

Dated 12th May **2013**

MRS JULIET EVA BROSTER

to

**PAUL ANDREW DOUGHTY of
2 Duncote Close Oxton Prenton CH43 6YA**

**LEASE
relating to:-**

20 MARKET STREET, HOYLAKE, WIRRAL

Term : 11 years

Initial Rent : £10,400.00 per annum

Messrs Guy Williams Layton
87 Telegraph Road
Heswall
Wirral CH60 OAU

This Lease

is made the 12th day of April 2013 BETWEEN:
(1) **JULIET EVA BROSTER** of 20 Market Street Hoylake Wirral CH47 ("the
Landlord")

(2) **PAUL ANDREW DOUGHERTY** of 2 Duncote Close Oxton Prenton CH43 6YA
("the Tenants")

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 Premises' means those premises known as 20 Market Street Hoylake Wirral Merseyside **WITH** the rights for the Tenant, his employees and customers to use the toilets located on the Landlord's adjoining premises and for the Tenant and his employees to pass and re-pass on foot only over the back yard between the rear gate of the Landlord's premises and the rear of the Premises

1.2 'The Conduits' means the pipes, sewers, drains, mains, ducts, conduits, gutters, watercourses, wires, cables, 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.

1.3 'The Contractual Term' means 11 years commencing on the 12th day of April 2013.

1.4 'Development'

References to 'development' are references to development as defined by the Town and Country Planning Act 1990 section 55 and any subsequent amendment

or re-enactment thereof

1.5 'Gender and number'

Words importing one gender include all other genders; words importing the singular include the plural and vice versa.

1.6 '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.

1.7 'The Initial Rent'

'The Initial Rent' means the sum of £10,400.00 per year.

1.8 'The Insurance Rent'

'The Insurance Rent' means the gross sums including any commission that the Landlord from time to time pays -

1.8.1 by way of premium for insuring the Premises, including insuring for loss of rent, in accordance with his obligations contained in this Lease,

1.8.2 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 including or relating to the Premises, and

1.8.3 for insurance valuations.

1.9 '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, 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 contamination and such other risks, whether or not in the nature of the foregoing, as the Landlord may from time to time reasonably decide or the Tenant may reasonably require to insure against.

1.10 '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 1.11 'THE INTEREST RATE' cease to exist, at another rate of interest closely comparable with the Interest Rate decided on by the Landlord acting reasonably.

1.11 'The Interest Rate'

'The Interest Rate' means the rate of 4% per year above the base lending rate of Royal Bank of Scotland Plc or such other bank being a member of the Committee of London and Scottish Bankers as the Landlord from time to time nominates in writing.

1.12 Interpretation of 'consent' and 'approval'

1.12.1 Prior written consent or approval

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.

1.12.2 Consent or approval of mortgagee or head landlord

Any provisions in this Lease referring to the consent or approval of the Landlord are to be construed as also requiring the consent or approval of any mortgagee of the Premises and any head landlord where that consent is required. Nothing in this Lease is to be construed as imposing any obligation on a mortgagee or head landlord not to refuse any such consent or approval unreasonably.

1.13 Interpretation of 'the Guarantor'

The expression 'the Guarantor' includes any person who enters into covenants with the Landlord pursuant to subclause 3.9.5.2 of clause 3.9.5 CONDITIONS or clause 3.23 REPLACEMENT GUARANTOR.

1.14 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.

1.15 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.

1.16 Interpretation of 'the Tenant'

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

1.17 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.

1.18 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.

1.19 'The Liability Period'

'The Liability Period' means -

1.19.1 the period during which the Original Tenant is bound by the tenant covenants of this Lease together with any additional period during which the Original Tenant is liable under an authorised guarantee agreement,

1.19.2 in the case of any guarantor required pursuant to subclause 3.9.5.2 of clause 3.9.5 CONDITIONS, the period during which the relevant assignee is bound by the tenant covenants of this Lease together with any additional period during which that assignee is liable under an authorised guarantee agreement,

1.19.3 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, and

1.19.4 in the case of any assignee referred to in subclause 3.9.8.5 of clause

3.9.8 TERMS OF A PERMITTED SUBLEASE, the period during which the relevant assignee of the sublease is bound by the tenant covenants of that sublease.

1.20 'Losses'

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

1.21 'The 1954 Act'

'The 1954 Act' means the Landlord and Tenant Act 1954 and all statutes, regulations and orders included by virtue of clause 1.30 REFERENCES TO STATUTES.

