

Departmental Solicitor's Office

Victoria Hall, 12 May Street, Belfast BT1 4NL Telephone: 028 9025 1251, Fax: 028 9025 1240 Direct Dialling: DX464 NR Belfast 1

Solicitor R F Cole

Michael Flanigan Solicitors 207 Falls Road BELFAST BT12 6FD

November 2002

Your Ref:

MF/CG/CON1408

Our Ref:

SOL 2924/98/DOE/GH

Dear Sirs

DEPARTMENT FOR SOCIAL DEVELOPMENT AND ROONEY BROTHERS PREMISES: 148-158 SPRINGFIELD ROAD, BELFAST

I refer to my letter of 21 November and our telephone conversation on 27 November and am pleased to advise that the Department is willing to release the engrossed Transfer to your clients subject to them granting the 999 year Lease to the Residents' Association in the terms of the draft accompanying this letter.

I have based the draft on that originally signed by both parties. I am of the opinion that there were certain errors in that draft and other areas where the draft simply required improvement. I have highlighted the changes and trust that they can be agreed as I am anxious to have this long drawn out matter brought to a satisfactory conclusion.

Suitable drawings will be required for the engrossments and I trust that your clients will be able to provide these. The Lease refers to 2 drawings, one being Plan A showing the outline of the entirety of the building and the other being referred to as Plan B showing the leased area which is the first floor. Plan A is to be outlined in blue and Plan B is to be outlined in red and also show the right of way hatched in green.

If there are any matters on which you are not clear please do not hesitate to telephone me.

I am copying this letter and its enclosure to P Drinan, Solicitor for the Residents' Association to explain the Department's stance in the matter.

Yours faithfully

G/HARRÎS

Enc GH-JT5033









Departmental Solicitor's Office

Victoria Hall, 12 May Street, Belfast BT1 4NL Telephone: 028 9025 1251, Fax: 028 9025 1240 Direct Dialling: DX464 NR Belfast 1

Solicitor R F Cole

P Drinan Solicitor 16 Donegall Square South BELFAST BT1 5JG

2-12-November 2002

Your Ref:

PD/CG

Our Ref:

SOL 2524/98/DOE/GH

Dear Ms Drinan

CLONARD RESIDENTS' ASSOCIATION LIMITED AND ROONEY BROTHERS - PREMISES 148-158 SPRINGFIELD ROAD, BELFAST

I refer to the above matter and write to advise that the Department has now heard from Michael Flanigan, Solicitors of 207 Falls Road, Belfast who have taken over from C P Steele in representing Rooney Brothers. Michael Flanigan, Solicitors have now advised that it is their intention to issue proceedings against the Department for specific performance in having the Deed of Transfer in favour of their client released to them.

In all the circumstances of this matter the Department is of the opinion that it can no longer hold out in retaining the Deed of Transfer in escrow and it is not prepared to incur unnecessary legal expenses in defending an action which believes its position is unsustainable.

I am therefore proceeding to contact Michael Flanigan with a view to completing this transaction on the basis that his clients will execute a Lease in favour of your clients on the basis of the draft which they originally signed subject (if it can be secured) to amendment regarding the insurance, the insertion of a peppercorn rent and the removal of the recital that the premises are being used principally to provide residential accommodation as that is simply not the case.

It has also been brought to my attention that your clients have "sublet" a portion of the first floor to another body. I would be most obliged if you would let me have details of this as they should first have obtained the consent of the Department.

Any Lease which I obtain in favour of your clients will have to be held in escrow by me pending their entering into a Debenture with the Department in terms of the letter of offer secured against the Leasehold interest.

Yours sincerely

G/HARRIS

GH-JT5032







Your Ref: CDB56/3/5

Our Ref:

SOL/2924/98/DOE/GH

FROM:

G HARRIS

Departmental Solicitor's Office

DATE:

November 2002

To:

Denis Moffett Workin.

CD Branch

Brookmount Buildings

RE: 148-158 SPRINGFIELD ROAD - ROONEY BROTHERS AND CLONARD RESIDENTS' ASSOCIATION

I refer to your minute of 28 November 2002.

The Association should have advised us of the "sublet" as this is a requirement of the Debenture. At least our European Unit has been made aware but the Association should provide them with details of the letting and rental levels as all of this affects the security which we ultimately hope to obtain on the 999 year lease being granted by Rooney Brothers.

The matters should not interfere with our completing the transaction with Rooney Brothers but full details must be obtained in order that the Department's transactions with the Residents' Association can be properly completed.

G HARRIŚ

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John Mr. Harris and copy letters

with one second one. Many Month

GH-BM-4427

RECEIVED

n3 DEC 2002 DEVELOPMENT BRANCH

Issue to our colleagues in EU and request that





Memo

From: Dennis Moffett,

Physical Development Branch,

Brookmount Buildings,

42 Fountain Street,

Belfast BT1 5EE

CC:

Your Ref: PR091

Our Ref: CDB/56/3/5

Tel: 9025 1959 **Fax:** 9025 1976

Email: denis.moffett@dsdni.gov.uk

Date: 12 December 2002

To: Mr. Raymond Smith,

European Unit,

Belfast Regeneration Office.

148 – 158 SPRINGFIELD ROAD, BELFAST ROONEY BROTHERS AND CLONARD RESIDENTS ASSOCIATION

You are probably aware that there are still outstanding difficulties with the above which have delayed completion of the legalities.

There has been much wrangling between Rooneys and Clonard and their respective solicitors. Mr. George Harris, DSO has been holding the Deed of Transfer between DSD and Rooneys, in escrow, awaiting the resolution of the difficulties. He is now of the opinion that this position cannot be justified and the Department's stance is untenable. In view of this we have instructed Mr. Harris to release the Deed to Rooneys subject to their executing the Lease to Clonard.

One of the unresolved issues is that Clonard has sub-let part of the first floor to at least one other organisation. Our information is that these are the West Belfast Economic Forum and White Fort Inns. Mr Harris requires full details of the sub-lettings and rental levels as these will affect the security which it is hoped to obtain on the 999 year lease being granted by Rooneys to Clonard.

Would you please provide Mr. Harris with the details of these sub-lettings to enable him to complete this Department's transactions with Clonard.

Dennis Moffett



Sean Murray Chairperson Clonard Residents Association 148 – 158 Springfield Road Belfast BT12 7DQ Department for Social Development

European Unit Brookmount Buildings 42 Fountain Street Belfast BT1 5EE

Tel. (028) 90 547832 Fax. (028) 90 251982 Email tom.manson@dsdni.gov.uk

18 December 2002

Your Ref: Our Ref: PR 91

Dear Mr Murray

RE: 148 - 158 SPRINGFIELD ROAD - DEBENTURE MORTGAGE

I refer to previous correspondence relating to the above.

I understand that part of the first floor of the premises at 148 – 158 Springfield Road has been sub-let to another organisation i.e West Belfast Economic Forum and White Fort Inns.

The Departmental Solicitor requires full details of the sub-lettings and rental levels, as this may affect the security which it is hoped to obtain on the 999-year lease being granted by Rooney Brothers to Clonard Residents.

In order to bring this matter to a conclusion, I should be grateful if you could let me have the information as soon as possible.

If you wish to discuss further, please do not hesitate to contact me.

Yours Sincerely

= Mausan

TJ MANSON

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Memo

From: Dennis Moffett,

Physical Development Branch,

Brookmount Buildings,

42 Fountain Street,

Belfast

BT1 5EE

CC:

Your Ref: PR091

Our Ref: CDB/56/3/5

To plane dis and

Tel: 9025 1959 **Fax:** 9025 1976

Email: denis.moffett@dsdni.gov.uk

Date: 12 December 2002

To: Mr. Raymond Smith,

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Dennis Moffett

Your Ref: CDB56/3/5
Our Ref: SOL 2924/98/DOE/GH
Mr. M'Arreavery 20/01/03
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which Mr. Harris releas. Ke
EDOM: CHAPPIS below I don't know whether there is
Departmental Solicitor's Office any way I could get involved in
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DATE:) January 2003 am hot anarchy verpouse to my memo
May sold of the so
TO: Mr Dennis Moffett Comprehensive Development Branch
Brookmount Buildings I work to appropriate for 32st to get
12 Fountain Street
BELFAST Supposes of the attached to Mr Smith
BTI SEE m Cil and cisk to be kept informed.
Mr. Harris, view of the Departments position
BOOMER PROTECTION OF ON A PROPERTY ASSOCIATION
ROONEY BROTHERS AND CLONARD RESIDENTS ASSOCIATION PREMISES: 148-158 SPRINGFIELD ROAD, BELFAST

I refer to the above matter and enclose for your information copies of my recent correspondence concerning same.

It might be useful if you could take a direct interest in this matter with the Association and see what the present state of play is between them and Rooney Brothers. The Department's position is somewhat exposed having funded the construction of the building.

I was advised by P Drinnan; Solicitor that Whiteford Inns (Rooney Brothers) is no longer occupying any part of the First Floor. Apparently they simply took possession temporarily without the permission of the Association and without paying rent. The terms of the proposed sub-letting to the other group are presently being negotiated, and are dependant on how long they would require to have the use of the portion of the premises that they require.

G HARRIS

RECEIVED

23 JAN 2003 COMPREHENSIVE DEVELOPMENT BRANCH

GWH-2148-RL

1839 Mm



michael flanigan solicitors

207 Falls Road, Belfast BT12 6FB

Tel: 028 9023 3309 Tel & Fax: 028 9031 1393

Email: michael@michael-flanigan.com

DX 4002 NR BELFAST 17

My Ref: MF/TB/CON 1408

Your Ref: SOL 2924/98/DOE/GH

Date: 28/01/03

Departmental Solicitor's Office Victoria Hall 12 May Street BELFAST BT1 4NL

Departmental Solicitors Onto 1
Victoria 1 1
3 0 JAN 2003

Dear Sirs,

Re: Department for Social Development and Clonard Residents Association

My Clients: Rooney Brothers

Premises: 148-158 Springfield Road, Belfast

I refer to your letter of the 22nd January 2003. I note that the residents association is not a party to the development licence and that they have failed to respond through their solicitor to your previous correspondence.

