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Title Number IW75934

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SEE COPY LETTER OF LIMITATION AND PLAN
AFFIXED HERETO

DATED

17th April

2012

(1) BASING PARTNERS LIMITED

(2) DONE BROTHERS (CASH BETTING) LIMITED

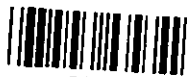
LEASE

Relating to



SEQ167

97/99 St James Street
Newport
Isle of Wight



COPY

I hereby certify that this is a true
copy of the original

Signed


Kate Clough Solicitor

18 March 2012

Burley & Geach
8 Swan Street
Petersfield
Hampshire
GU32 3AE

Ref: HMJ/SJ/BASING
06 March 2012

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PRESCRIBED CLAUSES

LR1. Date of lease

17th April

2012

LR2. Title number(s)

LR2.1 Landlord's title number(s)

IW27750

LR2.2 Other title numbers

None

LR3. Parties to this lease

Landlord

Basing Partners Limited

Basing Park Privett Alton Hampshire GU34 3NS

Company Registration Number 04000142

Tenant

Done Brothers (Cash Betting) Limited

The Spectrum 56-58 Benson Road Birchwood Warrington Cheshire WA3 7PQ

Company Registration Number 01277703

Other parties

Guarantor

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 Schedule 1

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 as specified in this lease at clause 1.1 in the definition of "Contractual Term".

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 as specified in clause 3 of this lease.

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

The easements as specified in clause 4 of this lease.

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 dated

17th April

2012

H M LAND REGISTRY

Title Number: IW27750

Administrative Area: Isle of Wight

PARTIES

- (1) **BASING PARTNERS LIMITED** Incorporated and registered in England and Wales with company number 04000142 whose registered office is at Basing Park Privett Alton Hampshire GU34 3NS ("**the Landlord**") and
- (2) **DONE BROTHERS (CASH BETTING) LIMITED** Incorporated and registered in England and Wales with company number 01277703 whose registered office is at The Spectrum 56-58 Benson Road Birchwood Warrington Cheshire WA3 7PQ ("**the Tenant**").

AGREED TERMS

1. INTERPRETATION

- 1.1 The definitions and rules of interpretation set out in this clause apply to this lease.

Act of Insolvency:

- (a) the making of an administration order in relation to the Tenant or any guarantor; or
- (b) the appointment of an administrator, in any case in relation to the Tenant or any guarantor; or
- (c) the appointment of a receiver or manager or an administrative receiver in relation to any property or income of the Tenant or any guarantor; or
- (d) 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; or
- (e) a winding-up order in respect of the Tenant or any guarantor; or
- (f) the striking-off of the Tenant or any guarantor from the Register of Companies; or
- (g) the Tenant or any guarantor otherwise ceasing to exist (but excluding where the Tenant or any guarantor dies); or
- (h) the making of a bankruptcy order against the Tenant or any guarantor.

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.

Annual Rent: rent at an initial rate of £50,000 per annum and then as revised pursuant to this lease and any interim rent determined under the 1954 Act

Break Date: means the 17th day of April 2022

Break Notice: written notice to terminate this lease.

Building: 97, 98, 99 and 100 St James Street and 6 Scarrots Lane Newport Isle of Wight shown edged in red on Plan 2 as registered at H M Land Registry with title number IW27750.

CDM Regulations: the Construction (Design and Management) Regulations 2007

Common Parts: the Building other than the Property and the Lettable Units

Contractual Term: a term of 15 years beginning on and including the 17th day of April 2012 and ending on, and including 16th April 2027.

Default Interest Rate: four percentage points above the Interest Rate.

Energy Performance Certificate: a certificate which complies with regulation 11 (1) of the Energy Performance of Buildings (Certificate and Inspections) (England and Wales) Regulations 2007 or regulation 17 E of the Building Regulations 2000

Insurance Rent: the aggregate in each year of:

- (a) a fair and reasonable proportion of the gross cost of the premium after any discount or commission for 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 those costs, fees and expenses; and
- (b) the gross cost of the premium before any discount or commission for insurance for loss of Annual Rent from the Property for three years;
- (c) a fair and reasonable proportion of the gross cost of the premium after any discount or commission of public liability insurance in relation to the Landlord's interest in the Building, and
- (d) insurance premium tax payable on the above.

Insured Risks: means subsidence, heave, landslip, terrorism, 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, 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.

