V Signed

DATED 20 NOVEMBER 2014

PHOENIX SPENCER (LONGSTANTON) LIMITED (1)

- and –

ERIC TRINH (2)

COUNTERPART LEASE

- relating to -

Unit 2
North side of Nelson Crescent
Longstanton
Cambridge

Dawson Cornwell
15 Red Lion Square
London WC1R 4QT

LR1. Date of lease

20 November 2014

LR2. Title number(s)

LR2.1 Landlord's title number

CB336919

LR2.2 Other title numbers

None

LR3. Parties to this lease

Landlord

Phoenix Spencer (Longstanton) Limited the registered office of which is at 24 Fitzroy Square, London W1T 6EP Company Registration no 8042447

Tenant

Eric Trinh of 33 Circus Drive, Cambridge, CB4 2BT

LR4. Property

In the case of a conflict between this clause and the remainder of this lease then, for the purposes of registration, this clause shall prevail.

The Premises as specified in clause 1.39

LR5. Prescribed statements etc

None

LR6. Term for which the Property is leased

The term as specified in this lease at clause 1.8 ('The Contractual Term')

LR7. Premium

None

LR8. Prohibitions or restrictions on disposing of this lease

This lease contains provisions that prohibit or restrict dispositions.

LR9. Rights of acquisition etc

LR9.1 Tenant's contractual rights to renew this lease, to acquire the reversion or another lease of the Property, or to acquire an interest in other land

None

LR9.2 Tenant's covenant to (or offer to) surrender this lease

None

LR9.3 Landlord's contractual rights to acquire this lease

None

LR10. Restrictive covenants given in this lease by the Landlord in respect of land other than the Property

None

LR11. Easements

LR11.1 Easements granted by this lease for the benefit of the Property

See Schedule 1

LR11.2 Easements granted or reserved by this lease over the Property for the benefit of other property

See Schedule 2

LR12. Estate rentcharge burdening the Property

None

LR13. Application for standard form of restriction

None

HM LAND REGISTRY

LAND REGISTRATION ACT 2002

THIS LEASE is made the 20 day of November, 2014
BETWEEN:

(1) Phoenix Spencer (Longstanton) Limited the registered office of which is at 24 Fitzroy Square, London W1T 6EP Company Registration no 8042447 ('the Landlord') and

(2) Eric Trinh of 33 Circus Drive, Cambridge, CB4 2BT ('the Tenant')

NOW THIS DEED WITNESSES as follows:

1 **DEFINITIONS AND INTERPRETATION**

For all purposes of this Lease the terms defined in this clause have the meanings specified.

1.1 **'The Accountant'**

'The Accountant' means any qualified accountant or firm of accountants appointed by the Landlord in his place. The Accountant may be an employee of the Landlord or a company that is a member of the same group of the Landlord within the meaning of the 1954 Act Section 42.

1.2 **'The Adjoining Conduits'**

'The Adjoining Conduits' means all the pipes, sewers, drains, mains, ducts, conduits, gutters, watercourses, wires, cables, laser optical fibres, data or impulse transmission, communication or reception systems, channels, flues and all other conducting media--including any fixings, louvres, cowls, covers and other ancillary apparatus--that are in, on, over or under the Estate that serve the Premises.

1.3 **'Adjoining property of the Landlord'**

References to 'adjoining property of the Landlord' are references to each and every part of any neighbouring or adjoining land, including the rest of the Estate in which the Landlord, or a company that is a member of the same group as the Landlord within the meaning of the 1954 Act Section 42, has or during the Term acquires an interest or estate.

1.4 **'Building'**

'The Building' means the building of which the Premises form part

NOTES

This drawing and design is for use solely in connection with the project described below.

This drawing and design is the copyright of Dennis Black Associates and must not be re-issued, loaned or copied without written consent.

All dimensions/setting out to be checked on site by the contractor before construction proceeds.

Use written dimensions only, do not scale.

This drawing is to be read in conjunction with all construction status information relevant to the project

Any apparent discrepancy is to be brought to the attention of Dennis Black Associates.

NELSON CRESCENT

HIGH STREET

REAR GARDEN
FFL:7.15
GARAGES
PLANTING AREA 'B'
PLANTING AREA 'C'
Gravel surface
GARAGE
GARAGE
FFL:7.08
2000 x 2000 Sub-Station Site
Closeboarded fence 1800 high with 600 trell's on top
Closeboarded 1800 high
EXTRA FOOTPATH / CYCLEWAY
PROTECTED AREA 3000 WIDE
PLANTING AREA 'G'
REAR GARDEN
No.1
No.2
'A'
WC
KITCHEN
HALL
DINING
LIVING
FFL:7.40
Close boarded fence 1650 high
Brick screen wall 1800 high
wall reduced to 1125 high
Curved down
PLANTING AREA 'A'
ACCESS ROAD
RESIDENT'S PARKING
EXTERNAL PLAY SPACE
Brick screen wall 1500 high
Brick screen wall 1275 high
Digital Lock & Intercom
BIN ENCLOSURE
RES.& RETAIL
ST
UP
FFL:7.30
DELIVERY DOCK FOR CONV. STORE
RESIDENT'S PARKING
HCOMB BWORK
GATE
SERVICE YARD (OPEN)
BIN STORE (RESIDENTIAL)
PLANTING AREA 'E'
FFL:7.30
CONVENIENCE STORE
RETAIL UNIT 1
RETAIL UNIT 2
RETAIL UNIT 3
DAYCARE NURSERY UNIT 4
Brick wall 1800 high
PLANTING AREA 'F'
CYCLES
CUSTOMER PARKING (10)
Parking Bays 2500 x 5000
Reversing Area 6000 wide
brick wall 1050 high to protect cycles
FFL:7.40
LIVING / DINING
KITCHEN
HALL
WC
No.10
No.9
EXISTING FOOTPATH / CYCLEWAY
VISION SPLAY 45M X 2.4M SOUTH
VISION SPLAY 43M X 2.4M NORTH

SOFT LANDSCAPE SCHEDULE:

AREA 'A' – FAGUS SYLVATICA (HEDGE)
GRASS SHADE SEED TO FRONTAGE GARDENS
AREA 'B' – 5NO. ACER PALMATUM 'BLOODGOOD'
GRASS SHADE SEED / PRUNUS SPINOSA
AREA 'C' – 1NO. ROBINIA PSEUDOACACIA 'FRISIA'
CONTINUS COGGYGRIA 'ROYAL PURPLE'
AREA 'D' – 1NO. SORBUS SCALARIS
CONTINUS COGGYGRIA 'ROYAL PURPLE'
AREA 'E' – ELEAGNUS MULTIFLORA
AREA 'F' – PRUNUS SPINOSA
AREA 'G' – CRATAEGUS MONOGYNA
AREA 'H' – CORYLUS AVELLANA / 2NO. SORBUS SCALARIS

PLANTING AREAS

HARD LANDSCAPE SCHEDULE:

EXISTING TARMAC FOOTPATHS
NEW TARMAC AREAS
600 X 600 GREY TEXTURED SLABS
ACCESS ROAD & PARKING SPACES 'BUFF' CONCRETE PAVORS
DELIVERY DOCK 'RED' CONCRETE PAVORS
CYCLES & SINGLE AREA ADJACENT ROAD ENTRANCE 'BRINDLE' CONCRETE COBBLES WITH SEMI-FLUSH POINTING
GRAVEL
'BRINDLE' LOW BATTERED KERBS & MARGINS - SAW FACE
PARKING DEMARCATION: 200 WIDE 'CHARCOAL' CONCRETE PAVORS
1650 TO 1800 HIGH GARDEN WALLS
1125 TO 1275 HIGH GARDEN WALLS
1800 HIGH CLOSE BOARDED TIMBER FENCE & GATES

D	170512	UNIT 4 TO DAYCARE & SUB-STATION ADJ. GARAGES WINDOW ELEVATION TO E/ELEVS	
C	100111	W'SPLAYS & CUSTOMER PARKING AMENDS FOR FPA	RA-D
B	100818	DETAIL AMENDS FOR NEW FPA	
A	170903	DETAIL AMENDS FOR FPA	RA-D
Rev	Date	Description	Initial

Dennis BLACK associates
Architects
2 Hethersett Road, East Carleton, Norwich NR14 8HX
Tel & Fax (01508) 570606

Job
LONGSTANTON, CAMBS
NEIGHBOURHOOD CENTRE

drawing
EXTERNAL WORKS
HARD & SOFT LANDSCAPING
Planning Application Issue

scale	drawn	date
1:100	RA-D	Apr 2009

job.no.	drawing no.	revision	type
1282	57	D	PLAN

1.4 **'The CDM Regulations'**

'The CDM Regulations' means the Construction (Design and Management) Regulations 2007.

1.5 **'The Estate'**

'The Estate' means all that property known as land on the north side of Nelson Crescent, Longstanton, Cambridge and registered at the Land Registry with title number CB336919 shown edged blue on the Plan.

1.6 **'The Common Parts'**

'The Common Parts' means the external areas and external amenities in the Estate made available from time to time by the Landlord for use in common by the tenants and occupiers of the Estate and visitors to the Estate or any of them including the service areas, car parking spaces, common loading areas, forecourts, access ramps or service roads, landscaped areas, and areas designated for the keeping and collecting of refuse but not limited to them.

1.7 **'The Conduits'**

'The Conduits' means the pipes, sewers, drains, mains, ducts, conduits, gutters, watercourses, wires, cables, laser optical fibres, data or impulse transmission, communication or reception systems, channels, flues and all other conducting media--including any fixings, louvres, cowls, covers and any other ancillary apparatus--that are in, on, over or under the Premises.

1.8 **'The Contractual Term'**

'The Contractual Term' means 25 years commencing on and including the date hereof

1.9 **'Development'**

References to 'development' are references to development as defined by the Town and Country Planning Act 1990 Section 55.

1.11 **'The Fire Safety Regulations'**

'The Fire Safety Regulations' means the Regulatory Reform (Fire Safety) Order 2005.

1.12 **Gender and number**

Words that indicate one gender include all other genders, words that indicate the singular include the plural and vice versa and words that indicate persons shall be interpreted as extending to a corporate body or a partnership and vice versa.

1.13 **Headings**

The clause, paragraph and schedule headings and the table of contents do not form part of this document and are not to be taken into account in its construction or interpretation.

1.14 **'The Initial Rent'**

'The Initial Rent' means the sum of £18,000 a year

1.15 **'The Insurance Rent'**

'The Insurance Rent' means the Insurance Rent Proportion of the sums that the Landlord is from time to time liable to pay:

1.15.1 by way of premium for insuring the Estate, including insuring for loss of rent, in accordance with its obligations contained in this Lease,

1.15.2 by way of premium for insuring in such amount and on such terms as the Landlord acting reasonably considers appropriate against all liability of the Landlord to third parties arising out of or in connection with any matter involving or relating to the Estate and

1.15.3 for insurance valuations

and all of any increased premium payable by reason of any act or omission of the Tenant.

1.16 'The Insurance Rent Proportion'

means a fair and reasonable proportion properly attributable to the Premises.

1.17 'The Insured Risks'

'The Insured Risks' means the risks of loss or damage by fire, storm, tempest, earthquake, lightning, explosion, riot, civil commotion, malicious damage, subsidence, landslip, heave, impact by vehicles and by aircraft and articles dropped from aircraft--other than war risks--flood damage and bursting and overflowing of water pipes and tanks, and such other risks, whether or not in the nature of the foregoing, as the Landlord acting reasonably from time to time decides to insure against.

1.18 'Interest'

References to 'interest' are references to interest payable during the period from the date on which the payment is due to the date of payment, both before and after any judgment, at the Interest Rate then prevailing or, should the base rate referred to in clause 1.19 'THE INTEREST RATE' cease to exist, at another rate of interest closely comparable with the Interest Rate to be chosen by the Landlord acting reasonably.

1.19 'The Interest Rate'

'The Interest Rate' means the rate of 4% a year above the base lending rate of HSBC Bank Plc or such other bank as the Landlord from time to time reasonably nominates in writing .

1.20 Interpretation of 'the Estate'

The expression 'the Estate', where the context so admits, includes any other adjoining property of the Landlord constructed or adapted to form an integral part of the Estate.

1.21 Interpretation of 'consent' and 'approved'

References to 'consent of the Landlord' or words to similar effect are references to a prior written consent signed by or on behalf of the Landlord and references to the need for anything to be 'approved by the Landlord' or words to similar effect are references to the need for a prior written approval by or on behalf of the Landlord.

1.23 Interpretation of 'the Guarantor'

The expression 'the Guarantor' includes any person who enters into covenants with the Landlord pursuant to clause 3.9.5.2 CONDITIONS or clause 3.23 REPLACEMENT GUARANTOR.

1.24 Interpretation of 'the Landlord'

The expression 'the Landlord' includes the person or persons from time to time entitled to possession of the Premises when this Lease comes to an end.

1.25 Interpretation of 'the last year of the Term' and 'the end of the Term'

References to 'the last year of the Term' are references to the actual last year of the Term howsoever it determines and references to the 'end of the Term' are references to the end of the Term whensoever and howsoever it determines.

1.26 Interpretation of 'the Tenant'

'The Tenant' includes any person who is for the time being bound by the tenant covenants of this Lease.

1.27 Interpretation of 'this Lease'

Unless expressly stated to the contrary the expression 'this Lease' includes any document supplemental to or collateral with this document or entered into in accordance with this document.

