

From: Lewis Westhoff
Sent: 22 November 2018 11:23
To: McDonald, Neil; Cullen, Bethany; Whittingham, Gideon; Hatton, Colette
Cc: 'Haim cateringuk@btconnect.com'; Sue Wheldon; James Dilley; Laurie Handcock; David van der Lande; Kieron Hodgson
Subject: RE: 135-149 Shaftesbury Avenue - Notes from last week's meeting
Attachments: Draft Terms with Cinema Next.pdf; Cinema Next - Light Cinema background.pdf; Option to Surrender.pdf

Dear Neil

Thank you for your email, which raises a number of points. We have discussed your email with the Applicant and their professional team and provide our response below, which we hope is helpful.

Mixed use approach and cinema

As you know, our principal land use objective is to deliver a sustainable and genuinely mixed-use building, in accordance with planning policy and entirely commensurate with the site's heritage and location within the CAZ within the heart of and at the heart of the West End. The application proposals involve an hotel, spa and mixed Class A uses, supported by a new cinema.

As discussed at our meeting, the Applicant shall retain the freehold of the building, shall deliver the new cinema use in parallel with a cinema operator alongside best in class cinema business advice. We enclose with this email details of the Applicant's commercial arrangements with the cinema operator (John Sullivan from Cinema Next and the Light Cinema model), which reinforce the commitment to both the land use and the delivery of the cinema which is key to supporting the wider diversity and viability of the mixed commercial uses proposed with the ground plane.

With regard to the Odeon, we discussed at our meeting the principal points in relation to their departure, which we summarise below:

- The Odeon cinema never envisaged staying within the building over the long term.
- It was always the intention of Odeon to relocate to the new purpose-built Odeon cinema in Leicester Square.
- Based on the above planned relocation to Leicester Square, the Odeon (or ABC as it was at that time) articulated their intention to depart in December 2012. We enclose again for officers the Option to Surrender, which would be effective with six months' notice. We understand from Odeon that the Leicester Square development shall be ready for occupation in Q4 2019.
- The new Leicester Square Odeon has taken a lot longer than to deliver than Odeon originally anticipated, resulting in a continued run down of the Shaftesbury Avenue Odeon cinema business. Officers are aware of the poor financial performance of this cinema and other relevant financial considerations in the context of our submitted and externally validated financial viability assessment.

As such, we have a cinema operator who expressed an interest to leave in 2012, continues to wish to leave and relocated to Leicester Square, a new cinema operator and freehold owner seeking to re-provide a cinema use as a significant planning benefit, all in the context of an open D2 permission and established set of lease arrangements where a cinema use could cease at any time without further recourse to planning. There is no planning policy requiring the Applicant to demonstrate need.

We therefore trust the above is helpful in reaffirming the Applicant's commitment to both a cinema use and the delivery of a complimentary mixed-use development overall.

Design

Thank you for your offer in seeking to continue negotiations with regard to the design. As you know, the many professional reports commissioned and assessments undertaken all agree that a) a roof extension is required and appropriate, and b) the roof extension must accommodate a specific and minimum quantum of floor area to enable a viable scheme.

In this context, we are keen to ensure that any further design discussions are clear on their scope – i.e. the shape and form of the roof extension and its materiality. In addition, and given the extensive time already incurred in engaging with regard to design matters, we would respectfully request that Bethany Cullen, Ed Jarvis and yourself be directly and closely involved going forwards.

Lastly, we would wish any future design discussion to have a defined duration. In this respect, we would propose that officers proceed on the basis that the application is reported to the Planning Committee on 17 January 2019 with a recommendation for approval, with the design negotiations taking place in November and December 2018. We feel that this programme is entirely achievable given the Applicant's commitment to resolving this last outstanding issue and the limited scope design matters requiring resolution as we set out above.

We hope the above and enclosed is helpful and look forward to officers' comments.

We would then propose to amend the PPA and to enable to progress.

Kind regards

Lewis

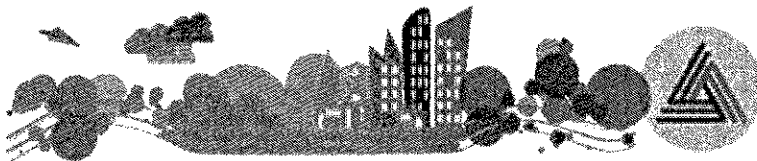
Lewis Westhoff
Senior Planner, Planning

telephone: 020 3640 1024
mobile: 07557 678 587
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From: McDonald, Neil <Neil.McDonald@camden.gov.uk>

Sent: 13 November 2018 19:22

To: Lewis Westhoff <lwesthoff@iceniprojects.com>; Cullen, Bethany <Bethany.Cullen@camden.gov.uk>; Whittingham, Gideon <Gideon.Whittingham@camden.gov.uk>; Hatton, Colette <Colette.Hatton@camden.gov.uk>
Cc: 'Haim cateringuk@btconnect.com' <haim@thaisq.com>; Sue Wheldon <sue@brandarchitectsgroup.com>; James Dilley <James.Dilley@jesticowhiles.com>; Laurie Handcock <LHandcock@iceniprojects.com>; David van der Lande <dlande@iceniprojects.com>; Kieron Hodgson <KHodgson@iceniprojects.com>
Subject: RE: 135-149 Shaftesbury Avenue - Notes from last week's meeting

Dear Lewis,

Apologies for not getting back to you sooner as we had said. I think it emerged from what we discussed at the meeting that our main concerns focus on the harm to the building from the significantly scaled extension on top of the building which is in no way subordinate to it and not befitting in its design. In fact the design seems unrelated to the host building and this may be due in part to it's a-symmetrical nature. Although we had advised in pre-app that an a-symmetrical approach might be appropriate this does not appear to have been successfully conceived – particularly given the height/bulk of the structure which as you know is of particular concern.

However from the various reports commissioned by both yourselves and the Council it is appreciated that there is an argument for some form of extension which is more substantial than we would ideally like for the building. It may be that a scheme of similar floorspace to that argued by yourselves could be achieved in more sympathetic form by redistributing the bulk in a different perhaps lower form thus mitigating the harm.

In addition, the need for such development could be more clearly understood if a letter can be provided from the Odeon confirming their intentions regarding the move from the building and their reasons for this and we have requested this countless times. Also as discussed at the meeting we would require written confirmation from the cinema operator which you said you were working with, in regard to the commitment to the project they are making and its financial nature to give needed confidence in the viability of the proposed basement cinema screens and likelihood of this part of the project being successfully realised.

On condition that you are able to provide us the necessary information in the above regards, and in the spirit of the PPA we are prepared to keep this application running for the time being to continue discussion on the design. I would be grateful if you can forward the information to Gideon to receive on his return from leave next Wednesday in order for us to reconsider issuing a refusal at this stage.

Regards,

Neil McDonald
Team Manager (South), Development Management

Telephone: 020 7974 2061

From: Lewis Westhoff <lwesthoff@iceniprojects.com>

Sent: 13 November 2018 15:39

To: Cullen, Bethany <Bethany.Cullen@camden.gov.uk>; McDonald, Neil <Neil.McDonald@camden.gov.uk>;

Whittingham, Gideon <Gideon.Whittingham@camden.gov.uk>; Hatton, Colette <Colette.Hatton@camden.gov.uk>

Cc: 'Haim cateringuk@btconnect.com' <haim@thaisq.com>; Sue Wheldon <sue@brandarchitectsgroup.com>; James

Dilley <James.Dilley@jesticowhiles.com>; Laurie Handcock <LHandcock@iceniprojects.com>; David van der Lande

<dlande@iceniprojects.com>; Kieron Hodgson <KHodgson@iceniprojects.com>

Subject: RE: 135-149 Shaftesbury Avenue - Notes from last week's meeting

Bethany / Neil / Gideon / Collette

Could you please provide us with an update as to when we can expect to receive your final view on the applications?

We were expecting to receive your final view last week.

Kind regards

Lewis

Lewis Westhoff
Senior Planner, Planning

telephone: 020 3640 1024
mobile: 07557 678 587
email: lwesthoff@iceniprojects.com

We have recently moved our London office. Our new address is Da Vinci House, 44 Saffron Hill, London, EC1N 8FH



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From: Lewis Westhoff

Sent: 08 November 2018 16:35

To: Cullen, Bethany <Bethany.Cullen@camden.gov.uk>; McDonald, Neil <Neil.McDonald@camden.gov.uk>; Whittingham, Gideon <Gideon.Whittingham@camden.gov.uk>; Hatton, Colette <Colette.Hatton@camden.gov.uk>
Cc: 'Haim cateringuk@btconnect.com' <haim@thaisq.com>; Sue Wheldon <sue@brandarchitectsgroup.com>; James Dilley <James.Dilley@jesticowhiles.com>; Laurie Handcock <LHandcock@iceniprojects.com>; David van der Lande <dlande@iceniprojects.com>; Kieron Hodgson <KHodgson@iceniprojects.com>
Subject: RE: 135-149 Shaftesbury Avenue - Notes from last week's meeting

Bethany / Neil / Gideon / Collette

We hope you are well.

We would be grateful if you could please provide us with a timeframe that we can expect to receive your final views on the applications.

Kind regards

Lewis

From: Lewis Westhoff

Sent: 05 November 2018 10:35

To: Cullen, Bethany <Bethany.Cullen@camden.gov.uk>; McDonald, Neil <Neil.McDonald@camden.gov.uk>; Whittingham, Gideon <Gideon.Whittingham@camden.gov.uk>; Hatton, Colette <Colette.Hatton@camden.gov.uk>
Cc: 'Haim cateringuk@btconnect.com' <haim@thaisq.com>; Sue Wheldon <sue@brandarchitectsgroup.com>; James Dilley <James.Dilley@jesticowhiles.com>; Laurie Handcock <LHandcock@iceniprojects.com>; David van der Lande

<dlande@iceniprojects.com>; Kieron Hodgson <KHodgson@iceniprojects.com>

Subject: 135-149 Shaftesbury Avenue - Notes from last week's meeting

Bethany / Neil / Gideon / Collette

Thanks again for your time last week to discuss the applications at 135-149 Shaftesbury Avenue.

