

APPENDIX L LETTER FROM MILSOM HOTELS &
RESTAURANTS

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MILSOM

HOTELS & RESTAURANTS

Mrs H Moore
Trustee of St Osyth's Priory and Parish Trust
c/o City & County
Bentfield Place, Bentfield Road
Stansted
CM24 8HL

20 July 2018

Dear Helen

Thank you for showing me your exciting plans for St Osyth's Priory, in particular its development as a wedding venue.

I know you are aware of our recent history in bringing some of Essex's best known wedding venues to the market and then operating them for a number of years. These include Braxted Park, Spains Hall and Hutton Hall in Essex. We are also the sole caterers for the premier wedding venue, Hengrave Hall, which we opened in 2008.

St Osyth's Priory is one of the county's most magnificent houses and I am confident that it will become a popular choice for weddings in the Essex area. We have of course catered there at a number of events for the Sargent family so already have experience of how good it can be.


I am therefore happy to confirm that we are extremely interested in working with you to help bring this property to the market place as a wedding and events destination and of course running it for you in a similar way that we do at Hengrave Hall with the owner, David Harris and his company M&D Developments.

I know that you and the Sargent family have known our business for many years but if you want any further references about our catering services, I can certainly get these for you.

I am sure that the development of St Osyth's priory will add to the local economy and should we be successful we will certainly be looking to employ local people to work for us at the Priory.

If you need and further information please do not hesitate to contact me.

Yours sincerely,


Paul Milsom
Managing Director

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APPENDIX M REVENUE

An estimate of the revenues generated by each element of the business was provided in Part I at Appendix I. These figures have been updated following comments received from Colliers dated 05 April 2018 as referenced above.

It is assumed that the wedding venue and visitor attraction will open in Year 3 to allow for restoration and conversion works to be completed. This is based on the process outlined in Part I.

All figures are based on 2018 prices allowing for 2.5% inflation each year.

VISITOR ATTRACTION

ADMISSION:

There are a number of different pricing models for heritage attractions, and as Colliers state in their October 2016 Report, most historic houses and gardens have admission charge. It is however agreed that this is probably not the most suitable option for St Osyth Priory, given the nature of the offering proposed. Savills have proposed a model similar to that in operation at Holkham Hall; where there is a small charge for parking, access to most of the Estate is free and there is a small charge for accessing the Walled Garden.

Given that the main offering at St Osyth Priory is likely to be the Park and the Abbot's Tower, it is considered that the most appropriate model is to charge £3 per car, per day for parking; with an additional charge for admission to the Rose Garden, Ruins and Abbot's Tower at £2.50 per adult and £1.50 per child. It is assumed that 40% of visitors will pay this additional charge.

Further, it is also proposed to offer a season ticket for parking, as recommended by Colliers. It is forecast that there will initially be 1,350 season ticket customers in Year 4, rising to 6,800 by Year 8. It is proposed to charge £20 per annum for the season ticket.

It is forecast that the initial visitors per annum will be in the region of 43,000 in Year 5, rising to circa 80,000 by Year 11.

The total estimated revenue from parking and admission is approximately £78,000, in Year 5, rising to £347,000 in Year 11.

St Osyth Priory Visitor Attraction Financial Analysis												
Income per Head per annum	0%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Income	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Visitor Attraction - Tower, Gardens & Walls												
Days Open	0	0	0	0	260	312	312	312	312	312	312	312
Avg Customers per Day	0	0	0	120	130	140	180	200	220	240	250	250
Avg. Customers per Week	0	0	0	0	650	840	1080	1200	1320	1440	1500	1500
TOTAL Customers per Year	0	0	0	0	33,800	43,680	56,160	62,400	68,640	74,880	78,000	78,000
Number of Cars per Year @ 2.2 Visitors per Car	0	0	0	0	25,364	33,815	25,527	28,364	31,200	34,036	35,455	35,455
Customer Entrance ex Vat (via Parking)	£3.00	£3.08	£3.15	£3.23	£3.31	£3.39	£3.48	£3.57	£3.66	£3.75	£3.84	£3.94
Income	£0	£0	£0	£0	£50,876	£67,391	£88,811	£101,346	£114,043	£127,320	£136,154	£139,158
Season Ticket Holders												
Avg. Tickets per Annum	0	0	0	0	300	450	675	1,013	1,319	1,519	1,519	1,519
Avg Visits per Annum	3	3	3	3	3	3	3	3	3	3	3	3
Avg. Customers per Car	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
TOTAL Season Ticket Customers per Annum	0	0	0	0	1,350	2,025	3,038	4,559	6,836	6,836	6,836	6,836
Season Ticket Price ex VAT	£20.00	£21.35	£21.89	£22.44	£23.00	£23.57	£24.16	£24.76	£25.38	£26.02	£26.67	£27.34
Income	£0	£0	£0	£0	£6,899	£10,607	£16,308	£25,086	£38,557	£39,521	£40,509	£41,522
Tower Entrance												
Rate per adult £ ex VAT	£2.08	£2.14	£2.19	£2.24	£2.30	£2.36	£2.42	£2.48	£2.54	£2.60	£2.67	£2.73
Rate per child £ ex VAT	£1.25	£1.28	£1.31	£1.35	£1.38	£1.41	£1.45	£1.49	£1.52	£1.56	£1.60	£1.64
No. adults	0	0	0	0	0	0	0	0	2092	2244	2340	2340
no. children	0	0	0	0	0	0	0	0	5492	5994	6240	6240
Income Adults	£0	£0	£0	£0	£0	£0	£0	£0	£52,269	£58,417	£62,404	£63,964
Income Children	£0	£0	£0	£0	£0	£0	£0	£0	£83,631	£93,515	£99,847	£102,343
Visitor Attraction - Tower, Gardens & Walls Income	£0	£0	£0	£0	£57,775	£77,998	£105,120	£126,233	£148,501	£159,003	£168,915	£171,387

(Admission and parking revenue)

CAFÉ/ SHOP:

As recommend by both Savills and Colliers it is proposed to have a Café and Shop on site where visitors can purchase drinks, snacks and souvenirs.

It is assumed by Year 11 that approximately 29% of visitors will spend an average of £13 in the Cafe and that 22% of visitors will spend an average of £21 in the shop.

The total estimated revenue from the Café is approximately £117,000 in Year 5, rising to £294,000 in Year 11.

The total estimated revenue from the Shop is approximately £147,000 in Year 5, rising to £375,000 in Year 11.

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Income	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Café												
Days Open	0	0	0	0	206	260	312	312	312	312	312	312
Avg Customers per Day	0	0	0	0	35	40	44	55	62	65	70	72
Avg. Customers per Week	0	0	0	0	140	200	254	330	372	390	420	432
TOTAL Customers per Year	0	0	0	0	7,280	30,600	33,728	37,160	39,344	40,280	43,840	44,664
Spend per Customer ex Vat	£10.00	£10.25	£10.51	£10.77	£11.04	£11.31	£11.60	£11.89	£12.18	£12.49	£12.80	£13.11
Café Income	£0	£0	£0	£0	£80,358	£117,666	£159,208	£203,978	£235,688	£253,260	£279,570	£294,747
% of Visitors	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	22%	24%	24%	28%	28%	27%	28%	29%
Shop												
Days Open	0	0	0	0	206	260	312	312	312	312	312	312
Avg Customers per Day	0	0	0	0	25	30	36	45	50	50	55	55
Avg. Customers per Week	0	0	0	0	100	150	210	270	300	300	330	330
TOTAL Customers per Year	0	0	0	0	5,200	7,800	10,920	14,040	15,600	15,600	17,160	17,160
Spend per Customer ex Vat	£16.66	£17.08	£17.50	£17.94	£18.39	£18.85	£19.32	£19.80	£20.30	£20.81	£21.31	£21.86
Shop Income	£0	£0	£0	£0	£95,626	£147,024	£210,980	£278,041	£316,658	£324,374	£365,958	£375,107
% of Visitors	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	23%	25%	25%	25%	25%	23%	23%	22%

(Café & Shop revenue)

DARCY HOUSE BAR & RESTAURANT AND WALLED GARDEN SPA

As recommended by Colliers, it is agreed that a bar/restaurant operating in Darcy House West, that can be used by overnight guests and visitors when it does not conflict with weddings, is a potential source of income and is therefore proposed to be included.

The exact nature of this part of the offering will need to be agreed later and influenced by the overall management of the Estate. However, for now it is proposed to include high level figures for its potential income. It is assumed that it will be open 120 days a year and will, once established, attract 90 customers a day. This is based on Colliers' recommendation for the Tea Lounge, previously suggested for the area. Though it is assumed that as a bar/restaurant, the average spend will be higher than the previously proposed tea room. Market data suggests that the average spend per person on casual dining is £10-20. Given the nature of the offering and the captive audience it is considered that the upper end of this range is the most appropriate. As such, an aspirational figure of £21 has been used.

The total estimated revenue from the Darcy House Bar & Restaurant is approximately £165,000 in Year 4, rising to £295,000 in Year 11.

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Income	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Darcy House Restaurant, Bar and Tea Lounge												
Days Open	0	0	0	0	120	120	120	120	120	120	120	120
Customers per Day	0	0	0	0	60	70	90	90	90	90	90	90
Customers per Year	0	0	0	0	7,200	8,400	10,800	10,800	10,800	10,800	10,800	10,800
Spend per Customer ex Vat	£21	£21.35	£21.89	£22.44	£23.00	£23.57	£24.16	£24.76	£25.38	£26.02	£26.67	£27.34
Total Spend	£0	£0	£0	£0	£165,572	£197,996	£260,932	£267,454	£274,141	£280,994	£288,019	£295,219
Darcy House Restaurant, Bar and Tea Lounge	£0	£0	£0	£0	£165,572	£197,996	£260,932	£267,454	£274,141	£280,994	£288,019	£295,219
% of Visitors	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	21%	19%	19%	17%	16%	14%	14%	14%

(Darcy House Bar & Restaurant revenue)

A Spa is considered by both Savills and Colliers to be a good addition to the guest and visitor offering. It is therefore proposed to restore the Greenhouse within the Walled Garden as a small Spa area.

The total estimated revenue from the Spa is £63,000 in Year 5 rising to £133,000 in Year 11.

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Income	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Spa - 3 Rooms												
Days Open	0	0	0	0	208	208	208	200	200	200	200	200
Avg Treatments per Day	0	0	0	0	9	9	11	11	12	12	12	13
Avg. Treatments per Week	0	0	0	0	36	36	44	55	60	60	60	65
TOTAL Treatments per Year	0	0	0	0	1,872	1,872	2,288	2,860	3,120	3,120	3,120	3,380
Spend per Customer ex Vat	£30.00	£30.75	£31.52	£32.31	£33.11	£33.94	£34.79	£35.66	£36.55	£37.47	£38.40	£39.36
Spa Income	£0	£0	£0	£0	£61,000	£63,540	£79,901	£101,980	£114,040	£116,894	£119,816	£133,046

(Spa revenue)

CRAFT EVENTS/ GUIDED TOURS

In addition to the main visitor offering, it is proposed to host craft events and run guided tours of the Precinct Buildings when no weddings are taking place. This offers the potential to generate a modest additional income.

It is thought that there is scope to have monthly Craft Events, increasing to two per month by Year 11. Colliers have suggested that this has the potential to generate £10,000 per annum once

established. As such, it is forecast that the revenue from Craft Events will be approximately 12£2,700 in Year 4, rising to £10,500 in Year 11.

It is also thought that Guided Tours of the Precinct would generate a small income. It has not been decided whether this would be via a modest charge or through donations, but it is assumed the average spend would be £1.74 per customer. It is assumed that once established that there will be 80 guided tour events a year, with an average of 25 guests in attendance.

On this basis it is forecast that the revenue from Guided Tours will be approximately £2,000 in Year 5, rising to £4,000 in Year 11.

Income	2019 Year 0	2020 Year 1	2021 Year 2	2022 Year 3	2023 Year 4	2024 Year 5	2025 Year 6	2026 Year 7	2027 Year 8	2028 Year 9	2029 Year 10	2030 Year 11
Multi-Purpose/Crafts Events												
Events per Month	0	0	0	0	1	1	1	1.5	1.5	2	2	2
Events per Year	0	0	0	0	12	12	12	18	18	24	24	24
Avg Customers per Event	0	0	0	0	60	60	70	80	80	100	100	100
TOTAL Customers per Year	0	0	0	0	720	720	840	1,440	1,440	2,400	2,400	2,400
Spend per Customer ex Vat	£16.66	£17.08	£17.50	£17.94	£18.39	£18.85	£19.32	£19.80	£20.30	£20.83	£21.33	£21.86
Total Spend all Customers ex VAT	£0	£0	£0	£0	£13,240	£13,571	£16,229	£28,517	£29,230	£49,525	£51,183	£52,462
Multi-Purpose/Crafts Commission	£0	£0	£0	£0	£2,048	£2,714	£3,240	£5,703	£5,840	£9,987	£10,237	£10,492
Guided Tours of Precinct Building												
Events per Month	0.0	0.0	0.0	0.0	4.2	5.0	5.8	6.7	6.7	6.7	6.7	6.7
Events per Year	0	0	0	0	50	60	70	80	80	80	80	80
Avg Customers per Event	0	0	0	0	20	20	20	25	25	25	25	25
TOTAL Customers per Year	0	0	0	0	1,000	1,200	1,400	2,000	2,000	2,000	2,000	2,000
Spend per Customer ex Vat	£1.50	£1.54	£1.58	£1.62	£1.66	£1.70	£1.74	£1.78	£1.83	£1.87	£1.92	£1.97
Total Spend all Customers ex VAT	£0	£0	£0	£0	£1,656	£2,037	£2,435	£3,566	£3,655	£3,747	£3,840	£3,936
Avg. Spend per Event	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	£33	£34	£35	£41	£46	£47	£48	£49
Guided Tours of Precinct Building Income	£0	£0	£0	£0	£1,656	£2,037	£2,435	£3,566	£3,655	£3,747	£3,840	£3,936

Craft Events and Guided Tours revenue)

GLAMPING

As set out in Part I, Glamping in the Park offers the potential to generate income. Rooms are to be charged at £80 plus VAT per night. It is Savills' view that peak occupation rates will be in the region of 50–70%, accounting for Colliers initial comments that 70% was too optimistic. It has therefore assumed that occupation rates will start at 40% in Year 3 and rising to 60% by Year 5, it is forecast that the income will increase from £75,500 in Year 3 to £137,927, in Year 11. This may still be too optimistic depending on demand.

St Oysth Priory Glamping Financial Analysis													
		2.5%		2.5%		2.5%		2.5%		2.5%		2.5%	
		2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	Income	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Glamping Accommodation @ £80 plus VAT per night per unit		£175,200	£179,580	£184,070	£188,671	£193,388	£198,223	£203,178	£208,258	£213,464	£218,801	£224,271	£229,878
Occupancy Rates		0%	0%	0%	40%	50%	50%	60%	60%	60%	60%	60%	60%
Glamping Accommodation Income		£0	£0	£0	£75,468	£96,694	£99,111	£121,907	£124,955	£128,079	£131,280	£134,562	£137,927

B&B

When not in use as part of the wedding business, it is proposed that the guest accommodation is rented on a Bed & Breakfast basis. As suggested by Savills it is the intention to discount the rooms for B&B stays; with Standard Rooms being charged at £75 plus VAT per room and Luxury Rooms being charged at £125 plus VAT per room. This strategy may prove counter-productive and alienate the wedding organiser so will need to be monitored.

It also assumed that there will be a 50% occupancy of rooms on nights when there are no events. It is therefore estimated that B&B Business will generate an income of £608,000 in Year 5.

It is forecast that the number of nights available for B&B will fall as the demand for the wedding venue increases, meaning that the income is relatively consistent throughout the operational period shown.

