

21 September 2012

FRAMEWORK AGREEMENT

between

THE FORESTRY COMMISSIONERS

and

FOREST HOLIDAYS LLP

and

FOREST HOLIDAYS (SCOTLAND) LLP

and

CAMPING IN THE FOREST LLP

and with

the **RELEVANT MINISTERS**



Pinsent Masons

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THIS AGREEMENT is made on 21 September 2012

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;

FOREST HOLIDAYS LLP (registered as a Limited Liability Partnership in England and Wales under the Limited Liability Partnerships Act 2000 under registration number OC318816) whose 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 SO300880) whose registered office is at 123 St. Vincent Street, Glasgow, G2 5EA (hereinafter referred to as "**the Scottish LLP**") of the third part;

CAMPING IN THE FOREST LLP (registered as a Limited Liability Partnership in England and Wales under the Limited Liability Partnership Act 2000 under registration number OC370500) whose registered office is at Greenfields House, Westwood Way, Coventry, CV4 8JH (hereinafter referred to as "**the Camping LLP**") of the third part;

and with the **RELEVANT MINISTERS** (as hereinafter defined) as consenters.

WHEREAS:

- A In 2006 the FC entered into various contracts in order to take forward and grow the Forest Holidays business via (a) the English LLP which took forward the Business (as defined below) in England & Wales and (b) the Scottish LLP which took forward the Business (as defined below) in Scotland, in both cases, as Limited Liability Partnerships with FC and CCC (as defined below) as initial members.
- B The Previous Agreement (as defined below) was entered into under the Government's Wider Markets Initiative.
- C The English LLP and the Scottish LLP have agreed to sell the assets and goodwill relating to the Camping Business to Camping LLP. The parties to this Agreement now wish to enter into this framework agreement to specify an operational framework to govern the relationship between the FC and each of the LLPs (as defined below) relating to (among other things) the operation of the Business by the LLPs, the obligations of the LLPs in relation to the operation of Existing Sites and development of New Sites and the obligations of the FC in relation to the development of New Sites.
- 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 in relation to a Site (except whilst a Force Majeure Event subsists), not to carry out any of the Activities at such Site (save for a Site no longer operated by the relevant LLP, in whole or in part, in accordance with the provisions of Clause 15.8) 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 required to be carried out by each LLP 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 meanings given to them by section 1159 of the Companies Act 2006, provided that, for the avoidance of doubt, if such person is a body corporate or a partnership it shall be deemed to be a company for the purpose of this definition;

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

"Ancillary Services" shall, for each Site, means the provision of holiday related services (whether from the Site or otherwise and whether directly or through franchised operations (subject always to the terms of Clause 26 of Part III of the Schedule to the relevant Lease)) to occupiers of the holiday accommodation or pitches on the Property, which services are operated so as to form part of a holiday experience and to be provided for the benefit of those persons vacationing at the Sites, such as food and other holiday merchandising retail shops, and recreational services (such as bicycle hire and boating) save that for the avoidance of doubt these services shall not operate for the benefit of the general public (except (a) to the extent that services are already provided at Existing Sites; or (b) where further services are provided and provided to the general public at Existing Sites or New Sites, with the approval in writing, and in advance of the FC (as Landlord) (such approval not to be unreasonably withheld or any decision thereof unreasonably delayed)), and provided that such Ancillary Services are approved in writing, in advance by the FC (as Landlord) (such approval not to be unreasonably withheld or a decision thereon unreasonably delayed);

"Business" means, in respect of the English LLP and the Scottish LLP (A) ("Cabin Business") the hiring out of cabins or other units of holiday accommodation for short-term holidays or similar purposes together with the provision of such of the Ancillary Services as the English LLP or the Scottish LLP may determine (and as are approved in advance by the FC (such approval not to be unreasonably withheld or a decision thereon unreasonably delayed)) necessary to enable the Cabin Business to provide adequate and/or desirable facilities to holiday makers during their stay at the relevant Site(s); and in

respect of the Camping LLP, (B) ("Camping Business") shall mean the hiring of pitches and/or units for tents (which may include pre-erected tents, wigwams or yurts), caravans and motor-homes for short-term holidays together with the provision of such of the Ancillary Services as the Camping LLP may determine, and as are approved in writing, in advance by the FC (such approval not to be unreasonably withheld or a decision thereon delayed);

"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:

- (a) in relation to Camping LLP, the plan as shall be approved in accordance with the Members Agreement and as amended from time to time; and
- (b) in relation to either of the English LLP or the Scottish LLP means such plan, relating to the operation of Existing Sites and/or the management and development of New Sites as part of the Cabins Business of the relevant FH LLP, as may be agreed in writing from time to time between the FC and the relevant FH LLP;

"Cabin" means the same as defined in the Leases;

"Camping in the Forest Brands" means the CAMPING IN THE FOREST Marks, as defined pursuant to the terms of the Trade Mark Co-Existence Agreement;

"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 the Government or of the European Union;

"Cordon Sanitaire Area" shall have the meaning as set out in Clause 9.3 (a) (ii);

"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 any 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 relevant LLP and/or any other person carrying on the Activities;

"English & Welsh Sites" means those Existing Sites referred to in paragraph 1.2 of Part 10 of the Schedule;

"Evans Leases" means the operating leases granted by Evans Forest Holdings Limited and Evans Forest Holdings No.2 Limited to the English LLP in respect of the Existing Sites at Sherwood and Woodlands (Forest of Dean);

"Exclusivity List" means the exclusivity list agreed and updated by the English LLP and/or the Scottish LLP and FC in accordance with Clause 8.1 and which, as at the Commencement Date, is the list set out in Part 2 of the Schedule;

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

"Existing Sites" means the cabin and camping and caravanning sites operated by any of the LLPs as at the date of this Agreement, as listed at Part 10 of the Schedule and **"Existing Site"** shall mean any of them;

"Expert" means the individual(s) appointed in accordance with paragraph 5 of Part 7 of the Schedule (Dispute Resolution Procedure);

"Expiry Date" means the date 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 FC and which is from time to time at the disposal of FC;

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

"FC's Wider Strategic Objectives" means the objectives set out in Part 9 of the Schedule;

"FC Termination Notice" has the meaning given in Clause 20.1;

"FH LLPs" means together English LLP and the Scottish LLP;

"Finance Act" means the Finance Act 2004;

"Force Majeure Event" means any event which affects a Site, which event could not reasonably have been foreseen by the relevant LLP and which prevents or severely restricts that LLP from carrying on the Business at the relevant Site, 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 FC, by means of which the proposals for management of the wooded and open areas for which the FC are responsible are developed and communicated;

"Forest Holiday Brands" means in respect of the English LLP and the Scottish LLP the FOREST HOLIDAYS CABINS Marks and the FOREST HOLIDAYS Marks, including without limitation the Forest Holiday trade name, are defined pursuant to the terms of the Trade Mark Co-Existence Agreement;

"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 Welsh Ministers for Wales);

"Initial Relevant Transfer" means a Relevant Transfer of Relevant Employees from FC to the relevant LLP (or any Employer) pursuant to the Previous 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 in the case of the Camping LLP or FC in the case of either of the English LLP or the Scottish LLP, 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 assignment 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 in the case of the Camping LLP or FC in the case of either or the English LLP or the Scottish LLP;
- (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 Agreements" means together the Licence Agreements and the Trade Mark Co-Existence Agreement;

"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 a lease for any Existing Site or a lease that is entered into for any New Site (based on the pro forma set out in Part 6 of the Schedule, and which document shall, at all times, in relation to the English LLP and the Scottish LLP adhere to the Operational Principles) in accordance with this Agreement and "Leases" shall be construed accordingly;

"Lender" means any person providing debt finance to the relevant LLP (but for the avoidance of doubt shall not include any Member of Camping LLP, any member, Affiliate or ultimate shareholder of the English LLP or the Scottish LLP (as the case may be), or any Affiliate of any such Member, Affiliate, member or ultimate shareholder in its capacity as such;

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

"Licence Agreements" means the intellectual property licences granted to each of the LLPs by FC of even date;

"LLP's Representative" means the relevant person or persons appointed by each of the LLPs in accordance with the provisions of Clause 6;

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

"Members Agreement" means the LLP Members Agreement in the Agreed Form entered into by FC, CCC and Camping LLP, relating to the Project, on or around the date 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 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 any 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 Location" means the area proposed by any LLP or FC, in accordance with the Clause 9, for a New Site;

"New Supplier" means any successor to the relevant 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 the relevant LLP; or upon the partial cessation of the provision of the Activities by the relevant LLP, any successor to such 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 such LLP;

"Opening Date" means:

- a) in relation to an Existing Site, the Commencement Date; and
- b) in relation to a New Site 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;

"Operational Principles" means in respect of any operation by the English LLP and the Scottish LLPs only of their respective Business, those principles that the FC requires such LLPs to adhere to in the management and delivery of the relevant Business at the Sites, as more particularly described in Schedule 1, Part 5;

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

"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 6 of the Schedule;

"Option Sites" means (subject to Paragraph 1 of Part 3 of the Schedule) the Existing Sites at Glenmore (held by the Scottish LLP) and at Thorpe Woodland, Beddgelert and Christchurch (each held by the English LLP);

"Previous Agreement" means the framework agreement dated 8TH May 2006 entered into between FC, the English LLP, the Scottish LLP and the Relevant Ministers (as consenters);

"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 any 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 Bribery Act 2010; 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
 - (iv) defrauding or attempting to defraud or conspiring to defraud FC;

"Project" means the operation 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 Activities in terms of this Agreement;

"Project Documents" means

a) in respect of Camping LLP, the Leases entered into by Camping LLP, the Members Agreement, the Camping Business Transfer Agreement, this Framework Agreement and the Intellectual Property Agreements entered into by Camping LLP; and

b) in respect of the English LLP and the Scottish LLP, the Leases entered into by either the English LLP or the Scottish LLP, this Framework Agreement, the Intellectual Property Agreements entered into by either the English LLP or the Scottish LLP and any Site Management Agreement,

which set out how each of the relevant LLP will carry out its respective Activities hereunder;

"Project Operations" means the carrying out of the Activities;

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

"Relevant Employee" means any employee listed in Part 6 (1) of the Schedule (TUPE List) to the Previous Agreement who was the subject of the Initial Relevant Transfer;

"Relevant Ministers" means in relation to sites situated in Wales, the Welsh Ministers, 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 the parties agree 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 the construction or operation of the Sites or for the performance of any of the obligations of any LLP under this Agreement;

"Re-transfer Date" means the date on which any cessation or partial cessation referred to in Clause 17.2 (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 32);

"Schedule" means the schedule, in 11 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 10 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;

"Site Management Agreement" means the mandatory management agreement to be entered into between any individual owner of a Cabin(s) and the English LLP and the Scottish LLP (as the case may be) or a relevant third party in connection with paragraph 4(g) of the Operational Principles in accordance with the requirements of the Operational Principles to provide that the relevant Sites are managed in accordance with the Core Requirements;

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

"Special Scientific Interest" means a site of scientific interest designated pursuant to the Wildlife and Countryside Act 1981 as amended;

"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;

"Trade Mark Co-existence Agreement" means the agreement entered into by the parties of even date which sets out the agreement between the parties in connection with the use of the parties' branding during the term of this Agreement;

"Trade Names" means together the Forest Holiday Brands and the Camping in the Forest Brands;

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

"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;

"**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;

"**Welsh Ministers**" has the meaning given to it in the Government of Wales Act 2006;

"**Wider Forest Block**" shall have the meaning as set out in Clause 9.3 (a) (iii); and

"**Working Day**" means any day which is not a Saturday or Sunday but which also excludes (where the expression refers to any dealing with a Site located in Scotland) any day which is a public holiday in Scotland or (where the expression refers to any dealing with a Site located in England or Wales) any day which is a public holiday in England or Wales.

- 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 11 of the Schedule, the following priority shall prevail:

- (a) Part 1;
- (b) All other parts.

1.13 For the purposes of this Agreement, a month shall mean a calendar month.

2. STATUS

2.1 This Agreement shall take effect on the Commencement Date and shall supersede the Previous Agreement.

2.2 The Previous Agreement shall be terminated with immediate effect, subject to any rights or obligations of any of the parties to the Previous Agreement which accrued prior to such termination date.

2.3 As at the Commencement Date, the Existing Sites are held by the LLPs as set out in Part 10 of the Schedule.

2.4 In respect of each of the Existing Sites where the English LLP or the Scottish LLP hold the Lease and there are cabins located on such Existing Sites, the parties shall, following the Commencement Date, use reasonable endeavours to negotiate in order to agree the Cordon Sanitaire Area and the Wider Forest Block for each such Existing Site and shall enter into any relevant documentation to give effect to this.

2.5 In the event that the English LLP or the Scottish LLP intend to develop any of the Existing Sites through the building of additional cabins on such Existing Sites (or on any New Sites after the initial development) the parties agree that the rental for any additional cabins shall be calculated in accordance with the provisions of Clause 9.8 save in relation to any Existing Site that is held by the English LLP pursuant to either of the Evans Leases unless and to the extent that an Affiliate of Evans Forest Holdings Limited or Evans Forest Holdings No 2 Limited is not funding the relevant developments.