1.22 '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 1.30 REFERENCES TO STATUTES

1.23 Obligation not to permit or suffer

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

1.24 'The Permitted Use'

'The Permitted Use' means use for the sale of food or drink for consumption on the Premises or hot food for consumption off the Premises or any use falling within Class 'A1' to the Schedule to the Town & Country Planning (Use Classes) Order 1987 notwithstanding any amendments or revocation of that Order

approved by the Landlord from time to time such approval not to be unreasonably withheld or delayed

1.25 “**The Plan**” means the plan annexed hereto

1.26 ‘**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 and all statutes, regulations and orders included by virtue of clause 1.30 REFERENCE TO STATUTES

1.27 ‘**The Premises**’

1.27.1 **Definition of ‘the Premises’**

‘The Premises’ means the land and Premises known as 20 Market Street Hoylake Wirral Merseyside edged red on the Plan.

1.27.2 **Interpretation of ‘the Premises’**

The expression ‘the Premises’ includes -

1.27.2.1 all buildings, erections, structures, fixtures, fittings and appurtenances on the Premises from time to time,

1.27.2.2 all additions, alterations and improvements carried out during the Term, and

1.27.2.3 the Conduits, and any fixtures installed by the Tenant or any predecessors in title that can be removed from the Premises without defacing the Premises. Unless the contrary is expressly stated, ‘the Premises’ includes any

part or parts of the Premises.

1.28 References to clauses and schedules

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

1.29 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.

1.30 References to statutes

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

1.31 'The Rent'

'The Rent' means the Initial Rent. 'The Rent' does not include the Insurance Rent, but the term 'the Lease Rents' means both the Rent and the Insurance Rent.

1.32 'The Rent Commencement Date'

'The Rent Commencement Date' means the day of 2013.

1.33 'The Rent Review Dates'

‘The Rent Review Dates’ mean the 5th, 10th and 15th anniversaries of the Rent Commencement Date

1.34 ‘The Tenant’s Further Covenants’

‘The Tenant’s Further Covenants’ means the covenants set out in schedule 2 THE TENANT’S FURTHER COVENANTS.

1.35 ‘The Surveyor’

‘The Surveyor’ means 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 .

1.36 ‘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.

1.37 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).

1.38 ‘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.

2. DEMISE

The Landlord demises the Premises to the Tenant with limited title guarantee 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 yielding and paying to the Landlord -

2.1 the Rent, without any deduction or set off, by equal monthly payments in advance on the first day of each month, 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 first day of the following month, 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.

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 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 The Tenant must pay, and indemnify the Landlord against, 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 on the Premises or on the owner or occupier of them, excluding any payable by the Landlord occasioned by receipt of the Lease Rents or by any disposition of or dealing with this Lease, or ownership of any interest reversionary to the interest created by it - provided that if the Landlord suffers any loss of rating relief that may be applicable to empty premises after the end of the Term because the relief has been allowed to the Tenant in respect of any period before the end of the Term, then the Tenant must make good such loss to the Landlord,

3.2.2 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

3.2.3 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.

3.3 Cost of services consumed

3.3.1 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

3.4.1.1 Within three months of the receipt by the Tenant of a Schedule of Dilapidations prepared by the Surveyor, the Tenant shall carry out the remedial work set out therein to the reasonable satisfaction of the Surveyor and upon the Surveyor being so satisfied the Landlord shall pay to the Tenant three months' rent.

3.4.1.2 Subject to clause 3.4.1.3 the Tenant must keep the Premises in good condition and repair, except for damage caused by one or more of the Insured Risks save to the extent that the insurance money is irrecoverable due to any act or default of the Tenant or anyone at the Premises expressly or by implication with his authority..

3.4.2 Replacement of landlord's fixtures

The Tenant must keep the Landlord's fixtures and fittings in the Premises as set out in Schedule 4 in good repair and condition and replace any that are 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 clear of all rubbish.

3.4.4 Decoration

The Tenant must redecorate the outside and inside of the Premises in each fifth year of the Term in order to maintain a high standard of decorative finish and attractiveness in a good and workmanlike manner, with appropriate materials of good quality, to the reasonable satisfaction of the Surveyor, any change in the tints, colours and patterns of the decoration to be approved by the Landlord, whose approval may not be unreasonably withheld or delayed.

3.4.5 Shared facilities

Where the use of any of the Conduits or any boundary structures or other things is common to the Premises and other property, the Tenant must be responsible for, and indemnify the Landlord against, a fair proportion of the sums due from the owner, tenant or occupier of the Premises in relation to those Conduits, boundary structures or other things and must undertake all work in relation to them that is his responsibility.

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 he first -

- 3.5.2.1** obtains and 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,
- 3.5.2.3** pays the fees of the Landlord, any head landlord, any mortgagee and their respective professional advisers,
- 3.5.2.4** enters into any covenants the Landlord 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.