St Oysth Priory B&B (Standard/Luxury) Financial Analysis													
		2.50%		2.50%		2.50%		2.50%		2.50%		2.50%	
		2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	Income	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Bed & Breakfast Accommodation													
Bed & Breakfast Bedroom Suites Accommodation @ £75 plus VAT per room	21	£1,790	£1,794	£1,830	£1,884	£1,932	£1,980	£2,029	£2,080	£2,132	£2,185	£2,240	£2,296
Bed & Breakfast Gate House Accommodation @ £125 plus VAT per room	14	£1,790	£1,794	£1,830	£1,885	£1,932	£1,980	£2,029	£2,080	£2,132	£2,186	£2,240	£2,296
Bed & Breakfast Cottage Accommodation @ £75 plus VAT per room	5	£417	£427	£438	£449	£460	£471	£483	£495	£508	£520	£533	£547
	40												
Remaining nights available after weddings and events		365	365	365	365	304	275	260	252	241	227	227	227
Occupancy Rates Forecast		0%	0%	0%	0%	80%	50%	50%	50%	50%	50%	50%	50%
Income sub total		£0	£0	£0	£0	£524,833	£608,189	£590,464	£586,603	£573,830	£555,159	£569,038	£583,264
B&B Income		£0	£0	£0	£0	£524,833	£608,189	£590,464	£586,603	£573,830	£555,159	£569,038	£583,264

(B&B revenue)

WEDDING & EVENTS

As set out in Part I, it is proposed to offer the venue for Weddings, Corporate Events and private parties.

A detailed cashflow of the individual elements is provided at Appendix A and a summary table is set out below. It is forecast that the revenue from wedding events will be approximately £640,000 in Year 4, rising to £1,666,000 in Year 11.

St Oysth Priory Wedding & Event Financial Analysis													
		2.50%		2.50%		2.50%		2.50%		2.50%		2.50%	
		2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	Income	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Weddings													
Wedding Income total		£0	£0	£0	£0	£290,792	£496,713	£611,007	£668,034	£748,926	£877,316	£999,249	£921,731
Total number of Weddings		0	0	0	0	22.5	27.3	45	48	52.5	60	60	60
Average Events per Week		0	0	0	0	0.4	0.7	0.9	0.9	1	1.2	1.2	1.2
Corporate Event Income													
Corporate Event Income		£0	£0	£0	£0	£144,874	£162,497	£188,956	£230,172	£238,957	£251,721	£258,014	£264,465
Total number of corporate events		0	0	0	0	20	22	25	27	30	31	31	31
Average Events per Week		0	0	0	0	0.4	0.4	0.5	0.5	0.6	0.6	0.6	0.6
Private Event Income													
Private Event Income		£0	£0	£0	£0	£89,407	£122,190	£125,245	£141,055	£167,528	£185,037	£189,063	£194,404
Total number of private events		0	0	0	0	12	16	16	18	21	23	23	23
Average Events per Week		0	0	0	0	0.2	0.3	0.3	0.3	0.4	0.4	0.4	0.4
Wedding Catering Income													
Wedding Catering Income		£0	£0	£0	£0	£16,343	£27,578	£33,921	£37,087	£41,578	£48,706	£49,323	£51,171
Wedding Drink Income		£0	£0	£0	£0	£24,838	£42,429	£52,186	£57,057	£63,966	£74,932	£76,805	£78,725
Event Catering Income		£0	£0	£0	£0	£7,175	£8,090	£9,423	£10,431	£11,879	£12,582	£12,897	£13,239
Event Drink Income		£0	£0	£0	£0	£5,519	£6,222	£7,248	£8,024	£9,138	£9,679	£9,921	£10,189
Upo Income		£0	£0	£0	£0	£61,990	£83,540	£79,601	£101,599	£134,043	£136,894	£139,816	£133,046
Total Income		£0	£0	£0	£0	£940,727	£1,379,238	£1,307,546	£1,231,869	£1,306,017	£1,576,967	£1,616,288	£1,666,590

(Wedding & Event revenue)

SUMMARY REVENUE

The table below provides a summary of the gross income forecast for the respective elements of the Business Plan. As shown, it is projected that income will increase from £1.25m in Year 3, to £3.7m in Year 11.

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Gross Income												
Weddings & Events	£0	£0	£0	£0	£640,727	£929,298	£1,307,588	£1,233,849	£1,396,017	£1,576,867	£1,816,288	£1,886,930
Bed & Breakfast	£0	£0	£0	£0	£524,833	£608,189	£900,464	£586,603	£573,830	£555,150	£569,038	£583,264
Glamping	£0	£0	£0	£75,468	£96,994	£99,111	£121,907	£124,995	£128,079	£131,280	£134,562	£137,927
Visitor Centre	£0	£0	£0	£0	£403,633	£545,436	£741,914	£884,976	£1,124,468	£1,191,575	£1,286,539	£1,326,889
Trust Rent	£0	£0	£0	£0	£123,454	£123,454	£123,454	£123,454	£141,454	£157,677	£157,677	£157,677
TOTAL	£0	£0	£0	£75,468	£1,665,667	£2,182,035	£2,561,872	£2,850,383	£3,222,414	£3,454,881	£3,906,428	£3,715,010

(Total Revenue)

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APPENDIX N EXPENSES

STAFF

As set out in Savills' Business Plan November 2017, if the weddings and events business is managed internally it will require one full time Wedding and Events Coordinator, who will manage the team and sales and administration process; supported by a full-time Marketing Manager. Both roles will include responsibilities across all enterprises and as the number of weddings and events increases, a second Wedding and Events Coordinator will also be recruited. These staff will be supported by a full-time Front of House Manager, responsible for managing events on the day.

In addition, casual cleaning/housekeeping and bar staff and a full time Gardener/Handyperson will be recruited to operate the business and the cost of their employment is included in our financial analysis.

	2019 Year 0	2020 Year 1	2021 Year 2	2022 Year 3	2023 Year 4	2024 Year 5	2025 Year 6	2026 Year 7	2027 Year 8	2028 Year 9	2029 Year 10	2030 Year 11
Staff Full-Time Equivalent Estimate												
Weddings & Events	0.0	0.0	0.0	3.0	4.9	5.8	6.2	6.6	7.1	7.5	7.7	7.8
Bed & Breakfast	0.0	0.0	0.0	0.0	2.5	2.8	2.7	2.6	2.5	2.3	2.3	2.3
Glamping	0.0	0.0	0.0	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Visitor Centre	0.0	0.0	0.0	0.0	7.0	9.0	10.3	10.7	10.9	12.0	12.1	12.4
Barrels	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	0.0	0.0	0.0	3.1	14.6	17.7	19.4	20.1	20.7	22.2	22.4	22.7

(Staff requirements full-time equivalent)

Job Role	Salary
Marketing Manger	£32,000
Wedding & Events Coordinator	£24,000
Front of House Manager	£26,500
Gardener	£23,000
Bar Staff	£240 per event
Cleaning Staff	£408 per event
Breakfast Staff	£90 per day

(Staffing Salary assumptions)

GENERAL OVERHEADS AND OPERATING COSTS

Details of General Overheads and operating costs are provided in Appendix A and summarised in the table below:

	2019 Year 0	2020 Year 1	2021 Year 2	2022 Year 3	2023 Year 4	2024 Year 5	2025 Year 6	2026 Year 7	2027 Year 8	2028 Year 9	2029 Year 10	2030 Year 11
Operative Expenses & Overheads												
Weddings & Events	£0	£24,038	£24,038	£90,504	£787,397	£902,818	£972,730	£1,024,729	£1,088,019	£1,195,835	£1,216,053	£1,242,397
Bed & Breakfast	£0	£12,925	£12,925	£33,765	£453,173	£429,095	£486,904	£481,509	£472,378	£485,274	£488,446	£491,732
Glamping	£0	£0	£49,034	£51,358	£55,737	£55,687	£61,700	£64,045	£66,485	£68,034	£71,867	£74,428
Visitor Centre	£0	£0	£5,656	£5,656	£829,401	£745,363	£885,946	£956,967	£1,048,175	£1,114,835	£1,170,077	£1,201,423
TOTAL	£0	£36,963	£91,652	£281,282	£1,993,709	£2,201,963	£2,407,280	£2,527,250	£2,675,058	£2,864,979	£2,946,393	£3,009,771

(Expenses and overheads)

Private & Confidential

RA 235604

DATED 14th March 2017 2018

.....
**PLANNING OBLIGATION BY AGREEMENT UNDER SECTION 106 OF THE TOWN &
COUNTRY PLANNING ACT 1990 RELATING TO LAND AT
THE PRIORY, ST OSYTH, CLACTON ON SEA, ESSEX CO16 8NZ**

Between

TENDRING DISTRICT COUNCIL (1)

**RICHARD ARTHUR SARGEANT, TIMOTHY ROBERT SARGEANT, DAVID RICHARD
SARGEANT AND ANDREW IAN SARGEANT (OWNER) (2)**

and

LLOYDS BANK PLC (FIRST MORTGAGEE) (3)

THE AGRICULTURAL MORTGAGE CORPORATION PLC (SECOND MORTGAGEE) (4)

LPA REFERENCE:

16/00671/FUL

16/00656/FUL

CONTENTS

CLAUSE

1.	Interpretation	2
2.	Statutory provisions	9
3.	Covenants with the Council.....	9
4.	Future Permissions	10
5.	Disputes.....	10
6.	First Mortgagee's consent.....	12
7.	Second Mortgagee's Consent.....	12
8.	Determination of deed	12
9.	Ownership	12
10.	Notices	13
11.	Third party rights	14
12.	Waiver	14
13.	Additional Provisions.....	14
14.	Governing law	14

Schedule 1

Part 1 - The Owners Obligations

Part 2 - Listed Buildings

Part 3 - Additional Listed Buildings ("Target" Buildings and Structures)

Part 4 - Building Preservation Trust

Appendix 1 - The Schedule of Restoration Works

Appendix 2 - SPAB calendar

Appendix 3 - Articles of Association of St Osyth Priory and Parish Trust

Appendix 4 - CIL Regulations Compliance Note - 18 November 2016

Plans

Plan 1 - Priory Precinct

Plan 2 - The Property

Plan 3 - The Parkland

Plan 4 - The Trust Property

Plan 5 - Indicative Park Access Plan

Plan 6 - Westfield

THIS DEED is made the
Between:

14th March 2018

2017

- (1) TENDRING DISTRICT COUNCIL of Town Hall, Station Road, Clacton-on-Sea, Essex CO15 1SE ("The Council")
- (2) RICHARD ARTHUR SARGEANT, TIMOTHY ROBERT SARGEANT, DAVID RICHARD SARGEANT and ANDREW IAN SARGEANT all of The Priory, St Osyth, Clacton on Sea, Essex CO16 8NY (Owner)
- (3) LLOYDS BANK PLC incorporated and registered in England and Wales with company number 2065 whose registered office is at Secured Assets, Barnett Way, Gloucester GL4 3RL (First Mortgagee)
- (4) The Agricultural Mortgage Corporation PLC incorporated and registered in England and Wales with company number 234742 whose registered office is at Charlton Place, Charlton Road, Andover, Herts SP10 1RE (Second Mortgagee)

BACKGROUND

- (A) The Council is the local planning authority for the purposes of the Town & Country Planning Act 1990 for the area in which the Property is situated.
- (B) The Owner owns the Property part of which is subject to a mortgage in favour of the First Mortgagee and the remainder subject to a mortgage in favour of the Second Mortgagee.
- (C) The Owner has made the Applications and the Council has granted the Permissions each dated the 18 November 2016 which Permissions are subject to, inter alia, the Condition number 2.
- (D) The Owner owns the Priory Precinct subject to a mortgage in favour of the First Mortgagee.
- (E) The First Mortgagee is the registered proprietor of the charge dated 29 July 2002 referred to in entry number 6 of the charges register of Title number EX688873 and has agreed to enter into this deed to give its consent to the terms of this Agreement.
- (F) The Second Mortgagee is the registered proprietor of the charge dated 1 August 2012 as varied referred to in entries numbered 2/13 of the charges registers of Title numbers EX860324, EX628040 & EX39317 and has agreed to enter into this deed to give its consent to the terms of this Agreement.
- (G) The Condition was in the case of both the Permissions imposed pursuant to the Heads of Terms and the CIL Regulations Compliance Note dated 18 November 2016.

AGREED TERMS

1. INTERPRETATION

The following definitions and rules of interpretation apply in this deed.

1.1 Definitions:

In this Deed unless the context requires otherwise the following definitions apply:

“Act” the Town and Country Planning Act 1990
(as amended)

“Applications” The planning applications in respect of the Property for the Proposed Development having been given Council reference numbers:

- 16/00656/FUL
- 16/00671/FUL

“Articles of Association” the Articles of Association of St Osyth Priory & Parish Trust as at Appendix 3

“Building Preservation Trust”
 (“BPT”) means the Trust referred to in the Schedule 1 Part 4

“Business Strategy” means a business plan that will leverage available grant and commercial funding in conjunction with Enabling Development in accordance with clause 4.2 that will seek to deliver within 10 years of the date of Commencement the restoration of the Listed Buildings.

“CIL Regulations” The Community Infrastructure Regulations 2010 as amended

“CIL Regulations Compliance

Note” means the Owners Note dated the 18 November 2016 a copy of which is attached at Appendix 4

“Condition” means the Condition numbered 2 in the Planning Permissions dated 18 November 2016

“Draft Conservation Management Plan” means Section 9 of the Conservation Management Plan dated March 2011 produced by Liz Lake Associates.

“Commenced” means the commencement of the Proposed Development for the purpose of this Deed only by the carrying out of a material operation on the Property within the meaning of Section 56 of the Act pursuant to the Planning Permissions but excluding site clearance demolition and associated and ancillary operations archaeological investigations diversion and laying out of services and infrastructure whether existing or not the laying out and construction of new points of access to the highway together with other ancillary highway works the erection of a means of enclosure for the purposes of site security and for the display of advertisements, erection of temporary structures remediation of

	contamination and "commenced", "Commence" and "Commencement" shall be construed accordingly
"Complete"	completion of the relevant building works pursuant to a Building Regulations Completion Certificate that has been issued by the Council or other approved Inspector of a relevant Dwelling Unit as provided for in Schedule 1 Part 1 Clause 2.
"Conservation Deficit"	The amount by which the cost of repair (and conversion to optimum beneficial use if appropriate) of The Priory Estate, being the designated heritage assets exceeds its market value on completion of repair and conversion, allowing for all appropriate development costs in accordance with the Restoration Scheme and relevant practice and guidance at the date of this agreement.
"Dwelling Units"	the dwelling units (including any identified holiday dwelling units) to be created on the Property by the Proposed Development and "Dwelling Units" shall mean any of them
"Enabling Development"	means such applications for further development that would facilitate any shortfall in funding to achieve the aim within 10 years of the full restoration and

	viable reuse, where feasible of those buildings listed in Schedule 1 part 3
“Escrow Account”	means the account to be opened in the joint names of the Owner, the Council and the BPT
“Faith in Maintenance Calendar”	The maintenance regime as produced by The Society for the Protection of Ancient Buildings and provided in Appendix 2
“Heads of Terms”	means the Heads of Terms attached to the Planning Permissions
“Higher Level Stewardship Scheme (HLS)”	the grant scheme already entered into with Natural England including extensions or alterations to the same
“Listed Buildings”	the buildings in the Priory Precinct which are entered on the Secretary of State for Culture Media and Sport’s list of buildings of special architectural or historic interest and more particularly identified in Schedule 1 Part 2 and Schedule 1 Part 3
“Occupant”	any individual owner or occupant of a Dwelling Unit
“Operative Date”	the date the Proposed Development or any part of it is Commenced
“Owner”	means the parties referred to above as such including their respective successors in title assigns and persons deriving title through or under them subject to the provisions of Clause 3.2 and Clause 3.3

“Parkland”	Means the land as shown on Plan 3
“Parkland Dwelling Houses”	Means the Dwelling Units to be erected in the Parkland pursuant to Application number 16/00671/FUL
“Phase”	Means the phases of restoration identified in Schedule 1 Part 1 and Appendix 1.
“The Pigeon House”	Means the proposed Dwelling Unit as shown on plan CC-0175-PH1 Rev B pursuant to application 16/00671/FUL
“Planning Obligations”	the obligations conditions stipulations and provisions set out in the Schedule I Part I to this Agreement.
“Planning Permissions”	planning permissions for the Proposed Development granted on the 18 November 2016 under reference number 16/00671/FUL and 16/00656/FUL
“Priory Precinct”	means the land and buildings shown edged red on Plan 1
“Property”	The land and buildings cumulatively shown edged red on Plan 1 and Plan 2 and comprised within title numbers EX860324, EX628040, EX688873, EX39317 and EX832427.
“Proposed Development”	the development of the Property pursuant to the Applications
“Restoration Scheme”	those parts of the written scheme of works and specifications for the restoration of the Listed Buildings

prepared by Carden & Godfrey and entitled Survey of Condition with Historical Notes and Repair Recommendations dated 2009 updated by site review of current condition May/June 2010 and as altered at the request of English Heritage to lessen the amount of work so as to better accord with good conservation practice and to reduce the Conservation Deficit together with the McBains Cooper Cost Plan dated March 2012 as amended by the BNP Paribas Report November 2014 and November 2016 as are set out in Appendix 1 and subject to available funding as set out in Schedule 1 clause 4.2 but not further or otherwise

"The Trust Property"

means the property shown edged red on Plan number 4 or such additional or substitute structures and buildings or other provisions as are determined from time to time pursuant to the provisions of the Business Plan in conjunction with the Building Preservation Trust and the Council pursuant to operational requirements (subject to the provisions of Schedule 1 part 4).