Interest Rate: interest at the base lending rate from time to time of Barclays Bank Plc, or if that base lending rate stops being used or published then at a comparable commercial rate reasonably determined by the Landlord.

Lettable Unit: a floor or parts of a floor of the Building other than the Property that is capable of being let and occupied on terms similar to those of this lease

Permitted Use: Betting office within Class A2 or such other use within Classes A1 or A2 of the Town & Country Planning (Use Classes) Order 1987 with the consent of the Landlord (such consent not to be unreasonably withheld or delayed) other than any use for any purpose that is prohibited or restricted by the terms of any Third Party Right.

Plan 1: the plan attached to this lease marked "Plan 1".

Plan 2: the plan attached to this lease marked "Plan 2".

Property: the premises known as 97-99 St James Street Newport Isle of Wight shown edged red on Plan 1 and more particularly described in Schedule 1.

Recommendation Report: the recommendation report required by regulation 10 of the Energy Performance of Buildings (Certificates and Inspections) (England and Wales) Regulations 2007 including a report issued by an Energy Assessor for the purposes of regulation 17 E (4) of the Building Regulations 2000 or regulation 12 (4) of the Building (Approved Inspectors etc) Regulations 2000. *being* *JM*

Rent Commencement Date: *17th January* 2013 *39 months*
from the date of occupation/access/completion whichever is the sooner)

Rent Payment Dates: the first day of each month

Reservations: all of the rights excepted, reserved and granted to the Landlord by this lease.

Review Dates: *17th April* 2017 and *17th April* 2022

Service Charge: a fair and reasonable proportion of the Service Costs such proportion being not more than 72.65 percent of the Service Costs.

Service Charge Year: is the annual accounting period relating to the Services and the Service Costs beginning on *1st April* in *2012* and each subsequent year during the term.

Service Costs: the costs listed in clause 8.2

Service Media: all media for the supply or removal of heat, electricity, gas, water, sewage, energy, telecommunications, data and all other services and utilities and all structures, machinery and equipment ancillary to those media.

Service Yard: the land shown hatched blue on Plan 1.

Services: the services listed in clause 8.1.

Third Party Rights: all rights, covenants and restrictions affecting the Building including the matters referred to at the date of this lease in the property register of title number HP735414.

VAT: value added tax chargeable under the Value Added Tax Act 1994 or any similar replacement or additional tax.

1954 Act: Landlord and Tenant Act 1954

- 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** is a reference to any 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 or in the case of manifest error) 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** and the **Property** are to the whole and any part of 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 any period of holding over or extension or continuance of the Contractual Term whether by statute or common law.
- 1.9 A reference to the **end of the term** is to the end of the term however it ends.
- 1.10 A **working day** is any day which is not a Saturday, a Sunday, a bank holiday or a public holiday in England.
- 1.11 Unless otherwise specified, a reference to a particular law is a reference to it as it is in force for the time being, taking account of any amendment, extension, application or re-enactment and includes any subordinate laws for the time being in force made under it and all orders, notices, codes of practice and guidance made under it.
- 1.12 A reference to laws in general is to all local, national and directly applicable supra-national laws in force for the time being, taking account of any amendment, extension, application or re-enactment and includes any subordinate laws for the time

being in force made under them and all orders, notices, codes of practice and guidance made under them.

- 1.13 Any obligation in this lease on the Tenant not to do something includes an obligation not to agree to or suffer that thing to be done and an obligation to use best endeavours to prevent that thing being done by another person.
- 1.14 Unless the context otherwise requires, where the words **include(s)** or **including** are used in this lease, they are deemed to have the words "without limitation" following them.
- 1.15 A **person** includes a corporate or unincorporated body.
- 1.16 References to **writing** or **written** do not include faxes or email.
- 1.17 Except where a contrary intention appears, a reference to a clause or Schedule, is a reference to a clause of, or Schedule to, this lease and a reference in a Schedule to a paragraph is to a paragraph of that Schedule.
- 1.18 Clause, Schedule and paragraph headings do not affect the interpretation of this lease.

