

SCHEDULE 20

Loss of Revenue

1. Subject to the provisions of this schedule 20, any Loss of Revenue shall be calculated in respect of each relevant activity by determining the anticipated daily Revenue for the relevant activity in question for the period in question (the "**Anticipated Daily Revenue**") and deducting from that sum the actual daily revenue received for the relevant activity in question for the period in question.
2. The Authority shall be entitled to audit, at frequent intervals, actual Revenue received by the Operator at the Facilities.
3. The Anticipated Daily Revenue for each activity in respect of the Service Period can be calculated by reference to the LOBTA and will be indexed in accordance with schedule 5.
4. The Operator shall at all times use all endeavours to minimise and mitigate any loss of Revenue and the consequences of any Relevant Event or Loss of Revenue Event which shall include addressing variable costs and making appropriate cost adjustments. For the avoidance of doubt mitigation shall not include a reduction in Loss of Revenue based on an assessment of whether the prescribed rate for each area would have actually been achieved during the closure period in question.
5. In calculating any Loss of Revenue the Operator shall not be entitled to recover, as Loss of Revenue, any greater amount than the level of Revenue which it is projected to recover calculated by reference to the LOBTA.
6. The loss of membership revenue shall be equivalent to the price reduction given to the User in lieu of the relevant closures, to be agreed between the Operator and the Authority in line with sensible commercial practice, plus the loss of membership revenue caused by membership cancellations during the closure period that are not replaced by membership revenue from new sales.
7. In the circumstances where the Loss of Revenue is triggered by a Relevant Event and a period of six months has elapsed from the occurrence of such Relevant Event, the amount of daily rate recoverable by the Operator shall be reduced by [REDACTED] to remove the Operator's profit from the calculation of the Loss of Revenue.
8. Compensation may be paid as follows

6.3 Loss of Revenue Event

The Authority shall (at its discretion) compensate the Operator in respect of any Loss of Revenue arising from a Loss of Revenue Event by:

6.3.1 lump sum payment

6.3.2 instalments; or

6.3.3 pursuant to clause 37 (Financial adjustments).

9. Relevant Event

The Authority shall compensate the Operator in respect of any Loss of Revenue arising from a Relevant Event pursuant to clause 37 (*Financial adjustments*).

10. Reasonableness

The parties will act reasonably when exercising their decisions in accordance with this schedule 20 and if deemed necessary by both parties (each acting reasonably and in good faith) the Authority shall extend the period to which the Loss of Revenue shall be payable for a Relevant Event to include a transitional period of support to the Operator to provide the Operator with the support to enable it to revert to the financial position it was in immediately prior to the occurrence of the Relevant Event.