- 1.2 Clause headings shall not affect the interpretation of this deed.

- 1.3 A person includes a natural person, corporate or unincorporated body (whether or not having separate legal personality).
- 1.4 Unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular.
- 1.5 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.
- 1.6 A reference to any party shall include that party's personal representatives, successors and permitted assigns.
- 1.7 A reference to the Council shall include save where otherwise excluded the successors to its respective statutory functions.
- 1.8 Unless the context otherwise requires, a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time.
- 1.9 Unless the context otherwise requires, a reference to a statute or statutory provision shall include any subordinate legislation made from time to time under that statute or statutory provision.
- 1.10 A reference to writing or written excludes faxes and e-mail.
- 1.11 A reference to this deed or to any other deed or document referred to in this deed is a reference to this deed or such other deed or document as varied or novated (in each case, other than in breach of the provisions of this deed) from time to time.
- 1.12 References to clauses are to the clauses of this deed.
- 1.13 Any words following the terms including, include, in particular, for example or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- 1.14 Where an obligation falls to be performed by more than one person, the obligation can be enforced against every person so bound jointly and against each of them individually.

2. STATUTORY PROVISIONS

2.1 This Agreement is made pursuant to the provisions of section 106 of the Act and Section 111 of the Local Government Act 1992 and all other powers so enabling and the Planning Obligations are:

- (a) Binding on the Property and enforceable by the Council
- (b) Local Land Charges and shall be registrable as such by the Council pursuant to the Local Land Charge Act 1976 and a Section 106 (11) of the Act

2.1.2 direct covenants made by the parties to this Agreement under Section 111 of the Local Government Act 1972

2.2 Nothing in the Planning Obligations shall be construed as restricting or enhancing the exercise by the Council of any powers exercised by or pursuant to the Act or any amendment or re-enactment of the Act.

2.3 The obligations contained in clause 3 of this deed are planning obligations for the purposes of section 106 of the Act and are entered into by the Owner with the intention that (save where otherwise provided in this Deed) they bind the interests held by those persons in the Property and their respective successors and assigns.

2.4 This deed shall come into effect on the date of its execution and delivery following the grant of the Planning Permissions save that the Planning Obligations shall only take effect on the Operative Date and subject to clause 13.2 but not otherwise.

2.5 The parties hereto are satisfied that the terms of this Agreement accord with the Community Infrastructure Regulations 2010 as amended.

3. COVENANTS WITH THE COUNCIL

3.1 The Owner hereby covenants with the Council to perform the Planning Obligations and each and every term and condition of them and acknowledges that the Property will be subject to this Agreement and the Planning Obligations subject to Clauses 3.2 and 3.3.

3.2 Neither the Occupants of the individual Dwellings or other commercial buildings nor their mortgagees nor any statutory undertaker in connection with the works required by the Proposed Development shall be bound by the Planning Obligations within this Deed PROVIDED ALWAYS

- (a) that this exclusion shall not apply to the named individuals who have entered into this Deed as landowners of the Property but shall

apply to their successors in title but only following the completion of the material Phase of the Restoration Scheme

- (b) the provisions of Schedule 1 Part 1 clause 3.2.3 as to the Parkland Dwelling Houses and Schedule 1 Part 1 clause 3.3 as to the Pigeon House shall apply to successors in title

3.3 Without prejudice to liability for any subsisting breach of the Planning Obligations no party shall be liable for breach of a Planning Obligation after parting with its interest in the Property or the part of it to which the breach relates but without prejudice to liability for any breach occurring prior to or in connection with the party of such interest and for the avoidance of doubt reference in this clause to "interest" excludes the creation of any easement.

3.4 At any time during the performance of the Planning Obligations the Authority will upon a written request of the Owner promptly (and in any event within fourteen days of request) issue to the Owner a certificate confirming compliance with and fulfilment of such obligations so as to identify those obligations that have been complied with and those that are outstanding.

3.5 Where in this Agreement the consent approval or satisfaction of the Council is required such consent approval or satisfaction shall not be unreasonably delayed or withheld and if the consent approval or satisfaction is not granted or is granted conditionally the Council shall give its reasons and shall advise the Owner of any changes that would overcome the Council's objection.

4. FUTURE PERMISSIONS

4.1 The Planning Obligations in this Deed are specific to the Planning Permissions and nothing in this Agreement shall be implied to prohibit or restrict the future development of the Property or any part of it or the adjoining land (or any part of them) in accordance with any planning permission granted (whether or not on appeal and whether or not retrospectively) after the date of the Planning Permissions.

5. DISPUTES

5.1 In this Agreement where any matter or question falls to be agreed between the parties or a test of reasonableness falls to be applied or determined in respect of any matter or a dispute shall arise in respect of any matter then failing the resolution of any such dispute disagreement or difference within 20 working days of the same arising it may be referred for determination in

accordance with the provisions of Clause 5.2 below on the application of any of the parties hereto

5.2 Any such dispute disagreement question or difference shall be referred to the decision of a single expert qualified to deal with the subject matter of the dispute disagreement question or difference who shall either be jointly nominated by the parties in dispute within a period of 10 working days of reference under Clause 5.1 above or failing agreement on such nomination the expert (who must also be prepared to abide by the terms of reference in Clause 5.3 below) shall be nominated by: (i) the President for the time being of the Royal Institution of Chartered Surveyors (or in his absence the Vice President or anyone appointed by the President) and any question of value shall be decided by a Chartered Surveyor of at least 10 years' experience who is independent of the parties in dispute or (ii) where the dispute relates to the construction of this Agreement or matters of a legal nature the Chairman for the time being of the Bar (or in his absence the Vice President or anyone appointed by the Chairman) and shall be a Queen's Counsel or junior of at least 10 years call

5.3 The expert's determination (including any determination as to the responsibility for payment of his own costs and those of the parties) shall be final and binding on the parties save in the case of manifest error

5.3.1 The terms of reference of any expert appointed to determine a dispute shall include the following:

5.3.1.1 He shall act as an expert and not an arbitrator

5.3.1.2 He shall call for and consider any written representations made by or on behalf of the parties in dispute which are received by him within 20 working days of his calling for such representations and at the expiry of this period shall give the parties a further period of 15 working days to make counter representations

5.3.1.3 He shall provide the parties in dispute with a written decision (including his reasons) within 20 working days from the last date for receipt of counter-representations under Clause 5.3.1.2 above

5.3.1.4 He shall be entitled to call for such independent expert advice as he shall think fit

5.3.1.5 He shall be entitled to determine which of the parties shall pay his costs, and any costs associated with the dispute including but

not limited to the costs of any independent expert advice called for by the expert or the proportion each shall pay

6. FIRST MORTGAGEE'S CONSENT

6.1 The First Mortgagee consents to this Agreement and acknowledges that the Agreement binds the Property. The First Mortgagee shall only be liable for a breach of the Agreement that it has itself caused whilst Mortgagee is in possession but shall not be liable for any pre-existing breach.

6.2 The First Mortgagee shall not be personally liable for any breach of the obligations in this deed unless committed or continuing at a time when the First Mortgagee is in possession of all or any part of the Property.

7. SECOND MORTGAGEE'S CONSENT

7.1 The Second Mortgagee consents to the completion of this deed and declares that its interest in the Property shall be bound by the terms of this deed as if it had been executed and registered as a land charge prior to the creation of the Second Mortgagee's interest in the Property.

7.2 The Second Mortgagee shall not be personally liable for any breach of the obligations in this deed but acknowledges that any successor in title to it shall be bound by the provisions of it.

8. DETERMINATION OF DEED

8.1 In respect of each of the Planning Permissions, this deed shall be determined and have no effect in relation to the development contained within that Permission if the Planning Permission granted pursuant to that Application:

- (a) expires before the Commencement of Development under that Application;
- (b) is varied or revoked other than at the request of the Owner; or
- (c) is quashed following a successful legal challenge

9. OWNERSHIP

9.1 The Owner warrants that no person other than the Owner and the First Mortgagee and the Second Mortgagee has any material legal or equitable interest in the Property.

10. NOTICES

10.1 A notice (or other communication) to be given under or in connection with this deed must be in writing and must be:

- (a) delivered by hand; or
- (b) sent by pre-paid first class post or other next working day delivery service.

10.2 Any notice or other communication to be given under this deed must be sent to the relevant party as follows:

- (a) to the Council at: Council Offices, Thorpe Road, Weeley, Clacton on Sea, Essex CO16 9AJ marked for the attention of (Gary Guiver);
- (b) to the Owner at: The Priory, St Osyth, Clacton on Sea, Essex CO16 8NY marked for the attention of Timothy Sargeant (Co-Owner);
- (c) to the First Mortgagee at: Lloyds Bank Department No. 1777 Horley Securities Centre PO Box 104 13 High Street Horley Surrey RH6 7YA marked for the attention of (Graham Littlewood);
- (d) to the Second Mortgagee at AMC, Charlton Place, Charlton Road, Andover SP10 1RE marked for the attention of (Emma Reilly, Security Amendments Officer)

or as otherwise specified by the relevant person by notice in writing to each other person from time to time.

10.3 Any notice or other communication given in accordance with clause 10.1 and clause 10.2 10.2 will be deemed to have been received:

- (a) if delivered by hand, on signature of a delivery receipt (or at the time the notice is left at the address) provided that if delivery occurs before 9.00 am on a Working Day, the notice will be deemed to have been received at 9.00 am on that day, and if delivery occurs after 5.00 pm on a Working Day, or on a day which is not a Working Day, the notice will be deemed to have been received at 9.00 am on the next Working Day;
- (b) if sent by pre-paid first class post or other next working day delivery service at 9.00 am on the second Working Day after posting.

10.4 Unless expressly agreed between the parties, a notice (or other communication) given under this deed shall not be validly given if sent by e-mail.

10.5 This clause 10 does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.

11. THIRD PARTY RIGHTS

11.1 A person who is not a party to this deed shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this deed.

12. WAIVER

12.1 No waiver (whether expressed or implied) by the Council of any breach or default in performing or observing any of the covenants terms or conditions of this Deed shall constitute a continuing waiver and no such waiver shall prevent the Council from enforcing any of the relevant terms or conditions or for acting upon any subsequent breach or default.

13. ADDITIONAL PROVISIONS

13.1 The Owner will undertake the works as identified at Appendix 1 prior to the completion of the relevant number of the Dwellings as particularised therein.

14. GOVERNING LAW

14.1 This deed and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England.

14.2 The terms of this Deed shall be capable of being varied by a deed executed by the parties or their successors in title in accordance with S106A of the Act.

This document has been executed as a deed and is delivered and takes effect subject to the provisions of clause 2.4 on the date stated at the beginning of it.

EXECUTED as a DEED by affixing the seal)

Of TENDRING DISTRICT COUNCIL)

in the presence of :



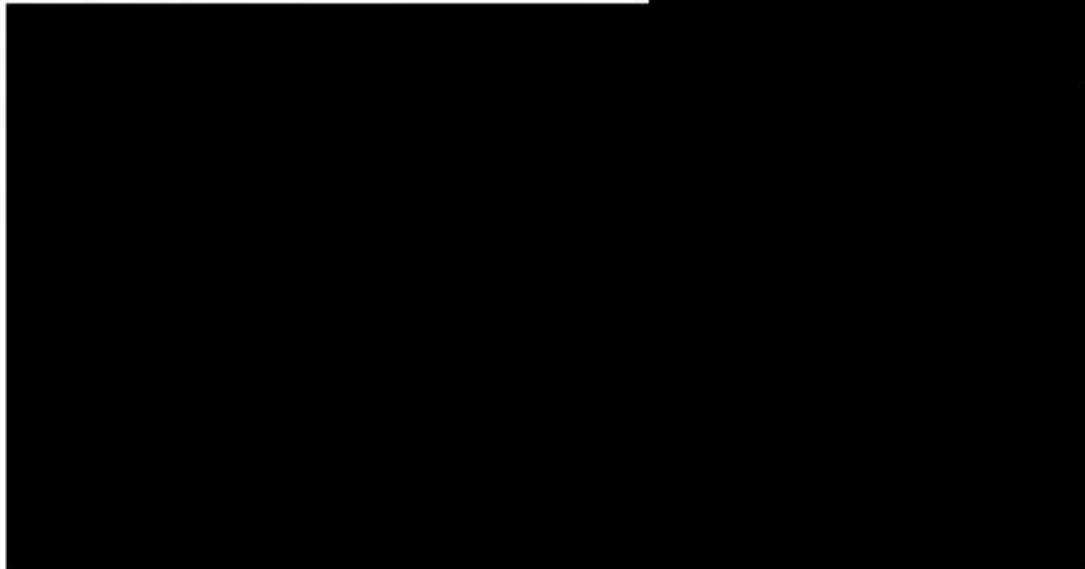
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EXECUTED as a DEED by the said