You will be aware that the Clonard Residents Association are seeking to restrict my client's user of the ground floor shop units. These premises are not the subject of the lease between Rooney Brothers and Clonard Residents Association and there are no circumstances upon which my client will accept any restriction on their user of premises which they are the owners of. The decision on your part not to release the Deed of Transfer pending some form of agreement between Rooney Brothers and Clonard Residents Association, in my opinion merely encourages Clonard Residents Association to believe that they have some contractual power which they clearly in law do not have.

Yours faithfully

MICHAEL FLANIGAN

MAN 33.

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Your Ref: CDB56/3/5

Our Ref:

SOL 2924/98/DOE/GH

FROM: G Harris

Departmental Solicitor's Office

DATE:

February 2003

TO:

Mr Denis Moffett Wib 95 6"

Comprehensive Development Branch

Brookmount Buildings



ROONEY BROTHERS AND CLONARD RESIDENTS ASSOCIATION PREMISES: 148-158 SPRINGFIELD ROAD BELFAST

I refer to my minute of 22 January and our telephone conversation on 3 February.

I enclose further correspondence that has passed between myself and Michael Flanigan, Solicitor, who act for Rooney Brothers.

I would be obliged if you could arrange for discussions to be opened between the Department and the Residents Association to discover what is their objection to entering into the Lease in the same form as they originally signed as a draft at the commencement of this transaction.

There is some £280,000 of government funding involved and the only realistic way to secure it is by the Residents Association taking up the Lease. It is possible that Rooney Brothers could push for an order for specific performance in which case the Department would have to release the Transfer to them without the Residents Association obtaining their Lease.

My understanding is that the Residents Association object to having their offices above a pub, a hot food bar or off licence. There is a note on my file back in 1998 that they intended to try and include a stipulation in their agreement with Rooney Brothers to that effect. I do not know what Rooney Brothers may have promised them but as far as I am aware there is no written contractual obligation to that effect. I consider it unrealistic to expect a Developer to submit to such a restriction on the user of the ground floor retail premises particularly in this part of the city where these is normal use. Apparently the reason why the Association desired such a stipulation was that such uses could affect their ability to rent out space but this has not occurred in practice as they have in fact let out the space to another organisation.

Under the Letter of Offer the Association were to provide confirmation by way of a Solicitor \leq Certificate that they have a good and marketable title to the property and further more they have to execute in favour of the Department a security in respect of their liabilities under the terms of the Letter of Offer. Neither of these things can be done without their taking up the Lease from Rooney Brothers.



Please in due course advise me as to the outcome of your negotiations with the Association in order that I may advise the Solicitor acting for Rooney Brothers.

GH/EC(3688)

Michael Flanigan Solicitor 207 Falls Road BELFAST BT12 6FB

February 2003

Your Ref:

MF/TB/CON1408

Our Ref:

SOL 2924/98/DOE/GH

Dear Sirs

DEPARTMENT FOR SOCIAL DEVELOPMENT AND CLONARD RESIDENTS ASSOCIATION

YOUR CLIENTS: ROONEY BROTHERS – PREMISES 148-158 SPRINGFIELD ROAD BELFAST

I refer to your letter of 28 January and note what you say.

I am contacting my instructing Branch to whom I have copied your letter.

I am advising my instructing Branch that they should contact the Residents Association and discuss the matter with them.

There has been an investment of some £280,000 of public money in this development which requires to be protected preferably by the Association taking up their Lease from your clients.

When I hear further from my instructing Branch I will write to you again.

Yours faithfully

AKRIS

GH/EC(3687)





From: Dennis Moffett.

Physical Development Branch,

Brookmount Buildings,

42 Fountain Street.

Belfast BT1 5EE

9025 1959 Tel: Fax: 9025 1976

Email: denis.moffett@dsdni.gov.uk

Date: 6 February 2003

To: Mr. Raymond Smith,

European Unit.

Belfast Regeneration Office.

148-158 SPRINGFIELD ROAD, BELFAST

Your Ref: PR091

Our Ref: CDB/56/3/5

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ROONEY BROTHERS AND CLONARD RESIDENTS ASSOCIATION

I refer to my memo of 12 December 2002 about the above.

Unfortunately there has been very little progress in the interim. Mr. George Harris, DSO has learned that the terms of the proposed sub-letting to the West Belfast Economic Forum are presently being negotiated and are dependent on how long the Forum would require to have the use of the portion of the premises they require. Mr. Harris also learned that Whitefort Inns – which is owned by Rooneys – no longer occupy any part of the first floor. It seems that they simply took possession temporarily without the permission of Clonard and without paying rent.

Whilst the position on sub-letting seems to have been established, the impasse continues over the terms of the Lease being granted by Rooneys to Clonard. The latter has asked that restrictions as to use be imposed on the retail units on the ground floor. There was no such restriction in the draft Lease which was previously agreed between the parties and these restrictions are unacceptable to Rooneys. Mr. Harris still holds the Transfer Deed between DSD and Rooneys pending the execution of the lease between Rooneys and Clonard. The Lease remains virtually in its original form and as such it is unlikely that Clonard will sign it.



Mr. Harris feels that he cannot justify his holding the Transfer Document. Rooneys have paid the transfer premium and their solicitor has threatened litigation for specific performance. Mr. Harris feels that if he were to release the transfer to Rooneys in the absence of an executed Lease to Clonard the Department would be somewhat exposed as funder of the building yet there being no security on the bricks and mortar of the first floor. Mr. Harris has asked that somebody from the Department try to persuade Clonard to execute the Lease. We have had no dealings with Clonard and I would appreciate it if you or somebody from your Branch would do this to try to end the impasse. Would you please inform me of any progress so that I can keep Mr. Harris in the picture.

DENNIS MOFFETT

MBMW(Heles)

.



Your Ref: PR091

CC:

Our Ref: CDB/56/3/5

Memo

From: Dennis Moffett,

Physical Development Branch,

Brookmount Buildings,

42 Fountain Street,

Belfast BT1 5EE

Tel: 9025 1959 **Fax:** 9025 1976

Email: denis.moffett@dsdni.gov.uk

Date: 6 February 2003

To: Mr. Raymond Smith,

European Unit,

Belfast Regeneration Office.

148 – 158 SPRINGFIELD ROAD, BELFAST ROONEY BROTHERS AND CLONARD RESIDENTS ASSOCIATION

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DENNIS MOFFETT -

C., .

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Mr Michael Flanigan Solicitors 207 Falls Road BELFAST BT12 6FD

February 2003

Your ref:

MS/TB/CON1408

Our ref:

SOL 2924/98/DOE/GH

Dear Sirs

RE: DEPARTMENT FOR SOCIAL DEVELOPMENT AND CLONARD RESIDENTS ASSOCIATION WITH ROONEY BROTHERS PREMISES: 148-158 SPRINGFIELD ROAD, BELFAST

I refer to your letters of 5 and 6 February and to our telephone conversation on 6 February.

I have spoken with my instructing branch and discussed with it your proposal to resolve the impasse. My instructing branch have requested that I write to them setting out how I would see the Department's interest in the premises being protected following the issuing of the Land Registry Transfer in favour of your clients to Messrs C & H Jefferson, Solicitors who act for the bank.

What I have put to my instructing branch is that the Department could consider releasing the Transfer to the bank's solicitors but subject both to to an inhibition and to Rooney Brothers executing a Lease in favour of the Department in like terms to that presently settled in favour of Clonard Residents Association.

The inhibition, which I propose is that for a given period of time all dealings with the land would be inhibited unless consented to by the Department. This would simply buy time to enable the Department to determine if the Residents Association will take up the Lease. Should it be impossible to persuade them to take up the Lease, then the Department could lodge the Lease in its favour and remove the inhibition.

As you are aware the Department has expended some £280,000.00 on this project and this expenditure has to be protected by either the Association taking up the Lease for the first floor or some other body or ultimately the Department itself.



... Michael Flanigan (cont'd)

Should you wish me to do so, I would be happy to discuss the matter with Messrs C & H Jefferson, as I am quite open to other ideas for resolving the matter? The interest of the Department or Association in the first floor of the premises will of course have to have priority to the banks charge.

I have requested my instructing branch to reply to me with the minimum of delay. I will contact you immediately they do so.

Yours faithfully

W HARRIS

D Moffett

the same same e e .

Social Development From: Dennis Moffett, Our Ref: CDB/56/3/5 Physical Development Branch Brookmount Buildings. 42 Fountain Street, Belfast BT1 5EE Tel: 9025 1959 see the local advice received from DSO Fax: 9025 1976 Email: denis.moffett@dsdni.gov.uk explained Date: 7 February 2003 Mr. Gerry McAreavey To: 148 – 158 SPRINGFIELD ROAD, BELFAST ROONEY BROTHERS AND CLONARD RESIDENTS ASS 1. Please see papers filed under faxed by Mr. Harris, DSO. 2. Mr. Harris feels that the inhibition will protect the Department's interest whilst allowing Clonard up to 2 years to sign the Lease. 3. I don't think we have a copy of Clonards' Articles of Association. 4. Mr. Harris had not, up to yesterday, received a letter from Clonards' solicitor stating that their clients were prepared to sign the Lease. He has found it impossible to get anything from her, even replies to his letters. Marrely u

DENNIS MOFFETT

Situation explained to

Mr. Harris on Mon 10/07/03

We agreed that I would send

the covered fapers on to

Mr. Smith and har. Harris

Mr. Smith and him. Mondo?

