

ANNEX B
SCHEDULE 9 AGREEMENT

PROPOSED AGREEMENT BETWEEN
BATH AND NORTH EAST SOMERSET COUNCIL

-AND-

GLOBAL GAMING VENTURES LIMITED

-AND-

DEELEY FREED ESTATES LIMITED

-AND-

ANTHONY STEPHEN WOLLENBERG

UNDER SCHEDULE 9 OF THE GAMBLING ACT 2005
RELATING TO THE GRANT OF A CASINO LICENCE PROVISIONAL
STATEMENT

FOR PREMISES AT

FORMER SAW CLOSE CLINIC & GALA BINGO HALL,

SAW CLOSE,

BATH, BA1 1EY

*I hereby certify that this is an
accurate copy of the original.*

(M. Hall)

Sacred

Bath - North East

Somerset Council

This Agreement is dated 16 August 2012

PARTIES

- (1) Bath and North East Somerset Council of 9-10 Bath Street, Bath, BA1 1SN ("the Council")
- (2) Global Gaming Ventures Limited of Millennium Bridge House, 2 Lambeth Hill, London, EC4V 4AJ ("the Licensee")
- (3) Deeley Freed Estates Limited, 7 Whiteladies Road, Bristol BS8 1NN ("DF")
- (4) AS Wollenberg of 6 Carlyle Close, London N2 OQU ("The Guarantor")

INTRODUCTION

- (1) The Council is the licensing authority for the purposes of the Gambling Act 2005 for Saw Close, Bath ("the Premises")
- (2) The Licensee has applied for a provisional statement under the said Act for the Premises.
- (3) The Council has determined to grant the Licensee a provisional statement subject to the conditions mentioned therein and to the terms of this Deed.
- (4) The parties have agreed to enter into a legal agreement under Schedule 9 of the said Act in order to secure delivery of the benefits referred to in this Deed.
- (5) The parties acknowledge that the said provisional statement will contain a condition so as to give effect to the Licensee's obligations contained in this Deed.
- (6) This Deed is executed by the Council as the licensing authority pursuant to its powers in Schedule 9 paragraph 5 of the said Act.

1. CONSTRUCTION OF THIS DEED

- 1.1 Where in this Deed reference is made to any clause, paragraph or schedule, such reference is to a clause, paragraph or schedule in this Deed.

- 1.2 Words importing the singular meaning include the plural and vice versa, except where the context requires otherwise.
- 1.3 Words of the masculine gender include other genders, and words denoting persons include corporate persons and associations.
- 1.4 Any reference to an Act of Parliament includes any modification or re-enactment of the same and all instruments or orders of whatever nature made under it or deriving from it.
- 1.5 References to the Licensee shall include successors in title to that party in relation to the operation of the casino.
- 1.6 Reference to DF shall, until practical completion of the development of the Premises by or on behalf of DF as anticipated by this Agreement, include successors in title to DF in relation to the construction of that development.

2. LEGAL BASIS

This Deed is made pursuant to Schedule 9 of the Gambling Act 2005, section 111 of the Local Government Act 1972, section 1 of the Localism Act 2011 and all other powers enabling such agreement.

3. CONDITIONALITY

This Deed is conditional upon grant of a provisional statement ("the Provisional Statement") for the Premises.

4. BENEFITS

- 4.1 The Licensee covenants to provide the benefits set out in paragraphs 1, 2, 3, 5 and 6 of Schedule 1 from the relevant dates specified in that Schedule.
- 4.2 DF covenants to provide the benefits set out in paragraphs 4, 7, 8, and 9 of Schedule 1 from the relevant dates specified in that Schedule.
- 4.3 In the event that any of the said benefits are not provided at any time following the relevant date specified in the Schedule, the Licensee or DF (as applicable to the particular benefit) covenant to pay the Council the relevant liquidated and ascertained damages set out in Schedule 1. Where the relevant benefit is supplied for only a proportion of the month, the liquidated and ascertained damages for that month shall be reduced proportionately.
- 4.4 The Licensee or DF, as the case may be, acknowledge and agree that the obligation in Clause 4.3 will be without prejudice to any other remedies which the Council has for non-provision of the said benefits, including but not limited to enforcement of the conditions of the provisional statement, a claim in debt or specific performance.