In the case of any works of a substantial nature, the Landlord may require the Tenant to provide, before starting the works, adequate security in the form of a deposit of money or the provision of a bond, as assurance to the Landlord that any works he permits from time to time will be fully completed.

3.5.3 Removal of alterations

At the end of the Term, if so requested by the Landlord, the Tenant must remove any additional buildings, additions, alterations or improvements made to the Premises except those which the Tenant covenants to carry out under the terms of this Lease and must make good any part of the Premises damaged by their removal.

3.5.4 Connection to the Conduits

The Tenant must not make any connection with the Conduits 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 and wires

The Tenant must not erect any pole or mast or install any wire or cable on the Premises, whether in connection with telecommunications or otherwise.

3.6.2 Advertisements

The Tenant must not, without the consent of the Landlord, which consent may not be unreasonably withheld or delayed, 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 or advertisement.

3.7 Statutory obligations

3.7.1 General provision

Subject to clause 3.7.3 the Tenant must comply in all respects with the requirements of any statutes applicable to the Premises or the trade or business for the time being carried on there, and any other obligations so applicable imposed by law or by any byelaws.

3.7.2 Particular obligations

Subject to clause 3.7.3 but otherwise without prejudice to the generality of clause 3.7.1:-

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 on or in respect of the Premises or the use to which the Premises 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 the requirements are imposed on the owner, the occupier, or any other person.

3.7.2.2 Construction (Design and Management) Regulations

The Tenant must comply with the provisions of the Construction (Design and Management) Regulations 1994

(‘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 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 5.7.3 FIRE-FIGHTING EQUIPMENT are to have effect in any circumstances to which these obligations apply.

3.7.2.3 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 in accordance with 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 8.6 NOTICES leave on the Premises, a notice specifying the works required to remedy any breach of the Tenant's obligations in this Lease ('a notice to repair'), provided that any opening-up must be made good by and at the cost of the Landlord if it reveals no 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 immediately, including making good any opening up that revealed a 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 3 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 reasonable cost of so doing and all reasonable expenses properly incurred by the Landlord, including legal costs and surveyor's fees.

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 them 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

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 his 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 his consent, whether his consent is expressly subject to a condition as

referred to in subclause 3.9.5.4 of clause 3.9.5 CONDITIONS or not.

The circumstances are -

- 3.9.4.1** that any sum due from the Tenant under this Lease remains unpaid,
- 3.9.4.2** that in the Landlord's reasonable opinion the assignee is not a person who is likely to be able to comply with the tenant covenants of this Lease and to continue to be able to comply with them following the assignment,
- 3.9.4.3** that without prejudice to subclause 3.9.4.2, in the case of an assignment to a company in the same group as the Tenant within the meaning of the 1954 Act section 42 in the Landlord's reasonable opinion the assignee is a person who is, or may become, less likely to be able to comply with the tenant covenants of this Lease than the Tenant requesting consent to assign, which likelihood is adjudged by reference in particular to the financial strength of that Tenant aggregated with that of any guarantor of the obligations of that Tenant and the value of any other security for the performance of the tenant covenants of this Lease when assessed at the date of grant or - where that Tenant is not the Original Tenant - the date of the assignment of this Lease to that Tenant, or
- 3.9.4.4** 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, and any such consent is to be treated as being subject to each of the following -

3.9.5.1 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 3 THE AUTHORISED GUARANTEE AGREEMENT,

3.9.5.2 a condition that if reasonably so required by the Landlord on an assignment to a limited company, the assignee must ensure that at least one 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 clause 6 GUARANTEE PROVISIONS with 'the Assignee' substituted for 'the Tenant',

- 3.9.5.3** a condition that upon or before any assignment, the Tenant making the request for consent to assign must give to the Landlord a copy of the health and safety file required to be maintained under the Construction (Design and Management) Regulations 1994 containing full details of all works undertaken to the Premises by that Tenant, and
- 3.9.5.4** a condition that if, at any time before the assignment, the circumstances specified in clause 3.9.4, 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 whichever is the greater of the then open market rent payable in respect of the Premises to be approved by the Landlord before the sublease which approval may not be unreasonably withheld or delayed and the Rent, 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** prohibiting the subtenant from doing or allowing anything in relation to the Premises inconsistent with or in breach of the provisions of this Lease,
- 3.9.8.2** for re-entry by the sublandlord on breach of any covenant by the subtenant,
- 3.9.8.3** imposing an absolute prohibition against all dealings with the Premises other than assignment, subletting or charging of the whole,
- 3.9.8.4** prohibiting assignment, subletting or charging of the whole of the Premises without the consent of the Landlord under this Lease,
- 3.9.8.5** 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,

3.9.8.6 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 3 THE AUTHORISED GUARANTEE AGREEMENT but adapted to suit the circumstances in which the guarantee is given,

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

3.9.8.8 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,

3.9.8.9 excluding the provisions of sections 24–28 of the 1954 Act from the letting created by the sublease.