1.28 Joint and several liability

Where any party to this Lease for the time being comprises two or more persons, obligations expressed or implied to be made by or with that party are deemed to be made by or with the persons comprising that party jointly and severally.

1.29 'The Landlord's Expenses'

'The Landlord's Expenses' means the reasonable and properly incurred costs and expenditure—properly paid or properly incurred, or deemed in accordance with the provisions of schedule 6 paragraph 2.3 DEEMED LANDLORD'S EXPENSES to be paid or incurred, by the Landlord in respect of or incidental to all or any of the Services or otherwise required to be taken into account for the purpose of calculating the Service Charge, except those recovered from any insurance policy taken out by the Landlord pursuant to clause 5.2 COVENANT TO INSURE and except for those listed in paragraph 4 of Schedule 6.

1.30 'The Liability Period'

'The Liability Period' means:

1.30.1 in the case of any guarantor required pursuant to clause 3.9.5.2 CONDITIONS, the period during which the relevant assignee is bound by the tenant covenants of this Lease;

1.30.2 in the case of any guarantor under an authorised guarantee agreement, the period during which the relevant assignee is bound by the tenant covenants of this Lease but expiring on the expiry of the Contractual Term; and

1.30.3 in the case of any guarantor required pursuant to clause 3.9.8.7 TERMS OF A PERMITTED SUBLEASE, the period during which the relevant assignee of the sublease is bound by the tenant covenants of that sublease but expiring on the date of expiry of the contractual term of the relevant sublease.

1.31 'Losses'

References to 'losses' are references to liabilities, damages or losses, awards of damages or compensation, penalties, costs, disbursements or expenses arising from any claim, demand, action or proceedings.

1.32 'The 1954 Act'

'The 1954 Act' means the Landlord and Tenant Act 1954 and all statutes, regulations and orders included by virtue of clause 1.43 REFERENCES TO STATUTES.

1.33 'The 1995 Act'

'The 1995 Act' means the Landlord and Tenant (Covenants) Act 1995 and all statutes, regulations and orders included by virtue of clause 1.43 REFERENCES TO STATUTES.

1.34 Obligation not to permit or suffer

Any covenant by the Tenant not to do anything includes an obligation to use reasonable endeavours not to permit or suffer that thing to be done by another person.

1.35 'Other buildings'

References to 'other buildings' are references to all the buildings other than the Estate now or at any time during the Term erected on any adjoining property of the Landlord.

1.36 'The Permitted Use'

The Permitted Use' means use as a takeaway for fish and chips, Chinese or pizzas within Class A5 of the Schedule to the Town and Country Planning (Use Classes) Order 1987 (as amended) at the date of this Lease.

1.37 'The Plan'

'The Plan' means the plan annexed to this Lease.

1.38 'The Planning Acts'

'The Planning Acts' means the Town and Country Planning Act 1990, the Planning (Listed Buildings and Conservation Areas) Act 1990, the Planning (Consequential Provisions) Act 1990, the Planning (Hazardous Substances) Act 1990, the Planning and Compensation Act 1991, the Planning and Compulsory Purchase Act 2004 and all statutes, regulations and orders included by virtue of clause 1.43 REFERENCE TO STATUTES.

1.39 'The Premises'

1.39.1 ***Definition of 'the Premises'***

'The Premises' means the ground floor unit 2 on the north side of Nelson Crescent, Longstanton, Cambridge shown edged red on the Plan.

1.39.2 ***Interpretation of 'the Premises'***

The expression 'the Premises' includes:

1.39.2.1 the floor and ceiling finishes, but not any other part of the floor slabs and ceiling slabs that bound the Premises,

1.39.2.2 the inner half severed medially of the internal non-loadbearing walls that divide the Premises from any other premises,

1.39.2.3 the interior plaster and decorative finishes of all walls bounding the Premises,

1.39.2.4 the whole of the shop front including the signage fascia,

1.39.2.5 the doors and windows and door and window frames at the Premises,

1.39.2.6 all additions and improvements to the Premises,

1.39.2.7 all the landlord's fixtures and fittings and fixtures of every kind that are from time to time in or on the Premises, whether originally fixed or fastened to or on the Premises or otherwise, except any fixtures installed by the Tenant or any predecessors in title that can be removed from the Premises without defacing them and

1.39.2.8 the Conduits exclusively serving the Premises

but excludes the air space above the Premises, the foundations, all external or structural or loadbearing walls, columns, beams and supports and any of the Conduits that do not exclusively serve the Premises. Unless the contrary is expressly stated 'the Premises' includes any part or parts of the Premises.

1.40 References to clauses and schedules

Any reference in this document to a clause, paragraph or schedule without further designation is to be construed as a reference to the clause, paragraph or schedule of this document so numbered.

1.41 References to rights of access

References to any right of the Landlord to have access to the Premises are to be construed as extending to any head landlord and any mortgagee of the Premises and to all persons authorised in writing by the Landlord and any head landlord or mortgagee, including agents, professional advisers, contractors, workmen and others.

1.42 References to statutes

Unless expressly stated to the contrary any references to a specific statute include any statutory extension or modification, amendment or re-enactment of that statute and any regulations or orders made under that statute and any general reference to a statute includes any regulations or orders made under that statute.

1.43 'The Rent'

Until the First Review Date 'the Rent' means the Initial Rent. Thereafter 'the Rent' means the sum ascertained in accordance with schedule 3 THE RENT AND RENT REVIEW. 'The Rent' does not include the Insurance Rent and the Service Charge, but the term 'the Lease Rents' means both the Rent and the Insurance Rent and the Service Charge.

1.44 'The Rent Commencement Date'

'The Rent Commencement Date' means three calendar months from the date hereof.

1.45 'The Review Dates'

'The Review Dates' mean the fifth anniversary of the date hereof ("the First Review Date"), the tenth anniversary of the date hereof ("the Second Review Date") and the fifteenth anniversary of

the date hereof ("the Third Review Date"). 'The Review Dates' means the First Review Date, the Second Review Date and the Third Review Date. References to 'a review date' are references to any one of the Review Dates.

1.47 **'The Service Charge'**

'The Service Charge' means the Service Charge Proportion of the Landlord's Expenses.

1.48 **'The Service Charge Proportion'**

'The Service Charge Proportion' means a fair and reasonable proportion properly attributable to the Premises

1.49 **'The Services'**

'The Services' means the services, facilities and amenities specified in schedule 6 paragraph 3 THE SERVICES.

1.50 **'The Shop Covenants'**

'The Shop Covenants' means the covenants set out in schedule 4 THE SHOP COVENANTS.

1.51 **'The Shop Opening Hours'**

'The Shop Opening Hours' means 7 am to 7 pm on Mondays to Fridays and 10 am to 4 pm Saturdays but not Sundays or Bank Holidays

1.52 **'The Surveyor'**

'The Surveyor' means such suitably qualified surveyor appointed by the Landlord or any person or firm appointed by the Landlord in his place. The Surveyor may be an employee of the landlord or a company that is a member of the same group as the Landlord within the meaning of the 1954 Act Section 42. The expression 'the Surveyor' includes the person or firm appointed by the Landlord to collect the Lease Rents.

1.53 **'The Term'**

'The Term' means the Contractual Term and any period of holding-over or extension or continuance of the Contractual Term by statute or common law

1.54 **Terms from the 1995 Act**

Where the expressions 'landlord covenants', 'tenant covenants' or 'authorised guarantee agreement' are used in this Lease they are to have the same meaning as is given by the 1995 Act Section 28(1).

1.55 **'The Uninsured Risks'**

'The Uninsured Risks' means terrorism or any Insured Risk or element of an Insured Risk against which insurance cover is not actually in place due to insurance for such Insured Risk (or element thereof) not being available.

1.56 **'VAT'**

'VAT' means value added tax or any other tax of a similar nature and unless otherwise expressly stated all references to rents or other sums payable by the Tenant are exclusive of VAT.

1.57 **'the Parking Bays'**

'the Parking Bays' means the parking bays shown edged green on the Plan.

2 DEMISE

The Landlord lets the Premises to the Tenant with full title guarantee, together with the rights specified in schedule 1 THE RIGHTS GRANTED for the benefit of the Tenant, any subtenant and any persons authorised by them but excepting and reserving to the Landlord the rights specified in schedule 2 THE RIGHTS RESERVED, to hold the Premises to the Tenant for the Contractual Term, subject to all rights, easements, privileges, restrictions, covenants and stipulations of whatever nature affecting the Premises including any matters contained or referred to in schedule 5 THE SUBJECTIONS yielding and paying to the Landlord:

2.1 the Rent, without any deduction or set off, by equal quarterly payments in advance on the usual quarter days in every year and proportionately for any period of less than a year, the first such payment, being a proportionate sum in respect of the period from and including the Rent Commencement Date to and including the day before the quarter day next after the Rent Commencement Date, to be paid on the date of this Lease; and

2.2 by way of further rent the Insurance Rent payable on demand in accordance with clause 5.4 PAYMENT OF THE INSURANCE RENT; and

2.3 the Service Charge payable in accordance with schedule 6 THE SERVICE CHARGE.

3 THE TENANT'S COVENANTS

The Tenant covenants with the Landlord to observe and perform the requirements of this clause 3.

3.1 Rent

3.1.1 ***Payment of the Lease Rents***

The Tenant must pay the Lease Rents on the days and in the manner set out in this Lease and in respect of the Rent must not exercise or seek to exercise any right or claim to withhold Rent or any right or claim to legal or equitable set-off.

3.1.2 ***Payment by banker's order***

If so required in writing by the Landlord, the Tenant must pay the Lease Rents by banker's order or credit transfer to any bank and account in the United Kingdom that the Landlord nominates from time to time.

3.2 Outgoings and VAT

3.2.1 ***Outgoings exclusive to the Premises***

The Tenant must pay, and must indemnify the Landlord against:

3.2.1.1 all rates, taxes, assessments, duties, charges, impositions and outgoings that are now or may at any time during the Term be charged, assessed or imposed upon the Premises or on the owner or occupier of them other than taxes imposed on the Landlord in respect of the yearly rent reserved or any other sums due under the terms of this Lease

or in respect of disposal or dealing with or ownership of the reversionary interest in the Premises or any charges impositions or liability arising in relation to chancel repair;

3.2.1.2 subject to prior production of a valid VAT insurance all VAT that may from time to time be charged on the Lease Rents or other sums payable by the Tenant under this Lease; and

3.2.1.3 all VAT incurred in relation to any costs that the Tenant is obliged to pay or in respect of which he is required to indemnify the Landlord under the terms of this Lease, save where such VAT is recoverable or available for set-off by the Landlord as input tax.

3.2.2 ***Outgoings assessed on the Premises and other property***

The Tenant must pay, and must indemnify the Landlord against, the proportion reasonably attributable to the Premises--to be determined from time to time by the Surveyor, acting reasonably as an expert and not as an arbitrator--of all rates, taxes, assessments, duties, charges, impositions and outgoings that are now or at any time during the Term may be charged, assessed or imposed on the Premises and any other property, including any adjoining property of the Landlord, or on their owners or occupiers other than taxes imposed on the Landlord in respect of the yearly rent reserved or any other sums due under the terms of this Lease or in respect of disposal or dealing with or ownership of the reversionary interest in the Premises or any charges impositions or liability arising in relation to chancel repair.

3.3 ***Cost of services consumed***

The Tenant must pay to the suppliers, and indemnify the Landlord against, all charges for electricity, water, gas, telecommunications and other services consumed or used at or in relation to the Premises, including meter rents and standing charges, and must comply with the lawful requirements and regulations of their respective suppliers

3.4 Repair, cleaning and decoration

3.4.1 ***Repair of the Premises***

The Tenant must repair the Premises and keep them in good condition and repair, except for damage caused by one or more of:

3.4.1.1 the Insured Risks save to the extent that any insurance money is irrecoverable due to any act or default of the Tenant or anyone at the Premises expressly or by implication with its authority and under its control;

3.4.1.2 the Uninsured Risks except to the extent that the damage is caused by any act or default of the Tenant or anyone at the Premises expressly or by implication with his authority and under its control; and

3.4.1.3 any structural or latent defect arising from the design and / or construction of the Building.

3.4.2 ***Replacement of landlord's fixtures***

The Tenant must replace from time to time any landlord's fixtures and fittings in the Premises that may be or become beyond repair at any time during or at the end of the Term.

3.4.3 ***Cleaning and tidying***

The Tenant must keep the Premises clean and tidy and all rubbish in proper receptacles.

3.4.4 ***Care of abutting land***

The Tenant must not cause any land, roads or pavements abutting the Premises to be untidy or dirty and in particular, but without prejudice to the generality of the foregoing, must not deposit refuse or other materials on them save in proper receptacles.

3.4.5 ***Decoration***

As often as may be reasonably necessary and at least once in each five years of the Term and in the last year of the Term the Tenant must redecorate the interior and exterior parts of the Premises in a good and workmanlike manner, with appropriate materials of good quality and in the last year of the term the Tenant must decorate the interior and exterior of the Premises in a good and workmanlike manner with appropriate materials of good quality.

3.5 Waste and alterations

3.5.1 ***Waste, additions and alterations***

The Tenant must not commit any waste, make any addition to the Premises, unite the Premises with any adjoining premises or make any alteration to the Premises except as permitted by the provisions of this clause 3.5.