2.6 The Option Sites are each subject to the agreement set out in Part 3 of the Schedule for as long as that Part of the Schedule continues to apply to them and the parties agree to comply with their respective obligations as set out therein.

2.7 The English LLP and the Scottish LLP (together the "**FH LLPs**") shall have joint and several liability to the FC under this Agreement. The FH LLPs and Camping LLP shall have several liability under this Agreement. Each of the FH LLPs and the Camping LLP shall only be liable to the FC to the extent that the relevant matter giving rise to the liability relates to the FH LLPs or the Camping LLP (as applicable) and each indemnity, covenant or undertaking given by the LLPs in this Agreement shall be construed accordingly.

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 shall not:

- (a) terminate or agree to the termination of all or part of any of the Leases to which it is a party;
- (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 any 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 of that LLP subject to and in accordance with the provisions of this Agreement and the Project Documents and (in respect of the English LLP and the Scottish LLP) the Operational Principles.
- 4.4 The English LLP shall construct or procure that the English & Welsh Sites shall, in all material respects, be constructed, in accordance with the Design Documentation applicable to the English & Welsh Sites and be operated and maintained in all material respects in accordance with the terms of this Agreement and meet the Core Requirements. The Scottish LLP shall construct or procure that the Scottish Sites shall, in all material respects, be constructed, in accordance with the Design Documentation applicable to the Scottish Sites

and be operated and maintained in all material respects in accordance with the terms of this Agreement and meet the Core Requirements.

4.5 The FC and each LLP shall perform its respective obligations under this Agreement at its own risk.

4.6 Save:

- (a) as expressly authorised by this Agreement; or
- (b) where such works have been previously approved by FC either as part of the FC's approval of a relevant Business Plan or otherwise,

the LLPs shall not carry out any work which may in any way adversely affects 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 4.6 and any of the Leases then the provisions of the Leases shall prevail to the extent of the conflict or inconsistency only.

4.7 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 quality and environmental management arrangements which were developed and agreed pursuant to the Previous Agreement;
- (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 and (in respect of the English LLP and the Scottish LLP) the Operational Principles.

4.8 Notwithstanding Clause 4.1, 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 any or all of the LLPs to obtain sufficient

additional funding as may be required in order to develop and grow the LLP's relevant Business.

4.9 Notwithstanding the above, the English LLP and the Scottish LLP shall not:

- (a) permit any interest, area, pitch (or part thereof) or individual Cabin at a Site to be sold off (including by way of long lease) to be used as a private dwelling house or other permanent residential accommodation, or as a retirement home or for commercial use (other than the Business) at any time and under any circumstance; and
- (b) be permitted to sell off (including by way of long lease) any interest, area, pitch (or part thereof) or individual Cabin at a Site to be used as an individual holiday home, unless such proposal is part of a development of the Business in such a manner as permitted pursuant to the Operational Principles.

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 (each such person being an "LLP's Representative" in relation to the LLP that has appointed him).
- 6.2 Each LLP's Representative shall, together with such of that LLP's 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 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.
- 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 relevant to such LLP at least once in every period of twelve 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 twelve months) 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, as appropriate, the relevant LLP's Representative may elect to refer any matters discussed at the liaison meetings to in the case of Camping LLP the Management Committee of Camping LLP, in terms of the Members Agreement, or, in the case of either of the FH LLP's, to the members of the relevant LLP, for further consideration, discussion or resolution.

8. FH EXCLUSIVITY LIST

- 8.1 The English LLP and/or the Scottish LLP may agree with FC to place any New Site under consideration under Clause 9 below (at any stage of the New Site's process prior to the Option Agreement being entered into and including any New Site which had previously been on the Exclusivity List but in respect of which an Option Agreement had not been entered into during the relevant Exclusivity Period (as defined below)) onto the Exclusivity List provided that there shall not at any time be more than 30 New Sites on the Exclusivity List at any time.
- 8.2 For all New Sites on an Exclusivity List the relevant FH LLP shall have exclusivity in relation to such New Site for a period of 5 years from the date the relevant New Site is added to the Exclusivity List (the "**Exclusivity Period**"). Where a programme to carry out a mass sale of woodland is commenced by the government, the parties agree that the Exclusivity Period referred to herein shall be extended to a period of 6 years.
- 8.3 During the Exclusivity Period, the relevant FH LLP shall have the right to enter into an Option Agreement in respect of the relevant New Site in which case the provisions of Clauses 9 below shall apply. The Option Agreement shall remain in place for at least three years (the "**Option Period**"). For the avoidance of doubt, if the Exclusivity Period for any New Site expires prior to the end of the Option Period then the Exclusivity Period for that New Site shall automatically be extended so that it shall expire at the same time as the Option Period.
- 8.4 Any New Site shall remain on the Exclusivity List unless and until the earlier of:-
- (a) the Exclusivity Period expiring;
 - (b) the Option Period expiring;
 - (c) a New Site Lease being entered into in respect of the relevant New Site;
or
 - (d) by mutual agreement of the FC and the relevant FH LLP(s).
- 8.5 If any New Site on an Exclusivity List is formally identified by FC for disposal (in any way), FC shall provide written notice to the relevant FH LLP and that

FH LLP shall be entitled, within 60 days of receiving the notice from FC, to serve written notice on FC that it wishes to enter into an Option Agreement in respect of that New Site and the provisions of Clause 9 below shall apply. The Option Agreement shall remain in place for at least three years, with an option for the parties to extend the agreement for a further three years by mutual agreement (such agreement not to be unreasonably withheld or delayed).

8.6 If, following receipt of a written notice from FC pursuant to Clause 8.5 above (the "FC Notice") the relevant FH LLP:

- (a) fails to serve written notice on FC, within 60 days of receiving the FC Notice, confirming that it wishes to enter into an Option Agreement in respect of the relevant New Site; or
- (b) having entered into an Option Agreement in respect of the relevant New Site, *fails to exercise that Option Agreement before such time as it lapses or terminates,*

the FC may dispose of the relevant New Site to a third party.

8.7 There shall no limit to the maximum number of Option Agreements that either FH LLP shall be entitled to hold at any time provided that no more than two Option Agreements may be held by either of the FH LLPs in respect of New Sites that are within fifty (50) mile radius of each other without the FC's prior written consent (such consent not to be unreasonably withheld or delayed).

8.8 FC and the LLPs acknowledge that, (in the case of Camping LLP subject to the terms of the Members Agreement), FC shall continue to operate their existing sites situated at the locations listed in Part 11 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 the Forest Holiday Brands or the Camping in the Forest Brands in respect of such 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:

FC does not, or will not, have vacant possession; or

FC intends to lease or dispose of the Site to a third party.

- (iii) entering on to any potential New Site for the purpose of carrying out surveys and undertaking test bores and other such preliminary works or investigations not requiring planning permission subject always to an obligation on the LLPs to make good all damage caused to the reasonable satisfaction of FC. In the case of the activities described in this paragraph (iii), the LLPs shall work with the FC to put in place suitable timetables and work plans.
- (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 Camping 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 9.10 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 exceeds 150;
 - (iii) where the development does not conform to the Business Plan of the relevant LLP;
 - (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. Where this paragraph (v) applies, the parties will seek to discuss the options available with a view of enabling the FC to be able to give its consent where this SSSI applies;
 - (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 either:-

- (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; or
 - (ii) in the case of the English LLP or the Scottish LLP only, provide written notice to the FC that the relevant New Site shall be included on the Exclusivity List.
 - (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 or at any time on request by the English LLP or the Scottish LLP in respect of any New Site on an Exclusivity List:-
 - (i) that the Relevant Ministers deduce their title to the premises of which the New Site forms part 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) and/or any expiry of the Exclusivity Period shall, if appropriate, be extended until the date one month after the date on which all reasonable pre-contractual enquiries have been answered and title has been deduced.
- 9.2 In the event of Camping LLP and either of the English LLP or the Scottish LLP both requesting the same New Site, priority shall be give to the English LLP and Scottish LLP at all times.
- 9.3 Any Option Agreement entered into by the parties under this Agreement (and any resulting New Site Lease as appropriate) shall specifically set out:-
- (a) The demise which shall consist of:-
 - (i) the boundary of the New Site operational area ("**Site Boundary**");
 - (ii) a minimum area of 100m and up to a maximum area of 300m cordon sanitaire around the Site Boundary (or where FC does not own or have rights to the relevant land around the New Sites the parties shall agree (acting reasonably and in good faith) any amendments to the area accordingly) ("**Cordon Sanitaire Area**"); and

- (iii) a wider forest block as agreed between the relevant parties to the Option Agreement which shall provide sufficient flexibility to accommodate the New Site and sufficient recreational forest which is essential to protect the brand of the relevant LLP ("**Wider Forest Block**"); and
 - (b) an obligation on FC and/or the Relevant Ministers as appropriate to manage the Cordon Sanitaire Area and the Wider Forest Block. The parties shall specify in the relevant Option Agreement any specific obligations or format as a re required to protect the look and feel of the New Site.
- 9.4 For each New Site Lease (and any Existing Site where a Cordon Sanitaire Area and Wider Forest Block have been agreed by the parties in accordance with Clause 2.4 above) the parties agree as follows:-
- (a) If any area of land which includes a Site is formally identified by FC for disposal or transfer (in any way), FC shall provide written notice to the relevant LLP setting out details of the land to be transferred or disposed of;
 - (b) Following receipt of such notice the LLP shall have 60 days within which to respond to FC in writing stating whether it wishes to:-
 - (i) extend the demise within the relevant Lease to include the Cordon Sanitaire Area and the Wider Forest Block shall continue to benefit from any existing statutory protections and/or any site specific safeguards as set out in the original Lease; or
 - (ii) effect the safeguards as set out in the Lease in order to ensure that the Site shall not be adversely affected by the change of ownership; and
 - (c) The parties shall enter into such documents or variations as are reasonably necessary in order to give effect to Clause 9.4(b) above.
- 9.5 If any LLP exercises any Option Agreement the relevant parties shall enter into a New Site Lease based on the pro forma New Site Lease set out in Part 6 of the Schedule and which shall include the New Site Rent as determined in accordance with Clauses 9.8 below for the FH LLPs and Clauses 9.10 to 9.12 below for the Camping LLP.
- 9.6 Subject to agreement of the costs in accordance with Clause 9.7, 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.
- 9.7 FC shall, as soon as reasonably practicable, provide the relevant LLP with an estimate of the costs and expenses that it will reasonably and properly 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 32. 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.

- 9.8 In respect of any New Site Lease entered into by the English LLP or the Scottish LLP the rental for such New Site ("**FH New Site Rent**") shall be calculated as follows:-

- (a) Year 1 - £500 per cabin;
- (b) Year 2 - £1,125 per cabin;
- (c) Year 3- 5 £1,750 per year per cabin;
- (d) Year 4 - £2,375 per cabin;
- (e) Year 5 - £3,000 per cabin; and
- (f) Year 6 onwards - £3,000.

The rent payable above shall be increased following the expiry of three years from the end of Year 6, and every three year anniversary thereafter (each a "**Review Period**") by an amount equal to an increase in RPI during the previous Review Period.

- 9.9 In respect of any New Site where the Lease is to be entered into by Camping LLP, the rental for such 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 the prevailing market for this type of site and product mix in this particular location.

- 9.10 For any New Site where the Lease is to be entered into by Camping LLP, 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).
- (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 Camping 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.

9.11 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.

9.12 On the occasion of Camping 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. It is declared 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. It is declared 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 9.10.

9.13

- (a) Subject to Clause 15.8, 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 it wishes 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, or the relevant LLP fails to notify FC of its intention to proceed with such New Site development within the 3 month period set out at Clause 9.13(b), 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 shall not be operated under the Forest Holiday Brands or the Camping in the Forest Brand.
- 9.14 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 8 of the Schedule 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.
- 9.15 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.
- 9.16 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, then FC shall be entitled to develop and/or procure the development of such location as a cabin and/or camping and/or caravanning site and/or self catering holiday accommodation site for operation by FC or any third party, save that the FC shall not be permitted to brand any such site using the Forest Holiday Brands or the Camping in the Forest Brands.
- 9.17 Subject to Clause 9.18, each of the English LLP and the Scottish LLP agree and acknowledge that it shall not, at any time during the Project Term, develop or operate (or procure a third party to develop or operate) any site as a camping or caravanning site.
- 9.18 The parties agree that, notwithstanding the provisions of Clause 9.17, the English LLP or the Scottish LLP (as relevant) shall be entitled to operate a camping or caravanning site in respect of Glenmore, Thorpe Woodland Beddgelert, Christchurch, Ardgarten or Spiers House sites provided that:-
 - a) the licence agreement entered into on or around the date hereof between the English LLP, the Scottish LLP and the Camping LLP has terminated or has expired in accordance with its terms in respect of the relevant Site;
 - (b) such camping or caravanning site is not operated under the Camping in the Forest Brands or the Forest Holiday Brands; and
 - c) FH shall provide Camping LLP with notice of any intention to tender for the operation of the campsite and/or of its own intention to operate the campsite and in each case shall provide Camping LLP with a reasonable time to submit its

tender and/or proposal for operation of the campsite which FH shall consider in good faith. Any tender for the operation of the campsite shall be made on a market basis.