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 he 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 Requirement for an exclusion order

The Tenant must not grant a sublease or permit a subtenant to occupy The Premises unless an order has been obtained under Section 38 (4) of the 1954 Act.

3.9.11 Enforcement, waiver and variation of subleases

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 any permitted sublease.

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 £50.00.

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.

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 in the reasonable opinion of the Landlord be or become or cause a nuisance, or annoyance, disturbance, inconvenience, injury or damage to the Landlord or his tenants or the owners or occupiers of 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 on them.

3.11 Costs of applications, notices and recovery of arrears

The Tenant must pay to the Landlord on an indemnity basis all reasonable costs, fees, charges, disbursements and expenses - including, without prejudice to the generality of the above, those payable to Counsel, solicitors, surveyors and bailiffs - reasonably and properly 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 unless the refusal, qualification or condition is unlawful, whether because it is unreasonable or otherwise,
- 3.11.2** the contemplation, preparation and service of a notice under the Law of Property Act 1925 section 146, 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 steps taken in contemplation of or in connection with the preparation and service of a schedule of dilapidations during or after 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 the Term and following the end of it, against all losses in respect of any contravention thereof

3.12.2 Consent for applications

The Tenant must not make any application for planning permission

without the consent of the Landlord.

3.12.3 Permissions and notices

The Tenant must obtain any planning permissions and serve any notices that may be required to carry out 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.

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 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. The Landlord may refuse to acknowledge his acceptance of a planning permission on the grounds that any condition contained in it or anything omitted from it or the period referred to in it would in the opinion of the Surveyor, be, or be likely to be, prejudicial to the Landlord or his reversionary interest in the Premises whether during

or following the end of the Term.

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.

3.12.7 Security for compliance with conditions

In any case where a planning permission is granted subject to conditions, and if the Landlord reasonably so requires, the Tenant must provide sufficient security for his compliance with the conditions and must not implement the planning permission until the security has been provided.

3.12.8 Appeal against refusal or conditions

If required by the Landlord to do so, but, at his own cost, the Tenant must appeal against any refusal of planning permission or the imposition of any conditions on a planning permission relating to the Premises following an application for planning permission by the Tenant.

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 himself 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 the 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 Premises expressly or impliedly with his authority 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 he has made a valid Court application under the 1954 Act section 24 or 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 enter the Premises and fix and retain anywhere on them a board advertising them for reletting. While any such board is on the Premises the Tenant must permit viewing of the Premises on

reasonable notice at reasonable times of the day.

3.16 Obstruction and encroachment

3.16.1 Obstruction of windows

The Tenant must not stop up, darken or obstruct any window or light belonging to the Premises.

3.16.2 Encroachments

The Tenant must immediately notify the Landlord of any new window, light, opening, doorway, path, passage, pipe or the making of any encroachment or the attempted acquisition of any easement in relation to the Premises. At the request and expense 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 with vacant possession, decorated and repaired in accordance with and in the condition required by the provisions of this Lease, give up all keys of the Premises to the Landlord, remove tenant's fixtures and fittings if requested to do so by the Landlord and remove any signs erected by the Tenant or any of his predecessors in title in on or near the Premises, immediately making good any damage caused by their removal.

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, the interest to be recoverable as 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 affects 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. At the request and expense of the Landlord, but at his own cost, the Tenant must 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, home address and home telephone number of at least 2 keyholders 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 his 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 him 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 receiver appointed under the Mental Health Act 1983, and, in the case of a company, to passing a resolution to wind up, entering into liquidation 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 the Guarantor or any person who has entered into an authorised guarantee agreement, the Tenant must give notice of the event to the Landlord within 14 days of his becoming aware of it. If so required by the Landlord, the Tenant must within 28 days thereafter obtain some other person reasonably acceptable to the Landlord to

execute a guarantee in the form of the Guarantor's covenants in clause 3 GUARANTEE PROVISIONS or the authorised guarantee agreement in schedule 5 THE AUTHORISED GUARANTEE AGREEMENT, as the case may be, for the residue of the relevant Liability Period.

3.24 Exercise of the Landlord's rights

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

3.25 The Tenant's Further Covenants

The Tenant must observe and perform the Tenant's Further Covenants.

