

Stage 3

Dated 7 November 2000

S&N PUBS AND RESTAURANTS LIMITED

and

CENTER PARCS ELVEDEN LIMITED

AGREEMENT

relating to
the sale and purchase
of the Center Parcs Elveden Business

**CERTIFIED TO BE A TRUE
COPY OF THE ORIGINAL**

Linklaters
LINKLATERS

DATE *9 July 2001*

LINKLATERS
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London EC2Y 8HQ

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Ref: JVPW/NYH/CSZ



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Agreement



This Agreement is made on 7 November 2000 between:

S&N Pubs and Restaurants Limited, incorporated in England and Wales with registered number 03794854 and whose registered office is at Riverside House, Riverside Way, Northampton, Northamptonshire NN1 5NX (the **Vendor**); and



Center Parcs Elveden Limited, incorporated in England and Wales with registered number 4074184 and whose registered office is at One Silk Street, London EC2Y 8HQ (the **Purchaser**).

Recitals



The Vendor carries on the Business and is the owner of the Assets.

The Vendor has agreed to sell to the Purchaser, and the Purchaser has agreed to purchase from the Vendor, the Business as a going concern, with effect from the Time of Transfer on the terms and conditions set out below.



The Vendor and the Purchaser are members of the same VAT Group.

Agreed as follows:

Definitions and Interpretation

1.1 Definitions

In this Agreement, unless the context otherwise requires:

Accounts means the audited consolidated accounts of the Vendor's Group;

agreed terms means, in relation to any document, such document in the terms agreed between the parties and signed by the Vendor and the Purchaser for the purposes of identification, as that document may be amended by agreement in writing between the Vendor and the Purchaser from time to time for any reason including, without limitation, to take account of any changes between the date of this Agreement and Completion;

Assets means the property, rights and assets relating to the Business agreed to be sold pursuant to Clause 2.1 of this Agreement;

Assumed Liabilities means the Liabilities of the Vendor to be assumed by the Purchaser under Clause 2.2 of this Agreement or otherwise expressly assumed by the Purchaser under this Agreement;

Business means the short-break holiday business carried on by the Vendor at the Property under the name "Center Parcs", including the Assets and the Assumed Liabilities subsisting at the Time of Transfer but excluding, for the avoidance of doubt, the businesses carried on at Sherwood Forest Parc and Longleat Forest Parc;

Business Day means a day on which banks are open for business in England (excluding Saturdays, Sundays and public holidays);

Cash Balances means cash in hand, or credited to any account with a bank, and securities with a maturity of less than one year to the extent that they arise exclusively or primarily in connection with the Business;

Claims means all rights and claims of the Vendor arising at any time (whether before or after the Time of Transfer) out of or in connection with the Business (whether arising under any warranties, conditions, guarantees, indemnities, insurance policies, contracts, agreements (in each case whether express or implied) or otherwise howsoever) in so far as they relate to any of the Assets or any Assumed Liability;

Completion means the completion of the sale and purchase of the Business pursuant to Clause 5;

Completion Date means 7 November 2000;

Computer Equipment means all items of mainframe and PC terminals, printers and other computer hardware owned by the Vendor at the Completion Date and used exclusively in connection with the Business;

Consideration Shares Amount means £98,662,000 plus Net Working Capital (where Net Working Capital is either a positive or a negative amount);

Consideration Shares means the non-redeemable cumulative fixed rate preference shares of £1 each in the capital of the Purchaser to be allotted and issued by the Purchaser to the Vendor credited as fully paid as consideration pursuant to Clause 4;

Contracts means the Customer Contracts, the Supplier Contracts, the Licence Agreements and all other contracts, undertakings, arrangements and agreements entered into on or prior to the Time of Transfer by or on behalf of the Vendor exclusively in connection with the Business, in each case to the extent that at the Time of Transfer the same remain to be completed or performed or remain in force;

Contract Novation means a deed of novation of the Contracts in the agreed terms, as set out in Schedule 4, with such modifications as may be appropriate having regard to the relevant Contracts;

Corporation Tax means corporation tax as imposed by Section 12 of the Income and Corporation Taxes Act 1988;

Customer Contracts means all contracts and agreements entered into on or prior to the Time of Transfer by or on behalf of the Vendor with customers for the supply, sale, letting on hire, rental or other supply of goods or the provision of services by the Vendor exclusively in connection with the Business, in each case to the extent that at the Time of Transfer the same remain to be completed or performed; and, for this purpose, contracts for sale of goods shall be deemed to be completed or performed when the relevant items have been despatched by or at the direction of the Vendor pursuant thereto or, if the relevant contract or agreement so provides, delivered to or to the order of the other party thereto;

Encumbrance means any claim, charge, mortgage, security, lien, option, equity, power of sale, hypothecation or other third party rights;

Excluded Assets means the assets listed in Schedule 2 and any other assets expressly excluded from the sale under the terms of this Agreement;

Excluded Liabilities means dividend accruals and Liabilities of the Vendor in respect of Corporation Tax arising, existing or incurred prior to the Time of Transfer and the Liabilities listed in Schedule 2;

Fixtures means all fixed and non-severable plant, machinery and equipment forming part of the Properties, except (i) landlord's fixtures, and (ii) tenants' and trade fixtures, on any part of any Property that is subject to any lease or tenancy in favour of a third party;

Goodwill means the goodwill of the Vendor in connection with the Business excluding any goodwill connected with the Vendor's Intellectual Property;

Intellectual Property means all intellectual property including trade marks, service marks, trade names, logos, get-up, patents, inventions, registered and unregistered design rights, copyrights, semi-conductor topography rights, rights of extraction relating to databases, and all other similar proprietary rights which may subsist in any part of the world including, where such rights are obtained or enhanced by registration, any registration of such rights and applications and rights to apply for such registrations;

Investment has the meaning ascribed thereto by sub-section 1(1) of in the Financial Services Act 1986 and includes any investments in subsidiaries;

Joint Contract means any contract entered into on or prior to the Time of Transfer by or on behalf of the Vendor and relating to the Business (but not exclusively so) in each case to the extent that at the Time of Transfer the same remain to be completed or performed or remain in force;

Joint Contract Novation means the deed of novation of the Joint Contracts in the agreed terms, as set out in Schedule 5, and with such modifications as may be appropriate having regard to the relevant Joint Contract(s);

