proceed to take steps to obtain such consent themselves.

24 New Forest Environment

The parties agree that they will in good faith:-

- 24.1 co-operate in the management and operation of the Property to respect the rights of the Commoners and the powers and responsibilities of the Verderers arising under the New Forest Acts, to observe the 2002 Memorandum of Understanding, to take account of the needs and requirements of Forest Management in the New Forest and any similar policies for the ongoing management of the New Forest published by any competent public authority, and at all times seek to maintain a good working relationship with the local community and all bodies having an interest in preserving the environment and amenity of the New Forest and making it accessible to the public,
- 24.2 consult with each other on the best way to represent the interests of both parties on matters relating to the development of local or public policies or strategy for the area in which the Property is situated and which require consultation between or amongst the Landlords and the Tenants, the Verderers, the Environment Agency, FC, English Nature, the New Forest National Park Authority or other interested public bodies recognising that wherever the interests of the parties coincide it will be preferable for the Landlords and the Tenants to involve themselves on a joint basis in such circumstances.

25 Notices

Any notice, intimation, request or consent under this lease shall be in writing. Any notice to the Tenants (if a body corporate including a limited liability partnership) shall be sufficiently served if sent by Recorded Delivery Post to or left at the Registered Office of the Tenants and (if the Tenants shall be an individual or individuals or a firm) shall be sufficiently served if sent by Recorded Delivery Post to or left at his or their respective last known address or addresses in Great Britain or Ireland. Any notice to the Landlords shall be sufficiently served if sent by Recorded Delivery Post to or left at the Registered Office of the Landlords or the office or principal office of the managing agents (if any) of the Landlords (and for so long as the FC are charged with administering the Property on behalf of the Landlords such notices shall be validly served if served c/o the Secretary to the Forestry Commissioners at 231 Corstorphine Road, Edinburgh EH12 7AT or such other address as may be notified from time to time for the purposes of this Clause, and (if the Landlords at any time shall be an individual or individuals or a firm) shall be sufficiently served if sent to or left at his or their last known address in Great Britain or Ireland or the office or principal office of the managing agents (if any) of the Landlords. Any notice sent by First Class Recorded Delivery shall be deemed to have been duly served at the expiry of forty eight hours after the time of posting. In proving

service it shall be sufficient to prove that the envelope containing the notice was duly addressed to the Tenants or the Landlords (as the case may be) in accordance with this Clause and posted to or left at the place to which it was so addressed.

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

A person who is not a party to this lease shall not have any rights under or in connection with this lease by virtue of the Contracts (Rights of Third Parties) Act 1999.

27 **Landlord and Tenant (Covenants) Act 1995**

This lease creates a new tenancy for the purposes of the Landlord and Tenant (Covenants) Act 1995.

28 **Governing Law**

This lease shall be governed by and construed in accordance with the law of England and any dispute, difference or question of any kind which may arise between the parties shall be determined in accordance with the law of England.

29 **Registration**

Promptly following the grant of this lease, the Tenants shall apply to register this lease at HM Land Registry. The Tenants shall pay all relevant fees and use all reasonable endeavours to ensure that any requisitions raised by HM Land Registry in connection with that application are dealt with promptly and properly. Within one month after completion of the registration, the Tenants shall send the Landlords official copies of their title.

This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

SCHEDULE

PART I(A)

THE PROPERTY

The Property consisting of the property known as [] shown edged green on the Plan and extending to approximately [] hectares:

and including with it:

- 4 all permitted additions, alterations and improvements (except tenants' and trade fittings and fixtures which for the avoidance of doubt include any caravans or similar property on or about the Property) hereafter made on or about the Property;
- 5 all Landlords' fixtures and fittings within the Property (including all if any floor coverings, light fittings and sanitary fittings, if any, provided by the Landlords); and
- 6 the Service Systems.

PART 1(B)

RIGHTS

- 4 The Property is demised with the following rights, subject always to the Tenants complying with their obligations in clauses 6, 7, 8 and 11 of Part III of the Schedule in respect of the said rights and subject in each case to such rights being granted only to the extent, if any, that the subject of such rights (a) where they comprise roadways, are not existing public highways, and (b) where they comprise the right to use Service Systems or any part thereof, are not comprised within existing mains services or supplies and declaring that the Landlords give no warranty or guarantee as to the quantity, quality or adequacy of any water, drainage or other supplies or services:

4.1 [insert here details of any exclusive rights required]

- 5 The Property is demised with the following rights granted in common with the Landlords and all occupiers and users of the relevant Retained Land and any neighbouring land, subject always to the Tenants complying with their obligations in Part III of the Schedule in respect thereof (including but not limited to Clauses 6 and 26 of Part III of the Schedule) and with any additional provisions set out below and subject in each case to such rights being granted only to the extent, if any, that the subject of such rights (a) where they comprise roadways, are not existing public highways, and (b) where they comprise the right to use Service Systems or any part thereof, are not comprised within existing mains services or supplies and declaring that the Landlords give no warranty or guarantee as to the quantity, quality or adequacy of any water, drainage or other supplies or services;

5.1 [insert here details of any shared rights required]

- 6 The Property is demised with the further right (subject always to the Tenants first obtaining any required consents or approvals from parties other than the Landlords) to enter unbuilt parts of the relevant Retained Land (with such workmen and materials as are appropriate) on reasonable prior notice to the Landlords (except in the case of an emergency);
- 6.1 to replace, repair, maintain, alter, renew the Access Roads and the Service Systems and other facilities as mentioned in Sections 1 and 2 if appropriate; and
- 6.2 with the prior consent of the Landlord (not unreasonably to be withheld or delayed so long as the Tenants can demonstrate that all necessary third party consents or approvals have been obtained and will be complied with and all necessary payments made (including if appropriate payment of compensation to the Verderers) and that such proposals will not damage the value or the amenity of the Retained Land) to install new or additional or replacement service media (of such type and nature as may be previously approved in writing by the Landlords) for the sole benefit of and exclusive use and amenity of the Property in accordance with this lease along the same route or routes as are currently used or such other route as has previously been agreed in writing with the Landlords (acting reasonably and without undue delay in all cases) in all cases subject to the Tenants taking all reasonable steps to mitigate any damage or disruption to the Retained Land and putting right any damage actually caused and complying throughout with all of the Tenants Obligations which relate to such works;
- 7 Neither the grant of this lease nor anything in it confers any right over neighbouring property nor is to be taken to show that the Tenant may have any right over neighbouring property, and section 62 of the Law of Property Act 1925 does not apply to this lease.

PART 1 (C)

THIRD PARTY RIGHTS

1. All rights of common enjoyed and exercisable by the Commoners under the New Forest Acts
2. All public rights affecting the Property including without limitation those granted under the Countryside and Rights of Way Act 2000 and the Law of Property Act 1925, rights of the public on foot and on horseback over the whole of the Property and/or on bicycle on presently existing Forestry Commission cycle routes.

The Property is demised subject to:

1. The entries contained in the Charges section of the Registers of Title for each of the title numbers set out in schedule Part 1 (A) above;
2. The rights, covenants and restrictions contained in the following documents so far as they relate to the Property and are still enforceable:

Date

Document

Parties

- 3 Any existing wayleaves or easements for existing water supply pipes, drains, electricity, and telephone cables (and associated water towers, plant, apparatus and equipment) including without limitation [detail]

PART II

RESERVED RIGHTS

5 There are reserved to the Landlords from the Property for the benefit of the relevant Retained Land and to the tenants or occupiers or users of any adjoining or neighbouring property now or at any time hereafter belonging or let to the Landlords and to their respective servants, agents and workmen and all other persons authorised by them respectively:

5.1 Passage of Utilities

- a) all existing rights to free passage and use of, water, soil, gas and electricity and other services in and through the Service Systems including without limitation [detail here any required]

5.2 Entry for Repair and Forest Management

the right to enter upon and/or pass through unbuilt parts of the Property with all necessary appliances at all reasonable times (upon reasonable notice except in the case of emergency) for all Forest Management purposes whether in respect of the Property or any Retained Land including without limitation, for the purposes of implementing any Forest Design Plan or other plan or policy relating to management of the New Forest which is made by any statutory authority and for the purpose of inspecting, cleaning, repairing or renewing any part of the Retained Land or adjoining or neighbouring property (including without prejudice to the foregoing generality any such part which is common or mutual with the Property) where such purposes cannot reasonably be fulfilled without entering the Property;

5.3 To Alter etc. the Adjoining Property

the right at any time to build, rebuild or make alterations or carry out other works upon any part of the Retained Land and adjoining or neighbouring property and for such purpose to have all necessary rights of access to the Property in connection therewith;

5.4 New Connections to the Service Systems

with the prior consent of the Tenants (not unreasonably to be withheld or delayed so long as the Landlords can demonstrate that all necessary third party consents or approvals have been or will be obtained and that such proposals will not damage the value or the amenity of the Property for example by utilising the capacity of the Service Systems so as to prejudice the current operation or planned development of the Business) to make new connections with and use the Service Systems for the benefit of the Retained Land or other nearby or adjacent premises now or hereafter owned or let to the Landlords and to have access to the Property on reasonable prior

notice (except in an emergency) with such workmen and materials as are necessary for these purposes;

5.5 New Service Media

With the prior consent of the Tenants (not unreasonably to be withheld or delayed so long as the Landlords can demonstrate that all necessary third party consents or approvals have been or will be obtained and will be complied with and that such proposals will not materially damage the value or the amenity of the Property) to install new or additional or replacement service media (of such type and nature as may be previously approved in writing by the Tenants) for the sole benefit of and exclusive use and amenity of the Retained Land or other nearby or adjacent premises now or hereafter owned or let to the Landlords along the same route or routes as are currently used or such other route as has previously been approved in writing by the Tenants such approval not to be unreasonably withheld or delayed

5.6 Use of Common or Mutual Walls

the right to take into use all common or mutual walls and to build upon, connect with or otherwise use the same; and

5.7 Right of Way

a right of way at all times and for all purposes with and without vehicles over that part of the Property shown coloured brown on the Plan provided that the Tenants may (subject to first obtaining all necessary third party consents required) vary the route of such right of way so long as the replacement right of way is not materially less convenient to the Landlords or other users of this right than the route shown coloured brown on the Plan.

The Landlords and others as aforesaid shall be entitled to exercise the foregoing rights notwithstanding that any privilege or amenity for the time being pertaining to or enjoyed by the Property may be thereby interrupted or interfered with or that the Tenants might, but for this stipulation, have been entitled to object on any other grounds, provided always that the Landlords or others in the exercise of the powers reserved to them by this Clause shall make good or procure that there shall be made good all material damage thereby occasioned to the Property and such reserved powers shall be exercised in such manner as to cause as little interference as is reasonably possible to the business of the Tenants.

6 There are reserved to the Landlords the right:

6.1 Miscellaneous Rights of Entry etc.

to enter upon the Property or any part thereof on reasonable prior notice (except in case of emergency) with or without workmen and others for any of the following purposes:

- a) to examine the state and condition of the Property and all defects and wants of repair thereof and to give notice in accordance with Clause 11 of this lease requiring the Tenants to repair and make good the same within such reasonable time as shall be specified in such notice;
- b) without prejudice to the right of re-entry contained in Clause 6 of this lease to amend any defects and execute any repairs and works which the Tenants shall have failed to do within the time specified in the said notice (or immediately in case of emergency) (or such other period as is reasonably appropriate having regard to the extent of the work required) and notwithstanding that the carrying out of such works may cause obstruction, annoyance or inconvenience to the Tenants and to recover from the Tenants the cost thereof (including any surveyors' or other professional fees incurred and VAT thereon) such cost being on demand repaid by the Tenants to the Landlords and if not so paid being recoverable by the Landlords with interest thereon at the Specified Rate from the date or dates of payment by the Landlords;
- c) to ascertain whether any unauthorised Works have been carried out to the Property and also whether any Works authorised by the Landlords pursuant to any provision of this lease have been carried out in accordance with the consent given by the Landlords and the requirements of the competent Planning Authority and any other relevant body;
- d) to take inventories of the Landlords' fittings and fixtures in and upon the Property; and
- e) for any other purpose connected with the interest of the Landlords in the Property or the Retained Land or their disposal or lease.

The Landlords and others as aforesaid shall be entitled to exercise the foregoing rights notwithstanding that any privilege or amenity for the time being pertaining to or enjoyed by the Property may be thereby interrupted or interfered with or that the Tenants might, but for this stipulation, have been entitled to object on any other grounds, provided always that the Landlords or others exercising the powers reserved to them by this Clause shall make good or procure that there shall be made good all material damage thereby occasioned to the Property and such reserved powers shall be exercised in such manner as to cause as little interference as is reasonably possible to the Business .

- 3 All fishing sporting shooting and stalking rights (including the stalking or culling of deer) appurtenant to the Property are reserved to the Landlords but save in emergency the Landlords will exercise their reserved sporting rights only during periods when the Property is closed for camping purposes but may exercise (or authorise or permit third parties to exercise) their reserved fishing rights at all reasonable times and in any reasonable manner.
- 4 The minerals under the Property are reserved to the Landlords.

PART III

TENANTS' OBLIGATIONS

43 To Pay rent and other sums

- 43.1 To pay the rent and other payments herein stipulated for at the times and in the manner provided in this lease. If the Landlords shall so require each payment of rent due under this lease shall be made by a banker's standing order in favour of such bank account as the Landlords may direct in writing or in such other manner as the Landlords may from time to time direct in writing. In such event the Tenants shall not, without the prior written consent of the Landlords, vary, amend or cancel any banker's order form completed by them in pursuance of this provision.
- 43.2 On demand to pay or otherwise indemnify the Landlords in respect of all fines or compensation which may be payable from time to time in accordance with the New Forest Acts in respect of any interference with the rights of the Commoners arising out of the grant of this lease, any breach of the terms of this lease or the use of the Property in accordance with its terms. The Tenants hereby authorise the Landlords to carry out all consultations with the Verderers in respect of the standard rate of compensation payable in respect of areas of land within the New Forest subject to rights of Commoners which have been abrogated or diminished from time to time and the Landlords undertake to keep the Tenants informed as to the progress of the consultations and if the Tenants so request to permit the Tenants to be present at such consultations.

44 To Insure

- 44.1 To insure and keep insured at all times throughout the term of this lease except to the extent that any such insurance shall be vitiated by an act or default of the Landlords or of any person acting under the direction of or as agent or representative of the Landlords with a reputable United Kingdom insurance company:
- a) The Property in the full reinstatement value thereof against loss or damage by fire, aircraft, explosion, riot and civil commotion, malicious damage, earthquake, storm or tempest, bursting or overflowing of water tanks, apparatus or pipes, flood, impact and such other risks as the Landlords or the Tenants may from time to time consider appropriate (subject in the case of each such specified peril to insurance being available from time to time in the United Kingdom insurance market on reasonable commercial rates and terms) together with an amount in respect of architects', engineers', surveyors' and other professional fees and expenses and the cost of temporary hoarding and other temporary work, removal of debris, dismantling or demolishing and fencing and shoring up or propping and site clearance;

- b) such of the Service Systems as the Landlords or the Tenants may deem appropriate against explosion, mechanical and electrical breakdown, third party and such other risks and in such amount as the Landlords or the Tenants shall from time to time deem fit; and
- c) against public liability, employers' liability, property owners' and third party liability in such sums as the Landlords shall reasonably require.

There shall be added to all sums referred to in this Clause 2.1 the amount of any irrecoverable VAT thereon.

- 44.2 To procure that the insurance policy effected by them notes the interest of the Landlords in the Property and contains confirmation from the insurers that they will notify the Landlords in the event that the Tenants fail to pay the premium by the due date and that insurance coverage will remain in effect for a period of not less than 20 working days thereafter to enable the Landlords to pay the relevant outstanding amount.
- 44.3 To pay or procure the payment of all premiums and other money necessary to effect and maintain all insurances required by Clause 2.1 from time to time.
- 44.4 To procure that there is carried out by an appropriately qualified chartered surveyor full insurance valuations at least once in every three years and to provide to the Landlords copies of such valuations.

45 Reinstatement

- 45.1 Save to the extent that any such insurance may be vitiated or payment refused in whole or part because of an act or default of the Landlords or any contractor agent or employee of the Landlords in the event of destruction of or damage to the Property by any of the Insured Risks subject to first obtaining all necessary consents or approvals thereto (including but not limited to any required approval from the Verderers, the FC and English Nature), to rebuild and reinstate the Property or the relevant part or parts thereof or as the case may be with all reasonable speed (making good any shortfall in the insurance proceeds out of the Tenants' own money except to the extent the shortfall is attributable to an act or default of the Landlords or any contractor agent or employee of the Landlords) making good such of the Service Systems as shall have been so damaged or destroyed.
- 45.2 To carry out any reinstatement works under the above clause 3.1 expeditiously and in a good and workmanlike manner using good quality and suitable materials in compliance with all necessary consents (including but not limited to any required approval from the Verderers, the FC and English Nature) and all applicable codes of practice and to the reasonable satisfaction of the Landlords.

46 SSSI/SAC Management Plans/General Management

To implement and comply with the lawful requirements of any SSSI/SAC Management Plan encompassing the Property or any part thereof to which the Tenants are a party or of which the Tenants have received notice.

47 Outgoings

During the subsistence of this lease to pay all rates, taxes, charges, duties, levies, assessments, outgoings and impositions of whatever description whether parliamentary, regional, district, municipal, parochial, local or of any other description and whether of the nature of capital or revenue which now are or shall at any time hereafter during the currency of this lease be taxed, assessed, charged, rated or imposed upon or payable in respect of the Property or any part thereof or (whether or not recurring and whether of an existing or novel nature) and whether on the Landlords or the Tenants or the owner or occupier thereof in respect thereof (including any future such payments whether the same shall or shall not be in the nature of those now in being) excepting only taxes and assessments (other than VAT) arising in consequence of the Landlords' dealings with the Landlords' reversionary interest in the Property.

48 To Pay for Utilities

- 48.1 To pay to the relevant suppliers all charges for gas, sewerage, electricity, electronic communications services and water supplied to the Property and the cost and annual rent of any meter or meters supplied to the Property and to keep the Landlords indemnified against any of such liabilities;
- 48.2 To observe and perform at the expense of the Tenants all present and future regulations and requirements of the gas, sewerage, electricity, electronic communications services and water supply authorities and to keep the Landlords indemnified against any breach, non-observance or non-performance thereof
- 48.3 [If required] to pay or otherwise reimburse the Landlord on demand in respect of the cost of all water consumed on or at the Property and in respect of a fair proportion of the cost of all standing charges, purification annually of the reservoir (if the parties agree that it is more convenient for the Landlords to undertake this), maintenance and other charges properly payable by the Landlords (and the Landlords reasonable and proper administration charges) for so long as any water supply is shared by the Property and the Retained Land or any adjoining or neighbouring land.

49 Water Rates

If required by the Landlords where none is present at the Tenants' own cost to install a water meter to measure the water consumed within the Property and to pay and discharge any water rates which may be directly and indirectly assessed on the Property.

50 Maintenance and Repair

- 50.1 To put, and keep in good and substantial repair and maintained to the reasonable satisfaction of the Landlords (a) the Property (including all buildings, and erections

thereon) (b) the Access Roads (including repair maintenance and renewal of barrier gates, cattle grids, gates, dragon's teeth and car free area ditches forming part of or adjoining thereto but not so as to permit or require the Tenants to install any gates or barriers where none have previously existed (unless the Landlords reasonably so require or as may be needed to comply with a statutory requirement) and not so as to permit or require the Tenants to improve any Access Roads save where necessary for the purposes of repair) and (c) the Service Systems (including any parts of the Service Systems located in on or under Retained Land) not so as to permit or require the Tenants to improve any Service Systems save where necessary for the purposes of repair; in each case regardless of the cause of the damage and to replace as and when necessary all Landlords' equipment, fixtures and fittings within the Property which are beyond economic repair (such replacements to be of a similar kind and quality to the items (when new) which they replace) and from time to time in the event of destruction, damage, or decay subject to the Tenants first obtaining any necessary third party consents to replace, renew, or rebuild whenever necessary the Property (including all buildings, and erections thereon that are not the property of the Tenants) the Access Roads and the Service Systems and each and every part thereof all to the reasonable satisfaction of the Landlords.

- 50.2 At all times to keep and maintain the Service Systems in a good and substantial condition free from obstructions and to keep clean all open drains, ditches, burns or streams as often as necessary as may from time to time be prescribed in writing by the Landlords (acting reasonably) or required in terms of the SSSI/SAC Management Plan).
- 50.3 At all times to keep and maintain (i) all roads (including the Access Roads) , hardstandings, parking bays, tracks and paths (ii) all walks and paths and (iii) all children's play areas and any equipment and apparatus thereon on the Property in a safe, good and substantial condition.
- 50.4 Not to remove or fell, prune, pollard, lop or damage any tree shrub or sapling or other vegetation (including without limitation gorse, bramble and holly) without first obtaining (a) the consent of the Landlords (which may be granted or withheld in accordance with their Forest Management policies from time to time or which may take the form of a generic consent comprised within a written plan for the management of such vegetation which the parties will use reasonable endeavours to agree from time to time), and thereafter (b) the requisite felling licence from the FC (if such licence be required).
- 50.5 [If required] to comply with any "no camping" requirements imposed by the Landlords from time to time which are designed to minimise the requirement for lopping or pollarding of trees.
- 50.6 In the event that the Tenants have been notified that a Forest Design Plan (or other plan or policy relating to management of the New Forest which is made by any statutory authority) applies to the Property, to permit the FC all necessary rights of entry and access in terms of Part II of the Schedule to implement the Forest Design

Plan (as amended from time to time) or such other plan and once implemented not to interfere with it.

- 50.7 To keep the Property clean and tidy and not to allow rubbish of any kind to accumulate on the Property and to ensure that camping and caravanning units are regularly rotated around and within the Property to prevent deterioration of the grass.
- 50.8 Not to do anything which shall prejudice, jeopardise or otherwise materially adversely affect the Forest Stewardship Council certification (pursuant to the UK Woodland Assurance Standard) of the Property, any Retained Land and/or any forestry or/land within the New Forest.

51 Maintaining exterior and interior

- 51.1 In the first two years of the Term of this lease and thereafter once in every three years and also in the last six months of the Term of this lease (howsoever the same may be determined) but not twice in successive years in a good and workmanlike manner and in accordance with the reasonable requirements of the Landlords as to the manner, methodology, and timing of the carrying out of such works and to the materials specified for use in connection therewith and to the satisfaction of the Landlords to prepare and paint with at least two coats of good quality paint or otherwise treat all the outside wood, metal, cement, stucco and other external parts of all buildings, and erections on the Property as have been previously or are usually or ought to be painted or otherwise treated and in like manner to prepare, wax and polish and otherwise maintain all the external parts of the buildings, and erections on the Property which ought to be so treated and as often as in the opinion of the Landlords shall be necessary to clean the finishes by such method as shall be previously approved by the Landlords in writing and prior to each external decoration to make application to the Landlords for approval of the tints, colours and types of materials proposed to be used by the Tenants if these are different from those previously approved in writing by the Landlords.
- 51.2 In the first two years and thereafter once in every three years and also in the last six months of the Term of this lease (howsoever the same may be determined) but not twice in successive years in a good and workmanlike manner to paint, whiten or colour with at least two coats of good quality paint all such parts of the interior of all buildings, and erections on the Property as have been previously or are usually or ought to be painted, whitened or coloured and at the same time to repaper, distemper, stain, grain, varnish and polish all such portions of the said interior have previously been or are usually or ought to be so treated provided that in the last year of this lease the tints, colours and patterns of all such works of internal decoration shall be such as shall be approved by the Landlords (such approval not unreasonably to be withheld or delayed).