3.26 Consent to the Landlord's release

The Tenant must not unreasonably withhold consent to a request made by the Landlord under the 1995 Act section 8 for a release from all or any of the landlord covenants of this Lease.

3.27 Costs of Grant of this Lease

The Tenant must pay the reasonable fees and disbursements of the Landlord's solicitors' incurred by the Landlord in relation to the preparation execution and grant of this Lease and the Stamp Duty on the Counterpart.

4. QUIET ENJOYMENT

The Landlord covenants with the Tenant to 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.

5. INSURANCE

5.1 Warranty as to convictions

The Tenant warrants that before the execution of this document he has disclosed to the Landlord in writing any conviction, judgment or finding of any Court or tribunal relating to 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

The Landlord covenants with the Tenant to insure the Premises

5.3 Details of the insurance

5.3.1 Office, underwriters and agency

Insurance is to be effected in such reputable insurance office, or with such underwriters, and through such agency as the Landlord may reasonably decide from time to time.

5.3.2 Insurance cover

Insurance must be effected for the following amounts -

- 5.3.2.1** the sum that the Landlord is from time to time properly advised by the Surveyor is the full cost of rebuilding and reinstating the Premises, 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 Premises, 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 the Rent, taking account of any rent review that may be due, for 3 years.

5.3.3 Risks insured

Insurance must be effected 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 Premises subject to such 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 commencing 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 on demand and, if so demanded, in advance of the policy renewal date.

5.5 Suspension of the Rent

5.5.1 Events giving rise to suspension

If and whenever the Premises or any part of them are 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 Premises 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 refused in whole or in part by reason of any act or default of the Tenant or anyone at the Premises expressly or by implication with his authority 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 it according to the nature and the extent of the damage sustained, is to cease to be payable until the Premises, or the affected part, have been rebuilt or reinstated so as to render the Premises, or the affected part, fit for occupation and use, 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

5.6 Reinstatement and termination

5.6.1 Obligation to obtain permissions

If and whenever the Premises or any part of them are damaged or destroyed by one or more of the Insured Risks except one against which insurance may not ordinarily be arranged with a substantial and reputable insurer for properties such as the Premises 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 Premises expressly or by implication with his authority, the Landlord must use his best endeavours to obtain all the 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 Premises.

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, except sums in respect of loss of the Rent, in rebuilding or reinstating the Premises.

5.6.3 Relief from the obligation to reinstate

The Landlord need not rebuild or reinstate the Premises if and for so long as rebuilding or reinstatement is prevented because—

5.6.3.1 the Landlord, despite using his best endeavours, cannot obtain any 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 renders it impossible or means it can only be undertaken at a cost

that is unreasonable in all the circumstances,

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

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

5.6.4 Notice to terminate

If at the end of the period of 2 years commencing on the date of the damage or destruction 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 within 6 months of the end of that period ('a notice to terminate following failure to reinstate') implement the provisions of clause 5.6.5 TERMINATION FOLLOWING FAILURE TO REINSTATE.

5.6.5 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 effected by the Landlord pursuant to this Lease is to belong to the Landlord absolutely.

5.7 Tenant's further insurance covenants

The Tenant covenants with the Landlord to observe and perform the requirements

contained in this clause 5.7.

5.7.1 Requirements of insurers

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

5.7.2 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 Premises to become wholly or partly void or voidable, or do or omit anything by which additional insurance premiums may become payable unless he has previously notified the Landlord and has agreed to pay the increased premium and if as a result of anything done or omitted to be done by the Tenant the Insurers require the Landlord to bear an excess on the Policy such excess shall be borne by the Tenant and in the event of a claim by the Landlord shall be paid to the Landlord immediately on demand.

5.7.3 Fire-fighting equipment

The Tenant must keep the Premises supplied with such fire fighting equipment as the Landlord reasonably requires and must maintain the equipment to the reasonable satisfaction of the insurers and the fire authority and in efficient working order. At least once in every 12 months the Tenant must cause any sprinkler system and other fire fighting equipment to be inspected by a competent person.

5.7.4 Combustible materials

The Tenant must not store on the Premises or bring onto them

anything of a specially combustible, inflammable or explosive nature other than petrol oil and associated products, and must comply with the reasonable requirements and recommendations of the fire authority and the reasonable requirements of the Landlord as to fire precautions relating to the Premises.

5.7.5 Fire escapes, equipment and doors

The Tenant must not obstruct the access to any fire equipment or the means of escape from the Premises, or lock any fire door while the Premises are occupied.

5.7.6 Notice of events affecting the policy

The Tenant must give immediate notice to the Landlord of any event that might affect any insurance policy on or relating to the Premises, and any event against which the Landlord may have insured under this Lease.