Sean had an apportunish to docuse with Raymond Smith Raymond is completely at a loss with this project and is at a complete imposse. He accepts however that we have no role in these arrangements of that all future correspondence in the matter should be sent to him a Guropean that Place relay this position to Millams as soon as possible. Don't zhome



06-FEB-2003

DEPARTMENTAL SOLICITORS

P.02/05

CDB56/3/5 Your Ref:

Our Ref:

SOL 2924/98/DOE/GH

FROM:

G Harris

Departmental Solicitor's Office

DATE:

TO:

February 2003
Mr Denis Moffett

Comprehensive Development Branch

Brookmount Buildings

ROONEY BROTHERS AND CLONARD RESIDENTS ASSOCIATION PREMISES: 148-158 SPRINGFIELD ROAD BELFAST

I refer to my minute of 4 February and to our conversation on 6 February.

I enclose copies of further correspondence received from Michael Flanigan, Solicitor, acting for Rooney Brothers.

The difficulty for Rooney Brothers is that they are coming under intense pressure from their Bankers who are concerned at the lack of title and that they presently hold no security on the premises which they have funded. As a result of Rooney's inability to produce security on the premises to the Bank the Bank is naturally loathe to give them financial assistance on other projects.

Clearly the situation cannot exist for much longer and it is likely that Rooney Brothers will soon have to institute proceedings against the Department for specific performance.

As earlier advised the Department is at risk here in this transaction for some £280,000. EU PHR funding

A compromise has been proposed by Michael Flanigan that the Department deal directly with the Bank's Solicitors who are C & H Jefferson, by releasing the Transfer in favour of Rooney Brothers to the Bank. The Bank's Solicitors would then proceed to register the Transfer in favour of Rooney Brothers and also their Mortgage. Clearly this alone would be no better to the Department than its releasing the Transfer directly to Michael Flanigan, Solicitor, but it could be an effective way to deal with the matter if it were coupled with an inhibition and to Rooney

Brothers executing an engrossed Lease in favour of the Department. Brothers executing an engrossed Lease in favour of the Department,

What I am proposing is that I would send C & H Jefferson the Transfer to Rooneys together with an inhibition. The inhibition would be consented to by Rooneys and would provide that all dealings with the land in transfer would be inhibited unless first consented to by the Department. This inhibition would last for a given period of time stated in the inhibition. I would propose 2 years although a lesser period of time might suffice. This would buy time for the Department to attempt to persuade the Residents Association to take up the Lease in the terms which have



now been settled. Should the Residents Association completely fail to take up the Lease or wish to walk away from the project then I would have in my possession an executed Lease from Rooney Brothers to the Department which I could lodge before the expiry of the time limit in the inhibition and effectively secure the Department's interest in the first floor of the building. The Department has, of course, paid for the first floor of the building.

I enclose with this minute a copy of the draft Lease which has been settled between the Department and Michael Flanigan in respect of Clonard Residents Association. A Lease in favour of the Department should this ultimately have to be taken up would be somewhat different particularly with regard to the permitted user. This would have to be negotiated with Rooney Brothers but I would hope that it could be quite widely drafted as they cannot have any objection to like uses to those of the Residents Association. Can you supply me with a copy of the Articles of Association of Clonard Residents Association?

An early reply to this minute is essential as I will have to contact both Michael Flanigan and C & H Jefferson to discuss the detail of the documentation required.

ENC

HARRIS

GH/EC(3701)





Mr Michael Flanigan Solicitors 207 Falls Road BELFAST BT12 6FD RECEIVED

11 FEB 2003

COMPREHENSIVE
DEVELOPMENT BRANCH

February 2003

Your ref:

MS/TB/CON1408

Our ref:

SOL 2924/98/DOE/GH

Dear Sirs

RE: DEPARTMENT FOR SOCIAL DEVELOPMENT AND CLONARD RESIDENTS ASSOCIATION WITH ROONEY BROTHERS PREMISES: 148-158 SPRINGFIELD ROAD, BELFAST

I refer to your letters of 5 and 6 February and to our telephone conversation on 6 February.

I have spoken with my instructing branch and discussed with it your proposal to resolve the impasse. My instructing branch have requested that I write to them setting out how I would see the Department's interest in the premises being protected following the issuing of the Land Registry Transfer in favour of your clients to Messrs C & H Jefferson, Solicitors who act for the bank.

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Yours faithfully

Barra Carra

W HARRIS

D Moffett V

dia anomi Na ... ja



207 Falls Road, Belfast BT12 6FB Tel: 028 9023 3309 Tel & Fax: 028 9031 1393 Email: michael@michael-flanigan.com DX 4002 NR BELFAST 17

My Ref: MF/TB/CON 1408

Your Ref; SOL 2924/98/DOE/GH

Date: 05/02/03

Departmental Solicitor's Office **DX 464 NR** BELFAST I

By Fax & DX Post

Dear Sirs.

Re: Your Clients: Department for Social Development and Clonard Residents Association

My Clients: Rooney Brothers

Premises: 148-158 Springfield Road, Belfast

I refer to previous correspondence and can confirm that the draft lease furnished has been approved by my clients. I understand that you have also received a letter to that effect from P Drinan Solicitor for the Residents Association.

In order to progress matters, I would now require confirmation that the transfer deed will be released to this office upon receipt of the engrossments of lease executed by my clients.

Yours faithfully



207 Falls Road, Belfast BT12 6FB

Tel::028 9023 3309 Tel & Fax: 028 9031 1393

Email: michael@michael-flanigan.com

DX 4002 NR BELFAST 17

My Ref: MF/TB/CON 1408

Your Ref: SOL 2924/98/DOE/GH

Date: 06/02/03

Departmental Solicitor's Office DX 464 NR BELFAST 1 By Fax & Post

Dear Sirs,

Re: Your Client: Department for Social Development and Clonard Residents Association

My Clients: Rooney Brothers

Premises: 148-158 Springfield Road, Belfast

I refer to previous correspondence.

The pressure from my clients mortgagee to register their interest is now reaching a critical stage. (wish to propose the following in order to resolve the present impasse.

I wish to suggest that the deed of transfer be sent by you directly to C& H. Jefferson Solicitors representing the Bank of Ireland upon loan for the purposes of registration of their interest and upon their undertaking to return the Land Certificate to your office pending the execution of the lease between my clients and Clonard Residents Association.

I refer to our discussion of today's date and should be obliged to receive a response as soon as possible.

Yours faithfully

Michael Harigan

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Memo

From: Dennis Moffett,

Physical Development Branch,

Brookmount Buildings,

42 Fountain Street,

Belfast BT1 5EE

CC:

Your Ref: PR091

Our Ref: CDB/56/3/5

Tel: 9025 1959 **Fax:** 9025 1976

Email: denis.moffett@dsdni.gov.uk

Date: 10 February 2003

To: Mr. Raymond Smith,

European Unit,

Department for Social Development.

148 – 158 SPRINGFIELD ROAD, BELFAST ROONEY BROTHERS AND CLONARD RESIDENTS ASSOCIATION

I refer to my memo of 6 February 2003 about the above.

I understand that our Mr. McGrade discussed this case with you on 7 February 2003 when agreement was reached that your Branch rather than ours would instruct Mr. George Harris, DSO on how to proceed in the absence of an executed Lease from Rooney to Clonard.

Accordingly, I enclose Mr. Harris's memo to me of 6 February 2003 with enclosures which show the present position. I don't believe that Mr. Harris received the letter from Clonard's solicitor to which Rooney's solicitor refers in his letter of 5 February 2003.

I have told Mr. Harris that I have forwarded the papers to you.

DENNIS MOFFETT

Encs.



Farid to 51976

Your Ref: CDB56/3/5

Our Ref:

SOL 2924/98/DOE/GH

FROM:

G Harris

Departmental Solicitor's Office

DATE:

February 2003

TO:

Mr Denis Moffett

Comprehensive Development Branch

Brookmount Buildings

RECEIVED

0 7 FEB 2003 COMPREHENSIVE DEVELOPMENT BRANCH

1917

ROONEY BROTHERS AND CLONARD RESIDENTS ASSOCIATION PREMISES: 148-158 SPRINGFIELD ROAD BELFAST

I refer to my minute of 4 February and to our conversation on 6 February.

I enclose copies of further correspondence received from Michael Flanigan, Solicitor, acting for Rooney Brothers.

The difficulty for Rooney Brothers is that they are coming under intense pressure from their Bankers who are concerned at the lack of title and that they presently hold no security on the premises which they have funded. As a result of Rooney's inability to produce security on the premises to the Bank the Bank is naturally loathe to give them financial assistance on other projects.

Clearly the situation cannot exist for much longer and it is likely that Rooney Brothers will soon have to institute proceedings against the Department for specific performance.

As earlier advised the Department is at risk here in this transaction for some £280,000.

A compromise has been proposed by Michael Flanigan that the Department deal directly with the Bank's Solicitors who are C & H Jefferson, by releasing the Transfer in favour of Rooney Brothers to the Bank. The Bank's Solicitors would then proceed to register the Transfer in favour of Rooney Brothers and also their Mortgage. Clearly this alone would be no better to the Department than its releasing the Transfer directly to Michael Flanigan, Solicitor, but it could be an effective way to deal with the matter if it were coupled with an inhibition and to Rooney Brothers executing an engrossed Lease in favour of the Department.

What I am proposing is that I would send C & H Jefferson the Transfer to Rooneys together with an inhibition. The inhibition would be consented to by Rooneys and would provide that all dealings with the land in transfer would be inhibited unless first consented to by the Department. This inhibition would last for a given period of time stated in the inhibition. I would propose 2 years although a lesser period of time might suffice. This would buy time for the Department to attempt to persuade the Residents Association to take up the Lease in the terms which have



now been settled. Should the Residents Association completely fail to take up the Lease or wish to walk away from the project then I would have in my possession an executed Lease from Rooney Brothers to the Department which I could lodge before the expiry of the time limit in the inhibition and effectively secure the Department's interest in the first floor of the building. The Department has, of course, paid for the first floor of the building.