52 Alterations

- 52.1 Not at any time during the Term of this lease without (a) the previous consent in writing of the Landlords being first obtained which consent shall not be unreasonably withheld or a decision thereon unreasonably delayed and (b) first obtaining all necessary third party consents; nor if such consents shall be given except in accordance with plans and specifications previously submitted in duplicate to and approved by the Landlords nor except to the reasonable satisfaction of the Landlords and in compliance with such consents to carry out any Works to the Property or the buildings, and erections but provided that the Landlords' consent shall not be required in terms of this sub-clause in respect of any internal non-structural alterations to, buildings or other erections on the Property.
- 52.2 Without prejudice to the generality of Clause 11 of this Part of the Schedule, to comply at all times with the Construction (Design and Management) Regulations 1994 with regard to any Works and to ensure that on completion thereof there shall be delivered to the Landlords a complete copy of the Health and Safety file for the Property issued in respect of the Works or updated to take account thereof; if the Works are not subject to or notifiable under the Construction (Design and Management) Regulations 1994 then the Tenants shall provide to the Landlords such information as the Landlords shall reasonably require to enable them to update any existing Health and Safety file.
- 52.3 At the expense of the Tenants to remove any Works carried out (a) without the previous consent in writing of the Landlords where this is required or (b) without such third party consents as aforesaid; and at the like expense to make good all damage caused thereby, and to restore all parts of the Property affected thereby to a state of good repair and condition consistent with the Tenants' repairing obligations herein contained and in effecting the removal of such Works the Tenants must comply with the requirements of the Landlords as to the manner, methodology, and timing of the carrying out of such removal and to the materials to be specified for use in connection therewith;
- 52.4 At the expiry or earlier termination of this lease forthwith if and when called upon to do so by the Landlords to reinstate and restore at the cost of the Tenants the Property to the state, condition and form in which they were prior to the carrying out of any Works but only to the extent that the same may be required by the Landlords to the Landlords reasonable satisfaction.
- 52.5 No compensation will be payable to the Tenants by the Landlords on the termination of this lease, whether on its natural expiry or otherwise, in respect of any additions, alterations or improvements or new or additional buildings or provision of fixed equipment or services provided at the Property.

53 Statutory Requirements

At the expense of the Tenants to comply with all obligations (whether relating to the Property, the Access Roads, the Service Systems or any Works thereto, the employment of persons therein, fixtures, machinery, plant or equipment thereon or the business carried on therein or

otherwise) imposed by any enactment including without limitation any byelaws made by FC or lawfully directed or required by any local or other competent authority or Court of competent jurisdiction and that whether on the owner or occupier and at the expense of the Tenants to do and execute or cause to be done or executed or to join with other persons in doing or executing all such works, acts, deeds, matters and things which under or by virtue of any enactment or otherwise are or shall be properly directed or are necessary to be done or executed upon or in respect of the Property, the Access Roads, the Service Systems or any part thereof; Without prejudice to the foregoing generality to comply at all times with and to undertake all such works which may be directed or necessary to be done in pursuance of the Offices, Shops and Railway Premises Act 1963, the Fire Precautions Act 1971, the Health and Safety at Work etc. Act 1974, the Environmental Protection Act 1990 and other relevant statutes and to comply at their own expense with any other requirements of any other public authority in respect of the Property, the Access Roads, the Service Systems or the use thereof; In particular (a) to comply with current fire regulations including any rule or regulation with regard to the storage of inflammable materials which may under or in pursuance of any enactment be directed or required by any public authority or by the Landlords' insurers and (b) not to permit or suffer to be working in the Property (or on the Retained Land) at any time such number of persons as will infringe the requirements in relation to the sanitary conveniences and working facilities required by any enactment; and to indemnify the Landlords at all times against all claims, demands, fines, penalties, expenses and liabilities properly incurred by or imposed upon the Landlords or which the Landlords may become liable to pay whether during this lease or afterwards in consequence of anything done or omitted or suffered to be done or omitted by the Tenants on or about the Property or the Retained Land.

54 Fire

Not to cause or permit any camp fires or open fires on the Property at any time and to take all precautions reasonably required from time to time by the Landlords to prevent an outbreak of fire as a result of the use and occupation of the Property or the exercise of any of the Tenants' rights and the spread of fire on to any adjacent or adjoining property owned by the Landlords or the Retained Land or any other adjoining property.

55 Use

55.1 To keep and use the Property for the Business and for no other purpose whatsoever.

55.2 Not to use or permit to be used the Property or any part thereof for any purpose which in the reasonable opinion of the Landlords constitutes an offensive, noisy, noxious or dangerous trade, business or manufacture nor in a manner which might cause injury to any livestock from time to time present on the Property or might interfere with any rights of the Commoners or for any purposes which may be or grow to be a nuisance, annoyance or disturbance to the Landlords or to the owners or occupiers or users of any adjoining or neighbouring properties and in particular not to use the Property or any part thereof for any illegal or immoral purpose or for gaming or gambling or as an employment agency, betting shop, amusement arcade, or as a permanent residence for any person (other than a temporary service occupancy of any site manager's

accommodation which may from time to time be on the Property) or for sale by auction or public meeting (but not so as to prohibit camping and caravanning rallies and similar uses).

55.3 Not to use or permit the use of the Property:

- a) for any purpose which is for the time being prohibited under the terms of the 2002 Memorandum of Understanding;
- b) for any purpose which (whether under the terms of the 2002 Memorandum of Understanding or otherwise) requires the consent or approval of the Verderers without first obtaining that consent and then only in the manner to which the Verderers have consented.

55.4 Not to use the Property outwith the seasonal opening and closing dates set out in Part VI of the Schedule without the Landlords' prior written consent which consent will not be unreasonably withheld or delayed where [insert agreed parameters].

55.5 To offer special rates or charges for overnight accommodation at the Property which are designed to encourage use of the Property by groups undertaking activities under the Duke of Edinburgh Award Scheme and by groups of scouts, guides and similar uniformed youth organisations by being at least ten per cent less than the standard adult nightly rate (or the closest equivalent) charged by the Tenant from time to time at the Property.

56 Costs of Abating a Nuisance

To pay to the Landlords on demand all costs, charges and expenses which may properly be incurred by the Landlords in abating a nuisance, and executing all such works which may be necessary for abating a nuisance, both in obedience to a notice served by a Local Authority in respect of the Property.

57 Not to Endanger Insurance

Not to do or permit to be done or omit to do within or upon the Property any act or thing whereby the insurance of the Property or any part thereof against the Insured Risks may be rendered void or voidable or whereby the risk of the Property or any adjoining or neighbouring premises now or at any time belonging or let to the Landlords being destroyed or damaged by any of the Insured Risks may be increased.

58 To Give Notice of Damage

In the event of the Property or any part thereof being destroyed or damaged by any of the Insured Risks or any claim or potential claim arising under any policy or policies of insurance effected by or on behalf of the Tenants to give notice thereof to the Landlords or their managing agents forthwith on becoming aware of this.

59 To Prevent Encroachments

Not to permit any new path, passageway, drainage or other encroachment or easement to be made or acquired into, against or over the Property or any part thereof and in case any such encroachment or easement whatsoever shall be attempted to be made or acquired by any person or persons whomsoever to give notice thereof in writing to the Landlords or their managing agents immediately the same shall come to the notice of the Tenants and to do all things which may be proper for preventing any such encroachment or easement being made or acquired and to use all reasonable endeavours to prevent the interruption or loss of any easement or right of a similar nature belonging to or used with the Property and if the Tenants shall omit or neglect to do all such things as aforesaid the Landlords and their agents, servants or workmen may enter upon the Property and do the same and recover the cost thereof from the Tenants on demand.

60 Planning Acts

In relation to the Planning Acts:

- 60.1 At all times during the subsistence of this lease to comply in all respects with the provisions and requirements of the Planning Acts and of all consents, permissions and conditions (if any) granted or imposed or having effect thereunder so far as the same respectively relate to or affect the Property or any part thereof or any operation, works, acts or things already or hereafter to be carried out, executed, done or omitted thereon or the use thereof for any purpose and not to do or omit or suffer to be done or omitted anything on or in connection with the Property or any part thereof the doing or omission of which shall be a contravention of the Planning Acts or any consent, permission or condition granted or imposed thereunder and to indemnify the Landlords against all actions, proceedings, damages, penalties, costs, charges, claims and demands in respect of such acts or omissions or any of them.
- 60.2 In the event of the Landlords giving written consent to any of the matters in respect of which the Landlords' consent shall be required under the provisions of this lease (or in any case where Landlords consent is not required) and where permission from any Planning Authority under the Planning Acts is also necessary for any such matter then to obtain the Landlords prior written consent to the making of such application (not unreasonably to be withheld or delayed) and thereafter to apply at the cost of the Tenants for such permission and to give notice to the Landlords of the granting or refusal of any such permission forthwith on the receipt thereof.
- 60.3 In the event of the Planning Authority agreeing to grant the required permission only with modifications or subject to any conditions, to give to the Landlords forthwith full particulars of such modifications or conditions and not to accept such modifications or conditions without the consent in writing of the Landlords (not unreasonably to be withheld or delayed) and in the event of any planning permission being granted to bear the cost of all works and other things authorised by the said permission and observe and perform all conditions (if any) attached thereto and to keep the Landlords effectually indemnified as aforesaid in respect of the said application and work done in pursuance of said permission and in respect of all breaches (if any) of the said planning consent (and conditions imposed thereby) provided always that if the

Planning Authority shall only agree to grant the required permission with such modifications and on such terms and subject to such conditions as the Landlords shall in their reasonable opinion think damaging to the interest of the Landlords in the Property, the Retained Land or any other nearby property then the Tenants shall, at the request of the Landlords, not implement such permission.

- 60.4 To give notice forthwith to the Landlords of any notice, order or proposal for a notice or order served on or received by or which comes to the notice of the Tenants under the Planning Acts and if so required by the Landlords and at the Tenants' expense to make or join in making such objections or representations in respect of any such notice, order or proposal that the Landlords may reasonably require .
- 60.5 To comply at the Tenants' cost with any notice or order served in respect of the Property under the provisions of the Planning Acts.
- 60.6 If and when called upon so to do to produce to the Landlords or the Landlords' managing agents all such plans, documents and other evidence that the Landlords may reasonably require in order to satisfy the Landlords that the provisions of this Clause have been complied with in all respects.
- 60.7 If the Tenants receive any compensation with respect to the Property in consequence of any revocation or modification of a planning permission or of any restriction placed on the use of the Property under or by virtue of the Planning Acts then and on the expiry of this lease whether the same shall have its natural or any prior termination the Tenants shall make such provision as is just and equitable for the Landlords to receive a due proportion of such compensation.
- 60.8 To advise the Landlords and the FC forthwith as soon as the Tenants become aware of any breach at the Property of the Planning Acts and any related subordinate legislation, bye-laws rules or regulations.

61 Signs

Not to cause or permit to be displayed upon any part of the Property any name, legend, sign, notice or advertisement whatsoever (including directional signs) whether temporary or permanent except such as have been first approved in writing by the Landlords (such approval not unreasonably to be withheld or delayed in respect of notices which relate to the conduct of the Business) save that no such Landlords' approval is needed in the case of information and direction signs of modest size located entirely within any building on the Property so long as these are not erected in breach of Clause 13.3 of this part of the Schedule and upon the termination of this lease to remove or efface any such name, legend, sign, notice or advertisement and make good to the satisfaction of the Landlords (acting reasonably) any damage occasioned thereby.

62 To Inform Landlords of Defects

To inform the Landlords forthwith on becoming aware of the same and in the most expeditious manner possible and thereafter in writing within a reasonable time of any defects

in the Property and to indemnify and keep indemnified the Landlords from and against any loss, claims or demands arising from a breach of any obligation on the part of the Tenants contained in this clause.

63 Support for Adjoining Premises

Not to do or omit or permit or suffer to be done or omitted in and upon the Property any matter or thing which might impair or prejudicially affect the support of the Retained Land or the adjoining or adjacent premises whether above, below or beside the Property but at all times during the subsistence of this lease to maintain and preserve such support.

64 Electronic Interference

Not to use or permit or suffer to be used on or at the Property any radio, electric or electronic equipment in such manner or condition as to cause electrical, electronic or other forms of interference to adjoining or neighbouring premises or equipment operated therein.

65 The Stopping up of Drains etc.

Not to allow any polluting agent to pass into the sewers, drains or water courses serving the Property or into adjoining or neighbouring premises or otherwise to stop up, obstruct or permit to be stopped up or obstructed the same and in the event of any obstruction or injury being occasioned thereby forthwith to remove such obstruction and to make good all damage to the reasonable satisfaction of the Landlords and to employ such plant for treating any deleterious effluent as may reasonably be required by the Landlords.

66 New Buildings.

Not to build or allow or permit any new road, wall, fence, building or erection, chemical disposal point, or any other form of building, construction or infrastructure work of whatever nature to be built on the Property nor any new trade or business to be carried out upon the Property without the prior written consent of the Landlords (which is not unreasonably to be withheld or delayed in the case of any such works which will comply with clause 13.3 of the Schedule).

67 To Inform Landlords of Notices

Within seven days of the receipt of notice of the same to give full particulars to the Landlords of any notice, order or proposal for a notice or order made, given or issued in respect of or affecting the Property by any Government Department or Local or Public Authority under or by virtue of any statutory power or otherwise and if so required by the Landlords to produce such notice, order or proposal and without delay at the Tenants' expense (but subject to obtaining the Landlords' prior written consent to any works (where the terms of this lease so require) to take all steps to comply with any such notice or order or if required by the Landlords to make or join with the Landlords in making objections or representations against or in respect of any such notice, order or proposal as aforesaid as the Landlords may reasonably require.

68 To Pay Expense of Maintaining Party Walls, Drains, etc.

To pay:

- 68.1 a fair and equitable proportion (which may, if appropriate, be 100%) as determined by the Landlords (acting reasonably) of the costs and expenses properly and reasonably incurred by the Landlords in repairing, maintaining, rebuilding, renewing and cleansing all walls, roofs, foundations, steelwork, fences, structures and other items which may belong to or be used for the Property in common or mutually with other adjoining premises but which do not form part of the Property, and
- 68.2 a fair and equitable proportion (which may, if appropriate, be 100%) as determined by the Landlords (acting reasonably) of the costs and expenses properly and reasonably incurred by the Landlords in repairing, maintaining, rebuilding, renewing and cleansing (i) all access roads or ways leading to and from the Property and (ii) all pumps, valves, man-holes, meters, connections, channels, septic tanks, water courses, holding tanks, cables, wires, pipes, drains, sewers or other conducting media and all plant and equipment relative thereto serving the Property (either exclusively or in common with other premises) but situated on land owned by the Landlords or third parties, and which do not form part of the Property.

69 Not to Share Possession

Not to share or licence the occupation of the whole or any part of the Property with or to anyone whomsoever without the consent of the Landlords (and any relevant third parties) having been first obtained which consent in the case of the Landlords will not unreasonably be withheld or delayed in the case of a bona fide concession or franchise agreement not giving rise to any subtenancy or other formal occupancy right. For the avoidance of doubt (a) nothing in this clause will allow the Tenants to operate or permit any third party to independently operate or manage the whole or substantially the whole of the Business carried on at the Property by way of concession or franchise; and (b) subject to the Tenants first obtaining any necessary consents from the Verderers or any other third party, no consent from the Landlords will be needed for the Tenants to enter into modest concession or franchise arrangements providing for the sale/supply of goods and services at the Property in the ordinary course of the Business from mobile vans visiting the Property (but not parking there overnight).

70 Assignments

- 70.1 Not to assign the whole of this lease without the prior written consent of the Landlords such consent not to be unreasonably withheld.
- 70.2 Not to assign part only of this lease.
- 70.3 The Landlords and the Tenants agree that for the purposes of section 19(1A) of the Landlord and Tenant Act 1927 the Landlords may give their consent to an assignment subject to all or any of the following conditions:

- a) a condition that the assignor (and any former tenant who because of section 11 of the Landlord and Tenant (Covenants) Act 1995 has not been released from the tenant covenants of this lease) enters into an authorised guarantee agreement which:
- i) is in respect of all the tenant covenants of this lease;
 - ii) is in respect of the period beginning with the date the assignee becomes bound by those covenants and ending on the date when the assignee is released from those covenants by virtue of section 5 of the Landlord and Tenant (Covenants) Act 1995;
 - iii) imposes principal debtor liability on the assignor (and any former tenant);
 - iv) requires (in the event of a disclaimer of liability of this lease) the assignor (or former tenant as the case may be) to enter into a new tenancy for a term equal to the unexpired residue of the Term; and
 - v) is otherwise in a form reasonably required by the Landlord
- b) a condition that if reasonably required by the Landlords a person of standing acceptable to the Landlords enters into a guarantee and indemnity of the tenant covenants of this lease in the form set out in Part V of this lease (but with such amendments and additions as the Landlords may reasonably require.)

70.4 The Landlords and the Tenants agree that for the purposes of section 19(1A) of the Landlord and Tenant Act 1927 the Landlords may refuse their consent to an assignment if (a) any rent or other money due under this lease is outstanding; (b) where the Landlords are not satisfied (acting reasonably) that the proposed assignee is reputable and responsible, experienced in the operation of businesses substantially comparable in size, scale and quality to the Business as operated from the Property; and that the assignee is otherwise demonstrably capable of complying with the tenants covenants under this lease.

70.5 Nothing in this clause shall prevent the Landlords from giving consent subject to any other reasonable condition, nor from refusing consent to an assignment in any other circumstances where it is reasonable to do so.

71 Underlettings

71.1 Not to underlet the whole of the Property.

71.2 Not to underlet any part of the Property except in accordance with this clause and then not without the prior written consent of the Landlords, such consent not to be unreasonably withheld or delayed.

71.3 Not to underlet part only of the Property except:

- a) by way of a lease at a full market rent to an operator of premises used for the provision of Ancillary Services to the Property; or
- b) by way of a temporary service occupancy in the case of any residential accommodation at the Property to be occupied by a site manager or similar member of staff;

in each and any individual case not exceeding five percent of the Property by area.

71.4 Not to underlet any part of the Property together with any property or any right over property that is not included within this lease nor to do so:

- a) at a fine or premium or reverse premium; nor
- b) allowing any rent free period by way of inducement to the undertenant.

71.5 Not to underlet any part of the Property otherwise than by a formal lease or tenancy agreement which includes:

- a) (in the case of any business tenancy) a valid agreement between the Tenants and the undertenant that the provisions of sections 24 to 28 of the 1954 Act are excluded from applying to the tenancy created by the underlease in relation to which all necessary prior notices or other procedural steps from time to time required have been duly served or implemented and (in any other case) such terms as are necessary and permissible to obviate the incidence of security of tenure;
- b) a covenant by the undertenant, enforceable by and expressed to be enforceable by the Landlords (as superior landlord at the date of grant) and their successors in title in their own right, to observe and perform the tenant covenants in the underlease and any document that is supplemental or collateral to it and to observe the tenant covenants in this lease so far as they relate to the underlet premises;
- c) provisions requiring the consent of the Landlords to be obtained in respect of any matter for which the consent of the Landlords is required under this lease, and
- d) a covenant that the undertenant shall not assign the underlet property without the prior consent of the Landlords, which consent will not be unreasonably withheld, and a covenant that the undertenant will not underlet the whole or any part of the underlet property.

and shall otherwise be consistent with and include tenant covenants no less onerous (other than as to the annual rent) than those in this lease and in a form approved by the Landlords, such approval not to be unreasonably withheld.

71.6 In relation to any underlease granted by the Tenants, the Tenants shall:

- a) not vary the terms of the underlease nor accept a surrender of the underlease without the consent of the Landlords, such consent not to be unreasonably withheld; and
- b) enforce the tenant covenants in the underlease and not waive any of them nor allow any reduction in the rent payable under the underlease; and
- c) notify the Landlords of the level of any reviewed rent forthwith after it has been agreed or determined

72 Charging

The Tenants shall not charge the whole or part only of this lease without the prior written consent of the Landlords such consent not to be unreasonably withheld in the case of a charge of the whole to a charge holder or security holder which is a bona fide lending institution. The Tenants shall procure such information with regard to the status and financial standing of any proposed charge holder, or security holder as the Landlords shall reasonably require.

73 Prohibition of other dealings

Except as expressly permitted by this lease, the Tenants shall not assign, underlet, charge, part with possession or share occupation of this lease or the Property or hold the Lease on trust for any person (except pending registration of a dealing permitted by this lease at HM Land Registry or by reason only of joint legal ownership).

74 Registration and Notification of Dealings and Occupation

74.1 In this clause a **Transaction** is:

- a) any dealing with this lease or the devolution or transmission of, or parting with possession of any interest in it, or
- b) the creation of any underlease or other interest out of this lease, or out of any interest, underlease derived from it, and any dealing, devolution or transmission of, or parting with possession of any such interest or underlease, or
- c) the making of any other arrangement for the occupation of the Property.

74.2 In respect of every Transaction that is registrable at HM Land Registry, the Tenants shall promptly following completion of the Transaction apply to register it (or procure that the relevant person so applies). The Tenants shall (or shall procure that) any fees are paid to the Land Registry and that all reasonable endeavours are made to answer

any requisitions raised by the Land Registry in connection with an application to register a Transaction promptly. Within one month of completion of the registration, the Tenants shall send the Landlords official copies of its title (and where applicable of the undertenant's title).

74.3 No later than one month after a Transaction the Tenants shall:

- a) give the Landlords' solicitors notice of the Transaction, and
- b) deliver two certified copies of any document effecting the Transaction to the Landlords' solicitors, and pay the Landlords' solicitors a registration fee of £30 (plus VAT) or such other reasonable sum as the Landlords shall notify the Tenants from time to time for the purposes of this clause.

74.4 If the Landlords so request, the Tenants shall promptly supply the Landlords with full details of the occupiers of the Property and the terms upon which they occupy it.

75 Closure of the Registered Title of this lease

Within one month after the end of the Term (and notwithstanding that the Term has ended), the Tenants shall make an application to close the registered title of this lease and shall ensure that any requisitions raised by the Land Registry in connection with that application are dealt with promptly and properly; the Tenants shall keep the Landlords informed of the progress and completion of its application.

76 To Indemnify the Landlords

To indemnify and keep indemnified the Landlords and the FC and in respect of that indemnity (if and to the extent reasonably required by the Landlords and only so far as the risk is insurable) maintain insurance cover to the reasonable satisfaction of the Landlords with a reputable insurance office and to exhibit the policy and receipts for premiums to the Landlords when required:

76.1 against all liability in respect of injury to or the death of any person, damage to any property real or personal, any claims, court actions, or proceedings the infringement, disturbance or destruction of any right, easement or privilege or otherwise by reason of or arising directly or indirectly from or upon (a) any defect or want of repair of the Property, (b) the use of the Property, (c) the execution of any alterations to the Property so far as effected by or on behalf of the Tenants or any sub-tenant, (d) any interference or obstruction on the part of the Tenants or others deriving right from them of any rights of light or drainage or other alleged right existing or hereinafter to be constituted in or in respect of any adjoining property, (e) any stoppage of drains used in common with the owners or occupiers of adjoining property caused by any act or omission on the part of the Tenants or others deriving right from them and (f) any failure or omission by the Tenants in the implementation or observance of the obligations on their part herein contained;

76.2 against all actions, proceedings, damages, penalties, costs, charges, claims and demands properly incurred by the Landlords in relation to any of the matters mentioned in this Clause;

76.3 against all rates which may be payable by the Landlords as a result of the Tenants vacating the Property at any date prior to the expiry or earlier termination of this lease;

and this Clause 34 shall remain in force notwithstanding the expiry or earlier termination of this lease.