We have prepared the enclosed Draft Meeting Notes. We would be grateful if you could please review and confirm that these are an accurate reflection of our discussions.

We also look forward to receiving your final view on the applications soon.

Kind regards

Lewis

Lewis Westhoff

Senior Planner, Planning

telephone: 020 3640 1024

mobile: 07557 678 587

email: lwesthoff@iceniprojects.com

Please be aware that from the 29th October our new London office address will be Da Vinci House, 44 Saffron Hill, I



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Professional Services Proposal

Cinema Operations Saville Theatre

135 Shaftsbury Avenue

London WC2H 8AH

DRAFT

On behalf of: **Rossmorgate London Ltd**
Mr Haim Danous

30 November 2017



John Sullivan – Head of Consulting
CinemaNext Consulting Ltd

The Observatory, 10 Argyll Street, London, W1F 7TQ
John.sullivan@cinemanext.consulting +44 (0) 7768 013702

Background

Rossmoregate London Ltd have acquired the freehold interest in what is now known as The Odeon Shaftesbury Avenue although previously and for close to forty years known as The Saville Theatre.

Through associated companies Rossmoregate trade a successful restaurant chain known as Thai Square and also Thai Square Spas in Covent Garden and Westminster.

Rossmoregate are proceeding with a planning application to fully restore the façade of this historic building and applying for planning permission for a premium hotel together with, and as an integral part of the development, a state of the art four screen digital cinema with laser projection and full Dolby ATMOS surround sound system in each auditoria (subject to development programme within SONY and/ or SAMSUNG the latest flat screen cinema size visual displays making it potentially the first 'built for purpose' cinema incorporating the very latest global technology).

Rossmoregate are committed to this cinema being a key feature of their development and that it excels in every way.

Cinema Next Consulting (CNC) are acknowledged as world leaders in developing, operating and managing extraordinary niche cinemas and have been asked by Rossmoregate to lead this process and deliver an exceptional cinema experience.

It is proposed that all aspects of the cinema development through business planning, interior technical fit out and operations will be handled by the CNC team.

Considerations

Business Plan

CNC will consult with cinema consumer groups (audiences), film distributors, programmers and the Local Authority to ascertain precisely the niche that this cinema is to fill with special regard to other proposed developments (Odeon Leicester Square/ Ramada Hotel).

The look and feel of the cinema will be driven both by the business plan and the overall design of the luxury hotel sitting above.

Rossmoregate do not want a repeat of the current position whereby a cinema operator takes a long lease and over a period of time through underinvestment or distraction with other priorities the cinema is allowed to languish and suffer from underinvestment.

This cinema is designed to make an extraordinary statement to the arrival experience in the foyer with a dramatic sweeping staircase leading to the four 'state of the art' extraordinary screens.

CNC are delighted to be selected by Rossmoregate to fulfil their vision for this worldclass cinema and bring huge international cinema development experience to the team.

CinemaNext Consulting Ltd (CNC) is an international management consultancy and services business, specialising in the Cinema Exhibition and the wider leisure market.

Core activities include:

- Advising property organisations, investors and developers in leisure developments; particularly where a cinema forms a key component.
- Advising Local Authorities on suitable leisure provision
- Specialist advice and management support to cinema operators
- Advice on locations, demographics and market potential
- Viability studies and market appraisals
- Expert Witness for planning, consultation and legal hearings
- Advice on acquisitions, disposals and property management
- Cinema and Leisure operational management function
- Revenue generation practices and procedures
- Marketing support function
- Procurement and supply arrangements
- Digital Cinema and the evolving cinema business model

For more information: www.cinemanext.consulting

Key Consultants:

John Sullivan – Head of Consulting

John is a long term property professional and has acted in a senior development and agency capacity on numerous retail, leisure and residential schemes throughout Australia, Asia, Europe and the UK.

From 1996 John has been based in London, UK, acting initially for Warner Village (UK) Ltd as property director and in development roles for Village (Greece), Warner Lusomundo (Spain, Portugal), CGV (South Korea), Warner Village (Taiwan), Village (Germany/ France), Warner Village (Italy), Vue (UK), The Eye (Eire), Village (South Africa).

As a long-term cinema professional with experience over multiple territories John has an innate understanding of how to strategically approach and open up both new cinema markets or take on competition.

In 2002, John set up his leisure consultancy group which evolved into CinemaNext Consulting and although cinema groups were continuing their moratorium on new cinema development he set up a strong practice advising property groups with a long term development strategy (Westfield, Henderson, Land Securities, Hammerson, Multiplex, Centros Miller, ING, St Modwen etc) in addition to advising international clients (CGV, Warners, Village etc), on cinema development and strategy through markets in Europe, Russia, Asia and Australasia.

In 2006 John teamed up with Keith Pullinger to form CinemaNext with the aim of developing the next generation of cinemas utilising digital technology and recognising the more discerning demands of the leisure customer.

Together John & Keith opened up the Romanian cinema market to competition and established cinemas in the UK, Ireland, Germany & Romania.

Rob Arthur – Senior Consultant

Rob Arthur joined CinemaNext Consulting as a Senior Consultant in February 2017 on leaving G1.

Formerly Rob was Managing Director of Apollo Cinemas, overseeing an estate of 14 cinemas and 83 screens until its sale in 2012. In mid-2013, Rob was appointed as the Interim Director of Operations at Curzon Cinemas, London's leading independent and arthouse cinema group and led a project in early 2014 to upgrade their projection, sound and satellite network.

Rob has worked in the UK and International Cinema sector for the past 24 years with companies such as Vue Entertainment, SBC International Cinemas, as Director of Special Projects and Vice President Operations; Warner Village, Warner Bros and UCI where he held senior executive and operational management positions.

Rob has extensive cinema opening and operating experience in Taiwan, Portugal, Romania, United Kingdom and Ireland and he has worked on many cinema and leisure development projects.

Kevin McCarthy – Operations

Kevin has a twenty-five year background in both cinema operations and asset management of cinemas on behalf of property owners, including CBRE and Turnstone Estates.

Kevin has extensive experience in strategic planning and managing budgets within the leisure and cinema industry. He has held Regional Manager positions with Apollo Cinemas, Warner Village and Vue where he streamlined sites, managed teams, implemented KPI's and achieved YOY increases. He has project managed the opening of multiplexes and acted as a consultant for the opening of a number of European cinemas.

In 2006, Kevin purchased a failing hotel in Scotland and turned it into a thriving business - proving he can drive success in any business he turns his hand to. Kevin's site level knowledge, including the re-opening of a liquidated cinema in Thurso and a failing site in Prestatyn, North Wales, expertise with Vista and Veezi, on-line and social media combined with his strategic strengths mean he is ideally suited to supporting the operations at CNC.

Jordi Wientjes, Netherlands – Senior Consultant

Jordi was born and brought up in a Dutch hotel and since then never stepped out of the international hospitality and leisure industry. With more than 20 years of experience at senior management level he worked for all the major cinema chains in the Netherlands.

In this period he worked for 10 years as COO for JT (VUE) Cinemas (14 cinemas), 8 years for Wolff / Kinepolis as country manager Netherlands for operations and several years as interim manager to reorganize cinema (chains). In this period he created time after time good financial results, renovated cinema, expanded the group, created new cinema products, build as part of a team new cinemas.

Before entering the cinema industry he worked among other companies for more than 15 years for the international hotel chain Golden Tulip hotels and IBIS hotels in marketing and sales, responsible for F&B departments at an airport hotel at Schiphol. Next to all that he reorganized a known Dutch congress-theatre and cinema centre as CEO, created new markets and realized a new future for this company. Jordi's passion is to build a team, create the best and distinctive product, work with figures, and places the (future) guest in all the thoughts as first. He knows all the ins-and-outs from the cinema and leisure-industry.

Craig Shurn – Senior Consultant

Craig is an independent Film and Cinema Consultant with over 20 years' experience in the UK and International Film and Cinema Industry. A former senior executive of Odeon and Sony Distribution, Craig is also currently Director of Filmhouse Cinemas.

Judith Querfurth – Consultant

Judith joined CinemaNext Consulting in 2013 as a Consultant. With a BA in Communications, she held several roles as a Communications Consultant for various companies including ING Real Estate in the Netherlands.

Judith has adapted qualitative and quantitative research techniques to conduct site appraisals, calculate cinema admissions potential and study broader cinema and leisure property trends. In addition, she provides wide-ranging support on all consulting projects and manages all financial aspects of the business.



the changing face of cinema

Co Founders

Keith Pullinger – Chief Executive



John Sullivan – Board Director



the changing face of cinema

The Light is a Challenger Brand

Breaking the traditional multiplex model of building boxes

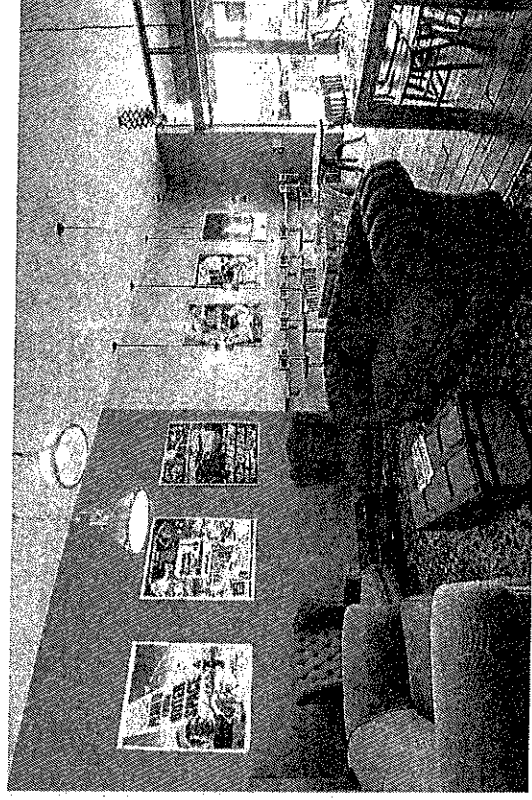
Our venues are designed to be premium mainstream cinemas that are