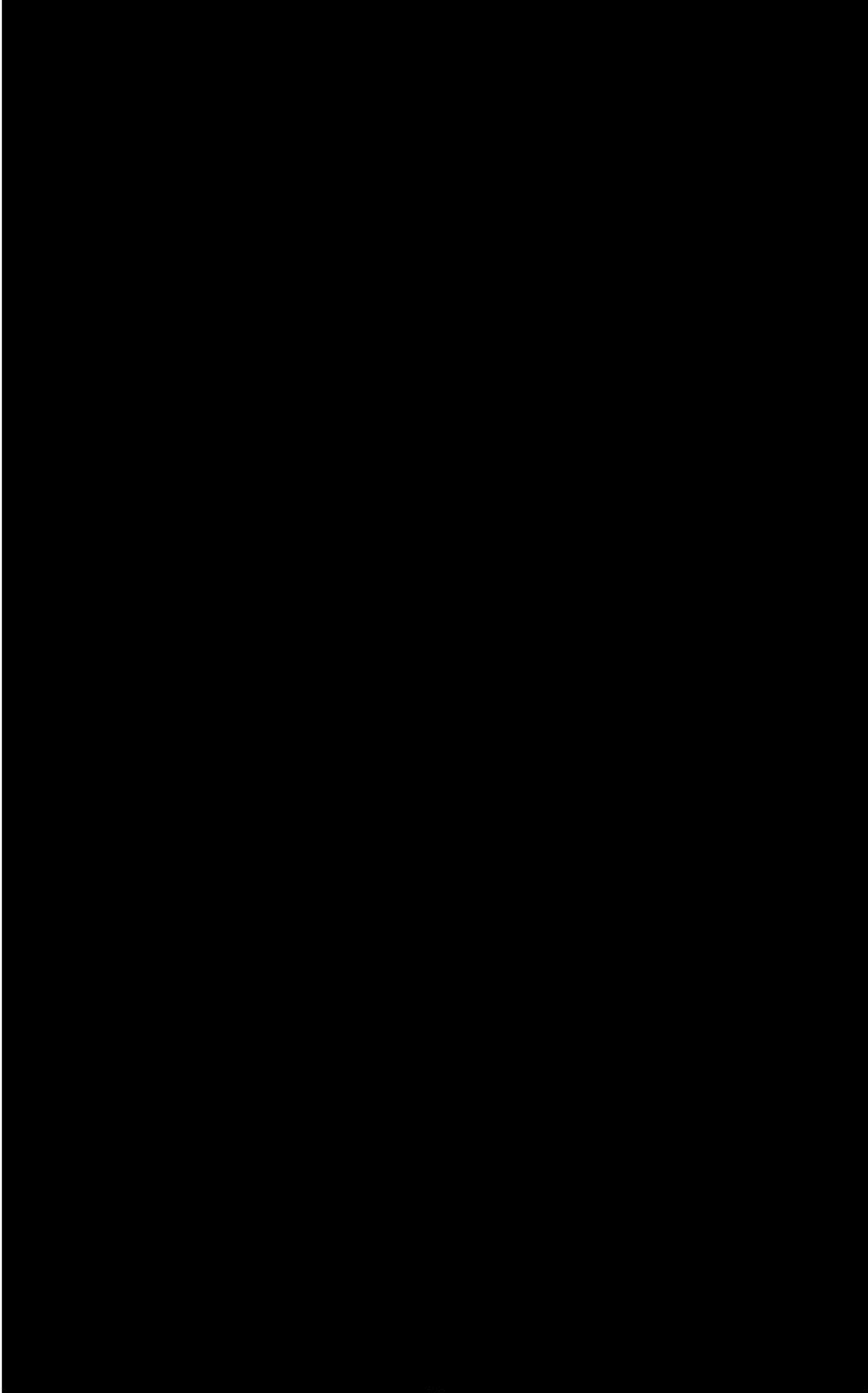
RICHARD ARTHUR SARGEANT

in the presence of :

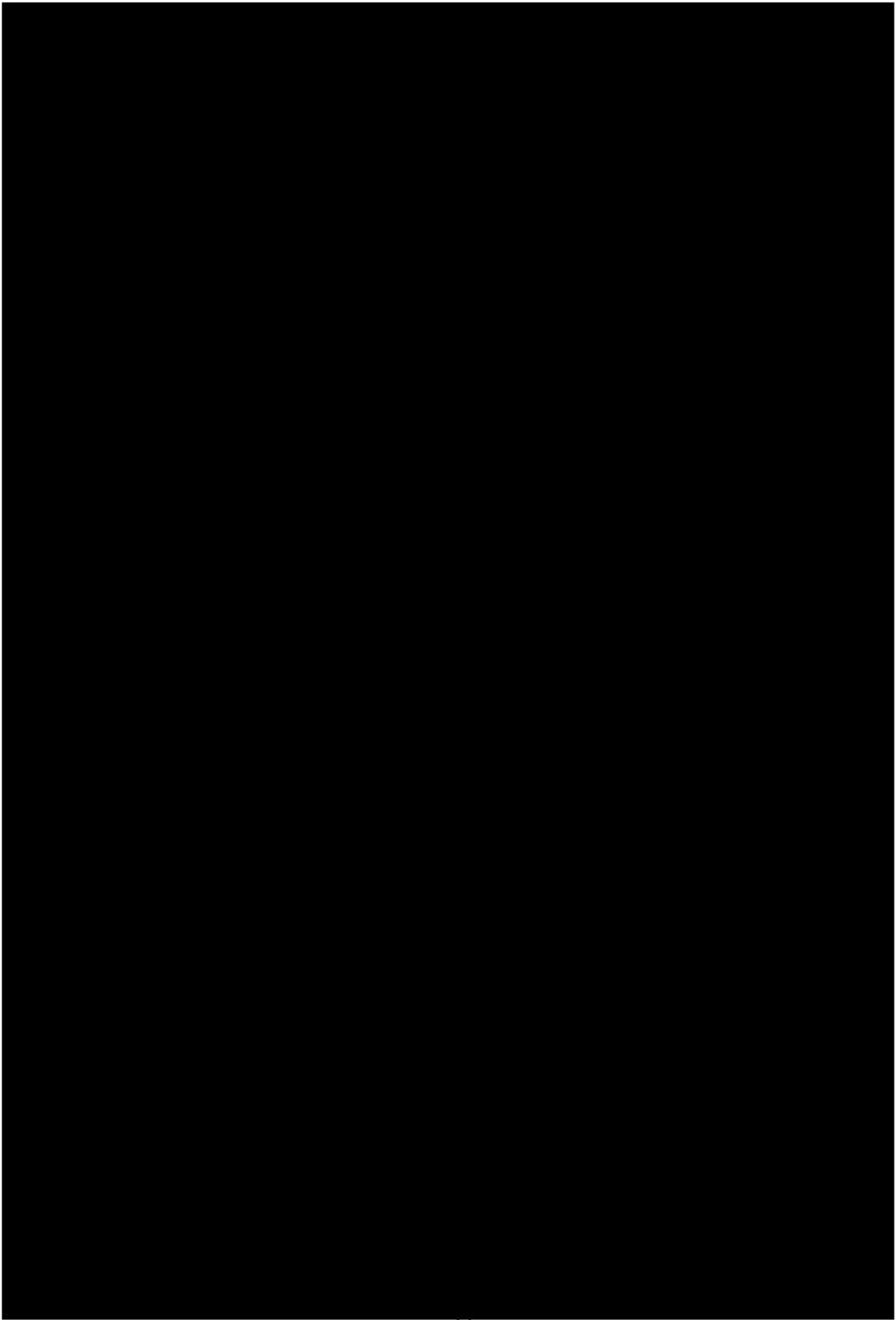
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SCHEDULE 1

The Owner's Obligations

PART I

1. Notification

To give notice in writing to the Council of:

- 1.1 the Operative Date not less than 14 days before such date (the "Commencement Notice");
- 1.2 completion of the relevant Phase prior to Completion of the first (1st) Dwelling Unit, the Twenty-fifth(25th) Dwelling Unit, the Forty-One(41st) Dwelling Unit, the Fifty-Two (52nd) Dwelling Unit, the Seventy Third (73rd) Dwelling Unit, the and the Eighty Second (82nd) Dwelling Unit
- 1.3 the initial sale of or the grant of a Lease in excess of 7 years of any of the Parkland Dwelling Houses.

2. Restoration Scheme

- 2.1. The Owner will following Commencement of the Development and in accordance with the provisions of clause 13.1 above together with the CIL Regulations Compliance note dated the 18 November 2016 and subject thereto undertake the repair of those Listed Buildings particularised in Appendix 1 ahead of the completion of the phases of the Dwelling Units set out therein.
- 2.2. Without prejudice to paragraph 2.4 below to implement the Restoration Scheme generally in accordance with the sequencing of the works as particularised in Appendix 1 as aforesaid Subject to such other alterations and amendments (being such as by their nature and extent do not require the submission of a formal planning application) as may be agreed in writing with the Council (such agreement not to be unreasonably withheld or delayed) in

the sequencing of the Restoration Scheme and the Dwellings so as to better restore and secure the future of the identified Listed Buildings and (without limitation to the aforesaid) to such reasonable delays or amendments as may arise or result due to:

- a. Working construction or building conditions or any other material factor that may arise during the carrying out of the works
- b. The condition or state of any part of the identified Listed Buildings necessitating urgent works or so as to prioritise works otherwise than in accordance with the scheme together with the grant of any necessary Listed Building Consent or Consent pursuant to Works to an Ancient Monument
- c. Market conditions in connection with the sale of the Dwellings Units or otherwise

and for the avoidance of doubt the Restoration Scheme or any part of the works of repair and conversion to the Listed Buildings specified within it may be completed ahead of the Proposed Development or Commencement as set out in Appendix 1 as aforesaid and further it is recognised that the Council may reasonably require a Bond as described in paragraph 2.3 of this Schedule 1 where such agreed alteration in sequencing may delay the completion of part of the works comprised in the Restoration Scheme. The Bond would be for a sum that is equal to the construction cost of works in the Restoration Scheme that would be outstanding in relation to the respective phase as contained in Appendix 1 aforesaid. The said outstanding construction cost to be calculated by an independent quantity surveyor appointed by the Owner following agreement with the Council as to such appointment. Works so delayed consequent upon the provision of the Bond are to be completed within 2 years of the provision of such Bond and otherwise subject to the provisions of this clause.

- 2.3. To provide a Bond when requested by the Council pursuant to paragraph 2.2 in terms and with a Bondsman first having been approved in writing by the Council
- 2.4. For the avoidance of doubt the Bondsman shall be released from all liability under the bond and the obligations in this Agreement on completion of the relevant works specified in the Restoration Scheme to the reasonable satisfaction of the Council
- 2.5. Failure by the Council to respond within one calendar month will represent an approval to the request. In the event the Council does not agree to any amendment or alteration to the Restoration Scheme in accordance with clause 2.2 above they must provide reason/s for the refusal including an explanation of how it will fail to secure the future of the identified Listed Buildings and such other alternative that they would find acceptable. Any dispute as to the reprioritisation of the order of work shall be referred to the Expert pursuant to clause 5 ante within 21 days of such dispute arising.
- 2.6. For the avoidance of doubt there shall be no impediment or restriction on the sale and/or occupation of any Dwelling Unit consequent upon the carrying out of the works in the corresponding Phase or provision of a bond as set out in clause 2.2 and 2.3 that covers the outstanding works.
- 2.7. The Council and its advisors shall be permitted access upon reasonable prior notice and subject to such operational requirements as are reasonably required to the Priory Precinct for the purposes of monitoring inspecting and approving the works pursuant to the Restoration Scheme (such approvals not to be unreasonably withheld or delayed and the provisions of clause 2.5 ante shall apply in all respects to this clause).
- 2.8. Subject to clause 2.2 of this Schedule the Restoration Scheme in Appendix 1 will be completed no later than 10 years from the Date of Commencement

3. THE MANAGEMENT PLANS

3.1. The Listed Buildings

Following the Completion of each Phase of the Restoration Works as identified in Appendix 1 as aforesaid to put in place a management regime in accordance with the Faith in Maintenance Calendar and to use all reasonable endeavours to procure the performance of the same.

3.2. The Parkland

3.2.1 Following the Completion of the Parkland development pursuant to application reference 16/00671/FUL to use all reasonable endeavours to procure the maintenance of the Parkland in accordance with the Business Strategy, Draft Conservation Management Plan and the HLS and where there is a conflict the HLS will prevail.

3.2.2 The management will be the responsibility of the registered Owner of the Parkland.

3.2.3 To provide within the legal documents for any sale or grant of a Lease in excess of 7 years such mechanism (to include a management company ["The Management Company"]) whose function shall be the ongoing maintenance of the Parkland the particulars of which shall be agreed in writing with the Council prior to the completion of any sale or lease as aforesaid as shall be reasonably necessary to ensure that the purchaser of any Parkland Dwelling House will reasonably contribute to the future management and maintenance of the Parkland

3.2.4 To enter a restriction on the proprietorship register of any Dwelling Units sold within the Parkland as follows:

"no disposition of the Registered Estate [of the Dwelling](other than a charge) by the proprietor of the registered estate is to be registered without a certificate addressed to H M Land Registry and signed by its conveyancer that the provisions of Paragraph 3.2 of the First Schedule of the Agreement dated

2017 between Tendring District Council (1) Richard Arthur Sargeant, Timothy Robert Sargeant, David Richard Sargeant and Andrew Ian Sargeant (2) Lloyds Bank Plc and (3) The Agricultural Mortgage Corporation Plc (4) have been complied with.

3.3. The Pigeon House

3.3.1 The Owner will provide in any Transfer or Long Lease in excess of 7 years granted on the sale of the Pigeon House and any grounds included within such sale or lease as aforesaid (the Pigeon House and such grounds hereinafter referred to in this clause as "the Premises") that the same shall contain inter alia the following provisions namely:

3.3.2 Not without prior written consents of the Vendor the Management Company and where statutorily required of the Council or other competent authority (which consents may in the case of the Vendor and the Management Company be withheld within their absolute discretion) to:

3.3.3 alter the external appearance of any buildings walls fences and other erections now on the Premises

3.3.4 divide the Premises into more than one unit of accommodation

3.3.5 construct or maintain on the Premises any additional buildings walls fences or other structures or erections than those now existing

3.3.6 alter the external decoration scheme or colours of the Premises than as then existing

3.3.7 Not to:

- 3.3.7.1 use any garden land included in any Premises other than as a garden appurtenant to the house included within the Premises
- 3.3.7.2 erect any satellite dishes or similar electronic receiving devices on the exterior of the Premises
- 3.3.7.3 mutilate cut fell or lop any trees or shrubs on the Premises without the prior written consents of the Management Company and (if required) any local or other competent authority
- 3.3.7.4 permit in the curtilage of the Premises any planting other than that contained in the Landscape Management Plan and any subsequent reviews of the same and not to erect any fences walls or other means of enclosure save for those approved by any planning permission.
- 3.3.7.5 place or park any caravan boat motor car van or lorry on any part of the Premises in connection with the use of the Pigeon House (other than for loading or unloading)
- 3.3.7.6 permit the cleaning or repair of motor vehicles on any part of the Premises
- 3.3.7.7 place or permit any advertisement notice or sign upon any part of the Premises

3.3.8 The owner will take all reasonable and commercially sensible steps to enforce the a foregoing covenants and obligations.

4. ADDITIONAL RESTORATION - (BUSINESS PLAN)

4.1. Subject to the grant of all necessary statutory and other consents and approvals and subject also to the availability of funding the Owner will separately aim to complete in conjunction with the BPT the restoration of the buildings on Schedule 1 Part 3 within 10 years of Commencement.

4.2. The Owner will (in conjunction with the BPT) seek to generate income to facilitate such works in the following order of priority namely:

- i. Grant funding
- ii. Commercial borrowing on the Trust Property
- iii. Additional Enabling Development

So as to facilitate the completion of the said Restoration of the Buildings in 4.1 above

4.3. The Owner will in conjunction with the Trust prepare a combined Business Strategy that realistically and viably seeks to achieve the restoration of the Listed Buildings at Part 3 of this Schedule. The Business Strategy will be submitted to the Council for approval. Failure by the Council to respond within 20 working days will represent an approval to the request. In the event the Council does not agree to the Business Strategy they must provide reason/s for the refusal including an explanation of how it will fail to secure the future of the identified Listed Buildings and such other alternative that they would find acceptable. If there is a dispute this will be referred within 21 calendar days for determination in accordance with clause 5.

4.4. Once the Business Strategy is agreed the Owner and Trust will subject to market forces and availability of suitable funding proceed using reasonable endeavours to deliver the Business Strategy. Similarly, without fettering the Council's powers unlawfully the Council will be bound to act where relevant and appropriate in accordance with the agreed Business Strategy. For the avoidance of doubt the Owner will not be required to proceed if the Business Strategy does not or will not deliver market returns of profit based upon the risks associated with the Business Strategy. If the Business Strategy is unviable then the Owner will prepare a new Business Strategy and seek approval with the Council as set out above. The process will be an iterative process over the 10 years.