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) the Insurance Rent;
 - (c) the Service Charge
 - (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 of support and protection from those parts of the Building that afford support and protection for the Property at the date of this lease and to the extent that such support and protection exists at the date of this lease;

- (b) the right to use and to connect into 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;
- (c) the right to enter any part of the Building that adjoins the Property so far as is reasonably necessary to carry out any works to the Property required or permitted by this lease;
- (d) the right for the Tenant to pass and repass on foot only over the Service Yard for the purposes of emergency escape and for the purposes of fire drills and
- (e) the right to affix to the exterior of the Building air conditioning plant and up to 3 satellite dishes all of a type and in a location affording the Tenant good reception to its equipment in the Property previously approved by the Landlord in writing such approval not to be unreasonably withheld or delayed and subject also to the Tenant obtaining all necessary consents from the local planning authority and any other appropriate authority together with their associated down leads/cables/pipes and together with the necessary rights of access to such satellite dishes and air conditioning equipment for the purpose of erecting maintaining inspecting and renewing the same.

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 and the Tenant shall not exercise any of the Rights so as to interfere with any Third Party Right.

3.4 The Tenant shall exercise the Rights only in connection with its use of the Property for the Permitted Use.

3.5 The Tenant shall comply with all laws relating to its use of any part of the Building pursuant to the Rights.

3.6 In relation to the Rights mentioned in clause 3.1(b), the Landlord may, where reasonably necessary, re-route or replace any such Service Media and that Right shall then apply in relation to the Service Media as re-routed or replaced.

3.7 In relation to the Right mentioned in clause 3.1(c), the Tenant shall:

- (a) except in case of emergency, give reasonable notice to the Landlord and the occupier of that part of the Building of its intention to exercise that Right;
- (b) where reasonably required by the Landlord or the occupier of the relevant part of the Building, exercise that Right only if accompanied by a representative of the Landlord and/or the tenant and/or the occupier of the relevant part of the Building;

- (c) cause as little damage as reasonably practicable to the Building and to any property belonging to or used by the Landlord or the tenants or occupiers of the other part of the Building;
- (d) cause as little inconvenience as reasonably practicable to the Landlord and the tenants and occupiers of the relevant part of the Building as is reasonably practicable; and
- (e) promptly make good (to the reasonable satisfaction of the Landlord) any damage caused to the Building (or to any property belonging to or used by the Landlord) by reason of the Tenant exercising that Right.

3.8 Except as mentioned in this clause 3, neither the grant of this lease nor anything in it confers any right over any other part of the Building or any neighbouring property nor is to be taken to show that the Tenant may have any right over any such part of the Building 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 the Landlord's Neighbouring Property 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 use and to 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 period of the Contractual Term; the right to 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 the right to re-route any Service Media mentioned in this paragraph;
- (c) at any time during the term, the full and free right to develop any part of the Building (other than the Property or any part of the Building over which rights are expressly granted by this lease) 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 PROVIDED ALWAYS THAT
 - (i) such scaffolding remains in position for as short a period as is reasonably practicable for the works for which it has been erected to be carried out and that as soon as possible after such works have been completed it is removed

- (ii) the scaffolding causes as little obstruction as is practicable to the entrance of the Property
 - (iii) any damage which may be caused to the exterior of the Property and the tenant's name sign and fascia following the removal of such scaffolding will be made good by the Landlord at no expense to the Tenant as soon as possible thereafter
- (e) the right to attach any structure, fixture or fitting to the boundary of the Property in connection with any of the Reservations; and
 - (f) the right to re-route and replace any Service Media over which the Rights mentioned in clause 3.1(b) are exercised; and
 - (g) a right of way on foot only over such part of the Property as is necessary for the purpose of gaining access to and egress from that part of the Building shown edged and hatched orange on Plan 1 for the purpose of gaining access to and egress from that part of the Building shown edged and hatched orange on Plan 1
 - (h) the right to create and construct a new doorway to that part of the Building shown edged and hatched orange on Plan 1

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 loss of amenity for the Property **PROVIDED THAT** in exercising the Reservations the Landlord shall procure that they or any person exercising the same shall:

- (i) in so far as they involve entry to the Property exercise them in so far as reasonably possible normal business hours (except in the case of emergency) so as to cause as little inconvenience or interruption to the Tenant's use or enjoyment of the Property as practicable and further use reasonable endeavours to give the Tenant at least 72 hours prior written notice (except in an emergency) of their intention to enter the Property at any particular time.
- (ii) use reasonable endeavours to ensure that at all times there will be sufficient means of direct unobstructed and uninterrupted access to and egress from and serving the Property.
- (iii) in the event of any scaffolding or hoarding being placed in front of the Property the Landlord shall permit the Tenant to display temporary signage on any such hoarding or scaffolding

4.2 The Landlord reserves the right to enter the Property upon the giving of reasonable written notice to the Tenant (except in the case of an emergency):

- (a) to repair, maintain, install, construct re-route or replace any Service Media or structure relating to any of the Reservations where the works cannot

reasonably and economically be carried out without such entry being effected;

- (b) to carry out any works to any other part of the Building; and
- (c) for any other reasonable purpose mentioned in or connected with:
 - (i) this lease;
 - (ii) the Reservations; and
 - (iii) the Landlord's interest in the Property or the Building.