Unique and Exciting
with Atmosphere and Personality

Inclusive and at the Heart of their
Communities

Social, creating a sense of occasion
every visit an event

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Our Values:

We invest in our people

Our people care about the business

We are local and community facing

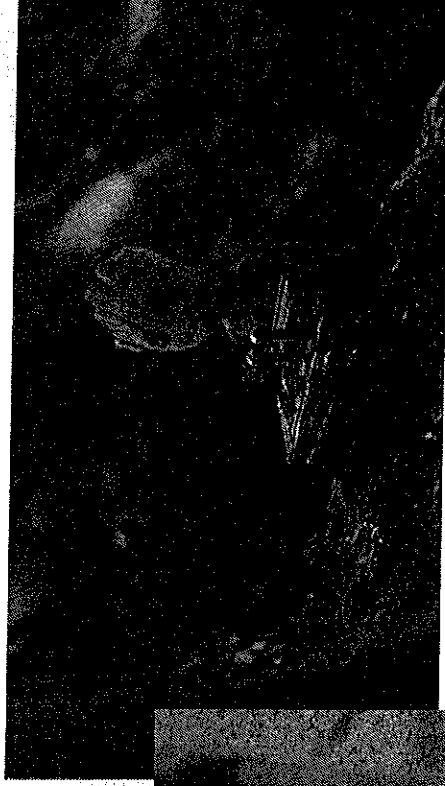
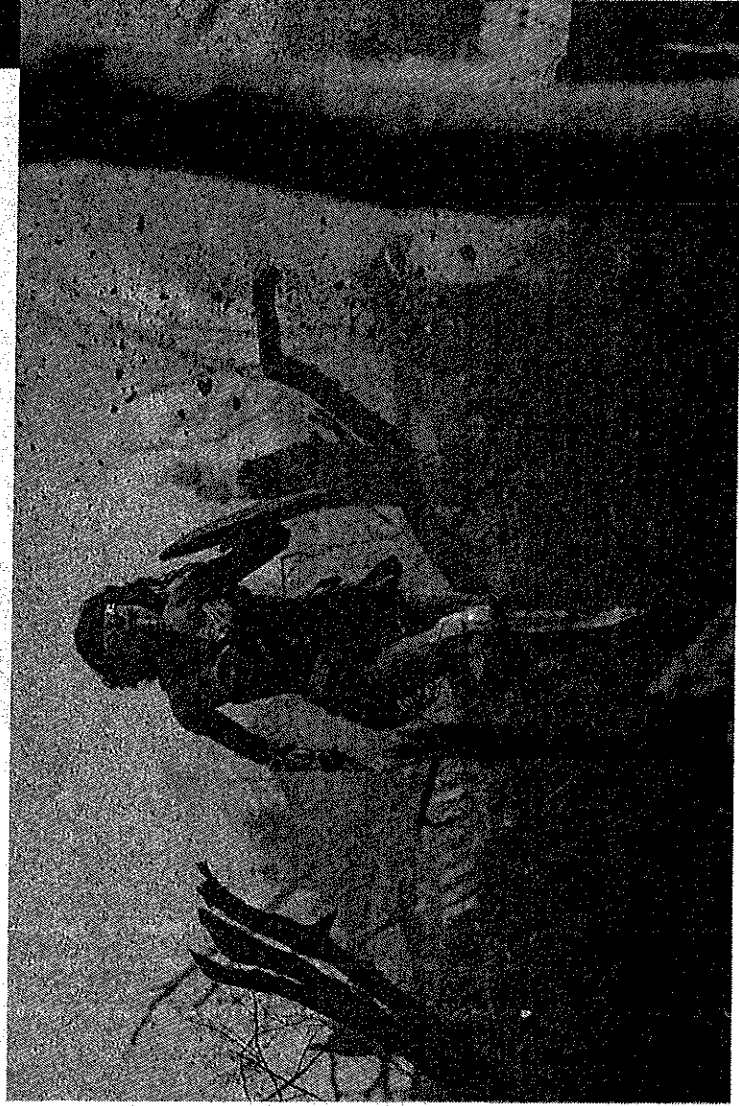
We work with local partners



thelight
cinema experience

the changing face of cinema

Our Offer – Film Comes First



Our Offer – with so much more



Sheffield
Doc Fest
9-14
June
2017

Sheffield Doc|Fest

9 - 14 June 2017

What's Your Story?



@sheffdocfest

#sheffdocfest

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Our Offer – with so much more

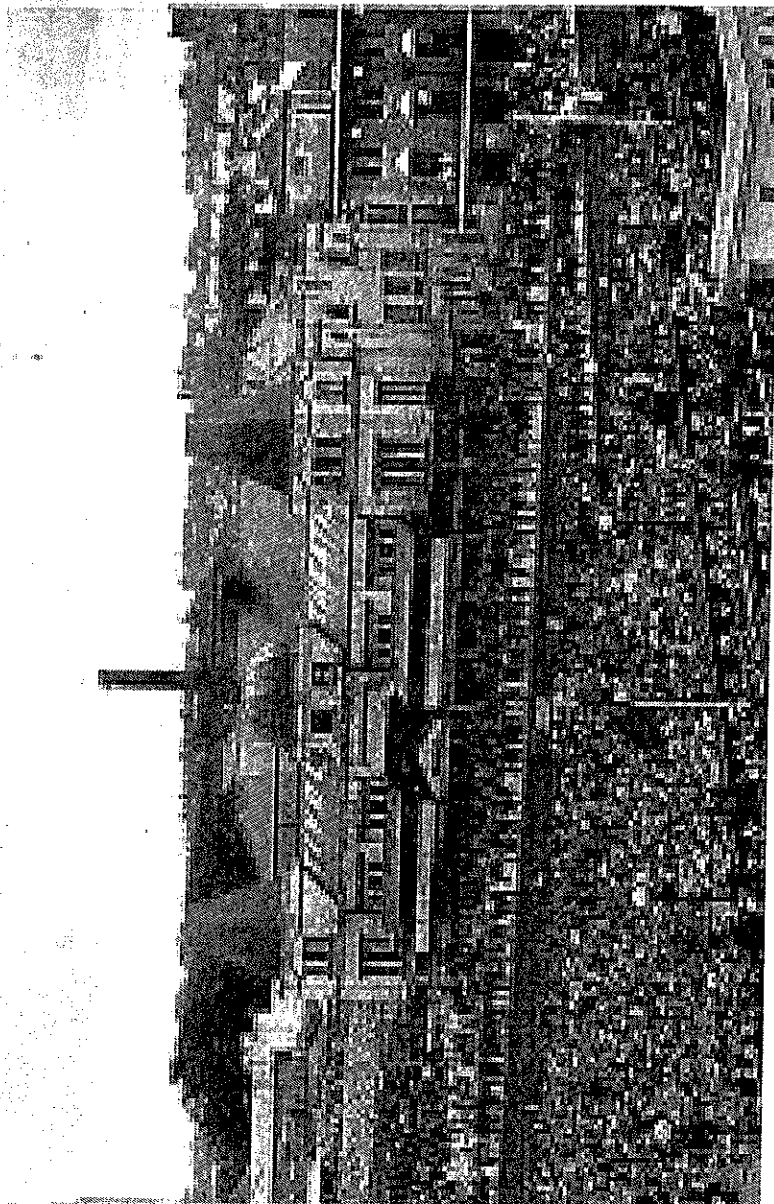


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Where it all started - New Brighton