5. TERMINATION OF AGREEMENT

- 5.1 The Licensee's or DF's, as the case may be, covenants herein shall continue unless and until the Provisional Statement is surrendered or terminates for any other reason.
- 5.2 Upon surrender or termination (occurring due to breach by the Licensee) of the Provisional Statement, the Licensee or DF as the case may be shall remain liable for any liabilities accrued under this Deed and/or breach of covenant prior to surrender or termination of the provisional statement and the Council's remedies in respect thereof shall not be affected by such surrender.
- 5.3 For the avoidance of doubt in the event that the grant of a premises licence for a casino follows the grant of the Provisional Statement:
- 5.3.1 the Licensee's or DF's covenants herein shall continue in full force and effect unless and until the premises licence is surrendered or terminates; and
- 5.3.2 all references herein to the Provisional Statement shall be deemed to include reference to a premises licence following the grant of the Provisional Statement.
- 5.4 For the avoidance of doubt, in the event of transfer of the Licence or Provisional Statement, the Licensee's or DF's covenants herein shall (subject to clause 5.2) continue unless and until the Council agrees in writing to cancel this Deed.
- 5.5 In the event of such cancellation, the Licensee shall remain liable for any liabilities accrued under this Deed and/or breach of covenant prior to cancellation and the Council's remedies in respect thereof shall not be affected by such cancellation.

6. WAIVER OF AGREEMENT

No waiver (whether express or implied) by the Council of any breach or default in performing 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 covenants, terms or conditions or for acting upon any subsequent breach or default.

7. INTEREST AND INDEXATION

- 7.1 Any monetary payments due under this Deed shall carry interest at the rate of 1% above the Bank Rate of the Bank of England from time to time from the date they fell due until the date of payment.
- 7.2 Any fixed monetary payments due under this Deed shall increase on 1st January of each year by an amount equivalent to the increase in

the Retail Price Index issued by the Office for National Statistics on 1st January of the preceding year.

8. MISCELLANEOUS

- 8.1 The Licensee shall pay to the Council on completion of this Deed the reasonable legal costs of the Council incurred in the negotiation, preparation and execution of this Deed. These costs shall be limited to £3500.00
- 8.2 If any clause of this Deed is found to be invalid, illegal or unenforceable, then this shall not affect the validity or enforceability of the remaining provisions of this Deed.
- 8.3 This Deed is governed by and interpreted in accordance with the law of England and Wales.

9. GUARANTEE

For as long as the casino is operational, the Guarantor as primary obligor hereby guarantees the Licensee's obligations to promptly discharge the quarterly payments referred to in the Schedule, provided always that the Guarantor's liability under this clause shall be capped at £100,000. The Guarantor's liability as primary obligor shall not be affected, impaired or discharged by reason of any act, omission, matter or thing which but for this provision might operate to release or otherwise exonerate the Guarantor from his obligations under this Deed.

IN WITNESS whereof the parties hereto have executed this Deed on the day and year first before written.

SCHEDULE 1

In this Schedule 'Post gaming tax and VAT Gaming Yield' means the gaming win from live table gaming (including automated games), slot machines and sports betting, less applicable gaming duty and VAT.

| Benefit | Starting date | Liquidated and ascertained damages: sum payable per calendar month (where applicable). |
|--|--|---|
| <p>1. £250,000. One time lump sum payment.</p> <p>This sum is intended for use as determined by BATHNES.</p> | <p>£125,000 on grant of provisional statement, the balance on the opening of the Casino.</p> | <p>Full indemnity</p> |
| <p>2. 5% of quarterly post gaming tax and VAT Gaming Yield. This sum is intended for use as determined by BATHNES with the proviso that a proportion thereof, at the discretion of BATHNES, is to be used for education and training for BATHNES residents to secure and progress careers in the leisure and entertainment spheres.</p> | <p>£15,000 minimum per calendar month whilst the casino is operational, payable quarterly in arrears and the balancing payment - if payable - within a period of six months from the relevant year end, if the certified payment is greater than £180,000.</p> | <p>Full indemnity.</p> |
| <p>3. 78 FULL TIME CASINO JOBS. These jobs and casino supply chain will produce total salaries, wages, taxes and benefits of £1,779,000 per annum and goods and services of £1,000,000 per year.</p> <p>Three full time apprenticeships. It is proposed that 70% of total gambling staff jobs will be awarded to BATHNES residents, but for the purposes of compensation, the "agreed target" is 55%</p> | <p>Casino opening.</p> | <p>Licensee to pay compensation to BATHNES in the event that the performance for BATHNES residents in positions of employment within the Casino fall short of the agreed target by more than 10% (a) upon opening and (b) annually thereafter for a maximum total period of 10 years. The compensation will be paid in the event that actual performance is less than 90% of the agreed target (being 55% of the total permanent casino jobs upon opening the casino and the casino's financial year end and each subsequent year for 9</p> |

