BRIGHTON/HYDE JV - OSLA PROCESS

Initial Site Conditions

- Business Plan Condition BP to be obtained by the LLP for each Site
- Consents Condition consents to be obtained by the Council for each Site disposal
- Price Condition to be agreed between the Council and Hyde, via valuations, to provide the Price payable by the LLP if the Lease of the Site is ultimately granted
- Title Condition the Council or Hyde to deduce title to their Sites

Initial Site Conditions satisfied within six (6) months of exchange of OSLA?

(No)

(Yes)

Parties to agree longer time frame for satisfaction of Initial Site Conditions or to drop relevant Site

Subsequent Site Conditions

- Environmental Condition LLP to obtain environmental reports and decide if Condition satisfied
- Funding Condition LLP to obtain funding
- Lease Condition the Council and Hyde to agree tailored form of Lease for each Site (based on pre-agreed base draft)
- Planning Condition LLP to obtain "Satisfactory Planning Permission", free from "Onerous Conditions" and any third party challenge
- PM Report Condition LLP to obtain report from PM on each Site, confirming that the costs and value of developing the Site supports the development appraisal
- Title Condition LLP to obtain its own title report for a Site
- Viability Condition LLP to carry out a "Viability Test" for each Site, based upon pre-agreed objective criteria
- VP Condition Council to obtain vacant possession of each Priority Site (including termination of all existing leases, tenancies, etc.)

All Initial Site Conditions and Subsequent Site Conditions satisfied by the "Site Conditions Longstop Date" (being three (3) years from the Council's "Disposal Decision Date" for each Site)?



Council or Hyde may terminate the OSLA with immediate effect at any time after the Site Conditions Longstop Date, until such time as all Initial Site Conditions and Subsequent Site Conditions are satisfied or waived by all parties (in which case, the "Site Conditions Unconditional Date is deemed to be reached)

Yes

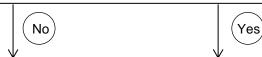
The "Site Conditions Unconditional Date" is reached, and the sale of the relevant Site to the LLP becomes unconditional

Council grants to the LLP a Lease of the relevant Site on the date being 20 working days following the Site Conditions Unconditional Date AND the LLP pays to the Council the "Price" (as agreed under the Price Condition stage above)

Has the LLP achieved the "Commencement Works" (being (a) appointment of building contractor, (b) building contractor taken possession of the Site, and (c) "Start Works" done, e.g. demolition, infrastructure, etc.) by the relevant "Commencement Date" for all the Site (being three (3) years following the date of the Lease of that Site)?



Is delay caused by a major "force majeure" event, e.g. war, national emergency, etc.?



The Council may exercise "Buy Back" of the Site from the LLP for the "Acquisition Price" The Council and Hyde to agree a revised "Commencement Date", with the above procedure to be followed again if missed

LLP retains the Site without threat of Buy Back, as the Council has no further right to Buy Back the Site or otherwise influence the development of the Site in its capacity as the Council and landlord under the relevant Lease (albeit the Council will of course have a 50% interest in the LLP)