

October 2023

Dear Sirs,

**Proposed Gatwick Airport Northern Runway
Holiday Inn London Gatwick Airport, Povey Cross Road, RH6 0BA**

This firm acts for Marathon Asset Management MCAP Global Finance (UK) LLP, who manage assets for HI (London Gatwick) Limited and HICP Limited. For the purpose of this letter we refer to these companies as “our Client”.

HI (London Gatwick) Limited is the long leasehold owner of land, which is registered at the Land Registry under title number SY574001 and is held under a headlease dated 30 April 1987 made between (1) The Metropolitan Railway Surplus Lands Company Limited and (2) Trusthouse Forte (U.K.) Limited, for a term of 99 years expiring on 31 October 2085. On 31 March 2016, HI (London Gatwick) Limited granted an underlease of this land to the current occupational tenant, HICP Limited (which is a group company of HI (London Gatwick) Limited), for a term of 20 years expiring on 1 April 2035 and which is registered at the Land Registry under title number SY836088 (with both interests now being referred to as the “Property”). The Hotel on the Property is operated under the “Holiday Inn” brand (the “Hotel”).

Our Client has been made aware that Gatwick Airport Limited (“GAL”) has applied to the Secretary of State for Transport under s37 of the Planning Act 2008 for a Development Consent Order (“DCO”) to authorise alterations to the existing northern runway at Gatwick Airport. This, alongside the lifting of the current restrictions, would allow for dual runway operations and associated development (“Project”).

The proposed Project would also include surface access (including highway) improvements and landscape / ecological planting and environmental mitigation.

Our Client is the long leasehold owner and operator of the Property known as Holiday Inn London Gatwick Airport, Povey Cross Road, RH6 0BA, over which the proposed DCO looks to:

- Acquire permanently 2,249sqm of the Property shown on the plan annexed to these Representations (Plots 1/026, 1/042, 1/057, 1/061, 1/067, 1/072 & 1/073) to make amends to the highway A217, London Road and Longbridge Road
- Acquire temporarily 316sqm of the Property shown on the plan annexed to these Representations (Plot 1/062) for the purpose of the construction of the amended A217 and Longbridge Roundabout layout.

These proposals would adversely impact our Client's Property and operation of the business through:

- Removal of part of the direct access from the main eastern entrance of the Property to the A217.
- Restricting customer access to the Car park
- Removal and reconfiguration of landscaping around the Property.
- Removal of the turning circle which allows larger vehicles to access the main eastern entrance to the Property, which is heavily utilised by the Hoppa Bus around the airport estate, a key offering of the business.
- Increase to ambient and maximum external noise levels with associated impacts on acoustic conditions for rest and sleep within the Hotel.

Having reviewed the amended plans presented in the Summer 2022 consultation, the Phased Construction Plan 2032 & the published Land and Works plans as part of the DCO submission and in response to the s51 Planning Act 2008 request by the Planning Inspectorate, our Client is concerned that the Property will be adversely affected by way of access and environmental impacts, in particular through the impact of noise and the construction works carried out adjoining and on the Property.

Those concerns are further confirmed via the terms proposed for an option agreement that was provided to our Client via GAL's Agents dated 21 March 2023 (the "Option Agreement").

The terms of the Option Agreement show a fundamental lack of understanding of our Client's use of the Property and operation of the business, which could and should have been better understood by GAL through meaningful engagement and consultation with our Client.

Our Client would like to make clear that it does not oppose the principle of the application itself but has significant concerns with the impacts of the project as it is currently permitted and the way in which they have been engaged with to date. Our Client's main concerns are related to:

- The negative impact of the proposed Project on traffic management and customer access to the Property through the temporary use and permanent acquisition of parts of the Property.
- The Project proposes to permanently acquire land that is part of the main access to the Property.
- The negative impact of proposed construction works and amended highway layouts as part of the proposed Project on the operation of the Hoppa Bus route and associated business provided by the 'Park Stay and Fly' Scheme.
- Alongside the Hoppa Bus, disruption caused by the proposed construction works along the entire A217 will adversely impact all traffic to and from the Property. Disruption caused by such an imposition of traffic management measures throughout the project, such as lane closures, diversions, and queues, will create significant uncertainty about travel times and will have the effect of marginalizing the Hotel's market appeal, resulting in a loss of business.
- The impact of construction works and future air and road traffic increases on the ability for the Hotel to fulfil ongoing and significant contractual obligations in providing airline crew rest rooms. Such obligations require quiet, restful conditions in the daytime as well as night and defaulting on this could result in the loss of contracts and potential income.
- The negative impact on trade of all of the above will result in business losses and reputational damage to our Client's business.

- The resulting landscaping works and associated remedial costs and associated professional fees that would need to be carried out to reconfigure internal vehicle access at the Property, namely the turning circle and access to customer drop off.

It is expected that our Client will received compensation and mitigation for the above concerns regarding impacts and disruption.