I enclose with this minute a copy of the draft Lease which has been settled between the Department and Michael Flanigan in respect of Clonard Residents Association. A Lease in favour of the Department should this ultimately have to be taken up would be somewhat different particularly with regard to the permitted user. This would have to be negotiated with Rooney Brothers but I would hope that it could be quite widely drafted as they cannot have any objection to like uses to those of the Residents Association. Can you supply me with a copy of the Articles of Association of Clonard Residents Association?

An early reply to this minute is essential as I will have to contact both Michael Flanigan and C & H Jefferson to discuss the detail of the documentation required.

G HARRIS

ENC'

GH/EC(3701)

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michael flansan solicitors

207 Falls Road, Belfast BT12 6FB

Tel: 028 9023 3309

Tel & Fax: 028 9031 1393

Email: michael@michael-flanigan.com

DX 4002 NR BELFAST 17

My Ref: MF/TB/CON 1408

Your Ref: SOL 2924/98/DOE/GH

Date: 06/02/03

Departmental Solicitor's Office DX 464 NR BELFAST 1 By Fax & Post

Dear Sirs.

Re: Your Client: Department for Social Development and Clonard Residents Association

My Clients: Rooney Brothers

Premises: 148-158 Springfield Road, Belfast

I refer to previous correspondence.

The pressure from my clients mortgagee to register their interest is now reaching a critical stage. I wish to propose the following in order to resolve the present impasse.

I wish to suggest that the deed of transfer be sent by you directly to C& H Jefferson Solicitors representing the Bank of Ireland upon loan for the purposes of registration of their interest and upon their undertaking to return the Land Certificate to your office pending the execution of the lease between my clients and Clonard Residents Association.

I refer to our discussion of today's date and should be obliged to receive a response as soon as possible.

Yours faithfully

Michael Flanigan.

207 Falls Road, Belfast BT12 6FB

Tel: 028 9023 3309 Tel & Fax: 028 9031 1393

Email: michael@michael-flanigan.com

DX 4002 NR BELFAST 17

My Ref: MF/TB/CON 1408

Your Ref: SOL 2924/98/DOE/GH

Date: 05/02/03

Departmental Solicitor's Office DX 464 NR BELFAST 1 By Fax & DX Post

Dear Sirs.

Re: Your Clients: Department for Social Development and Clonard Residents Association

My Clients: Rooney Brothers

Premises: 148-158 Springfield Road, Belfast

I refer to previous correspondence and can confirm that the draft lease furnished has been approved by my clients. I understand that you have also received a letter to that effect from P Drinan Solicitor for the Residents Association.

In order to progress matters, I would now require confirmation that the transfer deed will be released to this office upon receipt of the engrossments of lease executed by my clients.

Yours faithfully



Your Ref: PR091

CC:

Our Ref: CDB/56/3/5

Memo

From: Dennis Moffett,

Physical Development Branch,

Brookmount Buildings,

42 Fountain Street,

Belfast

BT1 5EE

Tel: 9025 1959 **Fax:** 9025 1976

Email: denis.moffett@dsdni.gov.uk

Date: 11 February 2003

To: Mr. Raymond Smith,

European Unit,

Department for Social Development.

148 – 158 SPRINGFIELD ROAD, BELFAST ROONEY BROTHERS AND CLONARD RESIDENTS ASSOCIATION

I refer to my memo of 10 February 2003 about the above.

I herewith enclose a copy of a letter which had been in transit from Mr. George Harris, DSO to me.

DENNIS MOFFETT

Encs.

FROM:

G HARRIS

Departmental Solicitor's Office

DATE: '

February 2003

To:

Mr Tom Manson

DSD

European Unit

4th Floor

Brookmount Buildings 42 Fountain Street

Belfast



DSD AND CLONARD RESIDENTS' ASSOCIATION DEVELOPER - ROONEY BROTHERS

I refer to the above matter and understand that you are dealing with this problem.

I presume that both Brendan McConville and Denis Moffett have briefed you on the background.

The position is that Rooney Brothers have paid for the site but I am refusing to issue them with the transfer on completion until the Lease has been granted in respect of the first floor of the premises to the Residents' Association.

The problem lies with the Lease. The Residents' Association will not accept the Lease being tendered to them by Rooney Brothers. The Residents' Association wish the Lease to include a provision barring Rooney Brothers from using the ground floor of the premises for a public house, an off-licence or a fast food outlet. They do not however appear to have secured this provision contractually with Rooney Brothers and indeed signed a draft Lease which makes no provision for such an exclusion.

In an effort to bring the transaction to a conclusion (although of course I do not act for the Association) I have tidied up that Lease and its terms have been agreed with Rooney Brothers.

Without a Lease being in place the Department's funding on the property remains unsecured and I can only protect that funding by retaining the transfer from Rooney Brothers. As a result of my retaining the transfer Rooney Brothers are unable to provide security to their bankers and cannot draw down funds from the bank to secure other proposed developments, Rooney Brothers are prepared to execute the Lease in favour of the Department.

Mr Tom Manson (cont'd)

I understand that Rooney Brothers have spoken to you directly about this matter and I would be obliged to have early and clear instructions as the matter will otherwise inevitably reach a point were unnecessary litigation will occur.

I await your early reply.

CHARRIS

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Our Ref:

SOL 2924/98/DOE/GH

FROM:

GHARRIS

Departmental Solicitor's Office

DATE:

March 2003 ح (

To:

Mr Tom Manson

DSD

European Unit 4th Floor

Brookmount Buildings 42 Fountain Street

Belfast



DSD AND CLONARD RESIDENTS' ASSOCIATION DEVELOPER - ROONEY BROTHERS

I refer to our telephone conversation on 19 March regarding the above problem.

I understand that this particular Association has not been responding to your correspondence.

A visit to the premises should now be organised to determine to what use they are being put. The construction of these premises was funded by public monies and they should not be put to a use which is not approved of by your Department. Nor should the premises be occupied by any other party other than the Residents' Association without the consent of your Department.

If the Association does not respond to your correspondence you should consider in future writing to them by recorded delivery and copying that correspondence to their Solicitor P Drinan of 16 Donegall Square South, Belfast BT1 5JG.

I would suggest that the Association be given an ultimatum to take up the Lease of the first floor of these premises in terms satisfactory to the Department by a given date failing which the Department will release the transfer to the developer and take up the Lease directly from the developer.

Perhaps the members of the Association are no longer interested in the responsibility of owning the first floor of the premises and the day to day running of the Association in which case it would be preferable if they would say so afficient the way for the Department to take the Lease.

As the money invested in the premises came from the European fund then should the Department have to take the Lease of the first floor it will have to do so either in trust for the Association or in trust for the local community. We can however sort that problem out when the need arises.

It is essential that this matter is now dealt with with the minimum possible delay and if you should require me to attend any meeting concerning it I shall be happy to oblige.

GHARRIS



FROM:

G HARRIS

Departmental Solicitor's Office

DATE:

June 2003

To:

Mr Tom Manson

DSD

European Unit 4th Floor

Brookmount Buildings 42 Fountain Street

Belfast



DSD AND CLONARD RESIDENTS' ASSOCIATION DEVELOPER ROONEY BROTHERS

I refer to the above matter and in particular to my recent correspondence with Michael Flannigan copied to you.

Since writing to Michael Flannigan on 29 May I have spoken with him and we are in agreement that the following is the way forward.

Once I have been furnished with the necessary drawings for the Lease I will have it engrossed and furnished to the group's Solicitors Ms P Drinan. I will request the Association to execute the Lease and will give them a time limit within which to do so. If the Association refuse the accept the Lease or fail to accept it by the given date then I will call upon Rooney Brothers to execute the Lease in favour of the Department.

As Rooney Brothers are prepared to grant the Lease either to the Residents' Association or to the Department then they have complied with their contractual obligations and the Department must release the Transfer to them. You should note that the Lease being tendered to the Residents' Association would contain the unfortunate clause 556 referring to "residential accommodation". The Lease which Rooneys would grant to the Department would have this clause corrected. The clause is clearly incorrect.

My advice is that if the Residents' Association reject the Lease or fail to execute it within the time limit then the Department must take the Lease up from Rooney Brothers as the only way in which it can secure the monies expended on the development. The Department will be able in the future to either assign the Lease to the Association or some other body.

If the Department is forced into the position of having to take up the Lease it will of course incur some liability but the service charge and insurance cost do not kick in for a further 10 years.

In these circumstances I would suggest that the Association is now contacted and the stance of the Department explained to them.

Ġ HARRIS



Victoria Hall, 12 May Street, Belfast BT1 4NL Telephone: 028 9025 1251, Fax: 028 9025 1240 Direct Dialling: DX464 NR Belfast 1

Solicitor R F Cole

Michael Flanigan Solicitors 207 Falls Road BELFAST BT12 6FB

June 2003

Your Ref:

MF/TB/CON1468

Our Ref:

SOL 2524/98/DOE/GH

Dear Sir

ROONEY BROTHERS AND CLONARD RESIDENTS' ASSOCIATION PREMISES 148-158 SPRINGFIELD ROAD, BELFAST

I refer to your letter of 2 June 2003 and note the position regarding clause 5.5.6. I am of the opinion that this clause should be amended to refer to retail and office accommodation regardless of whoever ultimately takes up the Lease.

I have now prepared engrossments of the Lease and have forwarded them to Ms P Drinan in order that the Association may be given the opportunity of taking up the Lease. I enclose a copy of my letter for your information.