9.19 Subject to Clause 9.18, each of the English LLP and the Scottish LLP agree and acknowledge that it shall not, at any time during the Project Term, develop or operate (or procure a third party to develop or operate) any site which permits the sale and/or hiring out and/or rental of cabins or static or twin axle caravans or similar units for holidays or similar purposes on a site which either (i) immediately adjoins a Site operated by the Camping LLP, or (ii) shares a single vehicular entrance opening on to that site and a Site operated by the Camping LLP (save where carried out at the Commencement Date at any Existing Site or with the consent of the Camping LLP).

9.20 Camping LLP agrees and acknowledges that it shall not, at any time during the Project Period, develop or operate (or procure a third party to develop or operate) any site which permits:

- a) the sale and/or hiring out and/or rental of cabins or static or twin axle caravans or similar units for holidays or similar purposes within a 50 mile radius of any Site operated by the English LLP or the Scottish LLP; or
- b) the sale and/or rental of pitches for tents, motor homes or mobile single axle caravans on a site which either (i) immediately adjoins a Site operated by the English LLP or the Scottish LLP, or (ii) shares a single vehicular entrance opening on to that site and a Site operated by the English LLP or the Scottish LLP,

(save where carried out at the Commencement Date at any Existing Site or with the consent of the English LLP or the Scottish LLP).

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 existed at the date of the Previous Agreement. FC shall provide reasonable assistance to an LLP in terms of any application by that LLP to obtain site licences for the Existing Sites at the relevant LLPs cost.

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 reasonable comments and follow its reasonable 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 properly 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 payable by the relevant LLP to FC within 30 days of being notified of such fee by the 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. Each LLP shall keep FC indemnified against all penalties and liabilities of every kind arising from any breach by that LLP of any notice, licence, approval, Statutory Requirement or Required Consent arising during the Project Term or from any failure by that 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 any relevant works to be carried out at the Sites and for the adequacy, stability and safety of all site operations and methods of construction.
- 11.2 Prior to the commencement of any relevant 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. 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 (if requested by the FC Representative) issue to FC's Representative within 20 Business Days of any such request 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 Regulations 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 (b) FC's Representative shall have a maximum period of two months 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 any relevant 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 The Sites shall be constructed, carried out and completed in accordance with the Design Documentation save where it has been agreed by the parties, acting reasonably, (regardless of the earlier agreement of the Design Documentation), that amendments should be made to the Design Documentation:

- (a) where such amendments are in the best interests of the LLP; or
- (b) in any other case, 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 Design Documentation is proving unpopular with the customers of the relevant LLP.

12.4 Subject to Clause 12.5, 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 any relevant 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 32.

13. TRANSFER ARRANGEMENTS ON EXPIRY

13.1 The provisions of this Clause 13 shall take effect on the Expiry Date of this Agreement for any reason, provided that (in the case of Camping LLP only) FC is no longer a Member of Camping LLP.

13.2 At the Expiry Date there shall be transferred by the relevant LLPs to FC and/or the New Supplier the assets and liabilities of that LLPs Business as at the

Expiry Date and the benefit and burden of any relevant contracts in accordance with this Clause 13 so far as, and solely to the extent that, they relate to the Business of the LLPs operated at the Sites occupied by the LLPs pursuant to the Leases.

- 13.3 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.
- 13.4 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, at the cost 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.
- 13.5 At the Advanced Planning Date the LLPs shall supply to the New Supplier details of all contracts relating to the Business so far as, and solely to the extent that, they relate to the Business of the LLPs operated at the Sites occupied by the LLPs pursuant to the Leases of that LLP and details of all such assets and liabilities and shall not thereafter be permitted to enter into a new contract in relation thereto or amend or terminate any such 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 such contracts it requires to be assigned or novated to it not less than 6 months prior to the Expiry Date.
- 13.6 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 so far as, and solely to the extent that, they relate to the Business of the LLPs operated at the Sites occupied by the LLPs pursuant to the Leases in the same manner as the LLPs. Those books and records are, so far as in existence and so far as, and solely to the extent that, they relate to the Business of the LLPs operated at the Sites occupied by the LLPs pursuant to the Leases:-
- (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.

13.7 Save as mentioned in this Clause 13 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.

13.8 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 13.6(j), 13.6(l) and 13.6(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 New Supplier to make appropriate arrangements with the owners of the software.

14. OPENING OF NEW SITES

14.1 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, and for the avoidance of doubt, in respect of the English LLP and the Scottish LLP the Operational Principles shall apply to the operation of any New Site.

15. OPERATION AND MAINTENANCE

- 15.1 Subject to Clause 15.8, the LLPs shall be obliged at their own expense to operate the Existing Sites in the same manner as which the Existing Sites were operated under the Previous Agreement, and also in accordance with any Project Documentation.
- 15.2 Without prejudice to the obligations of the LLP under the preceding sub-clause 15.1 and under Clause 4, each 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:
- (a) (on the basis of a reasonable endeavours obligation) the Core Requirements are continuously met; and
 - (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 tenable order.
- 15.3 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.
- 15.4 The LLPs shall, following the Commencement Date, continue to offer pricing concessions to employees of FC, in line with the policies and practices adopted by each of the respective LLPs and approved by the relevant LLPs from time to time, provided that (in the case of Camping LLP only) FC is a Member of Camping LLP.
- 15.5 During the Project Term, each of the LLPs shall maintain a link from their website(s) to FC's website and FC shall maintain a link from FC's website to each of the LLPs' website(s), and the LLPs agree to comply with all reasonable instructions and directions provided to them by the FC in connection with any link from their website(s) to the FC's website.
- 15.6 Unless otherwise agreed by FC and the relevant LLP, the rates and prices charged by that LLP 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.
- 15.7 For the avoidance of doubt an LLP shall not be obliged to operate a Site in accordance with the terms of this Agreement 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.

15.8 In the event that an LLP is no longer obliged to operate a Site in accordance with the provisions of Clause 15.7, 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.

16. UNDERTAKING BY THE RELEVANT MINISTERS

- 16.1 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.
- 16.2 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.
- 16.3 The Relevant Ministers agree that any sum due to them by the LLPs shall be paid to FC unless advised otherwise in writing.

17. TUPE

17.1 FC Responsibilities

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) up to the date of the Initial Relevant Transfer. Further, FC shall indemnify the LLPs against any claims by a Relevant Employee (apart from a Relevant

Employee who has transferred such rights to another pension arrangement) or his dependants arising through him in respect of such rights.

17.2 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 17.3 and 17.4 shall apply irrespective of whether or not TUPE does apply as anticipated in this Clause 17.2.

17.3 Indemnities – Cessation

- (a) Each LLP 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 that LLP 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).

17.4 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 17.3 of this

Agreement and agrees that in the event of a claim in terms of Clauses 17.3 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.

17.5 Mitigation

In relation to all matters described in this Clause 17, 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.

18. EMPLOYEES

18.1 The LLP's Obligations regarding Personnel

The LLPs shall procure that all persons engaged in carrying out the Activities:

- (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 Activities in accordance with this Agreement for which they are engaged; and
- (d) wear appropriate uniforms.

18.2 Confidentiality

Subject to Clause 29, 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.

18.3 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.

18.4 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.

18.5 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 18.4 above, are requirements justified as being in the public interest.

18.6 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.

18.7 LLP's Notification of Offences etc

The LLPs shall, and shall procure that the Employer shall, keep FC advised as soon as reasonably practicable 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.

18.8 FC Right to Request Removal

If the LLPs do not comply with their obligations under Clauses 18.1(b), 18.1(c), 18.1(d), 18.2, 18.3 or 18.4 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.

19. TERMINATION BY THE LLPS

- 19.1 If FC commits any material breach of its obligations under this Agreement, any of 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 so far as it relates to such LLP. In that notice the LLP(s) 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.

- 19.2 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.
- 19.3 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 relevant LLP(s).
- 19.4 If Camping LLP terminates this Agreement under Clause 19.3 then that will be without prejudice to CCC's rights in accordance with Clause 20.6 of the Members Agreement (Consequences of the FC Default).

20. TERMINATION BY FC

20.1 If:

- (a) an LLP shall in whole or in part assign this Agreement otherwise than in accordance with Clause 24; or
- (b) an LLP is in material breach of its obligations under this Agreement, which shall, for the avoidance of doubt, include any breach or failure by the LLPs to comply with the terms of the Operational Principles (in respect of the English LLP or Scottish LLP only); or
- (c) any two or more of the Leases held by any LLP (other than the Evans Leases) have been terminated by the relevant landlord in any ten year period, as a result of a breach or default being committed by such LLP thereunder; or
- (d) an Insolvency Event occurs in relation to an LLP; or
- (e) save for any Site(s) which revert to FC in accordance with Clause 15.8 an LLP Abandons the Project or any Site or Sites; or
- (f) an LLP breaches the provisions for Clause 31 (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 relevant LLP(s) to terminate this Agreement solely in respect of that relevant LLP. 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.

- 20.2 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 relevant LLP(s) (provided that FC has not exercised its option under Clause 20.2.2 of the Members Agreement (Consequences of Club Member Default)) forthwith terminate this Agreement so far as it relates to the relevant LLP, but without thereby releasing the relevant LLP(s) 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.
- 20.3 For the avoidance of doubt, breach of this Agreement by, or termination of this Agreement in respect of:
- (i) Camping LLP shall not affect the continuing enjoyment or validity and effect of this Agreement in respect of either of the FH LLPs; and
 - (ii) Either of the FH LLPs shall not affect the continuing enjoyment or validity and effect of this Agreement in respect of Camping LLP.

21. EXPIRY

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

22. CONSEQUENCES OF TERMINATION OR EXPIRY

On termination or expiry of this Agreement for any reason, the provisions of Clauses 13 and 17.2 shall take effect, if applicable. If FC terminates this Agreement under Clause 20, that will be without prejudice to FC's rights in accordance with Clause 20.2 of the Members Agreement (Consequences of Club Member Default) in respect of the Camping Business.

Upon termination of this Agreement for any reason, the English LLP and the Scottish LLP shall use all commercially reasonable endeavours to procure that any Site Management Agreement in existence prior to such termination shall continue in connection with the relevant Sites in accordance with the Core Requirements and the Operational Principles.

23. RIGHTS OF ACCESS

- 23.1 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.
- 23.2 FC and FC's Representative shall at all times have access to the Sites during the Operation and Maintenance Phase.

24. ASSIGNMENT AND SECURITY

- 24.1 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 24 or with the prior written consent of the other party, neither party may assign, novate, sub-contract or otherwise transfer 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.
- 24.2 If the FH LLPs transfer the Cabin Business in its entirety to any member of the FH LLPs or any Affiliate of any such member then the FH LLPs shall request on or before the date of such transfer that FC and CITF shall novate the agreement in accordance with the Agreed Form novation agreement to such member or Affiliate and all parties shall be obliged to execute and deliver to the other such novation agreement and FC to enter into licence to assign each of the Leases of which the FH LLP's are the tenant at the relevant time in the Agreed Form within 10 Business Days of such request (subject always to such transfer actually taking place). In the event that the FH LLPs fail to comply with this clause then this agreement shall terminate in respect of FH's obligations, but shall remain in full force and effect, unless the parties agree otherwise, in respect of the obligations between FC and CITF
- 24.3 Each party shall at the FH LLP's expense use all reasonable endeavours to procure that any necessary third party shall promptly execute and deliver such documents and perform such acts as may be required for the purposes of giving full effect to a novation of this Agreement in accordance with Clause 24.2 above.
- 24.4 The parties acknowledge and agree that any sub-contract or outsourcing by CITF to the CCC shall not be a breach of this Clause 24.
- 24.5 FC may, 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 which has acquired all or most of the assets and undertaking of the FC, 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. Each LLP shall execute and deliver such documents and perform such acts as may reasonably be required for the purpose of giving full effect to this Clause.
- 24.6 For the purposes of financing the construction or operation of the Sites only, the LLPs may in security assign their rights under this Agreement (and the Project Documents) to any Lenders (or such 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 such Lenders (or such 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.

25. INFORMATION AND REPORTING

- 25.1 Each LLP shall (in the case of Camping LLP only, provided FC remains a member of Camping LLP and in the case of the FH LLPs only provided FC remains a shareholder of an Affiliate of the FH LLPs) 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. Provided that (in the case of Camping LLP only) FC is a Member of Camping LLP and (in the case of the FH LLPs only) FC remains a shareholder of an Affiliate of the FH LLPs, the LLPs 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.
- 25.2 In the event that a matter has been referred to an Expert for determination, the relevant LLP and (as necessary) the FC shall also permit the Expert to have such reasonable access to its books and records and all other information in its possession as the Expert may reasonably 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.
- 25.3 The provisions of sub-clauses 25.1 and 25.2 are subject to the provisions of Clause 29 (Confidentiality).
- 25.4 During the Project Term the LLPs shall supply FC's Representative with:-
- (a) written reports at six monthly intervals containing such information-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.

26. INDEMNITY

- 26.1 Indemnity provided by the Scottish LLP and English LLP (together the FH LLPs for this Clause 26)
- (a) The FH LLPs shall, subject to Clause 26.1(b), 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 FH LLPs or the performance or non-performance by the FH LLPs of their obligations

under this Agreement or the presence on FC's property of the FH LLPs , its employees, agents or contractors.