| Benefit | Starting date | Liquidated and ascertained damages: sum payable per calendar month (where applicable). |
|---------|---------------|--|
| | | <p>years). (i) If the shortfall is less than 10%- no compensation; for a shortfall of between 10% and 20%; compensation of £1,750 for each position beyond the 10% expected to be but not filled by a BATHNES resident, subject to a maximum for this shortfall of £7,500 plus, if applicable for a shortfall between 20% and 30%, £1,000 for each position beyond the 20% expected to be but not filled by a BATHNES resident, subject to a maximum for this shortfall of £7,500, plus, if applicable, for a shortfall of more than 30%, £1,000 for each position beyond the 30% expected to be, but not filled by a BATHNES resident, subject to a maximum for this shortfall of £5,000.</p> <p>Noting that (a) the maximum compensation payable for not achieving the BATHNES employment target in the Casino will be capped at £20,000 at each of the 10 specific dates of accounts, i.e. upon opening and the nine subsequent year ends for the Casino, (b) In the event that the Licensee is able to fulfil part or all of any shortfall in its jobs obligations elsewhere within BATHNES, or a neighbouring borough, then the calculation for compensation payable will be adjusted to reflect the net shortfall after accounting for the jobs it has secured for BATHNES residents elsewhere.</p> <p>Licensee to pay compensation to BATHNES in the event that the</p> |

| Benefit | Starting date | Liquidated and ascertained damages: sum payable per calendar month (where applicable). |
|---|--|--|
| <p>3 (a) In addition to the 3 apprenticeship jobs mentioned in 3. above, an additional 17 job/training opportunities will be provided to BATHNES candidates nominated by The Learning Partnership to at least the level of NVQ Level 2 in the fields of cuisine, hospitality, croupiers and other skills relevant to work in casinos.</p> <p>3 (b) In addition to and as part of 3. and 3 (a) above, GGV/Groupe Partouche will provide interviews for a minimum of 50 candidates who have been nominated by Learning Partnerships as having qualified from the Pre-Employment Training Course. There will be 25 candidates who have qualified under general employability and 25 who have qualified under sector-based employability. In this way and subject to The Learning Partnership nominating 50 candidates at the time prescribed</p> | <p>From Opening of Casino and Over the Following Three Years of Operation.</p> <p>During and just after the period when the casino is being fitted out and opened.</p> | <p>number of BATHNES residents in positions of apprenticeships in the Casino fall short of an agreed target of 3 upon opening and annually thereafter for a maximum all inclusive period of 5 years from the official date of Casino opening. The compensation will be equivalent to £1,000 per annum for each shortfall of an apprentice position and £2,000 for each apprentice position not filled by a BATHNES resident.</p> |

| Benefit | Starting date | Liquidated and ascertained damages: sum payable per calendar month (where applicable). |
|---|--|---|
| <p>above, it is intended that GGV will achieve a target of 30% or more of the total of casino jobs going to suitably qualified BATHNES residents. It should be noted that GGV will not restrict itself to only interviewing BATHNES candidates nominated by Learning Partnerships</p> | | |
| <p>4. 120 CONSTRUCTION JOBS/APPRENTICESHIPS: DF commit to provide that 95% of net new jobs should come from BATHNES residents: all local labour obligations are passed on to sub-contractors and 80% of subcontractors come from within 25 miles.</p> | <p>On commencement of development by or on behalf of DF.</p> | <p>Compensation payable to BATHNES where performance for BATHNES residents in positions of employment fall short of the agreed target by more than 10% in any year. Compensation to apply for the construction period. For a shortfall of less 20% - no compensation, for a shortfall of more than 20% and less than 30% compensation of £1,500 for each position beyond the 20% expected to be but not filled by a BATHNES resident, subject to a maximum for this shortfall of £10,000 plus, if applicable, for a shortfall between 30% and 40%, £1,000 for each position beyond the 30% expected to be, but not filled by a BATHNES resident, subject to a maximum for this shortfall of £10,000. Noting that (a) the maximum compensation payable for not achieving the BATHNES residents employment target during the construction phase will be capped at £20,000. (b) In the event that Deeley Freed are able to fulfil part or all of any shortfall in its jobs obligations elsewhere within BATHNES, or a neighbouring</p> |