Please note that the drawings which you sent me may not be up to Land Registry standard in that Land Registry will require originals, the boundaries will need to be more accurately drawn and the scale for the first floor plan and lobby plan will need to be stated. For this I believe Land Registry will require a one in two hundred scale drawing. I presume that there will be no difficulty in having the drawings tidied up once either the Association or the Department take up the Lease.

Yours faithfull

GHARRIS

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cc: Ms C I McCloskey, Messrs C&H Jefferson, Solicitors









Departmental Solicitor's Office

Victoria Hall, 12 May Street, Belfast BT1 4NL Telephone: 028 9025 1251, Fax: 028 9025 1240 Direct Dialling: DX464 NR Belfast 1 70

Solicitor R F Cole

Ms P Drinan Solicitor 16 Donegall Square South BELFAST BT1 5IG

June 2003

Your Ref:

PD/CG

Our Ref:

SOL 2524/98/DOE/GH

Dear Ms Drinan

CLONARD RESIDENTS' ASSOCIATION LIMITED AND ROONEY BROTHERS PREMISES 148-158 SPRINGFIELD ROAD, BELFAST

I refer to my letter of 29 April to which I have not yet received a reply.

I enclose engrossments of Lease in triplicate and would advise that Rooney Brothers are agreeable to enter into this Lease with either the Association or the Department. In doing so the Department considers that they have complied with the terms of the Contract under which the site was sold to them by the Department.

The Department therefore requires your clients to take up the Lease as tendered by Rooney Brothers by executing the engrossments and returning the executed engrossments through me for sealing by Rooney Brothers within 14 days of the date of this letter.

Should the Association decline to take up the Lease as tendered then the Department (which has been responsible for the entire funding of this project) will take up the Lease in order to secure that funding and will release the transfer to Rooney Brothers.

I look forward to an early return of the engrossments.

Please note that the drawings presently inserted in the engrossments are only for illustrative purposes and that drawings to Land Registry standard will be obtained and inserted prior to lodgement in Land Registry for registration of the Lease as a burden against the Folio.

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G HARRIS

Encs





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michael flanigan solicitors

207 Falls Road, Belfast BT12 6FB

Tel: 028 9023 3309

Tel & Fax: 028 9031 1393

Email: michael@michael-flanigan.com

DX 4002 NR BELFAST 17

My Ref:

MF/CG/CON 1408

Your Ref:

SOL 2524/98/DOE/GH

Date:23-06-03

Departmental Solicitor's Office

Victoria Hall 12 May Street Belfast BT1 4NL

Departmental Solicitors Office
Victoria Hall

Dear Sirs

RE:

My Clients: Rooney Brothers

Premises:

148-158 Springfield Road, Belfast

I refer to your letter of 9th June 2003 and presuming that the Clonard Residents' Association have failed to take up the Lease I should be obliged if you would forward the engrossments of lease in triplicate to this office together with the executed Deed of Transfer for signature by my clients.

Please amend on the engrossments particulars of the lessee which should now of course be the Department for Social Development.

Yours faithfully

Michael Flanigan

HM61P



Your Ref:

Our Ref:

SOL 2924/98/DOE/GH

FROM:

G Harris

Departmental Solicitor's Office

DATE:

July 2003

TO:

Mr Tom Manson

DSD

European Unit 4th Floor

Brookmount Buildings



DSD and CLONARD RESIDENTS' ASSOCIATION – DEVELOPER ROONEY BROTHERS

I refer to the above matter and enclose copies of recent correspondence passed between myself and Michael Flanigan, Solicitor.

I presume that you have not heard directly from the Residents' Association regarding their taking up the Lease.

If the Residents' Association have not now taken up the Lease the Department will have to do so.

Please confirm that you are content with the user Clause as proposed by me and I will proceed to prepare the engrossments of a Lease.

/G HARRIS

ENC

GH/EC(4805)



Michael Flanigan Solicitor 207 Falls Road BELFAST BT12 6FB

July 2003

Your Ref:

MF/CG/CON1408

Our Ref:

SOL 2524/98/DOE/GH

Dear Sir

YOUR CLIENTS: ROONEY BROTHERS PREMISES 148-158 SPRINGFIELD ROAD BELFAST

I refer to your letter of 23 June and would advise that I have had no response from the Solicitors acting for Clonard Residents' Association and can only presume that they will not be taking up the Lease.

Accordingly I am now preparing engrossments with the Department as Lessee. The execution of the engrossments in favour of the Department will enable me to release you the Transfer.

Apart from the change to the name of the Lessee an amendment will be required to the user Clause. The Clause is numbered 1.6. I would suggest the following –

"An office including the provision of financial services and/or professional services, provision of medical or health services, as a crèche, day nursery or day centre, the provision of education, the display of works of art or other exhibits, a museum, library, social creation or any other purpose that would usually be compatible with the Articles and Memorandum of Association of a Local Residents' Association and as specifically agreed with the Lessors."

Please let me have your comments on this.

HARRIS

urs faithfully

Ms C I McCloskey, Messrs C & H Jefferson, Solicitors

GH/EC(4804)



Department for Social Development

Internal Memo

To:

From: Tom Manson

EU Unit

Date: 30 September 2003

RE: EUSSPPR SUB PROGRAMME 2A MEASURE 1

CLONARD RESIDENTS ASSOCIATION - PREMISES AT 148 - 158 SPRINGFIELD ROAD BELFAST

The enclosed Lease and counterparts in respect of the above project refers.

It has been normal practice for such documents to be signed and sealed by the Director of the Belfast Regeneration Office when a debenture mortgage is placed on a project. However, as the Director is unavailable at present, I should be grateful if you would arrange to have the enclosed documents signed and sealed on behalf of the Department.

This project involved the construction of a purpose built 2-storey development on the Springfield Road. The ground floor under the ownership of Rooney Brothers providing shop units and the first floor providing office accommodation for Clonard Residents Association under long term lease.

The total cost of the project was £295,000.

There have however been a number of difficulties with the Clonard Residents Association throughout the progress of the project i.e failure to respond to correspondence, non-attendance at meetings etc, and failure to provide important information as requested by the Department.

In particular, the Association failed to execute the lease with the Developers (Rooney Brothers) within the time limit despite numerous reminders to their solicitors.

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Following considerable correspondence between the 3 solicitors involved, the Departmental Solicitor's advised that, in order to secure the monies expended on the project, the Department (DSD) must take up the lease from Rooney Brothers. This will allow the Department to either assign the lease to Clonard Residents Association or some other body should it so wish in the future.

Departmental Solicitors have now made the necessary arrangements in respect of the lease, and if you are content, I should be grateful if you would arrange signing and sealing of the documents enclosed.

If you wish to discuss further please give me a call on 47832.

Thanks.

______, Manson.

Tom Manson

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2003

ARTHUR ROONEY & ANTHONY ROONEY t/a ROONEY BROTHERS (Lessors)

-and-

DEPARTMENT FOR SOCIAL DEVELOPMENT OF CHURCHILL HOUSE, VICTORIA SQUARE, BELFAST BT2 4BA (Lessee)

COUNTERPART/

LEASE

R F COLE
SOLICITOR
DEPARTMENTAL SOLICITOR'S OFFICE
VICTORIA HALL
12 MAY STREET
BELFAST
BT1 4NL



LAND REGISTRY OF NORTHERN IRELAND

REGISTERED OWNERS ARTHUR ROONEY AND ANTHONY ROONEY t/a ROONEY BROTHERS

FOLIO NO AN

(PARENT FOLIO AN29202 NO 4) COUNTY ANTRIM

THIS INDENTURE made the

day of

Two thousand and three

1. PARTICULARS

1.1.1 THE LESSORS

ARTHUR ROONEY and ANTHONY ROONEY t/a ROONEY BROTHERS having their registered office at 454/458 Donegall Road Belfast

1.1.2 THE LESSEE

DEPARTMENT FOR SOCIAL DEVELOPMENT of Churchill House Victoria Square Belfast BT2 4BA

1.2 THE BUILDING

ALL THAT the building of the Lessors at 148 to 158 Springfield Road Belfast shown for the purpose of identification only edged with a blue line on the Plan A attached

1.3 THE PREMISES

All that part of the Building more particularly defined in the First Schedule together with the right of way comprised in the Second Schedule hereto

1.4 THE TERM

999 years from and including the first day of November 1999

1.5 THE RENT

One peppercorn (if demanded).



1.6 PERMITTED USER

Use of the Premises is for an office including the provision of financial services and/or professional services, provision of medical or health services, as a creche, day nursery or day centre, the provision of education, the display of works of art or other exhibits, a museum, library, social recreation or any other purpose that would usually be compatible with the Articles and Memorandum of Association of a Local Residents Association and as specifically agreed with the Lessors. Such consent to use shall not be unreasonably withheld by the Lessors. The use of the Premises shall be regulated by the above and such other provisions as hereinafter appear which are designed to protect and ensure the safety and enjoyment of the Lessors and their tenants who occupy the remainder of the building

1.7 SERVICE CHARGE

The charge payable by the Lessee under Clause 5.13

1.8 INSURANCE RENT PERCENTAGE

Such reasonable sum as is fairly and properly deemed attributable to the Premises by the Lessor's Insurers.