77 Expenses

77.1 On demand to pay to the Landlords all costs, charges and expenses (including solicitors', counsel's, surveyors', architects', engineers' and other professional costs and fees and VAT thereon) reasonably and properly incurred by the Landlords in the case of matters falling within paragraphs a), b) and d) below, and in any other case, properly incurred by the Landlords:

- a) in connection with any application to the Landlords for consent or approval or in consequence thereof, whether or not such consent is granted;
- b) in the preparation and service of any notice of want of repair or other notice served by the Landlords on the Tenants or in the preparation and service of a schedule of dilapidations during the subsistence of this lease or after its expiry or earlier termination;
- c) in connection with the recovery of arrears of rent or any other sum at any time due by the Tenants to the Landlords under this lease;
- d) in connection with any agreement, memorandum, addendum, assignation, sub-lease or other document consequential upon this lease to which the Landlords shall be a party; and
- e) in connection with the enforcement or protection of any of the rights of the Landlords under this lease and notwithstanding that such enforcement be rendered unnecessary by the Tenants' subsequent compliance with the provisions of this lease.

77.2 On demand to pay or reimburse the Landlords or the FC (as the case may be) for the reasonable and proper costs incurred in connection with the provision to the Property of such services as the parties may agree relating to the training of Tenants' staff and the provision of ranger services such as walks, events and information made available to campers.

78 Title Matters affecting the Property

At all times to observe and perform, insofar as still valid, subsisting and applicable, all covenants, conditions, restrictions, declarations, and others howsoever constituted affecting any part or parts of the Property including but not limited to the Third Party Rights and to indemnify the Landlords against all actions, costs, claims and demands which may arise in respect of any of the same.

79 Marking of Boundaries

If, but only if, the Landlords require the Tenants to do so, the Tenants shall procure that the boundaries of the Premises are marked and identifiable in a manner prescribed by the Landlords.

80 Archaeological Finds

80.1 As between the Landlords and the Tenants, any Archaeological Finds shall be deemed to be the property of the Landlords.

80.2 The Tenants shall inform the Landlords forthwith upon the discovery of any Archaeological Finds, and comply with the reasonable directions of the Landlords in relation to the removal or disposal of such Archaeological Finds, or shall allow the Landlords to enter the Property for the purposes of such removal or disposal: Provided that the Landlords shall act with all reasonable speed to carry out and complete such removal or disposal.

80.3 The Tenants shall not attempt to remove any Archaeological Find without the Landlords' consent (not unreasonably to be withheld or delayed) and shall procure that its employees and sub-contractors shall neither remove nor damage such Archaeological Finds.

80.4 In the event that the relevant Archaeological Find cannot be moved, or that it is inappropriate that the same be moved, then the Tenants shall allow the Landlords or those authorised by them access to the Property subject to the terms of Part II of the Schedule to carry out any investigation which they deem is appropriate in connection with its or their statutory duties or which is otherwise required by law: Provided that the Landlords shall and shall use all reasonable endeavours to procure that anyone authorised by them shall act with all reasonable speed to carry out and complete such investigation.

80.5 The provisions of sub-clauses 38.1 to 38.4 (inclusive) shall not affect the rights or obligations of either party under any applicable legislation.

81 To use Certified Timber

In any Works carried out on the Property by the Tenants or by parties on their behalf, all timber used in such works shall be Certified Timber and such timber shall be United Kingdom grown where reasonably possible (which for the avoidance of doubt shall include consideration of whether it is economically practicable to use UK grown timber).

82 To Leave in Good Repair

82.1 On the expiry or sooner determination of the term of this lease quietly and notwithstanding any law or practice to the contrary to surrender to the Landlords the Property together with all additions and improvements made thereto and all fittings and fixtures in or upon the Property or which during the term of this lease may have been affixed or fastened to or placed on or upon the same and that in such state and condition as shall be consistent with full and due performance by the Tenants of their obligations in this lease contained with all locks, keys and fastenings complete and at the cost of the Tenants to repair and make good to the reasonable satisfaction of the Landlords all damage including damage to paintwork caused by the removal of Tenants' fittings and fixtures.

82.2 In respect of any works which may be required after the date of termination of this lease to constitute full and due performance by the Tenants of their obligations under this lease, the Tenants shall, in the option of the Landlords, either carry out such works or pay to the Landlords a sum equal to the proper cost of carrying out the same and in either case the Tenants will also pay to the Landlords a sum equivalent to the loss of rent properly incurred by the Landlords during the period from the date of termination of the lease until such works have been fully implemented, together with interest thereon at the Specified Rate from the date or dates of demand until paid.

83 Compensation on Vacating

Any right of the Tenants or anyone deriving title under the Tenants to claim compensation from the Landlords on leaving the Property under the Landlord and Tenant Act 1927 or the 1954 Act are excluded, except to the extent that the legislation prevents that right being excluded.

84 Notifiable Events

In the event of the occurrence of a Notifiable Event:

84.1 the Tenants shall immediately on becoming aware of the same inform the Landlords and the FC of its occurrence and permit the Landlords to enter and inspect the Property;

84.2 the Tenants shall consult and liaise closely with the FC regarding any public statements made by the Tenants or parties on behalf of the Tenants about any Notifiable Event and any information made publicly available regarding a Notifiable Event.

85 Potentially Damaging Operations (PDO's)

Not to carry out any Potentially Damaging Operation without the prior written consent of the Landlords.

86 2002 Memorandum of Understanding

To comply with and not to do anything which would or might put the FC in breach of its obligations under the 2002 Memorandum of Understanding.

87 Telecommunications Apparatus

Not to permit the installation, retention or operation of any electronic communications apparatus (as the same is defined in the Telecommunications Act 1984 as amended by the Communications Act 2003) on the Property.

88 To Surrender Surplus Land

Following the implementation of any permitted planning permission obtained by or on behalf of the Tenants to surrender back to the Landlords any of the land hereby demised which as a result of such implementation is no longer capable of use or operation for the purposes of the Business, such surrender to be in a form agreed between the parties (acting reasonably) and to incorporate appropriate provision for the grant and reservation of such rights and easements over the land thereby surrendered subject to such provisos as in each case may be reasonably required by the parties at the relevant time and including a release of the Tenants from their obligations in respect of the land so surrendered from the date of the surrender.

PART IV

RENT REVIEWSPART A

In this Part A of Part IV of the Schedule the following expression shall have the meaning hereby assigned to it, namely:

“Review Date” means each anniversary of the Term Commencement Date and the expression “relevant Review Date” shall be construed accordingly.

3 On each Review Date but not the Fifth, Tenth, Fifteenth, Twentieth, Twenty fifth, Thirtieth, Thirty fifth, Fortieth, Forty fifth, Fiftieth, Fifty fifth, Sixtieth, Sixty fifth and Seventieth [*delete unnecessary anniversary dates to accord with duration of the Lease*] anniversaries of the Term Commencement Date the annual Base Rent payable under this lease shall be reviewed to the greater of : -

3.1 the annual Base Rent payable immediately before the relevant Review Date; and

3.2 such amount as is calculated by the Landlords in accordance with the following formula:

$$NR = R \times (CV \div BV)$$

Where:

NR is: The new Base Rent payable with effect from the relevant Review Date.

R is: The Base Rent payable under this lease immediately prior to the relevant Review Date.

CV is: The value of RPI for the month falling three months before the relevant Review Date.

BV is: The value of RPI on the Term Commencement Date or (if later) for the month which is three months earlier than the Review Date immediately preceding the relevant Review Date.

Once the Landlords have determined the new Base Rent payable as and from the relevant Review Date they shall serve notice on the Tenants as to the level of the new Base Rent. Until the new Base Rent payable has been intimated by the Landlords to the Tenants, the Tenants shall pay rent under this lease at the rate prevailing immediately before the relevant Review Date. The new Base Rent shall be due and payable as and from the relevant Review Date. The Tenants shall pay to the Landlords forthwith any shortfall between the Base Rent

paid immediately before the relevant Review Date and the new Base Rent determined as set out above with interest thereon at two per cent below the Specified Rate.

- 4 Forthwith after the new Base Rent shall have been ascertained in accordance with this Part A of Part IV of the Schedule and on each such occasion there shall be signed by, for or on behalf of the Landlords and the Tenants respectively a Memorandum in duplicate specifying the new increased yearly Base Rent payable under this lease and such Memorandum shall be evidence of the amount of such new yearly Base Rent. Such Memorandum shall be prepared, completed and registered at the sole cost of the Tenants.

PART B

7 Wherever in this Part B of Part IV of the Schedule the context admits the following expressions shall have the meanings hereby assigned to them, namely:

- 7.1 "Review Date" means the Fifth, Tenth, Fifteenth, Twentieth, Twenty fifth, Thirtieth, Thirty fifth, Fortieth, Forty fifth, Fiftieth, Fifty fifth, Sixtieth, Sixty fifth and Seventieth [*delete unnecessary anniversary dates to accord with duration of the Lease*] anniversaries of the Term Commencement Date and the expression "relevant Review Date" shall be construed accordingly;
- 7.2 "Review Period" means the period commencing on a Review Date and ending on the day immediately preceding the next Review Date or (in the case of the period commencing on the last Review Date occurring during the term of this lease) on the expiry of this lease;
- 7.3 "Market Rent" means the full annual rent at which the Property could be let as one entity on the open market at and from the relevant Review Date for a term equivalent to the original duration of this lease and otherwise subject to the provisions of this lease (other than the actual amount of rent payable hereunder but including the provisions for rent review similar to those contained in this Part of the Schedule) and on the assumption (if not a fact) that:
- a) the Property is available for immediate letting by a willing landlord to a willing tenant without fine or premium and with vacant possession;
 - b) the provisions of this lease have been fully performed and observed and the Landlords and the Tenants have complied in all respects with all the obligations imposed on them under this lease;
 - c) the use permitted by this lease of the Property complies with the Planning Acts free from onerous conditions;
 - d) all licences and consents necessary for the use permitted by this lease have been granted by the relevant public authorities or bodies without onerous conditions;
 - e) the Property is fit for immediate occupation and use and without prejudice to the foregoing generality, are connected to the usual public utilities and have satisfactory supplies of water and adequate drainage and sewerage;
 - f) no Works have been carried out to the Property by the Tenants or any sub-tenant or their respective predecessors in title or any of them which has diminished the rental value of the Property;

- g) in case the Property or any part thereof has been destroyed or damaged it has been fully restored;
- h) any prospective tenants are able fully to recover input VAT whether or not this is the case; and
- i) any rent free period or period of discounted rent has expired and any other consideration which the Landlords might then be expected to grant to a tenant on taking a lease of the Property has been paid or otherwise discharged but in each case only to the extent that it would be referable to the fitting out of the Property by such tenant

But disregarding any effect on rent of:

- j) the fact that the Tenants, any sub-tenants and their respective predecessors in title or any of them are, or have been, in occupation of the Property;
- k) any goodwill attached to the Property by reason of the carrying on within the Property of the business of the Tenants or any sub-tenant;
- l) any Works carried out to the Property or any part thereof after the Term Commencement Date with any necessary consent of and otherwise than in pursuance of any obligation to the Landlords, whether under this lease or otherwise, at the cost of the Tenants or any sub-tenant;
- m) so far as may be permitted by law all statutory restrictions relating to the assessment and recovery of rent; and
- n) the fact that any prospective tenants might not be able fully to recover input VAT;

7.4 "Surveyor" means such Chartered Surveyor having recent substantial experience in valuing premises of a location, kind and character similar to the Property and who is a member of a leading firm of Surveyors practising inter alia in the field of commercial leisure property lettings as may be nominated by agreement between the Landlords and the Tenants or in default of agreement appointed by or on behalf of the President (or senior office holder at the time available) of the Royal Institution of Chartered Surveyors (as constituted, reconstituted, formed or reformed from time to time) or if such President or senior office holder shall not be available appointed by such officer of such professional body of surveyors as the Landlords, acting reasonably, shall designate;

7.5 "Revised Base Rent" for a Review Period means the yearly Market Rent in respect of that Review Period agreed in writing between the Landlords and the Tenants or determined (in default of agreement) by the Surveyor all as hereinafter provided;

7.6 "Current Base Rent" means the yearly rent payable under this lease immediately preceding the commencement of the relevant Review Period;

- 7.7 "Shortfall" means in respect of the period (if any) beginning on the relevant Review Date and ending on the Rent Payment Day next following the date on which the Revised Base Rent for that Review Period is ascertained the amount (if any) by which the aggregate equal half-yearly instalments of the Revised Base Rent which would have been payable during that period had the Revised Base Rent been ascertained at the commencement thereof exceeds the aggregate of the instalments of the Current Base Rent paid for the same period; and
- 7.8 "Shortfall Interest" means a capital sum equal to interest at two per centum below the Specified Rate on the aggregate of the component parts of the Shortfall for the period from the date each component part became due until payment of the Shortfall.
- 8 On the relevant Review Date the yearly Base Rent for the relevant Review Period shall be reviewed to the greater of:
- 8.1 the Current Base Rent;
- and
- 8.2 the Revised Base Rent.
- 9 If the Landlords and the Tenants have not agreed the Market Rent by a date two months prior to the relevant Review Date the Landlords or the Tenants may at any time thereafter require the Market Rent to be determined by a Surveyor acting as an expert and not as an arbitrator whose decision shall be final and binding on the parties and the following provisions shall apply:
- 9.1 the fees and expenses of the Surveyor including the cost of his appointment shall be borne equally by the Landlords and the Tenants who shall each otherwise bear their own costs;
- 9.2 the Landlords and the Tenants shall each be entitled to submit to the Surveyor in accordance with a timetable to be determined by the Surveyor written valuations, statements and other evidence relating to or supporting their assessments of the Market Rent in which event each shall at the same time deliver to the other party a copy of all such valuations and others submitted as aforesaid. The Surveyor shall, if so requested by written notice by either the Landlords or the Tenants (a copy of which shall be served on the other party) and which notice shall be given by a date to be determined by the Surveyor, hold a hearing at which both the Landlords and the Tenants or their respective representatives may be heard and if present cross-examined and that at such time or times and such place or places as the Surveyor shall appoint for that purpose; and
- 9.3 if the Surveyor shall fail to determine the Market Rent within six months of his appointment (or such longer period as the Landlords and the Tenants may agree in writing) or if prior to his making such determination he shall relinquish his appointment or die or it shall become apparent that, for any reason, he will be unable to complete his duties hereunder then it shall be open to either party on notice in

writing to the other party and the Surveyor or his representatives to terminate forthwith the appointment of such person and to apply to the other party in the manner specified in Clause 1 of this Part B of Part IV of the Schedule for a substitute Surveyor to be appointed.

- 10 If the Revised Base Rent for any Review Period has not been ascertained by the commencement of such Review Period then in respect of the period commencing with the Review Date in question and ending on the Rent Payment Day next occurring after the date on which the Revised Base Rent is ascertained payment on account of the yearly rent shall be made by the Tenants at not less than the rate of the Current Base Rent at the times and in the manner specified in Clause 3.2a) of the foregoing Lease and on the said last mentioned Rent Payment Day the Tenants shall pay in addition to the instalment of the Revised Base Rent then payable the Shortfall and Shortfall Interest but without prejudice to the right of the Tenants to make earlier payment of the Shortfall and Shortfall Interest.
- 11 On request from the Landlords at any time prior to a Review Date, the Tenants shall deliver to the Landlords professionally audited accounts (providing full details of all income, expenditure and transactions) for the business run by the Tenants at the Property in respect of the three years preceding the date of the Landlords' request.
- 12 Forthwith after the Revised Base Rent shall have been ascertained and on each such occasion there shall be signed by, for or on behalf of the Landlords and the Tenants respectively a Memorandum in duplicate specifying the new increased yearly Base Rent payable under the foregoing Lease and such Memorandum shall be evidence of the amount of such new increased yearly rent. Such Memorandum shall be prepared, completed and registered at the sole cost of the Tenants.

PART C

In the event of the Landlords being prevented or prohibited in whole or in part (in part meaning anything less than the whole) from exercising their rights under this Part IV of the Schedule and/or obtaining an increase in the annual Base Rent at any Review Date under Part A or Part B above by reason of any legislation, government order or decree or notice (increase in this context meaning such increase as would be obtainable disregarding the provisions of any such legislation and others as aforesaid) then and upon each and every occasion on which such event shall occur if the occurrence gives rise to total prevention or prohibition the date on which such Review would have otherwise taken effect shall be deemed to be extended to permit and require such Review to take place on the first date or dates thereafter upon which such right of increase may be exercised and/or obtained in whole or part and when in part on so many occasions as shall be necessary to obtain the whole increase (meaning the whole of the increase which the Landlords would have obtained if not prevented or prohibited as aforesaid) and if there shall be a partial prevention or prohibition only there shall be a further review or reviews (as the case may require) on the first date or dates as aforesaid and notwithstanding that the yearly Base Rent may have been increased in part on or since the last occurring Review Date (as such term is defined in either Part A or Part B as appropriate) provided always that the provisions of this Clause shall be without prejudice to the Landlords' rights to review the annual Base Rent on the Review Dates as specified in the foregoing Parts A and B of this Part IV of the Schedule.

PART D

Turnover Rent

[insert here provisions to be proposed and agreed between the parties as to the mechanism for calculating and paying the Turnover Element of the Rent based on Clause 9.[] of the Framework Agreement]

PART V

GUARANTEE AND INDEMNITY

8 **Guarantee and Indemnity**

8.1 The Guarantor guarantees to the Landlords that the Tenants shall:

- a) pay the rents reserved by this lease and observe and perform the tenant covenants of this lease and that if the Tenants fail to pay any of those rents or to observe or perform any of those tenant covenants, the Guarantor shall pay or observe and perform them, and
- b) observe and perform any obligations the Tenants enter into in an authorised guarantee agreement made in respect of this lease (the **Authorised Guarantee Agreement**) and that if the Tenants fail to do so, the Guarantor shall observe and perform those obligations.

8.2 The Guarantor covenants with the Landlords as a separate and independent primary obligation to indemnify the Landlords against any failure by the Tenants:

- a) to pay any of the rents reserved by this lease or any failure to observe or perform any of the tenant covenants of this lease, and
- b) to observe or perform any of the obligations the Tenants enter into in the Authorised Guarantee Agreement.

9 **Guarantor's Liability**

9.1 The liability of the Guarantor under paragraphs 1.1(a) and 1.2(a) shall continue until the end of the Term, or until the Tenants are released from the tenant covenants of this lease by virtue of the Landlord and Tenant (Covenants) Act 1995, if earlier.

9.2 The liability of the Guarantor shall not be affected by:

- a) any time or indulgence granted by the Landlords to the Tenants, or
- b) any delay or forbearance by the Landlords in enforcing the payment of any of the rents, or the observance or performance of any of the tenant covenants of this lease (or the Tenants' obligations under the Authorised Guarantee Agreement) or in making any demand in respect of any of them, or
- c) any refusal by the Landlords to accept any rent or other payment due under this lease where the Landlords believe that the acceptance of such rent or payment may prejudice its ability to re-enter the Property, or
- d) the Landlords exercising any right or remedy against the Tenant for any failure to pay the rents reserved by this lease or to observe or perform the

tenant covenants of this lease (or the Tenants' obligations under the Authorised Guarantee Agreement), or

- e) the Landlords taking any action or refraining from taking any action in connection with any other security held by the Landlords in respect of the Tenants' liability to pay the rents reserved by this lease or observe and perform the tenant covenants of the Lease (or the Tenants' obligations under the Authorised Guarantee Agreement) including the release of any such security, or
- f) a release or compromise of the liability of any one of the persons who is the Guarantor, or the grant of any time or concession to any one of them, or
- g) any legal limitation or disability on the Tenants or any invalidity or irregularity of any of the tenant covenants of the Lease (or the Tenants' obligations under the Authorised Guarantee Agreement) or any unenforceability of any of them against the Tenants, or
- h) the Tenants being dissolved, or being struck off the register of companies or otherwise ceasing to exist, or, if the Tenants are individuals by the Tenants dying or becoming incapable of managing their affairs, or
- i) without prejudice to paragraph 4, the disclaimer of the Tenants' liability under this lease or the forfeiture of this lease, or
- j) the surrender of part of the Property, except that the Guarantor shall not be under any liability in relation to the surrendered part in respect of any period after the surrender, or

by any other act or omission except an express written release of the Guarantor by the Landlord.

9.3 The liability of each of the persons making up the Guarantor is joint and several.

9.4 Any sum payable by the Guarantor shall be paid without any deduction, set-off or counter-claim against the Landlords or the Tenants.

10 Variations and Supplemental Documents

10.1 The Guarantor shall, at the request of the Landlords, join in and give its consent to the terms of any consent, approval, variation or other document that may be entered into by the Tenants in connection with this lease (or the Authorised Guarantee Agreement).

10.2 Whether or not the Landlords have requested that the Guarantor join in any such document and whether or not the Guarantor has done so, the Guarantor shall not be released by any variation of the rents reserved by, or the tenant covenants of, this lease (or the Tenants' obligations under the Authorised Guarantee Agreement),

whether or not the variation is material or prejudicial to the Guarantor and whether or not it is made in any document.

- 10.3 The liability of the Guarantor shall apply to the rents reserved by and the tenant covenants of this lease (and the Tenants' obligations under the Authorised Guarantee Agreement) as varied whether or not:
- a) the variation is material or prejudicial to the Guarantee, or
 - b) the variation is made in any document, or
 - c) the Guarantor has consented to the variation (except to the extent that the liability of the Guarantor is affected by section 18 of the Landlord and Tenant (Covenants) Act 1995).

11 Guarantor to take a New Lease or Make Payment

- 11.1 If this lease is forfeited or the liability of the Tenants under this lease is disclaimed and the Landlords give the Guarantor notice not later than six months after the forfeiture or the Landlords having received notice of the disclaimer, the Guarantor shall enter into a new lease of the Property on the terms set out in paragraph 4.2.
- 11.2 The rights and obligations under the new lease shall take effect from the date of the forfeiture or disclaimer and the new lease shall:
- a) be granted subject to the right of any person to have this lease vested in them by the court and to the terms on which any such order may be made and subject to the rights of any third party existing at the of the grant,
 - b) be for a term that expires at the same date as the end of the Term of this lease had there been no forfeiture or disclaimer,
 - c) reserve as an initial annual rent an amount equal to the rent on the date of the forfeiture or disclaimer (subject to paragraph 5) and which is subject to review on the same terms and dates provided by this lease,
 - d) be excluded from sections 24 to 28 of the Landlord and Tenant Act, and
 - e) otherwise be on the same terms as this lease (as varied if there has been any variation).
- 11.3 The Guarantor shall pay the Landlords' solicitors' costs and disbursements (on a full indemnity basis) and any VAT in respect of them in relation to the new lease and shall execute and deliver to the Landlords a counterpart of the new lease within one month after service of the Landlords' notice.
- 11.4 The grant of a new lease and its acceptance by the Guarantor shall be without prejudice to any other rights which the Landlords may have against the Guarantor or

against any other person or in respect of any other security that the Landlords may have in connection with this lease.

