

Dated

2023

PETER JOHN HODGE & JOANNE MARGARET HODGE

and

PAUL BARNETT T/A KPH ARCADES & MONKEY'S EMPORIUM HERTS LTD

LEASE

relating to

31A Whitehorse Street, Baldock, Hertfordshire SG7 6QF

GREENE & GREENE
SOLICITORS

80 Guildhall Street, Bury St Edmunds,
Suffolk, IP33 1QB
(B/243/HOD22-2)

LR1. Date of lease

LR2. Title number(s)

LR2.1 Landlord's title number(s)

HD254944

LR2.2 Other title numbers

None

LR3. Parties to this Lease

Landlord

PETER JOHN HODGE & JOANNE MARGARET HODGE

Stambourne Hall, Church Road, Stambourne, Halstead, Essex CO9 4NR

Tenant

PAUL BARNETT T/A KPH ARCADES

77 Bittern Way, Letchworth Garden City, Hertfordshire SG6 4EN

MONKEY'S EMPORIUM HERTS LIMITED

Company Number: 10242943

Registered Office: 61 Bridge Street, Kington, Herefordshire HR5 3DJ

Other parties

None

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.

See the definition of "Property" in Clause 1.1 of this Lease.

LR5. Prescribed statements etc.

LR5.1 Statements prescribed under rules 179 (dispositions in favour of a charity), 180 (dispositions by a charity) or 196 (leases under the Leasehold Reform, Housing and Urban Development Act 1993) of the Land Registration Rules 2003.

None.

LR5.2 This Lease is made under, or by reference to, provisions of:

None.

LR6. Term for which the Property is leased

The term specified in the definition of "Contractual Term" in Clause 1.1 of this Lease.

LR7. Premium

None.

LR8. Prohibitions or restrictions on disposing of this Lease

This Lease contains a provision that prohibits or restricts 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

The easements set out clause 3 of this Lease are granted by this Lease for the benefit of the Property.

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

The easements set out in clause 4 to this Lease are granted or reserved over the Property for the benefit of other property.

LR12. Estate rentcharge burdening the Property

None.

LR13. Application for standard form of restriction

None.

LR14. Declaration of trust where there is more than one person comprising the Tenant

None

THIS LEASE IS MADE ON THE

DAY OF

2023

BETWEEN

- (1) **PETER JOHN HODGE & JOANNE MARGARET HODGE** of Stambourne Hall, Church Road, Stambourne, Halstead, Essex CO9 4NR (the **Landlord**);
- (2) **PAUL BARNETT T/A KPH ARCADES** of 77 Bittern Way, Letchworth Garden City, Hertfordshire SG6 4EN & **MONKEY'S EMPORIUM HERTS LTD** registered and incorporated in England and Wales with company number 10242943 whose registered office is at 61 bridge Street, Kington, Hertfordshire HR5 3DJ (the **Tenant**).

RECITALS

- (A) The Landlord is the freehold owner of the Property.
- (B) The Landlord has agreed to grant a lease of the Property to the Tenant on the terms set out in this Lease.

IT IS HEREBY AGREED

1. INTERPRETATION

The following definitions and rules of interpretation apply in this Lease.

1.1 Definitions:

(a) **Act of Insolvency:**

- (i) the taking of any step in connection with any voluntary arrangement or any other compromise or arrangement for the benefit of any creditors of the Tenant or any guarantor;
- (ii) the making of an application for an administration order or the making of an administration order in relation to the Tenant or any guarantor;
- (iii) the giving of any notice of intention to appoint an administrator, or the filing at court of the prescribed documents in connection with the appointment of an administrator, or the appointment of an administrator, in any case in relation to the Tenant or any guarantor;
- (iv) the appointment of a receiver or manager or an administrative receiver in relation to any property or income of the Tenant or any guarantor;
- (v) the commencement of a voluntary winding-up in respect of the Tenant or any guarantor, except a winding-up for the purpose of amalgamation or reconstruction of a solvent company in respect of which a statutory declaration of solvency has been filed with the Registrar of Companies;

- (vi) the making of a petition for a winding-up order or a winding-up order in respect of the Tenant or any guarantor;
- (vii) the striking-off of the Tenant or any guarantor from the Register of Companies or the making of an application for the Tenant or any guarantor to be struck-off;
- (viii) the Tenant or any guarantor otherwise ceasing to exist (but excluding where the Tenant or any guarantor dies); or
- (ix) the making of an application for a bankruptcy order, the presentation of a petition for a bankruptcy order or the making of a bankruptcy order against the Tenant or any guarantor; or

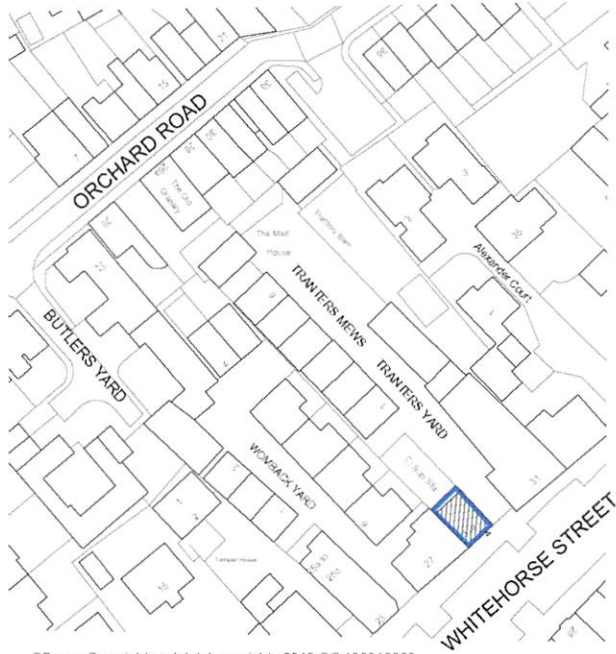
The paragraphs above shall apply in relation to a partnership or limited partnership (as defined in the Partnership Act 1890 and the Limited Partnerships Act 1907 respectively) subject to the modifications referred to in the Insolvent Partnerships Order 1994 (SI 1994/2421) (as amended), and a limited liability partnership (as defined in the Limited Liability Partnerships Act 2000) subject to the modifications referred to in the Limited Liability Partnerships Regulations 2001 (SI 2001/1090) (as amended).

Act of Insolvency includes any analogous proceedings or events that may be taken pursuant to the legislation of another jurisdiction in relation to a tenant or guarantor incorporated or domiciled in such relevant jurisdiction.

- (b) **Annual Rent:** rent at an initial rate of eleven thousand pounds (£11,000) per annum and thereafter as reviewed in accordance with Schedule 1 of this Lease.
- (c) **Break Date:** 2026
- (d) **Building:** 31A Whitehorse Street, Baldock, Hertfordshire SG7 6QF as shown edged red on the Plan.
- (e) **CDM Regulations:** the Construction (Design and Management) Regulations 2015 (SI 2015/51).
- (f) **Common Parts:** those parts of the Landlord's Property other than the Property and the Lettable Units.
- (g) **Contractual Term:** a term of years beginning on, and including 2023 and ending on, and including 2026.
- (h) **Default Interest Rate:** 4 % per annum above the Interest Rate.
- (i) **Energy Assessor:** an individual who is a member of an accreditation scheme approved by the Secretary of State in accordance with regulation 22 of the Energy Performance of Buildings (England and Wales) Regulations 2012 (SI 2012/3118).

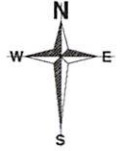
- (j) **Energy Performance Certificate:** a certificate as defined in regulation 2(1) of the Energy Performance of Buildings (England and Wales) Regulations 2012 (SI 2012/3118).
- (k) **Insurance Rent:** the aggregate in each year of:
 - (i) a fair proportion of the gross cost of the premium before any discount or commission for the insurance of the Building, other than any plate glass, for its full reinstatement cost (taking inflation of building costs into account) against loss or damage by or in consequence of the Insured Risks, including costs of demolition, site clearance, site protection and shoring-up, professionals' and statutory fees and incidental expenses, the cost of any work which may be required under any law and VAT in respect of all those costs, fees and expenses, and public liability insurance in relation to the Common Parts;
 - (ii) the gross cost of the premium before any discount or commission for insurance for loss of Annual Rent from the Property for three years; and
 - (iii) any insurance premium tax payable on the above.
- (l) **Insured Risks:** means fire, explosion, lightning, earthquake, storm, flood, bursting and overflowing of water tanks, apparatus or pipes, impact by aircraft and articles dropped from them, impact by vehicles, subsidence, ground slip, heave, riot, civil commotion and any other risks against which the Landlord decides to insure against from time to time and Insured Risk: means any one of the Insured Risks.
- (m) **Interest Rate:** the base rate from time to time of Barclays Bank Plc, or if that base rate stops being used or published then a comparable commercial rate reasonably determined by the Landlord.
- (n) **Landlord's Property:** means the freehold property (including the Building) registered at HM Land Registry under title number HD265944 and shown edged and hatched blue on the Plan.
- (o) **Lettable Unit:** a floor or part of a floor of the Building other than the Property, that is capable of being let and occupied.
- (p) **LTA 1954:** Landlord and Tenant Act 1954.
- (q) **Permitted Use:** use as a barbers within Use Class E(a) of the Town and Country Planning (Use Classes) Order 1987 (as it applied in England at the date this Lease was granted) to which the Landlord has given consent.
- (r) **Plan:** the plan or plans attached to this Lease comprising of the Location Plan and the Site Plan.