- (b) The FH LLPs shall not be responsible or be obliged to indemnify FC pursuant to Clause 26.1(a) 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 FH LLPs acting in accordance with an instruction or direction of FC and provided further that the FH LLPs liability to indemnify FC as provided in Clause 26.1(a) 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.

26.2 Indemnity provided by the Camping LLP

- (a) The Camping LLP shall, subject to Clause 26.2(b), 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 Camping LLP or the performance or non-performance by the Camping LLP of its obligations under this Agreement or the presence on FC's property of the Camping LLP , its employees, agents or contractors.
- (b) The Camping LLP shall not be responsible or be obliged to indemnify FC pursuant to Clause 26.2(a) 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 Camping LLP acting in accordance with an instruction or direction of FC and provided further that the Camping LLP liability to indemnify FC as provided in Clause 26.2(a) 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.

- 26.3 The parties accept the indemnities provided to them respectively in this Clause 26 in substitution for and to the entire exclusion of any other remedies available to them in the circumstances by statute or at common law.
- 26.4 An indemnity by any 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.
- 26.5 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.

- 26.6 Without prejudice to Clause 26.1 and Clause 26.2, 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.
- 26.7 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.
- 26.8 In this Clause 26 any reference to FC shall be deemed to include a reference, where the context so permits, to the Relevant Minister.

27. OWN ENQUIRIES

- 27.1 Notwithstanding any reports, data or opinions made available to it, or used to obtain Required Consents, the LLPs shall be deemed have gathered all information necessary to perform their 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.
- 27.2 Except in the case of deliberate or wilful misrepresentation or non-disclosure, 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 26 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) and shall make its own enquiries as to the accuracy and adequacy of such information.

28. INTELLECTUAL PROPERTY RIGHTS

28.1 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, relating to the Business of such LLP operated at the Sites occupied by that LLP pursuant to the Leases, that might reasonably be required by FC and the LLPs shall, at the reasonable request of the FC and at the FC's cost, use reasonable

endeavours to 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.

28.2 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.

28.3 Maintenance of data

- (a) To the extent that any of the data, materials and documents referred to in this Clause 28 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 (and shall procure that any of its Affiliates and subcontractors comply with the relevant procedures) the back up and storage in safe custody of the data, materials and documents referred to in Clause 28.3(a). in accordance with Good Industry Practice.

28.4 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 Rights 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 26 shall apply.

28.5 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 they 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 they have, or will have at all material times, (and 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) have 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 they 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; and
 - (iii) undertakes that they 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 28.5(b)(i) above.

28.6 Use of Trade Names

- (a) The LLPs undertake that they shall only operate their respective Business at each of the Sites under the LLPs respective Trade Names, unless the FC consents to a new brand being used in connection with the respective Business (such consent not to be unreasonably withheld or delayed).
- (b) Subject to the provisions of Clause 28.6(a) above, the English LLP and the Scottish LLP each hereby acknowledge that the assignment of the Forest Holiday Brand granted to the English LLP and the Scottish LLP pursuant to the Trade Mark Co-existence Agreement was granted on the understanding that the Forest Holiday Brand would be used at all Sites where the Cabin Business operates.

29. CONFIDENTIALITY

- 29.1 Subject to Clause 29.2, 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.

29.2 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 29.2(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 in accordance with the terms of this Agreement; 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:

the Freedom of Information Act 2000 and/or

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.

- 29.3 Where disclosure is permitted under Clause 29.2, other than 29.2(c), 29.2(h) and 29.2(i), the recipient of the information shall be subject to a similar obligation of confidentiality as that contained in this Agreement.
- 29.4 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.

30. MISCELLANEOUS

- 30.1 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.
- 30.2 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.
- 30.3 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.
- 30.4 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.
- 30.5 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.
- 30.6 NOT USED
- 30.7 The parties agree that use of the cabins as private dwelling houses or other permanent residential accommodation is not permitted by this Agreement.
- 30.8 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 Camping LLP 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 Camping LLP arising under or in connection with or as a consequence of the entering into of this Framework Agreement or any of the Leases.

- 30.9 If FC-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 to Camping LLP arising under or in connection with or as a consequence of the entering into of this Framework Agreement or any of the Leases.
- 30.10 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.
- 30.11 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.

31. CORRUPT GIFTS AND FRAUD

31.1 Corrupts Gifts and Fraud

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

31.2 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 31.2.
- (b) If a Prohibited Act is committed by the LLPs or by an employee not acting independently of the LLPs but acting with the knowledge 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 31 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 31.2 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 31.2.

31.3 Compensation on Termination for Corrupt Gifts and Fraud

On termination of this Agreement in accordance with Clause 31.2 FC shall pay no compensation to the LLPs.

32. DISPUTE RESOLUTION

Any dispute arising under this Agreement shall be determined in accordance with the dispute resolution procedure forming Part 7 of the Schedule.

33. 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 right or authority to bind or commit or otherwise act on behalf of any of the other parties hereto and no party shall be in any way liable for the acts or defaults of any other party.

34. ENTIRE AGREEMENT

This Agreement and the 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.

35. COMMUNICATIONS UNDER THIS AGREEMENT

35.1 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 35.2 (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.

35.2 The addresses of the parties for the purposes of Clause 35.1 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: Bath Yard, Moira, Derbyshire, DE12 6BA

For the attention of: Gary Fletcher

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

Address: Bath Yard, Moira, Derbyshire, DE12 6BA

For the attention of: Gary Fletcher

in the case of Camping in the
Forest LLP :-

Address: Greenfields House, Westwood Way, Coventry,
CV4 8JH

For the attention of: Partnership Secretary

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.

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

36. AMENDMENTS, WAIVERS AND REMEDIES

36.1 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.

36.2 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.

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

36.4 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.

37. SEVERANCE

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

- (a) the legality, validity or enforceability in that jurisdiction of any other provision of this Agreement; or
- (b) the legality, validity or enforceability in any other jurisdiction of that or any other provision of this Agreement.

38. 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, save that, for the avoidance of doubt, the Operational Principles shall continue to apply to the Leases entered into by the English LLP or the Scottish LLP notwithstanding the termination of this Agreement for any reason.

39. 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.

40. 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. For the avoidance of doubt, the Relevant Ministers shall be entitled to enforce any term of this Agreement.

41. COSTS AND EXPENSES

The LLPs and the FC 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.

42. GOVERNING LAW AND JURISDICTION

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

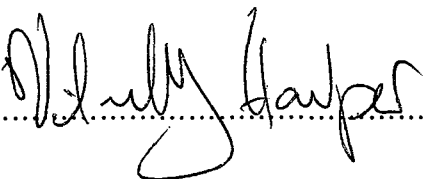
- | | | |
|-----|---|----------|
| (a) | This Framework Agreement (save in respect of provisions related to the Scottish Sites where this Agreement will be governed by, and construed in accordance with, Scots law) | England |
| (b) | The Intellectual Property Agreements | England |
| (c) | Leases of 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 32 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 42.1(a), (b), (d), (e), (g), (h) and (i) | England |
| (k) | Disputes relating to matters mentioned in Clauses 42.1(c) and (f) | Scotland |
| (l) | Any other dispute or matter not mentioned above. | England |

42.2 Disputes referred to an Expert in terms of Clause 32 shall be governed by the Laws of England and Wales.

42.3 Save as specified in Clause 42.1, 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 54 pages are, together with the Schedule (in 11 Parts) executed as follows:

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

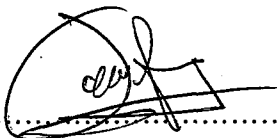
.....

Authorised Signatory (Acting under an
Authorisation Certificate)

...WILMA HARPER.....

Full name

in the presence of

.....

Witness

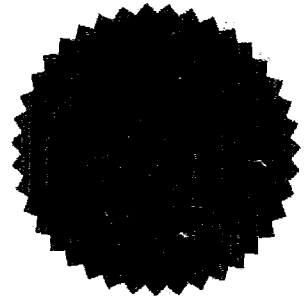
JASON ASHER.....

Full Name of witness

PINEBENT MASON'S, 3 COLMORE.....
CIRCUS, BIRMINGHAM, B4 6BH

Address of witness

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



[Signature]
.....

Authorised Signatory (Acting under an
Authorisation Certificate)

WILMA HARPER
.....

Full name

in the presence of

[Signature]
.....

Witness

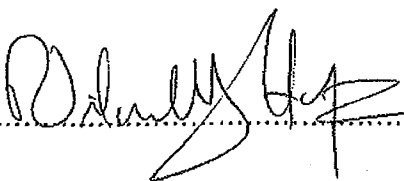
JASON ASKER
.....

Full Name of witness

PLINSENT MAJONS, 3 COLMORE
CIRCUS, BIRMINGHAM, B46BH

Address of witness

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

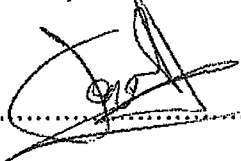

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Authorised Signatory (Acting under an Authorisation Certificate)

..... WILMA HARPER

Full name

in the presence of


.....

Witness

..... JASON OSKIER

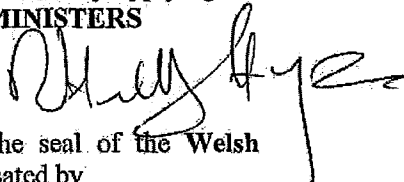
Full Name of witness

..... PINSENT MAJONS & COLMORE
CIRCUS, BIRMINGHAM, B4 6BH

Address of witness

.....

EXECUTED AS A DEED by applying the
seal of the **WELSH MINISTERS**

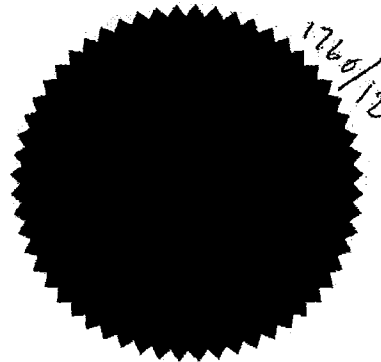


The application of the seal of the Welsh
Ministers is authenticated by



Who is duly authorised for that purpose by
the Director of Legal Services

by authority of the Welsh Ministers under
Section 90 (2) of the Government for Wales
Act 2006



EXECUTED as a **DEED** by)

FOREST HOLIDAYS LLP acting by two)

authorised representatives of the)

Members)



Authorised representative of

Willoughby (711) Limited as a Member



Authorised representative of

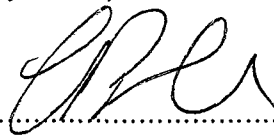
Willoughby (712) Limited as a Member

EXECUTED as a DEED by)

FOREST HOLIDAYS (SCOTLAND) LLP acting by two)

authorised representatives of the)

Members)

.....

Authorised representative of

Willoughby (711) Limited as a Member

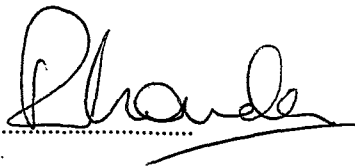
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Authorised representative of

Willoughby (712) Limited as a Member

EXECUTED as a **DEED** by

CAMPING IN THE FOREST LLP acting by
The Camping and Caravanning Club
Limited, member and The Forestry
Commissioners, member



The Camping and Caravanning Club
Limited



The Forestry Commissioners

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 20 September 2012

THE SCHEDULE

Part 1

Core Requirements

General: All Sites should preserve the unique brand values of the English LLP, the Scottish LLP or the Camping LLP (as appropriate), 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 relevant to such LLP, and be clearly recognisable as part of the same Site network relevant to such LLP

Design of Site:

- In respect of Sites operated by the English LLP and the Scottish LLP, low density in keeping with the topography, landscape and vernacular in the area
- In respect of Sites operated by the English LLP and the Scottish LLP, 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)

Each of the following shall be applied in respect of Sites operated by the English LLP and the Scottish LLP only:

- 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
- In respect of Sites operated by the English LLP and the Scottish LLP, 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 either the English LLP and the Scottish LLP or the Camping LLP (as appropriate)
- In respect of Sites operated by the English LLP and the Scottish LLP, provide guided walks in the local forest
- In connection with the Cabins Business, all Sites to be managed on a Site basis in accordance with the Operational Principles. To facilitate such consistency of management, any disposal of a Cabin pursuant to Clause 4.9 of the Agreement shall be subject to a requirement for the new owner of the Cabin to enter into a Site Management Agreement in accordance with the provisions of the Operational Principles.

THE SCHEDULE

Part 2

Exclusivity List

This is a list of 30 sites that Forest Holidays Cabins have exclusive access to for the possibility of future development through England, Wales and Scotland

England & Wales:-

1. Matlock Moor, Derbyshire
2. Houghton, Sussex
3. Hamsterley, Durham
4. Kielder Forest, Northumberland
5. Thorpe, Suffolk
6. Coombes Wood, Cumbria
7. Grizedale, Lake District
8. Delamere, Cheshire
9. Fineshade, Northamptonshire
10. Beddgelert, North Wales
11. Garwnant, Brecon Beacons
12. Pembry, Llanelli
13. TBC
14. TBC
15. TBC
16. TBC
17. TBC
18. TBC
19. TBC
20. TBC
21. TBC
22. TBC
23. TBC

Scotland:-

1. Glentress
2. Leanachan Forest
3. Galloway Forest Park
4. Moray Firth
5. St Andrew's
6. Loch Ness
7. Royal Deeside, Aberdeen

THE SCHEDULE

Part 3 Put/Call Option

1. This Part 3 of the Schedule applies to the Option Sites until and unless in relation to any Option Site the following occurs, namely:
 - a. in relation to any Option Site a planning consent is granted by the local planning or any other competent authority which permits the development on that Option Site of one or more holiday cabins; and
 - b. works are commenced on that Option Site to implement that consent which are undertaken in accordance with the terms of this Agreement and of the relevant Lease

and in such circumstances that Site will then immediately cease to be an Option Site and the provisions of this Part of the Schedule will no longer apply to it but this will be without prejudice to the continued operation of this Part of the Schedule to any other Option Site.

