

DEED OF GRANT AND COVENANT

Date

BETWEEN

- (1) The **Houseowner:** []
- (2) The **Marina Company: PREMIER MARINAS (EASTBOURNE) LIMITED**
(company number 2742959) of Swanwick Marina,
Swanwick, Southampton, Hampshire SO31 1ZL
- (3) The **CIC: SOVEREIGN HARBOUR (SEA DEFENCES)
COMMUNITY INTEREST COMPANY LIMITED** (company
number 07078140) of Number 22 Mount Ephraim,
Tunbridge Wells, Kent TN4 8AS

1. DEFINITIONS

In this deed:

Berth means [none]

Lease means [none] lease dated [date] for a term of [] years

Premises means [plot] – [address]

2. RESERVATION OF RENTCHARGE

The Houseowner with full title guarantee grants to the CIC a yearly estate rentcharge payable on 1 January each year (and proportionately for less than a year) of an amount equal to the aggregate of:

- (a) the SW Charge (payable annually in advance)
- (b) the Marina Charge (payable annually in arrear) and
- (c) (if there is a Berth, and for so long only as the term of the lease of the Berth lasts, with any statutory or agreed extensions) the Berth Charge, payable annually in advance

such yearly rentcharge to issue and be payable out of all the Premises TO HOLD the rentcharge to the CIC for a term equal to the term of the Lease, if any, otherwise as a perpetual grant in fee simple.

3. RENTCHARGE CONDITIONS

This deed incorporates the annexed conditions. The Houseowner covenants with the CIC and the Marina Company, and the CIC and the Marina Company covenant with the Houseowner, to observe and perform their respective obligations in those conditions.

SIGNED as a **DEED** by
[FULL NAME OF PURCHASER(S)]
in the presence of:

SIGNED as a **DEED** by **PREMIER
MARINAS (EASTBOURNE) LIMITED**
acting by its attorney in the presence of:

SIGNED as a **DEED** by **SOVEREIGN HARBOUR
(SEA DEFENCES) COMMUNITY INTEREST
COMPANY LIMITED** acting by its attorney in the presence of:

RENTCHARGE CONDITIONS

1 DEFINITIONS

Where in the Deed and these conditions the following words in bold type begin with a capital letter they have the following meanings unless the context otherwise requires:

Berth means the berth (if any) described in the Deed;

Berth Charge means the charge defined in Condition 4;

Condition means a clause of these conditions;

Deed means the deed that incorporates these conditions;

Harbour means the Inner Harbour, the Outer Harbour, all other works authorised by the Eastbourne Harbour Acts 1980 and 1988 and all associated locks, channels, walls and ancillary structures and equipment;

Marina Charge means the charge defined in Condition 3.1;

Marina Company includes any successor or assign that manages the marina at Sovereign Harbour, including the Harbour and Waterways;

Marina Costs means the costs defined in Condition 3.2;

Premises means the recited plot of land and dwelling and all other buildings from time to time on the land;

Rentcharge means the rentcharge granted by the Deed;

SW Agreement means an agreement dated 9 June 1988 made between (1) Crumbles Harbour Village Limited (now called Sovereign Harbour Limited), (2) Tarmac Construction Limited (now called Carillion Construction Limited), (3) Eastbourne Harbour Company Limited, (4) the then Trustees of the Chatsworth Settlement, (5) the Duke of Devonshire, and (6) the Southern Water Authority under which Sovereign Harbour Limited covenanted (among other things) to obtain a yearly estate rentcharge on the sale of each dwelling at Sovereign Harbour to be applied as set out in that agreement;

SW Charge means the charge defined in Condition 2.1;

Waterways means all areas of water at Sovereign Harbour, Eastbourne linking with (but excluding) the Harbour.

2 THE SW CHARGE

2.1 The SW Charge is the amount calculated by the formula
A/B x £75
where

A = the index of retail prices last published by the 1 December immediately preceding the due date for payment and

B = 103.4 being the amount of such index as at 1 December 1987.

- 2.2 If the basis for computation of the index of retail prices changes materially or the index ceases to exist or for any other reason it is not possible to ascertain the relevant index the CIC is entitled to nominate some other similar index but if none exists in the opinion of the CIC then the Rentcharge is to increase annually at a rate fixed (at the date of first payment on the new basis) at the average annual rate of increase of the index of retail prices up to that date since 1 December 1987 or over the previous ten years whichever is the shorter.