Location Plan



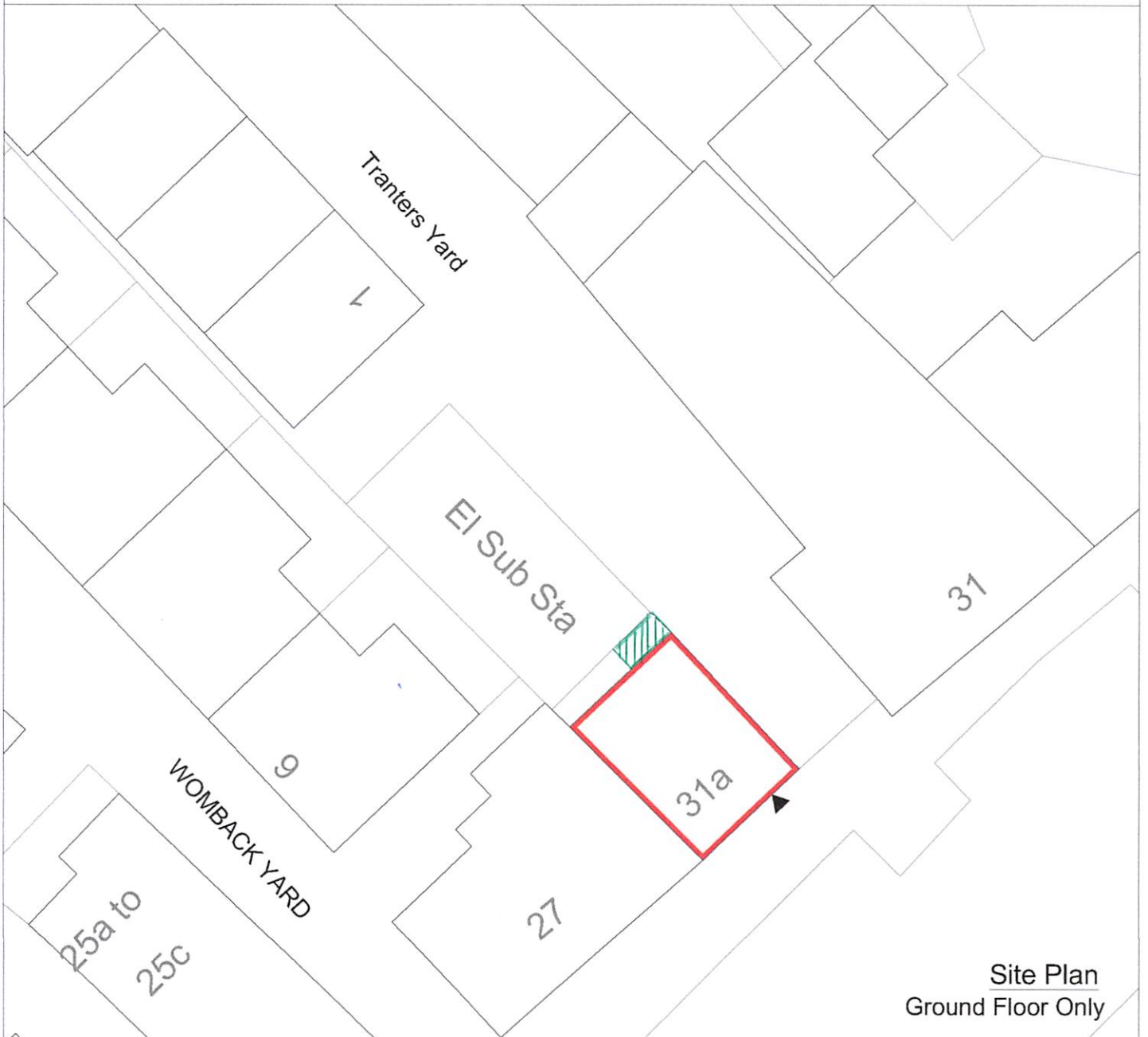
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**31A WHITEHORSE STREET,
BALDOCK
HERTFORDSHIRE
SG7 6QF**



Lease Plan

Site Plan - 1:250
Location Plan - 1:1250
Plan to be printed @ A4



**Site Plan
Ground Floor Only**

- (s) **Property:** 31A Whitehorse Street, Baldock, Hertfordshire SG7 6QF as shown edged red on the Plan and being the ground floor only of the Building, bounded by and including:-
- (i) the floor screed;
 - (ii) the ceiling plaster;
 - (iii) the interior plasterwork and finishes of exterior walls and columns;
 - (iv) the plasterwork and finishes of the interior load-bearing walls and columns that adjoin another Lettable Unit or the Common Parts;
 - (v) the interior and exterior doors and windows and their frames and fittings;
 - (vi) one half of the thickness of the interior, non-load-bearing walls and columns that adjoin another Lettable Unit or the Common Parts;
 - (vii) the whole of any non-load bearing walls within the Property;
 - (viii) the shop front and signage;
 - (ix) all additions and improvements to the Property;
 - (x) all Landlord's fixtures and fittings within the Property;
 - (xi) all Service Media within and exclusively serving the Property;
- but excluding:
- (xii) the whole of the Building (except the Property and any other Lettable Unit) including the exterior and structure of the Building including (but not limited to) the roof and roof structures and coverings load bearing and external walls and Common Parts ; and
 - (xiii) all Service Media within that part of the Building but which do not exclusively serve that part of the Building.
- (t) **Recommendation Report:** a report as defined in regulation 4 of the Energy Performance of Buildings (England and Wales) Regulations 2012 (SI 2012/3118).
- (u) **Rent Commencement Date:** 1st June 2023.
- (v) **Rent Payment Dates:** 1st June, 1st September, 1st December, 1st March in each year.
- (w) **Reservations:** all of the rights excepted, reserved and granted to the Landlord by this Lease.

- (x) **Service Media:** all media for the supply or removal of heat, electricity, gas, water, sewage, air-conditioning (if any), energy, telecommunications, data and all other services and utilities and all structures, machinery and equipment ancillary to those media.
 - (y) **Third Party Rights:** all rights, covenants and restrictions affecting the Building including the matters referred to at the date of this Lease in.
 - (z) **VAT:** value added tax chargeable under the VATA 1994 and any similar replacement tax and any similar additional tax.
 - (aa) **VATA 1994:** Value Added Tax Act 1994.
- 1.2 A reference to this Lease, except a reference to the date of this Lease or to the grant of this Lease, is a reference to this deed and any deed, licence, consent, approval or other instrument supplemental to it.
- 1.3 A reference to the Landlord includes a reference to the person entitled to the immediate reversion to this Lease. A reference to the Tenant includes a reference to its successors in title and assigns. A reference to a guarantor of the tenant covenants of this Lease including a guarantor who has entered into an authorised guarantee agreement.
- 1.4 In relation to any payment, a reference to a fair proportion is to a fair proportion of the total amount payable, determined conclusively (except as to questions of law) by the Landlord.
- 1.5 The expressions landlord covenant and tenant covenant each has the meaning given to it by the Landlord and Tenant (Covenants) Act 1995.
- 1.6 Unless the context otherwise requires, references to the Building, the Common Parts, a Lettable Unit and the Property are to the whole and any part of them or it.
- 1.7 The expression neighbouring property does not include the Building.
- 1.8 A reference to the term is to the Contractual Term and statutory continuation of this Lease.
- 1.9 A reference to the end of the term is to the end of the term however it ends.
- 1.10 References to the consent of the Landlord are to the consent of the Landlord given in accordance with clause 37.5 and references to the approval of the Landlord are to the approval of the Landlord given in accordance with clause 37.6.
- 1.11 A working day is any day which is not a Saturday, a Sunday, a bank holiday or a public holiday in England.
- 1.12 A reference to laws in general is a reference to all local, national and directly applicable supra-national laws as amended, extended or re-enacted from time to time and shall include all subordinate laws made from time to time under them and all orders, notices, codes of practice and guidance made under them.

- 1.13 Unless otherwise specified, a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time and shall include all subordinate legislation made from time to time under that statute or statutory provision and all orders, notices, codes of practice and guidance made under it.
- 1.14 Any obligation on the Tenant not to do something includes an obligation not to allow that thing to be done and an obligation to use best endeavours to prevent that thing being done by another person.
- 1.15 Unless the context otherwise requires, any words following the terms including, include, **in particular, for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- 1.16 A person includes a natural person, corporate or unincorporated body (whether or not having separate legal personality).
- 1.17 A reference to **writing** or **written** does not include fax or email.
- 1.18 Unless the context otherwise requires, references to clauses and Schedules are to the clauses and Schedules of this Lease and references to paragraphs are to paragraphs of the relevant Schedule.
- 1.19 Clause, Schedule and paragraph headings shall not affect the interpretation of this Lease.
- 1.20 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.
- 1.21 Unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular.