3.5.2 ***Pre-conditions for alterations***

The Tenant must not make any structural alterations to the Premises unless it first:

3.5.2.1 obtains and subsequently complies with the necessary consents of the competent authorities and pays their charges for them;

3.5.2.2 makes an application to the Landlord for consent, supported by drawings and where appropriate a specification in duplicate prepared by an architect, or a member of some other appropriate profession, who must supervise the work throughout to completion;

3.5.2.4 enters into any covenants the Landlord reasonably requires as to the execution and reinstatement of the alterations; and

3.5.2.5 obtains the consent of the Landlord, whose consent may not be unreasonably withheld or delayed.

3.5.3 ***Permitted alterations***

The Tenant shall be permitted to carry out the following alterations and / or works without having to comply with the terms of clause 3.5.2 provided that the Tenant obtains and complies with all necessary consents of the competent authorities:

3.5.3.1 internal alterations which do not affect the structural integrity of the Building;

3.5.4 Removal of alterations

At the end of the Term, if so reasonably requested by the Landlord, the Tenant must remove any additional buildings, additions, alterations or improvements made to the Premises and must make good any part of the Premises damaged by their removal.

3.5.5 Connection to the Conduits

The Tenant must not make any connection with the Conduits not exclusively serving the Premises except in accordance with plans and specifications approved by the Landlord, whose approval may not be unreasonably withheld or delayed, and subject to consent to make the connection having previously been obtained from the competent authority, undertaker or supplier.

3.6 Aerials, signs and advertisements

3.6.1 ***Masts***

The Tenant must not erect any pole or mast, whether in connection with telecommunications or otherwise.

3.6.2 ***Advertisements***

The Tenant may fix to or exhibit on the outside of the Premises or fix to or exhibit through any window of the Premises or display anywhere on the Premises any placard, sign, notice, fascia board graphics or advertisement which is consistent with the Permitted Use from time to time.

3.7 Statutory obligations

3.7.1 ***General provision***

The Tenant must comply in all respects with the requirements of any statutes, and any other obligations imposed by law or by any byelaws, applicable to the Premises or the trade or business for the time being carried on there.

3.7.2 ***Particular obligations***

3.7.2.1 Works required by statute, department or authority

Without prejudice to the generality of clause 3.7.1, the Tenant must execute all works and provide and maintain all arrangements upon or in respect of the Premises or the use to which they are being put that are required in order to comply with the requirements of any statute already or in the future to be passed or the requirements of any government department, local authority or other public or competent authority or court of competent jurisdiction regardless of whether such requirements are imposed on the owner, the occupier or any other person.

3.7.2.2 Acts causing losses

Without prejudice to the generality of clause 3.7.1, the Tenant must not do in or near the Premises anything by reason of which the Landlord may incur any losses under any statute.

3.7.2.3 CDM Regulations

Without prejudice to the generality of clause 3.7.1, the Tenant must comply with the provisions of the CDM Regulations, be the only client, as defined in the provisions of the CDM Regulations, fulfil, in relation to all and any works, all the obligations of the client as set out in or reasonably to be inferred from the CDM Regulations and where appropriate make a declaration to that effect to the Health and Safety Executive in accordance with the Approved Code of Practice published from time to time by the Health and Safety Executive in relation to the CDM Regulations. The provisions of clause 5.9.3 FIRE SAFETY are to have effect in any circumstances to which these obligations apply.

3.7.2.4 Delivery of health and safety files

At the end of the Term, the Tenant must forthwith deliver to the Landlord any and all health and safety files relating to the Premises required to be maintained under the CDM Regulations.

3.8 Entry to inspect and notice to repair

3.8.1 ***Entry and notice***

The Tenant must permit the Landlord on reasonable notice during normal business hours except in emergency:

3.8.1.1 to enter the Premises to ascertain whether or not the covenants and conditions of this Lease have been observed and performed,

3.8.1.2 to view the state of repair and condition of the Premises and to open up floors and other parts of the Premises where that is necessary in order to do so and

3.8.1.3 to give to the Tenant, or notwithstanding clause 8.8 NOTICES leave on the Premises, a notice ('a notice to repair') specifying the works required to remedy any breach of the Tenant's obligations as to the repair and condition of the Premises in this Lease

provided that any opening-up must be made good by and at the cost of the Landlord if it reveals no material breach of the terms of this Lease.

3.8.2 ***Works to be carried out***

The Tenant must carry out the works specified in a notice to repair as soon as reasonably possible including making good any opening up that revealed a material breach of the terms of this Lease.

3.8.3 Landlord's power in default

If within 1 month of the service of a notice to repair the Tenant has not started to execute the work referred to in that notice or is not proceeding diligently with it, or if the Tenant fails to finish the work within 2 months, the Tenant must permit the Landlord to enter the Premises to execute the outstanding work and must within 14 days of a written demand pay to the Landlord the cost of so doing and all expenses incurred by the Landlord, including legal costs and surveyor's fees provided that the Landlord shall not be entitled to enter the Premises to execute works where the work is of a minor nature and / or decorative only.

3.9 Alienation

3.9.1 ***Alienation prohibited***

The Tenant must not hold the Premises on trust for another. The Tenant must not part with possession of the Premises or any part of the Premises or permit another to occupy them or any part of them except pursuant to a transaction permitted by and effected in accordance with the provisions of this Lease.

3.9.2 ***Assignment, subletting and charging of part***

Subject to clause 3.9.3 below, the Tenant must not assign, sublet or charge part only of the Premises.

3.9.3 ***Assignment of the whole***

Subject to clauses 3.9.4 CIRCUMSTANCES and 3.9.5 CONDITIONS, the Tenant must not assign the whole of the Premises without the consent of the Landlord, whose consent may not be unreasonably withheld or delayed.

3.9.4 ***Circumstances***

If any of the following circumstances--which are specified for the purposes of the Landlord and Tenant Act 1927 Section 19(1A)--applies either at the date when application for consent to assign is made to the Landlord, or after that date but before the Landlord's consent is given, the Landlord may withhold its consent and if, after the Landlord's consent has been given but before the assignment has taken place, any such circumstances apply, the Landlord may revoke its consent, whether his consent is expressly subject to a condition as referred to in clause 3.9.5.4 CONDITIONS or not. The circumstances are:

3.9.4.1 that any Rent due from the Tenant under this Lease remains unpaid;

3.9.4.2 that in the Landlord's reasonable opinion the assignee (taking into account any guarantor for the assignee) is not a person or entity who is likely to be able to comply with the tenant covenants of this Lease;

3.9.4.3 that the assignee or any guarantor for the assignee, other than any guarantor under an authorised guarantee agreement, is a corporation registered--or otherwise resident--in a jurisdiction in which the order of a court obtained in England and Wales will not

necessarily be enforced against the assignee or guarantor without any consideration of the merits of the case.

3.9.5 ***Conditions***

The Landlord may impose any or all of the following conditions--which are specified for the purposes of the Landlord and Tenant Act 1927 Section 19(1A)--on giving any consent for an assignment by the Tenant:

3.9.5.1 where reasonably so required by the Landlord a condition that on or before any assignment and before giving occupation to the assignee, the Tenant requesting consent to assign, together with any former tenant who by virtue of the 1995 Act Section 11 was not released on an earlier assignment of this Lease, must enter into an authorised guarantee agreement in favour of the Landlord in the terms set out in schedule 7 THE AUTHORISED GUARANTEE AGREEMENT;

3.9.5.2 where reasonably so required by the Landlord a condition that on an assignment to a limited company, the assignee must ensure that a director of the company, or some other guarantor or guarantors reasonably acceptable to the Landlord, enter into direct covenants with the Landlord in the form of the guarantor's covenants contained in Schedule 8 GUARANTEE PROVISIONS;

3.9.5.4 a condition that if, at any time before the assignment, the circumstances specified in clause 3.9.4 CIRCUMSTANCES, or any of them, apply, the Landlord may revoke the consent by written notice to the Tenant.

3.9.6 ***Charging of the whole***

The Tenant must not charge the whole of the Premises without the consent of the Landlord, whose consent may not be unreasonably withheld or delayed.

3.9.7 Subletting

The Tenant must not sublet the whole of the Premises without the consent of the Landlord, whose consent may not be unreasonably withheld or delayed.

3.9.8 Terms of a permitted sublease

Every permitted sublease must be granted, without a fine or premium, at a rent not less than the open market rent in respect of the Premises but this shall not prevent the sublease provide for a rent free period that is usual in the open market in respect of such an underletting to be payable in advance on the days on which the Rent is payable under this Lease. Every permitted sublease must contain provisions approved by the Landlord:

3.9.8.1 for the upwards only review of the rent reserved by it, on the basis set out in schedule 3 THE RENT AND RENT REVIEW and on the Review Dates;

3.9.8.2 prohibiting the subtenant from doing or allowing anything in relation to the Premises inconsistent with or in breach of the provisions of this Lease;

3.9.8.3 for re-entry by the sub landlord on breach of any covenant by the subtenant;

3.9.8.4 imposing an absolute prohibition against all dealings with the Premises other than assignment, subletting or charging of the whole or group sharing on similar terms to clause 3.9.14 below or granting concessions on terms to clause 3.9.15 below;

3.9.8.5 prohibiting assignment, subletting or charging of the whole of the Premises without the consent of the Landlord under this Lease such consent not to be unreasonably withheld or delayed;

3.9.8.6 requiring the assignee on any assignment of the sublease to enter into direct covenants with the Landlord to the same effect as those contained in clause 3.9.9 SUBTENANT'S DIRECT COVENANTS;

3.9.8.7 requiring on each assignment of the sublease that the assignor enters into an authorised guarantee agreement in favour of the Landlord in the terms set out in schedule 7 THE AUTHORISED GUARANTEE AGREEMENT but adapted to suit the circumstances in which the guarantee is given;

3.9.8.8 prohibiting the subtenant from holding on trust for another or permitting another to share or occupy the whole or any part of the Premises;

3.9.8.9 imposing in relation to any permitted assignment, subletting or charge the same obligations for registration with the Landlord as are contained in this Lease in relation to dispositions by the Tenant;

3.9.8.10 imposing in relation to any permitted subletting the same obligations as are contained in this clause 3.9.8 and in clause 3.9.9 SUBTENANT'S DIRECT COVENANTS, clause 3.9.10 ENFORCEMENT OF THE SUBLEASE and clause 3.9.11 SUBLEASE RENT REVIEW.

3.9.9 *Subtenant's direct covenants*

Before any permitted subletting, the Tenant must ensure that the subtenant enters into a direct covenant with the Landlord that while the subtenant is bound by the tenant covenants of the sublease and while the subtenant is bound by an authorised guarantee agreement the subtenant will observe and perform the tenant covenants contained in this Lease--except the covenant to pay the rent reserved by this Lease--and in that sublease.

3.9.10 Enforcement of the sublease

In relation to any permitted sublease, the Tenant must enforce the performance and observance by every subtenant of the provisions of the sublease and must not at any time either expressly or by implication waive any breach of the covenants or conditions on the part of any subtenant or assignee of any sublease or--without the consent of the Landlord, whose consent may not be unreasonably withheld or delayed--vary the terms or accept a surrender of part of any permitted sublease.

3.9.11 ***Sublease rent review***

In relation to any permitted sublease:

3.9.11.1 the Tenant must ensure that the rent is reviewed in accordance with the terms of the sublease; and

3.9.11.2 the Tenant must give notice to the Landlord of the details of the determination of every rent review within 28 days.

3.9.12 ***Registration of permitted dealings***

Within 28 days of any assignment, charge, sublease, or subunderlease, or any transmission or other devolution relating to the Premises, the Tenant must produce a certified copy of any relevant document for registration with the Landlord's solicitor, and must pay the Landlord's solicitor's reasonable charges for registration of at least £50 plus VAT.

3.9.13 ***Sharing with a group company***

Notwithstanding clause 3.9.1 ALIENATION PROHIBITED, the Tenant may share the occupation of the whole or any part of the Premises with a company that is a member of the same group as the Tenant within the meaning of the 1954 Act Section 42, for so long as both companies remain members of that group and otherwise than in a manner that transfers or creates a legal estate and for the purposes of this Lease it is agreed that "a company" shall be deemed to include any Industrial and Provident Society.

3.10 Nuisance and residential restrictions

3.10.1 ***Nuisance***

The Tenant must not do anything on the Premises or allow anything to remain on them, that may be or become a nuisance or cause unreasonable annoyance, disturbance, inconvenience, injury or damage to the Landlord or his tenants or the owners or occupiers of any adjoining property of the Landlord or any other adjacent or neighbouring premises.

3.10.2 ***Auctions, trades and immoral purposes***

The Tenant must not use the Premises for any auction sale, any dangerous, noxious, noisy or offensive trade, business, manufacture or occupation or any illegal or immoral act or purpose.

3.10.3 ***Residential use, sleeping and animals***

The Tenant must not use the Premises as sleeping accommodation or for residential purposes or keep any animal, bird or reptile on them.