- 11.5 The Landlords may, instead of giving the Guarantor notice pursuant to paragraph 4.1 but in the same circumstances and within the same time limit, require the Guarantor to pay an amount equal to six months rent and the Guarantor shall pay that amount on demand.

12 Rent at the Date of Forfeiture or Disclaimer

If at the date of the forfeiture or disclaimer there is a rent review pending under this lease, then the initial annual Base Rent to be reserved by the new lease shall be the open market rent of the Property at the relevant Review Date, as determined by the Landlords before the grant of the new lease.

PART VI

Seasonal Opening and Closing Dates

[detail]

Executed as a Deed by
FOREST HOLIDAYS LLP
acting by two Members

.....

Member

.....

Member

The Corporate Seal of the
**SECRETARY OF STATE FOR ENVIRONMENT
FOOD AND RURAL AFFAIRS** hereby affixed
is authenticated by the signature of:

.....

Authorised signatory.

MEMORANDUM OF UNDERSTANDING BETWEEN THE FORESTRY COMMISSIONERS AND THE VERDERERS OF THE NEW FOREST

INTRODUCTION

1. In carrying out their statutory role as managers of the New Forest the Forestry Commissioners are constrained by the existence of rights of common. However, these rights are subject to the Forestry Commissioners' statutory powers. Under section 18(1)(c), (d) and (e) of the New Forest Act 1949 (as amended by the New Forest Act 1964), the Commissioners have power, amongst other things, to authorise the use of land in the New Forest for the purpose of recreation and the appropriation of land in the New Forest for car parking and for camping sites. They also have powers under section 23(2) of the Countryside Act 1968 to provide tourist, recreational or sporting facilities. The powers in the New Forest Act 1949 and, by virtue of section 1 of the New Forest Act 1970, those in the Countryside Act are only exercisable with the agreement of the Verderers of the New Forest.
2. In the context of the day-to-day management of the New Forest it is necessary to decide how particular activities or other items which the Forestry Commissioners propose to permit fall to be treated in the light of the legal rights and obligations described in the preceding paragraph. In particular, the parties have not always been able to agree whether particular items legally require the agreement of the Verderers. The purpose of this Memorandum of Understanding is therefore to set out the parties' intended approach in respect of specific items which the Forestry Commissioners are likely to wish to permit in the New Forest in the future.
3. This Memorandum of Understanding is not intended to constitute a legally enforceable contract or to create any rights or obligations which are legally enforceable. It is intended to be binding in honour only.

OPERATION AND REVIEW

4. This Memorandum of Understanding is expected to continue in operation unless it is brought to an end by either party in accordance with the following paragraph. The parties intend to formally review the provisions of the Memorandum after three years from the date of its signing but either party may propose an amendment at any time if they consider it necessary. Any changes to the Memorandum must be decided upon by both parties.

BRINGING THE MEMORANDUM TO AN END

5. Either party may bring this Memorandum of Understanding to an end by giving at least three months' notice in writing of its intention to do so to the other party.

NO LEGAL REQUIREMENT FOR CONSENT

6. The parties regard the items and activities listed in Schedule I as not requiring the agreement of the Verderers under section 18 of the New Forest Act 1949 (as amended by the New Forest Act 1964) or section 1 of the New Forest Act 1970 ("the New Forest Acts").

7. The Forestry Commissioners will notify the Verderers of their intention to permit any of the items or activities listed in Schedule IB and may seek the Verderers' comments and views in respect of such proposals.

LEGAL REQUIREMENT FOR CONSENT

8. The parties regard the items and activities listed in Schedule II as requiring the agreement of the Verderers under the New Forest Acts.

NO AGREEMENT OR REQUIREMENT FOR CONSENT

9. The parties have been unable to agree upon whether the items and activities listed in Schedule III require the agreement of the Verderers under the New Forest Acts.

Schedule IIIA

10. The Forestry Commissioners will seek the agreement of the Verderers to permit any of the items or activities listed in Schedule IIIA and the Verderers will not unreasonably refuse their consent to these items.

11. If the Verderers refuse consent to any item or activity listed in Schedule IIIA they will notify the Forestry Commissioners of the reasons for their decision and, if the Forestry Commissioners consider the Verderers' refusal of consent to be unreasonable, they will not proceed to permit the activity or item without first notifying the Verderers of their reasons for holding that opinion.

Schedule IIIB

12. The Forestry Commissioners will seek the advice of the Verderers in respect of the permitting of any of the items or activities listed in Schedule IIIB and will not unreasonably disregard any advice received.

SCHEDULE I

Items and activities regarded as not requiring consent

A

Items not to be notified

Sporting licences
Angling licences
Motoring permits
Individual carriage driving
Non-commercial and small scale commercial filming
Builders' temporary skips and material
Ranger led walks

B

Items to be notified

Fox-hunting
Backpacking
Duke of Edinburgh training
Sponsored walks, rides, map reading exercises
Dog training
Hawking
Bird watching from temporary hides (eg Montagu's Harrier)
Scouting and guiding activities
Military training
Scientific studies
Archaeology
Carriage driving events
Large scale commercial filming
Educational visits
School parties or organised events

SCHEDULE II

Items regarded as requiring consent

Car parks
Campsites
Reptile Centre
Open Forest recreation paths

Bar-B-Q sites
Information boards on fresh grass
Viewing platforms on fresh grass
Toilets
Classrooms
Marked trails on the Open Forest
Fixed seats on the Open Forest
Scout sites and buildings
Sports club buildings and associated infrastructure such as roads and tracks

SCHEDULE III

No agreement on requirement for consent

A

Consent not to be unreasonably withheld

Moveable benches and tables on the Open Forest
Cycle routes on the Open Forest
Horsedrawn wagon routes on the Open Forest
Sites for beehives
Ice-cream trading sites
Sports club activities

B

Advice not to be unreasonably disregarded

Donation meters
Notice boards
Viewing platforms
Litter bins
Horse-riding by commercial establishments
Draghunting
Orienteering
Motorised models and toys

13. In formulating their advice in respect of the items and activities listed in Schedule IIB the Verderers will, as applicable, have regard to -

13.1 the scale of the item or activity, and/or the area affected and/or the time over which it occurs;

13.2 the proposed change to the current status of the item or activity as at the time the advice is sought;

13.3 the status of the item or activity as at the time the advice is sought as against its status at the date of this Memorandum of Understanding.

TRANSITIONAL PROVISIONS

14. The parties intend any decisions taken by the Verderers before the date of this Memorandum of Understanding in respect of any items or activities falling within its scope to continue to apply until there is a change in circumstance such as to justify reconsideration of that item or activity.

SIGNED: 
On behalf of the Forestry Commissioners

DATE 12th November 2002

SIGNED: 
On behalf of the Verderers of the New Forest

DATE 12th November 2002

Signed by [NAME OF MEMBER]
for and on behalf of FOREST Director
HOLIDAYS LLP

Signed by [NAME OF AUTHORISED
SIGNATORY] for and on behalf of the
Secretary of State for Environment Food
and Rural Affairs/National Assembly for Wales

Form B – New Forest Site Lease

DRAFT 07-05-2006

LEASE

between

**THE SECRETARY OF STATE FOR ENVIRONMENT, FOOD AND RURAL
AFFAIRS**

and

FOREST HOLIDAYS LLP

Subjects: In relation to [New Forest Site]

2006

CSJ.F0585.1001



TODS MURRAY LLP
SOLICITORS

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TABLE OF CONTENTS

PRESCRIBED CLAUSES	4
DEFINITIONS	1
LEASED PREMISES AND DURATION	7
TENANTS' OBLIGATIONS.....	7
Rent 7	
Interest 8	
LANDLORD'S OBLIGATIONS.....	8
EXCLUSION OF LANDLORDS' LIABILITY	9
CONDITION FOR RE-ENTRY.....	10
NO IMPLIED EASEMENTS.....	10
LEASE TO CONTINUE	11
CONSENTS.....	11
NEW FOREST ENVIRONMENT	12
NOTICES12	
CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999	13
LANDLORD AND TENANT (COVENANTS) ACT 1995	13
GOVERNING LAW.....	13
REGISTRATION	13
SCHEDULE	14
PART I(A)	14
THE LEASED PREMISES	14
PART 1(B)	14
RIGHTS	14
THIRD PARTY RIGHTS	15
PART II 18	
RESERVED RIGHTS	18
PART III	22
TENANTS' OBLIGATIONS	22
To Pay rent and other sums	22
To Insure	22
Reinstatement	23

SSSI/SAC Management Plans.....	23
Outgoings	24
To Pay for Utilities	24
Water Rates	24
Maintenance and Repair	24
Maintaining exterior and interior.....	26
Alterations	26
Statutory Requirements	27
Fire 28	
Use 28	
Costs of Abating a Nuisance	29
Not to Endanger Insurance	29
To Give Notice of Damage.....	29
To Prevent Encroachments.....	29
Planning Acts	30
Signs 31	
To Inform Landlords of Defects.....	31
Support for Adjoining Premises	32
Electronic Interference	32
The Stopping up of Drains etc.....	32
Shops etc.	32
To Inform Landlords of Notices.....	32
To Pay Expense of Maintaining Mutual Walls, Drains, etc.	33
Not to Share Possession	33
Assignments	33
Underlettings	34
Charging.....	36
Prohibition of other dealings	36
Registration and Notification of Dealings and Occupation	36
Closure of the Registered Title of this lease.....	37
To Indemnify the Landlords.....	37
Expenses.....	38
Title Matters and bye laws affecting the Leased Premises	38

Marking of Boundaries..... 39

Archaeological Finds..... 39

To Use Certified Timber 39

To Leave in Good Repair 40

Compensation on Vacating..... 40

Notifiable Events..... 40

Potentially Damaging Operations (PDO's)..... 40

2002 Memorandum of Understanding..... 40

Telecommunications Apparatus 41

PART IV 42

RENT REVIEWS..... 42

PART V53

PRESCRIBED CLAUSES**LR1. Date of lease****LR2. Title number(s)****LR2.1 Landlord's title number(s)****LR2.2 Other title numbers****LR3. Parties to this lease****Landlord**

THE SECRETARY OF STATE FOR ENVIRONMENT, FOOD AND RURAL AFFAIRS, of Nobel House, 17 Smith Square, London, SW1P 3JR c/o Forestry Commission, 231 Corstorphine Road, Edinburgh EH12 7AT

Tenant

FOREST HOLIDAYS LLP (registered as a Limited Liability Partnership in England and Wales under the Limited Liability Partnerships Act 2000 under registration number OC318816) and having its registered office at Greenfields House, Westwood Way, Coventry, CCV4 8JH

Other parties

None

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 Property described in Part 1(A) of the Schedule

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 Urban Development Act

1993) of the Land Registration Rules 2003.

None

LR5.2 This lease is made under, or by reference to, provisions of:

Not applicable

LR6. Term for which the Property is leased

The term as specified in this lease at clause 2

LR7. Premium

None

LR8. Prohibitions or restrictions on disposing of this lease

This lease contains a provision that prohibits or restricts dispositions.

LR9. Rights of acquisition etc.

LR9.1 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

None

LR9.2 Tenant's covenant to (or offer to) surrender this lease

The covenant contained in Clause 46 of Part III of the Schedule.

LR9.3 Landlord's contractual rights to acquire this lease

None

LR10. Restrictive covenants given in this lease by the Landlord in respect of land other than the Property

None

LR11. Easements

LR11.1 Easements granted by this lease for the benefit of the Property

The rights set out in Part 1 (B) of the Schedule

LR11.2 Easements granted or reserved by this lease over the Property for the benefit of other property

The rights reserved in Part II of the Schedule

LR12. Estate rentcharge burdening the Property None

LR13. Application for standard form of restriction None

LR14. Declaration of trust where there is more than one person comprising the Tenant Not applicable

LEASE

between

THE SECRETARY OF STATE FOR ENVIRONMENT, FOOD AND RURAL AFFAIRS, of Nobel House, 17 Smith Square, London, SW1P 3JR acting through and c/o Forestry Commission, 231 Corstorphine Road, Edinburgh EH12 7AT (hereinafter called "the Landlords") of the first part

and

FOREST HOLIDAYS LLP (registered as a Limited Liability Partnership in England and Wales under the Limited Liability Partnerships Act 2000 under registration number OC318816) and having its registered office at Greenfields House, Westwood Way, Coventry, CCV4 8JH (hereinafter called "the Tenants") of the second part

IT IS CONTRACTED AND AGREED between the Landlords and the Tenants as follows:

15 **Definitions**

15.1 In this lease unless the context otherwise requires the following expressions shall have the following meanings :

- a) **"2002 Memorandum of Understanding"** means the Memorandum of Understanding entered into between the FC and the Verderers dated 12th November 2002 a copy of which is annexed hereto as the same may be varied amended supplemented or restated from time to time and notified in writing to the Tenants
- b) **"Access Roads"** means the roadways coloured blue on the Plan
- c) **"Agreed Form"** means in relation to any document the form of that document initialled for the purposes of identification by or on behalf of the parties thereto;
- d) **"Ancillary Services"** means, subject to the Tenant first obtaining any consents or approvals required in terms of this lease, the provision of services (whether from the Property or otherwise and whether directly or through franchised operations (subject always to the terms of Clause 27 of

Part III of the Schedule)) to short term occupiers of the holiday accommodation or pitches on the Property, which services are (subject to the terms of this lease) operated so as to form part of a holiday experience, such as food and other shops, and recreational services (such as bicycle hire and boating);

- e) **“Archaeological Finds”** means antiquities, fossils and other remains of archaeological interest including without limitation items covered by the Treasure Act 1996;
- f) **“Business”** means (a) the hiring of pitches for tents, caravans and motor-homes for short-term holidays, together with the provision of such of the Ancillary Services as are approved in advance by the Landlords (such approval not to be unreasonably withheld or delayed); and/or (b) any additional use within the definition of “Business” contained in the Framework Agreement as is previously approved in writing by the Landlords, such approval not to be unreasonably withheld or delayed;
- g) **“Certified Timber”** means timber that is certified by an internationally recognised forestry organisation or body of equivalent standing to the Forest Stewardship Council as having come from a sustainable source;
- h) **“Commoners”** means any parties occupying land or premises to which there attaches any one or more of the rights of common of the New Forest referred to in the New Forest Acts
- i) **“English Nature”** means English Nature established pursuant to Section 128 of the Environmental Protection Act 1990 but including any other government agency which may be established from time to time as a successor exercising any of the responsibilities with which English Nature is currently charged and which may include, if applicable, the body intended to be established pursuant to the Natural Environment and Rural Communities Bill and known or to be known as “Natural England”)
- j) **“FC”** means the Forestry Commission constituted under the Forestry Acts 1919 to 1967 (as amended by the Forestry Acts 1979 and 1981) with offices at 231 Corstorphine Road, Edinburgh EH12 7AT but including any other government agency which may be established from time to time as a successor exercising any of the responsibilities with which the Forestry Commission is currently charged;
- k) **“Forest Management”** means all actions and activities relating to the FC’s management of the Crown Lands of the New Forest
- l) **“Framework Agreement”** means the agreement dated2006 made between FC (1) the Tenants (2) Forest Holidays (Scotland) LLP (3) and the Relevant Ministers (defined therein) (4) in relation to, *inter alia*, the ongoing management of the Business;

- m) **"Insolvency Event"** means the occurrence of any of the following events;
- 1) the Tenants are unable to pay their debts (within the meaning of Section 123(1) of the Insolvency Act 1986 unless in the case of Section 123(1)(a) any such demand is presented on manifestly frivolous vexatious or genuinely disputed grounds) or have any voluntary arrangement proposed in relation to them under Section 1 of that Act or enter into any scheme or arrangement (other than for the purpose of reconstruction or amalgamation upon terms and within such period as may previously have been approved in writing by the Landlords, such approval not to be unreasonably withheld or delayed);
 - 2) the Tenants have a receiver (which expression shall include an administrative receiver within the meaning of Section 251 of the Insolvency Act 1986) appointed over the whole or any material part of its assets or undertaking;
 - 3) the Tenants have an administration order under Section 8 of the Insolvency Act 1986 made in relation to them;
 - 4) the Tenants become insolvent or make any assignment for the benefit of their creditors or enter into an agreement or make any arrangement with creditors for the liquidation of the debts of the Tenants by composition or otherwise;
 - 5) the Tenants pass any resolution for winding-up other than a resolution previously approved in writing by the Landlords;
 - 6) the Tenants become subject to an order for winding-up by a court of competent jurisdiction; or
 - 7) any event occurs or proceeding is taken with respect to the Tenants in any jurisdiction which has an effect equivalent or similar to any of the events described in paragraphs (1) to (6) above;
- n) **"Insured Risks"** means those risks against which the Tenants have effected insurance in accordance with Clause 2 of Part III of the Schedule;
- o) **"Landlords"** includes all persons deriving title from the Landlords;
- p) **"New Forest"** means the New Forest as defined in the New Forest Acts.
- q) **"New Forest Acts"** means The New Forest Acts 1877 to 1970 as the same may be amended varied or supplemented from time to time and includes all orders and byelaws made pursuant or supplemental thereto
- r) **"Notifiable Event"** means:

- i) the spilling, deposit or release on or from the Property of any noxious substance or vapour in a quantity which would cause serious damage to or pollution of the environment or serious damage to property or serious harm to human health;
 - ii) the occurrence of any incident on the Property or any Access Roads involving serious personal injury to any person or the death of any person; and
 - iii) the occurrence of any uncontrolled fire on the Property; and
 - iv) any unlawful incursion or trespass on the Property (other than one which has been previously approved in writing by the Landlord) by groups of people, or the occurrence of organised public activity or antisocial behaviour of any significant size or scale on the Property;
- s) **"Perpetuity Period"** means eighty years from the date of this lease;
 - t) **"Plan"** means the Plan annexed hereto;
 - u) **"Planning Acts"** means the Town and Country Planning Act 1990, and The Planning (Listed Building and Conservation Areas) Act 1990 and the Planning (Hazardous Substances) Act 1990 and the Planning (Consequential Provisions) Act 1990 and any future legislation of a similar nature;
 - v) **"Potentially Damaging Operation"** has the meaning set out in the Wildlife and Countryside Act 1981
 - w) **"Property"** means the [] more particularly described and defined in Part I of the Schedule;
 - x) **"Reserved Rights"** means those rights specified in Part II of the Schedule;
 - y) **"Retained Land"** means the land (if any) shown edged in grey on the Plan ;
 - z) **"Rights"** means the rights granted by the Landlords to the Tenants described in Part 1(B) of the Schedule;
 - aa) **"RPI"** means the Retail Price Index as published from time to time in Table 18.2 of the Monthly Digest of Statistics "Retail Price Index – all items other than mortgage interest payments and depreciation" published by the Office of National Statistics or such index in such journal as shall replace such table and in the event that rebasing of RPI occurs, the parties shall meet and agree the consequential changes (if any) which are required to be made to this lease (and in default of agreement the matter shall be referred for determination on the application of either party to the amicable and final decision of an Arbitrator to be appointed by the parties, or, in the event of their being unable to agree on such appointment, by the President of the Law Society of England

and Wales for the time being and the costs and expenses of such arbitration shall be shared equally between the parties and the parties shall bear their own costs unless otherwise directed in either case by the Arbitrator.

- bb) "**Schedule**" means the Schedule annexed hereto the terms of which shall be deemed to form part of this lease;
- cc) "**Service Systems**" means the pumps, valves, man-holes, meters, connections, channels, septic tanks, water courses, holding tanks, drains, sewers, pipes, wires and cables or other conducting media in, on, over, under or passing through or otherwise exclusively serving the Property or any part thereof and all plant and equipment relative thereto and any building or structure exclusively housing the same whether situated on the Property, the Retained Land or any adjoining or neighbouring land;
- dd) "**Specified Rate**" means the rate of four per centum per annum above the Bank of Scotland base lending rate for the time being in force declaring that in the event of there ceasing to be a Bank of Scotland base lending rate there shall be substituted therefor such base rate as shall be a generally accepted base rate at the time as the same shall be determined by the Landlords;
- ee) "**SSSI/SAC Management Plan**" means (where any part of the Property falls within a Site of Special Scientific Interest designated pursuant to the Wildlife and Countryside Act 1981 as amended or a Special Area of Conservation designated pursuant to the Conservation (Natural Habitats, &c.) Regulations, 1992) any plan developed from time to time for the management of such site;
- ff) "**Tenants**" includes their permitted successors and assignees and if this lease shall at any time be vested in more than one person as tenants such expression shall include each of them and the liability of each such person under any obligation on the part of the Tenants in this lease shall be joint and several;
- gg) "**Tenants' Obligations**" means those conditions, obligations and others specified in Part III of the Schedule;
- hh) "**Term**" means the term of years granted by this lease and any continuation of the same;
- ii) "**Third Party Rights**" means all rights, covenants and restrictions affecting the Property as more particularly described in Part 1(C) of the Schedule;
- jj) "**VAT**" means Value Added Tax as provided for in the Value Added Tax Act 1994 and shall include any tax of a similar nature imposed in substitution for or in addition to Value Added Tax;
- kk) "**Verderers**" means the parties from time to time comprising the verderers of the New Forest as constituted under the New Forest Acts; and

- 11) **"Works"** means the replacement, renewal or rebuilding (including widening) of roads, paths, buildings, electrical hook-ups, toilet and shower blocks, water and waste service points, and other erections in or on the Property, and/or any erection of new buildings (whether temporary or permanent), and/or civil engineering works, and/or any changes to the layout of hardstanding on the Property, and/or the gravel, permanent signage, fencing, lighting, and drainage pertaining thereto, and all alterations or additions thereto, including fitting out, improvements, annexing to adjoining subjects or changing the layout, design, appearance or architectural features of the Property or buildings, and other erections on the Property or the Service Systems and all removals and demolitions thereof including for the avoidance of doubt any work which requires the consent of the Verderers but does not include (unless such work requires the Verderers' consent as aforesaid) the routine repair and maintenance of buildings or apparatus on the Property;
- 15.2 Any reference to land buildings or premises on any element of the Property shall as the context requires include reference to each and every part of the same.
- 15.3 Any reference to trees refers to trees of such size and maturity as to require a felling licence under any applicable legislation (including local byelaws if relevant).
- 15.4 Any reference to an enactment (whether generally or specifically) shall be construed as a reference to that enactment as amended, extended, re-enacted or applied by or under any other enactment and shall include all instruments, orders, plans, regulations, bye-laws, permissions and directions and others made or intended thereunder or deriving validity therefrom.
- 15.5 Words or expressions importing the singular number shall include the plural number and vice versa and words importing persons shall include companies and corporations and vice versa.
- 15.6 Words or expressions importing the masculine gender shall include the feminine gender and vice versa; and words or expressions importing the neuter gender only shall include the masculine and feminine genders and vice versa.
- 15.7 The index and marginal headings herein are inserted for convenience of reference only and are not deemed to form part of these presents nor shall they affect the construction thereof.
- 15.8 If at any time the Tenants hereunder shall be a firm the obligations undertaken by the Tenants under this lease shall be binding upon such firm and upon any other firm or person who takes over or becomes entitled to take over the assets of the firm during the period of this lease and upon all persons who are or become partners of such firm or such other firm at any time during the period of this lease and the respective executors and representatives of all such partners and persons and in all cases jointly and severally and notwithstanding that any such partner or person dies or ceases for any reason to be a partner of such firm or such other firm. However if any person

who by virtue of his being a partner is bound to implement the Tenant's obligations then on such person ceasing to be a partner, whether by death, retirement or otherwise, the Landlords shall on request release such person and his or her personal representatives from all Tenant obligations arising under this lease subsequent to the date of his ceasing to be a partner or (if later) the date of such request provided it is established to the Landlords' reasonable satisfaction that such release does not prejudicially affect the strength of the Tenant's covenant and its ability to perform the Tenant's obligations in this lease.