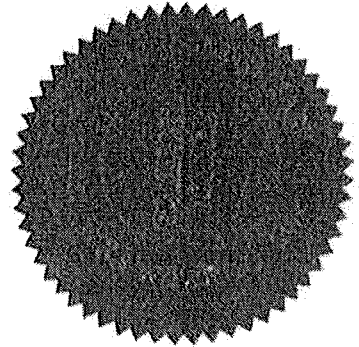
| Benefit | Starting date | Liquidated and ascertained damages: sum payable per calendar month (where applicable). |
|--|--|--|
| 4 (a) DF commits to providing jobs for a minimum of 10 unemployed BATHNES residents and providing 10 apprenticeships to BATHNES residents to be delivered locally. | On commencement of development by or on behalf of DF. | <p>borough, then the calculation for compensation payable will be adjusted to reflect the net shortfall after accounting for the jobs it has secured for BATHNES residents elsewhere.</p> <p>Regarding the target of 10 apprenticeships to be provided to BATHNES residents during the construction period, DFE commit to pay compensation to BATHNES equivalent to £1,000 for each shortfall of an apprentice position and £2,000 for each apprentice position not filled by a BATHNES resident.</p> <p>For the avoidance of doubt it is confirmed that these compensation payments are one off payments and are not payable monthly.</p> |
| 5. Full time training courses for casino employees | On recruitment following grant of Provisional Statement. | |
| 6. Full time Gambling Addiction Program as per attached policies. | Casino opening | |
| 7. DF to first offer their development supply chain opportunities to local BATHNES businesses, including social enterprises and not for profit sector. | On-going from DF exchanging contract with BATHNES for the acquisition of the property. | |
| 8. DF commits to use all reasonable endeavours to obtain the necessary planning consents for and to use all reasonable endeavours to procure a hotel operator for the scheme who agrees to provide a 4 star boutique hotel with a minimum of 65 rooms. | On-going from DF exchanging contract with BATHNES for the acquisition of the property. | |

| Benefit | Starting date | Liquidated and ascertained damages: sum payable per calendar month (where applicable). |
|---|--|--|
| This is expected to provide 35 jobs with annual wages of £700,000 | | |
| 9. DF to commit to work with the BATHNES Public Realm and Movement Strategy team, working towards consolidating and extending the East West Leisure Axis identified in BATHNES report to the Casino Advisory Panel of 2006. | On-going from DF exchanging contract with BATHNES for the acquisition of the property. | |

THE COMMON SEAL OF
BATH AND NORTH EAST SOMERSET COUNCIL

was affixed in the presence of


Authorised signatory:



EXECUTED AS A DEED by
GLOBAL GAMING VENTURES LIMITED

AS witness

Authorised signatory

In the presence of :

Witness signature *R. Amsterdam*

Witness name *RA-1 AMSTERDAM*

Witness address *82 High Street, Station Rd, London, NW4 3ST*

EXECUTED AS A DEED BY
ANTHONY STEPHEN WOLLENBERG

AS witness

In the presence of :

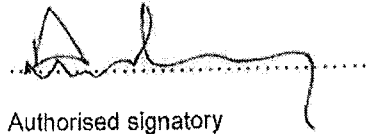
Witness signature *R. Amsterdam*

Witness name *RA-1 AMSTERDAM*

Witness address *82 High Street, Station Rd, London, NW4 3ST.*

In the presence of:

EXECUTED AS A DEED by
DEELEY FREED ESTATES LIMITED


Authorised signatory

In the presence of :

Witness signature



Witness name

NICOLA GOULD

Witness address

56 HAMPDEN CLOSE, YATE, BRISTOL, BS37 5UP.