4.5. The Council or the Owner can annually on the date of this agreement seek the other to agree to the re-prioritise of the Restoration Scheme with regard the Target Listed Buildings in Schedule 1 Part 3. The party to whom the application is made has 20 working days to agree or otherwise. If, the alteration alters the Business Strategy then this period will be extended to 3 months. Both parties acting reasonably need to agree to the proposed re-prioritisation and in the event of a dispute then within 21 days it is to be referred to an expert for determination otherwise in accordance with Clause 5 ante. The decision to alter, substitute and remove Trust Property will be determined by the Business Strategy and require the agreement of the Council such agreement not to be unreasonably withheld or delayed and subject also to provisions of clause 5 (Disputes) ante.

5. Escrow Account

5.1. The Owner will in conjunction with the BPT open an Escrow Account in the names of the Owner, the BPT and the Council.

5.2. The Owner will following Commencement make payment into the Escrow Account for the use of the BPT two separate tranches namely £800,000.00 (eight hundred thousand pounds) on completion of the floor slabs of the four units within the Park that the Owner individually are to occupy and with the balance of £400,000.0 (four hundred thousand pounds) to be paid into the Escrow Account prior to the commencement of development permitted under 16/00656/FUL.

5.3. The Owner will take all reasonable steps to procure that the Trust utilises the said payments to facilitate the early application for grant aid to maximise the funds available for restoration pursuant to clause 4.1 of Schedule 1.

6. Covenants

6.1. Restriction on further development

The Owner will not seek planning permission for residential development within the Parkland as shown edged red on Plan 3 for any more than the 17 units currently permitted by planning permission 16/00671 provided always that there shall be no restriction in respect of further planning applications seeking to authorise the reconfiguration of those residential units permitted within the Parkland; and

The Owner shall not seek planning permission for residential development within that area of Westfield as shown edged red on Plan 6; and

The Owner shall not seek planning permission for residential development within that area of Westfield as shown edged blue on Plan 6 for any more than the 72 units currently permitted by planning permission 16/00656 and as to the area edged blue coloured hatched yellow as a water attenuation pond and/or landscaping as permitted by planning permission 16/00656 provided always that:

- (i) there shall be no restriction in respect of further planning applications seeking to authorise the reconfiguration of those residential units permitted within that part of Westfield edged blue (but, and for the avoidance of doubt, excluding the area edged blue coloured hatched yellow); and
- (ii) the Owner may subject to the grant of planning permission for the same relocate 8 (eight) of the units known as the Slip Cottages from the Parkland to the area shown hatched green on Plan 6 such that the total number of residential units within the area edged red on Plan 3 and edged blue and hatched edged green on Plan 6 shall together not exceed 89 and consequent upon such relocation of the 8 units known as Slip Cottages the number of residential units within the Parkland (Plan 3) shall not exceed 9.

6.2. For the avoidance of doubt nothing herein will prevent or restrict applications for the extension or alteration of any of the 89 permitted residential units whether by way of Householder applications or otherwise.

6.3.

7. Appointments

7.1. The Owner will use all reasonable endeavours to procure that the Council, together with St Osyth Parish Council, will each be invited to appoint a representative of each body, the identity to be the subject of agreement with Owner such agreement not to be unreasonably withheld or delay on the BPT.

Schedule 1

Part 2

Listed Buildings

The Gatehouse

Darcy House West Wing including Abbots Lodging

Darcy House East Wing

Part 3

("Target" Buildings and Structures)

Darcy House	(where not provided for at Appendix 1)
The Gate House	(completion of works save where not provided for at Appendix 1)
Abbots Tower, Chapel and "Rivers Wall"	
Brewhouse	
West Barn	
Tithe Barn Cart Shed and Diary	
Rose Garden Walls	
Northern section of wall	(with gate and windows on the west side of the Bury)

Part 4

Building Preservation Trust ("the Trust")

1. The Owner will procure the completion of an Agreement for Lease ("AFL") with the Trust in respect of the grant of a 90 year Lease ("the Lease") of the Trust Property to St Osyth Priory & Parish Trust as Tenant ("the Tenant"). The completion of the properties set out in the Lease will be phased according to the success of grant funding and commercial loans to deliver discrete packages of restoration that allow complete buildings to be reused and the Business Strategy to be delivered.

2. A company has been incorporated under Company Registration number [CRN 09367206] for the purpose of operation of the Trust and more specifically so as to enable the historic assets contained within the Trust Property and other Property from time to time within the Priory Precinct to be repaired by the Tenant so as to further reduce the Conservation Deficit for the Priory complex as a whole and to facilitate the aims identified within the Heads of Terms.

3. The terms of the proposed Lease will include provisions for members of the public visiting the permitted Trust Property on the terms and conditions issued by the Trust or the operator (such provision to be available on not less than 80 days in a year) additionally to be granted permission to access on such terms and conditions:
 - i. Those parts of the Parkland shown by the measured walks dotted red and/or blue and/or green on Plan 5 (subject to amendment and variation as determined from time to time

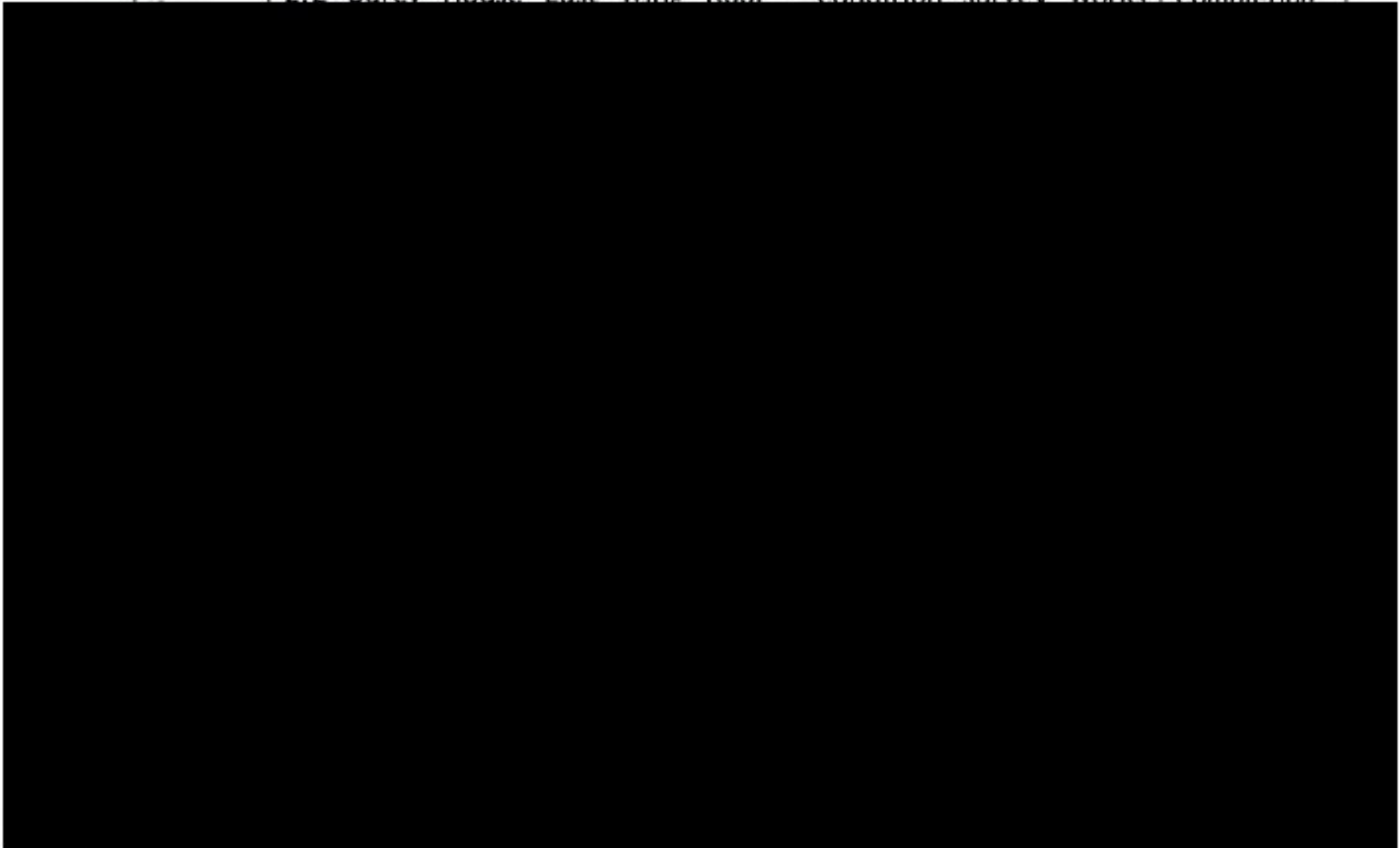
- as part of the commercial use of the property as a visitor attraction that is approved via the Business Plan process as defined in clause 4 ante)
- ii. following completion of the Restoration Scheme of the Trust Property within the Priory Precinct that is capable of separate beneficial use via the authorised and designated routes over the same so as to access such Trust Property (provided further that access to the Chapel shall additionally be permitted to members of the public otherwise visiting the Trust Property at times otherwise when the Chapel is in use for weddings or other services or being used in preparation for the same).
4. such access in every case shall be subject to the ability of the Trust or the operator to provide safe access, cost effectively, the Business Strategy to include the use of the Trust Property and provisions for variation and amendment as required for operational or other requirements.
 5. The proposed Lease will additionally include provisions as are necessary for the operation of the Trust for access to the Trust Property over the Property together with such rights for temporary parking by the Trust on the Property ancillary to the activities of the Trust.
 6. The Owner or such trading Company or business entity nominated by the Owner ("the operator") will enter into an AFL with the Trust to take a Lease of the buildings restored for commercial/residential use by the operator on completion of such restoration such Lease to provide for Market Rent of the same in order to continue the availability of a revenue stream to be utilised by the Trust in

furtherance of its aim to secure the restoration of the buildings and structures set out in Schedule 1 Part 3.

7. Any liability of the Trustees (here meaning any person appointed as a Trustee of St Osyth Priory and Parish Trust ("the Trust") CRN 09367206 (save for Timothy Sargeant or any other "Owner") arising out of this Deed or anything supplemental to it or connected with it shall be limited to the value of the assets of the Trust in their possession from time to time.

Appendix 1

Phase	St Osyth Priory S.106 Restoration Works (18 November 2016) Appeal AA(West Field 5) and Appeal BB (Park 2) (Less HLF).	
	Payment into the Escrow Account for BPT to be in two tranches namely £800,000 on completion of floor slab of the four units within the park that the family are occupying with the balance (£400,000) to be paid prior to the commencement of development of West Field 5 or at such earlier date or dates as the Owner may at its sole discretion determine.	
a.	Gatehouse complete East and West. (Central Roof 4.1.2.1a to 4.1.2.1, Central South Wall 4.1.2.2a to 4.1.2.2z, Central North Wall 4.1.2.4a to 4.1.2.4o, Central Archway 4.1.2.6a to 4.1.2.6h, Interior 4.1.2.7 to 4.1.2.7g and Interior 4.2.2.4)	Prior to Completion of the 25 th dwelling
b.	Gatehouse - completion of ALL improvement/ new works to central, west and east ranges. (Items 1A to 6D)	Prior to Completion of the 41 st dwelling
c.	Darcy House West Wing (including Abbots Lodging). (West Wing Roof 2.1.2.1a to 2.1.2.1b, West Wing South Wall 2.1.2.2a to 2.1.2.2i, Abbots Lodgings South Wall 2.1.2.3a to 2.1.2.3l, West Wing West Wall 2.1.2.4a to 2.1.2.4b, West Wing North Wall 2.1.2.5a to 2.1.2.5g, Abbots Lodgings North Wall 2.1.2.6a to 2.1.2.6d, Interior West Wing & Abbots Lodgings 2.1.2.7a to 2.1.2.7b)	Prior to Completion of the 52 nd dwelling
d.	Darcy House West internal fit out/improvement works (excluding Abbots Lodging). (Items 1A to 6D proportioned on a square footage basis based)	Prior to Completion of the 73 rd dwelling
	2.2 Darcy House East Wing Roof - condition survey works	Prior to Completion



Regular checks are a vital part of building maintenance. Check as frequently as you can, but preferably no less often than is suggested below. The best time to check gutters and rainwater goods is during or just after rain, as this will help you to spot any leaking sections. Further information and guidance can be found on the Faith in Maintenance website at www.spibm.org.uk

Tick the boxes as you complete each task. You can also use this chart to identify any points of concern that need to be addressed.



JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
<p>Things to do</p> <ul style="list-style-type: none"> Have the electrical system tested by a qualified person at least once every five years. CHECKED ACTION NEEDED Check downpipes to see if they are blocked and clear. Remember to replace the gutters too. CHECKED ACTION NEEDED Inspect and clean gutters and downpipes to prevent rain water overflowing down them and causing damage. Extra cleaning is needed in some areas. CHECKED ACTION NEEDED 	<p>Things to do</p> <ul style="list-style-type: none"> Inspect and clean gutters and downpipes to prevent rain water overflowing down them and causing damage. Extra cleaning is needed in some areas. CHECKED ACTION NEEDED Check the condition of any pipes in the house and all other water pipes to ensure they are all in good order. CHECKED ACTION NEEDED 	<p>Things to look for</p> <ul style="list-style-type: none"> Check for signs of frost damage to the roof and gutters. CHECKED ACTION NEEDED <p>Things to do</p> <ul style="list-style-type: none"> Check for signs of frost damage to the roof and gutters. CHECKED ACTION NEEDED 	<p>Things to look for</p> <ul style="list-style-type: none"> Check for signs of frost damage to the roof and gutters. CHECKED ACTION NEEDED <p>Things to do</p> <ul style="list-style-type: none"> Check for signs of frost damage to the roof and gutters. CHECKED ACTION NEEDED 	<p>Things to do</p> <ul style="list-style-type: none"> Check for signs of frost damage to the roof and gutters. CHECKED ACTION NEEDED 	<p>Things to look for</p> <ul style="list-style-type: none"> Check for signs of frost damage to the roof and gutters. CHECKED ACTION NEEDED
<p>Safety</p> <ul style="list-style-type: none"> Ensure you maintain your building safely. Ladders, ladders and roofs present particular hazards. It is best not to work alone, but if it is a safety of helpers and others be with it working above ground level. Safety equipment is needed for some jobs, including gloves for the clearance of drains or removal of pigeon droppings from gutters. Do not touch gas or electrical supplies unless you are qualified. If in any doubt about safe access, particularly on roofs or at height, use a reputable professional to filter or inspect, or work. Breaches can be a useful tool to help you inspect roofs and other high level items. For further advice contact the Health and Safety Executive - www.hse.gov.uk 					
<p>Name and contact details for architect or surveyor</p> <p>37 Spital Square, London, E1 6DY Tel: 0207 377 1644 Email: info@spibm.org.uk Website: www.spibm.org.uk</p> <p>The National Lottery</p>					

Faith in Maintenance Calendar

Regular checks are a vital part of building maintenance. Check as frequently as you can, but preferably no less often than is suggested below. The best time to check gutters and rainwater goods is during or just after rain, as this will help you to spot any leaking sections. Further information and guidance can be found on the Faith in Maintenance website at www.spibm.org.uk

Tick the boxes as you complete each task. You can also use this chart to identify any points of concern that need to be addressed.



JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
<p>Things to look for</p> <ul style="list-style-type: none"> Look for signs of water damage, leaks or wet spots. Check for mould and other issues. CHECKED ACTION NEEDED <p>Things to do</p> <ul style="list-style-type: none"> Check any damp proofing from around the base of the walls and in particular from the drainage channel. CHECKED ACTION NEEDED Have the lighting protection system checked at least once every five years. CHECKED ACTION NEEDED If your building has a complex roof structure, it is recommended that you have a professional inspect it. CHECKED ACTION NEEDED 	<p>Things to do</p> <p>Take a break!</p>	<p>Things to look for</p> <ul style="list-style-type: none"> Check for signs of water damage, leaks or wet spots. CHECKED ACTION NEEDED <p>Things to do</p> <ul style="list-style-type: none"> Check for signs of water damage, leaks or wet spots. CHECKED ACTION NEEDED 	<p>Things to look for</p> <ul style="list-style-type: none"> Check for signs of water damage, leaks or wet spots. CHECKED ACTION NEEDED <p>Things to do</p> <ul style="list-style-type: none"> Check for signs of water damage, leaks or wet spots. CHECKED ACTION NEEDED 	<p>Things to look for</p> <ul style="list-style-type: none"> Check for signs of water damage, leaks or wet spots. CHECKED ACTION NEEDED <p>Things to do</p> <ul style="list-style-type: none"> Check for signs of water damage, leaks or wet spots. CHECKED ACTION NEEDED 	<p>Things to do</p> <ul style="list-style-type: none"> Check for signs of water damage, leaks or wet spots. CHECKED ACTION NEEDED
<p>Safety</p> <ul style="list-style-type: none"> Ensure you maintain your building safely. Ladders, ladders and roofs present particular hazards. It is best not to work alone, but if it is a safety of helpers and others be with it working above ground level. Safety equipment is needed for some jobs, including gloves for the clearance of drains or removal of pigeon droppings from gutters. Do not touch gas or electrical supplies unless you are qualified. If in any doubt about safe access, particularly on roofs or at height, use a reputable professional to filter or inspect, or work. Breaches can be a useful tool to help you inspect roofs and other high level items. For further advice contact the Health and Safety Executive - www.hse.gov.uk 					
<p>Name and contact details for architect or surveyor</p> <p>37 Spital Square, London, E1 6DY Tel: 0207 377 1644 Email: info@spibm.org.uk Website: www.spibm.org.uk</p> <p>The National Lottery</p>					

Appendix 3 - Articles of Association of St Osyth Priory and Parish Trust

St. Osyth Priory & Parish Trust

Articles of Association

Articles of Association of St Osyth Priory Trust

1. The company's name is

St Osyth Priory & Parish Trust

(and in this document it is called the 'charity').

Interpretation

2. In the articles:

'address' means a postal address or, for the purposes of electronic communication, a fax number, an e-mail or postal address or a telephone number for receiving text messages in each case registered with the charity;

'the articles' means the charity's articles of association;

'the charity' means the company intended to be regulated by the articles;

'clear days' in relation to the period of a notice means a period excluding:

- the day when the notice is given or deemed to be given; and
- the day for which it is given or on which it is to take effect;

'the Commission' means the Charity Commission for England and Wales;

'Companies Acts' means the Companies Acts (as defined in section 2 of the Companies Act 2006) insofar as they apply to the charity;

'the directors' means the directors of the charity. The directors are charity trustees as defined by section 177 of the Charities Act 2011;

'document' includes, unless otherwise specified, any document sent or supplied in electronic form;

'electronic form' has the meaning given in section 1168 of the Companies Act 2006;

'the memorandum' means the charity's memorandum of association;

'officers' includes the directors and the secretary (if any);

'the seal' means the common seal of the charity if it has one;

'secretary' means any person appointed to perform the duties of the secretary of the charity;

'the United Kingdom' means Great Britain and Northern Ireland; and words importing one gender shall include all genders, and the singular includes the plural and vice versa.

Unless the context otherwise requires words or expressions contained in the articles have the same meaning as in the Companies Acts but excluding any statutory modification not in force when this constitution becomes binding on the charity.

Apart from the exception mentioned in the previous paragraph a reference to an Act of Parliament includes any statutory modification or re-enactment of it for the time being in force.

Liability of members

3. The liability of the members is limited to a sum not exceeding £10, being the amount that each member undertakes to contribute to the assets of the charity in the event of its being wound up while he, she or it is a member or within one year after he, she or it ceases to be a member, for:
 - (1) payment of the charity's debts and liabilities incurred before he, she or it ceases to be a member;
 - (2) payment of the costs, charges and expenses of winding up; and
 - (3) adjustment of the rights of the contributories among themselves.

Objects

4. The charity's objects ('Objects') are specifically restricted to the following:

The Preservation for the benefit of the public of the buildings, monuments and land of particular historical, architectural or construction interest firstly at St Osyth Priory and secondly St Osyth Parish.

[Nothing in the articles shall authorise an application of the property of the charity for purposes which are not charitable in accordance with section 7 of the Charities and Trustee Investment (Scotland) Act 2005 and/or section 2 of the Charities Act (Northern Ireland) 2008.]

Powers

5. The charity has power to do anything which is calculated to further its Object or is conducive or incidental to doing so. In particular, the charity has power:
 - (1) to raise funds. In doing so, the charity must not undertake any taxable permanent trading activity and must comply with any relevant statutory regulations [i.e. through Social Enterprise Company];
 - (2) to buy, take on lease or in exchange, hire or otherwise acquire any property and to repair and maintain and equip it for use;
 - (3) to sell, lease or otherwise dispose of all or any part of the property belonging to the charity. In exercising this power, the charity must comply as appropriate with sections 117 and 122 of the Charities Act 2011.
 - (4) to borrow money and to charge the whole or any part of the property belonging to the charity as security for repayment of the money borrowed or as security for a grant or the discharge of an obligation. The charity must comply as appropriate with sections 124 - 126 of the Charities Act 2011 if it wishes to mortgage land;
 - (5) to co-operate with other charities, voluntary bodies and statutory authorities and to exchange information, learnings, and advice with them;
 - (6) to establish or support any charitable trusts, associations or institutions formed for any of the charitable purposes included in the Object ;

(7) to acquire, merge with or to enter into any partnership or joint venture arrangement with any other charity or private organisation;

(8) to set aside income as a reserve against future expenditure but only in accordance with a written policy about reserves;

(9) to employ and remunerate such staff and volunteers as are necessary for carrying out the work of the charity. The charity may employ or remunerate a director only to the extent it is permitted to do so by article 7 and provided it complies with the conditions in that article;

(10) to:

(a) deposit or invest funds;

(b) employ a professional fund-manager; and

(c) arrange for the investments or other property of the charity to be held in the name of a nominee;

in the same manner and subject to the same conditions as the trustees of a trust are permitted to do by the Trustee Act 2000;

(11) to provide indemnity insurance for the directors in accordance with, and subject to the conditions in, section 189 of the Charities Act 2011;

(12) to pay out of the funds of the charity the costs of forming and registering the charity both as a company and as a charity.

Application of income and property

6. (1) The income and property of the charity shall be applied solely towards the promotion of the Object.

(2) (a) A director is entitled to be reimbursed from the property of the charity or may pay out of such property reasonable expenses properly incurred by him or her when acting on behalf of the charity.

(b) A director may benefit from trustee indemnity insurance cover purchased at the charity's expense in accordance with, and subject to the conditions in, section 189 of the Charities Act 2011.

(c) A director may receive an indemnity from the charity in the circumstances specified in article 57.

(d) A director may not receive any other benefit or payment unless it is authorised by article 7.

(3) Subject to article 7, none of the income or property of the charity may be paid or transferred directly or indirectly by way of dividend bonus or otherwise by way of profit to any member of the charity. This does not prevent a member who is not also a director receiving:

(a) a benefit from the charity in the capacity of a beneficiary of the charity;

(b) reasonable and proper remuneration for any goods or services supplied to the charity.

Benefits and payments to charity directors and connected persons

7. (1) **General provisions**

No director or connected person may:

- (a) buy any goods or services from the charity on terms preferential to those applicable to members of the public;
- (b) sell goods, services, or any interest in land to the charity;
- (c) be employed by, or receive any remuneration from, the charity;
- (d) receive any other financial benefit from the charity; unless the payment is permitted by sub-clause (2) of this article, or authorised by the court or the Charity Commission.

In this article a 'financial benefit' means a benefit, direct or indirect, which is either money or has a monetary value.

Scope and powers permitting directors' or connected persons' benefits

- (2) (a) A director or connected person may receive a benefit from the charity in the capacity of a beneficiary of the charity provided that a majority of the directors do not benefit in this way.
- (b) A director or connected person may enter into a contract for the supply of services, or of goods that are supplied in connection with the provision of services, to the charity where that is permitted in accordance with, and subject to the conditions in, sections 185 and 186 of the Charities Act 2011.
- (c) Subject to sub-clause (3) of this article a director or connected person may provide the charity with goods that are not supplied in connection with services provided to the charity by the director or connected person.
- (d) A director or connected person may receive interest on money lent to the charity at a reasonable and proper rate which must be not more than the Bank of England bank rate (also known as the base rate).
- (e) A director or connected person may receive rent for premises let by the director or connected person to the charity. The amount of the rent and the other terms of the lease must be reasonable and proper. The director concerned must withdraw from any meeting at which such a proposal or the rent or other terms of the lease are under discussion.
- (f) A director or connected person may take part in the normal trading and fundraising activities of the charity on the same terms as members of the public.

Payment for supply of goods only – controls

(3) The charity and its directors may only rely upon the authority provided by sub-clause (2)(c) of this article if each of the following conditions is satisfied:

- (a) The amount or maximum amount of the payment for the goods is set out in an agreement in writing between the charity or its directors (as the case may be) and the director or connected person supplying the goods ('the supplier') under which the supplier is to supply the goods in question to or on behalf of the charity.

(b) The amount or maximum amount of the payment for the goods does not exceed what is reasonable in the circumstances for the supply of the goods in question.

(c) The other directors are satisfied that it is in the best interests of the charity to contract with the supplier rather than with someone who is not a director or connected person. In reaching that decision the directors must balance the advantage of contracting with a director or connected person against the disadvantages of doing so.

(d) The supplier is absent from the part of any meeting at which there is discussion of the proposal to enter into a contract or arrangement with him or her or it with regard to the supply of goods to the charity.

(e) The supplier does not vote on any such matter and is not to be counted when calculating whether a quorum of directors is present at the meeting.

(f) The reason for their decision is recorded by the directors in the minute book.

(g) A majority of the directors then in office are not in receipt of remuneration or payments authorised by article 7.

(4) In sub-clauses (2) and (3) of this article:

(a) 'charity' includes any company in which the charity:

(i) holds more than 100% of the shares; or

(ii) controls more than 50% of the voting rights attached to the shares;
or

(iii) has the right to appoint one or more directors to the board of the company.

(b) 'connected person' includes any person within the definition in article 61 'Interpretation'.

Declaration of directors' interests

8. A director must declare the nature and extent of any interest, direct or indirect, which he or she has in a proposed transaction or arrangement with the charity or in any transaction or arrangement entered into by the charity which has not previously been declared. A director must absent himself or herself from any discussions of the charity directors in which it is possible that a conflict will arise between his or her duty to act solely in the interests of the charity and any personal interest (including but not limited to any personal financial interest).

Conflicts of interests and conflicts of loyalties

9. (1) If a conflict of interests arises for a director because of a duty of loyalty owed to another organisation or person and the conflict is not authorised by virtue of any other provision in the articles, the unconflicted directors may authorise such a conflict of interests where the following conditions apply:

(a) the conflicted director is absent from the part of the meeting at which there is discussion of any arrangement or transaction affecting that other organisation or person;

(b) the conflicted director does not vote on any such matter and is not to be counted when considering whether a quorum of directors is present at the meeting; and

(c) the unconflicted directors consider it is in the interests of the charity to authorise the conflict of interests in the circumstances applying.

(2) In this article a conflict of interests arising because of a duty of loyalty owed to another organisation or person only refers to such a conflict which does not involve a direct or indirect benefit of any nature to a director or to a connected person.

Members

10. (1) The subscribers to the memorandum are the first members of the charity.

(2) Membership is open to other individuals or organisations who:

(a) apply to the charity in the form required by the directors; and

(b) are approved by the directors.

(3) (a) The directors may only refuse an application for

membership if, acting reasonably and properly, they consider it to be in the best interests of the charity to refuse the application.

(b) The directors must inform the applicant in writing of the reasons for the refusal within twenty-one days of the decision.

(c) The directors must consider any written representations the applicant may make about the decision. The directors' decision following any written representations must be notified to the applicant in writing but shall be final.

(4) Membership is not transferable.

(5) The directors must keep a register of names and addresses of the members.

Classes of membership

11. (1) The directors may establish classes of membership with different rights and obligations and shall record the rights and obligations in the register of members.

(2) The directors may not directly or indirectly alter the rights or obligations attached to a class of membership.

(3) The rights attached to a class of membership may only be varied if:

(a) three-quarters of the members of that class consent in writing to the variation; or

(b) a special resolution is passed at a separate general meeting of the members of that class agreeing to the variation.

(4) The provisions in the articles about general meetings shall apply to any meeting relating to the variation of the rights of any class of members.

Termination of membership

12. Membership is terminated if:

- (1) the member dies or, if it is an organisation, ceases to exist;
- (2) the member resigns by written notice to the charity unless, after the resignation, there would be less than two members;
- (3) any sum due from the member to the charity is not paid in full within six months of it falling due;
- (4) the member is removed from membership by a resolution of the directors that it is in the best interests of the charity that his or her or its membership is terminated. A resolution to remove a member from membership may only be passed if:
 - (a) the member has been given at least twenty-one days' notice in writing of the meeting of the directors at which the resolution will be proposed and the reasons why it is to be proposed;
 - (b) the member or, at the option of the member, the member's representative (who need not be a member of the charity) has been allowed to make representations to the meeting.

General meetings

13. (1) The charity must hold its first annual general meeting within eighteen months after the date of its incorporation.
 - (2) An annual general meeting must be held in each subsequent year and not more than fifteen months may elapse between successive annual general meetings.
14. The directors may call a general meeting at any time.

Notice of general meetings

15. (1) The minimum periods of notice required to hold a general meeting of the charity are:
 - (a) twenty-one clear days for an annual general meeting or a general meeting called for the passing of a special resolution;
 - (b) fourteen clear days for all other general meetings.
 - (2) A general meeting may be called by shorter notice if it is so agreed by a majority in number of members having a right to attend and vote at the meeting, being a majority who together hold not less than 90 percent of the total voting rights.
 - (3) The notice must specify the date time and place of the meeting and the general nature of the business to be transacted. If the meeting is to be an annual general meeting, the notice must say so. The notice must also contain a statement setting out the right of members to appoint a proxy under section 324 of the Companies Act 2006 and article 22.
 - (4) The notice must be given to all the members and to the directors and auditors.
16. The proceedings at a meeting shall not be invalidated because a person who was entitled to receive notice of the meeting did not receive it because of an accidental omission by the charity.

Proceedings at general meetings

17. (1) No business shall be transacted at any general meeting unless a quorum is present.

(2) A quorum is:

- (a) 5 members present in person or by proxy and entitled to vote upon the business to be conducted at the meeting; or
- (b) one tenth of the total membership at the time whichever is the greater.

(3) The authorised representative of a member organisation shall be counted in the quorum.

18. (1) If:

- (a) a quorum is not present within half an hour from the time appointed for the meeting; or
- (b) during a meeting a quorum ceases to be present;

the meeting shall be adjourned to such time and place as the directors shall determine.

(2) The directors must reconvene the meeting and must give at least seven clear days' notice of the reconvened meeting stating the date, time and place of the meeting.

(3) If no quorum is present at the reconvened meeting within fifteen minutes of the time specified for the start of the meeting the members present in person or by proxy at that time shall constitute the quorum for that meeting.

19. (1) General meetings shall be chaired by the person who has been appointed to chair meetings of the directors.

(2) If there is no such person or he or she is not present within fifteen minutes of the time appointed for the meeting a director nominated by the directors shall chair the meeting.

(3) If there is only one director present and willing to act, he or she shall chair the meeting.

20. (1) The members present in person or by proxy at a meeting may resolve by ordinary resolution that the meeting shall be adjourned.

(2) The person who is chairing the meeting must decide the date, time and place at which the meeting is to be reconvened unless those details are specified in the resolution.

(3) No business shall be conducted at a reconvened meeting unless it could properly have been conducted at the meeting had the adjournment not taken place.

(4) If a meeting is adjourned by a resolution of the members for more than seven days, at least seven clear days' notice shall be given of the reconvened meeting stating the date, time and place of the meeting.