2. **DEFINITIONS**

- 2.1 For all purposes of this Lease the terms defined in Clauses 1 and 2 have the meanings specified therein and hereinafter specified
- 2.2 'Interest' means interest during the period from the date on which the payment is due to the date of payment both before and after any judgement at the Interest Rate then prevailing or should the base rate cease to exist such other rate of interest as is most likely comparable with the Interest Rate to be agreed between the parties or in default of agreement to be determined by a Chartered Account acting as expert and



- not as arbitrator appointed by the President for the time being of the Law Society of Northern Ireland on the application of either party if not agreed
- 2.3 'Pipes' means all pipes sewers drains mains ducts conduits gutters watercourses wires cables channels flues and all other conducting media and includes any fittings louvers cowls and any other ancillary apparatus
- 2.4 'The Plan' means the plan annexed to this Lease
- 2.5 'Insurance Cost' means the reasonable and proper sums that the Lessors shall from time to time pay by way of premium for insuring the Building being
- 2.5.1 the Insurance Rent percentage of the Insurance Cost, and
- 2.5.2 all or any increase in premium payable by reason of and attributable to any act or omission of the Lessee
- Insured Risks' means fire lightening explosion aircraft (including articles dropped from aircraft) riot civil commotion malicious persons earthquake storm tempest flood and such other risks normally insured against in a comprehensive property owners insurance policy in Northern Ireland bursting and overflowing of water pipes tanks and other apparatus and impact by road vehicles and such other risks as the Lessor from time to time in its discretion may reasonably think fit to insure against

3. INTERPRETATION

3.1 The expressions 'the Lessors' and 'the Lessee' wherever the context so admits shall include the person for the time being entitled to the reversion immediately expectant on the determination of the Term and the Lessee's successors in title respectively and any reference to a superior Lessor includes the Lessors' immediate reversioner (and any superior Lessor) at any time



- 3.2 Where the Lessors and Lessee for the time being are two or more persons obligations expressed or implied to be made by or with such party are deemed to be made by or with such person jointly and severally
- 3.3 Words importing one gender include all other genders and words importing the singular include the plural and vice versa
- 3.4 References to 'the Premises' in the absence of any provision to the contrary include any part of the Premises
- 3.5 References to any right of the Lessors to have access to the Premises shall be construed as extending to any superior Lessor and any mortgagee of the Premises and to all persons authorised by the Lessors and any superior Lessor or mortgagee (including agents professional advisers contractors workmen and others)
- 3.6 Any covenant by the Lessee not to do an act or thing shall be deemed to include an obligation not to permit or suffer such act or thing to be done by another person
- 3.7 Any provisions in the Lease referring to the consent or approval of the Lessors shall be construed as also requiring the consent or approval of any mortgagee of the Premises and any superior Lessor where such consent shall be required but nothing in this Lease shall be construed as implying that any obligation is imposed upon any mortgagee or any superior Lessor not unreasonably to refuse any such consent or approval
- 3.8 Reference to 'consent of the Lessors' or words to similar effect mean a consent in writing signed by or on behalf of the Lessors and to 'approved' and 'authorised' or words to similar effect mean (as the case may be) approved or authorised in writing by or on behalf of the Lessors
- 3.9 Any references to a specific statute or order include any statutory extension or modification amendment or re-enactment of such statue or order and any regulations



or order made under such statute or order and any general reference to 'statute' or 'statutes' 'order' or 'orders' includes any regulations or orders made under such statute or statutes order or orders

- 3.10 References in the Lease to any clause sub-clause or schedule without further designation shall be construed as a reference to the clause sub-clause or schedule to this Lease so numbered
- 3.11 The clause paragraph and schedule headings do not form part of this Lease and shall not be taken into account in its construction or interpretation

4. **DEMISE**

WITNESSETH that in consideration of the covenants on the Lessee's part and conditions hereinafter contained the Lessors hereby demised unto the Lessee the Premises TOGETHER with the rights specified in the Second Schedule but EXCEPTING AND RESERVING unto the Lessors the rights specified in the Third Schedule TO HOLD the Premises unto the Lessee from the first day of November One thousand nine hundred and ninety nine for the Term SUBJECT to all rights easements privileges restrictions covenants and stipulations of whatever nature affecting the Premises YIELDING AND PAYING therefor unto the Lessors:

5. THE LESSEE'S COVENANTS

The Lessee covenants with the Lessors:

5.1 OUTGOINGS AND VAT

To pay and to indemnify the Lessors against:

5.1.1 All rates taxes assessments duties charges impositions and outgoings which are now or during the Term shall be charged assessed or imposed upon the Premises or upon the owner or occupier of them excluding any payable by the Lessors occasioned by



receipt of the rent or by any disposition of dealing with or ownership of any interest reversionary to the interest created by this Lease

5.1.2 VAT (or any tax of a similar nature that may be substituted for it or levied in addition to it) chargeable in respect of any payment made by the Lessee under any of the terms of or in connection with this Lease or in respect of any payment made by the Lessors where the Lessee agrees in this Lease to reimburse the Lessors for such payment

5.2 REPAIR AND CLEANING

- 5.2.1 To repair the interior of the Premises and to keep it in repair excepting damage caused by an Insured Risk other than where the insurance money is irrecoverable in consequence of any negligent act or wilful default of the Lessee and excepting damage whereby compensation for same is payable under the Criminal Damage (Compensation) (Northern Ireland) Order 1977 or any statutory re-enactment or modification thereof for the time being in force
- 5.2.2 To clean the interior of the Premises and keep it in a clean neat and tidy condition

5.3 **DECORATION**

From time to time whenever considered necessary or desirable by the Lessee to redecorate the interior of the Premises in a good and workmanlike manner and with appropriate materials of good quality to the reasonable satisfaction of the Lessors

5.4 ACCESS OF LESSOR AND NOTICE OF REPAIR

- 5.4.1 To permit the Lessors after giving reasonable prior notice to the Lessee (except in case of emergency)
- 5.4.1.1 To enter upon the Premises for the purpose of ascertaining that the covenants and conditions of the Lease have been observed and performed



- 5.4.1.2 To view (and to open up floors and other parts of the Premises where such openingup is required in order to view) the state of repair and condition of the Premises and
- 5.4.1.3 To give to the Lessee (or leave upon the Premises) a notice specifying any repairs cleaning maintenance or decoration that the Lessee has failed to execute in breach of the terms of this Lease and to request the Lessee immediately to execute the same including the making good of such opening up (if any)

Provided that any such opening-up shall be made good by and at the cost of the Lessors where such opening-up reveals no breaches of the terms of this Lease

- 5.4.2 Immediately to repair cleanse maintain and decorate the Premises as required by such notice
- 5.4.3 If within one month of the service of such notice the Lessee shall not have commenced and be proceeding diligently with the execution of the work referred to in the notice or shall fail to complete the work within 3 months or if in the Lessors' reasonable opinion the Lessee is unlikely to have completed the work within such period to permit the Lessors to enter the Premises to execute such work as may be necessary to comply with the notice and to pay to the Lessor the cost of so doing and all reasonable and proper expenses incurred by the Lessors (including reasonable legal costs and reasonable surveyor's fees) within 14 days of a written demand and in default of payment within such period to pay interest Interest Rate from the date of demand to the date of actual payment

5.5 NUISANCE USER ETC

5.5.1 Not to do nor allow to remain upon the Premises anything which may be or become or cause a nuisance annoyance disturbance inconvenience injury or damage to the Lessor or its tenants or the owners or occupiers of adjacent or neighbouring Premises



- 5.5.2 Not without the consent of the Lessors such consent not to be unreasonable withheld or delayed to use the Premises for any purpose other than the Permitted User provided that the Lessors shall not be entitled to any fine or premium as a condition of giving consent to any change of use
- 5.5.3 Not to discharge into any of the pipes serving the Premises or any other property any oil grease or other deleterious matter or any substance which might be or become a source of danger or injury to the drainage system of the Premises or the Building
- 5.5.4 Not to store or allow to be stored on the Premises or any part thereof any dangerous and/or especially combustible materials without having first complied with all statutory requirements and obligations in relation to the storage of such materials
- 5.5.5 Not to obstruct or block or permit to be obstructed or blocked the right of way referred to in the Second Schedule hereto
- 5.5.6 The Premises comprised in the Lease form part of the larger premises owned by the Lessors which said premises are being used principally to provide retail and office accommodation and the Lessee agrees that it will not do, or that it will refrain from doing, any act or thing or carrying on any activity which can be reasonably construed by the Lessor as inconsistent with the general use and enjoyment of the remainder of the Premises for the purpose of accommodation as aforesaid

5.6 PLANS, DOCUMENTS AND INFORMATION

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If called upon to do so to produce to the Lessors all plans documents and other evidence as the Lessors may reasonably require in order to satisfy themselves that the provisions of this Lease have been complied with



5.7 YIELD UP

At the expiration or sooner determination of the Term to yield up the Premises in accordance with the terms of this Lease.