3.11 Costs of applications, notices and recovery of arrears

The Tenant must pay to the Landlord all reasonable costs, fees, charges, disbursements and expenses--including without prejudice to the generality of the above those payable to counsel, solici-

tors, surveyors and bailiffs--properly and reasonably incurred by the Landlord in relation to or incidental to:

3.11.1 every application made by the Tenant for a consent or licence required by the provisions of this Lease, whether it is granted, refused or offered subject to any lawful qualification or condition or the application is withdrawn but not where such consent is unreasonably withheld or delayed or proffered subject to an unreasonable condition;

3.11.2 the preparation and service of a notice under the Law of Property Act 1925 Section 146 or by reason or the contemplation or taking of proceedings under Sections 146 or 147 of that Act, even if forfeiture is avoided otherwise than by relief granted by the court;

3.11.3 the recovery or attempted recovery of arrears of rent or other sums due under this Lease; and

3.11.4 any other steps taken in contemplation of or in direct connection with the enforcement of the covenants on the part of the Tenant contained in this Lease whether during or after the end of the Term including without prejudice to the generality of the foregoing the preparation, service and negotiation of schedules of dilapidations served during or within 3 months of the end of the Term.

3.12 Planning and development

3.12.1 ***Compliance with the Planning Acts***

The Tenant must observe and comply with the provisions and requirements of the Planning Acts affecting the Premises and their use, and must indemnify the Landlord, and keep him indemnified, both during and following the end of the Term, against all losses in respect of any contravention of those Acts occurring during the Term.

3.12.2 ***Permissions and notices***

The Tenant must at its own expense obtain any planning permissions and serve any notices that may be required for the carrying out of any development on or at the Premises.

3.12.4 ***Charges and levies***

Subject only to any statutory direction to the contrary, the Tenant must pay and satisfy any charge or levy that may subsequently be imposed under the Planning Acts in respect of the carrying out or maintenance of any development on or at the Premises during the Term.

3.12.5 ***Pre-conditions for development***

Notwithstanding any consent that may be granted by the Landlord under this Lease, the Tenant must not carry out any development (save in relation to signage) on or at the Premises until all necessary notices under the Planning Acts have been served and copies produced to the Landlord, all necessary permissions under the Planning Acts have been obtained and produced to the Landlord and the Landlord has acknowledged that every necessary planning permission is acceptable to him, such acknowledgement not to be unreasonably withheld or delayed.

3.12.6 ***Completion of development***

Where a condition of any planning permission granted for development begun before the end of the Term requires works to be carried out to the Premises by a date after the end of the Term, the Tenant must, unless the Landlord directs otherwise, finish those works before the end of the Term.

3.13 Plans, documents and information

3.13.1 ***Evidence of compliance with this Lease***

If so requested, the Tenant must produce to the Landlord or the Surveyor any plans, documents and other evidence the Landlord reasonably requires to satisfy itself that the provisions of this Lease have been complied with.

3.13.2 ***Information for renewal or rent review***

If so requested, the Tenant must produce to the Landlord, the Surveyor or any person acting as the third party determining the Rent in default of agreement between the Landlord and the Tenant under any provisions for rent review contained in this Lease any information reasonably requested in writing in relation to any pending or intended step under the 1954 Act or the implementation of any provisions for rent review.

3.14 Indemnities

The Tenant must keep the Landlord fully indemnified against all losses arising directly or indirectly out of any act, omission or negligence of the Tenant or any persons at the Estate expressly or impliedly with its authority and under its control or any breach or non-observance by the Tenant of the covenants, conditions or other provisions of this Lease or any of the matters to which this demise is subject.

3.15 Reletting boards and viewing

Unless a valid court application under the 1954 Act Section 24 has been made or the Tenant is otherwise entitled to remain in occupation or to a new tenancy of the Premises, at any time during the last 6 months of the Contractual Term and at any time thereafter the Tenant must permit the Landlord to fix and retain on the shopfront of the Premises a board advertising them for reletting such board to be erected in a position that minimises the obstruction to the Tenant's signage and first approved by the Tenant (such approval not to be unreasonably withheld or delayed). While any such board is on the Premises the Tenant must permit viewing of the Premises at reasonable times of the day.

3.16 Obstruction and encroachment

3.16.1 ***Obstruction of windows***

Save as permitted by clause 3.6.2, the Tenant must not stop up, darken or obstruct any window or light belonging to the Premises.

3.16.2 ***Encroachments***

The Tenant must take all reasonable steps to prevent the making of any encroachment or the acquisition of any easement in relation to the Premises and must notify the Landlord as soon as possible after becoming aware that any encroachment is made or easement acquired or if any attempt is made to to encroach or acquire an easement. At the request and cost of the Landlord the Tenant must adopt such means as are reasonably required to prevent the making of any encroachment or the acquisition of any easement.

3.17 Yielding up

At the end of the Term the Tenant must yield up the Premises, decorated and repaired in accordance with and in the condition required by the provisions of this Lease.

3.18 Interest on arrears

The Tenant must pay interest on any of the Lease Rents or other sums due under this Lease that are not paid within 14 days of the date due, whether formally demanded or not, in the case of the Rent . Nothing in this clause entitles the Tenant to withhold or delay any payment of the Rent or any other sum due under this Lease or affect the rights of the Landlord in relation to any non-payment.

3.19 Statutory notices

The Tenant must give full particulars to the Landlord of any notice, direction, order or proposal relating to the Premises made, given or issued to the Tenant by any government department or local, public, regulatory or other authority or court within 7 days of receipt and if so requested by the Landlord must produce it to the Landlord. Where compliance with such notice direction or order is the Tenant's responsibility the Tenant must without delay take all necessary steps to comply with the notice, direction or order. At the request and cost of the Landlord the Tenant must, save where doing so is against the best interests of the Tenant, any subtenant or other lawful occupier, make or join with the Landlord in making any objection or representation the Landlord deems expedient against or in respect of any notice, direction, order or proposal.

3.20 Keyholders

The Tenant must ensure that at all times the Landlord has written notice of the name and contact telephone number of a keyholder of the Premises.

3.21 Viewing on sale of reversion

The Tenant must, on reasonable notice, at reasonable times of the day during the Term, permit prospective purchasers of the Landlord's reversion or any other interest superior to the Term, or agents instructed in connection with the sale of the reversion or such an interest, to view the Premises without interruption, provided they have the prior written authority of the Landlord or its agents.

3.22 Defective premises

The Tenant must give notice to the Landlord of any defect in the Premises that might give rise to an obligation on the Landlord to do or refrain from doing anything in order to comply with the provisions of this Lease or the duty of care imposed on the Landlord, whether pursuant to the Defective Premises Act 1972 or otherwise, and must at all times display and maintain any notices the Landlord from time to time reasonably requires it to display at the Premises.

3.23 Replacement guarantor

3.23.1 ***Guarantor replacement events***

In this clause 3.23 references to a 'guarantor replacement event' are references, in the case of an individual, to death, bankruptcy, having a receiving order made against him or having a deputy appointed under the Mental Capacity Act 2005 or entering into a voluntary arrangement, and, in the case of a company, to passing a resolution to wind up, entering into liquidation, a voluntary arrangement or administration or having a receiver appointed.

3.23.2 ***Action on occurrence of a guarantor replacement event***

Where during the relevant Liability Period a guarantor replacement event occurs to guarantor (but not a guarantor who has entered into an authorised guarantee agreement the Tenant must give notice of the event to the Landlord within 14 days of it becoming aware of it. If so reasonably required by the Landlord, the Tenant must within 28 days obtain some other person reasonably acceptable to the Landlord to execute a guarantee in a form of the Guarantor's covenants in Schedule 8 GUARANTEE PROVISIONS

3.24 Exercise of the Landlord's rights

The Tenant must permit the Landlord to exercise any of the rights granted to it by virtue of the provisions of this Lease at all times during the Term without interruption or interference.

3.25 The Shop Covenants

The Tenant must observe and perform the Shop Covenants.

3.26 The Services

The Tenant must observe and perform his obligations contained in schedule 6 THE SERVICE CHARGE.

4 THE LANDLORD'S COVENANTS

The Landlord covenants with the Tenant to observe and perform the requirements of this clause 4.

4.1 Quiet enjoyment

The Landlord must permit the Tenant peaceably and quietly to hold and enjoy the Premises without any interruption or disturbance from or by the Landlord or any person claiming under or in trust for him or by title paramount.

4.2 The Services

4.2.1 ***Provision of the Services***

The Landlord must use all reasonable endeavours to provide the Services.

4.2.2 ***Relief from liability***

The Landlord is not to be liable to the Tenant for any breach of its obligations under clause 4.2.1 PROVISION OF THE SERVICES where the breach was caused by something beyond its control, provided it uses all reasonable endeavours to remedy the breach, except to the extent that the breach:

4.2.2.1 could have been prevented, or

4.2.2.2 its consequences could have been lessened, or

4.2.2.3 the time during which its consequences were experienced could have been shortened by the exercise of reasonable skill by the Landlord or those undertaking the obligation on its behalf.

4.2.3 ***Variation and withholding of the Services***

The Landlord may add to, withhold or vary the Services if, acting reasonably and in the interests of good estate management, he considers the addition, withholding or variation to be necessary or desirable for the comfort or convenience of the tenants in the Estate even if it increases the Landlord's Expenses so long as the Tenant's enjoyment of the Premises is not materially impaired or if it is required to do so by a competent authority.

4.3 Chancel Repair Liability

The Landlord shall be responsible for any chancel repair liability relating to the Premises and / or the Estate and shall indemnify the Tenant in relation to any costs or liability arising in relation to chancel repair.

4.4 Nuisance

4.4.1 The Landlord shall use its reasonable endeavours to ensure that no nuisance is caused to the Tenant by the Landlord or any of the Landlord's tenants or any other occupiers of the Building.

4.4.2 In the event of a leak or any other defect causing any water or other substances to leak into or otherwise enter the Premises the Landlord shall use its reasonable endeavours to procure that the leak or defect is remedied as soon as possible which for the avoidance of doubt shall (where the relevant part of the Building is let to a tenant) include taking such action against such tenant as soon as possible to ensure that the leak or defect is remedied as soon as possible.

5 INSURANCE

5.1 Warranty as to convictions

The Tenant warrants that before the execution of this document it has disclosed to the Landlord in writing any conviction, judgment or finding of any court or tribunal relating to the Tenant, or any director, other officer or major shareholder of the Tenant, of such a nature as to be likely to affect

the decision of any insurer or underwriter to grant or to continue insurance of any of the Insured Risks.

5.2 Covenant to insure

5.2.1 The Landlord covenants with the Tenant to insure the Estate unless the insurance is vitiated by any act of the Tenant or by anyone at the Estate expressly or by implication with the Tenant's authority and under the Tenant's control.

5.2.2 The Landlord shall ensure that the insurance is obtained at a reasonably competitive cost.

5.2.3 Whenever reasonably required to produce to the Tenant either a certified copy of the policy or policies of such insurance or other written evidence of the nature extent and terms thereof and the receipt for or other evidence of the payment of the last premium for the same in respect of the period of insurance then current.

5.2.4 To have the Tenant's interest in the Premises noted on the policies of insurance either specifically or generically.

5.2.5 To notify the Tenant as soon as reasonably practicable of any material changes in the Landlord's insurance cover or of the terms on which cover has been effected.

5.2.6 To use all reasonable endeavours to procure that the Landlord's insurance contains a non-invalidation clause and a provision whereby the insurers agree to waive all rights of subrogation remedies or relief to which the insurers might become subrogated against the Tenant (unless the loss has been occasioned by or contributed to by the fraudulent or criminal or malicious act of the Tenant) whilst such clauses are usually available in the London insurance market.

5.3 Details of the insurance

5.3.1 ***Office, underwriters and agency***

Insurance is to be taken out in such insurance office, or with such underwriters, and through such agency as the Landlord from time to time decides.

5.3.2 ***Insurance cover***

Insurance must be taken out for the following amounts:

5.3.2.1 the sum that the Landlord reasonably believes (after taking proper advice) is the full cost of rebuilding and reinstating the Estate, including VAT, architects', surveyors', engineers', solicitors' and all other professional persons' fees, the fees payable on any applications for planning permission or other permits or consents that may be required in relation to rebuilding or reinstating the Estate, the cost of preparation of the site including shoring-up, debris removal, demolition, site clearance and any works that may be required by statute, and incidental expenses; and

5.3.2.2 loss of rental income from the Estate, taking account of any rent review that may be due, for 3 years.

5.3.3 ***Risks insured***

Insurance must be taken out against damage or destruction by any of the Insured Risks to the extent that such insurance may ordinarily be arranged for properties such as the Estate, and subject to such reasonable excesses, exclusions or limitations as the insurer requires.

5.4 Payment of the Insurance Rent

The Tenant covenants to pay the Insurance Rent for the period starting on the Rent Commencement Date and ending on the day before the next policy renewal date on the date of this Lease and subsequently to pay the Insurance Rent within 21 days of written demand and, if so demanded, in advance of the policy renewal date, but not more than 1 month in advance.

5.5 Suspension of the Rent

5.5.1 ***Events giving rise to suspension***

If and whenever the Estate or any part of it is damaged or destroyed so that the Premises or any part of them are unfit for occupation or use or inaccessible by one or more of:

5.5.1.1 the Insured Risks -except one against which insurance may not ordinarily be arranged for properties such as the Estate unless the Landlord has in fact insured against that risk- and payment of the insurance money is not wholly or partly refused because of any act or default of the Tenant or anyone at the Estate expressly or by implication with its authority and under the Tenant's control; or

5.5.1.2 the Uninsured Risks and the damage or destruction is not caused by any act or default of the Tenant or anyone at the Estate expressly or by implication with its authority and under the Tenant's control.

then the provisions of clause 5.5.2 SUSPENDING THE RENT are to have effect.