Know-how means all know-how including confidential and proprietary industrial and commercial information and techniques in any form (including paper, electronically stored data, magnetic media, film and microfilm) including (without limiting the foregoing) drawings, formulae, test results, reports, project reports and testing procedures, shop practices, instruction and training manuals, tables of operating conditions, market forecasts, specifications, quotations, tables, lists and particulars of customers and suppliers, marketing methods and procedures, show-how and advertising copy;

Lease means the lease dated 14 September 2000 between Scottish & Newcastle plc and the Vendor for a term of 999 years from the date of the Lease relating to the Property;

Liabilities means all liabilities, provisions, duties and obligations of every description, and any infringement of any third party rights, whether deriving from contract, common law, statute or otherwise, whether present or future, actual or contingent, ascertained or unascertained or disputed and whether owed or incurred severally or jointly and as principal or surety (but excludes the Excluded Liabilities) and shall include any liability under Part IIA of the Environmental Protection Act 1990 and any applicable statutory and non-statutory guidance relating thereto and shall also include VAT (ignoring, for these purposes, the effect of Section 43(1)(b) VATA 1994);

Licence Agreements means the licence agreements and other licences (including, without limitation, computer software licences) entered into on or prior to the Time of Transfer by the Vendor exclusively in connection with the Business in each case which remain in force at the Time of Transfer;

Losses means all losses, liabilities, costs (including without limitation legal costs), charges, expenses, actions, proceedings, claims and demands;

Net Asset Statement means the statement to be drawn up in accordance with Clause 3.3 and Schedule 3;

Net Asset Value means the aggregate value of the Assets of the Business (as at the Time of Transfer) less the aggregate value of the Assumed Liabilities of the Business (as at the Time of Transfer), as shown in the Net Asset Statement;

Motor Vehicles means all the commercial and private motor vehicles owned or leased by the Vendor and used or intended to be used exclusively in connection with the Business at the Time of Transfer;

Moveable Assets means the Office Equipment and the Computer Equipment;

Moveable Plant and Machinery means loose or severable plant and machinery, tools, moulds, dies and other equipment (excluding Fixtures and any other fixed and non-severable plant and machinery forming part of the Property) owned or leased by the Vendor, and used or intended to be used exclusively in connection with the Business, at the Time of Transfer;

Net Asset Statement means the statement to be drawn up in accordance with Clause 3.4 and Schedule 3;

Net Asset Value means the aggregate value of the Assets of the Business (as at the Time of Transfer) less the aggregate value of the Assumed Liabilities of the Business (as at the Time of Transfer), as shown in the Net Asset Statement;

Net Working Capital means current assets, including stock, debtors, prepayments and Cash Balances (but excluding any inter-company balances) less all liabilities, including inter alia trade creditors (excluding instalments of work-in-progress and creditors in respect of capital expenditure) accruals and other liabilities, prepaid villa rentals, accrued unfunded pension liabilities, unpaid pension contributions, any third party indebtedness as at Time of Transfer and as determined in accordance with the policies and procedures adopted in the preparation of the Accounts;

Office Equipment means all loose items of office and store equipment, furniture and furnishings (but excluding Computer Equipment) owned by or on behalf of the Vendor at the Completion Date and used exclusively in connection with the Business;

Property means the property, of which brief details are set out in Part 1 of Schedule 1, in which the Vendor has a legal or beneficial leasehold interest at the Time of Transfer and upon which the Vendor carries on the Business;

Purchase Price means the consideration for the purchase of the Business as set out in Clause 4;

Receivables means the book and other debts receivable by or owing to the Vendor to the extent that they arise exclusively in connection with the Business (and whether or not yet due or payable) at the Time of Transfer (including, without limitation, trade debts, deposits, prepayments, retrospective rebates and overpayments) and interest thereon as at the Time of Transfer;

Records means all books and information including, without limitation, all documents and other material (including all forms of computer or machine readable material) relating exclusively to the Business, excluding Taxation records (and employee Taxation records);

Stock means the stock-in-trade and work-in-progress (as defined in SSAP 9) owned or agreed to be bought by the Vendor exclusively or primarily in connection with the Business at the Time of Transfer, wherever held;

Supplier Contracts means all contracts entered into on or prior to the Time of Transfer by or on behalf of the Vendor with suppliers exclusively in connection with the Business: (i) for the sale of goods or the provision of services to the extent that, at the Time of Transfer, the same remain to be completed or performed and, for this purpose, contracts for the sale of goods shall be deemed to be completed or performed when the relevant items have been despatched to the relevant person pursuant thereto or, if the contract so provides, delivered to, or to the order of, the relevant person; or (ii) for the letting on hire or rental or other supply of commercial and private Motor Vehicles or Plant and Machinery, which remain in force at the Time of Transfer;

Third Party Consents means all consents, licences, approvals, authorisations or waivers required from third parties for the conveyance, transfer, assignment, novation or underletting in favour of the Purchaser of any of the Assets or Assumed Liabilities in terms reasonably acceptable to the Purchaser;

Time of Transfer means opening of business on 6 October 2000;

VAT means value added tax as defined in the Value Added Tax Act 1994;

Vendor's Group means the Vendor and any subsidiary undertaking or parent undertaking of the Vendor or any subsidiary undertaking of such parent undertaking;

Vendor's Intellectual Property means all Intellectual Property which at the Time of Transfer is owned by the Vendor and which is used or enjoyed or is capable of being used or enjoyed in connection with the Business;

Vendor's Know-How means all Know-how which at the Time of Transfer is owned by the Vendor and which is used or enjoyed or is capable of being used or enjoyed exclusively in connection with the Business; and

Vendor's Solicitors means Linklaters of One Silk Street, London EC2Y 8HQ.

1.2 Interpretation Act 1978

The Interpretation Act 1978 shall apply to this Agreement in the same way as it applies to an enactment and words and expressions defined in the Interpretation Act 1978 shall have the same meaning in this Agreement.

1.3 Companies Act 1985

The words **subsidiary** and **holding company** shall have the same meanings in this Agreement as their respective definitions in the Companies Act 1985.

1.4 References

1.4.1 References to this Agreement shall include any Recitals and Schedules to it and references to Clauses and Schedules are to Clauses of and Schedules to this Agreement.