2. In consideration of the obligations of the parties in this Agreement the following options are granted:
 - a. In relation to the Existing Site at Glenmore (for so long as it remains an Option Site) the Scottish LLP and the Camping LLP are each granted an option to require the transfer of that Option Site to the Camping LLP in the terms of Paragraph 3 below and to be exercised as provided for in this Part of the Schedule; and
 - b. In relation to each of the Existing Sites at Thorpe Woodland, Beddgelert and Christchurch (for so long as each of them remains an Option Site) the English LLP and Camping LLP are each granted a separate option in relation to each such Option Site to require the transfer of that Option Site to the Camping LLP in the terms of Paragraph 3 below and to be exercised as provided for in this Part of the Schedule

Provided That no such option may be exercised earlier than the fifth anniversary of the date of this Agreement nor in relation to a Site which at the date of service of the notice has ceased to be an Option Site.

3. The terms of the options granted in Paragraph 2 above are:
 - a. either party having the benefit of the option may exercise it by serving notice in writing to that effect on the other party so long that notice is not served any earlier than the fifth anniversary of the date of this Agreement and provided that at the time of service of that notice the relevant site is still an Option Property;
 - b. the transfer value of the relevant Site will be £10.00;
 - c. the relevant Site will be transferred by the Scottish LLP or the English LLP (as the case may be) to the Camping LLP with vacant possession on the date which is 20 Working Days from but excluding the date of service of a valid notice exercising the option in relation to that Site (or in the event that more than one valid notice is served the date of the earliest of them to be served) and that date

will be the "Completion Date" (or the "Date of Settlement" for the purposes of the Site at Glenmore) for the purposes of this Part of the Schedule;

- d. the relevant Site will be transferred by the Scottish LLP or the English LLP (as the case may be) to the Camping LLP using the form of transfer document (in a form agreed between the relevant parties acting reasonably) (including, if applicable, as to the form of title guarantee to be given) completed with the title details of the Site and each of those parties will execute and deliver such a transfer in accordance with this Part of the Schedule;
 - e. in relation to each of the Existing Sites at Thorpe Woodland, Beddgelert and Christchurch the parties to the transfer of the relevant Site will also execute and deliver a licence to assign ancillary to the Lease of that Site (in a form agreed between the relevant parties acting reasonably) completed with the title details of the Site and the FC will procure that the Relevant Ministers for the Site will also execute and deliver such a licence;
 - f. in relation to the Site at Glenmore, the FC will procure that the Relevant Ministers will execute and issue a letter of consent to assignation in respect of the assignation of the Lease of the Site at Glenmore (or will procure that their solicitors will do so);
 - g. the relevant Site will be transferred free of any charge, standard security or encumbrance and the English LLP or the Scottish LLP (as the case may be) will procure that at completion of the transfer of that Site any required forms of discharge or release duly executed by any Lender are delivered to the Camping LLP together with such documentation as the Camping LLP may reasonably specify relating to evidence of identity of the Lender executing such discharges to meet the requirements of the Land Registry or the Land Register in Scotland;
 - h. Sites in England and Wales will be transferred subject to and where applicable with the benefit of the matters listed below in Paragraph 11.
4. The Camping LLP has had produced to it the title of the Scottish LLP and the English LLP to each of the Option Sites as at the date of this Agreement and accepts that title and (save as is provided in Paragraph 3 above) any Option Property which is transferred to the Camping LLP pursuant to this Part of the Schedule will be transferred subject to such title and to the relevant Lease (including any existing documents ancillary to that Lease or any future documents which are entered into in compliance with the parties' obligations in this Part of the Schedule) and will not raise any objection or enquiry to that title.
5. The Scottish LLP and the English LLP will procure that any Lender of the Option Sites from time to time holding a security which if enforced would or might entitle its holder to overreach the option set out in Paragraph 1 above or otherwise to render specific performance of that option ineffective or unenforceable to be postponed to the option by entering into such documentation to that effect as the Camping LLP might reasonably require.
6. The Scottish LLP and the English LLP agree and undertake that they will not vary any Lease affecting an Option Site nor grant any rights to any third party over an Option Site or do anything which might prejudicially affect any of the rights benefitting an Option Site (or agree to do any of those things) without first obtaining the written consent of the Camping LLP which consent the Camping LLP agrees that it will not unreasonably withhold or delay;

7. Whichever party serves a valid notice to exercise an option under this Part of the Schedule will instruct its solicitors to produce drafts of the required transfer document and licence to assign document for approval by the other relevant parties or their solicitors. Each party will itself act promptly and in good faith to agree and to execute any documents so produced as soon as practicable and will instruct its solicitors or other advisers to do the same.
8. The English LLP and the Scottish LLP and the Camping LLP will each be responsible for their own costs as they arise under the operation of this Part of the Schedule but the Camping LLP will pay and discharge the reasonable costs of the FC and (if applicable) of the Relevant Ministers and the English LLP or the Scottish LLP (as the case may be) will discharge any costs payable to a Lender.
9. Completion of the transfer of any relevant Site will take place no later than 2.00 pm on the Completion Date at the offices of the solicitors appointed at the time by the English LLP or the Scottish LLP (as the case may be) or elsewhere in the United Kingdom as those solicitors may reasonably require or if no such solicitors are appointed will take place at such address in the United Kingdom as may be specified in writing to the other parties on or before the Completion Date by the party who served the option notice giving rise to the transfer which is then to be completed.
10. So far as they are applicable and are not inconsistent with the express terms of this Part of the Schedule any transfer of Option Sites in England or Wales will be made on the terms of Part 1 of the Standard Commercial Property Conditions (Second Edition) but in the event of any conflict or ambiguity between the two the terms of this Part of the Schedule are to prevail.
11. The Option Sites in England and Wales are each to be transferred subject to the following in so far as they are applicable and at any relevant time are enforceable in relation to that Option Site:
 - a. the rights, covenants and easements contained or referred to in the Lease and all documents supplemental to the Lease and any documents referred to either in the Lease or in the property and charges registers of the title to the Lease at the Land Registry (other than any which relate to a charge or financial encumbrance);
 - b. matters contained or referred to in the Agreed Form of the transfer and the licence to assign document applicable to it as provided for in this Part of the Schedule;
 - c. any unregistered interests which in accordance with the Land Registration Act 2002 will override the disposition of the Lease or (if applicable) would override the first registration of title to any estate in the Option Site;
 - d. any matters referred to in condition 3.1.2 of Part 1 of the Standard Commercial Property Conditions (Second Edition);
 - e. any local land charges, whether or not registered before this Agreement was entered into and all matters capable of registration as local land charges, whether or not actually registered and any notices served and orders, demands, proposals or requirements made by any local or any public authority after the date of this Agreement;

- f. any actual or proposed orders, directions, notices, charges, restrictions, conditions, agreements and other matters arising under any Statutory Requirement affecting the Option Site.
- 12. The English LLP agrees to the entry of a unilateral notice of the Option granted by Paragraph 2 above in the charges register for the (or each) title to each Option Site in England and Wales and undertakes that it will not apply to cancel that unilateral notice for any such Site for as long as it is an Option Site.
- 13. The Camping LLP agrees that within 30 Working Days of the date when any Option Site ceases to be an Option Site it will cancel all entries relating to that Option registered against that Site and if it fails to do so within that time it appoints the English LLP irrevocably to act as its attorney to do so on its behalf.
- 14. The Scottish LLP shall grant and deliver to Camping LLP a validly executed standard security over the Site at Glenmore, securing the obligations of the Scottish LLP in this Agreement, which standard security shall be in Agreed Form. In addition, the Scottish LLP shall deliver a letter of obligation in standard form and all other necessary documentation to enable the standard security to be registered against the title to the Site at Glenmore. The standard security shall rank before any other standard securities granted or to be granted by the Scottish LLP in the ordinary course of business before or after the date of this Agreement. The standard security shall be discharged by Camping LLP on the first to occur of:
 - a. the termination of this Agreement; or
 - b. the date of expiry of the Option Period as set out in paragraph 2 of part 3 of the Schedule.
- 15. So far as they are applicable and not inconsistent with the express terms of this Part of the Schedule any disposition of the Option Site in Glenmore shall be subject to:
 - a. the rights, obligations, servitudes, wayleaves or rights of way contained or referred to in the Lease and all documents supplemental to the Lease and any documents referred to either in the Lease or in the land certificate to the Lease at Registers of Scotland (other than any which relate to a charge or financial encumbrance);
 - b. matters contained or referred to in the Agreed Form of the assignment and the letter consent to assign applicable to it as provided for in this Part of the Schedule;
 - c. any notices served and orders, demands, proposals or requirements made by any local or any public authority after the date of this Agreement;
 - d. any actual or proposed orders, directions, notices, charges, restrictions, conditions, agreements and any other matters arising under any Statutory Requirement affecting the Site at Glenmore.
- 16. In relation to the Site at Glenmore, at Completion the Scottish LLP shall deliver:-
 - a. **Completion Matters**
 - i. a validly executed Assignment of the Site at Glenmore in favour of the Camping LLP;

- ii. a Land Certificate (containing no exclusion of indemnity under Section 12(2) of the Land Registration (Scotland) Act 1970);
- iii. Form 12 or 13 Reports incorporating a search in the Register of Inhibitions and Adjudications against the Scottish LLP for five years brought down as near as practicable to Completion showing no entries adverse to the Scottish LLP's interest;
- iv. such documents and evidence as the Keeper may require to enable the interest of the Camping LLP to be registered in the Land Register without exclusion of indemnity;
- v. reports on the Scottish LLP's File(s) (including the Register of Charges) kept with the Registrar of Companies as at a date as near as practicable to Completion disclosing no adverse entries which would prevent the Camping LLP obtaining a valid and unencumbered title to the Site at Glenmore;
- vi. letters of non-crystallisation from the holders of any floating charges affecting the site at Glenmore in a form acceptable to the Camping LLP;
- vii. a letter of obligation in the Agreed Form;
- viii. the title deeds (including all assignments of rent) to the Site at Glenmore;
- ix. the keys for the Site at Glenmore;
- x. valid discharges of any heritable securities affecting the Site at Glenmore with completed Land Register of Scotland Form 2 and solicitors cheques for payment of the Land Register registration dues;

b. Land Certificate

The Land Certificate to be issued to the Camping LLP or its nominees will disclose no entry, deed or diligence prejudicial to the Camping LLP's interest other than such as are created by or against the Camping LLP or have been disclosed to and accepted by the Camping LLP prior to Completion.

c. Satisfaction as to title

The Camping LLP is deemed to have satisfied itself as to the extent and nature of the Site at Glenmore and the title to it (including the validity and marketability of it) and the whole burdens, conditions and others affecting the same.

d. Minerals

The minerals are included in the sale of the Site at Glenmore only insofar as the Scottish LLP has right to them.

e. Updated Charges Searches

Within eight weeks after Completion the Scottish LLP shall exhibit further Reports on Scottish LLP's file(s) (including the Register of Charges) kept with

the Registrar of Companies brought down to a date not earlier than the earlier of (i) twenty one clear days after the date of registration of the Disposition in favour of the Camping LLP and (ii) thirty six clear days after Completion and disclosing no adverse entries as aforesaid.

17. So far as they remain to be performed and observed the provisions of this Part of the Schedule will continue to apply to an Option Site even after the transfer of that Option Site to the Camping LLP has been completed.

THE SCHEDULE

Part 4

Not used

THE SCHEDULE

Part 5

Operational Principles – Cabins Business Only

Background

1. This Part 5 applies only to the Cabin Business, and is without prejudice to the provisions contained in Clause 4.9 of this Agreement.
2. The parties acknowledge that it is the intention of the parties that the Cabin Business at each of the Sites will operate solely as a holiday management company, where each Cabin at the Site will be managed by that Cabin Business. It is an essential part of the Core Requirements that each Site is managed by a single entity, and the FC requires that no single Cabin, or cluster of the same shall be operated independently of the others on the Site.
3. The English LLP and the Scottish LLP therefore, agree to honour the principles and obligations set out within this Schedule, Part 5, in the operation and management of the Cabin Business.