3 THE MARINA CHARGE

- 3.1 The Marina Charge is £10 or such greater amount each year as results from the calculation M/N where
- N** = the number of separate Dwellings liable to pay the Marina Charge or 1500 (whichever is the greater) and
- M** = the total amount of the Marina Costs for the year ending on the 30th September immediately preceding the due date for payment of the relevant Rentcharge
- 3.2 The Marina Costs are all costs and expenses (including non-recoverable VAT) reasonably and properly incurred by the Marina Company in connection with or incidental to the cleansing, repair and maintenance of the Harbour and the Waterways (including reasonable collection and administration costs) but (for the avoidance of doubt) not including the cost of maintaining any berths or moorings (and associated facilities) privately owned or intended for private hire or letting nor the costs of operating and managing the Harbour and Waterways or of controlling navigation.
- 3.3 Each Rentcharge demand must be accompanied by a statement of the Marina Costs for the year ending on the 30th September immediately preceding the due date for payment such statement to be certified by an accountant or chartered surveyor and to be accepted by the parties as conclusive in the absence of obvious error.

4 THE BERTH CHARGE

- 4.1 The Berth Charge is £10 or such greater amount as represents the lower of:
- (a) 20% of the total annual rent and other charges (as at the date the Rentcharge is due) at which a berth in the Inner Harbour of equivalent size to the Berth is available for letting or hire to a member of the general public and
- (b) 20% of the average total annual rent and other charges (as at the date the Rentcharge is due) at which a berth of equivalent size to the Berth is available for letting or hire to a member of the general public at the marinas at Brighton and Port Solent or (should any one or more of such marinas cease to exist or cease in the reasonable opinion of the Marina Company to be equivalent to Sovereign Harbour) such other marina or marinas as is or are reasonably equivalent so that (if possible) an average of not less than two marinas is taken.
- 4.2 Each Rentcharge demand must be accompanied by appropriate evidence of the manner in which the Berth Charge has been assessed.

5 HOUSEOWNER'S COVENANTS

The Houseowner's covenants with the Marina Company and the CIC are:

- 5.1 to pay the Rentcharge to the CIC at the times and in the manner set out in the Deed without any set-off or deduction;
- 5.2 to maintain the exterior appearance of the Premises in good condition;
- 5.3 to pay all taxes (including VAT) and outgoings which may from time to time be assessed or charged on or payable in respect of the Rentcharge;
- 5.4 to pay to the CIC interest at the rate of 4% over the base lending rate from time to time of HSBC Bank plc (or of such other clearing bank as the CIC may from time to time notify the Houseowner) on any Rentcharge not paid within 14 days of the due date such interest to be calculated on a daily basis (and compounded with quarterly rests on the usual quarter days) from the due date until the date of payment;
- 5.5 to give notice to the CIC within 28 days of any transfer of the legal estate in the Premises giving the full name and address of the new Houseowner.

6 COVENANTS BY THE CIC AND THE MARINA COMPANY

The covenants by the CIC and by the Marina Company are (subject to payment of the Rentcharge and to the due observance and performance of the Houseowner's covenants):

- 6.1 the CIC is to apply the SW Charge (less reasonable collection and administration costs) towards the cost of execution of the Littoral Drift Obligations (as defined in the SW Agreement) and of the maintenance and improvement of the beach and sea defences within the vicinity of the Harbour and towards Harbour maintenance or any one or more of such objects;
- 6.2 the CIC is to pay the Marina Charge and (if applicable) the Berth Charge to the Marina Company;
- 6.3 the Marina Company is to use all reasonable endeavours to maintain and cleanse the Harbour and those parts of the Waterways owned or managed by the Marina Company (without however incurring any liability to the Houseowner for the consequences of any failure so to do) and otherwise to apply the Marina Charges towards payment of the Marina Costs;
- 6.4 the Marina Company is to apply the Berth Charges towards the cost of operating the marina operations at the Harbour (but this covenant is only enforceable where the rentcharge includes a Berth Charge).

7 RIGHT OF RE-ENTRY

- 7.1 If at any time:
 - (a) the Rentcharge is in arrear and unpaid in whole or part for two years after any of the due dates for payment (whether legally demanded or not); or

(b) any other covenant by the Houseowner in the Deed is not performed or observed

then, whether or not any previous default has been waived, the CIC as owner of the Rentcharge may at any time enter the Premises (or any part in the name of the whole) and from that time have, hold and enjoy the Premises as their owner for the residue of the term of the Lease (if any) but otherwise in fee simple.

7.2 It is, however, agreed that the Houseowner and any mortgagee of the Houseowner have the same right to apply to the Court for relief from forfeiture as if the CIC had re-entered as landlord under a lease of the Premises.

8 SUCCESSORS IN TITLE

Unless the context otherwise requires and without prejudice to the operation of Section 79 of the Law of Property Act 1925 "the Houseowner" includes successors in title to and those claiming title through or under the Houseowner and "the CIC" includes those from time to time entitled to the benefit of the Rentcharge.

9 NOTICES

Section 196 of the Law of Property Act 1925 applies to the service of notices. In particular any notice to the Houseowner or demand for payment is sufficiently served if it is left at the Premises addressed to "The Occupier".

10 CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No third party is intended to benefit under the Deed by virtue of the Contracts (Rights of Third Parties) Act 1999.