- 15.9 Whenever the consent of the Landlords is required in relation to this lease and the consents of third parties (such as, but without limitation, the Verderers or English Nature) are also required the Landlords shall not be acting unreasonably if their consent is refused because they have been unable to obtain the consents of such third parties. Nothing in this Lease shall be construed as implying a duty upon a third party not to unreasonably withhold their consent. The grant or procuring of any consent by the Landlords will not obviate the need for the Tenants to obtain any other required consent, permission or approval.
- 15.10 Any right reserved to the Landlords may (if the Landlords so require or permit) be exercised on their behalf by FC, the Verderers or English Nature or any other duly authorised person and their respective servants agents and contractors.
- 15.11 Whilst it is recognised that the 2002 Memorandum of Understanding does not have legal effect, for the purposes of this lease its requirements shall be deemed to be binding upon the FC and the Landlords.

16 Demise and Duration

The Landlords with full title guarantee in consideration of the rent and the covenants contained in this lease hereby let the whole of the Property to the Tenants in each case together with the Rights but reserving to the Landlords and all others for the time being authorised by them or otherwise entitled thereto the Reserved Rights and subject to the Third Party Rights for the period of 75 (seventy five) years from and including (hereinafter called "**the Term Commencement Date**")

17 Tenants' Obligations

The Tenants covenant:

17.1 to observe and perform the Tenants' Obligations; and

17.2 to pay to the Landlords:

a) Rent

without any written demand therefor the yearly rent of POUNDS (£)
STERLING ("the Base Rent") or such greater sum as may be substituted
therefor in accordance with the provisions of Part IV A of the Schedule

together with the Turnover Rent calculated and payable in accordance with Part IV D of the Schedule and, if the Landlords have opted or in future so opt or if otherwise this becomes payable by law, also to pay VAT thereon at the standard rate (or, if at any time in the future the standard rate shall no longer apply to rents, such rate as shall then be applicable) appertaining for the time being, payable without any deductions whatsoever by two equal half-yearly payments in advance on 1st April and 1st October in each year (each of which dates is hereinafter in this lease referred to as a "**Rent Payment Day**") the first of such payments becoming due and payable on the Term Commencement Date being a proportionate payment for the period from and including that date to the Rent Payment Day next occurring thereafter and the next payment at the said Rent Payment Day for the succeeding half year and so forth half yearly and proportionately thereafter during the whole currency hereof; and

b) Interest

on demand interest at the Specified Rate on any sum of money payable under this lease which shall have become more than 14 days overdue from the date upon which the same became due until payment thereof (as well after as before any decree or judgement);

Provided that:

- 17.3 nothing in this Clause contained shall entitle the Tenants to withhold or delay any payment of rent after the relevant Rent Payment Day;
- 17.4 the acceptance of or demand for rent by or on behalf of the Landlords with knowledge of a breach of any of the obligations on the part of the Tenants herein contained shall not be deemed to be a waiver by the Landlords of any such breach or to imply any agreement by the Landlords to waive any such breach and acceptance by the Landlords of part payment of rent and any other sum due by the Tenants to the Landlords shall not be deemed to be acceptance of the whole of such rent or other payment and the Tenants shall not in any proceedings be entitled to rely on any such acceptance or demand; and
- 17.5 all sums (other than rents) which under any provision of this lease or the Schedule may become payable by the Tenants to the Landlords shall be recoverable by the Landlords as if such sums were rent in arrear and such sums shall include in every case where applicable an additional sum in respect of VAT at the rate applicable thereto and appertaining for the time being.

18 Landlord's Obligations

The Landlords covenant with the Tenants:

- 18.1 that so long as the Tenants pay the rents reserved by and comply with their obligations in this lease the Tenants shall have quiet enjoyment (subject to the Third

Party Rights) of the Property without any lawful interruption by the Landlords or any person claiming through or under the Landlords;

18.2 that if and to the extent the Landlords or others connect into any Service Systems and/or make use of any Access Roads and/or exercise any rights of way reserved across the Property in Part II of the Schedule the Landlords will (and will use all reasonable endeavours to require that the other persons authorised or permitted by them doing so will):-

- a) pay to the Tenants on demand a fair and equitable proportion according to use of the costs incurred by the Tenants in maintaining and repairing such facilities (save where such rights are exercised only in an occasional manner) but in respect of any rights of way such contribution shall be limited to a proportion of the cost of maintaining any roads or ways only to the standard applicable from time to time to that of a waterbound stone surface road, regardless of the actual surface of such roads or ways;
- b) not cause any damage to or obstruct such facilities;
- c) not exercise any such rights in or such a manner as to prevent or prejudice the use of those facilities by the Tenants or anyone entitled to do so or in such a manner as to cause unreasonable disruption to the Business;

18.3 that if and whenever the Tenants require the consents (here including any form of licence, authority or assent) of parties other than the Landlords (such as the Verderers, the FC or English Nature) to carry on any aspect of the Business or to undertake any Works at the Property then unless the Landlords object to such proposals (acting reasonably where that is required by the general law or the express terms of this lease) they may at the Tenants' request and cost (but at their own discretion) take reasonable steps to assist the Tenants in securing whatever such other consents are required including (for the avoidance of doubt) in circumstances where the consent of the Landlords under this lease is not required to be given.

19 **Exclusion of Landlords' Liability**

19.1 So far as permitted by law the Landlords shall not be liable to the Tenants or any servant, agent, licensee or invitee of the Tenants or other person occupying or on the Property or any part thereof or calling upon the Tenants or such other persons as aforesaid for any accident, happening or injury suffered by any person in or in the vicinity of the Property or any part thereof or damage to or loss of any furnishings and/or stock or other property in the Property (whether or not the loss or damage is due to the exercise of any rights of common) nor for the temporary deprivation of the occupancy of the Property;

19.2 The Landlords shall not be liable to the Tenants or others as aforesaid nor shall the Tenants or others as aforesaid have any claim against the Landlords in respect of the bursting, leaking or failure of oil, gas, water or soil pipes or the choking, stoppage or overflow thereof or of the public sewers, drains, gutters, downpipes or conductors or

failure, fusing or breakdown of the electricity supply or any appliance or from any other cause or source whatever.

- 19.3 nothing contained in this Lease or in any consent or approval granted by the Landlords under this Lease shall be deemed to constitute any warranty by the Landlords that the Property or any part thereof are fit for any of the Tenants' purposes under this Lease nor that the Property or any part thereof are authorised for use under the Planning Acts or the New Forest Acts or otherwise for any specific purpose and the Tenants hereby acknowledge that the Landlords have not given or made any representation or warranty that the use authorised by this Lease is or will be a permitted use under the Planning Acts or the New Forest Acts and the Tenants shall remain fully bound and liable to the Landlords in respect of the Tenants' obligations under this Lease without any compensation, recompense or relief of any kind whatsoever.

20 **Condition for Re-Entry**

The Landlords may re-enter the Property at any time after any of the following occurs

- 20.1 the Rent or other payments stipulated for in this lease or any part or parts thereof shall be unpaid for 14 days after they have become due (whether legally demanded or not), or
- 20.2 default shall be made in the performance or observance of any of the other obligations, conditions or agreements on the part of the Tenants contained in this lease, or
- 20.3 an Insolvency Event occurs; or

(whilst this lease remains vested in its original tenant Forest Holidays LLP but not once it has been the subject of a permitted assignment) any two other leases entered into by Forest Holidays LLP and/or by Forest Holidays (Scotland) LLP and to which the Framework Agreement applies at the relevant time are forfeited within a ten year period as a result of the default of Forest holidays LLP or Forest Holidays (Scotland) LLP (as the case may be) in the performance or observance of any of the obligations, conditions or agreements under the relevant lease and such leases are not within two months thereafter replaced or reinstated by agreement between the relevant landlords and tenants or by reason of relief from such forfeiture having been obtained;

If the Landlords re-enter the Property pursuant to this clause this lease shall immediately end but without prejudice to any right or remedy of the Landlords in respect of any breach of covenant by the Tenants.

21 **No Implied Easements**

Nothing contained in this lease shall by implication of law or otherwise operate to confer on the Tenants any easement right or privilege whatsoever over or against any adjoining or other property belonging to the Landlords other than the Rights which might restrict or prejudicially

affect the future rebuilding, alteration or development of such adjoining or other property nor shall the Tenants be entitled to compensation for any damage or disturbance caused or suffered thereby nor shall the Tenants make or permit to be made any objection to or claim in respect of any works of construction, building, alteration, addition or repair carried out upon any land or property adjoining or near any part of the Property by the Landlords or any person authorised by the Landlords PROVIDED ALWAYS that any such works shall be carried out with as little interference to the Tenants as reasonably possible and the Landlords shall make good all damage thereby occasioned to the Property.

22 **Lease to continue**

This lease shall continue notwithstanding damage to or the destruction of the whole of the Property or any part or parts thereof from any cause and the rent payable hereunder shall continue to be payable by the Tenants.

23 **Consents**

23.1 Where under any provisions of this lease the consent or approval of the Landlords is required having regard to the FC's statutory responsibilities under *inter alia* the New Forest Acts:

- a) such consent or approval shall be in writing;
- b) insofar as may be permitted by law the Landlords shall be deemed to be acting reasonably in withholding such consent or approval or making such consent subject to compliance by the Tenants with any conditions imposed by the Landlords if the Landlords reasonably consider that the interests of estate management so require having regard to the FC's statutory responsibilities under *inter alia* the New Forest Acts;
- c) any such consent or approval granted shall be without prejudice to the Tenants' Obligations.
- d) the giving of any such consent or approval shall not imply that any consent or approval required from a third party has been obtained nor shall it obviate the need to obtain any consent or approval from a third party but in those circumstances the Landlords may (but are not obliged to) (at the Tenant's request and cost) use reasonable endeavours to obtain any other necessary consents or to assist the Tenant in doing so in the terms of Clause 4.3.

23.2 Where under any provisions of this lease any matter is stated to be to the satisfaction of the Landlords without any further qualification the Landlords shall have absolute discretion in determining whether or not such matter is to their satisfaction.

23.3 Whenever the Tenants make an application for Landlords' consent and the Landlords in their reasonable discretion decide that (a) the consent of a third party is also necessary or desirable and (b) that it would be more appropriate for the Landlords to obtain that consent; then subject to the Tenants indemnifying the Landlords in respect

of the whole reasonable cost thereof the Landlords shall take reasonable steps to obtain that consent and in the event that the Landlords are unable to or otherwise fail to procure such consent within a reasonable period the Tenants may thereafter on prior written notice to the Landlords proceed to take steps to obtain such consent themselves.

24 New Forest Environment

The parties agree that they will in good faith:-

- 24.1 co-operate in the management and operation of the Property to respect the rights of the Commoners and the powers and responsibilities of the Verderers arising under the New Forest Acts, to observe the 2002 Memorandum of Understanding, to take account of the needs and requirements of Forest Management in the New Forest and any similar policies for the ongoing management of the New Forest published by any competent public authority, and at all times seek to maintain a good working relationship with the local community and all bodies having an interest in preserving the environment and amenity of the New Forest and making it accessible to the public,
- 24.2 consult with each other on the best way to represent the interests of both parties on matters relating to the development of local or public policies or strategy for the area in which the Property is situated and which require consultation between or amongst the Landlords and the Tenants, the Verderers, the Environment Agency, FC, English Nature, the New Forest National Park Authority or other interested public bodies recognising that wherever the interests of the parties coincide it will be preferable for the Landlords and the Tenants to involve themselves on a joint basis in such circumstances.

25 Notices

Any notice, intimation, request or consent under this lease shall be in writing. Any notice to the Tenants (if a body corporate including a limited liability partnership) shall be sufficiently served if sent by Recorded Delivery Post to or left at the Registered Office of the Tenants and (if the Tenants shall be an individual or individuals or a firm) shall be sufficiently served if sent by Recorded Delivery Post to or left at his or their respective last known address or addresses in Great Britain or Ireland. Any notice to the Landlords shall be sufficiently served if sent by Recorded Delivery Post to or left at the Registered Office of the Landlords or the office or principal office of the managing agents (if any) of the Landlords (and for so long as the FC are charged with administering the Property on behalf of the Landlords such notices shall be validly served if served c/o the Secretary to the Forestry Commissioners at 231 Corstorphine Road, Edinburgh EH12 7AT or such other address as may be notified from time to time for the purposes of this Clause, and (if the Landlords at any time shall be an individual or individuals or a firm) shall be sufficiently served if sent to or left at his or their last known address in Great Britain or Ireland or the office or principal office of the managing agents (if any) of the Landlords. Any notice sent by First Class Recorded Delivery shall be deemed to have been duly served at the expiry of forty eight hours after the time of posting. In proving

service it shall be sufficient to prove that the envelope containing the notice was duly addressed to the Tenants or the Landlords (as the case may be) in accordance with this Clause and posted to or left at the place to which it was so addressed.

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

A person who is not a party to this lease shall not have any rights under or in connection with this lease by virtue of the Contracts (Rights of Third Parties) Act 1999.

27 **Landlord and Tenant (Covenants) Act 1995**

This lease creates a new tenancy for the purposes of the Landlord and Tenant (Covenants) Act 1995.

28 **Governing Law**

This lease shall be governed by and construed in accordance with the law of England and any dispute, difference or question of any kind which may arise between the parties shall be determined in accordance with the law of England.

29 **Registration**

Promptly following the grant of this lease, the Tenants shall apply to register this lease at HM Land Registry. The Tenants shall pay all relevant fees and use all reasonable endeavours to ensure that any requisitions raised by HM Land Registry in connection with that application are dealt with promptly and properly. Within one month after completion of the registration, the Tenants shall send the Landlords official copies of their title.

This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

SCHEDULE

PART I(A)

THE PROPERTY

The Property consisting of the property known as [] shown edged green on the Plan and extending to approximately [] hectares:

and including with it:

- 4 all permitted additions, alterations and improvements (except tenants' and trade fittings and fixtures which for the avoidance of doubt include any caravans or similar property on or about the Property) hereafter made on or about the Property;
- 5 all Landlords' fixtures and fittings within the Property (including all if any floor coverings, light fittings and sanitary fittings, if any, provided by the Landlords); and
- 6 the Service Systems.

PART 1(B)

RIGHTS

- 4 The Property is demised with the following rights, subject always to the Tenants complying with their obligations in clauses 6, 7, 8 and 11 of Part III of the Schedule in respect of the said rights and subject in each case to such rights being granted only to the extent, if any, that the subject of such rights (a) where they comprise roadways, are not existing public highways, and (b) where they comprise the right to use Service Systems or any part thereof, are not comprised within existing mains services or supplies and declaring that the Landlords give no warranty or guarantee as to the quantity, quality or adequacy of any water, drainage or other supplies or services:

4.1 [insert here details of any exclusive rights required]

- 5 The Property is demised with the following rights granted in common with the Landlords and all occupiers and users of the relevant Retained Land and any neighbouring land, subject always to the Tenants complying with their obligations in Part III of the Schedule in respect thereof (including but not limited to Clauses 6 and 26 of Part III of the Schedule) and with any additional provisions set out below and subject in each case to such rights being granted only to the extent, if any, that the subject of such rights (a) where they comprise roadways, are not existing public highways, and (b) where they comprise the right to use Service Systems or any part thereof, are not comprised within existing mains services or supplies and declaring that the Landlords give no warranty or guarantee as to the quantity, quality or adequacy of any water, drainage or other supplies or services;

5.1 [insert here details of any shared rights required]

- 6 The Property is demised with the further right (subject always to the Tenants first obtaining any required consents or approvals from parties other than the Landlords) to enter unbuilt parts of the relevant Retained Land (with such workmen and materials as are appropriate) on reasonable prior notice to the Landlords (except in the case of an emergency);
- 6.1 to replace, repair, maintain, alter, renew the Access Roads and the Service Systems and other facilities as mentioned in Sections 1 and 2 if appropriate; and
- 6.2 with the prior consent of the Landlord (not unreasonably to be withheld or delayed so long as the Tenants can demonstrate that all necessary third party consents or approvals have been obtained and will be complied with and all necessary payments made (including if appropriate payment of compensation to the Verderers) and that such proposals will not damage the value or the amenity of the Retained Land) to install new or additional or replacement service media (of such type and nature as may be previously approved in writing by the Landlords) for the sole benefit of and exclusive use and amenity of the Property in accordance with this lease along the same route or routes as are currently used or such other route as has previously been agreed in writing with the Landlords (acting reasonably and without undue delay in all cases) in all cases subject to the Tenants taking all reasonable steps to mitigate any damage or disruption to the Retained Land and putting right any damage actually caused and complying throughout with all of the Tenants Obligations which relate to such works;
- 7 Neither the grant of this lease nor anything in it confers any right over neighbouring property nor is to be taken to show that the Tenant may have any right over neighbouring property, and section 62 of the Law of Property Act 1925 does not apply to this lease.

PART 1 (C)

THIRD PARTY RIGHTS

1. All rights of common enjoyed and exercisable by the Commoners under the New Forest Acts
2. All public rights affecting the Property including without limitation those granted under the Countryside and Rights of Way Act 2000 and the Law of Property Act 1925, rights of the public on foot and on horseback over the whole of the Property and/or on bicycle on presently existing Forestry Commission cycle routes.

The Property is demised subject to:

1. The entries contained in the Charges section of the Registers of Title for each of the title numbers set out in schedule Part 1 (A) above;
2. The rights, covenants and restrictions contained in the following documents so far as they relate to the Property and are still enforceable:

Date

Document

Parties

- 3 Any existing wayleaves or easements for existing water supply pipes, drains, electricity, and telephone cables (and associated water towers, plant, apparatus and equipment) including without limitation [detail]

PART II
RESERVED RIGHTS

5 There are reserved to the Landlords from the Property for the benefit of the relevant Retained Land and to the tenants or occupiers or users of any adjoining or neighbouring property now or at any time hereafter belonging or let to the Landlords and to their respective servants, agents and workmen and all other persons authorised by them respectively:

5.1 Passage of Utilities

- a) all existing rights to free passage and use of, water, soil, gas and electricity and other services in and through the Service Systems including without limitation [detail here any required]

5.2 Entry for Repair and Forest Management

the right to enter upon and/or pass through unbuilt parts of the Property with all necessary appliances at all reasonable times (upon reasonable notice except in the case of emergency) for all Forest Management purposes whether in respect of the Property or any Retained Land including without limitation, for the purposes of implementing any Forest Design Plan or other plan or policy relating to management of the New Forest which is made by any statutory authority and for the purpose of inspecting, cleaning, repairing or renewing any part of the Retained Land or adjoining or neighbouring property (including without prejudice to the foregoing generality any such part which is common or mutual with the Property) where such purposes cannot reasonably be fulfilled without entering the Property;

5.3 To Alter etc. the Adjoining Property

the right at any time to build, rebuild or make alterations or carry out other works upon any part of the Retained Land and adjoining or neighbouring property and for such purpose to have all necessary rights of access to the Property in connection therewith;

5.4 New Connections to the Service Systems

with the prior consent of the Tenants (not unreasonably to be withheld or delayed so long as the Landlords can demonstrate that all necessary third party consents or approvals have been or will be obtained and that such proposals will not damage the value or the amenity of the Property for example by utilising the capacity of the Service Systems so as to prejudice the current operation or planned development of the Business) to make new connections with and use the Service Systems for the benefit of the Retained Land or other nearby or adjacent premises now or hereafter owned or let to the Landlords and to have access to the Property on reasonable prior

notice (except in an emergency) with such workmen and materials as are necessary for these purposes;

5.5 New Service Media

With the prior consent of the Tenants (not unreasonably to be withheld or delayed so long as the Landlords can demonstrate that all necessary third party consents or approvals have been or will be obtained and will be complied with and that such proposals will not materially damage the value or the amenity of the Property) to install new or additional or replacement service media (of such type and nature as may be previously approved in writing by the Tenants) for the sole benefit of and exclusive use and amenity of the Retained Land or other nearby or adjacent premises now or hereafter owned or let to the Landlords along the same route or routes as are currently used or such other route as has previously been approved in writing by the Tenants such approval not to be unreasonably withheld or delayed

5.6 Use of Common or Mutual Walls

the right to take into use all common or mutual walls and to build upon, connect with or otherwise use the same; and

5.7 Right of Way

a right of way at all times and for all purposes with and without vehicles over that part of the Property shown coloured brown on the Plan provided that the Tenants may (subject to first obtaining all necessary third party consents required) vary the route of such right of way so long as the replacement right of way is not materially less convenient to the Landlords or other users of this right than the route shown coloured brown on the Plan.

The Landlords and others as aforesaid shall be entitled to exercise the foregoing rights notwithstanding that any privilege or amenity for the time being pertaining to or enjoyed by the Property may be thereby interrupted or interfered with or that the Tenants might, but for this stipulation, have been entitled to object on any other grounds, provided always that the Landlords or others in the exercise of the powers reserved to them by this Clause shall make good or procure that there shall be made good all material damage thereby occasioned to the Property and such reserved powers shall be exercised in such manner as to cause as little interference as is reasonably possible to the business of the Tenants.

6 There are reserved to the Landlords the right:

6.1 Miscellaneous Rights of Entry etc.

to enter upon the Property or any part thereof on reasonable prior notice (except in case of emergency) with or without workmen and others for any of the following purposes:

- a) to examine the state and condition of the Property and all defects and wants of repair thereof and to give notice in accordance with Clause 11 of this lease requiring the Tenants to repair and make good the same within such reasonable time as shall be specified in such notice;
- b) without prejudice to the right of re-entry contained in Clause 6 of this lease to amend any defects and execute any repairs and works which the Tenants shall have failed to do within the time specified in the said notice (or immediately in case of emergency) (or such other period as is reasonably appropriate having regard to the extent of the work required) and notwithstanding that the carrying out of such works may cause obstruction, annoyance or inconvenience to the Tenants and to recover from the Tenants the cost thereof (including any surveyors' or other professional fees incurred and VAT thereon) such cost being on demand repaid by the Tenants to the Landlords and if not so paid being recoverable by the Landlords with interest thereon at the Specified Rate from the date or dates of payment by the Landlords;
- c) to ascertain whether any unauthorised Works have been carried out to the Property and also whether any Works authorised by the Landlords pursuant to any provision of this lease have been carried out in accordance with the consent given by the Landlords and the requirements of the competent Planning Authority and any other relevant body;
- d) to take inventories of the Landlords' fittings and fixtures in and upon the Property; and
- e) for any other purpose connected with the interest of the Landlords in the Property or the Retained Land or their disposal or lease.

The Landlords and others as aforesaid shall be entitled to exercise the foregoing rights notwithstanding that any privilege or amenity for the time being pertaining to or enjoyed by the Property may be thereby interrupted or interfered with or that the Tenants might, but for this stipulation, have been entitled to object on any other grounds, provided always that the Landlords or others exercising the powers reserved to them by this Clause shall make good or procure that there shall be made good all material damage thereby occasioned to the Property and such reserved powers shall be exercised in such manner as to cause as little interference as is reasonably possible to the Business .