From this,,,

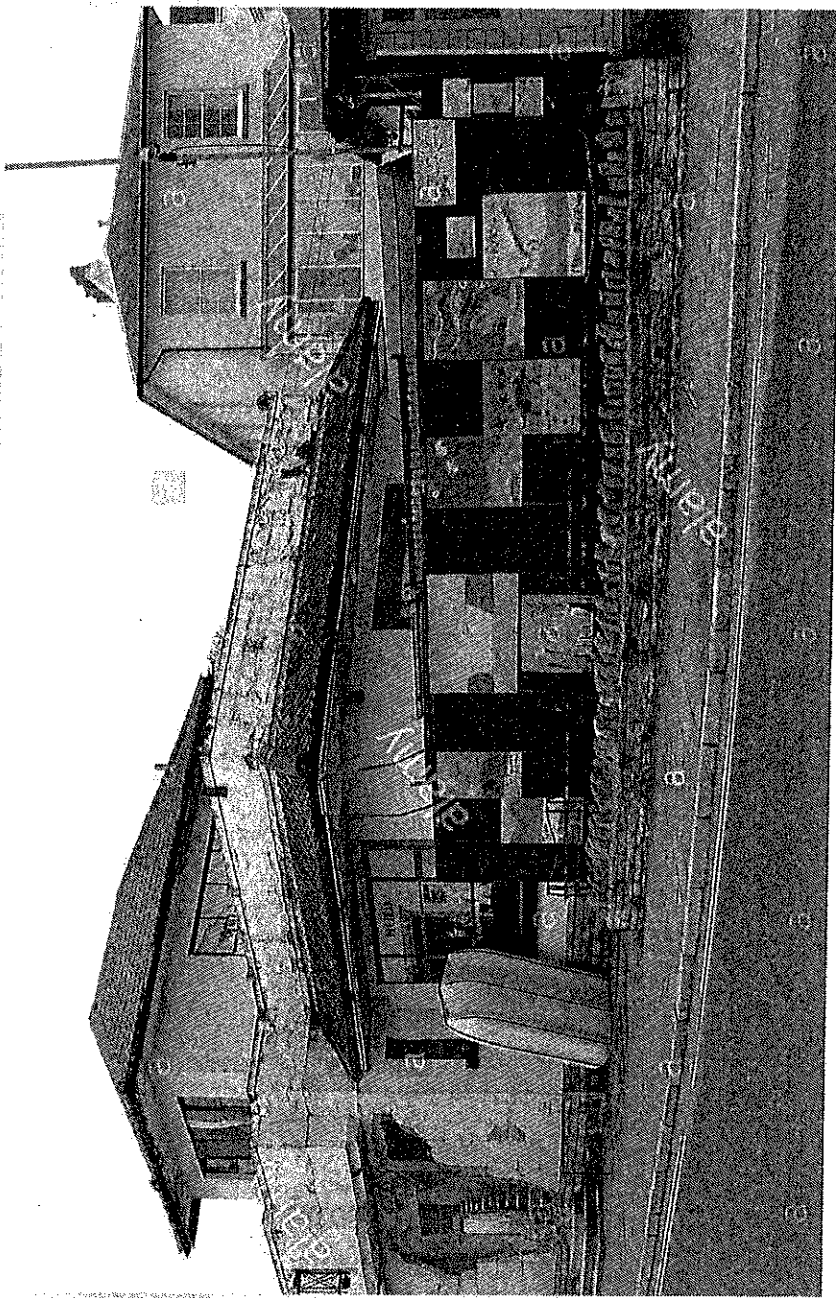


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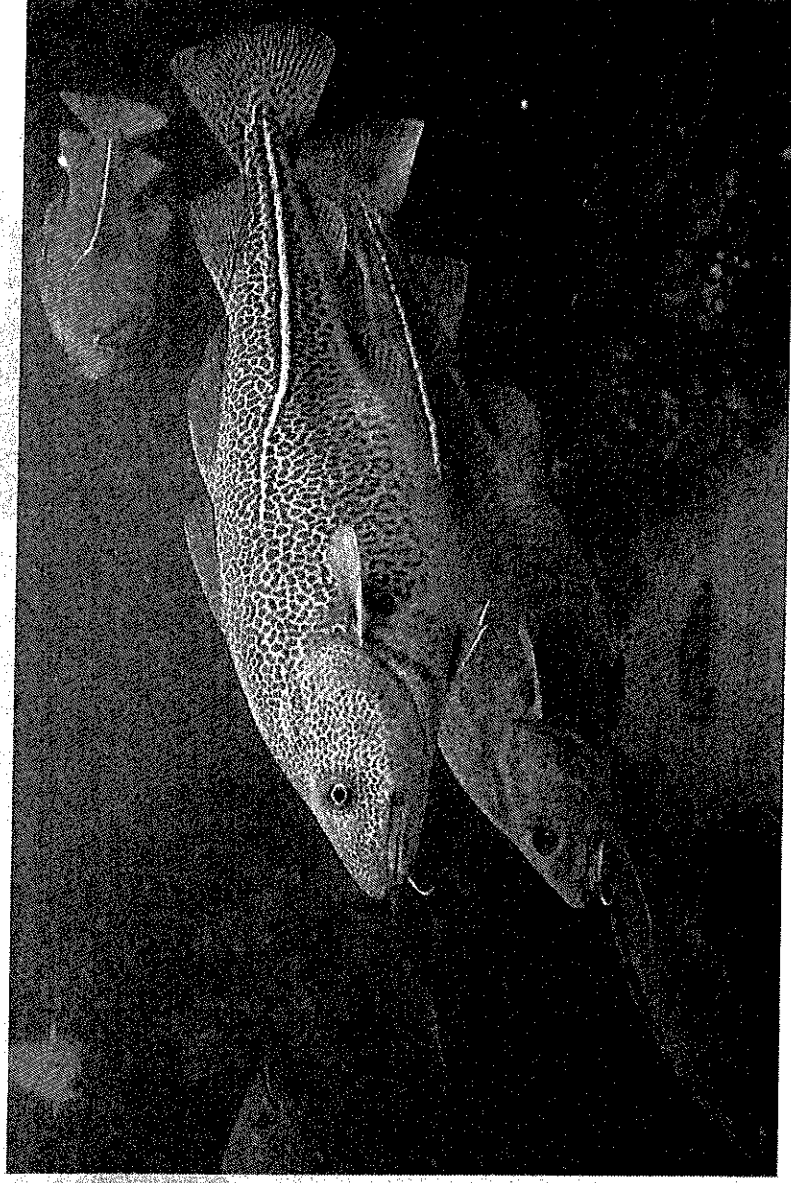
New Brighton

To this



New Brighton

The local demographic?

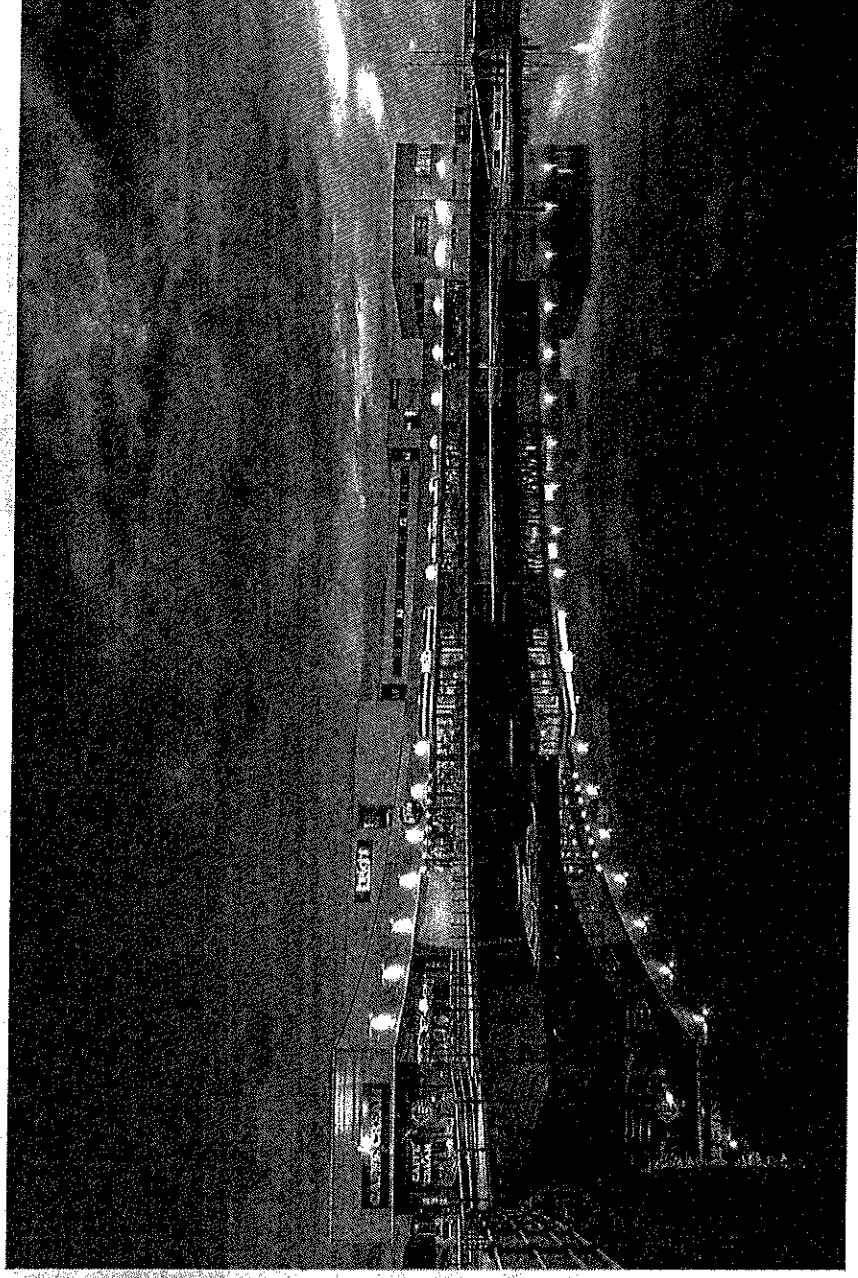


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New Brighton

Today

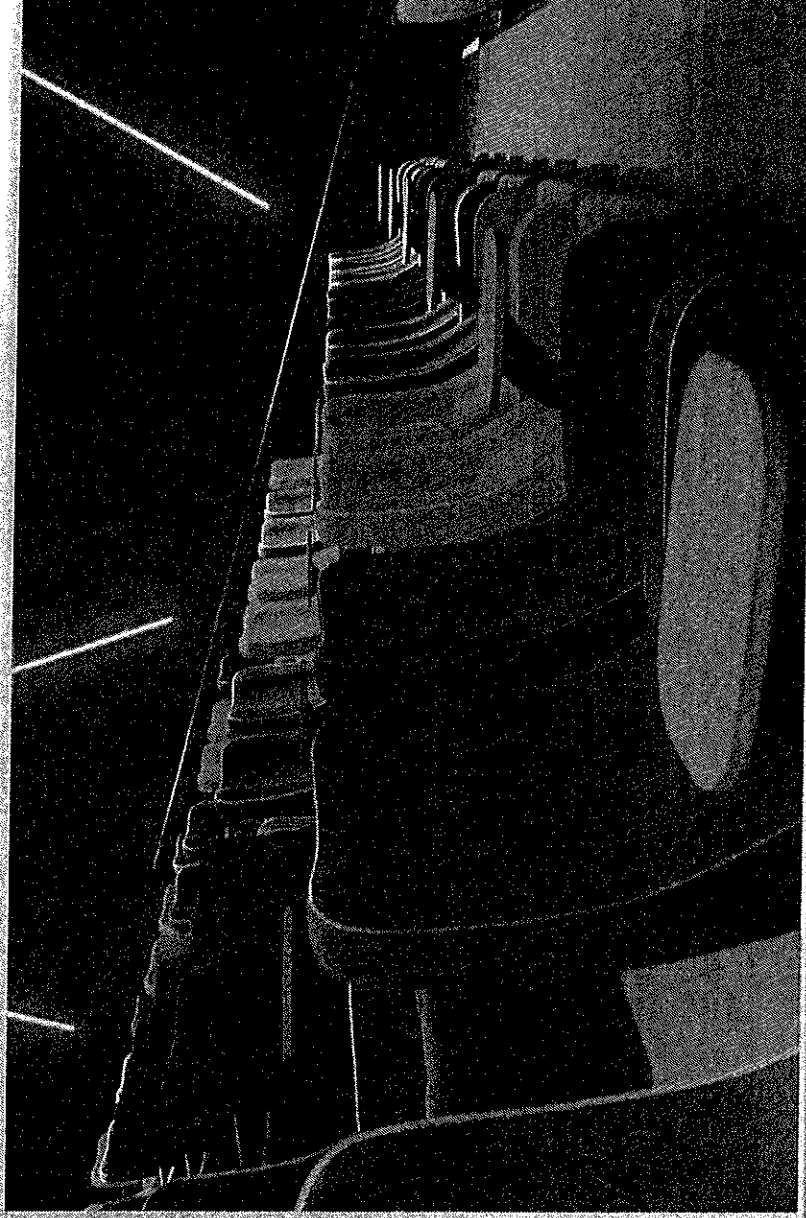


Our Cinemas:

1. New Brighton • 8 screens Marine Point 2011
 2. Wisbech • 8 screens Tesco Development 2014
 3. Cambridge • 9 screens Cambridge Leisure (Land Securities) 2015
 4. Walsall • 8 screens Waterfront (Standard Life) 2016
 5. Bolton • 9 screens Market Place (Moorgarth) 2016
 6. Thetford • 3 screens Breckland Council 2016
 7. Sheffield • 9 screens The Moor (Ashcroft / Aberdeen) 2017
-

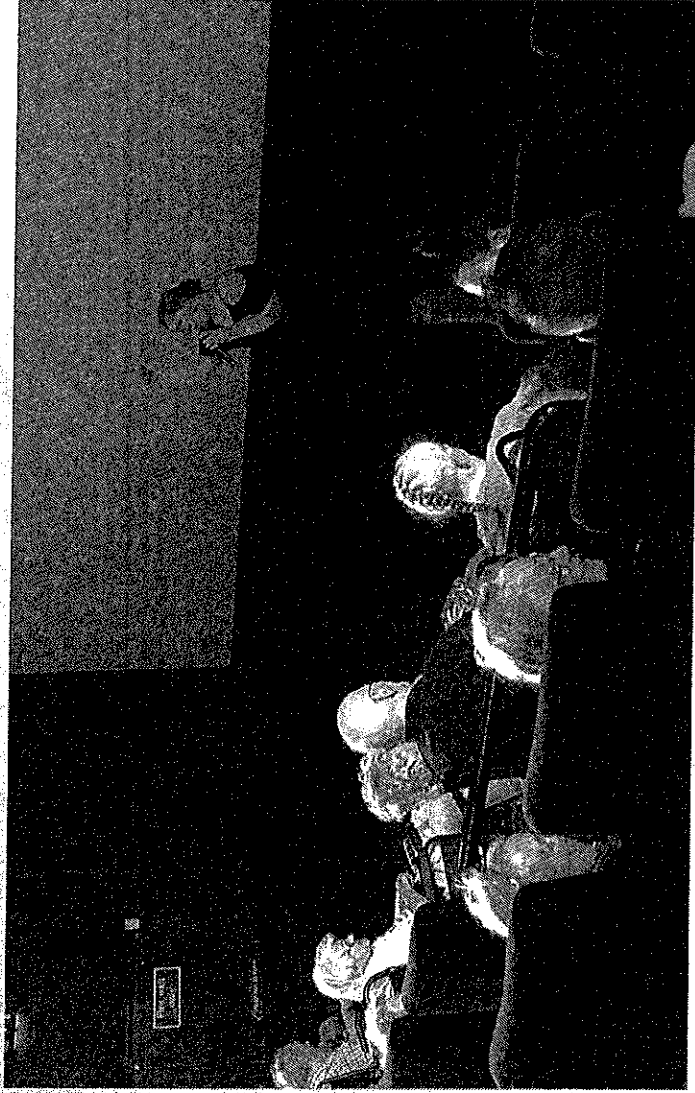
New Initiatives

Reclining seats with side tables in licensed screens



New Initiatives

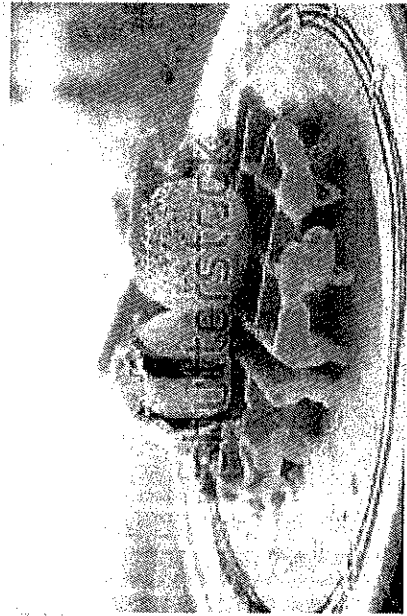
Hosted Screens with introductions



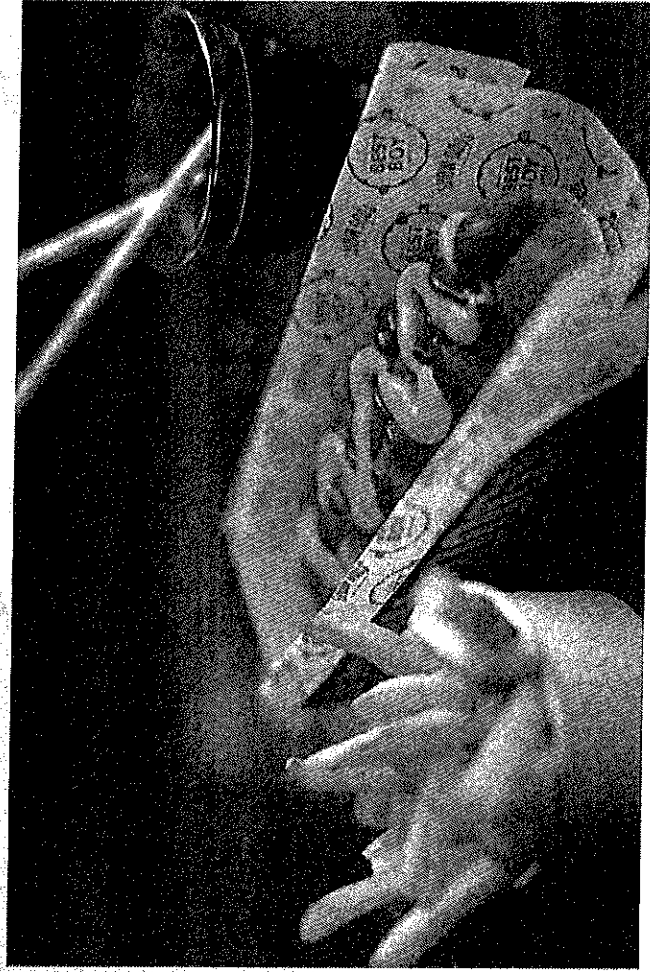
New Initiatives

Fresh waffles

Organic Hot dogs

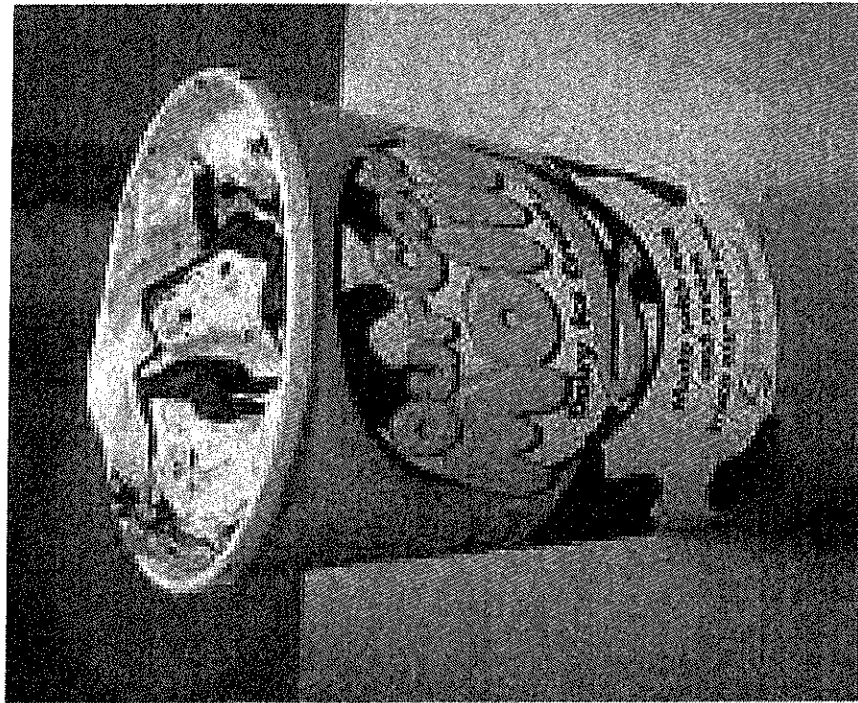
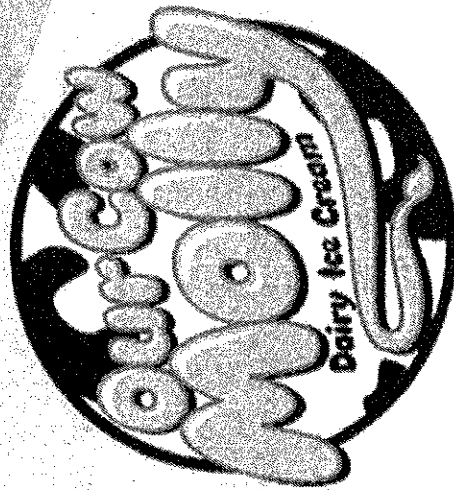


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New Initiatives

Local dairy ice cream



New Initiatives

Local Brewery Beers

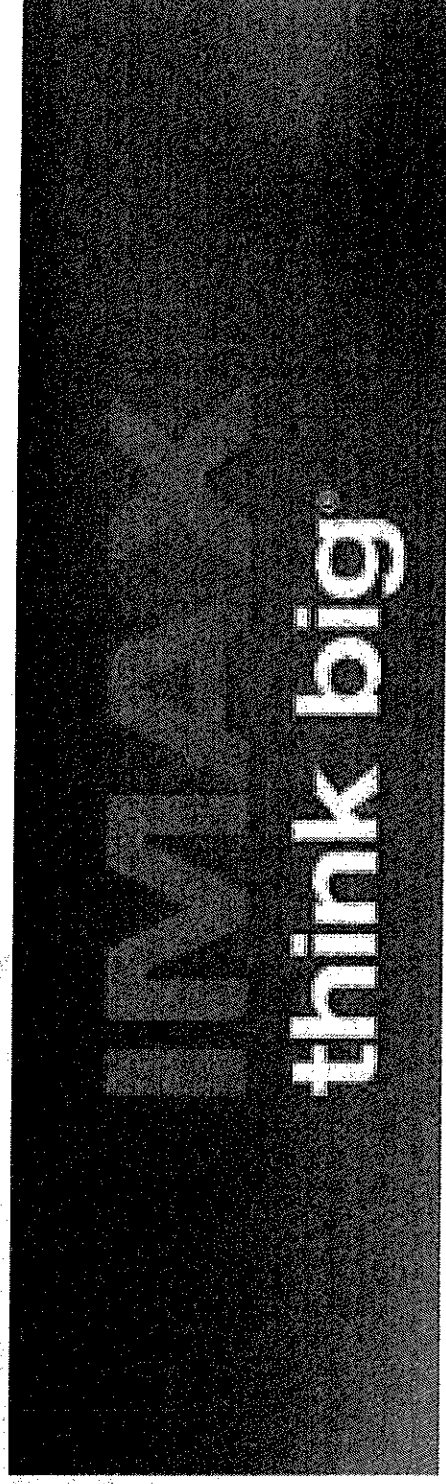




the changing face of cinema

Premium Large Format Cinemas

The Light, Cambridge, new for 2017 ...