1.4.2 Any reference to a statutory provision shall include:

- (i) any subordinate legislation made from time to time under that provision;
- (ii) such provision as from time to time modified or re-enacted or consolidated, whether before or after the date of this Agreement, so far as such modification, re-enactment or consolidation applies or is capable of applying to any transactions entered into under this Agreement on or prior to Completion; and
- (iii) so far as any liability thereunder may exist or can arise, any past statutory provision (as from time to time modified, re-enacted or consolidated) which such provision has directly or indirectly replaced except to the extent that any statutory provision made or enacted after the date of this Agreement would create or increase a Liability of the Vendor under this Agreement.

1.4.3 References to the singular include the plural and vice versa.

1.4.4 Any reference to books, records or other information means books, records, or other information in any form including paper, electronically stored data, magnetic media, film and microfilm.

2 Agreement to sell the Business

2.1 Sale and purchase of Business

2.1.1 On Completion (with effect from the Time of Transfer), the Vendor shall sell, with full title guarantee, and the Purchaser shall purchase, with the benefit of the several representations contained in this Agreement, the whole of the Business as a going concern.

2.1.2 Without prejudice to the generality of Clause 2.1.1 and subject to Clause 2.1.3, there shall be included in the sale under this Agreement the following (so far as the same may lawfully be assigned or transferred to or held in trust for the Purchaser):

- (i) the Stock;
- (ii) the benefit of the Contracts;
- (iii) the Goodwill;
- (iv) the Motor Vehicles owned (as opposed to leased) by the Vendor;
- (v) the Moveable Plant and Machinery owned (as opposed to leased) by the Vendor;
- (vi) the Property;
- (vii) the Vendor's Know-how;
- (viii) the benefit of the Claims;
- (ix) the Receivables and the benefit of all securities therefor and of all Encumbrances, guarantees, indemnities and other rights in respect of the same;
- (x) the Cash Balances;
- (xi) the Moveable Assets;

- (xii) the Records; and
- (xiii) all other property, rights and assets owned by the Vendor and used, enjoyed or exercised or intended to be used, enjoyed or exercised exclusively in connection with the Business.

2.1.3 The Excluded Assets shall be excluded from the sale under this Agreement.

2.1.4 The sale of the Property shall be subject to the terms of Part 2 of Schedule 1.

2.2 Assumption of Liabilities

2.2.1 The Purchaser shall assume, duly and punctually pay, satisfy, discharge, perform or fulfil all Liabilities to the extent that they are incurred by the Vendor in the ordinary course of carrying on the Business or through the Vendor's ownership, occupation or use of the Property and existing, outstanding or in force at both the date of signing of this Agreement and the Time of Transfer or arising, accruing or assessed after the Time of Transfer in consequence of any transaction carried out in the ordinary course of carrying on the Business or through the Vendor's ownership, occupation or use of the Property prior thereto and still outstanding at the date of signing of this Agreement.

2.2.2 Clause 2.2.1 shall not apply to any Liability expressly reserved to the Vendor under this Agreement (including, without limitation, the Excluded Liabilities).

2.2.3 The Assumed Liabilities are assumed by the Purchaser subject to and so that the Purchaser shall have, and be entitled to, the benefit of the same rights, powers, remedies, claims, defences, obligations, conditions and incidents (including, without limitation, rights of set-off and counterclaim) as the Vendor enjoyed.

2.3 Indemnities

2.3.1 The Purchaser shall, on an after-tax basis, indemnify and agrees to keep indemnified the Vendor against all Assumed Liabilities and any Liability incurred by the Purchaser in the course of carrying on the Business or through its ownership, occupation or use of the Property from the Time of Transfer including, for the avoidance of doubt, any such Liability which is or is deemed to be or becomes a Liability of the Vendor by virtue of any applicable law.

2.3.2 Subject to compliance by the Purchaser with its obligations under Clause 8, the Vendor shall, on an after-tax basis, indemnify and agrees to keep indemnified the Purchaser against:

- (i) any Liability of the Vendor which is not an Assumed Liability (including, for the avoidance of doubt, any Liability of the Vendor which is not an Assumed Liability and which is deemed to be, or becomes, a Liability of the Purchaser by virtue of any applicable law) (and which is not otherwise expressly assumed by the Purchaser under this Agreement); and
- (ii) any Losses which the Purchaser may suffer by reason of the Purchaser taking any reasonable action to avoid, register or defend against any Liability referred to in Clause 2.3.2(i).

2.4 Trading Activities on Completion Date

Notwithstanding the foregoing provisions of this Clause 2, the profits and losses of the Business, from the Time of Transfer, will be for the account of the Purchaser.

3 Intellectual Property Licence

3.1 Licence

3.1.1 The Vendor hereby grants to the Purchaser a royalty free, non-exclusive licence to use the Vendor's Intellectual Property to the extent necessary for the Purchaser to carry out the Business.

3.1.2 The Purchaser agrees that it will not do or permit anything to be done in its use of the Vendor's Intellectual Property which would or could jeopardise the validity or goodwill of the Vendor's Intellectual Property.

3.1.3 The Purchaser acknowledges that the Vendor owns the Vendor's Intellectual Property and that the Purchaser has no right, title or interest in or to the Vendor's Intellectual Property other than such as may be granted or confirmed to it under this Agreement.

3.1.4 All goodwill resulting from the use of any or all of the Vendor's Intellectual Property by the Purchaser whether before or during the term of this Agreement shall inure to the benefit of the Vendor. The Purchaser agrees to execute such documents as the Vendor may reasonably require to obtain the full benefit of this Clause.

3.2 Infringement

Each party shall promptly give notice in writing to the other in the event that it becomes aware of:

3.2.1 any infringement or suspected infringement of the Vendor's Intellectual Property; and

3.2.2 any claim that anything done in the course of the Business infringes the rights of any third party.

3.3 Conduct

In the case of any matter falling within Clause 3.2 above:

3.3.1 the Vendor shall in its absolute discretion determine what action if any shall be taken in respect of the matter;

3.3.2 the Vendor shall have sole control and shall conduct any action as it shall deem necessary;

3.3.3 the Vendor shall pay all costs in connection with any action and shall be entitled to all damages and other sums which are paid or awarded as a result of any such action;

3.3.4 the Purchaser shall at its own expense and, at the request of the Vendor, provide all reasonable assistance to the Vendor (including the right to use its name in or being joined as a party to proceedings) in connection with any action to be taken by the Vendor pursuant to this Clause.