- 3 All fishing sporting shooting and stalking rights (including the stalking or culling of deer) appurtenant to the Property are reserved to the Landlords but save in emergency the Landlords will exercise their reserved sporting rights only during periods when the Property is closed for camping purposes but may exercise (or authorise or permit third parties to exercise) their reserved fishing rights at all reasonable times and in any reasonable manner.
- 4 The minerals under the Property are reserved to the Landlords.

PART III

TENANTS' OBLIGATIONS

43 To Pay rent and other sums

- 43.1 To pay the rent and other payments herein stipulated for at the times and in the manner provided in this lease. If the Landlords shall so require each payment of rent due under this lease shall be made by a banker's standing order in favour of such bank account as the Landlords may direct in writing or in such other manner as the Landlords may from time to time direct in writing. In such event the Tenants shall not, without the prior written consent of the Landlords, vary, amend or cancel any banker's order form completed by them in pursuance of this provision.
- 43.2 On demand to pay or otherwise indemnify the Landlords in respect of all fines or compensation which may be payable from time to time in accordance with the New Forest Acts in respect of any interference with the rights of the Commoners arising out of the grant of this lease, any breach of the terms of this lease or the use of the Property in accordance with its terms. The Tenants hereby authorise the Landlords to carry out all consultations with the Verderers in respect of the standard rate of compensation payable in respect of areas of land within the New Forest subject to rights of Commoners which have been abrogated or diminished from time to time and the Landlords undertake to keep the Tenants informed as to the progress of the consultations and if the Tenants so request to permit the Tenants to be present at such consultations.

44 To Insure

- 44.1 To insure and keep insured at all times throughout the term of this lease except to the extent that any such insurance shall be vitiated by an act or default of the Landlords or of any person acting under the direction of or as agent or representative of the Landlords with a reputable United Kingdom insurance company:
- a) The Property in the full reinstatement value thereof against loss or damage by fire, aircraft, explosion, riot and civil commotion, malicious damage, earthquake, storm or tempest, bursting or overflowing of water tanks, apparatus or pipes, flood, impact and such other risks as the Landlords or the Tenants may from time to time consider appropriate (subject in the case of each such specified peril to insurance being available from time to time in the United Kingdom insurance market on reasonable commercial rates and terms) together with an amount in respect of architects', engineers', surveyors' and other professional fees and expenses and the cost of temporary hoarding and other temporary work, removal of debris, dismantling or demolishing and fencing and shoring up or propping and site clearance;

- b) such of the Service Systems as the Landlords or the Tenants may deem appropriate against explosion, mechanical and electrical breakdown, third party and such other risks and in such amount as the Landlords or the Tenants shall from time to time deem fit; and
- c) against public liability, employers' liability, property owners' and third party liability in such sums as the Landlords shall reasonably require.

There shall be added to all sums referred to in this Clause 2.1 the amount of any irrecoverable VAT thereon.

- 44.2 To procure that the insurance policy effected by them notes the interest of the Landlords in the Property and contains confirmation from the insurers that they will notify the Landlords in the event that the Tenants fail to pay the premium by the due date and that insurance coverage will remain in effect for a period of not less than 20 working days thereafter to enable the Landlords to pay the relevant outstanding amount.
- 44.3 To pay or procure the payment of all premiums and other money necessary to effect and maintain all insurances required by Clause 2.1 from time to time.
- 44.4 To procure that there is carried out by an appropriately qualified chartered surveyor full insurance valuations at least once in every three years and to provide to the Landlords copies of such valuations.

45 Reinstatement

- 45.1 Save to the extent that any such insurance may be vitiated or payment refused in whole or part because of an act or default of the Landlords or any contractor agent or employee of the Landlords in the event of destruction of or damage to the Property by any of the Insured Risks subject to first obtaining all necessary consents or approvals thereto (including but not limited to any required approval from the Verderers, the FC and English Nature), to rebuild and reinstate the Property or the relevant part or parts thereof or as the case may be with all reasonable speed (making good any shortfall in the insurance proceeds out of the Tenants' own money except to the extent the shortfall is attributable to an act or default of the Landlords or any contractor agent or employee of the Landlords) making good such of the Service Systems as shall have been so damaged or destroyed.
- 45.2 To carry out any reinstatement works under the above clause 3.1 expeditiously and in a good and workmanlike manner using good quality and suitable materials in compliance with all necessary consents (including but not limited to any required approval from the Verderers, the FC and English Nature) and all applicable codes of practice and to the reasonable satisfaction of the Landlords.

46 SSSI/SAC Management Plans/General Management

To implement and comply with the lawful requirements of any SSSI/SAC Management Plan encompassing the Property or any part thereof to which the Tenants are a party or of which the Tenants have received notice.

47 Outgoings

During the subsistence of this lease to pay all rates, taxes, charges, duties, levies, assessments, outgoing and impositions of whatever description whether parliamentary, regional, district, municipal, parochial, local or of any other description and whether of the nature of capital or revenue which now are or shall at any time hereafter during the currency of this lease be taxed, assessed, charged, rated or imposed upon or payable in respect of the Property or any part thereof or (whether or not recurring and whether of an existing or novel nature) and whether on the Landlords or the Tenants or the owner or occupier thereof in respect thereof (including any future such payments whether the same shall or shall not be in the nature of those now in being) excepting only taxes and assessments (other than VAT) arising in consequence of the Landlords' dealings with the Landlords' reversionary interest in the Property.

48 To Pay for Utilities

- 48.1 To pay to the relevant suppliers all charges for gas, sewerage, electricity, electronic communications services and water supplied to the Property and the cost and annual rent of any meter or meters supplied to the Property and to keep the Landlords indemnified against any of such liabilities;
- 48.2 To observe and perform at the expense of the Tenants all present and future regulations and requirements of the gas, sewerage, electricity, electronic communications services and water supply authorities and to keep the Landlords indemnified against any breach, non-observance or non-performance thereof
- 48.3 [If required] to pay or otherwise reimburse the Landlord on demand in respect of the cost of all water consumed on or at the Property and in respect of a fair proportion of the cost of all standing charges, purification annually of the reservoir (if the parties agree that it is more convenient for the Landlords to undertake this), maintenance and other charges properly payable by the Landlords (and the Landlords reasonable and proper administration charges) for so long as any water supply is shared by the Property and the Retained Land or any adjoining or neighbouring land.

49 Water Rates

If required by the Landlords where none is present at the Tenants' own cost to install a water meter to measure the water consumed within the Property and to pay and discharge any water rates which may be directly and indirectly assessed on the Property.

50 Maintenance and Repair

- 50.1 To put, and keep in good and substantial repair and maintained to the reasonable satisfaction of the Landlords (a) the Property (including all buildings, and erections

thereon) (b) the Access Roads (including repair maintenance and renewal of barrier gates, cattle grids, gates, dragon's teeth and car free area ditches forming part of or adjoining thereto but not so as to permit or require the Tenants to install any gates or barriers where none have previously existed (unless the Landlords reasonably so require or as may be needed to comply with a statutory requirement) and not so as to permit or require the Tenants to improve any Access Roads save where necessary for the purposes of repair) and (c) the Service Systems (including any parts of the Service Systems located in on or under Retained Land) not so as to permit or require the Tenants to improve any Service Systems save where necessary for the purposes of repair; in each case regardless of the cause of the damage and to replace as and when necessary all Landlords' equipment, fixtures and fittings within the Property which are beyond economic repair (such replacements to be of a similar kind and quality to the items (when new) which they replace) and from time to time in the event of destruction, damage, or decay subject to the Tenants first obtaining any necessary third party consents to replace, renew, or rebuild whenever necessary the Property (including all buildings, and erections thereon that are not the property of the Tenants) the Access Roads and the Service Systems and each and every part thereof all to the reasonable satisfaction of the Landlords.

- 50.2 At all times to keep and maintain the Service Systems in a good and substantial condition free from obstructions and to keep clean all open drains, ditches, burns or streams as often as necessary as may from time to time be prescribed in writing by the Landlords (acting reasonably) or required in terms of the SSSI/SAC Management Plan).
- 50.3 At all times to keep and maintain (i) all roads (including the Access Roads) , hardstandings, parking bays, tracks and paths (ii) all walks and paths and (iii) all children's play areas and any equipment and apparatus thereon on the Property in a safe, good and substantial condition.
- 50.4 Not to remove or fell, prune, pollard, lop or damage any tree shrub or sapling or other vegetation (including without limitation gorse, bramble and holly) without first obtaining (a) the consent of the Landlords (which may be granted or withheld in accordance with their Forest Management policies from time to time or which may take the form of a generic consent comprised within a written plan for the management of such vegetation which the parties will use reasonable endeavours to agree from time to time), and thereafter (b) the requisite felling licence from the FC (if such licence be required).
- 50.5 [If required] to comply with any "no camping" requirements imposed by the Landlords from time to time which are designed to minimise the requirement for lopping or pollarding of trees.
- 50.6 In the event that the Tenants have been notified that a Forest Design Plan (or other plan or policy relating to management of the New Forest which is made by any statutory authority) applies to the Property, to permit the FC all necessary rights of entry and access in terms of Part II of the Schedule to implement the Forest Design

Plan (as amended from time to time) or such other plan and once implemented not to interfere with it.

- 50.7 To keep the Property clean and tidy and not to allow rubbish of any kind to accumulate on the Property and to ensure that camping and caravanning units are regularly rotated around and within the Property to prevent deterioration of the grass.
- 50.8 Not to do anything which shall prejudice, jeopardise or otherwise materially adversely affect the Forest Stewardship Council certification (pursuant to the UK Woodland Assurance Standard) of the Property, any Retained Land and/or any forestry or/land within the New Forest.

51 Maintaining exterior and interior

- 51.1 In the first two years of the Term of this lease and thereafter once in every three years and also in the last six months of the Term of this lease (howsoever the same may be determined) but not twice in successive years in a good and workmanlike manner and in accordance with the reasonable requirements of the Landlords as to the manner, methodology, and timing of the carrying out of such works and to the materials specified for use in connection therewith and to the satisfaction of the Landlords to prepare and paint with at least two coats of good quality paint or otherwise treat all the outside wood, metal, cement, stucco and other external parts of all buildings, and erections on the Property as have been previously or are usually or ought to be painted or otherwise treated and in like manner to prepare, wax and polish and otherwise maintain all the external parts of the buildings, and erections on the Property which ought to be so treated and as often as in the opinion of the Landlords shall be necessary to clean the finishes by such method as shall be previously approved by the Landlords in writing and prior to each external decoration to make application to the Landlords for approval of the tints, colours and types of materials proposed to be used by the Tenants if these are different from those previously approved in writing by the Landlords.
- 51.2 In the first two years and thereafter once in every three years and also in the last six months of the Term of this lease (howsoever the same may be determined) but not twice in successive years in a good and workmanlike manner to paint, whiten or colour with at least two coats of good quality paint all such parts of the interior of all buildings, and erections on the Property as have been previously or are usually or ought to be painted, whitened or coloured and at the same time to repaper, distemper, stain, grain, varnish and polish all such portions of the said interior have previously been or are usually or ought to be so treated provided that in the last year of this lease the tints, colours and patterns of all such works of internal decoration shall be such as shall be approved by the Landlords (such approval not unreasonably to be withheld or delayed).

52 Alterations

- 52.1 Not at any time during the Term of this lease without (a) the previous consent in writing of the Landlords being first obtained which consent shall not be unreasonably withheld or a decision thereon unreasonably delayed and (b) first obtaining all necessary third party consents; nor if such consents shall be given except in accordance with plans and specifications previously submitted in duplicate to and approved by the Landlords nor except to the reasonable satisfaction of the Landlords and in compliance with such consents to carry out any Works to the Property or the buildings, and erections but provided that the Landlords' consent shall not be required in terms of this sub-clause in respect of any internal non-structural alterations to, buildings or other erections on the Property.
- 52.2 Without prejudice to the generality of Clause 11 of this Part of the Schedule, to comply at all times with the Construction (Design and Management) Regulations 1994 with regard to any Works and to ensure that on completion thereof there shall be delivered to the Landlords a complete copy of the Health and Safety file for the Property issued in respect of the Works or updated to take account thereof; if the Works are not subject to or notifiable under the Construction (Design and Management) Regulations 1994 then the Tenants shall provide to the Landlords such information as the Landlords shall reasonably require to enable them to update any existing Health and Safety file.
- 52.3 At the expense of the Tenants to remove any Works carried out (a) without the previous consent in writing of the Landlords where this is required or (b) without such third party consents as aforesaid; and at the like expense to make good all damage caused thereby, and to restore all parts of the Property affected thereby to a state of good repair and condition consistent with the Tenants' repairing obligations herein contained and in effecting the removal of such Works the Tenants must comply with the requirements of the Landlords as to the manner, methodology, and timing of the carrying out of such removal and to the materials to be specified for use in connection therewith;
- 52.4 At the expiry or earlier termination of this lease forthwith if and when called upon to do so by the Landlords to reinstate and restore at the cost of the Tenants the Property to the state, condition and form in which they were prior to the carrying out of any Works but only to the extent that the same may be required by the Landlords to the Landlords reasonable satisfaction.
- 52.5 No compensation will be payable to the Tenants by the Landlords on the termination of this lease, whether on its natural expiry or otherwise, in respect of any additions, alterations or improvements or new or additional buildings or provision of fixed equipment or services provided at the Property.

53 Statutory Requirements

At the expense of the Tenants to comply with all obligations (whether relating to the Property, the Access Roads, the Service Systems or any Works thereto, the employment of persons therein, fixtures, machinery, plant or equipment thereon or the business carried on therein or

otherwise) imposed by any enactment including without limitation any byelaws made by FC or lawfully directed or required by any local or other competent authority or Court of competent jurisdiction and that whether on the owner or occupier and at the expense of the Tenants to do and execute or cause to be done or executed or to join with other persons in doing or executing all such works, acts, deeds, matters and things which under or by virtue of any enactment or otherwise are or shall be properly directed or are necessary to be done or executed upon or in respect of the Property, the Access Roads, the Service Systems or any part thereof; Without prejudice to the foregoing generality to comply at all times with and to undertake all such works which may be directed or necessary to be done in pursuance of the Offices, Shops and Railway Premises Act 1963, the Fire Precautions Act 1971, the Health and Safety at Work etc. Act 1974, the Environmental Protection Act 1990 and other relevant statutes and to comply at their own expense with any other requirements of any other public authority in respect of the Property, the Access Roads, the Service Systems or the use thereof; In particular (a) to comply with current fire regulations including any rule or regulation with regard to the storage of inflammable materials which may under or in pursuance of any enactment be directed or required by any public authority or by the Landlords' insurers and (b) not to permit or suffer to be working in the Property (or on the Retained Land) at any time such number of persons as will infringe the requirements in relation to the sanitary conveniences and working facilities required by any enactment; and to indemnify the Landlords at all times against all claims, demands, fines, penalties, expenses and liabilities properly incurred by or imposed upon the Landlords or which the Landlords may become liable to pay whether during this lease or afterwards in consequence of anything done or omitted or suffered to be done or omitted by the Tenants on or about the Property or the Retained Land.

54 Fire

Not to cause or permit any camp fires or open fires on the Property at any time and to take all precautions reasonably required from time to time by the Landlords to prevent an outbreak of fire as a result of the use and occupation of the Property or the exercise of any of the Tenants' rights and the spread of fire on to any adjacent or adjoining property owned by the Landlords or the Retained Land or any other adjoining property.

55 Use

- 55.1 To keep and use the Property for the Business and for no other purpose whatsoever.
- 55.2 Not to use or permit to be used the Property or any part thereof for any purpose which in the reasonable opinion of the Landlords constitutes an offensive, noisy, noxious or dangerous trade, business or manufacture nor in a manner which might cause injury to any livestock from time to time present on the Property or might interfere with any rights of the Commoners or for any purposes which may be or grow to be a nuisance, annoyance or disturbance to the Landlords or to the owners or occupiers or users of any adjoining or neighbouring properties and in particular not to use the Property or any part thereof for any illegal or immoral purpose or for gaming or gambling or as an employment agency, betting shop, amusement arcade, or as a permanent residence for any person (other than a temporary service occupancy of any site manager's

accommodation which may from time to time be on the Property) or for sale by auction or public meeting (but not so as to prohibit camping and caravanning rallies and similar uses).

55.3 Not to use or permit the use of the Property:

- a) for any purpose which is for the time being prohibited under the terms of the 2002 Memorandum of Understanding;
- b) for any purpose which (whether under the terms of the 2002 Memorandum of Understanding or otherwise) requires the consent or approval of the Verderers without first obtaining that consent and then only in the manner to which the Verderers have consented.

55.4 Not to use the Property outwith the seasonal opening and closing dates set out in Part VI of the Schedule without the Landlords' prior written consent which consent will not be unreasonably withheld or delayed where [insert agreed parameters].

55.5 To offer special rates or charges for overnight accommodation at the Property which are designed to encourage use of the Property by groups undertaking activities under the Duke of Edinburgh Award Scheme and by groups of scouts, guides and similar uniformed youth organisations by being at least ten per cent less than the standard adult nightly rate (or the closest equivalent) charged by the Tenant from time to time at the Property.

56 Costs of Abating a Nuisance

To pay to the Landlords on demand all costs, charges and expenses which may properly be incurred by the Landlords in abating a nuisance, and executing all such works which may be necessary for abating a nuisance, both in obedience to a notice served by a Local Authority in respect of the Property.

57 Not to Endanger Insurance

Not to do or permit to be done or omit to do within or upon the Property any act or thing whereby the insurance of the Property or any part thereof against the Insured Risks may be rendered void or voidable or whereby the risk of the Property or any adjoining or neighbouring premises now or at any time belonging or let to the Landlords being destroyed or damaged by any of the Insured Risks may be increased.

58 To Give Notice of Damage

In the event of the Property or any part thereof being destroyed or damaged by any of the Insured Risks or any claim or potential claim arising under any policy or policies of insurance effected by or on behalf of the Tenants to give notice thereof to the Landlords or their managing agents forthwith on becoming aware of this.

59 To Prevent Encroachments

Not to permit any new path, passageway, drainage or other encroachment or easement to be made or acquired into, against or over the Property or any part thereof and in case any such encroachment or easement whatsoever shall be attempted to be made or acquired by any person or persons whomsoever to give notice thereof in writing to the Landlords or their managing agents immediately the same shall come to the notice of the Tenants and to do all things which may be proper for preventing any such encroachment or easement being made or acquired and to use all reasonable endeavours to prevent the interruption or loss of any easement or right of a similar nature belonging to or used with the Property and if the Tenants shall omit or neglect to do all such things as aforesaid the Landlords and their agents, servants or workmen may enter upon the Property and do the same and recover the cost thereof from the Tenants on demand.

60 Planning Acts

In relation to the Planning Acts:

- 60.1 At all times during the subsistence of this lease to comply in all respects with the provisions and requirements of the Planning Acts and of all consents, permissions and conditions (if any) granted or imposed or having effect thereunder so far as the same respectively relate to or affect the Property or any part thereof or any operation, works, acts or things already or hereafter to be carried out, executed, done or omitted thereon or the use thereof for any purpose and not to do or omit or suffer to be done or omitted anything on or in connection with the Property or any part thereof the doing or omission of which shall be a contravention of the Planning Acts or any consent, permission or condition granted or imposed thereunder and to indemnify the Landlords against all actions, proceedings, damages, penalties, costs, charges, claims and demands in respect of such acts or omissions or any of them.
- 60.2 In the event of the Landlords giving written consent to any of the matters in respect of which the Landlords' consent shall be required under the provisions of this lease (or in any case where Landlords consent is not required) and where permission from any Planning Authority under the Planning Acts is also necessary for any such matter then to obtain the Landlords prior written consent to the making of such application (not unreasonably to be withheld or delayed) and thereafter to apply at the cost of the Tenants for such permission and to give notice to the Landlords of the granting or refusal of any such permission forthwith on the receipt thereof.
- 60.3 In the event of the Planning Authority agreeing to grant the required permission only with modifications or subject to any conditions, to give to the Landlords forthwith full particulars of such modifications or conditions and not to accept such modifications or conditions without the consent in writing of the Landlords (not unreasonably to be withheld or delayed) and in the event of any planning permission being granted to bear the cost of all works and other things authorised by the said permission and observe and perform all conditions (if any) attached thereto and to keep the Landlords effectually indemnified as aforesaid in respect of the said application and work done in pursuance of said permission and in respect of all breaches (if any) of the said planning consent (and conditions imposed thereby) provided always that if the

Planning Authority shall only agree to grant the required permission with such modifications and on such terms and subject to such conditions as the Landlords shall in their reasonable opinion think damaging to the interest of the Landlords in the Property, the Retained Land or any other nearby property then the Tenants shall, at the request of the Landlords, not implement such permission.

- 60.4 To give notice forthwith to the Landlords of any notice, order or proposal for a notice or order served on or received by or which comes to the notice of the Tenants under the Planning Acts and if so required by the Landlords and at the Tenants' expense to make or join in making such objections or representations in respect of any such notice, order or proposal that the Landlords may reasonably require .
- 60.5 To comply at the Tenants' cost with any notice or order served in respect of the Property under the provisions of the Planning Acts.
- 60.6 If and when called upon so to do to produce to the Landlords or the Landlords' managing agents all such plans, documents and other evidence that the Landlords may reasonably require in order to satisfy the Landlords that the provisions of this Clause have been complied with in all respects.
- 60.7 If the Tenants receive any compensation with respect to the Property in consequence of any revocation or modification of a planning permission or of any restriction placed on the use of the Property under or by virtue of the Planning Acts then and on the expiry of this lease whether the same shall have its natural or any prior termination the Tenants shall make such provision as is just and equitable for the Landlords to receive a due proportion of such compensation.
- 60.8 To advise the Landlords and the FC forthwith as soon as the Tenants become aware of any breach at the Property of the Planning Acts and any related subordinate legislation, bye-laws rules or regulations.

61 Signs

Not to cause or permit to be displayed upon any part of the Property any name, legend, sign, notice or advertisement whatsoever (including directional signs) whether temporary or permanent except such as have been first approved in writing by the Landlords (such approval not unreasonably to be withheld or delayed in respect of notices which relate to the conduct of the Business) save that no such Landlords' approval is needed in the case of information and direction signs of modest size located entirely within any building on the Property so long as these are not erected in breach of Clause 13.3 of this part of the Schedule and upon the termination of this lease to remove or efface any such name, legend, sign, notice or advertisement and make good to the satisfaction of the Landlords (acting reasonably) any damage occasioned thereby.

62 To Inform Landlords of Defects

To inform the Landlords forthwith on becoming aware of the same and in the most expeditious manner possible and thereafter in writing within a reasonable time of any defects

in the Property and to indemnify and keep indemnified the Landlords from and against any loss, claims or demands arising from a breach of any obligation on the part of the Tenants contained in this clause.

63 Support for Adjoining Premises

Not to do or omit or permit or suffer to be done or omitted in and upon the Property any matter or thing which might impair or prejudicially affect the support of the Retained Land or the adjoining or adjacent premises whether above, below or beside the Property but at all times during the subsistence of this lease to maintain and preserve such support.

64 Electronic Interference

Not to use or permit or suffer to be used on or at the Property any radio, electric or electronic equipment in such manner or condition as to cause electrical, electronic or other forms of interference to adjoining or neighbouring premises or equipment operated therein.

65 The Stopping up of Drains etc.

Not to allow any polluting agent to pass into the sewers, drains or water courses serving the Property or into adjoining or neighbouring premises or otherwise to stop up, obstruct or permit to be stopped up or obstructed the same and in the event of any obstruction or injury being occasioned thereby forthwith to remove such obstruction and to make good all damage to the reasonable satisfaction of the Landlords and to employ such plant for treating any deleterious effluent as may reasonably be required by the Landlords.