2. GRANT

- 2.1 The Landlord lets with full title guarantee the Property to the Tenant for the Contractual Term.
- 2.2 The grant is made together with the ancillary rights set out in clause 3, excepting and reserving to the Landlord the rights set out in clause 4, and subject to the Third Party Rights.
- 2.3 The grant is made with the Tenant paying the following as rent to the Landlord:
- (a) the Annual Rent and all VAT in respect of it;
 - (b) payment for the Common Items referred to in clause 11;
 - (c) the Insurance Rent;
 - (d) all interest payable under this Lease; and

- (e) all other sums due under this Lease.

3. ANCILLARY RIGHTS

- 3.1 The Landlord grants the Tenant the following rights (the Rights):
- (a) the right to support and protection from the Common Parts to the extent that the Common Parts provide support and protection to the Property at the date of this Lease;
 - (b) the right to use any Service Media at the Building that belong to the Landlord and serve (but do not form part of) the Property which are in existence at the date of this Lease or are installed or constructed during the period of 80 years from the commencement of the Contractual Term;
 - (c) the right to use the cellar located beneath the Property for storage purposes only and the tenant is not permitted to make any alterations whatsoever to the cellar; and
 - (d) the right to use that part of the Common Parts shown edged and hatched green on the Plan for the purpose of accessing and egressing the cellar provided that at all times this area shall be:
 - (i) kept tidy and clear from rubbish and other items;
 - (ii) the gate leading to such area is kept closed at all times; and
 - (iii) no nuisance is caused to the tenant of any other Lettable Unit at any time.
- 3.2 The Rights are granted in common with the Landlord and any other person authorised by the Landlord.
- 3.3 The Rights are granted subject to the Third Party Rights insofar as the Third Party Rights affect the Common Parts and the Tenant shall not do anything that may interfere with any Third Party Right.
- 3.4 The Tenant shall exercise the Rights (other than the Right mentioned in clause (a)) only in connection with its use of the Property for the Permitted Use and in accordance with any regulations made by the Landlord as mentioned in clause 26.1.
- 3.5 The Tenant shall comply with all laws relating to its use of the Common Parts pursuant to the Rights.
- 3.6 In relation to the Rights mentioned in clause (b), the Landlord may, at its discretion, re-route or replace over the Common Parts any such Service Media and that Right shall then apply in relation to the Service Media as re-routed or replaced.

3.7 Except as mentioned in this clause 3, neither the grant of this Lease nor anything in it confers any right over the Common Parts or any Lettable Unit or any neighbouring property nor is to be taken to show that the Tenant may have any right over the Common Parts or any Lettable Unit or any neighbouring property, and section 62 of the Law of Property Act 1925 does not apply to this Lease.

4. RIGHTS EXCEPTED AND RESERVED

4.1 The following rights are excepted and reserved from this Lease to the Landlord for the benefit of the Building and to the extent possible for the benefit of any neighbouring or adjoining property in which the Landlord acquires an interest during the term:

- (a) rights of light, air, support and protection to the extent those rights are capable of being enjoyed at any time during the term;
- (b) the right to:
 - (i) use and connect into Service Media at, but not forming part of, the Property which are in existence at the date of this Lease or which are installed or constructed during the Contractual Term;
 - (ii) install and construct Service Media at the Property to serve any part of the Building (whether or not such Service Media also serve the Property); and
 - (iii) re-route any Service Media mentioned in this clause (b);
- (c) at any time during the term, the full and free right to develop the remainder of the Building including building onto the Building or any part of it or and any neighbouring or adjoining property in which the Landlord acquires an interest during the term as the Landlord may think fit;
- (d) the right to erect scaffolding at the Property or the Building and attach it to any part of the Property or the Building in connection with any of the Reservations;
- (e) the right to attach any structure, fixture or fitting to the boundary of the Property in connection with any of the Reservations;
- (f) the right to re-route any means of access to or egress from the Property or the Building and to change the areas over which the Rights mentioned in clause (a) to clause (b) are exercised; and
- (g) the right to re-route and replace any Service Media over which the Rights mentioned in clause (b) are exercised;

notwithstanding that the exercise of any of the Reservations or the works carried out pursuant to them result in a reduction in the flow of light or air to the Property or the Common Parts or loss of amenity for the Property or the Common Parts

provided that they do not materially adversely affect the use and enjoyment of the Property for the Permitted Use.

- 4.2 The Landlord reserves the right to enter the Property:
- (a) to repair, maintain, install, construct, re-route or replace any Service Media or structure relating to any of the Reservations;
 - (b) to carry out any works to any other Lettable Unit; and
 - (c) for any other purpose mentioned in or connected with:
 - (i) this Lease;
 - (ii) the Reservations; and
 - (iii) the Landlord's interest in the Property or the Building.
- 4.3 The Reservations may be exercised by the Landlord and by anyone else who is or becomes entitled to exercise them, and by anyone authorised by the Landlord.
- 4.4 The Tenant shall allow all those entitled to exercise any right to enter the Property, to do so with their workers, contractors, agents and professional advisors, and to enter the Property at any reasonable time (whether or not during usual business hours) and, except in the case of an emergency, after having given reasonable notice (which need not be in writing) to the Tenant.
- 4.5 No party exercising any of the Reservations, nor its workers, contractors, agents and professional advisors, shall be liable to the Tenant or to any undertenant or other occupier of or person at the Property for any loss, damage, injury, nuisance or inconvenience arising by reason of its exercising any of the Reservations except for:
- (a) physical damage to the Property; or
 - (b) any loss, damage, injury, nuisance or inconvenience in relation to which the law prevents the Landlord from excluding liability.

5. THIRD PARTY RIGHTS

- 5.1 The Tenant shall comply with all obligations on the Landlord relating to the Third Party Rights insofar as those obligations relate to the Property and shall not do anything (even if otherwise permitted by this Lease) that may interfere with any Third Party Right.
- 5.2 The Tenant shall allow the Landlord and any other person authorised by the terms of the Third Party Right to enter the Property in accordance with its terms.

6. THE ANNUAL RENT

- 6.1 The Tenant shall pay the Annual Rent and any VAT in respect of it by twelve equal instalments in advance on or before the Rent Payment Dates. The payments shall be made by banker's standing order or by any other method that the Landlord requires at any time by giving notice to the Tenant.
- 6.2 The first instalment of the Annual Rent and any VAT in respect of it shall be made on the Rent Commencement Date and shall be the proportion, calculated on a daily basis, in respect of the period beginning on the Rent Commencement Date and ending on the day before the next Rent Payment Date.

7. INSURANCE

- 7.1 Subject to clause 7.2, the Landlord shall keep the Building other than any plate glass insured against loss or damage by the Insured Risks for the sum which the Landlord considers to be its full reinstatement cost (taking inflation of building costs into account). The Landlord shall not be obliged to insure any part of the Property installed by the Tenant.
- 7.2 The Landlord's obligation to insure is subject to:
- (a) any exclusions, limitations, excesses and conditions that may be imposed by the insurers; and
 - (b) insurance being available in the London insurance market on reasonable terms acceptable to the Landlord.
- 7.3 The Tenant shall pay to the Landlord on demand:
- (a) the Insurance Rent;
 - (b) a fair proportion of any amount that is deducted or disallowed by the insurers pursuant to any excess provision in the insurance policy; and
 - (c) a fair proportion of any costs that the Landlord incurs in obtaining a valuation of the Building for insurance purposes.
- 7.4 The Tenant shall:
- (a) immediately inform the Landlord if any matter occurs in relation to the Tenant or the Property that any insurer or underwriter may treat as material in deciding whether or on what terms to insure or to continue to insure the Building and shall give the Landlord notice of that matter;
 - (b) not do or omit anything as a result of which any policy of insurance of the Building or any neighbouring property may become void or voidable or otherwise prejudiced, or the payment of any policy money may be withheld, nor (unless the Tenant has previously notified the Landlord and has paid any increased or additional premium) anything as a result of

which any increased or additional insurance premium may become payable;

- (c) comply at all times with the requirements and recommendations of the insurers relating to the Property and the use by the Tenant of the Common Parts;
- (d) give the Landlord immediate notice of the occurrence of any damage or loss relating to the Property arising from an Insured Risk;
- (e) not effect any insurance of the Property (except any plate glass at the Property), but if it becomes entitled to the benefit of any insurance proceeds in respect of the Property (other than in respect of plate glass) pay those proceeds or cause them to be paid to the Landlord; and
- (f) pay the Landlord an amount equal to any insurance money that the insurers of the Building refuse to pay (in relation to the Building) by reason of any act or omission of the Tenant or any undertenant, their workers, contractors or agents or any person at the Property or the Common Parts with the actual or implied authority of any of them.
- (g) Put in place plate glass insurance for the Property in the joint names of the Landlord and the Tenant to a reasonable sum and to provide the Landlord with a copy of the insurance policy.

7.5 The Landlord shall, subject to obtaining all necessary planning and other consents, use all insurance money received (other than for loss of rent) in connection with any damage to the Building to repair the damage for which the money has been received or (as the case may be) in rebuilding the Building. The Landlord shall not be obliged to:

- (a) provide accommodation or facilities identical in layout or design so long as accommodation reasonably equivalent to that previously at the Property and its access, services and amenities is provided; or
- (b) repair or rebuild if the Tenant has failed to pay any of the Insurance Rent; or
- (c) repair or rebuild the Building after a notice has been served pursuant to clause 7.7 or clause 7.8.