21. (1) Any vote at a meeting shall be decided by a show of hands unless before, or on the declaration of the result of, the show of hands a poll is demanded:

(a) by the person chairing the meeting; or

(b) by at least two members present in person or by proxy and having the right to vote at the meeting; or

- (c) by a member or members present in person or by proxy representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting.
- (2) (a) The declaration by the person who is chairing the meeting of the result of a vote shall be conclusive unless a poll is demanded.
- (b) The result of the vote must be recorded in the minutes of the charity but the number or proportion of votes cast need not be recorded.
- (3) (a) A demand for a poll may be withdrawn, before the poll is taken, but only with the consent of the person who is chairing the meeting.
- (b) If the demand for a poll is withdrawn the demand shall not invalidate the result of a show of hands declared before the demand was made.
- (4) (a) A poll must be taken as the person who is chairing the meeting directs, who may appoint scrutineers (who need not be members) and who may fix a time and place for declaring the results of the poll.
- (b) The result of the poll shall be deemed to be the resolution of the meeting at which the poll is demanded.
- (5) (a) A poll demanded on the election of a person to chair a meeting or on a question of adjournment must be taken immediately.
- (b) A poll demanded on any other question must be taken either immediately or at such time and place as the person who is chairing the meeting directs.
- (c) The poll must be taken within thirty days after it has been demanded.
- (d) If the poll is not taken immediately at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.
- (e) If a poll is demanded the meeting may continue to deal with any other business that may be conducted at the meeting.

Content of proxy notices

22. (1) Proxies may only validly be appointed by a notice in writing (a 'proxy notice') which
- (a) states the name and address of the member appointing the proxy;
 - (b) identifies the person appointed to be that member's proxy and the general meeting in relation to which that person is appointed;
 - (c) is signed by or on behalf of the member appointing the proxy, or is authenticated in such manner as the directors may determine; and
 - (d) is delivered to the charity in accordance with the articles and any instructions contained in the notice of the general meeting to which they relate.
- (2) The charity may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.
- (3) Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.

(4) Unless a proxy notice indicates otherwise, it must be treated as -

(a) allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting; and

(b) appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

Delivery of proxy notices

22. A (1) A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the charity by or on behalf of that person.

(2) An appointment under a proxy notice may be revoked by delivering to the charity a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.

(3) A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.

(4) If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

Written resolutions

23. (1) A resolution in writing agreed by a simple majority (or in the case of a special resolution by a majority of not less than 75%) of the members who would have been entitled to vote upon it had it been proposed at a general meeting shall be effective provided that:

(a) a copy of the proposed resolution has been sent to every eligible member;

(b) a simple majority (or in the case of a special resolution a majority of not less than 75%) of members has signified its agreement to the resolution; and

(c) it is contained in an authenticated document which has been received at the registered office within the period of 28 days beginning with the circulation date.

(2) A resolution in writing may comprise several copies to which one or more members have signified their agreement.

(3) In the case of a member that is an organisation, its authorised representative may signify its agreement.

Votes of members

24. Subject to article 11, every member, whether an individual or an organisation, shall have one vote.

25. Any objection to the qualification of any voter must be raised at the meeting at which the vote is tendered and the decision of the person who is chairing the meeting shall be final.

26. (1) Any organisation that is a member of the charity may nominate any person to act as its representative at any meeting of the charity.

(2) The organisation must give written notice to the charity of the name of its representative. The representative shall not be entitled to represent the organisation at any meeting unless the notice has been received by the charity. The representative may continue to represent the organisation until written notice to the contrary is received by the charity.

(3) Any notice given to the charity will be conclusive evidence that the representative is entitled to represent the organisation or that his or her authority has been revoked. The charity shall not be required to consider whether the representative has been properly appointed by the organisation.

Directors

27. (1) A director must be a natural person aged 16 years or older.

(2) No one may be appointed a director if he or she would be disqualified from acting under the provisions of article 39.

28. The minimum number of directors shall be five but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum.

29. The first directors shall be those persons notified to Companies House as the first directors of the charity.

30. A director may not appoint an alternate director or anyone to act on his or her behalf at meetings of the directors.

Powers of directors

31. (1) The directors shall manage the business of the charity and may exercise all the powers of the charity unless they are subject to any restrictions imposed by the Companies Acts, the articles or any special resolution.

(2) No alteration of the articles or any special resolution shall have retrospective effect to invalidate any prior act of the directors.

(3) Any meeting of directors at which a quorum is present at the time the relevant decision is made may exercise all the powers exercisable by the directors.

Retirement of directors

32. At the first annual general meeting all the directors must retire from office unless by the close of the meeting the members have failed to elect sufficient directors to hold a quorate meeting of the directors. At each subsequent annual general meeting one-fifth of the directors or, if their number is not five or a multiple of five, the number nearest to one-fifth, must retire from office. If there is only one director he or she must retire. Directors can be reappointed.

33. (1) The directors to retire by rotation shall be those who have been longest in office since their last appointment. If any directors became or were appointed directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

(2) If a director is required to retire at an annual general meeting by a provision of the articles the retirement shall take effect upon the conclusion of the meeting.

Appointment of directors

34. The maximum number of directors shall, unless otherwise determined by special resolution, be 15.
35. The Board of directors should be appointed by open recruitment and directors should have the requisite skills to assist the charity in carrying out its objects, including, but not limited to, planning, property management, tourism, architecture, finance, legal, marketing, project delivery, fundraising, education, community engagement, hospitality and heritage management.
36. (1) In addition, the board should ideally also consist of:
- a) At least one director being an elected member or officer of Tendring District Council.
 - b) At least one director being an elected member or officer of St. Osyth Parish Council.
 - c) At least one director put forward by the owners of St. Osyth Priory.
 - d) At least one director representing local business interests.
- (2) Should any of the above parties fail to nominate a director for the board, that position will remain vacant until such time as a candidate comes forward.
37. The charity may by ordinary resolution:
- (1) appoint a person who is willing to act to be a director; and
 - (2) determine the rotation in which any additional directors are to retire.
38. No person other than a director retiring by rotation may be appointed a director at any general meeting unless:
- (1) he or she is recommended for re-election by the directors; or
 - (2) not less than fourteen nor more than thirty-five clear days before the date of the meeting, the charity is given a notice that:
 - (a) is signed by a member entitled to vote at the meeting;
 - (b) states the member's intention to propose the appointment of a person as a director;
 - (c) contains the details that, if the person were to be appointed, the charity would have to file at Companies House; and
 - (d) is signed by the person who is to be proposed to show his or her willingness to be appointed.
39. All members who are entitled to receive notice of a general meeting must be given not less than fourteen nor more than twenty-eight clear days' notice of any resolution to be put to the meeting to appoint a director other than a director who is to retire by rotation. The notice should include the object of the meeting, the name and address of the person to be proposed and the name of the member proposing such person.
40. (1) The directors may appoint a person who is willing to act to be a director.

(2) A director appointed by a resolution of the other directors must retire at the next annual general meeting and must not be taken into account in determining the directors who are to retire by rotation.

41. The appointment of a director, whether by the charity in general meeting or by the other directors, must not cause the number of directors to exceed any number fixed as the maximum number of directors.

Disqualification and removal of directors

42. A director shall cease to hold office if he or she:

(1) ceases to be a director by virtue of any provision in the Companies Acts or is prohibited by law from being a director;

(2) is disqualified from acting as a trustee by virtue of sections 178 and 179 of the Charities Act 2011 (or any statutory re-enactment or modification of those provisions);

(3) ceases to be a member of the charity;

(4) in the written opinion, given to the company, of a registered medical practitioner treating that person, has become physically or mentally incapable of acting as a director and may remain so for more than three months;

(5) resigns as a director by notice to the charity (but only if at least two directors will remain in office when the notice of resignation is to take effect); or

(6) is absent without the permission of the directors from over 50% of meetings in a year and the directors resolve that his or her office be vacated.

Remuneration of directors

43. The directors must not be paid any remuneration unless it is authorised by article 7.

Proceedings of directors

44. (1) The directors may regulate their proceedings as they think fit, subject to the provisions of the articles.

(2) Any director may call a meeting of the directors.

(3) The secretary (if any) must call a meeting of the directors if requested to do so by a director.

(4) Questions arising at a meeting shall be decided by a majority of votes.

(5) In the case of an equality of votes, the person who is chairing the meeting shall have a second or casting vote.

[(6) A meeting may be held by suitable electronic means agreed by the directors in which each participant may communicate with all the other participants.

45. (1) No decision may be made by a meeting of the directors unless a quorum is present at the time the decision is purported to be made. ['Present' includes being present by suitable electronic means agreed by the directors in which a participant or participants may communicate with all the other participants.

(2) The quorum shall be five or the number nearest to one-third of the total number of directors, whichever is the greater, or such larger number as may be decided from time to time by the directors.

(3) A director shall not be counted in the quorum present when any decision is made about a matter upon which that director is not entitled to vote.

46. If the number of directors is less than the number fixed as the quorum, the continuing directors or director may act only for the purpose of filling vacancies or of calling a general meeting.

47. (1) The directors shall appoint a director to chair their meetings and may at any time revoke such appointment.

(2) If no-one has been appointed to chair meetings of the directors or if the person appointed is unwilling to preside or is not present within ten minutes after the time appointed for the meeting, the directors present may appoint one of their number to chair that meeting.

(3) The person appointed to chair meetings of the directors shall have no functions or powers except those conferred by the articles or delegated to him or her by the directors.

48. (1) A resolution in writing or in electronic form agreed by all of the directors entitled to receive notice of a meeting of the directors and to vote upon the resolution shall be as valid and effectual as if it had been passed at a meeting of the directors duly convened and held.

(2) The resolution in writing may comprise several documents containing the text of the resolution in like form to each of which one or more directors has signified their agreement.

Delegation

49. (1) The directors may delegate any of their powers or functions to a committee of three or more directors but the terms of any delegation must be recorded in the minute book.

(2) The directors may impose conditions when delegating, including the conditions that:

(a) the relevant powers are to be exercised exclusively by the committee to whom they delegate;

(b) no expenditure may be incurred on behalf of the charity except in accordance with a budget previously agreed with the directors.

(3) The directors may revoke or alter a delegation.

(4) All acts and proceedings of any committees must be fully and promptly reported to the directors.

Validity of directors' decisions

50. (1) Subject to article 47(2), all acts done by a meeting of directors, or of a committee of directors, shall be valid notwithstanding the participation in any vote of a director:

(a) who was disqualified from holding office;

(b) who had previously retired or who had been obliged by the constitution to vacate office;

(c) who was not entitled to vote on the matter, whether by reason of a conflict of interests or otherwise;

if without:

(d) the vote of that director; and

(e) that director being counted in the quorum;

the decision has been made by a majority of the directors at a quorate meeting.

(2) Article 47(1) does not permit a director or a connected person to keep any benefit that may be conferred upon him or her by a resolution of the directors or of a committee of directors if, but for article 47(1), the resolution would have been void, or if the director has not complied with article 8.

Seal

51. If the charity has a seal it must only be used by the authority of the directors or of a committee of directors authorised by the directors. The directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a director and by the secretary (if any) or by a second director.

Minutes

52. The directors must keep minutes of all:

(1) appointments of officers made by the directors;

(2) proceedings at meetings of the charity;

(3) meetings of the directors and committees of directors including:

(a) the names of the directors present at the meeting;

(b) the decisions made at the meetings; and

(c) where appropriate the reasons for the decisions.

Accounts

53. (1) The directors must prepare for each financial year accounts as required by the Companies Acts. The accounts must be prepared to show a true and fair view and follow accounting standards issued or adopted by the Accounting Standards Board or its successors and adhere to the recommendations of applicable Statements of Recommended Practice.

(2) The directors must keep accounting records as required by the Companies Act.

Annual Report and Return and Register of Charities

54. (1) The directors must comply with the requirements of the Charities Act 2011 with regard to the:

(a) transmission of a copy of the statements of account to the Commission;

(b) preparation of an Annual Report and the transmission of a copy of it to the Commission;

(c) preparation of an Annual Return and its transmission to the Commission.

(2) The directors must notify the Commission promptly of any changes to the charity's entry on the Central Register of Charities.

Means of communication to be used

55. (1) Subject to the articles, anything sent or supplied by or to the charity under the articles may be sent or supplied in any way in which the Companies Act 2006 provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the charity.

(2) Subject to the articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being.

56. Any notice to be given to or by any person pursuant to the articles:

(1) must be in writing; or

(2) must be given in electronic form.

57. (1) The charity may give any notice to a member either:

(a) personally; or

(b) by sending it by post in a prepaid envelope addressed to the member at his or her address; or

(c) by leaving it at the address of the member; or

(d) by giving it in electronic form to the member's address.

(e) by placing the notice on a website and providing the person with a notification in writing or in electronic form of the presence of the notice on the website. The notification must state that it concerns a notice of a company meeting and must specify the place date and time of the meeting.

(2) A member who does not register an address with the charity or who registers only a postal address that is not within the United Kingdom shall not be entitled to receive any notice from the charity.

58. A member present in person at any meeting of the charity shall be deemed to have received notice of the meeting and of the purposes for which it was called.

59. (1) Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given.

(2) Proof that an electronic form of notice was given shall be conclusive where the company can demonstrate that it was properly addressed and sent, in accordance with section 1147 of the Companies Act 2006.

(3) In accordance with section 1147 of the Companies Act 2006 notice shall be deemed to be given:

(a) 48 hours after the envelope containing it was posted; or

(b) in the case of an electronic form of communication, 48 hours after it was sent.

Indemnity

57. (1) The charity shall indemnify a relevant director against any liability incurred in that capacity, to the extent permitted by sections 232 to 234 of the Companies Act 2006.

(2) In this article a 'relevant director' means any director or former director of the charity.

Rules

57. (1) The directors may from time to time make such reasonable and proper rules or bye laws as they may deem necessary or expedient for the proper conduct and management of the charity.

(2) The bye laws may regulate the following matters but are not restricted to them:

(a) the admission of members of the charity (including the admission of organisations to membership) and the rights and privileges of such members, and the entrance fees, subscriptions and other fees or payments to be made by members;

(b) the conduct of members of the charity in relation to one another, and to the charity's employees and volunteers;

(c) the setting aside of the whole or any part or parts of the charity's premises at any particular time or times or for any particular purpose or purposes;

(d) the procedure at general meetings and meetings of the directors in so far as such procedure is not regulated by the Companies Acts or by the articles;

(e) generally, all such matters as are commonly the subject matter of company rules.

(3) The charity in general meeting has the power to alter, add to or repeal the rules or bye laws.

(4) The directors must adopt such means as they think sufficient to bring the rules and bye laws to the notice of members of the charity.

(5) The rules or bye laws shall be binding on all members of the charity. No rule or bye law shall be inconsistent with, or shall affect or repeal anything contained in, the articles.

Disputes

58. If a dispute arises between members of the charity about the validity or propriety of anything done by the members of the charity under these articles, and the dispute cannot be resolved by agreement, the parties to the dispute must first try in good faith to settle the dispute by mediation before resorting to litigation.

Dissolution

59. (1) The members of the charity may at any time before, and in expectation of, its dissolution resolve that any net assets of the charity after all its debts and liabilities

have been paid, or provision has been made for them, shall on or before the dissolution of the charity be applied or transferred in any of the following ways:

- (a) directly for the Objects; or
- (b) by transfer to any charity or charities for purposes similar to the Objects; or
- (c) to any charity or charities for use for particular purposes that fall within the Objects.