4 Consideration

4.1 Amount and Payment

The sole consideration for the purchase of the Business shall be the Consideration Shares Amount which shall be satisfied by the allotment and issue to the Vendor of such number of Consideration Shares as is equal to the Consideration Shares Amount in accordance with clause 5.5.

4.2 Apportionment of Consideration

The consideration for the purchase of the Business shall be apportioned among the Assets in accordance with the amount apportioned to the Assets in the Net Asset Statement save that it is agreed that the sum of £8,500,000 (satisfied by the issue of 8,500,000 Consideration Shares) is apportioned to the Moveable Plant and Machinery and the Motor Vehicles.

4.3 Net Asset Statement

The Vendor and the Purchaser shall procure that, as soon as practicable after Completion, and in any event within 20 Business Days following the Completion Date, a statement of the Net Asset Value is prepared. The Net Asset Statement shall be drawn up in the manner described in Schedule 3.

5 Completion

5.1 Date

Completion shall take place on 7 November 2000, with effect from the Time of Transfer.

5.2 Vendor's Obligations before Completion

Each of the Vendor and the Purchaser agrees to use its reasonable endeavours to obtain the Third Party Consents in each case where they are required and are requested by the Purchaser.

5.3 Vendor's Obligations on and following Completion

5.3.1 On Completion, the Vendor shall deliver or make available to the Purchaser:

- (i) such transfers, assignments and novations in the agreed terms (where possible) as the Purchaser may require, together with the relevant documents of title (or, where such documents are at H.M. Land Registry, certified copies of such documents of title) and such Third Party Consents as the Vendor may have obtained;
- (ii) those Assets which are capable of transfer by delivery;
- (iii) in each case where the said information is not at the Property, all information relating exclusively or primarily to the Business and all information relating to customers, suppliers, agents and distributors and other information relating exclusively to the Business as the Purchaser may require and copies or, at the Vendor's option, originals of any such information in the possession or control of the Vendor which relate only in part to the Business and which the Purchaser may require;

- (iv) subject to the matters set out in Part 2 of Schedule 1, vacant possession of the Property; and
- (v) where the Lease remains in the course of registration at H.M. Land Registry, a letter of authority to H.M. Land Registry advising of the transfer of the Property and directing it to return the land certificates and Lease to the Purchaser (or as it shall direct) on completion of the relevant registration application.

5.3.2 Following Completion, the Vendor shall at any time after any relevant Third Party Consent is obtained, execute a transfer or assignment to, or a novation in favour of, the Purchaser (or any other person at the Purchaser's request) of any relevant Asset and arrange for the execution and delivery of such conveyance, transfer, assignment or novation (together with the relative documents of title) to the Purchaser (or such other person nominated by the Purchaser to take delivery thereof) in accordance with Clause 7.

5.4 Services and facilities following Time of Transfer

To the extent that any service or facility of the Vendor required to conduct the Business is not sold pursuant to this Agreement, the Vendor shall, upon the Purchaser's request, provide such services and facilities to the Purchaser from the Time of Transfer for a period of time to be agreed by the parties. The cost of such services and facilities shall be agreed between the parties from time to time.

5.5 Allotment of Consideration Shares

Against compliance with the forgoing provisions, the Purchaser agrees to (i) allot and issue the Consideration Shares to the Vendor and (ii) record such allotment in its register of members, and (iii) deliver share certificates in respect of the Consideration Shares to the Vendor.

5.6 Title and Risk

Title and risk of loss or damage to the Business transferred on Completion shall pass to the Purchaser with effect from the Time of Transfer.

6 The Contracts

6.1 Transfer of Contracts

- 6.1.1 With effect from the Time of Transfer, the Vendor shall, so far as may be possible, (provided that nothing contained in this Agreement shall or shall be deemed to operate as such an assignment as would or might give rise to any termination or forfeiture of any benefit, right or interest of any person in any of the Contracts or related arrangements) assign to the Purchaser and the Purchaser shall accept an assignment of the benefit and burden of the Contracts.
- 6.1.2 Without limiting the generality of Clause 8, to the extent that the benefit or burden of the arrangements referred to in Clause 6.1 cannot effectively be transferred without a Third Party Consent:

- (i) the Vendor and the Purchaser shall (if the Purchaser so requires and at the expense of the Purchaser) use their respective reasonable endeavours to procure such Third Party Consent;
- (ii) unless and until any such Contracts are assigned or novated:
 - (a) the full benefit of all contractual rights, benefits and claims thereunder, whether arising before or after the Time of Transfer, shall vest in and be held on trust by the Vendor for the Purchaser and its successors in title absolutely;
 - (b) the Vendor shall act in connection with the Contracts in all respects as the Purchaser may from time to time reasonably direct and shall give to the Purchaser all assistance within its power to enforce the Contracts against the other contracting parties and the Purchaser shall reimburse to the Vendor costs which the Vendor properly incurs in giving such assistance; and
 - (c) the Purchaser shall use its reasonable endeavours to perform all the obligations and liabilities of the Vendor thereunder (whether as the Vendor's sub-contractor or in any way or capacity reasonably open to it).

6.2 Purchaser to Complete Contracts

- 6.2.1 The Purchaser shall procure that, with effect from the Time of Transfer (or, in the case of Contracts not transferred at Completion, the time of transfer thereof):
- (i) each of the Contracts is carried out and completed (so far as the Purchaser is lawfully able to do so and subject to it receiving the benefit of any such Contract); and
 - (ii) the Vendor's obligations under the Contracts are performed (to the extent that the same have not been previously carried out or completed) in the ordinary course (where applicable) in a proper and workmanlike manner and in accordance with their respective terms.

6.3 Joint Contracts

- 6.3.1 Each party agrees, as soon as reasonably practicable, to notify the other party in writing (a **Joint Contract Notification**) of any Joint Contract in respect of which it requires the part of the Joint Contract relating to the Business to be assigned (with the consent of the relevant counterparts to it) or novated in favour of the Purchaser.
- 6.3.2 Following receipt of a Joint Contract Notification, each party agrees to use its respective reasonable endeavours to effect the assignment (or procure that the assignment is effected) (with the consent of the relevant counterparty or counterparties) to the Purchaser, or the novation in favour of the Purchaser, of all the burden, benefit, interest, rights and liabilities of any member of the Vendor's Group in or under such part of the relevant Joint Contract as relates to the Business, such assignment or novation to be in the form agreed between the parties and to take effect from the Time of Transfer. The Vendor's obligations under this Clause will not require it to do anything which may prejudice the benefits, interests and rights of any member of the Vendor's Group under the relevant Joint

Contract in so far as they relate to retained businesses of any member of the Vendor's Group.

