

11 September 2006

Mr D S Grant
Chief Executive
Cotswold Water Park Society Ltd
Cirencester
Gloucestershire
GL7 6DF

STRICTLY PRIVATE AND CONFIDENTIAL

Dear Dennis,

RE: Sponsorship Proposal

Further to our recent discussions I am happy to confirm that, in order to ensure continuity of employment on your part as the Chief Executive of the Society, Watermark agrees to sponsor a proportion of your income.

To avoid any potential issues with other operators in the Cotswold Water Park, and indeed embarrassment on the part of the Society in not being able on financial grounds to retain you in your current role, the sponsorship package will need to be kept confidential.

From Watermark's perspective these are the salient points of the agreement between us:

- The agreement is between the Cotswold Water Park Society (CWPS), Watermark (WM), and Dennis Shawn Grant (DSG), in order to ensure viability and avoid controversy should remain confidential only to the three parties involved with Mr Chris Scott, the Society's Financial Director being the main contact on behalf of the Society.
- The agreement effectively sponsors a proportion of DSG salary as the Chief Executive of the CWPS and hence directly related to his continued employment in that position for the CWPS.
- The agreement has a lifespan of 24 months with a break clause of 12 months whereupon the agreement can be either terminated or continued for the remaining 12 months.
- The agreement can, however, also be terminated by WM either with immediate effect should any matter of negligence or breach of confidentiality arise or if DSG is no longer working with CWPS.
- The CWPS will not enter a similar agreement with any party and, or, any other sponsorship agreement with any party whose business conflicts with the core business of WM.

"New England style in the Cotswolds"

Isis Lakes, South Cerney, Cirencester, Gloucestershire GL7 5TL

Tel: 01285 862288 Fax: 01285 862488 E-mail: enquiries@watermarkclub.co.uk www.watermarkclub.co.uk

- WM will pay the CWPS a sum of £1,500 per month as the sponsorship deal the CWPS will in turn contribute this to DSG monthly salary costs.
- As discussed, in order to avoid complications for the CWPS with the relevant declarations re local government and charitable trusts grants to the CWPS, the payment will be made directly to D S G Grant into the designated bank account.
- It is understood that the said incremental sum will be treated separate to the CWPS agreed existing salary on the understanding that it will only be paid for the duration of the sponsorship deal.
- The said monthly sponsorship fee to commence as at 1 August 2006 with all monthly payments being made by direct debit or BACS transfer in time to reach the below designated bank by no later than the last day of each month.

National Westminster Bank plc

Account Name: Mr D S Grant – Expenses account

Account Number: 01014757

Sort Code: 60 01 35

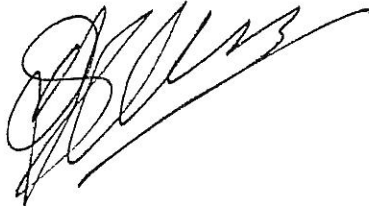
Handwritten notes:
£1500.00
125434
13.9.06

- DSG undertakes to agree to a confidentially agreement that ensures that any information relating to the business activities WM or discussions with any of it's incumbent officers remains totally confidential and is not disclosed to any other party.
- DSG, in the course of his Watermark related activities and in respect of his other work related to the Cotswold Water Park activities, undertakes not to act in any manner likely to damage or impair the WM current business activity or future plans.
- WM undertakes to ensure that any activities undertaken via DSG on it's behalf are not likely to damage or impair the Cotswold Water Park Society's current business activity or future plans.
- The sponsorship deal for WM will include a signage package:
 - A sign within the Visitors Centre car park promoting Watermark and its activities and not more than 12 sq metres in size and,
 - A sign (nice wooden painted) on each side of the Spine Road between the Visitors Centre and the roundabout saying 'Watermark welcomes visitors to the Cotswold Water Park' and underneath the words 'Visitors Centre' with an arrow pointing to the left.
 - All signage costs will be the liability of WM.

Dennis we sincerely hope that the sponsorship package will enable you to continue with your programme of remedial and development actions thus ensuring that the Cotswold Water Park Society in turn is able to deliver the required support for Watermark and indeed all operators in the Cotswold Water Park.

Could you please confirm, in writing, that the enclosed terms are acceptable to both yourself and the Cotswold Water Park Society.

Yours sincerely



Maxwell H Thomas

For and on behalf of The Watermark Group