5.7.7 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.

5.7.8 Other insurance

If at any time the Tenant is entitled to the benefit of any insurance of the Premises that is not effected or maintained in pursuance of any

obligation contained in this Lease, the Tenant must apply all money received by virtue of that insurance in making good the loss or damage in respect of which the money is received.

5.7.9 Reinstatement on refusal of money through default

If at any time the Premises or any part of them are damaged or destroyed by one or more of the Insured Risks and the insurance money under the policy of insurance effected by the Landlord pursuant to his obligations contained in this Lease is wholly or partly irrecoverable because of any act or default of the Tenant or of anyone at the Premises expressly or by implication with his authority the Tenant must immediately, at the option of the Landlord, either rebuild and reinstate the Premises or the part of them destroyed or damaged, to the reasonable satisfaction and under the supervision of the Surveyor - in which case, on completion of the rebuilding and refurbishment, the Landlord must pay to the Tenant the amount that the Landlord has actually received under the insurance policy in respect of the destruction or damage - or pay to the Landlord on demand with interest the amount of the insurance money so irrecoverable - in which case the provisions of clauses 5.5 SUSPENSION OF THE RENT and 5.6 REINSTATEMENT AND TERMINATION are to apply.

5.8 Landlord's further insurance covenants

The Landlord covenants with the Tenant to observe and perform the requirements set out in this clause 5.8 in relation to the insurance policy he has effected pursuant to his obligations contained in this Lease.

5.8.1 Copy policy

The Landlord must produce to the Tenant on demand reasonable evidence of the terms of the policy and the fact that the last premium has been paid.

5.8.2 Change of risks

The Landlord must notify the Tenant of any material change in the risks covered by the policy from time to time

6. FORFEITURE

If and whenever during the Term -

- 6.1** the Lease Rents, or any of them or any part of them, or any VAT payable on them, are outstanding for 28 days after becoming due, whether formally demanded or not, or
- 6.2** the Tenant or the Guarantor breaches any covenant or other term of this Lease, or
- 6.3** the Tenant or the Guarantor, being an individual, becomes bankrupt, or
- 6.4** the Tenant or the Guarantor, 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 has a receiver appointed, or
- 6.5** the Tenant enters into an arrangement for the benefit of his creditors, or
- 6.6** the Tenant has any distress or execution levied on his goods, and, where the

Tenant or the Guarantor 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 and thereupon the term is to cease absolutely but without prejudice to any rights or remedies that may have accrued to the Landlord against the Tenant or the Guarantor in respect of any breach of covenants or other term of this Lease, including in respect of which the re-entry is made

7. MISCELLANEOUS

7.1 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.

7.2 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 that is 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.

7.3 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

7.4 Tenant's property

If, after the Tenant has vacated the Premises at the end of the Term, any property of his remains in or on the Premises and he fails to remove it within 7 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 28 days from the first attempt 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 he 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.

7.5 Compensation on vacating excluded

Any statutory right of the Tenant to claim compensation from the Landlord on vacating the Premises is excluded to the extent that the law allows.

7.6 Notices

7.6.1 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 -

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

7.6.1.2 it is served -

- (a) where the receiving party is a company incorporated within Great Britain at the Registered Office
- (b) where the receiving party is the Tenant and the Tenant is not such a company, at the Premises, and
- (c) where the receiving party is the Landlord or the Guarantor and the Landlord or the Guarantor is not such a Company, at the Landlord's or Guarantor's address shown in this lease or at any address specified in a notice given by the Landlord or the Guarantor to the other parties.

7.6.2 Deemed delivery

7.6.2.1 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 Tenant

7.6.2.2 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.

7.6.2.3 '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.

7.6.3 Joint recipients

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

7.7 New lease

This lease is a new tenancy for the purposes of the 1995 Act section 1

7.8 Agreement for lease

It is certified that there is no agreement for lease to which this document gives effect.

8. RENT REVIEW

8.1 On each Rent Review Date the rent is to increase to the Market Rent if that is higher than the rent applying before that date.