- 6.3.3 The provisions of 6.1 and 6.2 shall apply, *mutatis mutandis*, in respect of that part of any Joint Contract (specified in a Joint Contract Notification) relating to the Business.
- 6.3.4 The provisions of Clauses 7.1 - 7.3 inclusive shall apply, *mutatis mutandis*, to the obtaining of consents from Joint Contract counterparties to the assignment or novation, as appropriate, of that part of any Joint Contract (specified in the Joint Contract Notification) relating to the Business.
- 6.3.5 The Vendor shall not be required to assign or novate (or procure the assignment or novation of) that part of any Joint Contract relating exclusively to the Business other than to or in favour of the Purchaser where any Third Party Consent is required and has been obtained in respect of the Purchaser only.

7 Third Party Consents

7.1 Third Party Consents

- 7.1.1 A Third Party Consent shall be deemed to have been obtained only when all requirements of the relevant third party or parties have been complied with.
- 7.1.2 The Purchaser shall supply to the Vendor such information and references regarding the financial position of the Purchaser as may be reasonably requested by any relevant third party in connection therewith and shall enter into such undertakings or procure such guarantees in favour of any relevant third party as may be reasonably requested or to which a third party is contractually entitled in respect of any liabilities or obligations to which the Purchaser will become subject or will incur on conveyance, transfer, assignment or novation.

7.2 Failure to Obtain Consents

- 7.2.1 Where a Third Party Consent has not been obtained by Completion in respect of any Asset (a **Relevant Asset**), such Asset will not, be conveyed, transferred or assigned on Completion but will be held in trust for the Purchaser absolutely from Completion until such Third Party Consent is obtained or the Purchaser requires the conveyance, transfer or assignment of the Relevant Asset to or in favour of it in accordance with Clause 7.4 and the Relevant Asset is so conveyed, transferred or assigned. The Vendor shall account to the Purchaser (or procure that the Purchaser is accounted to) and the Vendor and any relevant member of the Vendor's Group shall be indemnified and kept indemnified on an after-tax basis by the Purchaser accordingly and shall deliver to the Purchaser (or procure that there is delivered to the Purchaser), immediately upon receipt, any notice or other document concerning or relating to the Relevant Asset or, where permissible, upon request from the Purchaser, a power of attorney to enable the Purchaser to deal with the Relevant Asset.
- 7.2.2 The Vendor will co-operate in any reasonable arrangements proposed by the Purchaser designed to provide for the Purchaser the benefits of any of the Relevant Assets, including (in the case of any contracts, undertakings, arrangements or agreements relating exclusively to the Relevant Asset)

enforcement at the cost, and for the account, of the Purchaser of all rights of the Vendor against any other party thereto arising therefrom or from the termination thereof.

7.2.3 In relation to any Supplier Contract which is a Relevant Asset, the Vendor (as relevant) shall:

- (i) with effect from the Completion Date, receive (and shall procure that any relevant member of the Vendor's Group shall receive) any goods delivered to it by any supplier pursuant to such Supplier Contract as agent and trustee for the Purchaser and, taking all reasonable care, make the same available for collection by the Purchaser; and
- (ii) notify the Purchaser (or procure that the Purchaser is notified) of any payment required to be made to any supplier pursuant to such Supplier Contract whereupon the Purchaser shall either pay the supplier direct or indemnify and keep indemnified the Vendor and any relevant member of the Vendor's Group on an after-tax basis for any payment required to be made by it to the supplier in respect thereof after the Completion Date and when reimbursing the Vendor and/or any relevant member of the Vendor's Group the Purchaser shall have regard to the extent to which the Vendor and any relevant member of the Vendor's Group is able to obtain credit or repayment of input tax for VAT purposes in respect of supplies of goods and/or services made to the Vendor (or member of the Vendor's Group), to which the amounts relate and the liability of the Purchaser shall be reduced accordingly.

7.3 Post-Completion Consents

7.3.1 After Completion the Vendor shall continue to use all reasonable endeavours (assisted if necessary by the Purchaser), at the expense of the Purchaser, to obtain Third Party Consents (or procure that they are obtained) in respect of each Relevant Asset and keep the Purchaser informed of progress in obtaining such Third Party Consents.

7.4 Notice to Convey, Transfer or Assign etc.

Following Completion:

7.4.1 the Purchaser may serve notice on the Vendor at any time after the relevant Third Party Consent is obtained requiring the Vendor to execute, or procure the execution of, a conveyance, transfer or assignment to the Purchaser of any Relevant Asset and (except where the Relevant Asset in question is a Contract which has been terminated) the Vendor will execute and deliver, or arrange for the execution and delivery of, such conveyance, transfer or assignment (together with all the relative documents of title) to the Purchaser not later than five Business Days after the receipt either of such notice or of the engrossment of such conveyance, transfer or assignment by the Vendor's Solicitors whichever is the later;

7.4.2 if a Third Party Consent is required for the novation to the Purchaser of any Contract or for the assumption by the Purchaser of any Assumed Liability, the Vendor may at any time after the necessary consent has been obtained, serve

written notice on the Purchaser to the effect that such consent has been obtained, whereupon the Purchaser shall execute, or procure the execution of, a Contract Novation in relation to that Contract or Assumed Liability, whereby the Purchaser assumes the Liability of the Vendor thereunder and the Vendor is released from its Liability thereunder.

7.5 Notice to accept Conveyance, Transfer, Assignment etc.

The Vendor may by notice to the Purchaser require the Purchaser to accept a conveyance, transfer or assignment of or (in the case of Clause 7.5.1 below) to enter into a novation in respect of any Relevant Asset at any time:

- 7.5.1 after the relevant Third Party Consents are obtained but prior to 12 months from the Completion Date; or
- 7.5.2 after the expiration of 12 months from the Completion Date whether or not the relevant Third Party Consents have been obtained;

and the Purchaser will, within five Business Days of receipt of such notice, supply (if the Purchaser has not already done so) engrossments of the conveyance, transfer, assignment or novation in respect of such Relevant Asset to the Vendor's Solicitors but if the Purchaser shall not duly supply the same then the Vendor's Solicitors shall prepare and supply such engrossments to the Purchaser and the Purchaser shall indemnify and keep indemnified the Vendor on an after-tax basis against all reasonable costs, charges and expenses in connection therewith.