66 New Buildings.

Not to build or allow or permit any new road, wall, fence, building or erection, chemical disposal point, or any other form of building, construction or infrastructure work of whatever nature to be built on the Property nor any new trade or business to be carried out upon the Property without the prior written consent of the Landlords (which is not unreasonably to be withheld or delayed in the case of any such works which will comply with clause 13.3 of the Schedule).

67 To Inform Landlords of Notices

Within seven days of the receipt of notice of the same to give full particulars to the Landlords of any notice, order or proposal for a notice or order made, given or issued in respect of or affecting the Property by any Government Department or Local or Public Authority under or by virtue of any statutory power or otherwise and if so required by the Landlords to produce such notice, order or proposal and without delay at the Tenants' expense (but subject to obtaining the Landlords' prior written consent to any works (where the terms of this lease so require) to take all steps to comply with any such notice or order or if required by the Landlords to make or join with the Landlords in making objections or representations against or in respect of any such notice, order or proposal as aforesaid as the Landlords may reasonably require.

68 To Pay Expense of Maintaining Party Walls, Drains, etc.

To pay:

- 68.1 a fair and equitable proportion (which may, if appropriate, be 100%) as determined by the Landlords (acting reasonably) of the costs and expenses properly and reasonably incurred by the Landlords in repairing, maintaining, rebuilding, renewing and cleansing all walls, roofs, foundations, steelwork, fences, structures and other items which may belong to or be used for the Property in common or mutually with other adjoining premises but which do not form part of the Property, and
- 68.2 a fair and equitable proportion (which may, if appropriate, be 100%) as determined by the Landlords (acting reasonably) of the costs and expenses properly and reasonably incurred by the Landlords in repairing, maintaining, rebuilding, renewing and cleansing (i) all access roads or ways leading to and from the Property and (ii) all pumps, valves, man-holes, meters, connections, channels, septic tanks, water courses, holding tanks, cables, wires, pipes, drains, sewers or other conducting media and all plant and equipment relative thereto serving the Property (either exclusively or in common with other premises) but situated on land owned by the Landlords or third parties, and which do not form part of the Property.

69 Not to Share Possession

Not to share or licence the occupation of the whole or any part of the Property with or to anyone whomsoever without the consent of the Landlords (and any relevant third parties) having been first obtained which consent in the case of the Landlords will not unreasonably be withheld or delayed in the case of a bona fide concession or franchise agreement not giving rise to any subtenancy or other formal occupancy right. For the avoidance of doubt (a) nothing in this clause will allow the Tenants to operate or permit any third party to independently operate or manage the whole or substantially the whole of the Business carried on at the Property by way of concession or franchise; and (b) subject to the Tenants first obtaining any necessary consents from the Verderers or any other third party, no consent from the Landlords will be needed for the Tenants to enter into modest concession or franchise arrangements providing for the sale/supply of goods and services at the Property in the ordinary course of the Business from mobile vans visiting the Property (but not parking there overnight).

70 Assignments

- 70.1 Not to assign the whole of this lease without the prior written consent of the Landlords such consent not to be unreasonably withheld.
- 70.2 Not to assign part only of this lease.
- 70.3 The Landlords and the Tenants agree that for the purposes of section 19(1A) of the Landlord and Tenant Act 1927 the Landlords may give their consent to an assignment subject to all or any of the following conditions:

- a) a condition that the assignor (and any former tenant who because of section 11 of the Landlord and Tenant (Covenants) Act 1995 has not been released from the tenant covenants of this lease) enters into an authorised guarantee agreement which:
- i) is in respect of all the tenant covenants of this lease;
 - ii) is in respect of the period beginning with the date the assignee becomes bound by those covenants and ending on the date when the assignee is released from those covenants by virtue of section 5 of the Landlord and Tenant (Covenants) Act 1995;
 - iii) imposes principal debtor liability on the assignor (and any former tenant);
 - iv) requires (in the event of a disclaimer of liability of this lease) the assignor (or former tenant as the case may be) to enter into a new tenancy for a term equal to the unexpired residue of the Term; and
 - v) is otherwise in a form reasonably required by the Landlord
- b) a condition that if reasonably required by the Landlords a person of standing acceptable to the Landlords enters into a guarantee and indemnity of the tenant covenants of this lease in the form set out in Part V of this lease (but with such amendments and additions as the Landlords may reasonably require.)

70.4 The Landlords and the Tenants agree that for the purposes of section 19(1A) of the Landlord and Tenant Act 1927 the Landlords may refuse their consent to an assignment if (a) any rent or other money due under this lease is outstanding; (b) where the Landlords are not satisfied (acting reasonably) that the proposed assignee is reputable and responsible, experienced in the operation of businesses substantially comparable in size, scale and quality to the Business as operated from the Property; and that the assignee is otherwise demonstrably capable of complying with the tenants covenants under this lease.

70.5 Nothing in this clause shall prevent the Landlords from giving consent subject to any other reasonable condition, nor from refusing consent to an assignment in any other circumstances where it is reasonable to do so.

71 Underlettings

71.1 Not to underlet the whole of the Property.

71.2 Not to underlet any part of the Property except in accordance with this clause and then not without the prior written consent of the Landlords, such consent not to be unreasonably withheld or delayed.

- 71.3 Not to underlet part only of the Property except:
- a) by way of a lease at a full market rent to an operator of premises used for the provision of Ancillary Services to the Property; or
 - b) by way of a temporary service occupancy in the case of any residential accommodation at the Property to be occupied by a site manager or similar member of staff;
- in each and any individual case not exceeding five percent of the Property by area.

- 71.4 Not to underlet any part of the Property together with any property or any right over property that is not included within this lease nor to do so:

- a) at a fine or premium or reverse premium; nor
- b) allowing any rent free period by way of inducement to the undertenant.

- 71.5 Not to underlet any part of the Property otherwise than by a formal lease or tenancy agreement which includes:

- a) (in the case of any business tenancy) a valid agreement between the Tenants and the undertenant that the provisions of sections 24 to 28 of the 1954 Act are excluded from applying to the tenancy created by the underlease in relation to which all necessary prior notices or other procedural steps from time to time required have been duly served or implemented and (in any other case) such terms as are necessary and permissible to obviate the incidence of security of tenure;
- b) a covenant by the undertenant, enforceable by and expressed to be enforceable by the Landlords (as superior landlord at the date of grant) and their successors in title in their own right, to observe and perform the tenant covenants in the underlease and any document that is supplemental or collateral to it and to observe the tenant covenants in this lease so far as they relate to the underlet premises;
- c) provisions requiring the consent of the Landlords to be obtained in respect of any matter for which the consent of the Landlords is required under this lease, and
- d) a covenant that the undertenant shall not assign the underlet property without the prior consent of the Landlords, which consent will not be unreasonably withheld, and a covenant that the undertenant will not underlet the whole or any part of the underlet property.

and shall otherwise be consistent with and include tenant covenants no less onerous (other than as to the annual rent) than those in this lease and in a form approved by the Landlords, such approval not to be unreasonably withheld.

71.6 In relation to any underlease granted by the Tenants, the Tenants shall:

- a) not vary the terms of the underlease nor accept a surrender of the underlease without the consent of the Landlords, such consent not to be unreasonably withheld; and
- b) enforce the tenant covenants in the underlease and not waive any of them nor allow any reduction in the rent payable under the underlease; and
- c) notify the Landlords of the level of any reviewed rent forthwith after it has been agreed or determined

72 Charging

The Tenants shall not charge the whole or part only of this lease without the prior written consent of the Landlords such consent not to be unreasonably withheld in the case of a charge of the whole to a charge holder or security holder which is a bona fide lending institution. The Tenants shall procure such information with regard to the status and financial standing of any proposed charge holder, or security holder as the Landlords shall reasonably require.

73 Prohibition of other dealings

Except as expressly permitted by this lease, the Tenants shall not assign, underlet, charge, part with possession or share occupation of this lease or the Property or hold the Lease on trust for any person (except pending registration of a dealing permitted by this lease at HM Land Registry or by reason only of joint legal ownership).

74 Registration and Notification of Dealings and Occupation

74.1 In this clause a **Transaction** is:

- a) any dealing with this lease or the devolution or transmission of, or parting with possession of any interest in it, or
- b) the creation of any underlease or other interest out of this lease, or out of any interest, underlease derived from it, and any dealing, devolution or transmission of, or parting with possession of any such interest or underlease, or
- c) the making of any other arrangement for the occupation of the Property.

74.2 In respect of every Transaction that is registrable at HM Land Registry, the Tenants shall promptly following completion of the Transaction apply to register it (or procure that the relevant person so applies). The Tenants shall (or shall procure that) any fees are paid to the Land Registry and that all reasonable endeavours are made to answer

any requisitions raised by the Land Registry in connection with an application to register a Transaction promptly. Within one month of completion of the registration, the Tenants shall send the Landlords official copies of its title (and where applicable of the undertenant's title).

74.3 No later than one month after a Transaction the Tenants shall:

- a) give the Landlords' solicitors notice of the Transaction, and
- b) deliver two certified copies of any document effecting the Transaction to the Landlords' solicitors, and pay the Landlords' solicitors a registration fee of £30 (plus VAT) or such other reasonable sum as the Landlords shall notify the Tenants from time to time for the purposes of this clause.

74.4 If the Landlords so request, the Tenants shall promptly supply the Landlords with full details of the occupiers of the Property and the terms upon which they occupy it.

75 Closure of the Registered Title of this lease

Within one month after the end of the Term (and notwithstanding that the Term has ended), the Tenants shall make an application to close the registered title of this lease and shall ensure that any requisitions raised by the Land Registry in connection with that application are dealt with promptly and properly; the Tenants shall keep the Landlords informed of the progress and completion of its application.

76 To Indemnify the Landlords

To indemnify and keep indemnified the Landlords and the FC and in respect of that indemnity (if and to the extent reasonably required by the Landlords and only so far as the risk is insurable) maintain insurance cover to the reasonable satisfaction of the Landlords with a reputable insurance office and to exhibit the policy and receipts for premiums to the Landlords when required:

- 76.1 against all liability in respect of injury to or the death of any person, damage to any property real or personal, any claims, court actions, or proceedings the infringement, disturbance or destruction of any right, easement or privilege or otherwise by reason of or arising directly or indirectly from or upon (a) any defect or want of repair of the Property, (b) the use of the Property, (c) the execution of any alterations to the Property so far as effected by or on behalf of the Tenants or any sub-tenant, (d) any interference or obstruction on the part of the Tenants or others deriving right from them of any rights of light or drainage or other alleged right existing or hereinafter to be constituted in or in respect of any adjoining property, (e) any stoppage of drains used in common with the owners or occupiers of adjoining property caused by any act or omission on the part of the Tenants or others deriving right from them and (f) any failure or omission by the Tenants in the implementation or observance of the obligations on their part herein contained;

76.2 against all actions, proceedings, damages, penalties, costs, charges, claims and demands properly incurred by the Landlords in relation to any of the matters mentioned in this Clause;

76.3 against all rates which may be payable by the Landlords as a result of the Tenants vacating the Property at any date prior to the expiry or earlier termination of this lease;

and this Clause 34 shall remain in force notwithstanding the expiry or earlier termination of this lease.

77 Expenses

77.1 On demand to pay to the Landlords all costs, charges and expenses (including solicitors', counsel's, surveyors', architects', engineers' and other professional costs and fees and VAT thereon) reasonably and properly incurred by the Landlords in the case of matters falling within paragraphs a), b) and d) below, and in any other case, properly incurred by the Landlords:

- a) in connection with any application to the Landlords for consent or approval or in consequence thereof, whether or not such consent is granted;
- b) in the preparation and service of any notice of want of repair or other notice served by the Landlords on the Tenants or in the preparation and service of a schedule of dilapidations during the subsistence of this lease or after its expiry or earlier termination;
- c) in connection with the recovery of arrears of rent or any other sum at any time due by the Tenants to the Landlords under this lease;
- d) in connection with any agreement, memorandum, addendum, assignation, sub-lease or other document consequential upon this lease to which the Landlords shall be a party; and
- e) in connection with the enforcement or protection of any of the rights of the Landlords under this lease and notwithstanding that such enforcement be rendered unnecessary by the Tenants' subsequent compliance with the provisions of this lease.

77.2 On demand to pay or reimburse the Landlords or the FC (as the case may be) for the reasonable and proper costs incurred in connection with the provision to the Property of such services as the parties may agree relating to the training of Tenants' staff and the provision of ranger services such as walks, events and information made available to campers.

78 Title Matters affecting the Property

At all times to observe and perform, insofar as still valid, subsisting and applicable, all covenants, conditions, restrictions, declarations, and others howsoever constituted affecting any part or parts of the Property including but not limited to the Third Party Rights and to indemnify the Landlords against all actions, costs, claims and demands which may arise in respect of any of the same.

79 Marking of Boundaries

If, but only if, the Landlords require the Tenants to do so, the Tenants shall procure that the boundaries of the Premises are marked and identifiable in a manner prescribed by the Landlords.

80 Archaeological Finds

- 80.1 As between the Landlords and the Tenants, any Archaeological Finds shall be deemed to be the property of the Landlords.
- 80.2 The Tenants shall inform the Landlords forthwith upon the discovery of any Archaeological Finds, and comply with the reasonable directions of the Landlords in relation to the removal or disposal of such Archaeological Finds, or shall allow the Landlords to enter the Property for the purposes of such removal or disposal: Provided that the Landlords shall act with all reasonable speed to carry out and complete such removal or disposal.
- 80.3 The Tenants shall not attempt to remove any Archaeological Find without the Landlords' consent (not unreasonably to be withheld or delayed) and shall procure that its employees and sub-contractors shall neither remove nor damage such Archaeological Finds.
- 80.4 In the event that the relevant Archaeological Find cannot be moved, or that it is inappropriate that the same be moved, then the Tenants shall allow the Landlords or those authorised by them access to the Property subject to the terms of Part II of the Schedule to carry out any investigation which they deem is appropriate in connection with its or their statutory duties or which is otherwise required by law: Provided that the Landlords shall and shall use all reasonable endeavours to procure that anyone authorised by them shall act with all reasonable speed to carry out and complete such investigation.
- 80.5 The provisions of sub-clauses 38.1 to 38.4 (inclusive) shall not affect the rights or obligations of either party under any applicable legislation.

81 To use Certified Timber

In any Works carried out on the Property by the Tenants or by parties on their behalf, all timber used in such works shall be Certified Timber and such timber shall be United Kingdom grown where reasonably possible (which for the avoidance of doubt shall include consideration of whether it is economically practicable to use UK grown timber).

82 To Leave in Good Repair

82.1 On the expiry or sooner determination of the term of this lease quietly and notwithstanding any law or practice to the contrary to surrender to the Landlords the Property together with all additions and improvements made thereto and all fittings and fixtures in or upon the Property or which during the term of this lease may have been affixed or fastened to or placed on or upon the same and that in such state and condition as shall be consistent with full and due performance by the Tenants of their obligations in this lease contained with all locks, keys and fastenings complete and at the cost of the Tenants to repair and make good to the reasonable satisfaction of the Landlords all damage including damage to paintwork caused by the removal of Tenants' fittings and fixtures.

82.2 In respect of any works which may be required after the date of termination of this lease to constitute full and due performance by the Tenants of their obligations under this lease, the Tenants shall, in the option of the Landlords, either carry out such works or pay to the Landlords a sum equal to the proper cost of carrying out the same and in either case the Tenants will also pay to the Landlords a sum equivalent to the loss of rent properly incurred by the Landlords during the period from the date of termination of the lease until such works have been fully implemented, together with interest thereon at the Specified Rate from the date or dates of demand until paid.

83 Compensation on Vacating

Any right of the Tenants or anyone deriving title under the Tenants to claim compensation from the Landlords on leaving the Property under the Landlord and Tenant Act 1927 or the 1954 Act are excluded, except to the extent that the legislation prevents that right being excluded.

84 Notifiable Events

In the event of the occurrence of a Notifiable Event:

84.1 the Tenants shall immediately on becoming aware of the same inform the Landlords and the FC of its occurrence and permit the Landlords to enter and inspect the Property;

84.2 the Tenants shall consult and liaise closely with the FC regarding any public statements made by the Tenants or parties on behalf of the Tenants about any Notifiable Event and any information made publicly available regarding a Notifiable Event.

85 Potentially Damaging Operations (PDO's)

Not to carry out any Potentially Damaging Operation without the prior written consent of the Landlords.

86 2002 Memorandum of Understanding

To comply with and not to do anything which would or might put the FC in breach of its obligations under the 2002 Memorandum of Understanding.

87 Telecommunications Apparatus

Not to permit the installation, retention or operation of any electronic communications apparatus (as the same is defined in the Telecommunications Act 1984 as amended by the Communications Act 2003) on the Property.

88 To Surrender Surplus Land

Following the implementation of any permitted planning permission obtained by or on behalf of the Tenants to surrender back to the Landlords any of the land hereby demised which as a result of such implementation is no longer capable of use or operation for the purposes of the Business, such surrender to be in a form agreed between the parties (acting reasonably) and to incorporate appropriate provision for the grant and reservation of such rights and easements over the land thereby surrendered subject to such provisos as in each case may be reasonably required by the parties at the relevant time and including a release of the Tenants from their obligations in respect of the land so surrendered from the date of the surrender.

PART IV

RENT REVIEWSPART A

In this Part A of Part IV of the Schedule the following expression shall have the meaning hereby assigned to it, namely:

“Review Date” means each anniversary of the Term Commencement Date and the expression “relevant Review Date” shall be construed accordingly.

3 On each Review Date but not the Fifth, Tenth, Fifteenth, Twentieth, Twenty fifth, Thirtieth, Thirty fifth, Fortieth, Forty fifth, Fiftieth, Fifty fifth, Sixtieth, Sixty fifth and Seventieth [*delete unnecessary anniversary dates to accord with duration of the Lease*] anniversaries of the Term Commencement Date the annual Base Rent payable under this lease shall be reviewed to the greater of : -

3.1 the annual Base Rent payable immediately before the relevant Review Date; and

3.2 such amount as is calculated by the Landlords in accordance with the following formula:

$$NR = R \times (CV \div BV)$$

Where:

NR is: The new Base Rent payable with effect from the relevant Review Date.

R is: The Base Rent payable under this lease immediately prior to the relevant Review Date.

CV is: The value of RPI for the month falling three months before the relevant Review Date.

BV is: The value of RPI on the Term Commencement Date or (if later) for the month which is three months earlier than the Review Date immediately preceding the relevant Review Date.

Once the Landlords have determined the new Base Rent payable as and from the relevant Review Date they shall serve notice on the Tenants as to the level of the new Base Rent. Until the new Base Rent payable has been intimated by the Landlords to the Tenants, the Tenants shall pay rent under this lease at the rate prevailing immediately before the relevant Review Date. The new Base Rent shall be due and payable as and from the relevant Review Date. The Tenants shall pay to the Landlords forthwith any shortfall between the Base Rent

paid immediately before the relevant Review Date and the new Base Rent determined as set out above with interest thereon at two per cent below the Specified Rate.

- 4 Forthwith after the new Base Rent shall have been ascertained in accordance with this Part A of Part IV of the Schedule and on each such occasion there shall be signed by, for or on behalf of the Landlords and the Tenants respectively a Memorandum in duplicate specifying the new increased yearly Base Rent payable under this lease and such Memorandum shall be evidence of the amount of such new yearly Base Rent. Such Memorandum shall be prepared, completed and registered at the sole cost of the Tenants.

PART B

7 Wherever in this Part B of Part IV of the Schedule the context admits the following expressions shall have the meanings hereby assigned to them, namely:

- 7.1 "Review Date" means the Fifth, Tenth, Fifteenth, Twentieth, Twenty fifth, Thirtieth, Thirty fifth, Fortieth, Forty fifth, Fiftieth, Fifty fifth, Sixtieth, Sixty fifth and Seventieth [*delete unnecessary anniversary dates to accord with duration of the Lease*] anniversaries of the Term Commencement Date and the expression "relevant Review Date" shall be construed accordingly;
- 7.2 "Review Period" means the period commencing on a Review Date and ending on the day immediately preceding the next Review Date or (in the case of the period commencing on the last Review Date occurring during the term of this lease) on the expiry of this lease;
- 7.3 "Market Rent" means the full annual rent at which the Property could be let as one entity on the open market at and from the relevant Review Date for a term equivalent to the original duration of this lease and otherwise subject to the provisions of this lease (other than the actual amount of rent payable hereunder but including the provisions for rent review similar to those contained in this Part of the Schedule) and on the assumption (if not a fact) that:
- a) the Property is available for immediate letting by a willing landlord to a willing tenant without fine or premium and with vacant possession;
 - b) the provisions of this lease have been fully performed and observed and the Landlords and the Tenants have complied in all respects with all the obligations imposed on them under this lease;
 - c) the use permitted by this lease of the Property complies with the Planning Acts free from onerous conditions;
 - d) all licences and consents necessary for the use permitted by this lease have been granted by the relevant public authorities or bodies without onerous conditions;
 - e) the Property is fit for immediate occupation and use and without prejudice to the foregoing generality, are connected to the usual public utilities and have satisfactory supplies of water and adequate drainage and sewerage;
 - f) no Works have been carried out to the Property by the Tenants or any sub-tenant or their respective predecessors in title or any of them which has diminished the rental value of the Property;

- g) in case the Property or any part thereof has been destroyed or damaged it has been fully restored;
- h) any prospective tenants are able fully to recover input VAT whether or not this is the case; and
- i) any rent free period or period of discounted rent has expired and any other consideration which the Landlords might then be expected to grant to a tenant on taking a lease of the Property has been paid or otherwise discharged but in each case only to the extent that it would be referable to the fitting out of the Property by such tenant

But disregarding any effect on rent of:

- j) the fact that the Tenants, any sub-tenants and their respective predecessors in title or any of them are, or have been, in occupation of the Property;
- k) any goodwill attached to the Property by reason of the carrying on within the Property of the business of the Tenants or any sub-tenant;
- l) any Works carried out to the Property or any part thereof after the Term Commencement Date with any necessary consent of and otherwise than in pursuance of any obligation to the Landlords, whether under this lease or otherwise, at the cost of the Tenants or any sub-tenant;
- m) so far as may be permitted by law all statutory restrictions relating to the assessment and recovery of rent; and
- n) the fact that any prospective tenants might not be able fully to recover input VAT;

7.4 "Surveyor" means such Chartered Surveyor having recent substantial experience in valuing premises of a location, kind and character similar to the Property and who is a member of a leading firm of Surveyors practising inter alia in the field of commercial leisure property lettings as may be nominated by agreement between the Landlords and the Tenants or in default of agreement appointed by or on behalf of the President (or senior office holder at the time available) of the Royal Institution of Chartered Surveyors (as constituted, reconstituted, formed or reformed from time to time) or if such President or senior office holder shall not be available appointed by such officer of such professional body of surveyors as the Landlords, acting reasonably, shall designate;

7.5 "Revised Base Rent" for a Review Period means the yearly Market Rent in respect of that Review Period agreed in writing between the Landlords and the Tenants or determined (in default of agreement) by the Surveyor all as hereinafter provided;

7.6 "Current Base Rent" means the yearly rent payable under this lease immediately preceding the commencement of the relevant Review Period;

- 7.7 "Shortfall" means in respect of the period (if any) beginning on the relevant Review Date and ending on the Rent Payment Day next following the date on which the Revised Base Rent for that Review Period is ascertained the amount (if any) by which the aggregate equal half-yearly instalments of the Revised Base Rent which would have been payable during that period had the Revised Base Rent been ascertained at the commencement thereof exceeds the aggregate of the instalments of the Current Base Rent paid for the same period; and
- 7.8 "Shortfall Interest" means a capital sum equal to interest at two per centum below the Specified Rate on the aggregate of the component parts of the Shortfall for the period from the date each component part became due until payment of the Shortfall.
- 8 On the relevant Review Date the yearly Base Rent for the relevant Review Period shall be reviewed to the greater of:
- 8.1 the Current Base Rent;
- and
- 8.2 the Revised Base Rent.
- 9 If the Landlords and the Tenants have not agreed the Market Rent by a date two months prior to the relevant Review Date the Landlords or the Tenants may at any time thereafter require the Market Rent to be determined by a Surveyor acting as an expert and not as an arbitrator whose decision shall be final and binding on the parties and the following provisions shall apply:
- 9.1 the fees and expenses of the Surveyor including the cost of his appointment shall be borne equally by the Landlords and the Tenants who shall each otherwise bear their own costs;
- 9.2 the Landlords and the Tenants shall each be entitled to submit to the Surveyor in accordance with a timetable to be determined by the Surveyor written valuations, statements and other evidence relating to or supporting their assessments of the Market Rent in which event each shall at the same time deliver to the other party a copy of all such valuations and others submitted as aforesaid. The Surveyor shall, if so requested by written notice by either the Landlords or the Tenants (a copy of which shall be served on the other party) and which notice shall be given by a date to be determined by the Surveyor, hold a hearing at which both the Landlords and the Tenants or their respective representatives may be heard and if present cross-examined and that at such time or times and such place or places as the Surveyor shall appoint for that purpose; and
- 9.3 if the Surveyor shall fail to determine the Market Rent within six months of his appointment (or such longer period as the Landlords and the Tenants may agree in writing) or if prior to his making such determination he shall relinquish his appointment or die or it shall become apparent that, for any reason, he will be unable to complete his duties hereunder then it shall be open to either party on notice in

writing to the other party and the Surveyor or his representatives to terminate forthwith the appointment of such person and to apply to the other party in the manner specified in Clause 1 of this Part B of Part IV of the Schedule for a substitute Surveyor to be appointed.