8.2 The Market Rent is the rent which a willing Tenant would pay for the Premises on the open market if let to him on the Rent Review Date by a willing Landlord

for a Lease on the same terms as this Lease without any premium and for a period equal to the remainder of the Lease period assuming that at that date:

- (h) the willing Tenant takes account of any likelihood that he would be entitled to a new Lease of the Premises when the Lease ends but does not take account of any goodwill belonging to anyone who had occupied the Premises
- (i) the Premises are vacant and have been occupied by the Tenant or any sub Tenant
- (j) the Premises can immediately be used
- (k) the Premises are in a condition required by this Lease and any damage caused by any of the risks assured under Clause 5 has been made good
- (l) during the Lease Period neither the Tenant nor any sub Tenant has done anything to the Premises to increase or decrease its rental value other than anything which the Tenant was obliged to do under the terms of this Lease

8.3 If the Landlord and the Tenant agree the amount of the new rent a statement of that new rent signed by them is to be attached to this Lease

8.4 If the Landlord and the Tenant have not agreed the amount of the new rent 2 months before each Rent Review Date either of them may require the new rent to be decided by arbitration under clause 10

8.5 (a) The Tenant is to continue to pay rent at the rate applying before the Rent Review Date until the next rent day after the new rent is agreed or decided

- (b) Starting on that rent day the Tenant is to pay the new rent
- (c) On that rent day the Tenant is also to pay any amount by which the new rent since the Rent Review Date exceeds the rent paid with interest on that amount at The Interest Rate

9 OPTION TO PURCHASE

If at any time during the Term the Landlord wishes to sell the Premises and the Landlord's adjoining premises known as 20a Market Street Hoylake Wirral Merseyside the provisions of Schedule 4 shall take effect.

10. ARBITRATION

Any matter which this Lease requires to be decided by arbitration is to be referred to a single arbitrator under the Arbitration Act. The Landlord and the Tenant may agree the appointment of the arbitrator or either of them may apply to the President of the Royal Institution of Chartered Surveyors to make the appointment

IN WITNESS whereof the parties hereto have executed the same as a Deed the day and year first before written

SCHEDULE 1: THE RIGHTS RESERVED

1-1 Right of entry to inspect

The right on reasonable notice at reasonable times of the day (except in an emergency) to enter, or in emergency to break into and enter, the Premises during the Term to inspect them, to take schedules or inventories of fixtures and other items to be yielded up at the end of the Term, and to exercise any of the rights granted to the Landlord elsewhere in this Lease.

1-2 Access for Landlord

The right to enter with the Surveyor and the third party on reasonable notice at reasonable times of the day (except in an emergency) to inspect and measure the Premises for all purposes connected with any pending or intended step under the 1954 Act

1-3 Right of Way

The right for the Landlord and all persons authorised by them to pass and re-pass on foot only over the yard coloured black on the Plan

1-4 Right to Bin

The right for the Landlord to store a wheelie bin or other waste receptacle on the yard coloured black on the Plan

SCHEDULE 2: THE TENANT' S FURTHER COVENANTS

2-1 Use

2-1.1 Permitted Use

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

2-1.2 Noxious discharges

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

2-1.3 Noisy machinery

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

2-1.4 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 outside the Premises if the Landlord in his absolute discretion reasonably considers such sounds to be undesirable and gives notice to the Tenant to that effect.

2-1.5 Flashing lights

The Tenant must not display any flashing lights in the Premises that can be seen from outside the Premises, or display any other lighting arrangement that can be seen from outside the Premises if the Landlord in his absolute discretion reasonably considers such lighting to be undesirable and gives notice to the Tenant to that effect

2-1.6 Exterior lights and awnings

The Tenant must not install or erect any exterior lighting, shade or awning at the Premises without the Landlord's previous consent in writing, which consent may not be unreasonably withheld or delayed

2-1.7 Window cleaning

The Tenant must clean both sides of all windows and window frames on the Premises at least once every month.

2-2 Approved sign or fascia

The Tenant must maintain on the outside of the Premises a sign or fascia of a type, size and design approved by the Landlord, whose approval may not be unreasonably withheld or delayed, showing the Tenant's name and business.

2-3 Ceiling and floor loading

2-3.1 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.

2-3.2 Protection of the roof

The Tenant must not, without the consent of the Landlord, suspend anything from any ceiling of the Premises

2-3.3 Expert advice

If the Tenant applies for the Landlord's consent under paragraph 2-3.2 PROTECTION OF THE ROOF, 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 on demand.

2-4 Plate glass

2-4.1 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 insurance policy and evidence of payment of the current year's premium.

2-4.2 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.

2-5 Shop Front

The Tenant must not alter the Shop Front of the Premises

SCHEDULE 3: 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.

