

CHATHAM MARITIME ESTATE LTD.
ST. MARY'S ISLAND
2010/11 RENTCHARGE PAYMENT

Enclosed is an invoice for the rentcharge due on your property for the coming financial year, commencing 1st April 2010.

Scope

The rentcharge is a contribution towards the overall costs of maintenance of land owned by Chatham Maritime Trust on St Mary's Island. This reflects costs incurred by Chatham Maritime Estate Ltd. (CME), a subsidiary company carrying out estate management on behalf of the Trust.

This overall cost includes the upkeep of the large open parks, the lifting bridge, flood defences, dock basin walls, and the provision of site security, infrastructure insurance, and estate management. This range of maintenance and services goes beyond the strict legal obligations which the Trust has under its covenants towards residents. The additional maintenance and services are provided subject to availability of funding.

The Trust and CME do not maintain the Island's roadways, roadside verges, or street lighting (which, until adoption by the highway authority, remain the responsibility of the individual house builders - Barratt, Countryside Maritime or Redrow) or the grassed areas or parking spaces around houses or blocks of flats, which are the responsibility of individual homeowners or of the blocks' management companies.

Charge Level

There is a Fixed Rentcharge of **£1.00** per residential unit regardless of size.

The level of the Variable Rentcharge is determined according to the number of bedrooms in each residential unit as at the time of first sale. The charge is calculated by annual indexation according to the Retail Price Index figure for the preceding January.

For the year 2010/11 the index shows an increase of 3.71% over the previous year.

However, the charge level for the coming year is also affected by the VAT rate returning to 17.5% on 1 January 2010

The 2009-10 rentcharge was £61.70 per bedroom, made up of £53.65 plus 15% VAT.

For the coming year (2010-11), the net charge will increase by 3.71% to £55.64 (up £1.99), and this will be subject to VAT at 17.5%, taking the overall charge to £65.38 per bedroom, up £3.68 on the current year.

Subsidies

The indexation of the rentcharge means that it is not subject to large annual swings as actual maintenance expenditure varies.

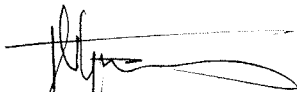
With the current level of development on St Mary's Island the total rentcharge income does not meet revenue outgoings, and SEEDA makes up the shortfall of revenue

expenditure during the development period. In addition, Chatham Maritime Trust commits a significant annual sum out of its charity endowment to maintain flood defences and other essential infrastructure.


Payment

We would appreciate your prompt settlement of the invoice, which falls due for payment on 1st April. Please note that the rentcharge is payable under the terms of the rentcharge deed completed at the time you purchased your property.

Please see the enclosed 'How to Pay Your Annual Rent Charge' document for accepted methods of payment.



John Grimes
Estate Manager



Paula Puxty
Accountant

01 March 2010