- 10 If the Revised Base Rent for any Review Period has not been ascertained by the commencement of such Review Period then in respect of the period commencing with the Review Date in question and ending on the Rent Payment Day next occurring after the date on which the Revised Base Rent is ascertained payment on account of the yearly rent shall be made by the Tenants at not less than the rate of the Current Base Rent at the times and in the manner specified in Clause 3.2a) of the foregoing Lease and on the said last mentioned Rent Payment Day the Tenants shall pay in addition to the instalment of the Revised Base Rent then payable the Shortfall and Shortfall Interest but without prejudice to the right of the Tenants to make earlier payment of the Shortfall and Shortfall Interest.
- 11 On request from the Landlords at any time prior to a Review Date, the Tenants shall deliver to the Landlords professionally audited accounts (providing full details of all income, expenditure and transactions) for the business run by the Tenants at the Property in respect of the three years preceding the date of the Landlords' request.
- 12 Forthwith after the Revised Base Rent shall have been ascertained and on each such occasion there shall be signed by, for or on behalf of the Landlords and the Tenants respectively a Memorandum in duplicate specifying the new increased yearly Base Rent payable under the foregoing Lease and such Memorandum shall be evidence of the amount of such new increased yearly rent. Such Memorandum shall be prepared, completed and registered at the sole cost of the Tenants.

PART C

In the event of the Landlords being prevented or prohibited in whole or in part (in part meaning anything less than the whole) from exercising their rights under this Part IV of the Schedule and/or obtaining an increase in the annual Base Rent at any Review Date under Part A or Part B above by reason of any legislation, government order or decree or notice (increase in this context meaning such increase as would be obtainable disregarding the provisions of any such legislation and others as aforesaid) then and upon each and every occasion on which such event shall occur if the occurrence gives rise to total prevention or prohibition the date on which such Review would have otherwise taken effect shall be deemed to be extended to permit and require such Review to take place on the first date or dates thereafter upon which such right of increase may be exercised and/or obtained in whole or part and when in part on so many occasions as shall be necessary to obtain the whole increase (meaning the whole of the increase which the Landlords would have obtained if not prevented or prohibited as aforesaid) and if there shall be a partial prevention or prohibition only there shall be a further review or reviews (as the case may require) on the first date or dates as aforesaid and notwithstanding that the yearly Base Rent may have been increased in part on or since the last occurring Review Date (as such term is defined in either Part A or Part B as appropriate) provided always that the provisions of this Clause shall be without prejudice to the Landlords' rights to review the annual Base Rent on the Review Dates as specified in the foregoing Parts A and B of this Part IV of the Schedule.

PART D

Turnover Rent

[insert here provisions to be proposed and agreed between the parties as to the mechanism for calculating and paying the Turnover Element of the Rent based on Clause 9.[] of the Framework Agreement]

PART V

GUARANTEE AND INDEMNITY

8 **Guarantee and Indemnity**

8.1 The Guarantor guarantees to the Landlords that the Tenants shall:

- a) pay the rents reserved by this lease and observe and perform the tenant covenants of this lease and that if the Tenants fail to pay any of those rents or to observe or perform any of those tenant covenants, the Guarantor shall pay or observe and perform them, and
- b) observe and perform any obligations the Tenants enter into in an authorised guarantee agreement made in respect of this lease (the **Authorised Guarantee Agreement**) and that if the Tenants fail to do so, the Guarantor shall observe and perform those obligations.

8.2 The Guarantor covenants with the Landlords as a separate and independent primary obligation to indemnify the Landlords against any failure by the Tenants:

- a) to pay any of the rents reserved by this lease or any failure to observe or perform any of the tenant covenants of this lease, and
- b) to observe or perform any of the obligations the Tenants enter into in the Authorised Guarantee Agreement.

9 **Guarantor's Liability**

9.1 The liability of the Guarantor under paragraphs 1.1(a) and 1.2(a) shall continue until the end of the Term, or until the Tenants are released from the tenant covenants of this lease by virtue of the Landlord and Tenant (Covenants) Act 1995, if earlier.

9.2 The liability of the Guarantor shall not be affected by:

- a) any time or indulgence granted by the Landlords to the Tenants, or
- b) any delay or forbearance by the Landlords in enforcing the payment of any of the rents, or the observance or performance of any of the tenant covenants of this lease (or the Tenants' obligations under the Authorised Guarantee Agreement) or in making any demand in respect of any of them, or
- c) any refusal by the Landlords to accept any rent or other payment due under this lease where the Landlords believe that the acceptance of such rent or payment may prejudice its ability to re-enter the Property, or
- d) the Landlords exercising any right or remedy against the Tenant for any failure to pay the rents reserved by this lease or to observe or perform the

tenant covenants of this lease (or the Tenants' obligations under the Authorised Guarantee Agreement), or

- e) the Landlords taking any action or refraining from taking any action in connection with any other security held by the Landlords in respect of the Tenants' liability to pay the rents reserved by this lease or observe and perform the tenant covenants of the Lease (or the Tenants' obligations under the Authorised Guarantee Agreement) including the release of any such security, or
- f) a release or compromise of the liability of any one of the persons who is the Guarantor, or the grant of any time or concession to any one of them, or
- g) any legal limitation or disability on the Tenants or any invalidity or irregularity of any of the tenant covenants of the Lease (or the Tenants' obligations under the Authorised Guarantee Agreement) or any unenforceability of any of them against the Tenants, or
- h) the Tenants being dissolved, or being struck off the register of companies or otherwise ceasing to exist, or, if the Tenants are individuals by the Tenants dying or becoming incapable of managing their affairs, or
- i) without prejudice to paragraph 4, the disclaimer of the Tenants' liability under this lease or the forfeiture of this lease, or
- j) the surrender of part of the Property, except that the Guarantor shall not be under any liability in relation to the surrendered part in respect of any period after the surrender, or

by any other act or omission except an express written release of the Guarantor by the Landlord.

9.3 The liability of each of the persons making up the Guarantor is joint and several.

9.4 Any sum payable by the Guarantor shall be paid without any deduction, set-off or counter-claim against the Landlords or the Tenants.

10 Variations and Supplemental Documents

10.1 The Guarantor shall, at the request of the Landlords, join in and give its consent to the terms of any consent, approval, variation or other document that may be entered into by the Tenants in connection with this lease (or the Authorised Guarantee Agreement).

10.2 Whether or not the Landlords have requested that the Guarantor join in any such document and whether or not the Guarantor has done so, the Guarantor shall not be released by any variation of the rents reserved by, or the tenant covenants of, this lease (or the Tenants' obligations under the Authorised Guarantee Agreement),

whether or not the variation is material or prejudicial to the Guarantor and whether or not it is made in any document.

10.3 The liability of the Guarantor shall apply to the rents reserved by and the tenant covenants of this lease (and the Tenants' obligations under the Authorised Guarantee Agreement) as varied whether or not:

- a) the variation is material or prejudicial to the Guarantee, or
- b) the variation is made in any document, or
- c) the Guarantor has consented to the variation (except to the extent that the liability of the Guarantor is affected by section 18 of the Landlord and Tenant (Covenants) Act 1995).

11 Guarantor to take a New Lease or Make Payment

11.1 If this lease is forfeited or the liability of the Tenants under this lease is disclaimed and the Landlords give the Guarantor notice not later than six months after the forfeiture or the Landlords having received notice of the disclaimer, the Guarantor shall enter into a new lease of the Property on the terms set out in paragraph 4.2.

11.2 The rights and obligations under the new lease shall take effect from the date of the forfeiture or disclaimer and the new lease shall:

- a) be granted subject to the right of any person to have this lease vested in them by the court and to the terms on which any such order may be made and subject to the rights of any third party existing at the of the grant,
- b) be for a term that expires at the same date as the end of the Term of this lease had there been no forfeiture or disclaimer,
- c) reserve as an initial annual rent an amount equal to the rent on the date of the forfeiture or disclaimer (subject to paragraph 5) and which is subject to review on the same terms and dates provided by this lease,
- d) be excluded from sections 24 to 28 of the Landlord and Tenant Act, and
- e) otherwise be on the same terms as this lease (as varied if there has been any variation).

11.3 The Guarantor shall pay the Landlords' solicitors' costs and disbursements (on a full indemnity basis) and any VAT in respect of them in relation to the new lease and shall execute and deliver to the Landlords a counterpart of the new lease within one month after service of the Landlords' notice.

11.4 The grant of a new lease and its acceptance by the Guarantor shall be without prejudice to any other rights which the Landlords may have against the Guarantor or

against any other person or in respect of any other security that the Landlords may have in connection with this lease.

11.5 The Landlords may, instead of giving the Guarantor notice pursuant to paragraph 4.1 but in the same circumstances and within the same time limit, require the Guarantor to pay an amount equal to six months rent and the Guarantor shall pay that amount on demand.

12 **Rent at the Date of Forfeiture or Disclaimer**

If at the date of the forfeiture or disclaimer there is a rent review pending under this lease, then the initial annual Base Rent to be reserved by the new lease shall be the open market rent of the Property at the relevant Review Date, as determined by the Landlords before the grant of the new lease.

PART VI

Seasonal Opening and Closing Dates

[detail]

Executed as a Deed by
FOREST HOLIDAYS LLP
acting by two Members

.....

Member

.....

Member

The Corporate Seal of the
**SECRETARY OF STATE FOR ENVIRONMENT
FOOD AND RURAL AFFAIRS** hereby affixed
is authenticated by the signature of:

.....

Authorised signatory.

**MEMORANDUM OF UNDERSTANDING BETWEEN THE
FORESTRY COMMISSIONERS AND THE VERDERERS OF THE
NEW FOREST**

INTRODUCTION

1. In carrying out their statutory role as managers of the New Forest the Forestry Commissioners are constrained by the existence of rights of common. However, these rights are subject to the Forestry Commissioners' statutory powers. Under section 18(1)(c), (d) and (e) of the New Forest Act 1949 (as amended by the New Forest Act 1964), the Commissioners have power, amongst other things, to authorise the use of land in the New Forest for the purpose of recreation and the appropriation of land in the New Forest for car parking and for camping sites. They also have powers under section 23(2) of the Countryside Act 1968 to provide tourist, recreational or sporting facilities. The powers in the New Forest Act 1949 and, by virtue of section 1 of the New Forest Act 1970, those in the Countryside Act are only exercisable with the agreement of the Verderers of the New Forest.

2. In the context of the day-to-day management of the New Forest it is necessary to decide how particular activities or other items which the Forestry Commissioners propose to permit fall to be treated in the light of the legal rights and obligations described in the preceding paragraph. In particular, the parties have not always been able to agree whether particular items legally require the agreement of the Verderers. The purpose of this Memorandum of Understanding is therefore to set out the parties' intended approach in respect of specific items which the Forestry Commissioners are likely to wish to permit in the New Forest in the future.

3. This Memorandum of Understanding is not intended to constitute a legally enforceable contract or to create any rights or obligations which are legally enforceable. It is intended to be binding in honour only.

OPERATION AND REVIEW

4. This Memorandum of Understanding is expected to continue in operation unless it is brought to an end by either party in accordance with the following paragraph. The parties intend to formally review the provisions of the Memorandum after three years from the date of its signing but either party may propose an amendment at any time if they consider it necessary. Any changes to the Memorandum must be decided upon by both parties.

BRINGING THE MEMORANDUM TO AN END

5. Either party may bring this Memorandum of Understanding to an end by giving at least three months' notice in writing of its intention to do so to the other party.

NO LEGAL REQUIREMENT FOR CONSENT

6. The parties regard the items and activities listed in Schedule I as not requiring the agreement of the Verderers under section 18 of the New Forest Act 1949 (as amended by the New Forest Act 1964) or section 1 of the New Forest Act 1970 ("the New Forest Acts").

7. The Forestry Commissioners will notify the Verderers of their intention to permit any of the items or activities listed in Schedule I B and may seek the Verderers' comments and views in respect of such proposals.

LEGAL REQUIREMENT FOR CONSENT

8. The parties regard the items and activities listed in Schedule II as requiring the agreement of the Verderers under the New Forest Acts.

NO AGREEMENT ON REQUIREMENT FOR CONSENT

9. The parties have been unable to agree upon whether the items and activities listed in Schedule III require the agreement of the Verderers under the New Forest Acts.

Schedule IIIA

10. The Forestry Commissioners will seek the agreement of the Verderers to permit any of the items or activities listed in Schedule IIIA and the Verderers will not unreasonably refuse their consent to these items.

11. If the Verderers refuse consent to any item or activity listed in Schedule IIIA they will notify the Forestry Commissioners of the reasons for their decision and, if the Forestry Commissioners consider the Verderers' refusal of consent to be unreasonable, they will not proceed to permit the activity or item without first notifying the Verderers of their reasons for holding that opinion.

Schedule IIIB

12. The Forestry Commissioners will seek the advice of the Verderers in respect of the permitting of any of the items or activities listed in Schedule IIIB and will not unreasonably disregard any advice received.

SCHEDULE I

Items and activities regarded as not requiring consent

A

Items not to be notified

Sporting licences
Angling licences
Motoring permits
Individual carriage driving
Non-commercial and small scale commercial filming
Builders' temporary skips and material
Ranger led walks

B

Items to be notified

Fox-hunting
Backpacking
Duke of Edinburgh training
Sponsored walks, rides, map reading exercises
Dog training
Hawking
Bird watching from temporary hides (eg Montagu's Harrier)
Scouting and guiding activities
Military training
Scientific studies
Archaeology
Carriage driving events
Large scale commercial filming
Educational visits
School parties or organised events

SCHEDULE II

Items regarded as requiring consent

Car parks
Campsites
Reptile Centre
Open Forest recreation paths

Bar-B-Q sites
Information boards on fresh grass
Viewing platforms on fresh grass
Toilets
Classrooms
Marked trails on the Open Forest
Fixed seats on the Open Forest
Scout sites and buildings
Sports club buildings and associated infrastructure such as roads and tracks

SCHEDULE III

No agreement or requirement for consent

A

Consent not to be unreasonably withheld

Moveable benches and tables on the Open Forest
Cycle routes on the Open Forest
Horsedrawn wagon routes on the Open Forest
Sites for beehives
Ice-cream trading sites
Sports club activities

B

Advice not to be unreasonably disregarded

Donation meters
Notice boards
Viewing platforms
Litter bins
Horse riding by commercial establishments
Draghunting
Orienteering
Motorised models and toys

13. In formulating their advice in respect of the items and activities listed in Schedule IIB the Verderers will, as applicable, have regard to:-

13.1 the scale of the item or activity, and/or the area affected and/or the time over which it occurs;

13.2 the proposed change to the current status of the item or activity as at the time the advice is sought;

13.3 the status of the item or activity as at the time the advice is sought as against its status at the date of this Memorandum of Understanding.

TRANSITIONAL PROVISIONS

14. The parties intend any decisions taken by the Verderers before the date of this Memorandum of Understanding in respect of any items or activities falling within its scope to continue to apply until there is a change in circumstance such as to justify reconsideration of that item or activity.

SIGNED: 
On behalf of the Forestry Commissioners

DATE 12th November 2002

SIGNED: 
On behalf of the Verderers of the New Forest

DATE 12th November 2002

Signed by [NAME OF MEMBER]
for and on behalf of FOREST Director
HOLIDAYS LLP

Signed by [NAME OF AUTHORISED
SIGNATORY] for and on behalf of the
Secretary of State for Environment Food
and Rural Affairs/National Assembly for Wales

THE SCHEDULE

Part 11

FC's Wider Strategic Objectives

FC's wider strategic objectives related to the Business and the Project are as follows:-

1. **PROMOTION OF FC'S BRAND VALUES**

Delivering a consistently excellent holiday experience; ensuring that the close integration of sites into the surrounding forests is maintained and enhanced; adopting a marketing strategy to promote the brand; working closely with FC's other recreation provision and facilities

2. **ECOLOGICAL SUSTAINABILITY**

Developing and managing the Sites in a way that minimises their ecological impact; ensuring all Sites are aesthetically in keeping with the forest environment; promoting the use of wood by example and using timber certified by the Forest Stewardship Council for all timber buildings and fixtures and their components; using home grown timber wherever possible; demonstrating best practice in environmental management; offering a diverse and healthy environment, which will conserve and enhance biodiversity, landscape and cultural heritage; encouraging interest in and empathy with all aspects of the natural environment

3. **ECONOMIC SUSTAINABILITY**

Maintaining and creating employment in rural economies and communities, directly on the Sites and indirectly by boosting spend in the local economies; implementing procurement policies which support local and regional economies; encouraging local spend by visitors

4. **SOCIAL SUSTAINABILITY**

Consulting widely with local communities on Site modernisation and development; liaising with local Forestry Commission staff who manage the wider forests to ensure a smooth interface between the sites and the wider communities; encouraging interest in and empathy with local cultural heritage

5. **RECREATION AND HEALTH**

Promoting physical, emotional and intellectual well-being as part of a relaxing, peaceful holiday in the heart of Britain's forests; offering activities including walking, cycling and ranger-led events; encouraging learning and self-development in enjoyable, pleasant surroundings

6. **INTEGRATION WITH THE WIDER FOREST**

Maintaining close links with the surrounding forests and woodlands; liaising closely with the local Forestry Commission Districts in areas such as recreation, maintenance and development of forest walks, cycle tracks, reciprocal promotions and maintenance of trees on-site.

7. DIVERSITY

To ensure that all customers of the Business are treated fairly, inclusively and with equal access to services and information and to ensure that all leaflets, booklets and publications issued by the Business are accessible and take account of the needs of different people.

THE SCHEDULE

Part 12

Existing Sites

1. THE EXISTING SITES

1.1 Scottish Sites

- (a) Glenmore
- (b) Cashel
- (c) Cobleland
- (d) Ardgartan
- (e) Strathyre

1.2 English & Welsh Sites

New Forest Sites

- (a) Aldridge Hill
- (b) Holmsley
- (c) Setthorns
- (d) Roundhill
- (e) Hollands Wood
- (f) Denny Wood
- (g) Matley Wood
- (h) Ashurst
- (i) Ocknell
- (j) Longbeech

Forest of Dean Sites

- (k) Woodland
- (l) Christchurch
- (m) Bracelands

Other English Sites

- (n) Spiers House

- (o) Postern Hill
- (p) Thorpe Woodland
- (q) Deerpark
- (r) Keldy

Welsh Site

- (s) Beddgelert

Part 13

Current FC Sites

Forest District	Name	Type of facility
Scotland		
Tay	Kilvrect	Low facility Campsite
Scottish Borders	Yair	Youth Campsite
Ae	Craigsheils	Bothy let to Scouts
	Smithlands	Bothy let to Scouts
Cowal & Trossachs	Renagour	Youth Campsites
	Douglas	Youth Campsites
	Dalzell	Youth Campsites
	Craigie	Youth Campsites
	Duchray	Youth Campsites
	Gartnaul	Youth Campsites
	Achray	Youth Campsites
	Harry	Youth Campsites
	Laurie	Youth Campsites
	Coirantree	Youth Campsites
Wales		
None		

England		
East Anglia	Tangham	Leased campsite
	Covert High Ash	Leased to Caravan Club
	Mildenhall	Leased to Caravan Club
	Thorpe	Leased to Suffolk County Council
Northants	Fineshade	Leased to Caravan Club
West Midlands	Cannock (Tackeroo)	Low facility Campsite
	Rosliston	4 Cabins developed with Local Authority
Dean	Biblins	Youth Campsite
	Chestnuts wood	Youth Campsite
New Forest	New Park Brockenhurst	Leased site to NF Show
Kielder	Kielder Village	Leased to Community

THE SCHEDULE

Part 14

Current Defects

For the purposes of this Agreement, "Current Defects" has the meaning set opposite each of the Existing Cabin Sites identified below:

Existing Cabin Site	Current Defects
Deerpark	<p data-bbox="467 837 671 869"><u>Business Critical</u></p> <ul data-bbox="467 904 1513 972" style="list-style-type: none"><li data-bbox="467 904 1513 972">• Appropriate treatment of exposed timber beams under balconies to be undertaken (applies to all cabins). <p data-bbox="467 1039 735 1070"><u>Non-Business Critical</u></p> <ul data-bbox="467 1106 1513 1308" style="list-style-type: none"><li data-bbox="467 1106 1513 1173">• Defects identified by FC in balconies and balustrades (applies to all cabins) to be remedied.<li data-bbox="467 1173 1513 1240">• Additional structural support to be provided for cantilevered balconies on relevant cabins.<li data-bbox="467 1240 1513 1308">• Appropriate testing to be undertaken to establish whether or not the site's foul drainage system is adversely affected by water ingress.
Strathyre	<p data-bbox="467 1382 671 1413"><u>Business Critical</u></p> <ul data-bbox="467 1449 1513 1516" style="list-style-type: none"><li data-bbox="467 1449 1513 1516">• Robustness of guttering fixings to be inspected (on all cabins) and, where necessary, remedied.
Keldy	<p data-bbox="467 1583 671 1615"><u>Business Critical</u></p> <ul data-bbox="467 1650 1513 1718" style="list-style-type: none"><li data-bbox="467 1650 1513 1718">• Robustness of guttering fixings to be inspected (on all cabins) and, where necessary, remedied.