8 Conduct of Claims

8.1 Notification

If the Purchaser becomes aware of any matter that may give rise to a claim against the Vendor under this Agreement notice of that fact shall be given as soon as possible to the Vendor but any failure to give such notice shall not affect the rights of the Purchaser except to the extent that the Vendor is prejudiced by such failure.

8.2 Access

Without prejudice to the validity of the claim or alleged claim in question, the Purchaser shall allow the Vendor and its accountants and professional advisers to investigate the matter or circumstance alleged to give rise to such claim and whether and to what extent any amount is payable in respect of such claim and for such purpose the Purchaser shall give, subject to being paid all reasonable costs and expenses, all such information and assistance, including access to premises and personnel, and the right to examine and copy or photograph any assets, accounts, documents and records, as the Vendor or its accountants or professional advisers may reasonably request.

8.3 Conduct

If the claim in question is a result of or in connection with a claim by or Liability to a third party the Purchaser shall notify the Vendor of such claim as soon as reasonably practicable to the Vendor and then:

- (i) no admission of liability shall be made by or on behalf of the Purchaser and the claim shall not be compromised, disposed of or settled without the consent of the Vendor (such consent not to be unreasonably withheld or delayed);
- (ii) the Vendor shall be entitled at its own expense in its absolute discretion to take such action as it shall deem necessary to avoid, dispute, deny, defend, resist, appeal, compromise or contest such claim or liability (including, without limitation, making counterclaims or other claims against third parties) in the name of and on behalf of the Purchaser and to have the conduct of any related proceedings, negotiations or appeals; and
- (iii) the Purchaser will give, subject to being paid all reasonable costs and expenses, all such information and assistance, including access to premises and personnel, and the right to examine and copy or photograph any assets, accounts, documents and records, for the purpose of avoiding, disputing, denying, defending, resisting, appealing, compromising or contesting any such claim or liability as the Vendor or its professional advisers reasonably request. The Vendor agrees to keep all such information confidential and only to use it for such purpose.

9 Miscellaneous

9.1 Successors and Assigns

This Agreement is personal to the parties. Accordingly, none of the parties may, without the prior written consent of the others, assign the benefit of all or any of any other party's obligations under this Agreement, nor any benefit arising under or out of this Agreement, nor shall the Purchaser be entitled to make any claim under this Agreement in respect of any Loss which it does not suffer in its own capacity as beneficial owner of the Business.

9.2 Variation etc.

9.2.1 No variation of this Agreement shall be effective unless in writing and signed by or on behalf of each of the parties to this Agreement.

9.2.2 For the purposes of Section 2 of the Law of Property (Miscellaneous Provisions) Act 1989 this Agreement shall be deemed to incorporate all documents directly or indirectly required to be executed pursuant to it.

9.3 Time of the Essence

Any time, date or period referred to in any provision of this Agreement may be extended by mutual agreement between the parties but as regards any time, date or period originally fixed or any time, date or period so extended time shall be of the essence.

9.4 Severance

If any term or provision of this Agreement is held to be illegal or unenforceable, in whole or in part, under any enactment or rule of law, such term or provision or part shall to that extent be deemed not to form part of this Agreement but the enforceability of the remainder of this Agreement shall not be affected.

9.5 Remedies

- 9.5.1** All terms implied by law which may be excluded by contract are hereby excluded. The Purchaser acknowledges that it has not been induced to enter into this Agreement and, so far as is permitted by law and except in the case of fraud, hereby waives any remedy in respect of any warranties, representations and undertakings not incorporated into this Agreement.
- 9.5.2** Each party to this Agreement confirms it has received independent legal advice relating to all the matters provided for in this Agreement, including the provisions of this Clause, and agrees, having considered the terms of this Clause and the Agreement as a whole, that the provisions of this Clause are fair and reasonable.
- 9.5.3** In Clauses 9.5.1 and 9.5.2, this **Agreement** includes all documents entered into pursuant to this Agreement.

9.6 Access to Records

The Purchaser shall allow the Vendor reasonable access to, and to take copies of any books, records or other information relating to the Business delivered to the Vendor pursuant to this Agreement for the purpose of the preparation of tax returns (including VAT returns) or statutory accounts or to the extent needed to enable the Vendor to perform its obligations under this Agreement.

9.7 Counterparts

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

9.8 Further Assurances

The parties shall perform, execute and deliver such further acts and documents as may be required by law or reasonably requested by each other to implement the purposes of and to perfect this Agreement.

9.9 Governing Law and Submission to Jurisdiction

This Agreement and the documents to be entered into pursuant to it shall be governed by and construed in accordance with English law and the parties irrevocably agree that the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Agreement and such documents.

Schedule 1
Part 1
DETAILS OF THE PROPERTY

Elveden Property

All that leasehold property known as Warren Wood, Elveden together with the buildings thereon (Elveden Forest Parc) in the course of registration at H.M. Land Registry as more particularly described in and for the residue of the term of the Lease.

Schedule 1
Part 1
THE PROPERTY CONDITIONS

1 Title

1.1 Having investigated and accepted the title of the Vendor to the Property prior to the date of this Agreement in respect of the Property the Purchaser shall raise no requisition about such title.

1.2 The Property is sold with full title guarantee.

2 Encumbrances affecting the Property

2.1 The Property shall be transferred free from any financial charge, mortgage or security subject to and where applicable with the benefit of:

2.1.1 all overriding interests as defined by the Land Registration Act 1925 as amended or matters which would be overriding interests if the title was registered;

2.1.2 all actual or proposed notices orders conditions or other matters arising under the town and country planning legislation; and

2.1.3 any notice order demand proposal or requirement given or made by any local or other authority whether before or after the date of this Agreement and all matters capable of registration by any local or other authority (whether or not registered before the date of this Agreement).