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 Landlord's becoming aware 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 persons 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 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 3.2, 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 rents reserved by the Lease [in both cases] for the period commencing with the date of the disclaimer and ending on whichever is the earlier of the date six months after the disclaimer the date, if any, 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 seven 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 4 : OPTION TO PURCHASE

- 4-1** "The Property" means the premises and 20a Market Street Hoylake Wirral Merseyside being registered under Title No: MS 215861
- 4-2** The Landlord shall give written notice ("the Landlord's Notice") to the Tenant of his desire to sell the freehold interest in the Property.
- 4-3** The Tenant to whom the Landlord's Notice has been given may within one month of the date thereof give notice in writing ("the Tenant's Notice") to the Landlord that he wishes to purchase the freehold interest in the Property.
- 4-4** The Property shall be valued within one month of the date of the Tenant's Notice by

a valuer appointed by the Landlord and by a valuer appointed by the Tenant and the price to be paid for the freehold interest in the Property shall be the average figure of the two valuations.

4-5 The Landlord and the Tenant shall each pay their own valuer's and solicitor's costs.

4-6 The contract for the sale and purchase shall incorporate the Standard Conditions of Sale (Fifth Edition).

4-7 Contracts for the sale and purchase shall be exchanged between the Landlord and the Tenant within one month of the date on which the price has been determined and completion of the sale shall take place one month thereafter

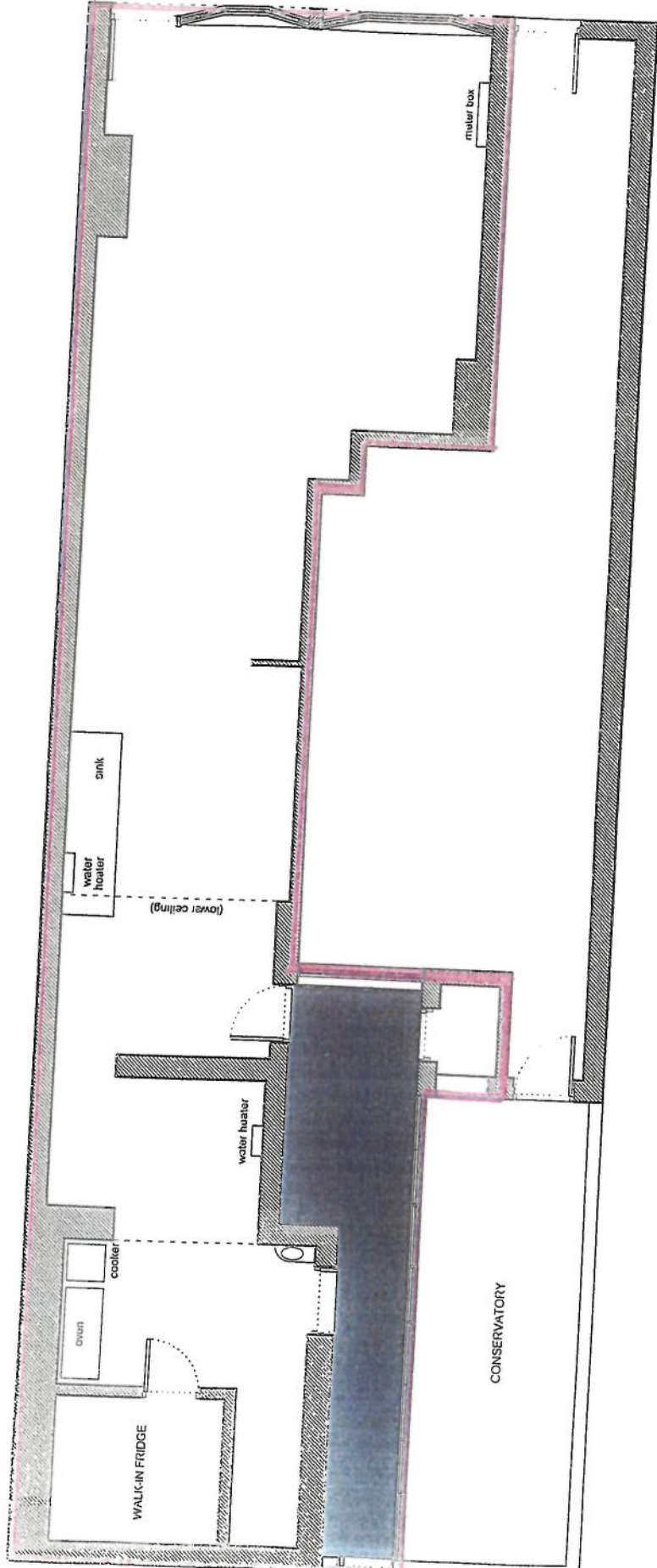
SIGNED by the said
PAUL ANDREW DOUGHERTY
in the presence of:-

) 
) _____
)

Witness: *m Kirkham*

Address: *Haworth + Gallagher*
37/39 Wauasey Rd

Occupation: *Wauasey*
Legal Secretary



PROPOSED GROUND FLOOR PLAN

SCALE 1 : 75