To date, correspondence between GAL and our Client has not been adequate nor have solutions been proposed to mitigate the impacts on the Property on account of the proposed Project. We note that prior to our Client taking control of the Property, GAL's land referencer's wrote to the previous operator in November 2019, stating that they would be applying for a Development Consent Order pursuant to which it had a duty to attempt to identify and consult with anyone who may have an interest in land potentially affected by the proposed development.

In January 2020, our Client's legal advisers completed and returned GAL's Land Information Questionnaire on the Property as requested. Stantec, our Client's technical advisers, additionally contacted GAL for more information to which they were informed the Project was on hold due to the Coronavirus pandemic. We are not aware of any further correspondence until 7th October 2022. We detail our record of correspondence post our Client taking control of the asset, as follows:

Date	From	To	Purpose	Action	Action Status
07/10/2022	GAL	Client	Letter – Outlining project and timelines for DCO	Client to respond with meeting availability	Completed – 15/11/2022
15/11/2022	-	-	Meeting – Introductory call between both parties		
15/11/2022	GAL	Client	Email – GAL confirming intention to meet with wider team	GAL to provide dates for meeting	Awaited – Superseded by other requests
30/11/2022	Client	GAL	Email – requesting information promised in meeting of 15/11/22	GAL to provide project drawings and timescale for receiving information	Completed – 13/01/2023

12/12/2022	Client	GAL	Email - re-requesting information from meeting of 15/11/22	GAL to provide project drawings and timescale for receiving information	Completed – 13/01/2023
13/01/2023	Client	GAL	Email – re-requesting information from meeting of 15/11/22	GAL to provide project drawings and timescale for receiving information	Completed – 13/01/2023
13/01/2023	GAL	Client	Email – providing design drawing	GAL to provide draft heads of terms	Completed – 21/03/2023
16/01/2023	Client	GAL	Email – requesting narrative explaining significance and impact on Property.	GAL to provide narrative and timescales on Property.	Completed – 06/03/2023
23/01/2023	Client	GAL	Email – chasing GAL for Heads of Terms	GAL to provide draft Heads of Terms	Completed – 21/03/2023
15/02/2023	Client	GAL	Email – chasing GAL for Heads of Terms	GAL to provide draft Heads of Terms	Completed – 21/03/2023
21/02/2023	Client	GAL	Email – Client expressing dissatisfaction with length of time between call and information being provided.	GAL to provide reason for delay and draft Heads of Terms	Completed – 21/03/2023
06/03/2023	Client	GAL	Email – Client chasing for Heads of Terms	GAL to provide update and Heads of Terms	Completed – 21/03/2023
06/03/2023	GAL	Client	Email – GAL apologises and reconfirms that Heads of Terms are to be provided that week	GAL to provide up draft Heads of Terms	Completed – 21/03/2023
21/03/2023	GAL	Client	Email – GAL provides Heads of Terms in secure folder	GAL to provide appropriate access to secure folder.	Completed – 22/03/2023
22/03/2023	GAL	Client	Email – GAL provides missing access to HoT's via secure folder	Client to provide comments	Completed – 22/03/2023
29/03/2023	GAL	Client	Email – referencing Heads of Terms	Client to provide comments or instruct appropriate representation.	Completed – 01/06/2023
01/06/2023	Client	GAL	Letter - Introduction of Client Team & request for fee	GAL to provide response to fee	Completed 01/06/2023

			undertaking and DCO submission date	undertaking and submission date.	
01/06/2023	GAL	Client	Email – From GAL to client team requesting further information on fee undertaking request	Client Team to provide greater detail on fee undertaking proposal.	Completed – 15/06/2023
01/06/2023	Client	GAL	Email – from client team to GAL requesting teams meeting	GAL to confirm availability	Completed 06/06/2023
05/06/2023	Client	GAL	Email – from client team to GAL chasing initial meeting	GAL to confirm availability	Completed – 06/06/2023
06/06/2023	GAL	Client	Email – from GAL providing arrangement for meeting and HoT plan	None	
07/06/2023	-	-	Teams Call – call with GAL and Client Team where client team set out further information required and agreed to send updated fee undertaking letter.	GAL to provide response to request for further information on scheme. Client team to provide updated fee undertaking request.	
12/06/2023	Client	GAL	Email – from client team to GAL regarding list of additional information required	GAL to provide response to request for further information on scheme.	Awaited
15/06/2023	Client	GAL	Email – from client team to GAL regarding confirming professional fees will be reclaimable.	GAL to provide response on fee undertaking.	Completed – 20/06/2023
20/06/2023	GAL	Client	Email – from GAL to client team requesting hourly rates and detail of client team	Client team to provide fee undertaking letter	Completed – 07/07/2023
28/06/2023	Client	GAL	Email – from client team to GAL re timeframe for receiving requested scheme information	GAL to provide timeframe or further information on scheme.	Awaited