The Principles

4. The parties agree that the interests of the Cabin Business will be best served where all Cabins located on the Sites form part of a holiday management business, and that no single Cabin, or cluster, will be operated singularly or separately from the Cabin Business at each Site. If, at any time, the English LLP and the Scottish LLP (together the “LLPs” for the purposes of this Part 5 only) wish to consider disposing of an individual Cabin located at any of the Sites, the LLPs shall provide written justifications to the FC for such disposal, having regard to the Operational Principles, and the LLPs acknowledge that any such disposal shall be subject to the following principles:

Principles to be applied under Normal Operations

- a. The FC acknowledges that it is the intention of the LLPs to develop and expand the Cabin Business both by growing and developing Existing Site revenue streams and also by developing New Sites on FC land, where identified pursuant to the terms of this Framework Agreement. Furthermore, the LLPs each agree to manage the Cabin Business at the Sites purely as a holiday rental business, and the FC has assigned the rights in the Forest Holidays trade name on this basis.
- b. As part of this development, the LLPs may wish to consider the selling of clusters of Cabins within a Site, or even sell individual Cabins. In such instances, the FC would require any such disposals to be facilitated by way of sub-leases from LLPs to the relevant individual purchaser or commercial investor in a form to be approved by the FC (Where the LLPs can demonstrate (to the FC's reasonable satisfaction) that such arrangement complies with the terms of these Operational Principles, any such approval shall not be unreasonably withheld or delayed). It is a condition of these Operational Principles that:

- i. Any sub-lease offered to an individual purchaser would include a requirement for such individual purchaser to enter into a Site Management Agreement, and would also include a limit on the individual owner's occupancy of the Cabin to a maximum of 12 weeks per annum (subject to any local planning restriction requiring a lesser period of occupancy) with the remainder of the available weeks being allocated to the LLPs for use as part of the Cabin Business.
- ii. Any sub-lease offered to a commercial investor would include a requirement for such commercial investor to enter into a Site Management Agreement to provide that the LLPs manage the lettings at such Cabin(s) on the commercial investor's behalf.
- c. The parties acknowledge that the requirements specified in paragraph (b) above are required to provide that each Site is controlled and managed by a single controlling entity, which shall be responsible for the operation and maintenance of each Site in accordance with the Core Requirements, the terms of this Agreement and the terms of the applicable Leases (which shall include an obligation to procure that the Cabins, central services, buildings or constructions and the Services Infrastructure relating to each relevant Site will continue to be maintained in good and tenable order). The LLPs further agree that single entity operating at each site shall operate under the brand name "Forest Holidays", unless an alternative branding is presented to the FC for consideration, and where the FC approves the use of such branding in writing (such approval not to be unreasonably withheld or delayed).

Principles to be applied in a Business Failure situation

- d. The LLPs acknowledge that it is not the intention of such LLPs to permit any interest, area, pitch (or part thereof) or individual Cabin at a Site to be sold off (including by way of long lease) to be used as a private dwelling house or other permanent residential accommodation, or as a retirement home or for commercial use (other than the Business). The FC acknowledges that in order for the LLPs to raise the necessary funds to fund future Sites from external debt and investment markets, the Cabins may need to be the subject of bank and investor security interest as described below.
- e. The parties acknowledge that it is an essential element in securing the necessary funding approvals that if the Business fails ("Business Failure" defined below) then the secured lenders (firstly the bank and secondly the investor) must have the ability to realise their secured interests (bank debt and investor loanstock) in a way which maximises their recovery. For the avoidance of doubt, any right that a bank or investor may have in connection with this Part 5 shall only apply to a lender to whom an assignment is permitted pursuant to this Agreement.
- f. In the event of a Business Failure, the parties acknowledge that the LLPs insolvency practitioners may wish to consider a disposal of the Cabins which is on a basis less restrictive than that anticipated pursuant to paragraph (b) above, and in such instances, the terms of paragraph (g) below shall apply. However, notwithstanding the rights set out in this paragraph (f), the LLPs agree that they will use all commercially reasonable endeavours to procure that any disposition of a Cabin, where practicable, follows the requirements of paragraph (b).
- g. Notwithstanding the provisions of paragraph (f) above, where any individual Cabin is to be sold without the restrictions set out in paragraph (b), the LLPs

agree that any purchaser of such individual Cabin(s) will be required to enter into a binding contract for the management of such individual Cabin, which shall be entered into between the new Cabin purchaser, the single entity controlling the overall maintenance and management of the relevant Site and the FC. This Site Management Agreement shall be consistent with the terms of this Agreement to the extent relevant (except for the terms of paragraph (b) above, and shall be in a form to be approved by the FC, such approval not to be unreasonably withheld or delayed. The parties recognise that in the event of Business Failure, this new entity may not be the LLPs, but may be a new entity assuming the liabilities of the LLPs following such Business Failure. For the avoidance of doubt, no disposal of a Cabin shall be permitted in a Business Failure scenario unless and until the provisions of this paragraph (g) have been complied with.

- h. It is a requirement of this Agreement that any Site must be operated under the Forest Holiday Brand in accordance with Clause 28.6 unless the FC consents to a new brand being used at the relevant Site (such consent not to be unreasonably withheld or delayed).
- 5. The parties acknowledge that these Operational Principles are required to ensure that the "Forest Holidays" brand, and its association with the Forestry Commission is protected on a continuing basis.
- 6. For the purposes of this Part 5, Business Failure shall occur when any of the following takes place in connection with the LLPs:
 - 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 FC, 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 assignment 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 FC; or
 - f. such person becomes subject to an order for winding-up by a court of competent jurisdiction.

THE SCHEDULE

Part 6

PRO FORMA NEW SITE LEASE

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Dated

2012

- (1) The Secretary of State for Environment, Food and Rural Affairs
- (2) Forest Holidays LLP

Lease

relating to []

Eversheds LLP
1 Callaghan Square
Cardiff
CF10 5BT

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Fax 0845 498 7333
Int +44 29 2047 1147
DX 33016 Cardiff
www.eversheds.com

car_lib1\7135583\4
20 September 2012 burnsa1

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PRESCRIBED CLAUSES

LR1. Date of lease

LR2. Title number(s)

LR2.1 Landlord's tile number(s)

HP667595

LR2.2 Other title numbers

None

LR3. Parties to this lease

Landlord

**THE SECRETARY OF STATE FOR ENVIRONMENT,
FOOD AND RURAL AFFAIRS** of Whitehall Place,
West London, SW1A 2HH c/o Forest Enterprise of 620
Bristol Business Park, Coldharbour Lane, Bristol BS16
1EJ

Tenant

FOREST HOLIDAYS LLP (registered as a Limited
Liability Partnership in England and Wales under the
Limited Liability Partnerships Act 2000 under
registration number 0C318816) whose registered
office is at Greenfields House, Westwood Way,
Coventry, CV4 8JH and whose address for service for
the purposes of this document is The Heart of the
National Forest, Bath Yard, Moira, Swadlincote,
Derbyshire DE12 6BA

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.**

Land at [], 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 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

None

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

The covenants given by the Landlord in **clause 4** of this Lease

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 None
burdening the Property

LR13. Application for None
standard form of restriction

LR14. Declaration of trust Not applicable
where there is more than
one person comprising the
Tenant

BETWEEN

- (1) THE SECRETARY OF STATE FOR ENVIRONMENT, FOOD AND RURAL AFFAIRS of Whitehall Place, West London, SW1A 2HH c/o Forest Enterprise of 620 Bristol Business Park, Coldharbour Lane, Bristol BS16 1EJ (hereinafter called "the Landlord")
- (2) FOREST HOLIDAYS LLP (registered as a Limited Liability Partnership in England and Wales under the Limited Liability Partnerships Act 2000 under registration number 0C318816) whose registered office is at Greenfields House, Westwood Way, Coventry, CV4 8JH and whose address for service for the purposes of this document is The Heart of the National Forest, Bath Yard, Moira, Swadlincote, Derbyshire DE12 6BA (hereinafter called "the Tenants").

OPERATIVE PROVISIONS

1. INTERPRETATION

In this Lease:

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

"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

"Access Roads" means the roadways coloured [blue] on the Plan

"Ancillary Services" means the provision of holiday related 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 this Lease)) to 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 holiday merchandising retail shops, and recreational services (such as bicycle hire and boating) (save that for the avoidance of doubt these services shall not operate for the benefit of the general public except with the approval in writing, and in advance, of the Landlord (such approval not to be unreasonably withheld or any decision thereof unreasonably

"Archaeological Finds"

delayed)), and provided that such Ancillary Services are approved in writing, in advance by the FC (as Landlord) (such approval not to be unreasonably withheld or a decision thereon unreasonably)

means antiquities, fossils and other remains of archaeological interest including without limitation items covered by the Treasure Act 1996

"Barrier Gate(s)"

means any electronically operated gates at the site entrances shown on the Plan which the Tenant may install for use by the Tenant and its visitors in common with the Landlords and the Retained Land and includes all associated cables and apparatus appropriate for their use

"Business"

means

(a) the sale (other than 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 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

"Cabin"

means an individual unit of accommodation from time to time built on the Property as a permanent structure for the purposes of holiday accommodation

"Cabin Rent"

The annual sum calculated as follows:

$$CR = A \times B$$

Where

CR = Cabin Rent

A = The number of Cabins from time to time located at the Property

B =

Year 1 of the term £500

Year 2 of the term £1,125

Year 3 of the term £1,750

Year 4 of the term £2,375

Year 5 of the term £3,000

subject to review in accordance with **Part IV** of the Schedule

"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

"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 620 Bristol Business Park, Coldharbour Lane, Bristol BS16 1EJ and any

includes any successor body to which FC's functions may be transferred or any successors in title to the Property or Retained Land

"Framework Agreement"

means the agreement dated 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

"Insolvency Event"

means the occurrence of any of the following events:

- (a) 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);
- (b) 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;
- (c) the Tenants have an administration order under Section 8 of the Insolvency Act 1986 made in relation to them;
- (d) 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;

- (e) the Tenants pass any resolution for winding-up other than a resolution previously approved in writing by the Landlords;
- (f) the Tenants become subject to an order for winding-up by a court of competent jurisdiction; or
- (g) 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 (a) to (f) above

"Insured Risks"

means those risks against which the Tenants have effected insurance in accordance with Clause 2 of Part III of the Schedule

"Landlords"

includes all persons deriving title from the Landlords

"Notifiable Event"

means:

- (a) 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;
- (b) the occurrence of any incident on the Property involving serious personal injury to any person or the death of any person;
- (c) the occurrence of any uncontrolled fire on the Property; and
- (d) 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

"Plan"

means the plan annexed hereto

"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

"Property"

means the property described in Part I(A) of the Schedule

"Reserved Rights"

means those rights and others specified in Part II of the Schedule

"Retained Land"

means the remainder of the land in Title Number [] other than the Property as shown edged in grey on the Plan

"Rights"

means the rights granted by the Landlords to the Tenants described in Part 1(B) of the Schedule

"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

"Schedule"

means the Schedule annexed and executed as relative hereto the terms of which shall be deemed to form part of this lease

"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

"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 therefore such base rate as shall be a generally accepted base rate at the time as the same shall be determined by the Landlords

"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

"Tenants' Obligations"

means those conditions, obligations and others specified in Part III of the Schedule

"Term" means the term of years granted by this lease and any continuation of the same

"Term Commencement Date" means [] [the date of this Lease]

"Third Party Rights" means all rights, covenants and restrictions affecting the Property as more particularly described in Part 1(C) of the Schedule

"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

"Works" means the construction, replacement, renewal or rebuilding of buildings (including Cabins), electrical hook-ups, toilet and shower blocks 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 whether carried out during or prior to the 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 let the Property to the Tenants with limited title guarantee 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 a term commencing on the Term Commencement Date and lasting for the unexpired residue of 125 (one hundred and twenty five) years calculated from and including [].

3. **TENANTS' OBLIGATIONS**

The Tenants covenant:

- 3.1 to observe and perform the Tenants' Obligations; and
- 3.2 to pay to the Landlords the following rents from and including the Term Commencement Date:
 - 3.2.1 the Cabin Rent 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;

3.2.2 If the Landlord has opted or in the future so opt or if otherwise this becomes payable by law, also to pay VAT on any of the above rents 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; and

3.2.3 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);

3.3 Provided that:

3.3.1 nothing in this Clause contained shall entitle the Tenants to withhold or delay any payment of rents after the relevant Rent Payment Day;

3.3.2 the acceptance of or demand for rents 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

3.3.3 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):

4.2.1 not damage or obstruct such facilities save that normal wear and tear caused by the use of the Access Road by the Landlord pursuant to clause 4.2.3 below will not constitute damage;

4.2.2 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 provided that this does not prevent the normal forest management of the remainder of the woodland;

4.2.3 repair any damage caused to the Access Roads by reason of the passage across the Access Roads of traffic involved in forestry operations or otherwise under the direction of the Landlords and without prejudice to the generality of that obligation will if required repair and renew the surface of the Access Roads within [] to a standard no greater than required by the Landlord for its own forestry purposes

4.3 The Landlord covenants with the Tenants not to do or permit or authorise anything to be done on any part of the Retained Land which lies within 100 metres of the boundaries of the Property anything other than normal forestry operations or other activities which are compatible with the Business and its nature and ethos and which will not prejudice the ability of the Tenant to offer visitors to the Property the experience of a rural holiday.