7.6 If the Property is damaged or destroyed by an Insured Risk so as to be unfit for occupation and use or if the Common Parts are damaged or destroyed by an Insured Risk so as to make the Property inaccessible or unusable then, unless the policy of insurance in relation to the Property or the Common Parts has been vitiated in whole or in part in consequence of any act or omission of the Tenant, any undertenant or their respective workers, contractors or agents or any other person on the Property or the Common Parts with the actual or implied authority of any of them, payment of the Annual Rent, or a fair proportion of it according to the nature and extent of the damage, shall be suspended until the Property has

been reinstated and made fit for occupation and use or the Common Parts have been reinstated so as to make the Property accessible or useable (as the case may be), or until the end of three years from the date of damage or destruction, if sooner.

- 7.7 If, following damage to or destruction of the Building, the Landlord considers that it is impossible or impractical to reinstate the Building, the Landlord may terminate this Lease by giving notice to the Tenant. On giving notice this Lease shall determine but this shall be without prejudice to any right or remedy of the Landlord in respect of any breach of the tenant covenants of this Lease. Any proceeds of the insurance (other than any insurance for plate glass) shall belong to the Landlord.
- 7.8 Provided that the Tenant has complied with its obligations in this clause, the Tenant may terminate this Lease by giving notice to the Landlord if, following damage or destruction of the Property or the Common Parts by an Insured Risk, the Property has not been reinstated so as to be fit for occupation and use or the Common Parts have not been reinstated so as to make the Property accessible or useable within three years after the date of damage or destruction. On giving this notice this Lease shall determine but this shall be without prejudice to any right or remedy of the Landlord in respect of any breach of the tenant covenants of this Lease. Any proceeds of the insurance (other than any insurance for plate glass) shall belong to the Landlord.

8. RATES AND TAXES

- 8.1 The Tenant shall pay all present and future rates, taxes and other impositions and outgoings payable in respect of the Property, its use and any works carried out there, except:
- (a) any taxes payable by the Landlord in connection with any dealing with or disposition of the reversion to this Lease; or
 - (b) any taxes (other than VAT and insurance premium tax) payable by the Landlord by reason of the receipt of any of the rents due under this Lease.
- 8.2 If any such rates, taxes or other impositions and outgoings are payable in respect of the Property together with other land (including any other part of the Building) the Tenant shall pay a fair proportion of the total.
- 8.3 The Tenant shall not make any proposal to alter the rateable value of the Property or that value as it appears on any draft rating list, without the approval of the Landlord.
- 8.4 If, after the end of the term, the Landlord loses rating relief (or any similar relief or exemption) because it has been allowed to the Tenant, then the Tenant shall pay the Landlord an amount equal to the relief or exemption that the Landlord has lost.

9. UTILITIES

- 9.1 The Tenant shall pay all costs in connection with the supply and removal of electricity, gas, water, sewage, telecommunications and data and other services and utilities to or from the Property.
- 9.2 The Tenant shall comply with all laws and with any recommendations of the relevant suppliers relating to the use of those services and utilities.

10. COMMON ITEMS

- 10.1 The Tenant shall pay the Landlord on demand a fair proportion of all costs incurred or payable or to be incurred or payable by the Landlord for the maintenance, repair, lighting, cleaning and renewal of the Building and any part or part of it including the Common Parts, Structure and exterior of the Building and all Service Media, structures and other items not on the Building but used or capable of being used by the Building in common with other land.
- 10.2 The Tenant shall comply with all reasonable regulations the Landlord may make from time to time in connection with the use of any of the Buildings Service Media, structures or other items.

11. VAT

- 11.1 All sums payable by the Tenant are exclusive of any VAT that may be chargeable. The Tenant shall pay VAT in respect of all taxable supplies made to it in connection with this Lease on the due date for making any payment or, if earlier, the date on which that supply is made for VAT purposes.
- 11.2 Every obligation on the Tenant, under or in connection with this Lease, to pay the Landlord or any other person any sum by way of a refund or indemnity, shall include an obligation to pay an amount equal to any VAT incurred on that sum by the Landlord or other person, except to the extent that the Landlord or other person obtains credit for such VAT under the VATA 1994.

12. DEFAULT INTEREST AND INTEREST

- 12.1 If any Annual Rent or any other money payable under this Lease has not been paid by the date it is due, whether it has been formally demanded or not, the Tenant shall pay the Landlord interest on that amount at the Default Interest Rate (both before and after any judgment). Such interest shall accrue on a daily basis for the period beginning on the due date to and including the date of payment.
- 12.2 If the Landlord does not demand or accept any Annual Rent or other money due or tendered under this Lease because the Landlord reasonably believes that the Tenant is in breach of any of the tenant covenants of this Lease, then the Tenant shall, when that amount is accepted by the Landlord, also pay interest at the Interest Rate on that amount for the period beginning on the date the amount (or each part of it) became due until the date it is accepted by the Landlord.

13. COSTS

13.1 The Tenant shall pay the costs and expenses of the Landlord including any solicitors' or other professionals' costs and expenses (incurred both during and after the end of the term) in connection with or in contemplation of any of the following:

- (a) the enforcement of the tenant covenants of this Lease;
- (b) serving any notice in connection with this Lease under section 146 or 147 of the Law of Property Act 1925 or taking any proceedings under either of those sections, notwithstanding that forfeiture is avoided otherwise than by relief granted by the court;
- (c) serving any notice in connection with this Lease under section 17 of the Landlord and Tenant (Covenants) Act 1995;
- (d) the preparation and service of a schedule of dilapidations in connection with this Lease; or
- (e) any consent or approval applied for under this Lease, whether or not it is granted (unless the consent or approval is unreasonably withheld by the Landlord in circumstances where the Landlord is not unreasonably to withhold it);
- (f) the cost of any enforcement agents or other professionals in respect of enforcement of covenants or payment or collection of rent.

13.2 Where the Tenant is obliged to pay or indemnify the Landlord against any solicitors' or other professionals' costs and expenses (whether under this or any other clause of this Lease) that obligation extends to those costs and expenses assessed on a full indemnity basis.

14. COMPENSATION ON VACATING

Any right of the Tenant or anyone deriving title under the Tenant to claim compensation from the Landlord on leaving the Property under the LTA 1954 is excluded, except to the extent that the legislation prevents that right being excluded.

15. SET-OFF

The Annual Rent and all other amounts due under this Lease shall be paid by the Tenant or any guarantor (as the case may be) in full without any set-off, counterclaim, deduction or withholding (other than any deduction or withholding of tax as required by law).

16. ASSIGNMENTS

16.1 The Tenant shall not assign the whole of this Lease without the consent of the Landlord, such consent not to be unreasonably withheld.

- 16.2 The Tenant shall not assign part only of this Lease.
- 16.3 The Landlord and the Tenant agree that for the purposes of section 19(1A) of the Landlord and Tenant Act 1927 the Landlord may give its consent to an assignment subject to all or any of the following conditions:
- (a) A condition that with its application for assignment the Tenant has produced to the Landlord an unconditional undertaking from its solicitors to pay whether the licence is granted or not all reasonable costs and disbursements (including irrecoverable VAT) which may be properly and reasonably incurred by the Landlord in connection with the application for consent (including without prejudice to the generality of the foregoing) its solicitor's costs and its surveyor's costs;
 - (b) a condition that the assignor enters into an authorised guarantee agreement which:
 - (i) is in respect of all the tenant covenants of this Lease;
 - (ii) is in respect of the period beginning with the date the assignee becomes bound by those covenants and ending on the date when the assignee is released from those covenants by virtue of section 5 of the Landlord and Tenant (Covenants) Act 1995;
 - (iii) imposes principal debtor liability on the assignor;
 - (iv) requires (in the event of a disclaimer of this Lease) the assignor to enter into a new tenancy for a term equal to the unexpired residue of the Contractual Term; and
 - (v) is otherwise in a form reasonably required by the Landlord;
 - (c) a condition that a person or persons of standing acceptable to the Landlord acting reasonably enters into a guarantee and indemnity of the tenant covenants of this Lease in the form set out in the Schedule 2 (but with such amendments and additions as the Landlord may reasonably require).
 - (d) A condition that the Assignee shall pay a rent deposit of at least three months' rent and enter into a rent deposit deed with the Landlord in a form required by it.
- 16.4 The Landlord and the Tenant agree that for the purposes of section 19(1A) of the Landlord and Tenant Act 1927 the Landlord may refuse its consent to an assignment if any of the following circumstances exist at the date of the Tenant's application for consent to assign this Lease:
- (a) the Annual Rent or any other money due under this Lease is outstanding or there is a material breach of covenant by the Tenant that has not been remedied;

- (b) in the Landlord's reasonable opinion the assignee is not of sufficient financial standing to enable it to comply with the Tenant's covenants and conditions contained in this Lease; or
- (c) the assignee and the Tenant are group companies within the meaning of section 42 of the LTA 1954.