07/07/2023	Client	GAL	Letter – Request for fee undertaking from client team	GAL to provide response or update on fee position	Completed - 09/08/2023
13/07/2023	Client	GAL	Email – Client team requesting confirmation of receipt of fee undertaking request	GAL to provide response to and/or updated fee position	Completed - 09/08/2023
26/07/2023	Client	GAL	Email – from client team to GAL requesting update on request for fee undertaking & further scheme information	GAL to provide response on both counts.	Fee undertaking response - completed - 09/08/2023
26/07/2023	GAL	Client	Email – From GAL to client team with GIS overlay	None	
09/08/2023	GAL	Client	Email – From GAL to client team with initial agreement to £20,000 fee undertaking	Client team to respond	Completed – 22/08/2023
22/08/2023	Client	GAL	Phone Call – between Josh Puplett & Connor James regarding fee undertaking request	Client team to provide up to date WIP for fee undertaking GAL to provide previously requested information	Completed - 29/08/2023
29/08/2023	Client	GAL	Letter – Current fee position provided to GAL	GAL to provide response.	Completed 04/09/2023
04/09/2023	GAL	Client	Email – GAL requesting phone call from client team to discuss fee undertaking	Client team to call.	Completed 12/09/2023
12/09/2023	Client	GAL	Phone Call – between Josh Puplett & Connor James regarding updated fee position and request for further information	Client team to provide further rationale for fee undertaking & reiterate list of information required	Completed 19/09/2023
12/09/2023	Client	GAL	Email – Client team re-provide list of information and offer	GAL to provide information requested and confirm availability for meeting	Partly Completed – 29/09/2023

			to meet again to discuss.		
12/09/2023	GAL	Client	Email – GAL confirms receipt of email and commits to send out meeting invitation by 15/09/23	GAL to provide date for meeting and response to re-request for information.	Partly Completed – 29/09/2023
18/09/2023	Client	GAL	Phone Call – Call from client home team chasing date for meeting & receipt of information requested	GAL to provide date for meeting and response to re-request for information	Partly Completed – 29/09/2023
19/09/2023	Client	GAL	Letter – Letter from client home team with update on fee position	GAL to provide response on professional fee undertaking.	Completed 03/10/2023
22/09/2023	GAL	Client	Email – Receipt of Letter and offer of meeting w/c 2 nd October & provide responses next week	Client Team to provide availability	Completed 29/09/2023
25/09/2023	Client	GAL	Email – Client team offering availability for meeting	GAL to send meeting invite	Awaited – Completed by Client 02/10/2023
27/09/2023	Client	GAL	Email – chasing GAL for meeting	GAL to send meeting invite	Awaited – Completed by Client 02/10/2023
27/09/2023	GAL	Client	Phone Call – Voicemail explaining 14/16 responses have been collated and will provide dates 28/09	GAL to send across information and meeting invite	Awaited – Meeting arranged by client 02/10/2023
29/09/2023	Client	GAL	Phone Call – between Josh Puplett and Connor James re request for further information and meeting	GAL to send across information and meeting invite	Awaited – Meeting arranged by client 02/10/2023
29/09/2023	GAL	Client	Email – providing responses to 14/16 queries and dates for meeting	GAL to arrange meeting	Awaited – Meeting arranged by Client 02/10/2023
02/10/2023	Client	GAL	Meeting invite for surveyors meeting		

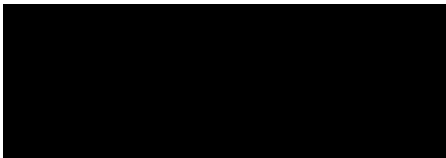
03/10/2023	-	-	Teams Meeting – discussing fee undertaking	GAL to send across remaining responses Client Team to send across additional justification or fees.	Awaited
09/10/2023	GAL	Client	Voicemail – update on additional responses – awaiting GAL sign off	GAL to send across remaining responses	Awaited
10/10/2023	Client	GAL	Email – requesting additional responses once available	GAL to send across remaining responses	Awaited
11/10/2023	Client	GAL	Email – requesting additional responses and Arup availability to meet with Client engineers	GAL to respond with engineers availability and additional responses	Awaited
23/10/2023	-	-	Phone Call – GAL requesting exemplar Heads of Terms and further fees information. Client home team requesting engineers meeting and additional responses.	GAL to provide additional responses and engineers availability Client home team to provide additional fees justification and consult on providing exemplar Heads of Terms	Awaited
26/10/2023	Client	GAL	Email – Client team providing minutes from 03/10/23 meeting and further requesting engineers availability and outstanding responses.	GAL to provide engineers availability and responses to outstanding queries	Awaited

Our Client is willing to engage with GAL with the objective of reaching an agreement on a mitigations deed outside of the formal DCO process. Should GAL not be willing to engage meaningfully to agree to a mitigation deed that serves our Client and addresses their concerns in respect of the impacts of the Project on the operation of the Hotel, our Client will have no other option than to seek protective provisions on the face of the DCO. Our Client will also require to be heard at a compulsory acquisition hearing, which we are preparing

for, as prescribed under s92 of the Planning Act 2009 in respect of those parcels of land to be temporarily and compulsorily acquired by GAL.

A substantive written representation is being prepared to be submitted in due course.

Yours sincerely,



Connor James
Senior Surveyor