(2) Subject to any such resolution of the members of the charity, the directors of the charity may at any time before and in expectation of its dissolution resolve that any net assets of the charity after all its debts and liabilities have been paid, or provision made for them, shall on or before dissolution of the charity be applied or transferred:

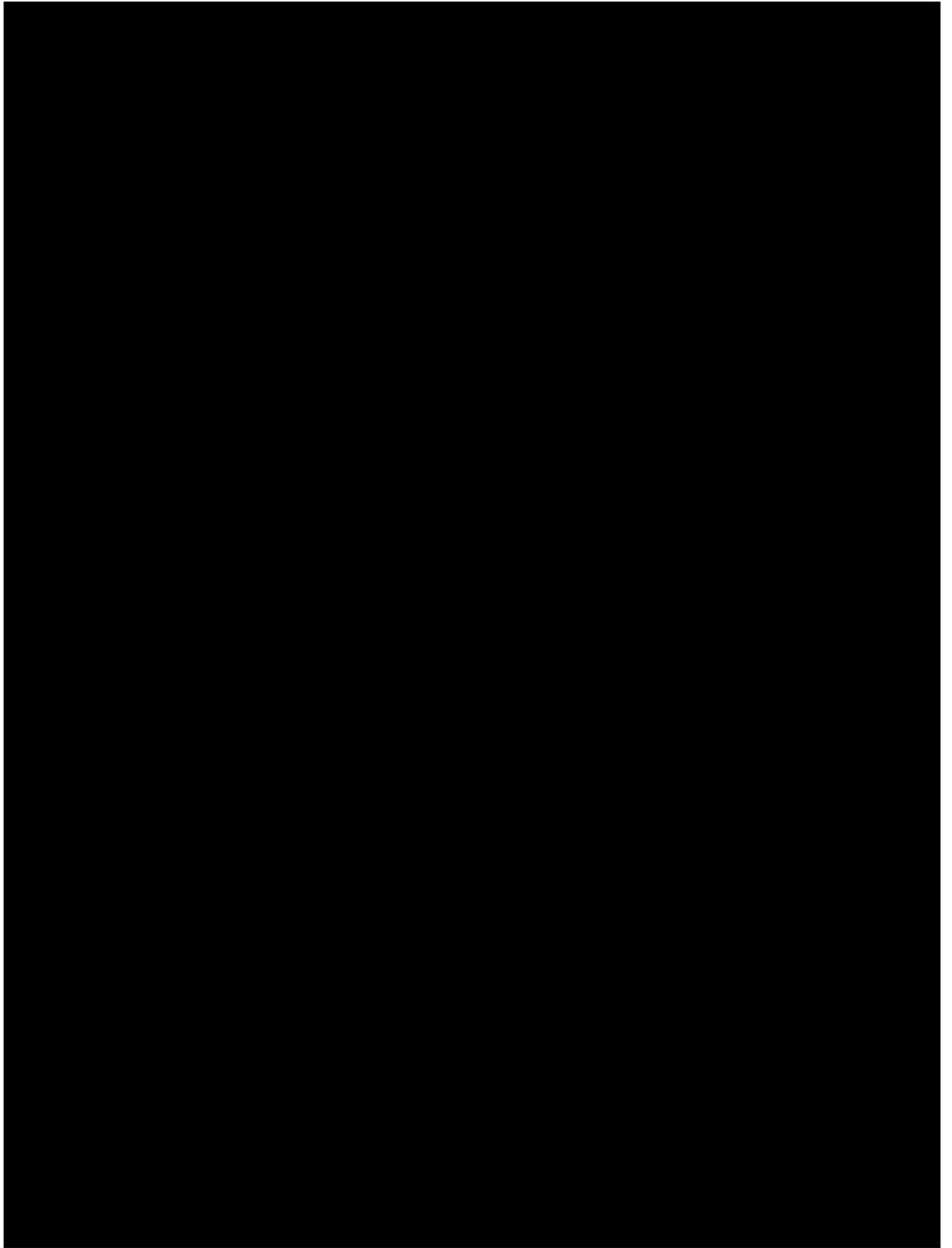
- (a) directly for the Objects; or
- (b) by transfer to any charity or charities for purposes similar to the Objects; or
- (c) to any charity or charities for use for particular purposes that fall within the Objects.

(3) In no circumstances shall the net assets of the charity be paid to or distributed among the members or director of the charity (except to a member that is itself a charity) and if no resolution in accordance with article 60(1) is passed by the members or the directors the net assets of the charity shall be applied for charitable purposes as directed by the Court or the Commission.

Interpretation

60. In article 7, sub-clause (2) of article 9 and sub-clause (2) of article 47 'connected person' means:

- (1) a child, parent, grandchild, grandparent, brother or sister of the director;
- (2) the spouse or civil partner of the director or of any person falling within sub-clause (1) above;
- (3) a person carrying on business in partnership with the director or with any person falling within sub-clause (1) or (2) above;
- (4) an institution which is controlled –
 - (a) by the director or any connected person falling within sub-clause (1), (2), or (3) above; or
 - (b) by two or more persons falling within sub-clause 4(a), when taken together
- (5) a body corporate in which –
 - (a) the director or any connected person falling within subclauses (1) to (3) has a substantial interest; or
 - (b) two or more persons falling within sub-clause (5)(a) who, when taken together, have a substantial interest.
 - (c) Sections 350 – 352 of the Charities Act 2011 apply for the purposes of interpreting the terms used in this article.



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Appendix 4

CIL Regulations Compliance Note

18 November 2016

Appellants' Regulation 122 CIL Regulations Compliance Note – 18 Nov 2016

This Compliance Note is to be read in conjunction with the proposed Section 106 Heads of Terms.

Regulation 122(2) Community Infrastructure Levy Regulations 2010 provides that:

(2) A planning obligation may only constitute a reason for granting planning permission for the development if the obligation is—

- (a) necessary to make the development acceptable in planning terms;
- (b) directly related to the development; and
- (c) fairly and reasonably related in scale and kind to the development.

In support of these appeals, the Appellants will enter into a s106 planning obligation committing them to undertake the Restoration Scheme, as defined. The Restoration Scheme commits the Appellants to undertaking repairs to the heritage assets as defined in Appendix 1, in advance of the new build development subject only to the Heads of Terms.

Dr. Lee's Report received 17th November 2016 Table 3.42.1 'Updated Assessment' identified the Historic Asset Repair Costs at £13,579,297 and the Historic Asset Conversion and Refurbishment Costs at £5,256,173 - a total of £18,835,470 - as being 55.89% of the total Conservation Deficit of £33,701,540.

The proposed obligation complies with the terms of Regulation 122:

- (a) The proposed obligation is necessary to make the development acceptable in planning terms. The Appeals are being promoted as enabling development i.e. development which is contrary to relevant planning policies, on the grounds that they will generate public benefits primarily in the form of repair and restoration of the heritage assets. As this is enabling development, no other financial contributions are being offered in support of the appeals e.g. affordable housing/ education.
- (b) It is directly related to the development. The monies to be put towards the repair and restoration of the heritage assets constitute a proportion of the Residual Site Value generated by the Appeal Schemes, as explained above.
- (c) The amount to be committed to the Restoration Scheme has been carefully calculated by reference to the proportion of 'historic asset and repair' works and 'conversion and refurbishment' works which feeds into the overall conservation deficit i.e. 55.89%. The obligation is therefore fairly and reasonably related in scale and kind to the development.

St Osyth Priory Section 106 Restoration Works Calculations

The spreadsheet attached to this CIL Note, entitled "St Osyth Priory Section 106 Restoration Works Calculations 18.11.2016" demonstrates a number of points by using the Residual Land Values generated by Appeals AA & BB including:

1. The Residual Land Value used in the calculation (on the far-right hand side, columns 9-13 - entitled "Residual Land Value Table") which relates directly to Dr Lee's report November 2016 received on 17th November 2016 Table 5.1.2 and Table 5.1.3

of the Residual Land Value be used to pay for the identified works but after the deduction of £1,200,000 for the monies towards the grant funding escrow. This leaves a Remaining Residual Land Value of £6,208,002, which then at 55.89% gives a net-amount of £3,469,652 used to pay for the identified works.

2. The "St Osyth Priory Section 106 Restoration Works Calculations 18.11.2016" (Sargeant Family Proposed Restoration Works) table (columns 1-7) identifies the phases of Restoration Works. The para references in the table relate directly to the Carden & Godfrey Condition Survey 2009 and the McBains Cooper Costplan March 2012 (Updated May 2013). A worked example of this is provided later in this CIL Note.
3. The Restoration Works Cascade (column 8, in the centre of the spreadsheet) identifies how the 55.89% of the RLV is spent and the surplus at each phase.

The works identified will be in line with the Restoration Works Cascades and will be in the order set out in Appendix 1 subject only to the Heads of Terms, always starting from the earliest phase depending on which item is relevant.

A Specific Worked Example

Phase e. relates to works to the Darcy House East Wing Roof (highlighted in yellow) and states:

2.2 Darcy House East Wing Roof – condition survey works 2.2.2.1

The Section references relate directly to the Carden & Godfrey Condition Survey. The relevant pages of which are identified on the following pages and the Section references are identified with a red box.

2.2.2 East Wing: Condition

2.2.2.1 Roof

The roofs are a mixture of peg tiles and slates with lead ridge on the peg tiles and clay ridge to the slates. All roofs require complete re-tiling reusing existing tiles and slates making up the shortfall to match. The ridge tiles have been bedded in cement mortar and therefore allowance should be made for replacement. The lead box gutters are wide and whilst some repairs and replacements have been carried out, these too have failed. Consideration should be given to reforming the gutters to reduce lengths of bays and improve steps, detailing etc. Ventilation should be considered to roof voids. All timber work should be inspected and the necessary repairs carried out after inspection by a structural engineer. All mortar fillets should be replaced by lead flashing on all roof abutments. Hard cementitious render to be removed to the rear of the parapet and replaced with lime render. There are currently two roof hatches for access to roof space, these should be replaced and new timber hatch covered in copper for weathering. The timber roof lantern requires new sills throughout, the glazing to the roof needs glass re-bedding and lead cover moulds replacing. All the glazing putties need to be removed and replaced prior to the full redecoration of the complete lantern.

There are 9No chimney stacks which are generally in fair condition, although the brickwork at the base of each stack needs generally full re-pointing and replacement of defective bricks. One clay decorative pot has been strapped up with metal straps; this should be replaced with new to match existing along with replacing the missing pot on the south elevation which is currently capped with a piece of paving. All stacks should have bird guards fitted to eliminate the current problem of birds nesting within.

The coping stones to the parapets are generally in sound condition, although re-pointing is required to joints. Allow for 2No replacement coping stones. Lead hoppers and downpipes need minor repair and redressing, including new fixings as required.

The rear of the Vintoner wall on the south elevation is in poor condition and needs a full re-point following replacement of defective bricks. The top of the wall has been partially capped with tiles, which also needs completely re-laying to include lead flashings. There has been some movement and separation between the brick skins and roof covering. The lower mono-pitch roof, also pitched against the south Vintoner part, has also suffered from movement; closer inspection of timber work is required before re-tiling is carried out.

The text and the section references have then been used in the McBains Cooper Costplan, so that there is a direct link between the Condition Survey and the costs associated with the works identified in the Condition Survey. See relevant page from the McBains Cooper Costplan below which replicates the text from the Condition Survey and is identified with a red box.

Messrs Sargeant, St Osyth's Priory

Cost Plan CS 02 Issue: 03



Element	Quantity	Unit	Rate	Sub-Total	TOTAL
2.0 Darcy House - West, East & South Wings					
			£	£	£
0A	Condition Survey				
2.0	DARCY HOUSE (Listing Grade I)				
2.2.2	East Wing: Condition				
2.2.2.1	<u>Roof</u>				
2.2.2.1a	<p>The roofs are a mixture of peg tiles and slates with lead ridge on the peg tiles and clay ridge to the slates. All roofs require complete re-tiling reusing existing tiles and slates making up the shortfall to match. The ridge tiles have been bedded in cement mortar and therefore allowance should be made for complete replacement. The lead box gutters are wide and whilst some repairs and replacements have been carried out, these too have failed. The gutter bays should be reformed to reduce lengths of bays and improve steps, detailing etc. Ventilation should be provided to roof voids.</p> <p>All timber work should be closely inspected when roof is stripped of its coverings and the necessary repairs carried out after inspection by a structural engineer. All mortar fillets should be replaced by lead flashing on all roof abutments. Hard cementitious render to be removed to the rear of the parapet and replaced with lime render. There are currently two roof hatches for access to roof space, these should be replaced and new timber hatch covered in copper for weathering.</p>				

Element		Quantity	Unit	Rate	Sub-Total	TOTAL
2.0 Darcy House - West, East & South Wings				£	£	£
0A	Condition Survey					
2.0	DARCY HOUSE (Listing Grade I)					
2.2.2	East Wing: Condition				-	
2.2.2.1	Roof				-	
2.2.2.1a	The roofs are a mixture of peg tiles and slates with lead ridge on the peg tiles and clay ridge to the slates. The timber roof lantern requires new sills throughout, and two new timber finials, the glazing to the roof needs glass re-bedding and lead cover moulds replacing. All the glazing putties need to be removed and replaced prior to the full redecoration of the complete lantern.				-	
	Take off and remove roof covering and construction	600	m ²	7	4,200	
	Slate roof covering	600	m ²	138	82,800	
	Lead Ridge / Hips	105	m	62	6,510	
	Eaves	175	m	13	2,275	
	Verge, stepped lead flashing	10	m	168	1,680	
	Lead flashing	106	m	84	8,904	
	Lime render in repairs	85	m ²	108	9,158	
	Lead stepped flashing	22	m	143	3,146	
	Soakers	220	No	18	3,960	
	Valley	12	m	218	2,616	
	Access hatch, to enlarged opening	2	No	1536	3,072	
	Overhaul windows / roof light	3	No	550	1,650	
	Remove existing cill, reinstate with new oak	3	m	230	690	
	Lead flashing to roof light	1	No	790	790	131,451
2.2.2.1b	There are 9No chimney stacks which are generally in fair condition, although the brickwork at the base of each stack needs generally full re-pointing and replacement of defective bricks. One clay decorative pot has been strapped up with metal straps; this should be replaced with new to match existing along with replacing the missing pot on the south elevation which is currently capped with a piece of paving. All stacks should have bird guards fitted to eliminate the current problem of birds nesting within. Refurbishment of chimney stacks,				-	
		9	No	1,500	13,500	13,500
	The coping stones to the parapets are generally in sound condition, although re-pointing is required to joints - allow for 100% re-pointing. Allow for 2No replacement coping stones in addition. Lead hoppers and down pipes need minor repair and redressing, including new fixings as required. Replace damaged coping stones with new copings in hard limestone or equal to match; Repoint coping stone				-	
		2	m	545	1,090	
		104	m	60	6,240	7,330

Element		Quantity	Unit	Rate	Sub-Total	TOTAL
2.0 Darcy House - West, East & South Wings				£	£	£
0A	Condition Survey					
2.0	DARCY HOUSE (Listing Grade I)					
2.2.2	East Wing: Condition				-	
2.2.2.1	Roof				-	
2.2.2.1c	The rear of the Vintoner wall on the south elevation is in poor condition and needs a full re-point following replacement of defective bricks - allow for cutting out and inserting 100 No bricks. The top of the wall has been partially capped with tiles, which also needs completely re-laying to include lead flashings. There has been some movement and separation between the brick skins and roof covering. The lower mono-pitch roof, also pitched against the south Vintoner part, has also suffered from movement; closer inspection of timber work is required before re-tiling is carried out. Extent of works agreed on site by English heritage Re-point brick work Replace bricks Take down and re-build brickwork Modifications to roof Lead flashing Rebuild brick wall and coping				-	
		10	m2	40	400	
		100	No	15	1,500	
		5	m2	285	1,425	
		11	m	205	2,255	
		11	m	84	924	
		10	m	241	2,405	8,909

The Green box above highlights the cost of the Condition Survey repairs. The total in this example is £161,190. To this figure, it is necessary to add prelims, scaffold, contingency etc. and these figures are located at the end of each of the Costplan sections.. Using the percentages and scaffold cost identified below, the extra prelim/overhead costs to be added to the £161,190 build cost is £93,872, and £25,852 for scaffolding.