16.5 Nothing in this clause shall prevent the Landlord from giving consent subject to any other reasonable condition, nor from refusing consent to an assignment in any other circumstance where it is reasonable to do so.

17. PROHIBITION OF OTHER DEALINGS

Except as expressly permitted by this Lease, the Tenant shall not assign, underlet, charge, part with or share possession or share occupation of this Lease or the Property or part of it or them or hold the lease on trust for any person (except pending registration of a dealing permitted by this Lease at HM Land Registry or by reason only of joint legal ownership).

18. REGISTRATION AND NOTIFICATION OF DEALINGS AND OCCUPATION

18.1 In this clause a Transaction is:

- (a) any dealing with this Lease or the devolution or transmission of, or parting with possession of any interest in it;
- (b) the creation of any underlease or other interest out of this Lease, or out of any interest, underlease derived from it, and any dealing, devolution or transmission of, or parting with possession of any such interest or underlease; or
- (c) the making of any other arrangement for the occupation of the Property.

18.2 In respect of every Transaction that is registrable at HM Land Registry, the Tenant shall promptly following completion of the Transaction apply to register it (or procure that the relevant person so applies). The Tenant shall (or shall procure that) any requisitions raised by HM Land Registry in connection with an application to register a Transaction are dealt with promptly and properly. Within one month of completion of the registration, the Tenant shall send the Landlord official copies of its title (and where applicable of the undertenant's title).

18.3 No later than one month after a Transaction the Tenant shall:

- (a) give the Landlord's solicitors notice of the Transaction; and
- (b) deliver one certified copy of any document effecting the Transaction to the Landlord's solicitors; and
- (c) pay the Landlord's solicitors a registration fee of at least £75 (plus VAT).

- (d) deliver to the Landlord's solicitors a copy of any Energy Performance Certificate and Recommendation Report issued as a result of the Transaction.

18.4 If the Landlord so requests, the Tenant shall promptly supply the Landlord with full details of the occupiers of the Property and the terms upon which they occupy it.

19. CLOSURE OF THE REGISTERED TITLE OF THIS LEASE

Within one month after the end of the term (and notwithstanding that the term has ended), the Tenant shall make an application to close the registered title of this Lease and shall ensure that any requisitions raised by HM Land Registry in connection with that application are dealt with promptly and properly; the Tenant shall keep the Landlord informed of the progress and completion of its application.

20. REPAIRS

20.1 The Tenant must:

- (a) keep the Property in good and substantial repair and condition;
- (b) keep the Property clean, tidy and clear of rubbish; and
- (c) as often as is reasonably necessary, clean the internal and external surfaces of the shopfront and any windows or other glass at the Property; and
- (d) replace as soon as possible with glass of similar appearance and of similar or better quality any glass forming part of the Property that becomes cracked or broken; and
- (e) and ensure that any Service Media within and exclusively serving the Property is kept in good working order and shall replace any Landlord's fixtures and fittings that become beyond repair during or at the end of the Term.

20.2 The Tenant shall not be liable to repair the Property to the extent that any disrepair has been caused by an Insured Risk, unless and to the extent that:

- (a) the policy of insurance of the Property has been vitiated or any insurance proceeds withheld in consequence of any act or omission of the Tenant, any undertenant or their respective workers, contractors or agents or any person on the Property with the actual or implied authority of any of them; or
- (b) the insurance cover in relation to that disrepair is excluded, limited, is unavailable or has not been extended, as mentioned in clause 7.2.

21. DECORATION

- 21.1 The Tenant shall decorate the Property as often as is reasonably necessary and also in the last three months before the end of the term.
- 21.2 All decoration shall be carried out in a good and proper manner using good quality materials that are appropriate to the Property and the Permitted Use and shall include all appropriate preparatory work.
- 21.3 All decoration carried out in the last three months of the term shall also be carried out to the satisfaction of the Landlord and using materials, designs and colours approved by the Landlord in writing.
- 21.4 The Tenant shall replace the floor coverings at the Property within the three months before the end of the term with new ones of good quality and appropriate to the Property and the Permitted Use.

22. ALTERATIONS

- 22.1 Except as permitted by this clause 22, the Tenant must not make any:
- (a) alteration or addition to the Property; or
 - (b) opening in any boundary of the Property.
- 22.2 Any alterations permitted by this clause are subject to clause 22.7.
- 22.3 The Tenant may make internal non-structural alterations to the Property without the consent of the Landlord provided that the Tenant must:
- (a) carry out such alterations in a good and workmanlike manner and in accordance with good building and other relevant practices, codes and guidance;
 - (b) immediately after completion of such alterations give to the Landlord copies of the plans and specifications for the alterations; and
 - (c) make good any damage to the Property caused by the carrying out of those alterations.
- 22.4 The Tenant may
- (a) make any alterations to the shopfront of the Property; or
 - (b) attach a shop fascia to the Property;
- with the consent of the Landlord (such consent not to be unreasonably withheld or delayed).
- 22.5 The Tenant may carry out minor alterations that consist of making minor perforations in any boundary of the Property or in the structural elements of the Property provided that:

- (a) those alterations are reasonably required in connection with any works permitted under this clause 22;
 - (b) those alterations do not adversely impact on the structural integrity of the Property; and
 - (c) the Tenant obtains the consent of the Landlord (such consent not to be unreasonably withheld or delayed).
- 22.6 The Tenant may install any Service Media at the Property or alter the route of any Service Media at the Property with the consent of the Landlord (such consent not to be unreasonably withheld or delayed).
- 22.7 The Tenant must not carry out any alteration to the Property which would, or may reasonably be expected to, have an adverse effect on the asset rating in any Energy Performance Certificate for the Property.

23. SIGNS

- 23.1 The Tenant must not:
- (a) except as permitted by clause 23.2, display any Signs inside the Property that are visible from the outside; or
 - (b) except as permitted by clause 22.4(b), attach any Signs to the exterior of the Property.
- 23.2 The Tenant may display such trade posters and advertisements at the Property of a design, size and number and in positions that are appropriate to the nature and location of the Property and to the Permitted Use.
- 23.3 The Tenant must allow the Landlord to fix to and keep at the Property:
- (a) during the three month period before the Termination Date, any re-letting board as the Landlord reasonably requires except where there is a genuine prospect of the Tenant renewing this Lease and the Tenant is genuinely and actively pursuing that renewal; and
 - (b) at any time during the Term, any sale board as the Landlord reasonably requires.

24. RETURNING THE PROPERTY TO THE LANDLORD

- 24.1 At the end of the term the Tenant shall return the Property to the Landlord in the repair and condition required by this Lease.
- 24.2 The Tenant shall remove items it has fixed to the Property, remove any alterations it has made to the Property and make good any damage caused to the Property by that removal.

24.3 At the end of the term, the Tenant shall remove from the Property all chattels belonging to or used by it.

24.4 The Tenant irrevocably appoints the Landlord to be the Tenant's agent to store or dispose of any chattels or items it has fixed to the Property and which have been left by the Tenant on the Property for more than ten working days after the end of the term. The Landlord shall not be liable to the Tenant by reason of that storage or disposal. The Tenant shall indemnify the Landlord in respect of any claim made by a third party in relation to that storage or disposal.

25. USE

25.1 The Tenant shall not use the Property for any purpose other than the Permitted Use.

25.2 The Tenant shall not use the Property for any illegal purpose nor for any purpose or in a manner that would cause loss, damage, injury, nuisance or inconvenience to the Landlord, the other tenants or occupiers of the Lettable Units or any owner or occupier of neighbouring property.

25.3 The Tenant shall not overload any structural part of the Building nor any Service Media at or serving the Property.

26. REGULATIONS

26.1 The Tenant shall observe all reasonable and proper regulations made by the Landlord from time to time in accordance with the principles of good estate management and notified to the Tenant relating to the use of the Common Parts and the management of the Building.

26.2 Nothing in this Lease shall impose or be deemed to impose any restriction on the use of any other Lettable Unit or any neighbouring property.

27. COMPLIANCE WITH LAWS

27.1 The Tenant shall comply with all laws relating to:

- (a) the Property and the occupation and use of the Property by the Tenant;
- (b) the use or operation of all Service Media and machinery and equipment at or serving the Property whether or not used or operated, and shall, where necessary, replace or convert such Service Media within or exclusively serving the Property so that it is capable of lawful use or operation;
- (c) any works carried out at the Property; and
- (d) all materials kept at or disposed from the Property.

27.2 Without prejudice to any obligation on the Tenant to obtain any consent or approval under this Lease, the Tenant shall carry out all works that are required

under any law to be carried out at the Property whether by the owner or the occupier.

- 27.3 Within five working days after receipt of any notice or other communication affecting the Property or the Building (and whether or not served pursuant to any law) the Tenant shall:
- (a) send a copy of the relevant document to the Landlord; and
 - (b) insofar as it relates to the Property, take all steps necessary to comply with the notice or other communication and take any other action in connection with it as the Landlord may require.
- 27.4 The Tenant shall not apply for any planning permission for the Property.
- 27.5 The Tenant shall comply with its obligations under the CDM Regulations, including all requirements in relation to the provision and maintenance of a health and safety file.
- 27.6 The Tenant shall supply all information to the Landlord that the Landlord reasonably requires from time to time to comply with the Landlord's obligations under the CDM Regulations.
- 27.7 As soon as the Tenant becomes aware of any defect in the Property, it shall give the Landlord notice of it. The Tenant shall indemnify the Landlord against any liability under the Defective Premises Act 1972 in relation to the Property by reason of any failure of the Tenant to comply with any of the tenant covenants in this Lease.
- 27.8 The Tenant shall keep the Property equipped with all fire prevention, detection and fighting machinery and equipment and fire alarms which are required under all relevant laws or required by the insurers of the Property or reasonably recommended by them or reasonably required by the Landlord and shall keep that machinery, equipment and alarms properly maintained and available for inspection.