5.5.2 ***Suspending the Rent***

In the circumstances mentioned in clause 5.5.1 EVENTS GIVING RISE TO SUSPENSION the Rent , or a fair proportion of the Rent according to the nature and the extent of the damage sustained, is to cease to be payable until the Estate has been rebuilt or reinstated so as to render the Premises, or the affected part, fit for occupation and use and accessible, or until the end of 3 years from the destruction or damage whichever period is the shorter, the proportion of the Rent suspended and the period of the suspension to be determined by the Surveyor acting as an expert and not as an arbitrator any dispute as to the proportion of the Rent suspended or the period of the suspension to be determined in accordance with the Arbitration Act 1996 by an arbitrator to be appointed by agreement between the Landlord and the Tenant or in default by the President or other proper officer for the time being of the Royal Institution of Chartered Surveyors upon the application of either the Landlord or the Tenant and any Rent paid by

the Tenant in respect of any period following the date of damage or destruction shall be refunded to the Tenant within 10 working days of the date of such damage or destruction occurring.

5.6 Landlord's obligation to reinstate

5.6.1 ***Obligation to obtain permissions***

If and whenever the Estate or any part of it is damaged or destroyed by one or more of the Insured Risks--except one against which insurance may not ordinarily be arranged for properties such as the Estate, unless the Landlord has in fact insured against that risk-- so that the Premises or any part of them are unfit for occupation or use and payment of the insurance money is not wholly or partly refused because of any act or default of the Tenant or anyone at the Estate expressly or by implication with its authority and under the Tenant's control, then the Landlord must use its best endeavours to obtain any planning permissions or other permits and consents ('permissions') that are required under the Planning Acts or otherwise to enable him to rebuild and reinstate the Estate as soon as reasonably practical.

5.6.2 ***Obligation to reinstate***

Subject to the provisions of clause 5.6.3 RELIEF FROM THE OBLIGATION TO REINSTATE, and, if any permissions are required, after they have been obtained, the Landlord must as soon as reasonably practicable apply all money received in respect of the insurance taken out by the Landlord pursuant to this Lease, except sums in respect of loss of the Rent , in rebuilding or reinstating the parts of the Estate destroyed or damaged, making up any difference between the cost of rebuilding and reinstating and the money received out of his own money. The Landlord shall ensure that all works of reinstatement shall be carried out in a good and workmanlike manner, in accordance with good building practice and with good and suitable materials.

5.6.3 ***Relief from the obligation to reinstate***

The Landlord need not rebuild or reinstate the Estate if and for so long as rebuilding or reinstating is prevented because:

5.6.3.1 the Landlord, despite using its best endeavours, cannot obtain a necessary permission,

5.6.3.2 any permission is granted subject to a lawful condition with which in all the circumstances it is unreasonable to expect the Landlord to comply,

5.6.3.3 there is some defect or deficiency in the site on which the rebuilding or reinstatement is to take place that means it can only be undertaken at a cost that is unreasonable in all the circumstances,

5.6.3.4 the Landlord is unable to obtain access to the site to rebuild or reinstate,

5.6.3.4 the rebuilding or reinstating is prevented by war, act of God, government action, strike or lock-out or the occurrence of any other circumstances beyond the Landlord's control.

5.7 Termination on failure to reinstate

5.7.1 ***Notice to terminate***

If at the end of a period of 3 years starting on the date of the damage or destruction of the Estate by one or more of the Insured Risks or of the Uninsured Risks the Premises are still not fit for the Tenant's occupation and use, either the Landlord or the Tenant may by notice served at any time after the end of that period but before such damage or destruction has been reinstated ('a notice to terminate following failure to reinstate') implement the provisions of clause 5.7.2 TERMINATION FOLLOWING FAILURE TO REINSTATE Provided That the Landlord shall not be entitled to serve a notice under clause 5.7.2 unless it has complied with its obligations to reinstate contained in this Lease

5.7.2 ***Termination following failure to reinstate***

On service of a notice to terminate following failure to reinstate, the Term is to cease absolutely--but without prejudice to any rights or remedies that may have accrued--and all money received in respect of the insurance taken out by the Landlord pursuant to this Lease is to belong to the Landlord absolutely.

5.9 Tenant's further insurance covenants

The Tenant covenants with the Landlord to observe and perform the requirements of this clause 5.9.

5.9.1 ***Requirements of insurers***

The Tenant must comply with all the requirements of the insurers.

5.9.2 ***Policy avoidance and additional premiums***

The Tenant must not do or omit anything that could cause any insurance policy on or in relation to the Estate to become wholly or partly void or voidable or do or omit anything by which additional insurance premiums may become payable unless it has previously notified the Landlord and has agreed to pay the increased premium.

5.9.3 ***Fire Safety***

The Tenant must comply with the requirements of and the duties imposed by the Fire Safety Regulations as to fire safety at the Estate. In particular the Tenant must:

5.9.3.1 keep the Premises supplied with such fire fighting equipment as is necessary to comply with the Fire Safety Regulations and in efficient working order, causing any sprinkler system and other fire fighting equipment to be inspected by a competent personas often as is required by statute ; and

5.9.3.2 not obstruct the access to any fire equipment or the means of escape from the Premises or any part of the Estate or lock any fire door while the Premises are occupied.

5.9.4 ***Dangerous Substances***

Save in the course of the Tenant's business, the Tenant must not store on the Premises or bring onto the Estate any dangerous substances as defined by the Fire Safety Regulations.

5.9.5 ***Notice of events affecting the policy***

The Tenant must give immediate notice to the Landlord on becoming aware of any event that is likely to affect any insurance policy on or relating to the Estate and on becoming aware of any event against which the Landlord may have insured under this Lease.

5.9.6 ***Notice of convictions***

The Tenant must give immediate notice to the Landlord of any conviction, judgment or finding of any court or tribunal relating to the Tenant, or any director other officer or major shareholder of the Tenant, of such a nature as to be likely to affect the decision of any insurer or underwriter to grant or to continue any insurance.

5.9.7 ***Other insurance***

If at any time the Tenant is entitled to the benefit of any insurance of the Premises that is not taken out or maintained in pursuance of any obligation contained in this Lease, the Tenant must apply all money received by virtue of such insurance in making good the loss or damage in respect of which the money is received.

6 UNINSURED DAMAGE

6.1 If the Premises or the Estate or any part thereof are damaged or destroyed by Uninsured Damage so that the Premises or any material part thereof are unfit for beneficial occupation and use for the use permitted under this Lease or inaccessible the Landlord shall serve notice in writing (an "Election Notice") on the Tenant within the period of six months following the date of such damage or destruction ("the Election Period") notifying the Tenant whether or not the Landlord elects to rebuild or reinstate at its own cost the Premises and/or the Estate (as appropriate).

6.2 If the Landlord shall elect to reinstate the Landlord shall reinstate the Premises and/or the Estate (as appropriate) with all reasonable expedition as if the Premises were unfit for beneficial occupation and use because of damage or destruction by an Insured Risk.

6.3 If the Landlord shall elect not to reinstate or if no Election Notice shall have been served during the Election Period in accordance with clause 6.2 the Landlord or the Tenant may on the service of notice in writing given to the other following the earlier of:-

6.3.1 the expiration of the Election Period and

6.3.2 the date upon which the Election Notice indicates that the Landlord will not rebuild or reinstate in accordance with clause 6.2

(but not once the Premises and/or the Estate (as appropriate) have been rebuilt or reinstated so as to render the Premises fit for beneficial use and occupation for the use permitted under this Lease and accessible) forthwith determine this Lease (but without prejudice to any rights or remedies that may have accrued) and any insurance proceeds shall belong to the Landlord.

6.4 Time shall be of the essence for the purpose of this clause 6

7 FORFEITURE

If and whenever during the Term:

7.1 the Lease Rents, or any of them or any part of them, or any VAT payable on them, are outstanding for 21 days after becoming due, whether formally demanded or not in the case of the Rent (unless in the case of the Insurance Rent or the Service Charge the reason why the Insurance Rent or the Service Charge (as the case may be) has not been paid is due to an ongoing genuine bona fide dispute, or

7.2 the Tenant breaches any covenant or other term of this Lease, or

7.3 the Tenant being an individual, becomes subject to a bankruptcy order or has an interim receiver appointed to his property, or

7.4 the Tenant being a company, enters into liquidation whether compulsory or voluntary--but not if the liquidation is for amalgamation or reconstruction of a solvent company--or enters into administration or has a receiver appointed over all or any part of its assets, or

7.5 the Tenant enters into or makes a proposal to enter into any voluntary arrangement pursuant to the Insolvency Act 1986 or any other arrangement or composition for the benefit of its creditors, or

7.6 the Tenant has any distress, sequestration or execution levied on its goods at the Premises

and, where the Tenant is more than one person, if and whenever any of the events referred to in this clause happens to any one or more of them, the Landlord may at any time re-enter the Premises, or any part of them in the name of the whole--even if any previous right of re-entry has been waived--and thereupon the Term is to cease absolutely but without prejudice to any rights or remedies that may have accrued to either party against the other 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.

8 MISCELLANEOUS

8.1 Exclusion of warranty as to use

Nothing in this Lease or in any consent granted by the Landlord under this Lease is to imply or warrant that the Premises may lawfully be used under the Planning Acts for the Permitted Use.

8.2 Exclusion of third party rights

Nothing in this Lease is intended to confer any benefit on any person who is not a party to it.

8.3 Representations

The Tenant acknowledges that this Lease has not been entered into in reliance wholly or partly on any statement or representation made by or on behalf of the Landlord except any such statement or representation expressly set out in this Lease or made by the Landlord's solicitors in any written response to enquiries raised by the Tenant's solicitors in connection with the grant of this Lease including replies to CPSE.1 and CPSE.3.

8.4 Documents under hand

While the Landlord is a limited company or other corporation, any licence, consent, approval or notice required to be given by the Landlord is to be sufficiently given if given under the hand of a director, the secretary or other duly authorised officer of the Landlord or by the Surveyor on behalf of the Landlord.

8.5 Tenant's property

If, after the Tenant has vacated the Premises at the end of the Term, any of its property remains in or on the Premises and it fails to remove it within 10 days after a written request from the Landlord to do so or, if the Landlord is unable to make such a request to the Tenant, within 14 days from the first attempt to make it, then the Landlord may, as the agent of the Tenant, sell that property. The Tenant must indemnify the Landlord against any liability incurred by the Landlord to any third party whose property is sold by him in the mistaken belief held in good faith--which is to be presumed unless the contrary is proved--that the property belonged to the Tenant. If, having made reasonable efforts to do so, the Landlord is unable to locate the Tenant, then the Landlord may retain the proceeds of sale absolutely unless the Tenant claims them within 6 months of the date upon which it vacated the Premises. The Tenant must indemnify the Landlord against any damage occasioned to the Premises and any losses caused by or related to the presence of the property in or on the Premises.

8.8 Notices

8.8.1 ***Form and service of notices***

A notice under this Lease must be in writing and, unless the receiving party or his authorised agent acknowledges receipt, is valid if, and only if:

8.8.1.1 it is given by hand, sent by registered post or recorded delivery, or sent by fax provided a confirmatory copy is given by hand or sent by registered post or recorded delivery on the same day; and

8.8.1.2 it is served:

(a) where the receiving party is a company incorporated within Great Britain or an Industrial and Provident Society or a limited liability partnership, at the registered office;

(b) where the receiving party is the Tenant and the Tenant is not such a company or an Industrial and Provident Society or a limited liability partnership, at the Premises; and

(c) where the receiving party is the Landlord or the Guarantor and the Landlord is not such a company, at the Landlord's address shown in this Lease or at any address specified in a notice given by the Landlord to the Tenant.

8.8.2 ***Deemed delivery***

8.8.2.1 By registered post or recorded delivery

Unless it is returned through the Royal Mail undelivered, a notice sent by registered post or recorded delivery is to be treated as served on the second working day after posting whenever, and whether or not, it is received.

8.8.2.2 By fax

A notice sent by fax is to be treated as served on the day upon which it is sent, or the next working day where the fax is sent after 1600 hours or on a day that is not a working day, whenever and whether or not it or the confirmatory copy is received unless the confirmatory copy is returned through the Royal Mail undelivered.

8.8.2.3 'A working day'

References to 'a working day' are references to a day when the United Kingdom clearing banks are open for business in the City of London.

8.8.3 ***Joint recipients***

If the receiving party consists of more than one person, a notice to one of them is notice to all.

8.9 Rights and easements

The operation of the Law of Property Act 1925 Section 62 is excluded from this Lease. The only rights granted to the Tenant are those expressly set out in this Lease and the Tenant is not to be entitled to any other rights affecting any adjoining property of the Landlord.

8.10 Covenants relating to adjoining property

The Tenant is not to be entitled to the benefit of, or the right to enforce or to prevent the release or modification of, any covenant agreement or condition entered into by any tenant of the Landlord in respect of any adjoining property of the Landlord.

8.11 Disputes with adjoining occupiers

If any dispute arises between the Tenant and the tenants or occupiers of any adjoining property of the Landlord in connection with the Premises and any of that adjoining property, it is to be decided by the Landlord (acting reasonably) or as the Landlord directs by the Surveyor (acting reasonably) acting as an expert and not as an arbitrator.