5. EXCLUSION OF LANDLORDS' LIABILITY

5.1 So far as permitted by law the Landlords shall not be liable to the Tenants or any subtenant, 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);

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;

- 6.3 an Insolvency Event occurs save that if this Lease has been charged with the consent of the Landlords (in accordance with Clause 30 in Part III of the Schedule to this Lease) and all arrears of rent have been cleared and notice of completion of such charge given to the Landlords (in accordance with Clause 30 in Part III of that Schedule) then during the subsistence of that charge the occurrence of an Insolvency Event will not entitle the Landlords to re-enter the Property in this way;
- 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:
- 9.1.1 such consent or approval shall be in writing;
- 9.1.2 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;

- 9.1.3 any such consent or approval granted shall be without prejudice to the Tenants' Obligations;
- 9.1.4 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 620 Bristol Business Park, Coldharbour Lane, Bristol BS16 1EJ 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 1

PART I(A)

THE PROPERTY

The area of land extending to approximately [] hectares known as land at [] as edged in [red] on the Plan, the boundaries of which (to the extent that they are not marked on the date of this lease) will be jointly pegged on site as soon as practicable hereafter and there shall be included in the expression "the Property":

1. all buildings and other erections including the Cabins to be erected on the site and Blackwood Cottage, 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) now or hereafter made on or about the Property; and
2. the Service Systems.

PART 1(B)

RIGHTS

Note –to be agreed on an individual site by site basis

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 Clauses 8, 9, 11 and 25 of Part III of the Schedule in respect thereof 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 so far as it is competent to the Landlords to grant the same (but not further or beyond) a right of way with or without vehicles at all times and for all purposes connected with the Business over the Access Road, subject to the Landlord paying or reimbursing the Tenant on demand in respect of a fair and equitable proportion based on usage of the cost of inspection, maintenance repair renewal relaying replacement or reinstatement of the same and any associated structures (including without limitation, bridges, drainage points, passing places, gates, fences, and signage) save that in the event that the Tenant fails to undertake all necessary inspection maintenance repair and renewal the Landlord shall be entitled to carry out and complete any such inspection maintenance repair and renewal and the costs incurred by the Landlord in so doing shall be recoverable from the Tenant as a debt on demand save that for the avoidance of doubt the costs incurred by the Landlord as a result of discharging its obligations to that under clause 4.2 of this lease shall not be recoverable from the Tenant;

- 1.2 so far as it is competent to the Landlords to grant the same free passage of water, electricity, sewerage, telecommunications and other utility services of all kinds through the Service Systems and any other service media which from time to time exist and which serve the Property and/or connect with the Service Systems
- 1.3 so far as it is competent to the Landlords to grant the same (but not further or beyond) subject to the Tenants obtaining all necessary prior consents or approvals from any relevant third parties, the right for the Tenants from time to time to install and maintain replace or renew a sign indicating the location of the Property at [the location marked on the Plan with an orange asterisk] in a location and of a size and style previously approved in writing by the Landlords, such approval not to be unreasonably withheld or delayed.
- 1.4 The right to install, maintain, operate, alter, renew, remove or replace Barrier Gates on the Access Road at the points shown on the Plan marked [] of such type and manufacture as the Landlords may from time to time approve (such approval not unreasonably to be withheld or delayed) PROVIDED THAT:
 - 1.4.1 the Tenants ensure that the Landlords are at all times entitled to use the Access Roads beyond the Barrier Gates and are given free access to do so; and
 - 1.4.2 the Tenants shall upon installing such Barrier Gates and thereafter make reasonable arrangements in relation to access through the Barrier Gates to meet the requirements from time to time of the Landlords to enable the Landlords to pass and repass along the Access Roads
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 I(C)

THIRD PARTY RIGHTS

The Property is demised subject to:

1. The entries contained in the Charges Register of Title Number [].
2. All rights of the public to cross the Property on foot with or without dogs (provided that such dogs are under control), as presently permitted by the Landlords.
3. 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
[]

PART II

RESERVED RIGHTS

Note –to be agreed on an individual and site by site basis

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 Right of Way

A right of way in common with the Tenant and those authorised by them with or without vehicles over and along the roads and on foot only over and along paths shown for identification [respectively] [coloured] on the Plan at all times and for all purposes.

1.2 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, including without limitation the right (a) for all existing private water supply pipes serving any Retained Land and/or adjoining or neighbouring land owned by the Landlords to cross the Property; and (b) a right for all existing private foul drains serving the Retained Land or adjoining or neighbouring property to cross the Property and/or to drain into septic tanks and soakaways therefrom situated on the Property and (c) for all existing surface water drains and soakaways serving the Retained Land or adjoining or neighbouring property to cross the Property and/or discharge on to the Property; Together with (in all cases and for the benefit of the Landlords as aforesaid) a right of entry on to the Property for the purposes of inspection, cleansing, maintenance, repair, renewal, replacement or

reinstatement of the said pipes drains and other services, apparatus and equipment from time to time;

1.3 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;

1.4 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;

1.5 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;

1.6 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; and

1.7 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;

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:

- 2.1.1 [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;]
- 2.1.2 [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;]
- 2.1.3 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;
- 2.1.4 to take inventories of the Landlords' fittings and fixtures in and upon the Property; and
- 2.1.5 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 under the Property 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 and in the joint names of the Landlord and the Tenant and 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:

- 2.1.1 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;

- 2.1.2 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

- 2.1.3 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. 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.

5. To Pay for Utilities

- 5.1 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.

5.2 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.

5.3 If at any time the foul drainage system serving the Property should be proposed for adoption by the Local Authority or the relevant statutory sewage undertaker, to pay the fair and equitable proportion attributable to the Property of all proper costs and expenses associated therewith.

6. 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.

7. Maintenance and Repair

7.1 To keep in repair and maintained to the reasonable satisfaction of the Landlords the Property (including all buildings, cabins, and erections thereon which are not the property of the Tenants and all its Service Systems including those located beneath and within the Retained Land) and [(subject to the Landlords also complying with its obligations in that regard) the Access Roads] including repair maintenance and renewal of any Barrier Gates which the Tenants may have installed (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) *[but not so as to require the Tenants to improve the standard of repair or construction of any Access Roads or Service Systems beyond the condition they are in at the date of this Lease] [and the Tenant shall maintain the [Access Road] to a standard no greater than required by the Landlord for its own forestry purposes provided always that the Tenant shall not at any time be permitted to tarmac the [Access Road]]* **To be agreed on a site by site basis** or to upgrade, extend or install new or additional Access Roads or Service Systems and to replace as and when necessary any 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 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 Service Systems and [(subject to the Landlords also complying with its obligations in that regard) the Access Roads] to the reasonable satisfaction of the Landlords.

7.2 At all times to keep and maintain the Service Systems free from obstructions and to keep clean all open drains, ditches, bums 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)).

7.3 At all times to keep and maintain (i) all roads (including the access roads shown coloured [brown] on the Plan), 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 condition.

7.4 To maintain all boundary pegs or marker posts.

- 7.5 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) and whether or not such licence is required to consult with the Forest Management Director's local representative in writing prior to any such removal, felling, pollarding, lopping or damage.
- 7.6 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.
- 7.7 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, though not necessarily in the same locations (the denominator for calculating that percentage shall be the number of trees at the beginning of the period).
- 7.8 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 or other specialist approved by the Forest Management Director.
- 7.9 To keep the Property clean and tidy and not to allow rubbish of any kind to accumulate on the Property.
- 7.10 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.
8. Maintaining exterior and interior
- 8.1 As often as may be reasonably required 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).
- 8.2 As often as may be reasonably required 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).

PROVIDED ALWAYS that the Tenant shall always have regard to the decor of the interior and exterior of the buildings cabin and erections on the Property being of the appropriate standard and not prejudicing the experience and enjoyment of a rural holiday.

9. Alterations

- 9.1 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 on the Property 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.
- 9.2 Without prejudice to the generality of Clause 9.1 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).
- 9.3 Without prejudice to the generality of Clause 10 of this Part of the Schedule, to comply at all times with the Construction (Design and Management) Regulations 2007 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 2007 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.
- 9.4 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.
- 9.5 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.
- 9.6 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.

10. 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.

11. 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.

12. Use

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

12.2 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).

12.3 Notwithstanding the above, the Tenant shall not:

12.3.1 permit any interest, area, pitch (or part thereof) or individual Cabin erected at the Property to be sold off (including by way of long lease) to be used as a private dwelling house or other permanent residential accommodation, or as a retirement home or for commercial use (other than the Business) at any time and under any circumstance.

12.3.2 be permitted to sell off (including by way of long lease) any interest, area, pitch (or part thereof) or individual Cabin erected at the Property to be used as an individual holiday home, unless such proposal is part of a development of the Business in such a manner as permitted pursuant to the Operational Principles (as defined in the Framework Agreement)

13. 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.

14. 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.

15. 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.

16. 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.

17. Planning Acts

In relation to the Planning Acts:

- 17.1 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.
- 17.2 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.
- 17.3 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.
- 17.4 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.
- 17.5 To comply at the Tenants' cost with any notice or order served in respect of the Property under the provisions of the Planning Acts.

- 17.6 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.
- 17.7 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.
- 17.8 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.
18. 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.
19. 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.
20. 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.
21. 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.
22. 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.

23. 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.

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

To pay:

24.1 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

24.2 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.

25. 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:

25.1 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

25.2 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).

26. Assignments

26.1 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.

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

26.3 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:

26.3.1 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:

26.3.1.1 is in respect of all the tenant covenants of this lease;

26.3.1.2 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;

26.3.1.3 imposes principal debtor liability on the assignor (and any former tenant);

26.3.1.4 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

26.3.1.5 is otherwise in a form reasonably required by the Landlord

26.3.2 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).

26.4 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 that the proposed assignees covenant strength is materially less than that of the Tenant (as assessed at the date of the application for consent to assign) and that the assignee is otherwise demonstrably capable of complying with the tenants covenants under this lease.

26.5 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.

27. Underlettings

27.1 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.

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

27.2.1 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;

27.2.2 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

27.2.3 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.

27.3 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

27.3.1 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 27.2(c) above); nor

27.3.2 allowing any rent free period by way of inducement to the undertenant;.

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

27.4.1 (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;

27.4.2 (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 Rent under this lease;

27.4.3 (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;

- 27.4.4 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;
- 27.4.5 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
- 27.4.6 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.

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

- 27.5.1 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;
- 27.5.2 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
- 27.5.3 notify the Landlords of the level of reviewed rent forthwith after it has been agreed or determined.

28. 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.

29. 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).

30. Registration and Notification of Dealings and Occupation

30.1 In this clause a Transaction is:

- 30.1.1 any dealing with this lease or the devolution or transmission of, or parting with possession of any interest in it,
 - 30.1.2 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
 - 30.1.3 the making of any other arrangement for the occupation of the Property.
- 30.2 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).
- 30.3 No later than one month after a Transaction the Tenants shall:
 - 30.3.1 give the Landlords' solicitors notice of the Transaction, and
 - 30.3.2 deliver two certified copies of any document effecting the Transaction to the Landlords' solicitors, and pay the Landlords 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.
- 30.4 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.
- 31. 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.
- 32. 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:
- 32.1 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;

- 32.2 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; and
- 32.3 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 32 shall remain in force notwithstanding the expiry or earlier termination of this lease.

33. 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:

- 33.1 in connection with any application to the Landlords for consent or approval or in consequence thereof, whether or not such consent is granted;
- 33.2 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;
- 33.3 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;
- 33.4 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
- 33.5 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.

34. 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.

35. 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 through the use of chestnut marker posts with the Tenant's logo nailed to each post at each node and for the avoidance of doubt the Tenant shall not be permitted to use marker paint on the trunks of trees.

36. Archaeological Finds

- 36.1 As between the Landlords and the Tenants, any Archaeological Finds shall be deemed to be the property of the Landlords.
- 36.2 The Tenants shall inform the Landlords and the county archaeologist forthwith upon the discovery of any Archaeological Finds, and comply with all statutory obligations and 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.
- 36.3 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.
- 36.4 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.
- 36.5 The provisions of sub-clauses 36.1 to 36.4 (inclusive) shall not affect the rights or obligations of either party under any applicable legislation.

37. 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

38. To Leave in Good Repair

38.1 At the end of the Term, the Tenants are:

38.1.1 to return the Property to the Landlords:

- 38.1.1.1 cleaned and in the state of repair, condition and decoration required by this Lease;
- 38.1.1.2 with vacant possession except to the extent that any permitted undertenant has the right to the statutory continuation of its underlease under the 1954 Act;
- 38.1.1.3 reinstated in accordance with and to the extent required by clause 9 of Part III of the Schedule and

- 38.1.1.4 with all tenant's and trade fixtures, signs, advertisements and any name signs removed and any damage caused by their removal made good to the reasonable satisfaction of the Landlords;
 - 38.1.2 to return all keys to the Property and to the Barrier Gates to the Landlords, including any duplicate sets made by the Tenants, and leave the Property properly secured against unauthorised entry;
 - 38.1.3 to hand to the Landlord any health and safety file maintained by the Tenant in respect of the Premises under the CDM Regulations with all information required to be kept in that file complete and up-to-date unless that health and safety file is being maintained by any permitted undertenant of the Premises who has the right to the statutory continuation of its underlease under the 1954 Act.
- 38.2 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.
- 39. 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.
- 40. Notifiable Events

In the event of the occurrence of a Notifiable Event:

 - 40.1 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; and
 - 40.2 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.
- 41. 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 REVIEWS

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 the ninth anniversary of the Term Commencement Date and every third year thereafter during the Term and the expression "relevant Review Date" shall be construed accordingly.