28. ENERGY PERFORMANCE CERTIFICATES

- 28.1 The Tenant shall:
- (a) co-operate with the Landlord so far as is reasonably necessary to allow the Landlord to obtain an Energy Performance Certificate and Recommendation Report for the Property or the Building including providing the Landlord with copies of any plans or other information held by the Tenant that would assist in obtaining an Energy Performance Certificate; and
 - (b) allow such access to any Energy Assessor appointed by the Landlord as is reasonably necessary to inspect the Property for the purposes of preparing

an Energy Performance Certificate and/or Recommendation Report for the Property or the Building.

28.2 The Tenant shall not commission an Energy Performance Certificate for the Property without the Landlord's consent.

29. ENCROACHMENTS, OBSTRUCTIONS AND ACQUISITION OF RIGHTS

29.1 The Tenant shall not grant any right or licence over the Property to a third party.

29.2 If a third party makes or attempts to make any encroachment over the Property or takes any action by which a right may be acquired over the Property, the Tenant shall:

(a) immediately inform the Landlord and shall give the Landlord notice of that encroachment or action; and

(b) take all steps (including any proceedings) the Landlord reasonably requires to prevent or license the continuation of that encroachment or action.

29.3 The Tenant shall not obstruct the flow of light or air to the Property or any other part of the Building nor obstruct any means of access to the Property or any other part of the Building.

29.4 The Tenant shall not make any acknowledgement that the flow of light or air to the Property or any other part of the Building or that the means of access to the Property or any other part of the Building is enjoyed with the consent of any third party.

29.5 If any person takes or threatens to take any action to obstruct the flow of light or air to the Property or obstruct the means of access to the Property, the Tenant shall:

(a) immediately inform the Landlord and shall give the Landlord notice of that action; and

(b) take all steps (including proceedings) the Landlord reasonably requires to prevent or secure the removal of the obstruction.

30. BREACH OF REPAIR AND MAINTENANCE OBLIGATIONS

30.1 The Landlord may enter the Property to inspect its condition and state of repair and may give the Tenant a notice of any breach of any of the tenant covenants in this Lease relating to the condition or repair of the Property.

30.2 If the Tenant has not begun any works needed to remedy that breach within two months following that notice (or if works are required as a matter of emergency, then immediately) or if the Tenant is not carrying out the works with all due speed, then the Landlord may enter the Property and carry out the works needed.

30.3 The costs incurred by the Landlord in carrying out any works pursuant to this clause (and any professional fees and any VAT in respect of those costs) shall be a debt due from the Tenant to the Landlord and payable on demand.

30.4 Any action taken by the Landlord pursuant to this clause shall be without prejudice to the Landlord's other rights, including those under clause 34.

31. INDEMNITY

The Tenant shall keep the Landlord indemnified against all liabilities, expenses, costs (including but not limited to any solicitors' or other professionals' costs and expenses), claims, damages and losses (including but not limited to any diminution in the value of the Landlord's interest in the Building and loss of amenity of the Building) suffered or incurred by the Landlord arising out of or in connection with any breach of any tenant covenants in this Lease, or any act or omission of the Tenant, any undertenant or their respective workers, contractors or agents or any other person on the Property or the Common Parts with the actual or implied authority of any of them.

32. LANDLORD'S COVENANT FOR QUIET ENJOYMENT

The Landlord covenants with the Tenant, that, so long as the Tenant pays the rents reserved by and complies with its obligations in this Lease, the Tenant shall have quiet enjoyment of the Property without any interruption by the Landlord or any person claiming under the Landlord except as otherwise permitted by this Lease.

33. GUARANTEE AND INDEMNITY

33.1 The provisions of the Schedule 1 apply.

33.2 If an Act of Insolvency occurs in relation to a guarantor, or if any guarantor (being an individual) dies or becomes incapable of managing his affairs the Tenant shall, if the Landlord requests, procure that a person of standing acceptable to the Landlord, within 30 days of that request, enters into a replacement or additional guarantee and indemnity of the tenant covenants of this Lease in the same form as that entered into by the former guarantor.

33.3 Clause 33.2 shall not apply in the case of a person who is guarantor by reason of having entered into an authorised guarantee agreement.

33.4 For so long as any guarantor remains liable to the Landlord, the Tenant shall, if the Landlord requests, procure that that guarantor joins in any consent or approval required under this Lease and consents to any variation of the tenant covenants of this Lease.

34. RE-ENTRY AND FORFEITURE

34.1 The Landlord may re-enter the Property (or any part of the Property in the name of the whole) at any time after any of the following occurs:

- (a) any rent is unpaid 21 days after becoming payable whether it has been formally demanded or not;
- (b) any breach of any condition of, or tenant covenant in, this Lease;
- (c) an Act of Insolvency.

34.2 If the Landlord re-enters the Property (or any part of the Property in the name of the whole) pursuant to this clause, this Lease shall immediately end, but without prejudice to any right or remedy of the Landlord in respect of any breach of covenant by the Tenant or any guarantor.

35. JOINT AND SEVERAL LIABILITY

35.1 Where the Tenant comprises more than one person, those persons shall be jointly and severally liable for the obligations and liabilities of the Tenant arising under this Lease. The Landlord may take action against, or release or compromise the liability of, or grant time or other indulgence to, any one of those persons without affecting the liability of any other of them.

35.2 Where a guarantor comprises more than one person, those persons shall be jointly and severally liable for the obligations and liabilities of a guarantor arising under this Lease. The Landlord may take action against, or release or compromise the liability of, or grant time or other indulgence to, any one of those persons without affecting the liability of any other of them.

35.3 The obligations of the Tenant and any guarantor arising by virtue of this Lease are owed to the Landlord and the obligations of the Landlord are owed to the Tenant.

35.4 The Landlord shall not be liable to the Tenant for any failure of the Landlord to perform any landlord covenant in this Lease, unless and until the Tenant has given the Landlord notice of the failure and the Landlord has not remedied the failure within a reasonable time of service of that notice.

36. ENTIRE AGREEMENT

36.1 This Lease constitutes the whole agreement between the parties and supersedes all previous discussions, correspondence, negotiations, arrangements, understandings and agreements between them relating to its subject matter.

36.2 Each party acknowledges that in entering into this Lease it does not rely on, and shall have no remedies in respect of, any representation or warranty (whether made innocently or negligently).

36.3 Nothing in this Lease constitutes or shall constitute a representation or warranty that the Property may lawfully be used for any purpose allowed by this Lease.

36.4 Nothing in this clause shall limit or exclude any liability for fraud.

37. NOTICES, CONSENTS AND APPROVALS

- 37.1 Except where this Lease specifically states that a notice need not be in writing, any notice given under or in connection with this Lease shall be:
- (a) in writing and for the purposes of this clause an email is not in writing; and
 - (b) given by hand or by pre-paid first-class post or other next working day delivery service at the party's registered office address (if the party is a company) or (in any other case) at the party's principal place of business; or
- 37.2 If a notice complies with the criteria in clause 37.1, whether or not this Lease requires that notice to be in writing, it shall be deemed to have been received:
- (a) if delivered by hand, at the time the notice is left at the proper address; or
 - (b) if sent by pre-paid first-class post or other next working day delivery service, on the second working day after posting.
- 37.3 This clause does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.
- 37.4 Section 196 of the Law of Property Act 1925 shall otherwise apply to notices given under this Lease.
- 37.5 Where the consent of the Landlord is required under this Lease, a consent shall only be valid if it is given by deed, unless:
- (a) it is given in writing and signed by the Landlord or a person duly authorised on its behalf; and
 - (b) it expressly states that the Landlord waives the requirement for a deed in that particular case.
- If a waiver is given, it shall not affect the requirement for a deed for any other consent.
- 37.6 Where the approval of the Landlord is required under this Lease, an approval shall only be valid if it is in writing and signed by or on behalf of the Landlord, unless:
- (a) the approval is being given in a case of emergency; or
 - (b) this Lease expressly states that the approval need not be in writing.
- 37.7 If the Landlord gives a consent or approval under this Lease, the giving of that consent or approval shall not imply that any consent or approval required from a third party has been obtained, nor shall it obviate the need to obtain any consent or approval from a third party.

38. GOVERNING LAW

This Lease and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales.

39. JURISDICTION

Each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with this Lease or its subject matter or formation (including non-contractual disputes or claims).

40. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

A person who is not a party to this Lease shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Lease. This does not affect any right or remedy of a third party which exists, or is available, apart from that Act.

41. TENANT'S BREAK

41.1 The Tenant may terminate this Lease on the Break Date by serving a notice in writing ("Break Notice") on the Landlord at least six months before the Break Date.