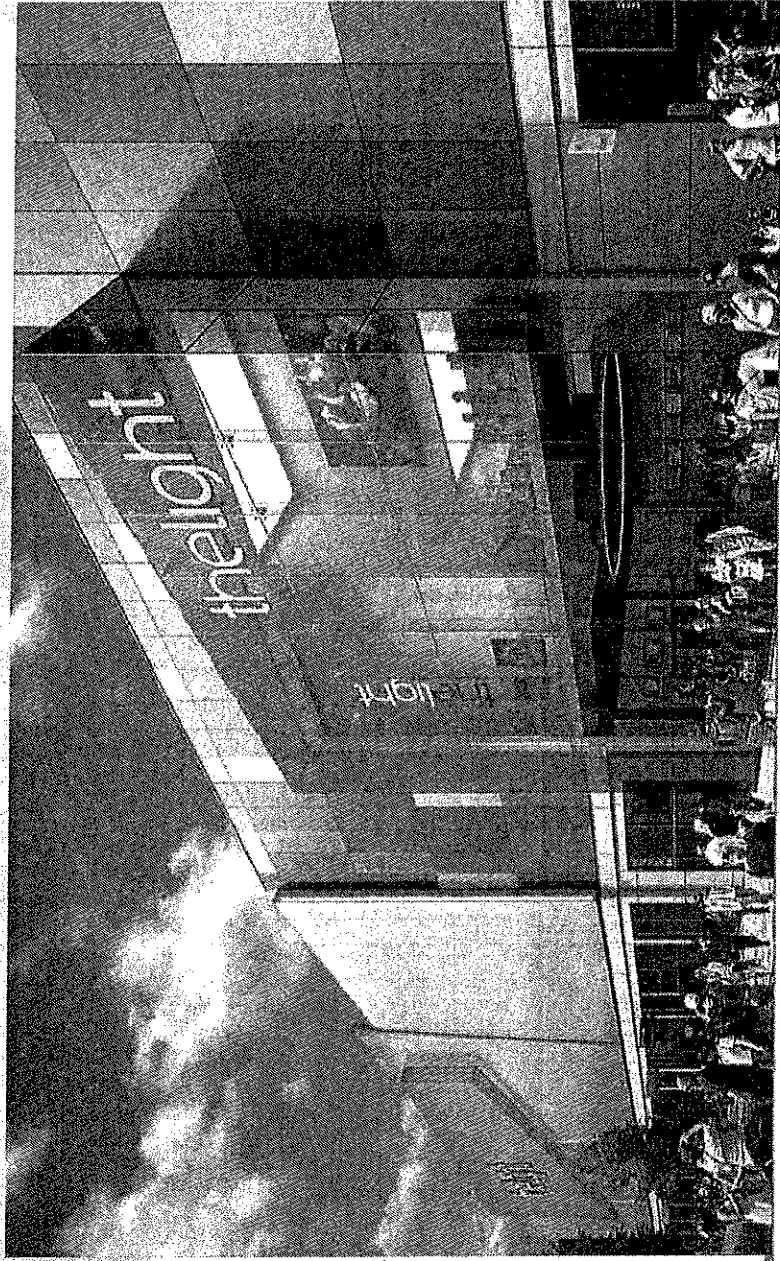
Our Pipeline:

1. Stockport • 10 screens • November 2017 – Stockport Council
 2. Bradford • 7 screens • March 2018 – The Broadway (Mayer Bergman)
 3. Addlestone • 6 screens • May 2018 – Runnymede Council / Bouygues
 4. Banbury • 8 screens • October 2019 – Hawkstone
 5. Sittingbourne • 8 screens • November 2019 – Swale Council / U and I
 6. Lichfield • 7 screens • December 2019 – U and I
 7. Wakefield • 9 screens • 2019 - Trinity Centre (Sovereign)
 8. Dundee • 9 screens • 2020+ – Wellgate Centre (Orchard Street)
 9. Stoke • 9 screens, incl IMAX • 2019 – Unity Walk (Realis)
 10. Redhill • 6 screens • 2019 – Reigate & Banstead Council
 11. Skelmersdale • 8 screens – 2020+ – London & Cambridge / Threadneedle
 12. Nottingham • 9 screens • 2020 – Intu Broadmarsh Centre
 13. Huddersfield • 7 screens • 2020 – Kingsgate Shopping Centre
 14. Preston • 9 screens • 2021 – Preston Council
-

The Light, Stockport

"This is another hugely significant step forward in the regeneration of Stockport town centre. The quality of the Light Cinemas' offer to the public is fantastic and we are delighted to welcome them to Stockport."

Cllr Patrick McAuley,
Executive Member for Regeneration
and Economic Development,
Stockport Council.



- Cinema goers are becoming more demanding and are looking for a premium / aspirational experience
 - The Light look to deliver a unique premium cinema experience, in a personable style, relevant to each community and offering good value for money
 - Expansion focussed on 'destination' shopping centres and town centres.
-

- Key Financials

- y/e July 17

Turnover: c £18,000,000

Net Profit: c £1,000,000

- y/e July 18 Budget

Turnover: c £28,000,000

Net Profit: c £2,000,000

DATED

5th DECEMBER

2012

CAPITALSTART LIMITED

(1)

ABC CINEMAS LIMITED

(2)

**AGREEMENT FOR OPTION TO DEMAND
SURRENDER**

**In respect of Lease of Premises at
The Saville Theatre
Shaftesbury Avenue
London WC2H 8AH**

THIS AGREEMENT is made on the [5th] day of [DECEMBER] 2012 between the parties named below as (1) the Landlord and (2) the Tenant

1. Definitions

1.1. These definitions apply in this Agreement:

Landlord **CAPITALSTART LIMITED** incorporated and registered in England and Wales with company number 03090974) whose registered office is at 66 Chiltern Street, London W1U 4JT (**Landlord**)

Tenant **ABC CINEMAS LIMITED** incorporated and registered in England and Wales with company number 03167622 whose registered office is at 54 Whitcomb Street, London WC2H 7DN (**Tenant**).

Property **The Saville Theatre, Shaftesbury Avenue, London WC2H 8AH** as the same is more particularly described in the Lease and registered at the Land Registry under title number NGL144554.

Lease The Lease of the Property dated 16 April 1970 and made between Greenhaven Commercial Properties Limited (1) Associated British Properties Limited (2) Electric & Musical Industries Limited (3) and all documents supplemental or collateral to that Lease including without limitation a deed of variation of 16 May 1985 made between Greenhaven Securities Limited (1) and Thorn EMI Cinema Properties Limited (2) and a deed of variation of even date herewith between the Landlord and the Tenant.

Completion Date subject to clause 3.7 the first working day following 6 months after the date the Landlord serves a written notice (**Notice**) on the Tenant requiring completion of this Agreement provided that no such Notice shall be served earlier than 5th

Deed of Surrender **JUNE 2014**
The Deed of Surrender to be executed at completion in the form of the draft annexed hereto marked 'A' (with such amendments (if any) as may be required

to reflect any change in the identity of the parties).

Option Premium	£1,500,000 (one million five hundred thousand pounds)
Landlord's Solicitors	Lawrence Stephens, 50 Farringdon Road, London EC1M 3HE
Purchase Price	£3,500,000 (three million five hundred thousand pounds)
Tenant's Solicitors	Fladgate LLP, 16 Great Queen Street, London WC2B 5DG or such other entity as the Tenant or the Tenant's Solicitors may notify in writing to the Landlord from time to time

- 1.2. The headings are for convenience only and do not affect the meaning of the text
- 1.3. The expressions 'Landlord' and 'Tenant' include their respective successors in title.
- 1.4. The parties to this Agreement do not intend any of its terms to be enforceable by a third party (as defined in Section 1 of the Contracts (Rights of Third Parties) Act 1999) other than the successors in title of the Landlord and the Tenant
- 1.5. The Standard Commercial Property Conditions (Second Edition) ("**the Standard Conditions**") apply so far as consistent with the express terms of this Agreement as varied in Schedule 1.

2. Grant of option to Surrender

- 2.1.
 - 2.1.1. In consideration of the payment of the Option Premium (together with Value Added Tax thereon) by the Landlord to the Tenant (the receipt of which is hereby acknowledged) the Tenant has entered this Agreement.
 - 2.1.2. The payment of the Option Premium is absolute and is not refundable.