1. On each Review Date the annual Cabin Rent payable under this lease shall be reviewed to the greater of:
 - 1.1 the annual Cabin 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 Cabin Rent payable with effect from the relevant Review Date.

R is: The Cabin 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 Cabin Rent payable as and from the relevant Review Date they shall serve notice on the Tenants as to the level of the new Cabin Rent. Until the new Cabin Rent payable has been intimated by the Landlords to the Tenants, the Tenants shall pay Cabin Rent under this lease at the rate prevailing immediately before the relevant Review Date. The new Cabin 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 Cabin Rent paid immediately before the relevant Review Date and the new Cabin Rent determined as set out above with interest thereon at two per cent below the Specified Rate.

2. Forthwith after the new Cabin 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 Cabin Rent payable under this lease and such Memorandum shall be evidence of the amount of such new yearly Cabin Rent. Such Memorandum shall be prepared, completed and registered at the sole cost of the Tenants.

PART V

GUARANTEE AND INDEMNITY

1. Guarantee and Indemnity

1.1 The Guarantor guarantees to the Landlords that the Tenants shall:

- 1.1.1** 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
- 1.1.2** 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:

- 1.2.1** 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
- 1.2.2** 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:

- 2.2.1** any time or indulgence granted by the Landlords to the Tenants;
- 2.2.2** 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;
- 2.2.3** 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;
- 2.2.4** 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);
- 2.2.5** 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;

- 2.2.6 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;
- 2.2.7 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;
- 2.2.8 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;
- 2.2.9 without prejudice to paragraph 4, the disclaimer of the Tenants' liability under this lease or the forfeiture of this lease; or
- 2.2.10 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;

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:
 - 3.3.1 the variation is material or prejudicial to the Guarantee;
 - 3.3.2 the variation is made in any document; or

- 3.3.3 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:
- 4.2.1 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;
- 4.2.2 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;
- 4.2.3 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;
- 4.2.4 be excluded from sections 24 to 28 of the Landlord and Tenant Act; and
- 4.2.5 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 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.

The Corporate Seal of the

SECRETARY OF STATE FOR ENVIRONMENT

FOOD AND RURAL AFFAIRS hereunto affixed

is authenticated by the signature of:

.....
Authorised signatory

EXECUTED (but not delivered until the
date hereof) as a DEED by
FOREST HOLIDAYS LLP acting by
Willoughby (711) Limited member and Willoughby (711) Limited
Willoughby (712) Limited member

.....
Willoughby (712) Limited

THE SCHEDULE

Part 7

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 parties 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 42.1, 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 8

Option Agreement

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DATED

DRAFT OPTION AGREEMENT

by

THE SECRETARY OF STATE FOR THE
ENVIRONMENT, FOOD AND RURAL AFFAIRS, NATIONAL
ASSEMBLY FOR WALES AND THE WELSH MINISTERS
AND THE SCOTTISH MINISTERS (1)

And

[BIDCO] (2)

Property: []

Wragge&Co

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THIS AGREEMENT is dated

PARTIES

- (1) THE SECRETARY OF STATE FOR THE ENVIRONMENT, FOOD AND RURAL AFFAIRS, of Whitehall Place, West London, SW1A 2HH c/o Forestry Commission or Forest Enterprise 620 Bristol Business Park, Coldharbour Lane, Bristol BS16 1EJ NATIONAL ASSEMBLY FOR WALES and THE WELSH MINISTERS of Crown Buildings Cathays Park Cardiff CF10 3NQ and THE SCOTTISH MINISTERS c/o Forestry Commission Scotland Silvan House 231 Corstorphine Road Edinburgh Eh12 7AT (hereinafter called "the Owner").
- (2) [BIDCO LIMITED] of [] including any permitted assignee or transferee (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 in this agreement.
- (B) The parties have agreed that the LLP will apply for planning permission for development of the Option Site as in accordance with the terms of clause 9 of the Framework Agreement.

AGREED TERMS

1 Interpretation

- 1.1 The definitions in this clause apply in this agreement.

"Access Roads" means all existing roads within the Property.

"Acceptable Planning Permission" means 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.

"Act" means the Town and Country Planning Act 1990.

"Affiliate" means, in relation to any person, any holding company or subsidiary or subsidiary undertaking of that person or any subsidiary or subsidiary undertaking of such holding company and "holding company", "subsidiary" and "subsidiary

undertaking" shall have the meanings given to them by sections 1159 and 1162 of the Companies Act 2006.

"Approved Terms" means in terms previously approved by the Owner in writing, acting reasonably.

"Business Day" means any day, excluding Sundays and public holidays, upon which banks are open for business in [Edinburgh] [London].

"Cordon Sanitaire" means a minimum area of 100m and up to a maximum area of 300m cordon sanitaire around the Site Boundary (or where FC does not own or have rights to the relevant land around the New Sites the parties shall agree (acting reasonably and in good faith) any amendments to the area accordingly).

"Core Requirements" has the meaning referred to in the Framework Agreement.

"Deemed Refusal" means 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" means 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" means 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" means *[insert date of expiry of Lease being the day before the 75th anniversary of the Commencement Date, as detailed in the Framework Agreement]*.

"FC" means the Forestry Commissioners as defined in the Framework Agreement

"Framework Agreement" means the agreement dated made between FC (1) Forest Holidays LLP (2) Forest Holidays (Scotland) LLP (3) Camping in the Forest LLP (4) and the Relevant Ministers (defined therein) (5).

"Lease" means subject to any changes required in respect of Rent, the lease in the form of the draft annexed to this agreement.

"Leading Counsel" means Counsel experienced in town and country planning matters and practicing at the Town and Country Bar who:

- (a) 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
- (b) accepts instructions to provide an opinion pursuant to clause 4

"LLP's Conveyancer" means Wragge & Co LLP of 55 Colmore Row, Birmingham B3 2As (Ref: 2067105/JXM/PGC) or such other conveyancer as may be notified from time to time in writing to the Owner.

"LLP's Rights" means the rights conferred on the LLP in clauses 3 and 4.

"New Sites" means the New Sites as defined in the Framework Agreement.

"Option" means the option granted by the Owner to the LLP to take a lease of the Option Site as provided for this agreement.

"Option Notice" means a written notice exercising the Option in accordance with the terms of this agreement materially in the form set out in Schedule 1.

"Option Period" means the period of 36 months from the date of this agreement subject to extension as herein provided.

"Option Site" means that part of the Property shown edged in red on the plan attached to this agreement.

"Option Sum" means £1.00 (exclusive of VAT).

"Owner's Conveyancer" means [Eversheds LLP of 1 Callaghan Square Cardiff CF10 5BT (ref: 5.AJB.FE2307)] [Harper Macloed LLP of The Ca'd'ovo 45 Gordon Street

Glasgow G1 3PE (ref: Graeme Nisbet)] or such other conveyancer as may be notified from time to time in writing to the LLP.

"Part One Conditions" means Part 1 of the Standard Commercial Property Conditions (Second Edition) and **Condition** means any one of them.

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

"Planning Application" means 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 Town and Country Planning Act, 1990 as amended.

"Planning Obligation" means 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" means 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" means 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 planning inquiry or hearing.

"President" means the President of the Law Society or other senior office holders authorised by the President to make appointments on his behalf.

"Proceedings" means 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" means the freehold Property of which the Option Site form 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" means *[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" means the rent agreed or determined pursuant to clause 9.8 of the Framework Agreement.

"Site Boundary" means the site boundary as defined in the Framework Agreement.

"VAT" means value added tax chargeable under the Value Added Tax Act 1994 and any similar replacement tax and any similar additional tax.

"Wider Forest Block" means a wider forest block as agreed between the relevant parties to this agreement which shall provide sufficient flexibility to accommodate the New Site and sufficient recreational forest which is essential to protect the brand of the relevant LLP.

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 Cordon Sanitaire and Wider Forest Block in the Lease shall be as described in this Agreement.
- 2.4 The benefit of this Agreement shall be freely assignable by the LLP to any Affiliate or ultimate shareholder of the LLP, or any Affiliate of such Affiliate or ultimate shareholder so long as, if any such entity ceases to be an Affiliate or ultimate shareholder of the LLP, the LLP shall procure that the benefit of this Agreement will be assigned back to the LLP (or to such Affiliate or ultimate shareholder, or Affiliate of such Affiliate or ultimate shareholder) prior to such cessation.

3 Site Investigations

The LLP shall, subject to:

- (a) 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
- (b) 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 materially:

- (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 new roads (in addition to the Access 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; and
- (c) full details of any rights or easements which it will require the Owner to grant pursuant to Schedule 1 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 immediate vicinity of the Property that is owned or managed by the Owner (being that land within 5 miles of the Property);

and any dispute between the parties as to whether the Owner has acted reasonably in giving or withholding approval to such matter will be determined in accordance with the Dispute Resolution Procedure set out in the Framework Agreement but for the avoidance of doubt, where the Owner has made or reached a decision where its statutory obligations do not allow any other decision to be reached then any such decision shall not be referenced to the Dispute Resolution Procedure.

- 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 reasonably 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 36 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 (other than that required by the LLP) nor will it object to any appeal arising from the Planning Application that is lodged under the term 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 with 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 consider 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 term 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 outside 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 the notice under clause 4.8;
- (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:

- (a) 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;
- (b) 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;

- (c) 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.
- 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 initiated in accordance with clauses 4.10 and 4.11 the LLP may apply for and the Owner shall grant 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:
- (a) for a period in excess of a further two years (being in aggregate five years from the commencement of the Option Period); or, if earlier
 - (b) 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 Planning Permission is actually implemented;
 - (b) the said material obligations shall cease to apply on the termination of the Lease or if the Planning Permission has not been implemented 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 with 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 by the LLP 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.

- 6.5 The Lease shall be completed 10 Business Days after the terms have been agreed under clause 6.3 or settled by an Expert under clause 6.4.

7 Grant of Lease

The Lease shall be granted with effect from the completion date calculated under clause 6.5 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.

8 Vacant Possession

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 which are not capable of remedy;
- (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 enquires 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) Condition 3.1.3;
- (d) Conditions 6.3 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 Conditions 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 or requisition in relation to the matters so disclosed.

15 Title Guarantee

The Owner will grant the Lease with limited 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 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 enquires 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 Costs shall be apportioned in accordance with clause 9.7 of the Framework 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 the 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 enquires 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 {English address} [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 part 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 [Owner] and [LLP] relating to [Property]

[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

.....
.....

Schedule 2

Documents of Title referred to in clause 16.1

Date	Description	Parties
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Schedule 3

Form of Lease

[[Intentionally blank]]

THE SCHEDULE

Part 9

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

1. **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

2. **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

3. **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

4. **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

5. **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.

6. 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 10

Existing Sites

1 THE EXISTING SITES AND WHICH LLP IS HOLDING THE RELEVANT LEASE AT EACH EXISTING SITE AS AT COMMENCEMENT DATE

1.1 Scottish Sites

- (a) Glenmore (Forest Holidays (Scotland) LLP)
- (b) Cashel (Camping in the Forest LLP)
- (c) Cobleland (Camping in the Forest LLP)
- (d) Ardgartan (Forest Holidays (Scotland) LLP)
- (e) Strathyre (Forest Holidays (Scotland) LLP)

1.2 English & Welsh Sites

New Forest Sites

- (e) Aldridge Hill (Camping in the Forest LLP)
- (f) Holmsley (Camping in the Forest LLP)
- (g) Setthorns (Camping in the Forest LLP)
- (h) Roundhill (Camping in the Forest LLP)
- (i) Hollands Wood (Camping in the Forest LLP)
- (j) Denny Wood (Camping in the Forest LLP)
- (k) Matley Wood (Camping in the Forest LLP)
- (l) Ashurst (Camping in the Forest LLP)
- (m) Ocknell (Camping in the Forest LLP)
- (n) Longbeech (Camping in the Forest LLP)

Forest of Dean Sites

- (o) Woodland (Forest Holidays (England) LLP)
- (p) Christchurch (Forest Holidays (England) LLP)
- (q) Bracelands (Camping in the Forest LLP)

Other English Sites

- (r) Spiers House (Forest Holidays (England) LLP)
- (s) Postern Hill (Camping in the Forest LLP)
- (t) Thorpe Woodland (Forest Holidays (England) LLP)
- (u) Deerpark (Forest Holidays (England) LLP)
- (v) Keldy (Forest Holidays (England) LLP)
- (w) Sherwood (Forest Holidays (England) LLP)

Welsh Site

- (x) Beddgelert (Forest Holidays (England) LLP)

THE SCHEDULE

Part 11

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	Tangham	Leased campsite
	Covert High Ash	Leased to Caravan Club
	Mildenhall	Leased to Caravan Club
	Thorpe	Leased to Suffolk County Council
	Harrisons Rocks	Lease to British Mountaineering Council
Central	Fineshade	Leased to Caravan Club
Central	Cannock (Tackeroo)	Low facility Campsite
	Rosliston	4 Cabins developed with Local Authority
West	Biblins	Youth Campsite
	Chestnuts wood	Youth Campsite
South	New Park Brockenhurst	Leased site to NF Show
	Ranmore	Lease to Scout Group
	Wiverly	Lease to Scout Group
North	Kielder Village	Leased to Community
	Grizedale	Lease within Agricultural tenancy