41.2 A Break Notice served by the Tenant shall only be effective (unless any condition is waived by the Landlord) if at the Break Date:

- (a) the Tenant has paid all of the rents hereby reserved (and any VAT in respect of them) including (but not limited to) Annual Rent and Insurance Rent which were due to have been paid by the Break Date; and
- (b) vacant possession of the whole of the Property is given;
- (c) the Tenant has removed any authorised and unauthorised alterations (except any alterations agreed by the Landlord not to be removed) and made good any damage caused to the Property; and
- (d) there are no subsisting breaches of any of the tenant covenants in this Lease.

41.3 Subject to clause 41.2 following service of a Break Notice this Lease shall terminate on the Break Date.

41.4 Termination of this Lease on the Break Date shall not affect any other right or remedy that either party may have in relation to any earlier breach of this Lease.

41.5 If this Lease terminates in accordance with this clause 41 then within fourteen days of the Break Date the Landlord shall refund to the Tenant the proportion of the Annual Rent and Insurance Rent for the period from and excluding the Break Date up to and including the day before the next Rent Payment Date calculated pro-rata on a daily basis.

This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

SCHEDULE 1 – Rent Review

PART 1- Definitions

1 DEFINITIONS

The following definitions apply in this Schedule 1:

- (a) **Assumptions:** the assumptions set out in Part 2 of this Schedule 1.
- (b) **Disregards:** the disregards set out in Part 3 of this Schedule 1.
- (c) **Hypothetical Lease:** the lease described in Part 4 of this Schedule 1.
- (d) **Open Market Rent:** the best annual rent (exclusive of VAT) at which the Property could reasonably be expected to be let:
 - (i) in the open market;
 - (ii) at the relevant Review Date; and
 - (iii) applying the Assumptions and Disregards.
- (e) **Review Dates:** April 2026 and every 3rd anniversary of that date.
- (f) **Shortfall Payment Date:** the date which is ten working days from and including the date that the revised Annual Rent is agreed or determined.

PART 2 - Assumptions

1 The matters to be assumed are:

- 1.1 The Property is available to let in the open market:
 - (a) on the terms of the Hypothetical Lease;
 - (b) by a willing landlord to a willing tenant;
 - (c) with vacant possession; and
 - (d) without a fine or a premium.
- 1.2 The willing tenant has had the benefit of any rent-free or other concession or contribution which would be offered in the open market at the Review Date in relation to fitting-out works at the Property.
- 1.3 The Property may lawfully be used, and is in a physical state to enable it to be lawfully used, by the willing tenant (or any potential undertenant or assignee of the willing tenant) for any use permitted by this Lease.
- 1.4 The Tenant and the Landlord have fully complied with their obligations in this Lease.

- 1.5 If the Property or any means of access to it or any Service Media serving the Property has been destroyed or damaged, it has been fully restored.
- 1.6 No work has been carried out on the Property that has diminished its rental value.
- 1.7 Any fixtures, fittings, machinery or equipment supplied to the Property by the Landlord that have been removed by or at the request of the Tenant, or any undertenant or their respective predecessors in title (otherwise than to comply with any law) remain at the Property.

PART 3- Disregards

- 1 The matters to be disregarded are:
 - 1.1 Any effect on rent of the fact that the Tenant or any authorised undertenant has been in occupation of the Property.
 - 1.2 Any goodwill attached to the Property by reason of any business carried out there by the Tenant or by any authorised undertenant or by any of their predecessors in business.
 - 1.3 Any effect on rent attributable to any physical improvement to the Property carried out before or after the date of this Lease (including any physical improvement to any Service Media servicing the Property), by or at the expense of the Tenant or any authorised undertenant with all necessary consents, approvals and authorisations and not pursuant to an obligation to the Landlord (other than an obligation to comply with any law).
 - 1.4 Any effect on rent of any obligation on the Tenant to reinstate the Property to the condition or design it was in before any alterations or improvements were carried out.
 - 1.5 Any statutory restriction on rents or the right to recover them.

PART 4- Hypothetical Lease

- 1 A lease:
 - 1.1 Of the whole of the Property.
 - 1.2 For a term of 5 years commencing on the relevant Review Date.
 - 1.3 Otherwise on the terms of this Lease (other than the amount of the Annual Rent and the provision in this Lease for a rent-free period).

PART 5 - Review of the Annual Rent

1 REVIEW

- 1.1 The Annual Rent shall be reviewed on the Review Date to equal:
- (a) the amount agreed between the Landlord and Tenant at any time (whether or not that amount is the Open Market Rent); or
 - (b) in the absence of such agreement, the greater of:
 - (i) the Annual Rent payable immediately before the Review Date (or which would then be payable but for any abatement, suspension, concession or reduction of the Annual Rent or restriction on the right to collect it); and
 - (ii) the Open Market Rent agreed or determined pursuant to this Schedule 1.
- 1.2 The Landlord and Tenant may agree the revised Annual Rent at any time before it is determined by the Expert.
- 1.3 As soon as practicable after the amount of the revised Annual Rent has been agreed or determined, a memorandum recording the amount shall be signed by or on behalf of the Landlord, the Tenant and the guarantor. The parties shall each bear their own costs in connection with the memorandum.

2 DETERMINATION BY THE EXPERT

- 2.1 If the Landlord and Tenant have not agreed the revised Annual Rent by the date three months before the Review Date, then either party may at any time refer the revised Annual Rent for determination by the Expert in accordance with this paragraph 2 of this Part of this Schedule. The Expert can be appointed in accordance with the terms of this Lease irrespective of whether the Landlord and Tenant have tried to first reach an agreement on the revised Annual Rent.
- 2.2 The Landlord and Tenant shall agree on the appointment of an Expert and shall agree with the Expert the terms of their appointment.
- 2.3 If the Landlord and Tenant are unable to agree on an Expert or the terms of their appointment within 10 working days of either party serving details of a suggested expert on the other, either party shall then be entitled to request the President to appoint an Expert and agree with the Expert the terms of appointment.
- 2.4 The Expert shall be required to prepare a written decision including reasons and give notice (including a copy) of the decision to the parties within a maximum of 10 working days of the matter being referred to the Expert.
- 2.5 If the Expert dies or becomes unwilling or incapable of acting, or does not deliver the decision within the time required by this clause, then:

- (a) either party may apply to the President to discharge the Expert and to appoint a replacement Expert with the required expertise; and
 - (b) this paragraph 2 of this Part of this Schedule shall apply to the new Expert as if they were the first Expert appointed.
- 2.6 The parties are entitled to make submissions to the Expert must provide (or procure that others provide) the Expert with such assistance and documents as the Expert reasonably requires for the purpose of reaching a decision.
- 2.7 The Expert shall act as an expert and not as an arbitrator. The Expert shall determine the matter referred to the Expert under this Lease. The Expert may award interest as part of their decision. The Expert's written decision on the matters referred to them shall be final and binding on the parties in the absence of manifest error or fraud.
- 2.8 The Landlord and Tenant must bear their own costs in relation to the reference to the Expert.
- 2.9 The Landlord and Tenant must bear the Expert's fees and any costs properly incurred by them in arriving at their determination (including any fees and costs of any advisers appointed by the Expert) equally or in such other proportions as the Expert shall direct.
- 2.10 The Landlord and Tenant must act reasonably and co-operate to give effect to the provisions of this paragraph and otherwise do nothing to hinder or prevent the Expert from reaching their determination.

3 LATE REVIEW OF ANNUAL RENT

If the revised Annual Rent has not been agreed or determined on or before the Review Date, the Tenant must:

- 3.1 continue to pay the Annual Rent at the rate payable immediately before that Review Date; and
- 3.2 on or before the Shortfall Payment Date, pay:
 - (a) the shortfall (if any) between the amount of Annual Rent that the Tenant has paid for the period from and including that Review Date and the amount of Annual Rent for that period that would have been payable had the revised Annual Rent been agreed or determined on or before that Review Date; and
 - (b) interest at the Interest Rate on that shortfall. That interest shall be calculated on a daily basis by reference to the Rent Payment Dates on which parts of the shortfall would have been payable if the revised Annual Rent had been agreed or determined on or before that Review Date and the Shortfall Payment Date (or, if the Tenant pays the shortfall earlier than the Shortfall Payment Date, the date of that payment).

4 TIME NOT OF THE ESSENCE

Time is not of the essence for the purposes of this Schedule 1

SCHEDULE 2 - Guarantee and indemnity

1. GUARANTEE AND INDEMNITY

- 1.1 The Guarantor guarantees to the Landlord that the Tenant shall:
- (a) pay the rents reserved by this Lease and observe and perform the tenant covenants of this Lease and that if the Tenant fails to pay any of those rents or to observe or perform any of those tenant covenants, the Guarantor shall pay or observe and perform them; and
 - (b) observe and perform any obligations the Tenant enters into in an authorised guarantee agreement made in respect of this Lease (the Authorised Guarantee Agreement) and that if the Tenant fails to do so, the Guarantor shall observe and perform those obligations.
- 1.2 The Guarantor covenants with the Landlord as principal obligor and as a separate and independent obligation and liability from its obligations and liabilities under paragraph 1.1 to indemnify and keep indemnified the Landlord against any failure by the Tenant:
- (a) to pay any of the rents reserved by this Lease or any failure to observe or perform any of the tenant covenants of this Lease; or
 - (b) to observe or perform any of the obligations the Tenant enters into in the Authorised Guarantee Agreement.