3. Exercising the Option to Surrender

- 3.1. On the Completion Date the Tenant will surrender to the Landlord and the Landlord will accept a surrender of all the estate interest and rights of the Tenant in the Property to the intent that the residue of the term of

years granted by the Lease the continuation of the tenancy by virtue of Section 24, Landlord and Tenant Act 1954 and all or any other estate interest or right of the Tenant in the Property whether granted by or arising from the Lease or by any deed or document supplemental to the Lease or otherwise shall merge and be extinguished in the reversion immediately expectant thereon; and

- 3.2. The Tenant will yield up the Property to the Landlord with vacant possession save as to any items which may be left at the Property which the Tenant shall not be obliged to remove.
- 3.3. On completion the Landlord shall pay the Tenant the Purchase Price unless the Completion Date falls after 25 March 2025 in which case the Purchase Price shall not be payable and the Tenant's waives its entitlement thereto.
- 3.4. On completion the Landlord is to repay to the Tenant any part of the yearly rent and insurance rent or any other payment which has been paid by the Tenant under the Lease which relates to the period after the Completion Date apportioned on a daily basis.
- 3.5. Any sum payable but not paid on the due date shall bear interest at the contract rate from and including the due date to and including the date of payment.
- 3.6.
 - 3.6.1. Subject to clause 3.6.2 on completion of any transfer by the Landlord of the whole or any part of the reversion to the Lease or on the grant of any lease out of such reversion the Landlord shall forthwith pay to the Tenant absolutely (by the method prescribed in the Standard Conditions) the Purchase Price provided that the Purchase Price shall not be payable if such transfer or grant of lease shall be completed after 25th March 2025.
 - 3.6.2. The Purchase Price shall not be payable by the Landlord in the event that the transfer and/or lease referred to in clause 3.6.1 is made or granted to a group company of the Landlord as defined in S42(1) of the Landlord and Tenant Act 1954 but on any subsequent transfer or lease the Purchase Price shall be due and payable pursuant to clause 3.6.1 unless it completes after the 25th March 2025.
 - 3.6.3. The Landlord will notify the Tenant of the exchange of any contract for any transfer or lease referred to in clause 3.6.1 forthwith upon it being entered into and supply details of the completion date and shall notwithstanding clause 3.6.1 notify the Tenant in writing forthwith upon the completion of any such transaction.
 - 3.6.4. If the Purchase Price has not been paid to the Tenant in accordance with clause 3.6.1 the Tenant may terminate this agreement forthwith on

notice in writing to that effect to the Landlord. Any such determination of this agreement shall be without prejudice to the rights of the Tenant against the Landlord in respect of any antecedent breach by the Landlord of its obligations in this agreement and Standard Condition 9.6 shall apply (*mutatis mutandis*).

- 3.6.5. If the Purchase Price is paid to the Tenant in accordance with clause 3.6.1 the Purchase Price shall not be payable in addition on any subsequent completion of this agreement but the Purchase Price paid shall not be refundable to the Landlord whether or not there is any subsequent completion of this agreement.
- 3.7. If the Property or any part of it is damaged or destroyed by any of the perils mentioned in paragraph (a) of sub-clause (2) of clause 3 of the Lease so as to be unfit for occupation or use then Notice will be deemed to have been served on the date of such damage or destruction and the Completion Date shall accordingly be the first working day following six months after the date of such damage or destruction.
- 3.8. Prior to completion the Tenant may (but shall not be obliged to) remove any of its chattels or fixtures and fittings from the Property without being liable for making good any damage caused by such removal. Any items which are left in the Property at completion shall be deemed not to offend the requirement for the Tenant to complete the surrender with vacant possession.
- 3.9. For the avoidance of doubt the Landlord shall not be obliged to serve Notice on the Tenant to trigger completion of the surrender of the Lease.

4. Title

Title to the Lease has been deduced to the Landlord and no requisitions or objections shall be raised in respect of the title except as to the discharge of mortgages and as to anything revealed by pre-completion searches made at the Land Registry which would not have been revealed by searches made immediately before the date of this Agreement (but no requisitions or objections shall be made in respect of entries relating to this agreement or the deeds of variation referred to in the definition of the "Lease" in clause 1.1).

5. Mode of Surrender

Surrender shall be effected by the Tenant executing and delivering to the Landlord the Deed of Surrender (a counterpart of which shall be executed by the Landlord and delivered to the Tenant) together with the keys to the Property and (to the extent they are in the Tenant's possession at the time of Completion) the Lease and all other documents of title relating to the Tenant's interest in the Property.

6. Release

On the Completion Date the Landlord and the Tenant are to release each other from all obligations contained in the Lease on the terms contained in the Deed of Surrender.

7. Place of Completion

Completion shall take place at the office of the Landlord's solicitors or such other place as they may reasonably direct

8. Notice Requirements

The parties to this Agreement confirm that :

- 8.1. On or about the [8th] day of November 2012 the Landlord served a Notice on the Tenant as required by Section 38A(4)(a) of the Landlord and Tenant Act 1954 (the "1954 Act") (and which applies to the surrender of the tenancy contemplated by this Agreement) before this Agreement marked 'C' was entered into (a copy of which notice is annexed to this Agreement); and
- 8.2. The Tenant made a ~~Statutory~~/Simple Declaration dated the [5th] day of [December] 2012 in accordance with the requirements of Section 38A(4)(b) of the 1954 Act (a copy of which ~~statutory~~ declaration is annexed to this Agreement).

9. Value Added Tax

Save as the context requires or otherwise stated all references to payments in this Agreement are references to such payments exclusive of any Value Added Tax.

10. General

- 10.1. This agreement is made supplemental to the Lease.
- 10.2. Subject to clause 10.3 the Landlord admits that it has not entered into this agreement in reliance on any statement or representation made directly or indirectly to the Landlord by or on behalf of the Tenant and subject as mentioned the Tenant shall have no liability to the Landlord and the Landlord shall have no remedy against the Tenant in respect of such matters.
- 10.3. The Landlord's admission contained in clause 9.2 does not apply to the following:
- 10.3.1. statements or representations that have been made fraudulently; or

- 10.3.2. statements or representations contained in written replies given by the Tenant's Solicitors to written enquiries raised by the Landlord's Solicitors that were not, during the period prior to the date of this agreement, susceptible of independent verification through the searches, enquiries, inspections and surveys which the Landlord has made or which a prudent landlord ought to have made having regard to the nature of the transaction or the nature or location of the Property.
- 10.4. The Landlord accepts that where the Tenant or a person on its behalf has made a written statement or written representation to the Landlord it is not to be implied that any enquiries or investigations were carried out by or on behalf of the Tenant to reach the conclusion given.
- 10.5. The Contracts (Rights of Third Parties) Act 1999 (RTP Act) shall not apply to this agreement so that the terms of this agreement are not enforceable by third parties save for the parties' successors in title and assigns but this does not affect any right or remedy of a third party which exists or is available apart from the RTP Act.
- 10.6. The obligations of the parties under this agreement shall not be affected by any damage or destruction to the Property which occurs after this agreement.

11. Pending Completion

Until Completion all the terms and conditions of the Lease shall remain in full effect.

12. Complete Agreement

The express terms of this Agreement, are all the terms that have been agreed between the Landlord and the Tenant in respect of this transaction.

14. Rent Deposit

On the date hereof the Landlord shall repay to the Tenant all monies held by it pursuant to a rent deposit deed dated 11 June 1996 made between Kestrel Properties Limited (1) and the Tenant (2) and the parties agree that such deed is terminated and shall be of no further effect.

This Agreement has been signed under hand by or on behalf of the Landlord and the Tenant and it is exchanged on the date set out on page one of this Agreement.

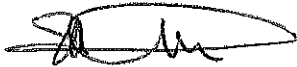
Schedule 1
Variations to the Standard Conditions

1. For the purposes of the Standard Conditions the "Seller" is the Tenant and the "Buyer" is the Landlord.
2. The variations and additions to the Standard Conditions are as follows:
 - 2.1. conditions 1.4.1, 1.4.2 (VAT), 2.2 (Deposit) 3.1.3 (new public requirements), 4 (leases), 5 (rent reviews), 6.2.2 (requisitions), 6.4.2 (statutory declaration), 7.1.1, 7.1.2, 7.1.3 and 7.1.4(b) (insurance), 8.1.3 (completion) and 9.3.3 (reduced compensation) shall not apply;
 - 2.2. in condition 1.3.2 the words "a party's conveyancer" shall be deemed replaced by the words "the Solicitor named as the party's solicitor in the contract";
 - 2.3. in condition 1.3.7(a) add the words "and first class recorded delivery post" after "first class post";
 - 2.4. in condition 3.1.2(d) insert the words "the buyer has made or" after the words "enquiries which";
 - 2.5. in condition 6.1.2 the words "and 135(1)(a)" shall be deemed to be deleted;
 - 2.6. in condition 8.4 insert an additional subcondition (d) to read "any other sum expressed to be payable under the contract";
 - 2.7. there shall be added an additional condition 8.8.3 to read "the Seller shall be deemed to be ready willing and able to complete if it would be but for the default of the Buyer and even though a mortgage remains secured on the Property, if the amount to be paid on completion is sufficient to discharge the mortgage (or if not sufficient equals or exceeds the payment required by the mortgagee to release the Property from the mortgage)";
 - 2.8. in condition 9.1.1 the words "or in the negotiations leading to it" shall be deemed deleted;
 - 2.9. Standard Condition 9.3.4 should read as follows:

"If the Buyer delays Completion the following elect apportionments to be made from the Completion Date."
 - 2.10. the following sentence shall be added at the end of conditions 9.2(b) and 9.5.2(b):

"The Buyer irrevocably appoints the Seller to act as its agent in its name and on its behalf for the purpose of procuring such cancellation if the Buyer fails to do so and the Buyer shall indemnify the Seller against, and pay to the Seller on demand, all associated costs incurred by the Seller";

.....
SIGNED by CAPITALSTART, LIMITED

A handwritten signature in black ink, consisting of a stylized 'A' followed by a series of loops and a final flourish.