8.12 Effect of waiver

Each of the Tenant's covenants is to remain in full force both at law and in equity even if the Landlord has waived or released that covenant or waived or released any similar covenant affecting any adjoining property of the Landlord.

SCHEDULE 1: THE RIGHTS GRANTED

1 Right to use the Common Parts

The right, subject to temporary interruption for repair, alteration, rebuilding or replacement, for the Tenant and all persons expressly or by implication authorised by it - in common with the Landlord and all other persons having a like right - to use (and have a right of way over) all appropriate areas of the Common Parts for all proper purposes in connection with the use and enjoyment of the Premises at all times and the right at all times to pass with or without trolleys and cages over the Common Parts for the purpose of making deliveries to and collections from the Premises

2 Passage and running through the Adjoining Conduits

2.1 The right to the free passage and running of all services to and from the Premises through the appropriate Adjoining Conduits in common with the Landlord and all other persons having a like right.

2.2 the right to lay new Conduits and make connections under unbuilt upon parts of the Estate and a right to go onto unbuilt upon parts of the Estate so far as this may be necessary for this purpose.

2.3 the right upon giving reasonable written notice (except in cases of emergency) to go onto unbuilt upon parts of the Estate so far as this may be necessary to view the state and condition of and to maintain clean renew or repair Conduits that now or may during the Term serve the Premises and to comply with the Tenant's covenants the Tenant doing as little damage as possible and subject to the Tenant making good all damage and disturbance caused as soon as reasonably practicable;

3 Support and protection

The right of support and protection for the benefit of the Premises that is now enjoyed from all other parts of the Estate.

4 The Parking Bays

The right in conjunction with all others so entitled for the Tenant and its customers to use the Parking Bays for the parking of private motor vehicles on a first come first served basis.

5 Entry onto Estate to maintain premises

The right upon giving reasonable written notice (except in cases of emergency) to enter onto other parts of the Estate so far as this may be necessary to view the state and condition of and to maintain clean renew or repair the Premises and to comply with the Tenant's covenants the Tenant doing as little damage as possible and subject to the Tenant making good all damage and dis-

turbance caused as soon as reasonably practicable

SCHEDULE 2: THE RIGHTS RESERVED

1 **Passage and running through the Conduits**

The right to the free and uninterrupted passage and running of all appropriate services and supplies from and to other parts of the Estate or any other adjoining property of the Landlord in and through the appropriate Conduits and through any structures of a similar use or nature that may at any time be constructed in, on, over or under the Premises.

2 **Access**

2.1 ***Access to inspect etc***

The right to enter, or in emergency to break into and enter, the Premises at reasonable times and on reasonable notice except in emergency:

2.1.1 to inspect the condition and state of repair of the Premises;

2.1.2 to inspect, clean, repair, remove, replace with others, the conduits or services referred to in paragraphs 1 PASSAGE AND RUNNING THROUGH THE CONDUITS;

2.1.3 to view the state and condition of and repair and maintain to the Estate and any other buildings where such viewing or repair or maintenance would not otherwise be possible;

2.1.4 to carry out work or do anything whatever that the Landlord is obliged to do under this Lease where such work would not otherwise be possible;

2.1.5 to take schedules or inventories of fixtures and other items to be yielded up at the end of the Term; and

2.1.6 to exercise any of the rights granted to the Landlord by this Lease.

3 ***Access on renewal or rent review***

The right to enter the Premises with the Surveyor and the third party determining the Rent under any provisions for rent review contained in this Lease, at convenient hours and on reasonable prior notice, to inspect and measure the Premises for all purposes connected with any pending or intended step under the 1954 Act or the implementation of the provisions for rent review.

4 **Right to erect scaffolding**

The right temporarily to erect scaffolding for any purpose connected with or related to the Estate or any other buildings provided it does not materially adversely restrict access to or the use and enjoyment of the Premises, does not obstruct the Tenant's shopfront and/or signage, and is in-situ for as short a period as is possible given the purpose for which it was erected.

5 **Rights of support and shelter**

The rights of light, air, support, shelter, protection and all other easements and rights at the date of this Lease belonging to or enjoyed by other parts of the Estate or any other adjoining property of the Landlord.

6 Right to erect new buildings

Full right and liberty at any time:

6.1 to alter, raise the height of or rebuild the Estate or any other building and

6.2 to erect any new buildings of any height on any adjoining property of the Landlord

in any manner the Landlord thinks fit, provided the same does not materially obstruct, affect or interfere with the amenity of or access to the Premises or the passage of light and air to the Premises or the Tenant's use and enjoyment of the Premises.

SCHEDULE 3: THE RENT AND RENT REVIEW

1.1 *Agreement of the Rent*

Six months before each review date, time not being of the essence of the contract, the Landlord and the Tenant must explore the possibility of open negotiations with a view to reaching a written agreement as to the Rent for the following review period and the Rent for that period may be agreed at any time or, in the absence of agreement, is to be determined in accordance with this Schedule 3

1.2 *The Rent*

Until the First Review Date the Rent is to be the Initial Rent and thereafter during each successive review period the Rent is to be a sum equal to the greater of (1) the Rent payable under this Lease immediately before the relevant review date or (2) the revised Rent ascertained in accordance with paragraph 2 this schedule or (3) the revised Rent ascertained in accordance with paragraph 3 this schedule.

1.3 *Memoranda of agreement*

Whenever the Rent has been ascertained in accordance with this schedule, memoranda to that effect must be signed by or on behalf of the Landlord and the Tenant and annexed to this document and its counterpart. The Landlord and the Tenant must bear their own costs in this respect.

1.4 Where *the Rent is not ascertained by a review date*

If the Rent payable during any review period has not been ascertained by the relevant review date, then rent is to continue to be payable at the rate previously payable, such payments being on account of the Rent for that review period.

1.5 *Where a review date is not a quarter day*

If the Rent for any review period is ascertained on or before the relevant review date but that date is not a quarter day, then the Tenant must pay to the Landlord on that review date the difference between the Rent due for that quarter and the Rent already paid for it.

1.6 ***Back-payment where review delayed***

If the Rent payable during any review period has not been ascertained by the relevant review date, then the Tenant must pay to the Landlord, within 7 days of the date on which the Rent is agreed or ascertained, any shortfall between the Rent that would have been paid for that period had it been ascertained on or before the relevant review date and the payments made by the Tenant on account and any VAT payable thereon, and interest, at the base lending rate from time to time of the bank referred to in or nominated pursuant to clause 1.19, in respect of each instalment of rent due on or after that review date on the amount by which the instalment of the Rent that would have been paid had it been ascertained exceeds the amount paid by the Tenant on account, the interest to be payable for the period from the date on which the instalment was due up to the date of payment of the shortfall.

1.7 **Effect of counter-inflation provisions**

If at any review date a statute prevents, restricts or modifies the Landlord's right either to review the Rent in accordance with this Lease or to recover any increase in the Rent, then the Landlord may, when the restriction or modification is removed, relaxed or varied--without prejudice to his rights, if any, to recover any rent the payment of which has only been deferred by statute--on giving not less than 1 month's nor more than 3 months' notice to the Tenant at any time within 6 months of the restriction or modification being removed, relaxed or varied, time being of the essence, require the Tenant to proceed with any review of the Rent that has been prevented or to review the Rent further where the Landlord's right was restricted or modified. The date of expiry of the notice is to be treated as a review date--provided that nothing in this paragraph is to be construed as varying any subsequent review date. The Landlord may recover any increase in the Rent with effect from the earliest date permitted by law.

2.1 **Definitions**

For all purposes of this schedule the terms defined in this paragraph 2 have the meanings specified.

2.2 ***'The Base Figure'***

'The Base Figure' means 128.4.

2.3 ***'The Index'***

'The Index' means the 'all Items' index figure of the Retail Prices Index *(or as appropriate)* published by the Office for National Statistics or any successor body.

2.4 ***'A review period'***

References to 'a review period' means a period beginning on any review date and ending on the day before the next review date and qualified uses of the term are to be construed accordingly.

2.5 **Ascertaining the Rent**

2.6 ***Determination of the revised Rent***

The Rent for any review period is to be determined at the relevant review date by multiplying the Initial Rent by the Index for the month preceding the relevant review date and dividing the result by the Base Figure.

2.7 ***Changes in the Index***

If the reference base used to compile the Index changes after the date of this Lease, the figure taken to be shown in the Index after the change is to be the figure that would have been shown in the Index if the reference base current at the date of this Lease had been retained.

2.8 ***Arbitration of problems***

If it becomes impossible to calculate the Rent for any Review Period by reference to the Index because of any change in the methods used to compile the Index after the date of this Lease or for any other reason whatever, or if any dispute or question whatever arises between the parties as to the amount of the Rent for any review period or the construction or effect of this schedule, then the Rent for that review period or the disputed matter is to be determined by an arbitrator to be appointed either by agreement between the parties or, in the absence of agreement, by the President for the time being of the Royal Institution of Chartered Surveyors, or any person authorised by him to make appointments on his behalf, on the application of either the Landlord or the Tenant. This is to be deemed to be a submission to arbitration within the meaning of the Arbitration Act 1996. The arbitrator is to have full power to determine, on such dates as he considers appropriate, what the increase in the Index would have been had it continued on the basis assumed for the operation of this rent review and in view of the information assumed to be available for it. If that determination is also impossible, the arbitrator must determine a reasonable rent for the Premises on such dates as he considers appropriate, having regard to the purposes and intent of the provisions in this Lease for the review of the Rent.

2.9 ***Memoranda of the Rent payable***

Whenever the Rent has been ascertained in accordance with this schedule, memoranda to that effect must be signed by or on behalf of the Landlord and the Tenant and annexed to this document and its counterpart. The Landlord and the Tenant must bear their own costs in this respect.

3.1 **Definitions**

For all purposes of this schedule the terms defined in this paragraph 3 have the meanings specified.

3.2 ***'The Assumptions'***

'The Assumptions' means:

3.2.1 the assumption that no work has been carried out on the Premises during the Term by the Tenant, his subtenants, or their predecessors in title or any occupiers that has diminished the rental value of the Premises other than work carried out in compliance with clause 3.7;

3.2.2 the assumption that if the Premises have been destroyed or damaged they have been fully rebuilt or reinstated;

3.2.3 the assumption that the covenants contained in this Lease on the part of the Tenant have been fully performed and observed;

3.2.4 the assumption that the Premises are available to let by a willing landlord to a willing tenant in the open market by one lease ('the Hypothetical Lease') without a premium being paid by either party and with vacant possession;

3.2.5 the assumption that the Premises have already been fitted out and equipped by and at the expense of the incoming tenant so that they are capable of being used by the incoming tenant from the beginning of the Hypothetical Lease for all purposes required by the incoming tenant that would be permitted under this Lease;

3.2.6 the assumption that the Hypothetical Lease contains the same terms as this Lease, except the amount of the Initial Rent and any rent-free period allowed to the Tenant for fitting out the Premises for his occupation and use at the commencement of the Term, but including the provisions for rent review on the Review Dates, and except as set out in paragraph 3.2.7;

3.2.7 the assumption that the term of the Hypothetical Lease is equal in length to the Contractual Term and that such term begins on the relevant review date, that the rent commences to be payable on that date and that the years during which the tenant covenants to decorate the Premises are at the same intervals after the beginning of the term of the Hypothetical Lease as those specified in this Lease;

3.2.8 the assumption that the Hypothetical Lease will be renewed at the expiry of its term under the provisions of the 1954 Act; and

3.2.9 the assumption that every prospective willing landlord and willing tenant is able to recover VAT in full.

3.3 ***'The Disregards'***

'The Disregards' means:

3.3.1 disregard of any effect on rent of the fact that the Tenant, his subtenants, or their predecessors in title or any lawful occupier have been in occupation of the Premises;

3.3.2 disregard of any goodwill attached to the Premises because the business of the Tenant, his subtenants, or their predecessors in title in their respective businesses is or was carried on there; and

3.3.3 disregard of any increase in rental value of the Premises attributable at the relevant review date to any improvement to the Premises carried out, with consent where required, otherwise than in pursuance of an obligation except an obligation contained in clause 3.7 to the Landlord or his predecessors in title either:

3.3.3.1 by the Tenant, his subtenants, or their predecessors in title or any lawful occupier during the Term or during any period of occupation before the Term; or

3.3.3.2 by any tenant or subtenant of the Premises or any lawful occupiers before the commencement of the Term, provided that the Landlord or his predecessors in title have not since the improvement was carried out had vacant possession of the relevant part of the Premises; and

3.3.4 disregard of the taxable status of the Landlord or the Tenant for the purpose of VAT.

3.4 ***'An expert'***

References to 'an expert' are references to an independent valuer appointed by agreement between the Landlord and the Tenant or, in the absence of agreement within *14 days* of one of them giving notice to the other of his nomination, nominated by the President on the application of either made not earlier than *6 months* before the relevant review date or at any time thereafter to determine the rent under this schedule.

3.5 ***'The President'***

'The President' means the President for the time being of the Royal Institution of Chartered Surveyors or any person authorised by him to make appointments on his behalf.

3.6 ***'A review period'***

References to 'a review period' are references to the period beginning on any review date and ending on the day before the next review date.