5.8 STATUTORY NOTICES ETC

To give full particulars to the Lessors of any notice direction order or proposal for the Premises made given or issued to the Lessee by any governmental statutory local or public authority within 7 days of receipt and if so required by the Lessee to produce it to the Lessors and without delay to take all necessary steps to comply with the notice direction or order and at the request and cost of the Lessors to make or join with the Lessors in making such objection or representation against or in respect of any notice direction order or proposal as the Lessors shall deem expedient

5.9 KEYHOLDERS

To ensure that at all times the Lessors have and the PSNI have written notice of the name, home address and home telephone number of at least 2 keyholders of the Premises

5.10 LESSORS' RIGHTS

To permit the Lessors at all times during the Term to exercise without interruptions or interference any of the rights granted to it by virtue of the provisions of this Lease

5.11 **SECURITY**

- 5.11.1 To take all steps and to comply with all requirements which may be reasonable or necessary for the security and safeguarding of the Premises or the Building
- 5.11.2 If the Premises are destroyed or damaged in any manner whatsoever to give notice to the Lessors as soon as such destruction or damage shall have occurred



5.12 TO TAKE PRECAUTIONS

- 5.12.1 To take all reasonable precautions against front damage to the pipes in on under or over and serving the Premises
- 5.12.2 To take all reasonable care and precautions to avoid water damage to any other part of the Building by reason of bursting or overflowing of any pipe or water apparatus in and serving the Premises

5.13 SERVICE CHARGE

The Lessor shall from the date of this document and for a period of ten years thereafter be responsible for the maintenance, repair and upkeep of the exterior fabric of the entire building. Thereafter the Lessees shall be responsible for a contribution to the cost of the maintenance, repair and upkeep of the said exterior fabric of the building and of any areas in common usage. The amount of that contribution shall be agreed between the parties and failing such agreement the matter shall be referred to arbitration. The Lessees shall at all times be solely responsible for the maintenance, upkeep and repair of the interior of the building which they occupy

5.14 INSURANCE COST

The Lessor shall from the date of this document and for a period of ten years thereafter be responsible for the Insurance Cost and for that period the Lessees shall not have to pay any Insurance Rent Percentage

Not to assign sub-let or otherwise part with possession of the Premises without the prior written consent of the Lessors such consent not to be unreasonably withheld or delayed

6. THE LESSORS' COVENANTS

The Lessors covenant with the Lessee:



6.1 QUIET ENJOYMENT

To permit the Lessee peaceably and quietly to hold and enjoy the Premises without any interruption or disturbance from or by the Lessors or any person claiming under or in trust for the Lessors

6.2 PERFORM SERVICES

6.2.1 To repair and keep in good order repair and condition the Building and every part thereof (repairs for which the Lessee is responsible under the terms of this Lease alone expected)

CLEANING

6.2.2 To clean and keep in a clean and neat and tidy condition the Building and remainder of the site on which the Building is situate except such parts as the Lessee is responsible to clean and keep neat and tidy under the terms of this Lease

DECORATION

6.2.3 From time to time whenever necessary or desirable for the general appearance of the Building to redecorate the Building (except such parts as the Lessee is liable to decorate under the terms of this Lease) with appropriate materials of good quality to the reasonable satisfaction of the Lessee

6.3 LESSEES RIGHTS

To permit the Lessee at all times during the Term to exercise without interruption or interference any of the rights granted to it by virtue of the provisions of this Lease

6.4 **SECURITY**

6.4.1 To take all necessary and reasonable steps for the security and safeguarding of the Building except such as ought under the Lessee's covenant in that behalf to be undertaken by the Lessee



6.4.2 If any part of the Building other than the Premises is destroyed or damaged in any manner whatsoever to give notice to the Lessee as soon as the destruction or damage shall have occurred

6.5 TO TAKE PRECAUTIONS

- 6.5.1 To take all reasonable precautions against frost damage to the pipes in or under or over any part of the Building not comprised in the Premises or in or under or over, but not serving the Premises
- 6.5.2 To take all reasonable care and precaution to avoid water damage to the Premises or any part of the Premises by reason of bursting or overflowing of any pipe or water apparatus in any other parts of the Building or in or under or over, but not serving the Premises

6.6 FLOOR LOADING

Not to bring or permit to remain upon any other parts of the Building any machinery goods or other vehicles which shall or may strain or damage the Premises

- 6.7 ACCESS OF LESSEE AND NOTICE TO REPAIR CLEAN DECORATE
 ETC
- 6.7.1 To permit the Lessee

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- 6.7.1.1 To enter the other parts of the Building accompanied by its surveyors engineers and other professional advisers to conduct such test upon and make such examination of the Building and its structure as shall in all the circumstances be reasonable including opening up floors and other parts of the Building which such opening up is required in order to carry out a property examination
- 6.7.1.2 To give to the Lessor a notice specifying any repairs rebuilding cleansing redecoration and other works that the Lessors have failed to carry out in breach of the terms of this Lease and to request the Lessors immediately to execute the same



including the making good of such opening up (if any) provided that any such opening up shall be made good by and at the cost of the Lessee where such opening up reveals no breaches by the Lessors of the terms of this Lease

- 6.7.2 Immediately to carry out such repairs rebuilding cleansing decoration and other works to the Building as are required by such notice
- 6.7.3 If within one month of the service of such notice the Lessors shall not have commenced and be proceeding diligently with the execution of the works referred to in the notice or shall fail to complete the works within 3 months or if in the Lessee's reasonable opinion the Lessors are unlikely to have completed the works within such period to permit the Lessee to carry out the works and to enter the other parts of the Building as may be necessary to comply with the notice and to pay to the Lessee the cost of so doing

6.8 INSURANCE

The Lessors shall insure and keep insured the building at 148 to 158 Springfield Road, Belfast described at paragraph 1.2

7. **PROVISOS**

7.1 **RE-ENTRY**

If and whenever during the Term:

7.1.1 There is a breach by the Lessee of any covenant or other term of this Lease or any documents expressed to be supplemental to this Lease

The Lessors may re-enter the Premises (or any part of them in the name of the whole) at any time (and even if any previous right of re-entry has been waived) and then the Term will absolutely cease but without prejudice to any rights of remedies which may have accrued to the Lessors against the Lessee in respect of any breach



of covenant or other term of this Lease (including the breach in respect of which the re-entry is made)

7.2 EFFECT OF WAIVER

7.3

Each of the Lessee's covenants shall remain in full force both at law and in equity notwithstanding that the Lessors shall have waived or released temporarily or permanently revocable or irrevocable a similar covenant or similar covenants affecting any other part of the Building

- Either party shall be entitled at any time but not more often than once in any period of twelve months to call for a revision of the Insurance Rent Percentage by service of notice in writing on the other part and in the event of the parties failing to reach agreement, the amount of the Insurance Rent Percentage shall be determined by an expert appointed by the President for the time being of the Northern Ireland Law Society or some other person appointed by him if not agreed between the parties and such expert shall determine the Insurance Rent Percentage on the basis of what is fair and reasonable in all the circumstances taking into consideration the rights and obligations of the parties under this Lease
- In case the Premises or any part thereof or the access thereto shall be destroyed or so damaged by any of the Insured Risks or by any event for which compensation is payable under the Criminal Damage (Compensation) (Northern Ireland) Order 1977 or any statutory re-enactment or modification thereof for the time being in force as to be unfit for occupation or use the Rent and the Service Charge and the Insurance Rent or a fair and just proportion thereof according to the nature and extent of the damage sustained (unless the damage or destruction concerned is due to the negligence or wilful default of the Lessee) shall be suspended and case to be



- payable until the Premises and/or the access thereto as the case may be shall have been rebuilt or reinstated to be made fit for occupation and use
- 8. The Lessor covenants with the Lessee not to use the Lessors premises for any illegal or immoral purpose

IN WITNESS of which the deed has been executed the day and year first above WRITTEN

FIRST SCHEDULE

THE PREMISES

The first floor of the Building at 148 to 158 Springfield Road Belfast aforesaid shown for the purposes of identification only edged red on the Plans B 1 and 2 attached comprising the lobby on the ground floor of the Building and the office and community use accommodation on the first floor of the Building excluding all structural members thereof but including.

- The paint paper and other decorative finishes applied to the interior surface of exterior walls, and
- 2. The floor finishes so that the lower limit of the Premises shall include such finishes but shall not extend to anything below them, and
- 3. The ceiling finishes so that the upper limit of the Premises shall include such finishes but shall not extend to anything above them, and
- 4. All additions and improvements to the Premises
- 5. All pipes that are in or on and that exclusively serve the Premises

SECOND SCHEDULE

RIGHTS GRANTED

1. PIPES

The right to the free passage and running (subject to temporary interruption for repair alteration or replacement) of water sewage electricity telephone and other services or supplies to and from the Premises in and through the pipes that now



serve the Premises presently laid in or under or over other parts of the Building (in common with the Lessor and all other persons having a like right).

2. SUPPORT PROTECTION ETC

The rights of light air support protection shelter and all other easements and rights for the benefit of the Premises as are now or after the date of this Lease belonging to or enjoyed by all other parts of the Building

3. ACCESS

- 3.1 The right at any time during the Term and upon reasonable notice except in cases of emergency to enter (or in cases of emergency to break and enter) other parts of the Building
- 3.1.1 To inspect the condition and the state of repair of those parts of the Building with the Lessor has covenanted with the Lessee to maintain and repair
- 3.1.2 To view the state and condition of and repair and maintain the Premises where such viewing or work would not otherwise be reasonably practicable
- 3.1.3 To carry out repairs decorations or any other works to the Premises where such work cannot be conveniently carried out without entering other parts of the Building
- 3.1.4 To exercise any of the rights granted to the Lessee by this Lease
- 3.2 Provided that if through the exercise of these rights the Lessee interferes with the use and enjoyment of the other parts of the Building causing loss to the Lessors or their tenants the Lessee shall compensate the Lessors fully for such loss
- 3.3 The right of way at all times for the Lessee its tenants and Licensees on foot only to pass and re-pass over and along the areas hatched green on the Plan B attached for purposes in connection with the permitted user of the Premises



THIRD SCHEDULE

RIGHTS RESERVED

1. USE OF PIPES

The right to the free and uninterrupted passage and running of water sewage electricity telephone and other services or supplies from and to other parts of the Building in and through the pipes which now are or may during the Term be in under or over the Premises