2. GUARANTOR'S LIABILITY

- 2.1 The liability of the Guarantor under paragraph (a) and paragraph (a) shall continue until the end of the term, or until the Tenant is released from the tenant covenants of this Lease by virtue of the Landlord and Tenant (Covenants) Act 1995, if earlier.
- 2.2 The liability of the Guarantor shall not be reduced, discharged or otherwise adversely affected by:
- (a) any time or indulgence granted by the Landlord to the Tenant; or
 - (b) any delay or forbearance by the Landlord in enforcing the payment of any of the rents or the observance or performance of any of the tenant covenants of this Lease (or the Tenant's obligations under the Authorised Guarantee Agreement) or in making any demand in respect of any of them; or
 - (c) any refusal by the Landlord to accept any rent or other payment due under this Lease where the Landlord believes that the acceptance of such rent or payment may prejudice its ability to re-enter the Property; or
 - (d) the Landlord exercising any right or remedy against the Tenant for any failure to pay the rents reserved by this Lease or to observe or perform the

tenant covenants of this Lease (or the Tenant's obligations under the Authorised Guarantee Agreement); or

- (e) the Landlord taking any action or refraining from taking any action in connection with any other security held by the Landlord in respect of the Tenant's liability to pay the rents reserved by this Lease or observe and perform the tenant covenants of the lease (or the Tenant's obligations under the Authorised Guarantee Agreement) including the release of any such security; or
- (f) a release or compromise of the liability of any one of the persons who is the Guarantor, or the grant of any time or concession to any one of them; or
- (g) any legal limitation or disability on the Tenant or any invalidity or irregularity of any of the tenant covenants of the lease (or the Tenant's obligations under the Authorised Guarantee Agreement) or any unenforceability of any of them against the Tenant; or
- (h) the Tenant being dissolved, or being struck off the register of companies or otherwise ceasing to exist, or, if the Tenant is an individual, by the Tenant dying or becoming incapable of managing its affairs; or
- (i) without prejudice to paragraph 4, the disclaimer of the Tenant's liability under this Lease or the forfeiture of this Lease; or
- (j) the surrender of the lease in respect of part only of the Property, except that the Guarantor shall not be under any liability in relation to the surrendered part in respect of any period after the surrender; or

by any other act or omission except an express release by deed of the Guarantor by the Landlord.

- 2.3 The liability of each of the persons making up the Guarantor is joint and several.
- 2.4 Any sum payable by the Guarantor shall be paid without any deduction, set-off or counter-claim against the Landlord or the Tenant.

3. VARIATIONS AND SUPPLEMENTAL DOCUMENTS

- 3.1 The Guarantor shall, at the request of the Landlord, join in and give its consent to the terms of any consent, approval, variation or other document that may be entered into by the Tenant in connection with this Lease (or the Authorised Guarantee Agreement).
- 3.2 The Guarantor shall not be released by any variation of the rents reserved by, or the tenant covenants in, this Lease (or the Tenant's obligations under the Authorised Guarantee Agreement) whether or not:
 - (a) the variation is material or prejudicial to the Guarantor; or

- (b) the variation is made in any document; or
 - (c) the Guarantor has consented, in writing or otherwise, to the variation.
- 3.3 The liability of the Guarantor shall apply to the rents reserved by and the tenant covenants in this Lease (and the Tenant's obligations under the Authorised Guarantee Agreement) as varied except to the extent that the liability of the Guarantor is affected by section 18 of the Landlord and Tenant (Covenants) Act 1995.

4. GUARANTOR TO TAKE A NEW LEASE OR MAKE PAYMENT

- 4.1 If this Lease is forfeited or the liability of the Tenant under this Lease is disclaimed and the Landlord gives the Guarantor notice not later than six months after the forfeiture or the Landlord having received notice of the disclaimer, the Guarantor shall enter into a new lease of the Property on the terms set out in paragraph 4.2.
- 4.2 The rights and obligations under the new lease shall take effect beginning on the date of the forfeiture or disclaimer and the new lease shall:
- (a) be granted subject to the right of any person to have this Lease vested in them by the court and to the terms on which any such order may be made and subject to the rights of any third party existing at the date of the grant;
 - (b) be for a term that expires at the same date as the end of the Contractual Term of this Lease had there been no forfeiture or disclaimer;
 - (c) reserve as an initial annual rent an amount equal to the Annual Rent payable under this Lease at the date of the forfeiture or disclaimer or which would be payable but for any abatement or suspension of the Annual Rent or restriction on the right to collect it (subject to paragraph 5) and which is subject to review on the same terms and dates provided by this Lease;
 - (d) be excluded from sections 24 to 28 of the LTA 1954; and
 - (e) otherwise be on the same terms as this Lease (as varied if there has been any variation).
- 4.3 The Guarantor shall pay the Landlord's solicitors' costs and disbursements (on a full indemnity basis) and any VAT in respect of them in relation to the new lease and shall execute and deliver to the Landlord a counterpart of the new lease within one month after service of the Landlord's notice.
- 4.4 The grant of a new lease and its acceptance by the Guarantor shall be without prejudice to any other rights which the Landlord may have against the Guarantor or against any other person or in respect of any other security that the Landlord may have in connection with this Lease.
- 4.5 The Landlord may, instead of giving the Guarantor notice pursuant to paragraph 4.1 but in the same circumstances and within the same time limit, require the

Guarantor to pay an amount equal to three months Annual Rent and the Guarantor shall pay that amount on demand.

5. RENT AT THE DATE OF FORFEITURE OR DISCLAIMER

- 5.1 If at the date of the forfeiture or disclaimer there is a rent review pending under this Lease, then the initial annual rent to be reserved by the new lease shall be the greater of:
- (a) the Annual Rent previously payable (or which would have been payable but for any abatement or suspension of the Annual Rent or restriction on the right to collect it) under the lease prior to forfeiture or disclaimer; and
 - (b) the open market rent of the Property at the relevant Review Date, as determined by the Landlord before the grant of the new lease.

6. PAYMENTS IN GROSS AND RESTRICTIONS ON THE GUARANTOR

- 6.1 Any payment or dividend that the Landlord receives from the Tenant (or its estate) or any other person in connection with any insolvency proceedings or arrangement involving the Tenant shall be taken and applied as a payment in gross and shall not prejudice the right of the Landlord to recover from the Guarantor to the full extent of the obligations that are the subject of this guarantee and indemnity.
- 6.2 The Guarantor shall not claim in competition with the Landlord in any insolvency proceedings or arrangement of the Tenant in respect of any payment made by the Guarantor pursuant to this guarantee and indemnity. If it otherwise receives any money in such proceedings or arrangement, it shall hold that money on trust for the Landlord to the extent of its liability to the Landlord.
- 6.3 The Guarantor shall not, without the consent of the Landlord, exercise any right or remedy that it may have (whether against the Tenant or any other person) in respect of any amount paid or other obligation performed by the Guarantor under this guarantee and indemnity unless and until all the obligations of the Guarantor under this guarantee and indemnity have been fully performed.

7. OTHER SECURITIES

- 7.1 The Guarantor warrants that it has not taken and covenants that it shall not take any security from or over the assets of the Tenant in respect of any liability of the Tenant to the Guarantor. If it does take or hold any such security it shall hold it for the benefit of the Landlord.
- 7.2 This guarantee and indemnity is in addition to and independent of any other security that the Landlord may from time to time hold from the Guarantor or the Tenant or any other person in respect of the liability of the Tenant to pay the rents reserved by this Lease and to observe and perform the tenant covenants of this Lease. It shall not merge in or be affected by any other security.

7.3 The Guarantor shall not be entitled to claim or participate in any other security held by the Landlord in respect of the liability of the Tenant to pay the rents reserved by this Lease or to observe and perform the tenant covenants of this Lease.

Executed as deed by **PETER JOHN HODGE** in the presence of:

.....

Peter John Hodge

SIGNATURE OF WITNESS

.....

NAME OF WITNESS

.....

.....

.....

WITNESS ADDRESS

.....

OCCUPATION OF WITNESS

Executed as deed by **JOANNE MARGARET HODGE** in the presence of:

.....

Joanne Margaret Hodge

SIGNATURE OF WITNESS

.....

NAME OF WITNESS

.....

.....

.....

WITNESS ADDRESS

.....

OCCUPATION OF WITNESS

Executed as deed by **PAUL BARNETT T/A KPH ARCADES** in
the presence of:

Paul Barnett

.....

SIGNATURE OF WITNESS

.....

NAME OF WITNESS

.....

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.....

WITNESS ADDRESS

.....

OCCUPATION OF WITNESS

Executed as deed by **MONKEY'S EMPORIUM HERTS LTD**
acting by a Director, Daniel Emery, in the presence of:

Director

.....

SIGNATURE OF WITNESS

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NAME OF WITNESS

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WITNESS ADDRESS

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OCCUPATION OF WITNESS