3.7 Ascertaining the Rent

3.7.1 ***Open market rent***

The sum to be determined by the expert must be the sum at which, acting as an expert and not as an arbitrator or quasi-arbitrator, he decides the Premises might reasonably be expected to be let in the open market at the relevant review date making the Assumptions but disregarding the Disregards.

3.7.2 ***Conduct of the determination***

3.7.2.1 Fees and expenses

The fees and expenses of an expert and any VAT payable on them, including the cost of his appointment, are to be borne equally by the Landlord and the Tenant, who must otherwise each bear their own costs.

3.7.2.3 Representations

An expert must afford each of the parties an opportunity to make written representations to him and also an opportunity to make written counter-representations on any representations made to him by the other party but is not to be in any way limited or fettered by such representations and counter-representations and is to be entitled to rely on his own judgment and opinion.

3.7.2.4 Replacement of an expert

If an expert dies or refuses to act or becomes incapable of acting or if he fails to publish his determination within 4 months of the date on which he accepted the ap-

pointment, either party may apply to the President to discharge him and appoint another in his place.

3.7.3 ***Reimbursement of costs***

If, on publication of an expert's determination, the Landlord or the Tenant pays all his fees and expenses, the paying party may, in default of payment within 21 days of a demand to that effect, recover half of them from the other party in the case of the Landlord as rent arrears or in the case of the Tenant by deduction from the Rent.

SCHEDULE 4: THE SHOP COVENANTS

1 Use

1.1 ***Permitted Use***

The Tenant must use the Premises for the Permitted Use only.

1.2 ***External displays***

The Tenant must not stand, place, deposit or expose any goods whatsoever for display or sale or for any other purpose outside any part of the Premises.

1.3 ***Noxious discharges***

The Tenant must not discharge into any of the Conduits or the Adjoining Conduits any noxious or deleterious matter or any substance that might cause an obstruction in or danger or injury to the Conduits or the Adjoining Conduits or be or become a source of obstruction, danger or injury and in the event of any such obstruction, danger or injury the Tenant must forthwith make good all damage to the reasonable satisfaction of the Surveyor.

1.4 ***Noisy machinery***

The Tenant must not install in or use on the Premises any machinery or apparatus causing noise or vibration that can be heard or felt at unreasonably levels in nearby premises or outside the Premises or that may cause damage.

1.5 ***Sound audible outside***

The Tenant must not play or use on the Premises any musical instrument, audio or other equipment or apparatus producing sound that can be heard at unreasonable levels outside the Premises .

1.6 ***Flashing lights***

The Tenant must not display any flashing lights in the Premises that can be seen from outside the Premises.

1.7 ***Exterior lights and awning***

The Tenant must not install or erect any exterior lighting, shade or awning at the Premises without the consent of the Landlord (such consent not to be unreasonably withheld or delayed

2 Damage precautions

2.1 ***Frost precautions***

The Tenant must take all necessary precautions against frost damage to the Conduits.

2.2 ***Water damage***

The Tenant must take all necessary care and precautions to avoid water damage to any other part of the Estate by reason of the bursting or overflowing of any pipe or water apparatus in the Premises.

4 Cleaning and tidying

4.1 ***Care of the Common Parts***

The Tenant must not cause the Common Parts to become untidy or dirty and must keep them free from deposits of materials and refuse.

4.2 ***Shop front and windows***

The Tenant must clean both sides of the shop front as often as is reasonably necessary.

6 Ceiling and floor loading

6.1 ***Heavy items***

The Tenant must not bring onto, or permit to remain on, the Premises any safes, machinery, goods or other articles that will or may strain or damage the Premises or any part of them.

6.2 ***Protection of the ceiling***

The Tenant must not, without the consent of the Landlord, suspend anything from the ceiling of the Premises which may strain or damage the Premises or any other part of the Building.

6.3 ***Expert advice***

If the Tenant applies for the Landlord's consent under paragraph 6.2 PROTECTION OF THE CEILING, the Landlord may consult any engineer or other person in relation to the loading proposed by the Tenant and the Tenant must repay the fees of the engineer or other person to the Landlord within 14 days of written demand.

7 Loading and unloading

7.1 ***Loading bays to be used***

The Tenant must not load or unload any goods or materials from any vehicle unless the vehicle is parked in the loading bay coloured brown on the Plan

7.2 ***Standing vehicles***

The Tenant must not permit any vehicles belonging to it to stand on the service roads or any pavements.

7.3 ***Use of goods entrances required***

The Tenant must not convey any goods or materials to or from the Premises except through the entrances and service areas provided for the purpose.

8 Plate glass

8.1 ***Insurance of plate glass***

The Tenant must insure any plate glass against breakage or damage, in a reputable insurance office, for its full reinstatement cost from time to time and whenever reasonably so required must produce to the Landlord particulars of the policy of insurance and evidence of payment of the current year's premium.

8.2 ***Reinstatement of plate glass***

Notwithstanding anything to the contrary contained elsewhere in this Lease, whenever the whole or any part of the plate glass is broken or damaged the Tenant must as quickly as possible lay out all money received in respect of the insurance of it in reinstating it with new glass of at least the same quality and thickness and must make good any deficiency in such money.

9 **Regulations**

The Tenant must comply with all reasonable regulations made by the Landlord from time to time in the interests of good estate management of the Estate and notified to the Tenant in writing, provided that nothing in the regulations may purport to amend the terms of this Lease and, in the event of any inconsistency between the terms of this Lease and the regulations, the terms of this Lease are to prevail.

SCHEDULE 5: THE SUBJECTIONS

All those matters referred to in the property, Proprietorship and Charges Registers of title number CB336919 (so far as they relate to the Premises are subsisting and capable of being enforced) and the covenants and restrictions contained in the Lease.

SCHEDULE 6: THE SERVICE CHARGE

1 **Definitions**

In this schedule the terms defined below have the meanings given in this paragraph.

1.1 ***'Financial year'***

References to 'financial year' are references to the period commencing on 1 January in any year and ending on 31 December in the same year or such other annual period as the Landlord in its reasonable discretion determines as being that for which his accounts, either generally or in respect of the Estate, are to be made up.

1.2 ***'The Initial Provisional Service Charge'***

'The Initial Provisional Service Charge' means the sum of £714 plus VAT year.

1.4 ***'Other lettable premises'***

References to 'other lettable premises' are references to premises in the Estate that are let, or are from time to time allocated for letting, or are capable of being let, by the Landlord, other than the

Premises and respectively include and exclude, where applicable, the equivalent parts of the Estate included in and excluded from the Premises as described in clause 1.39 THE PREMISES.

1.5 ***'The Plant'***

'The Plant' means all the electrical, mechanical and other plant, machinery, equipment, furnishings, furniture and fixtures and fittings of ornament or utility in use for common benefit of the Tenant and other tenants or occupiers of the Estate from time to time on, in or at the Estate, including, without prejudice to the generality of the foregoing, equipment, cleaning equipment, fire alarm systems, closed circuit television and all other such equipment including stand-by and emergency systems.

1.6 ***'The Retained Parts'***

'The Retained Parts' means the parts of the Estate that are not let, or constructed or adapted for letting, including, but without prejudice to the generality of the foregoing, the Common Parts and any parts of the main structure, walls, foundations and roofs of the Estate that are not included in the Premises and would not be included in premises demised by leases of the other units in the Estate if let on the same terms as this Lease.

2 Service charge provisions

2.1 ***Payment***

For each financial year the Tenant must pay the Service Charge Proportion of the Landlord's Expenses.

2.2 ***Variation of the Service Charge Proportion***

The Service Charge Proportion may be varied from time to time to the extent that the Surveyor fairly and reasonably considers appropriate.

2.3 ***Deemed Landlord's Expenses***

If the Landlord or a person connected with the Landlord or employed by the Landlord attends to the supervision and management of the provision of services for the Estate, the preparation of accounts of the Landlord's Expenses, the auditing of the Landlord's Expenses or the collection of rents from the Estate, then an expense is to be deemed to be paid or incurred by the Landlord, being a reasonable fee not exceeding that which independent agents might properly have charged for the same work.

2.4 ***Landlord's contribution***

The Landlord is to have no liability to contribute to the Landlord's Expenses except in relation to any other lettable premises for which no contribution is payable by an occupier or other person.

2.5 ***Anticipated expenditure and payments on account***

2.5.1 No later than one month prior to the commencement of each financial year the Landlord must ensure that the Surveyor prepares and must provide to the Tenant a budget of the anticipated Landlord's Expenses for that financial year together with an appropriate explanatory commentary

and details of the proportion of the anticipated Landlord's Expenses for which the Tenant will be responsible.

2.5.2 For each financial year the Tenant must pay that proportion to the Landlord on account of the Service Charge in advance, by equal instalments on the usual quarter days.

2.5.3 If, during any financial year, it becomes apparent that the budget of the anticipated Landlord's Expenses for that financial year is no longer accurate in a material respect or respects the Landlord must provide details of the changes to the Tenant as soon as reasonably practicable and the Surveyor may revise the Tenant's contribution on account of the Service Charge for that financial year so as to take into account those changes.

2.6 ***On account service charge for the first financial year***

The sum payable by the Tenant on account for the financial year current at the date of this document is to be at the rate of the Initial Provisional Service Charge and is to be payable in advance, by equal instalments on the usual quarter days, with a due proportion calculated from day to day in respect of the period from the Rent Commencement Date to the next quarter day after the date of this document to be paid on the date of this document.

2.7 ***Certified Accounts and balancing payments***

As soon as reasonably practicable and in any event by no later than 4 months after the end of each financial year the Landlord must ensure that the Accountant issues certified accounts in a reasonably consistent format and must provide copies of the accounts to the Tenant. The certified accounts must contain:

2.7.1 a reasonably detailed and comprehensive summary of the Landlord's Expenses for that financial year including any expenditure that formed part of the Landlord's Expenses in respect of a previous financial year but has not been taken into account in the accounts for any previous financial year;

2.7.2 a proper explanation of any material variations (whether by way of increase or decrease) against budgeted expenditure; and

2.7.3 a statement of the Service Charge payable by the Tenant for that financial year, credit being given for payments on account.

2.7.4 Within 14 days of the furnishing of such accounts the Tenant must pay the Service Charge, or any balance of it payable, to the Landlord. The Landlord must allow to the Tenant any amount overpaid by it against future payments of the Service Charge, whether on account or not. At the end of the financial year current at the end of the Term the Landlord must repay to the Tenant any outstanding overpayment of the Service Charge.

2.8 ***Omissions from Certified Accounts***

Omission by the Accountant from certified accounts of any expenditure incurred in the financial year to which the accounts relate is not to preclude the inclusion of that expenditure in any subsequent accounts.

2.9 Challenge to Certified Accounts

The Tenant may within 3 months of the issue of certified accounts for any particular financial year:

2.9.1 raise reasonable enquiries as to those accounts, in which case the Landlord must deal with those enquiries promptly and efficiently and make all relevant documentation available for inspection by the Tenant or his representatives; and

2.9.2 request the Landlord to commission at the cost of the Tenant an independent audit of the Landlord's Expenses contained in those accounts.

3 The Services

The Services are:

3.1 repairing--and, whenever the Landlord, acting reasonably, regards it as necessary in order to repair, replacing or renewing--and decorating the Retained Parts;

3.2 operating, maintaining, repairing and, whenever the Landlord, acting reasonably, considers it appropriate, renewing, replacing or modifying the Plant;

3.3 placing and running maintenance contracts for the Estate;

3.4 providing reasonable lighting in the Common Parts;

3.5 supplying, maintaining, servicing and keeping in good condition the Retained Parts;

3.6 carrying out any inspections and tests of the Retained Parts, including the Plant, that the Landlord from time to time reasonably considers necessary or desirable;

3.7 planting, tidying, tending and landscaping any appropriate part of the Common Parts;

3.8 replacing and renewing trees, shrubs, flowers, grass and other plants, flags, decorative lights and other decorations or other amenities that the Landlord from time to time thinks fit to provide or maintain in the Estate ;

3.9 employing managing agents for the collection of service charge and for the general management of the Estate;

3.10 discharging any amounts the Landlord may be liable to pay towards the expense of making, repairing, maintaining, rebuilding and cleaning anything--for example ways, roads, pavements, sewers, drains, pipes, watercourses, party walls, party structures, party fences and other conveniences--that are appurtenant to the Estate or are used for the Estate in common with any other adjoining property of the Landlord;

3.11 erecting, providing, maintaining, renewing and replacing such notice boards, notices and other signs and directions in the Estate as the Landlord, acting reasonably, from time to time considers appropriate;

3.12 administering and managing the Estate, performing the Services and preparing statements or certificates of and auditing the Landlord's Expenses;

3.13 discharging all existing or future taxes, rates, charges, duties, assessments, impositions and outgoings whatsoever in respect of the Retained Parts including, without prejudice to the generality of the above, those for water, electricity, gas and telecommunications;

3.14 policing the Estate, controlling traffic and pedestrians

3.15 taking any steps the Landlord, acting reasonably, from time to time considers appropriate for complying with, making representations against, or otherwise contesting or dealing with any statutory or other obligation affecting or alleged to affect the Estate including any notice, regulation or order of any government department, local, public, regulatory or other authority or court, compliance with which is not the direct liability of the Tenant or any tenant of any part of the Estate;

3.16 discharging the reasonable and proper cost of any service or matter the Landlord, acting reasonably and in the interests of good estate management, thinks proper for the better and more efficient management and use of the Estate and the comfort and convenience of its occupants;

3.17 renting any item used for carrying out any of the matters referred to in this schedule;

3.18 keeping the roads and pedestrian ways of the Estate open to the general public during the Shop Opening Hours;

3.19 keeping appropriate areas of the Common Parts open for servicing the Premises and other units in the Estate; and

3.20 abating any nuisance affecting the Estate, except to the extent that abating the nuisance is the liability of any tenant of the Estate.