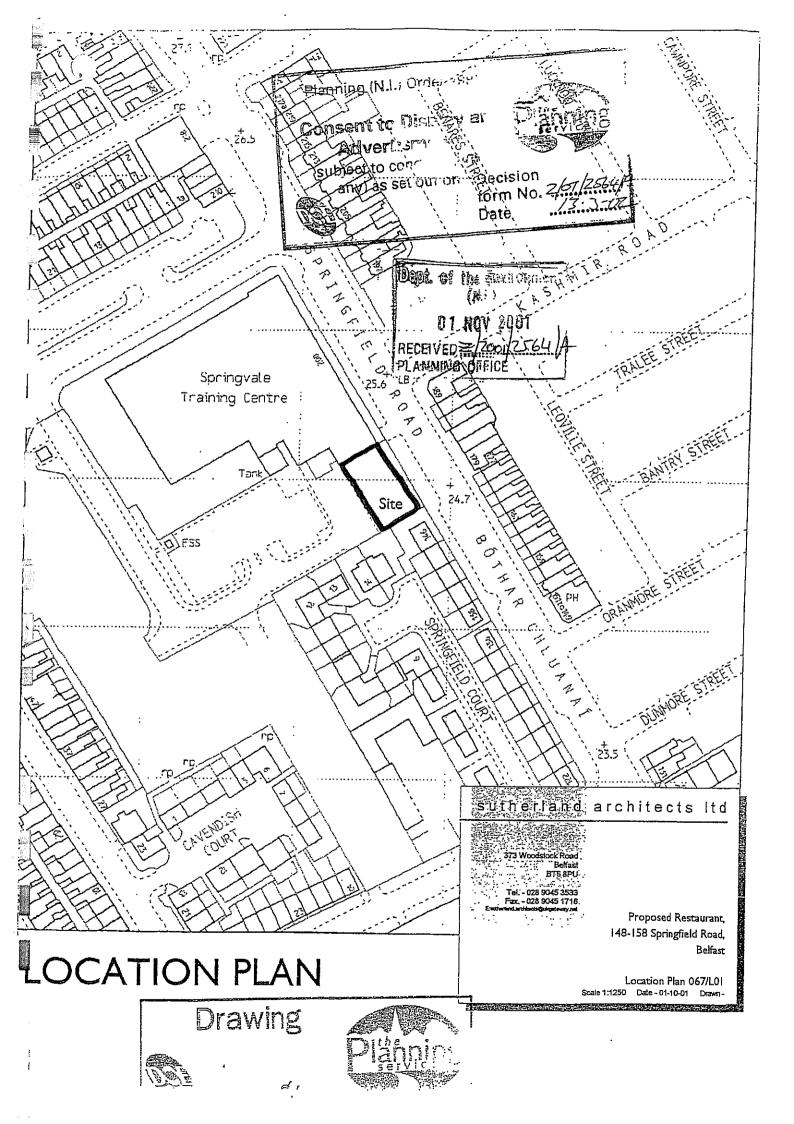
2. CONSTRUCTION OF PIPES

The right to construct and to maintain in or under the Premises at any time during the Term any pipes for the benefit of any other part of the Building

3. ACCESS

- 3.1 The right at any time during the Term and upon reasonable notice except in cases of emergency to enter (or in cases of emergency to break and enter) other parts of the Building
- 3.1.1 To inspect the condition and the state of repair of the Premises
- 3.1.2 To inspect cleanse connect to repair remove replace with others alter or execute any work whatever to or in connection with the pipes easements or services referred to in paragraphs 1 and 2 of this Schedule
- 3.1.3 To view the state and condition of and repair and maintain the Building where such viewing or work would not otherwise be reasonably practicable
- 3.1.4 To carry out work or to anything whatever comprised within the Lessors' obligations in this Lease
- 3.1.5 To carry out repairs decorations or any other works to other parts in the Building where such work cannot be conveniently carried out without entering the Premises
- 3.1.6 To exercise any of the rights granted to the Lessors by this Lease

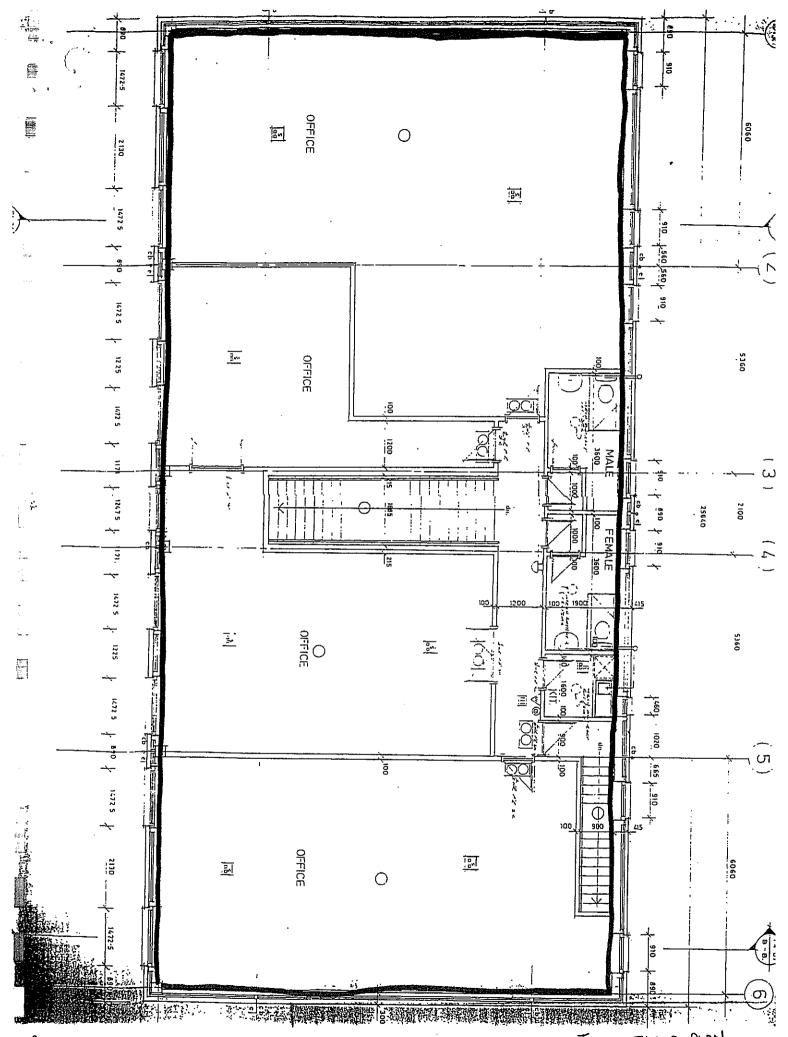






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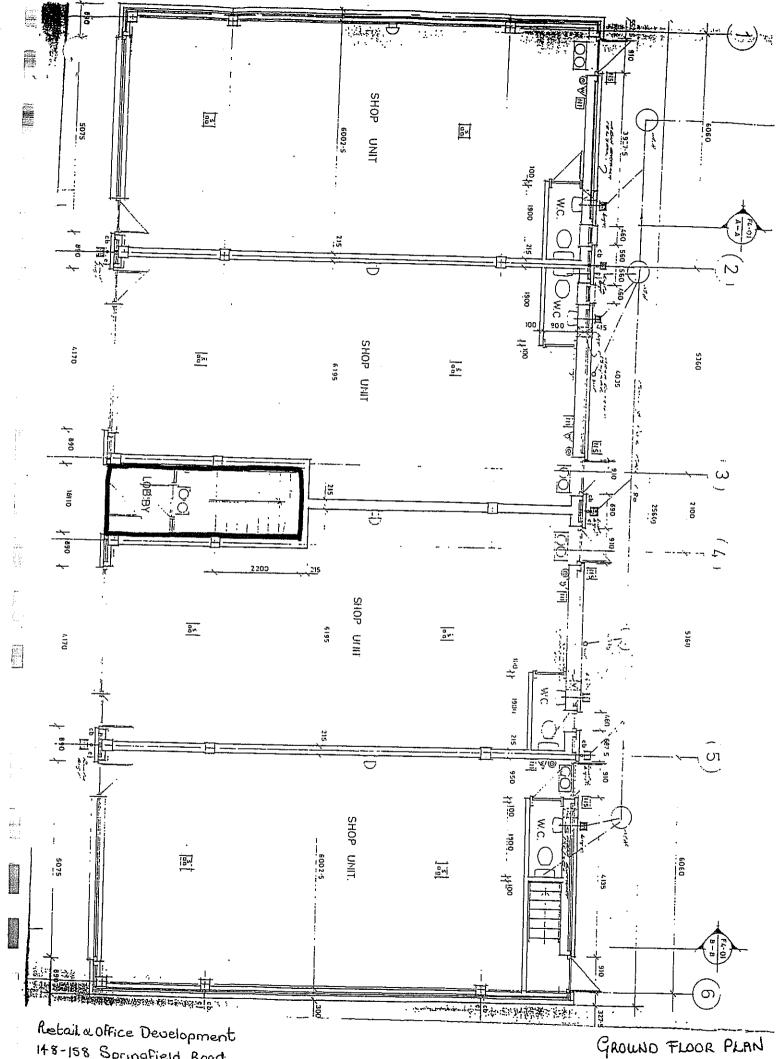
Retail a Office Development

148-158 Spring field Road

Bergant

FIRST FLOOR PLAN

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148-158 Springfield Road Belfast

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3.2 Provided that if through the exercise of these rights the Lessors interfere with the use and enjoyment of the Premises or by the Lessee or its tenants or undertenants or any of them causing loss to the Lessee or such tenants or undertenants the Lessors shall compensate the Lessee and such tenants or undertenants fully for such loss

4. SUPPORT PROTECTION ETC

The rights of light air support protection shelter and all other easements and rights now or after the date of this Lease belonging to or enjoyed by all other parts of the Building

5. SCAFFOLDING

The right to erect scaffolding for the purposes of repairing cleaning or decoration the exterior of the Building notwithstanding that such scaffolding may temporarily interfere with the access to or enjoyment and use the Premises provided that such interferences is for the minimum reasonable period and that access to the Premises . is not significantly affected thereby

SIGNED SEALED and DELIVERED
By the said ARTHUR ROONEY and
ANTHONY ROONEY in the presence of:-

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PRESENT when the Official Seal of DEPARTMENT FOR SOCIAL

DEVELOPMENT was affixed hereto:-

GH-JT6888

Arthe Poory

A Senior Officer of the

Department for Social Development