2.2 The Purchaser shall be deemed to have entered into this Agreement with full notice of the actual condition of the Property and full knowledge of its authorised use for the purposes of town and country planning legislation.

3 Transfer

3.1 The transfer of the Property shall contain covenants with the Vendor by the Purchaser with the object of affording the Vendor an indemnity only to comply with the obligations arising:

3.1.1 from the matters which are or would be mentioned in the registered title to the Property excluding any financial charge, mortgage or security;

3.1.2 under any tenancy licence, letting or other overriding interest to which the Property is subject; and

3.1.3 from the Tenants covenants under the Lease;

insofar as the Vendor may remain liable directly or indirectly for them after the date of the transfer and to indemnify.

3.2 The transfer shall, at the cost of the Purchaser, be engrossed and executed in duplicate. The duplicate copy shall be delivered as soon as reasonably practicable after Completion to the Vendor's Solicitor (for retention by the Vendor).

4 Standard Commercial Conditions of Sale (First Edition)

The Standard Commercial Conditions of Sale (First Edition) are incorporated into this Agreement insofar as they are not inconsistent with the other Clauses of or Schedules to this Agreement.

Schedule 2

EXCLUDED ASSETS AND EXCLUDED LIABILITIES

- 1** Any right to reclaim VAT or any liabilities to pay VAT in respect of any supplies received or made by the Vendor or any member of the Vendor's Group (or treated as received or made by any such company) in respect of the Business in respect of any period up to the Time of Transfer by virtue of Section 43(1)(b) of the Value Added Tax Act 1994.
- 2** Any balances owing from or to the Vendor to or by a subsidiary.
- 3** All Investments of the Vendor.
- 4** Any inter-company balances, other than trade creditors and debtors.
- 5** The equipment used for dispensing drink products at the Property, being (save to the extent that the same are owned by suppliers for the dispensing of their products) all beer engines, dispense heads, pumps, taps, fonts, cowls, meters, pipes, lines, flash coolers to kegs and casks and connectors to CO₂ cylinders, gas regulators or mechanical pumps, cleaning equipment and ancillary apparatus and equipment (but not consumable items) for the dispensing of draught drink products at the Property, save that this paragraph shall not apply to any such equipment that is owned by Center Parcs Limited as agent for the Vendor.
- 6** Any records relating to VAT, other than records relating exclusively to the Business.
- 7** Vendor's Intellectual Property.
- 8** Any Know-How other than Vendor's Know-How.

Schedule 3

Net Asset Statement

The Net Asset Value shall be calculated in accordance with accountancy principles generally accepted in the United Kingdom and on a basis consistent with the Accounts. The Net Asset Statement shall be expressed in pounds sterling. For the avoidance of doubt the Moveable Plant and Machinery and the Motor Vehicles shall be attributed a value equal to £8,500,000.

Dated []

S&N PUBS AND RESTAURANTS LIMITED

and

CENTER PARCS ELVEDEN LIMITED

and

[SUPPLIER]

DEED OF NOVATION

DEED OF NOVATION

This Deed is made on []

Between:

- (1) **S&N Pubs and Restaurants Limited** registered in England and Wales with registered number 03794854 and whose registered office is at Riverside House, Riverside Way, Northampton, Northamptonshire NN1 5NX (**P&R**);
- (2) **Center Parcs Elveden Limited** registered in England and Wales with registered number 4074184 and whose registered office is at One Silk Street, London EC2Y 8HQ (**Elveden**); and
- (3) [] registered in [] [with registered number []]
and whose [registered office] [principal place of business] is at []
(the **Supplier**).

Whereas:

- (A) P&R and Elveden are parties to an agreement (the **Elveden Sale of Business Agreement**) dated 7 November 2000 under which P&R agreed inter alia to sell and Elveden agreed to purchase, the Business (as defined therein).
- (B) P&R and the Supplier are parties to an agreement dated [] bearing Contract Ref [REF] (the **Contract**).
- (C) P&R wishes to be released and discharged from the Contract and the parties have agreed to the novation of the Contract on the terms and conditions set out below and to the substitution of Elveden in place of P&R as a party to the Contract.

Now it is hereby agreed as follows:

1 Definitions and Interpretation

- 1.1 In this Deed the following words and expressions shall, unless the context otherwise requires, bear the following meanings:

Completion means the date P&R or Elveden notifies to the Supplier as the date upon which Completion (as defined in the Elveden Sale of Business Agreement) under the Elveden Sale of Business Agreement occurred;

Liabilities means all liabilities, duties and obligations of every description, including fines, interest and penalties, whether deriving from contract, common law, statute or otherwise, whether present or future, actual or contingent, ascertained or unascertained or disputed and whether owed or incurred severally or jointly and as principal or surety; and

Time of Transfer means opening of business on 6 October 2000.

- 1.2 The headings in this Deed are for convenience only and shall not affect the interpretation hereof.
- 1.3 References to Recitals and Clauses are to the recitals and clauses of this Deed.

2 Novation

Each of Elveden and the Supplier agree to perform the Contract as from the Time of Transfer and to be bound by its terms and conditions as from that date as if Elveden had been a party to the Contract ab initio in place of P&R. P&R shall, as from the Time of Transfer, cease to be a party to the Contract.

3 Consent of the Supplier

The Supplier hereby releases and discharges P&R (for the benefit of P&R and for the benefit of any guarantor of P&R's obligations under the contract or similar third party) as from the Time of Transfer from the further performance of the Contract and from all Liabilities under or in connection with the Contract (or any guarantee as aforesaid) whether arising prior or subsequent to that date. For the avoidance of doubt, Elveden shall assume and perform all Liabilities of P&R under or in connection with the Contract whether arising prior, or subsequent, to the Time of Transfer.

4 References

As from the Time of Transfer, references to P&R (by whatever name known) in the Contract shall be deleted and replaced by references to Elveden.

5 Continuing Effect

It is hereby agreed that the Contract shall continue in full force and effect and that as from the Time of Transfer its terms and conditions have only changed to the extent set out in this Deed.

6 Further Obligations

The parties shall perform, execute and deliver such further acts and documents as may be required by law or reasonably requested by each other to implement the purposes of and to perfect this Deed.

7 Stamp Duty

Elveden shall be responsible for all or any stamp duty payable on or in respect of this Deed.