4. Service Charge Exclusions

There shall be excluded from the items comprising the Landlord's Expenses and therefore the Service Charge:

4.1 any liability or expense for which the Tenant or other tenants or occupiers of the Estate shall individually be responsible under the terms of the tenancy or other arrangement by which they use or occupy the Estate;

4.2 the cost of repairing maintaining or renewing any other premises on the Estate let to another lessee;

4.3 any costs incurred by the Landlord in connection with unlet and/or unoccupied premises on the Estate

4.4 all costs relating to the enforcement of any covenants or other obligations against any tenant or other occupier of the Estate pursuant to the tenancy or other arrangements by which they use or occupy the Estate save and except where such enforcement relates to the use or enjoyment of the Common Parts;

4.5 expenditure necessitated by the making good of damage caused by any risk for which the Landlord is insured or has covenanted to insure under the terms of this Lease save to the extent that any policy shall be vitiated by the Tenant or any party under its control and save for any normal excess imposed by any policy;

4.6 and expenditure necessitated by the making good of damage by an Uninsured Risk;

4.7 any fees or expenses attributable to the review of rents or attributable to the letting of vacant units or any dispositions or dealing with the Landlord's interest in the Estate or any part thereof;

4.8 all costs (including professional fees) of whatsoever description incurred in connection with the original design construction equipping and fitting out of the Estate or any part or parts thereof at the time of the original construction of the Estate;

4.9 all costs relating to works the Estate which ought reasonably to have been dealt with during the original construction or refurbishment of the Estate;

4.10 the initial provision of any item within the Estate and/or Common Parts whether by outright purchase, hire purchase or leasing;

4.11 all costs (including without limitation solicitors surveyors and agents fees) incurred in the collection of rents save for service charge;

4.12 any costs above those necessary to keep the Estate and/or Common Parts in good repair and condition unless incurred by or on behalf of the Landlord acting reasonably and in accordance with the principles of good estate management;

4.13 any costs claims or expenses whatsoever arising out of any defect in the design or construction of the Estate which the Landlord has recovered from another party pursuant to any agreement warranty or otherwise;

4.14 all costs in relation to or connected with the promotion or advertising of the Estate;

4.15 all costs arising from liability for contamination in respect of any period prior to whichever is the earlier of the commencement of the Term and the date upon which the Tenant commences its fitting out works]

4.16 all costs arising from the wrongful act neglect or default of the Landlord;

4.17 the cost of any works where money has been or is recoverable from third parties (including insurers) in respect thereof;

4.18 all costs relating to the maintenance of a sinking or reserve fund to provide for any anticipated expenditure in respect of any of the Services;

4.19 any costs relating to any lifts at the Estate;

4.20 any costs which solely benefit the residential parts of the Estate

SCHEDULE 7: THE AUTHORISED GUARANTEE AGREEMENT

THIS GUARANTEE is made the ..... day of ..... BETWEEN:

(1) *(name of outgoing tenant)* **[**of *(address) (or as appropriate)* the registered office of which is at *(address)***]** [Company Registration no ...] ('the Guarantor') and

(2) *(name of landlord)* **[**of *(address) (or as appropriate)* the registered office of which is at *(address)***]** **[**Company Registration no ...**]** ('the Landlord')

NOW THIS DEED WITNESSES as follows:

1 DEFINITIONS AND INTERPRETATION

For all purposes of this guarantee the terms defined in this clause have the meanings specified.

1.1 'The Assignee'

'The Assignee' means (insert name of incoming tenant).

1.2 'The Lease'

'The Lease' means the lease dated *(date)* and made between *(name of original landlord)* and *(name of original tenant)* **[**and *(name of original guarantor)***]** for a term of *(number)* years commencing on and including *(commencement date)* **[**and varied by a deed dated *(date)* and made between *(names of parties)***]**.

1.3 'The Premises'

'The Premises' means the premises demised by the Lease.

1.4 'The Liability Period'

'The Liability Period' means the period during which the Assignee is bound by the tenant covenants of the Lease or if earlier, the date up to and including the expiry of the contractual term of the Lease.

1.5 Terms from the Landlord and Tenant (Covenants) Act 1995

The expressions 'authorised guarantee agreement' and 'tenant covenants' have the same meaning in this guarantee as in the Landlord and Tenant (Covenants) Act 1995 section 28(1).

1.6 References to clauses

Any reference in this deed to a clause without further designation is to be construed as a reference to the clause of this deed so numbered.

2 RECITALS

2.1 Consent required

By clause *(insert number)* of the Lease, the Landlord's consent to an assignment of the Lease is required.

2.2 Agreement to consent

The Landlord has agreed to give consent to the assignment to the Assignee on condition that the Guarantor enters into this guarantee.

2.3 Effective time

This guarantee takes effect only when the Lease is assigned to the Assignee.

3 GUARANTOR'S COVENANTS

In consideration of the Landlord's consent to the assignment, the Guarantor covenants with the Landlord and without the need for any express assignment with all his successors in title as set out in this clause 3:

3.1 Payment and performance

The Assignee must punctually pay the rents reserved by the Lease and observe and perform the covenants and other terms of it throughout the Liability Period, and if at any time during the Liability Period the Assignee defaults in paying the rents or in observing or performing any of the covenants or other terms of the Lease the Guarantor must pay the rents and observe or perform the covenants or terms in respect of which the Assignee is in default, and make good to the Landlord on demand, and indemnify the Landlord against, all losses, damages, costs and expenses resulting from such non-payment non-performance or non-observance notwithstanding—

3.1.1

any time or indulgence granted by the Landlord to the Assignee, or any neglect or forbearance of the Landlord in enforcing the payment of the rents or the observance or performance of the covenants or other terms of the Lease, or any refusal by the Landlord to accept rents tendered by or on behalf of the Assignee at a time when the Landlord is entitled, or will after the service of a notice under the Law of Property Act 1925 section 146 be entitled, to re-enter the Premises,

3.1.2

that the terms of the Lease may have been varied by agreement between the parties provided that no variation is to bind the Guarantor to the extent that it is materially prejudicial to him,

3.1.3

that the Assignee has surrendered part of the Premises, in which event the liability of the Guarantor under the Lease is to continue in respect of the part of the Premises not surrendered after making any necessary apportionments under the Law of Property Act 1925 section 140, and

3.1.4

anything else by which, but for this clause 3.1, the Guarantor would have been released.

3.2 New lease following disclaimer

If, during the Liability Period, any trustee in bankruptcy or liquidator of the Assignee disclaims the Lease, the Guarantor must, if required by notice served by the Landlord within 60 days of the disclaimer, take from the Landlord forthwith a lease of the Premises for the residue of the contractual term of the Lease as at the date of the disclaimer, at the rent then being paid under the Lease and subject to the same covenants and terms as in the Lease—except that the Guarantor need not ensure that any other person is made a party to that lease as guarantor—the new lease to commence on the date of the disclaimer. The Guarantor must pay the reasonable and properly incurred costs of the new lease and execute and deliver to the Landlord a counterpart of it.

3.3 Payments following disclaimer

If, during the Liability Period, the Lease is disclaimed and for any reason the Landlord does not require the Guarantor to accept a new lease of the Premises in accordance with clause 6-3.2, the Guarantor must pay to the Landlord on demand an amount equal to the Rent for

the period commencing with the date of the disclaimer and ending on whichever is the earlier of the date 6 months after the disclaimer, the date on which the Premises are relet, and the end of the contractual term of the Lease.

4 LANDLORD'S COVENANT

The Landlord covenants with the Guarantor that he will notify the Guarantor in writing within 7 days of being informed of the facts bringing the Liability Period to an end.

5 SEVERANCE

5.1 Severance of void provisions

Any provision of this deed rendered void by virtue of the Landlord and Tenant (Covenants) Act 1995 section 25 is to be severed from all remaining provisions, and the remaining provisions are to be preserved.

5.2 Limitation of provisions

If any provision in this deed extends beyond the limits permitted by the Landlord and Tenant (Covenants) Act 1995 section 25, that provision is to be varied so as not to extend beyond those limits.

SCHEDULE 8: GUARANTEE PROVISIONS

1.1 The Guarantor's covenants

1.1.1 Nature and duration

The Guarantor's covenants with the Landlord are given as sole or principal debtor or covenantor with the Landlord for the time being and with all his successors in title without the need for any express assignment and the Guarantor's obligations to the Landlord will last throughout the Liability Period.

1.1.2 The covenants

The Guarantor covenants with the Landlord to observe and perform the requirements of this deed.

1.1.2.1 Payment of rent and performance of the Lease

The Assignee must pay the Lease Rents and VAT charged on them punctually and observe and perform the covenants and other terms of this Lease, and if, at any time during the Liability Period while the Assignee is bound by the tenant covenants of this Lease, the Assignee defaults in paying the Lease Rents or in observing or performing any of the covenants or other terms of this Lease, then the Guarantor must pay the Lease Rents and ob-

serve or perform the covenants or terms in respect of which the Assignee is in default and make good to the Landlord on demand, and indemnify the Landlord against, all losses resulting from such non-payment, non-performance or non-observance notwithstanding:

(a) any time or indulgence granted by the Landlord to the Assignee, any neglect or forbearance of the Landlord in enforcing the payment of the Lease Rents or the observance or performance of the covenants or other terms of this Lease or any refusal by the Landlord to accept rent tendered by or on behalf of the Assignee at a time when the Landlord is entitled--or will after the service of a notice under the Law of Property Act 1925 Section 146 be entitled--to re-enter the Premises;

(b) that the terms of this Lease may have been varied by agreement between the Landlord and the Assignee provided that no variation is to bind the Guarantor to the extent that it is materially prejudicial to him;

(c) that the Assignee has surrendered part of the Premises--in which event the liability of the Guarantor under this guarantee is to continue in respect of the part of the Premises not surrendered after making any necessary apportionments under the Law of Property Act 1925 Section 140; and

(d) anything else (other than a release by deed) by which, but for this clause 1.1.2.1, the Guarantor would be released.

1.1.2.2 **New lease following disclaimer**

If, at any time during the Liability Period while the Assignee is bound by the Assignee covenants of this Lease, any trustee in bankruptcy or liquidator of the Assignee disclaims this Lease, the Guarantor must, if so required by notice served by the Landlord within 60 days the Landlord's becoming aware of the disclaimer, take from the Landlord forthwith a lease of the Premises for the residue of the Contractual Term as at the date of the disclaimer, at the Rent then payable under this Lease and subject to the same covenants and terms as in this Lease--except that the Guarantor need not ensure that any other person is made a party to that lease as guarantor--the new lease to commence on the date of the disclaimer. The Guarantor must pay the reasonable and properly incurred costs of the new lease and VAT charged thereon, save where such VAT is recoverable or available for set-off by the Landlord as input tax, and execute and deliver to the Landlord a counterpart of the new lease.

1.1.2.3 **Payments following disclaimer**

If this Lease is disclaimed and the Landlord does not require the Guarantor to accept a new lease of the Premises in accordance with clause 6.1.2.2

NEW LEASE FOLLOWING DISCLAIMER, the Guarantor must pay to the Landlord on demand an amount equal to the difference between any money received by the Landlord for the use or occupation of the Premises and the Lease Rents in both cases for the period commencing with the date of the disclaimer and ending on whichever is the earlier of the date 6 months after the disclaimer, the date, if any, upon which the Premises are re-let, and the end of the Contractual Term.

1.1.2.4 **Guarantee of the Assignee's liabilities under an authorised guarantee agreement**

If, at any time during the Liability Period while the Assignee is bound by an authorised guarantee agreement, the Assignee defaults in his obligations under that agreement, the Guarantor must make good to the Landlord on demand, and indemnify the Landlord against, all losses resulting from that default notwithstanding:

(a) any time or indulgence granted by the Landlord to the Assignee or neglect or forbearance of the Landlord in enforcing the payment of any sum or the observance or performance of the covenants of the authorised guarantee agreement;

(b) that the terms of the authorised guarantee agreement may have been varied by agreement between the Landlord and the Assignee provided that no variation is to bind the Guarantor to the extent that it is materially prejudicial to him; or

(c) anything else (other than a release by deed) by which, but for this clause 6.1.2.4, the Guarantor would be released.

1.1.3 Severance

1.1.3.1 **Severance of void provisions**

Any provision of this clause 6 rendered void by virtue of the 1995 Act Section 25 is to be severed from all remaining provisions and the remaining provisions are to be preserved.

1.1.3.2 **Limitation of provisions**

If any provision in this clause 6 extends beyond the limits permitted by the 1995 Act Section 25 that provision is to be varied so as not to extend beyond those limits.

IN WITNESS WHEREOF the parties hereto have executed this document as a Lease on the date hereof.

SIGNED as a DEED
by Eric Trinh
in the presence of:

Witness signature:

Name: A - YOUNGMAN

Address: MILLER SANDS, 133 STATION ROAD
IMPINGTON, CAMBS. CB24 9NP.