.....
SIGNED by ABC CINEMAS LIMITED

A

DATED

2012

CAPITALSTART LIMITED

(1)

ABC CINEMAS LIMITED

(2)

DEED OF SURRENDER
In respect of Lease of Premises at
The Saville Theatre
Shaftesbury Avenue
London WC2H 8AH



LAWRENCE STEPHENS SOLICITORS

50 Farringdon Road, London, EC1M 3HE Telephone: 020 7936 8888 Facsimile: 020 7936 8880
DX 53318 Clerkenwell www.lawrencestephens.com

THIS DEED is dated

~~2042~~

HM Land Registry

LANDLORD'S TITLE NUMBER: 256404

ADMINISTRATIVE AREA: CAMDEN

TENANT'S TITLE NUMBER: NGL144554

ADMINISTRATIVE AREA: CAMDEN

PARTIES:

- (1) **CAPITALSTART LIMITED**, incorporated and registered in England and Wales with company number 03090974 whose registered office is at 66 Chiltern Street, London W1U 4JT (**Landlord**); and
- (2) **ABC CINEMAS LIMITED**, incorporated and registered in England and Wales with company number 03167622 whose registered office is at 54 Whitcomb Street, London WC2H 7DN (**Tenant**).

BACKGROUND

- (A) This deed is supplemental to the Lease.
- (B) The Landlord is entitled to the immediate reversion to the Lease.
- (C) The residue of the term granted by the Lease is vested in the Tenant.
- (D) The Landlord and the Tenant have agreed to enter into this Deed.

AGREED TERMS

1. INTERPRETATION

- 1.1 The definitions and rules of interpretation set out in this clause 1 apply in this Deed.

HMLR: HM Land Registry.

Landlord's Conveyancer: Lawrence Stephens of 50 Farringdon Road, London EC1M 3HE (Ref: DS/C00038 – 0186).

Lease: a lease of **The Saville Theatre, Shaftesbury Avenue, London WC2H 8AH** dated 16 April 1970 and made between Greenhaven Commercial Properties Limited (1), Associated British Properties Limited (2), Electric & Musical Industries Limited (3) and all documents supplemental or collateral to that lease.

Property: The Saville Theatre, Shaftesbury Avenue, London WC2H 8AH as more particularly described in and demised by the Lease.

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

- 1.2 Clause headings do 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) [and that person's personal representatives, successors or permitted assigns].
- 1.4 Unless the context otherwise requires, words in the singular shall include the plural and in the plural 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 or permitted assigns.
- 1.7 A reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force, taking account of any amendment or re-enactment.
- 1.8 A reference to a statute or statutory provision shall include any subordinate legislation made under that statute or statutory provision.
- 1.9 A reference to **writing** or **written** includes faxes but not e-mail.
- 1.10 A reference to a document is a reference to that document as varied or novated (in each case, other than in breach of the provisions of this agreement) at any time.
- 1.11 References to clauses are to the clauses of this Deed.
- 1.12 Any phrase introduced by the terms **including**, **include**, **in particular** or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 1.13 References to the **Landlord** include a reference to the person entitled for the time being to the immediate reversion to the Lease.
- 1.14 The expressions **landlord covenant** and **tenant covenant** each have the meanings given to them by the Landlord and Tenant (Covenants) Act 1995.

2. SURRENDER

2.1 In consideration of:

- (a) £3,500,000 (three million five hundred thousand pounds) (excluding VAT) paid by the Landlord to the Tenant (of which the Tenant acknowledges receipt) and;

(b) the release by the Landlord pursuant to clause 4,

the Tenant surrenders and yields up to the Landlord, with full title guarantee, all its estate, interest and rights in the Property and the Landlord accepts the surrender.

2.2 The residue of the term of years granted by the Lease shall merge and be extinguished in the reversion immediately expectant on the termination of the Lease.

3. VALUE ADDED TAX

On the date of this Deed, and subject to the Tenant having provided the Landlord with a valid VAT invoice, the Landlord shall pay the Tenant any VAT properly chargeable on the consideration stated in clause 2.

4. RELEASE OF THE TENANT

The Landlord releases the Tenant and its predecessors in title from all the tenant covenants of the Lease and from all liability for any subsisting breach of any of them.

5. RELEASE OF THE LANDLORD

The Tenant releases the Landlord and its predecessors in title to the immediate reversion to the Lease from all the landlord covenants of the Lease and from all liability for any subsisting breach of any of them

6. DOCUMENTS AND HMLR REQUIREMENTS

6.1 On the date of this Deed, the Tenant shall deliver to the Landlord, or to the Landlord's Conveyancer:

- (i) the Lease (if it is in the Tenant's possession); and
- (ii) the original part of this Deed; and
- (iii) VAT receipt.

7. LIABILITY

If the Landlord or the Tenant is more than one person, then in each case those persons shall be jointly and severally liable for their respective obligations arising by virtue of this Deed. The Landlord may release or compromise the liability of any one of those persons or grant any time or concession to any one of them without affecting the liability of any other of them.

8. THIRD PARTY RIGHTS

A person who is not a party to this Deed (other than the successors in title of the Landlord and Tenant) shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Deed.

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

EXECUTED as a Deed by a Director
for and on behalf of
CAPITALSTART LIMITED
in the presence of:

}

.....
Signature of Director

Please print name:

Witness Signature:

Witness Name:

Address:

Occupation:

EXECUTED as a Deed by a Director
for and on behalf of
ABC CINEMAS LIMITED
in the presence of:

}

.....
Signature of Director

Please print name:

Witness Signature:

Witness Name:

Address:

Occupation:

Notice that an Agreement to Surrender a Business Tenancy is to be Made

To: **ABC CINEMAS LIMITED** incorporated and registered in England and Wales with company number 03167622 whose registered office is at 54 Whitcomb Street, London WC2H 7DN

(Name and address of tenant)

From: **CAPITALSTART LIMITED** incorporated and registered in England and Wales with company number 03090974) whose registered office is at 66 Chiltern Street, London W1U 4JT

(Name and address of landlord)

IMPORTANT NOTICE FOR TENANT

Do not commit yourself to any agreement to surrender your lease unless you have read this message carefully and discussed it with a professional adviser.

Normally, you have the right to renew your lease when it expires. By committing yourself to an agreement to surrender, **you will be giving up this important statutory right.**

- You will **not** be able to continue occupying the premises beyond the date provided for under the agreement for surrender, **unless** the landlord chooses to offer you a further term (in which case you would lose the right to ask the court to determine the new rent). You will need to leave the premises.
- You will be unable to claim compensation for the loss of your premises, unless the lease or agreement for surrender gives you this right.

A qualified surveyor, lawyer or accountant would be able to offer you professional advice on your options.

You do not have to commit yourself to the agreement to surrender your lease unless you want to.

If you receive this notice at least 14 days before committing yourself to the agreement to surrender, you will need to sign a simple declaration that you have received this notice and have accepted its consequences, before signing the agreement to surrender.

But if you do not receive at least 14 days notice, you will need to sign a "statutory" declaration. To do so, you will need to visit an independent solicitor (or someone else empowered to administer oaths).

Unless there is a special reason for committing yourself to the agreement to surrender sooner, you may want to ask the landlord to let you have at least 14 days to consider whether you wish to give up your statutory rights. If you then decided to go ahead with the agreement to end your lease, you would only need to make a simple declaration, and so you would not need to make a separate visit to an independent solicitor.

Declaration Prior to Agreement to Surrender a Business Tenancy

(name of declarant)

I MARK Trevor SHENDES

(address)

of 16 Great Queen Street
London WC2B 5DG

declare that -

(name of tenant)

1. ~~I have~~ ABC Cinemas Limited

(address of premises)

has a tenancy of premises at
The Saville Theatre, Shaftesbury Avenue, London WC2H 8AH

for a term commencing on
25 March 1970

(name of landlord)

2. ~~The~~ The tenant propose(s) to enter into an agreement with
Capitalstart Limited

to surrender the tenancy on a date or in circumstances specified in the agreement.

3. The landlord has not less than 14 days before ~~the~~ the tenant enter(s) into the agreement referred to in paragraph 2 above, or (if earlier) become(s) contractually bound to do so, served on ~~me~~ the tenant a notice in the form, or substantially in the form, set out in Schedule 3 to the Regulatory Reform (Business Tenancies) (England and Wales) Order 2003. The form of notice set out in that Schedule is reproduced below.

4. ~~I have~~ The tenant has read the notice referred to in paragraph 3 above and accept(s) the consequences of entering into the agreement referred to in paragraph 2 above.

(as appropriate)

[5. I am duly authorised by the tenant to make this declaration.]

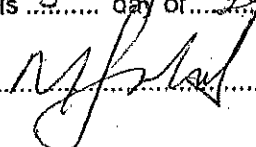
DECLARED this

5th

day of

December 2012

Signed



To: **ABC CINEMAS LIMITED** incorporated and registered in England and Wales with company number 03167622 whose registered office is at 54 Whitcomb Street, London WC2H 7DN
(Name and address of tenant)

From: **CAPITALSTART LIMITED** incorporated and registered in England and Wales with company number 03090974 whose registered office is at 66 Chiltern Street, London W1U 4JT
(Name and address of landlord)

IMPORTANT NOTICE FOR TENANT

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Normally, you have the right to renew your lease when it expires. By committing yourself to an agreement to surrender, **you will be giving up this important statutory right.**

- You will not be able to continue occupying the premises beyond the date provided for under the agreement for surrender, unless the landlord chooses to offer you a further term (in which case you would lose the right to ask the court to determine the new rent). You will need to leave the premises.
- You will be unable to claim compensation for the loss of your premises, unless the lease or agreement for surrender gives you this right.

A qualified surveyor, lawyer or accountant would be able to offer you professional advice on your options.

You do not have to commit yourself to the agreement to surrender your lease unless you want to.

If you receive this notice at least 14 days before committing yourself to the agreement to surrender, you will need to sign a simple declaration that you have received this notice and have accepted its consequences, before signing the agreement to surrender.

But if you do not receive at least 14 days notice, you will need to sign a "statutory" declaration. To do so, you will need to visit an independent solicitor (or someone else empowered to administer oaths).

Unless there is a special reason for committing yourself to the agreement to surrender sooner, you may want to ask the landlord to let you have at least 14 days to consider whether you wish to give up your statutory rights. If you then decided to go ahead with the agreement to end your lease, you would only need to make a simple declaration, and so you would not need to make a separate visit to an independent solicitor.