8 Counterparts

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

9 Jurisdiction

This Deed shall be governed by and construed in accordance with English Law and the parties irrevocably agree that the Courts of England shall have exclusive jurisdiction to settle any claims or disputes which may arise out of or in connection with this Deed and each party irrevocably submits to the jurisdiction of the Courts of England for such purpose.

In witness whereof this document has been executed as a Deed the day and year first before written.

SIGNED by
on behalf of
**S&N PUBS AND
RESTAURANTS LIMITED**
in the presence of:

}

Director

Director/Secretary

SIGNED by
on behalf of
**CENTER PARCS ELVEDEN
LIMITED**
in the presence of:

}

Director

Director/Secretary

SIGNED by
on behalf of
[SUPPLIER]
in the presence of:

}

Director

Director/Secretary

Schedule 5
(Joint Contract Novation)

Dated []

S&N PUBS AND RESTAURANTS LIMITED

and

CENTER PARCS ELVEDEN LIMITED

and

[SUPPLIER]

**JOINT CONTRACT
DEED OF NOVATION**

JOINT CONTRACT DEED OF NOVATION

This Deed is made on []

Between:

- (1) **S&N Pubs and Restaurants Limited**, registered in England and Wales with registered number 03794854 and whose registered office is at Riverside House, Riverside Way, Northampton, Northamptonshire NN1 5NX (**P&R**);
- (2) **Center Parcs Elveden Limited**, registered in England and Wales with registered number 4074184 and whose registered office is at One Silk Street, London EC2Y 8HQ (**Elveden**); and
- (3) [] registered in [] [with registered number [] and whose [registered office] [principal place of business] is at [] (the **Supplier**).

Whereas:

- (A) P&R and Elveden are parties to an agreement (the **Elveden Sale of Business Agreement**) dated 7 November 2000 under which P&R agreed inter alia to sell and Elveden agreed to purchase, the Business (as defined therein).
- (B) P&R and the Supplier are parties to an agreement dated [] bearing Contract Ref [REF] (the **Contract**).
- (C) P&R wishes to be released and discharged from that part of the Contract which relates exclusively to the Business (as defined in the Elveden Sale of Business Agreement) and the parties have agreed to the novation of that part of the Contract which relates exclusively to the Business on the terms and conditions set out below and to the substitution of Elveden in place of P&R as a party to the Contract in respect of that part of the Contract.

Now it is hereby agreed as follows:

1 Definitions and Interpretation

- 1.1 In this Deed the following words and expressions shall, unless the context otherwise requires, bear the following meanings:

Completion means the date P&R or Elveden notifies to the Supplier as the date upon which Completion (as defined in the Elveden Sale of Business Agreement) under the Elveden Sale of Business Agreement occurred;

Liabilities means all liabilities or duties and obligations of every description, including fines, interest and penalties, whether deriving from contract, common law, statute or otherwise, whether present or future, actual or contingent, ascertained or unascertained or disputed and whether owed or incurred severally or jointly and as principal or surety; and

Time of Transfer means opening of business on 6 October 2000.

- 1.2 The headings in this Deed are for convenience only and shall not affect the interpretation hereof.
- 1.3 References to Recitals and Clauses are to the recitals and clauses of this Deed.

2 Novation

Each of Elveden and the Supplier agree to perform the Contract as from the Time of Transfer and to be **bound** by its terms and conditions as from that date in respect of that part of the Contract which relates exclusively to the Business as if Elveden had been a party to the Contract, to the extent that it relates exclusively to the Business, ab initio in place of P&R. P&R shall, as from the Time of Transfer, cease to be a party to the Contract to the extent that it relates exclusively to the Business.

3 Consent of the Supplier

The Supplier hereby releases and discharges P&R (for the benefit of P&R and for the benefit of any guarantor of P&R's obligations under the contract or similar third party) as from the Time of Transfer from the further performance of that part of the Contract which relates exclusively to the Business and from all Liabilities under or in connection with that part of the Contract (or any guarantee as aforesaid) whether arising prior or subsequent to that date. For the avoidance of doubt, Elveden shall assume and perform all Liabilities of P&R under or in connection with the Contract whether arising prior, or subsequent, to the Time of Transfer.

4 References

As from the Time of Transfer, references to P&R (by whatever name known) in that part of the Contract relating exclusively to the Business shall be deleted and replaced by references to Elveden.

5 Continuing Effect

It is hereby agreed that the Contract shall continue in full force and effect and that as from the Time of Transfer its terms and conditions have only changed to the extent set out in this Deed.

6 Further Obligations

The parties shall perform, execute and deliver such further acts and documents as may be required by law or reasonably requested by each other to implement the purposes of and to perfect this Deed.

7 Stamp Duty

Elveden shall be responsible for all or any stamp duty payable on or in respect of this Deed.

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

9 Jurisdiction

This Deed shall be governed by and construed in accordance with English Law and the parties irrevocably agree that the Courts of England shall have exclusive jurisdiction to settle any claims or disputes which may arise out of or in connection with this Deed and

each party irrevocably submits to the jurisdiction of the Courts of England for such purpose.

In witness whereof this document has been executed as a Deed the day and year first before written.

SIGNED by
on behalf of
**S&N PUBS AND
RESTAURANTS
LIMITED**
in the presence of:

}

Director
Director/Secretary

SIGNED by
on behalf of
**CENTER PARCS
ELVEDEN LIMITED**
in the presence of:

}

Director
Director/Secretary

SIGNED by
on behalf of
[SUPPLIER]
in the presence of:


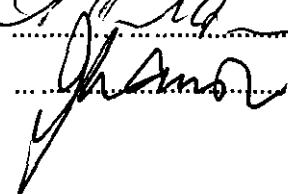
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Director/Secretary

In witness whereof this Agreement has been duly executed the day and year first before written.

SIGNED by and on behalf of **S&N PUBS AND RESTAURANTS LIMITED** in the presence of:

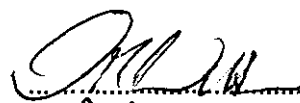
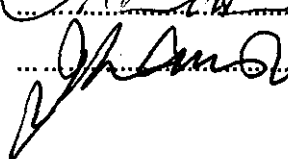
}

 Director
 Director

STEVEN WEATHERLEY

SIGNED by and on behalf **CENTER PARCS ELVEDEN LIMITED** in the presence of:

}

 Director
 Director

STEVEN WEATHERLEY