Provided that the Landlord or its contractors agents or workmen shall not be entitled to enter to execute such works to the Property unless the Landlord would be entitled to take proceedings for the enforcement of any right of re-entry or forfeiture or for damages pursuant to the provisions of the Leasehold Property (Repairs) Act 1938 in respect of the relevant disrepair

- 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 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, or inconvenience arising by reason of its exercising any of the Reservations except for:
 - (a) physical damage to the Property or the Tenant's fixtures and fittings; or
 - (b) any loss, damage, injury, nuisance or inconvenience in relation to which the law prevents the Landlord from excluding liability.
- 4.6 In relation to the rights reserved in favour of the Landlord in this clause 4 the Landlord shall:
 - (a) except in case of emergency, give reasonable notice to the Tenant and the occupier of the Property of its intention to exercise that right;
 - (b) where reasonably required by the Tenant or the occupier of the Property exercise that right only if accompanied by a representative of the Tenant and/or the tenant and/or the occupier of the Property;
 - (c) cause as little damage as possible to the Property;
 - (d) cause as little inconvenience as possible to the Tenant and the tenants and occupiers of the Property as is reasonably practicable; and

- (e) promptly make good (to the satisfaction of the Tenant) any damage caused to the Property (or to any property belonging to or used by the Tenant) by reason of the Landlord exercising that right.
- 4.7 Provided further that where as a result of the exercise of any rights excepted and reserved the Tenant is unable to use or access the Property for the purpose of its trade the rents reserved by this lease shall cease to be payable until the Tenant is again able to use the Property for the purpose of its trade.
- 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 reasonably 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 from the Rent Commencement Date until the day before the next Rent Payment Date.
- 7. REVIEW OF THE ANNUAL RENT**
- 7.1 In this clause the **President** is the President for the time being of the Royal Institution of Chartered Surveyors or a person acting on his behalf, and the **Surveyor** is the independent valuer appointed pursuant to clause 7.7.
- 7.2 The amount of Annual Rent shall be reviewed on each of the Review Dates to the greater of:
 - (a) the Annual Rent payable immediately before the relevant Review Date (or which would then be payable but for any abatement or suspension of the Annual Rent or restriction on the right to collect it) and
 - (b) the open market rent agreed or determined pursuant to this clause.
- 7.3 The open market rent may be agreed between the Landlord and the Tenant at any time before it is determined by the Surveyor.

7.4 If the open market rent is determined by the Surveyor, it shall be the amount that the Surveyor determines is the annual rent (exclusive of any VAT) at which the Property could reasonably be expected to be let:

- (a) in the open market;
- (b) at the relevant Review Date;
- (c) on the assumptions listed in clause 7.5; and
- (d) disregarding the matters listed in clause 7.6.

7.5 The assumptions are:

- (a) the Property is available to let in the open market:
 - (i) by a willing lessor to a willing lessee;
 - (ii) as a whole;
 - (iii) with vacant possession;
 - (iv) without a fine or a premium;
 - (v) for a term of 10 years commencing on the relevant Review Date; and
 - (vi) otherwise on the terms of this lease other than as to the amount of the Annual Rent and clause 35 but including the provisions for review of the Annual Rent and other than the provision in this lease for a rent free period
- (b) the willing lessee has had the benefit of any rent-free or other concession or contribution which would be offered in the open market at the relevant Review Date in relation to fitting out works at the Property;
- (c) the Property may lawfully be used, and is in a physical state to enable it to be lawfully used, by the willing lessee (or any potential undertenant or assignee of the willing lessee) for the Permitted Use;
- (d) the Landlord and the Tenant have fully complied with their obligations in this lease save where the Landlord is in wilful and persistent breach;
- (e) if the Property, has been destroyed or damaged, it has been fully restored;
- (f) no work has been carried out on the Property or on the Building that has diminished the rental value of the Property;
- (g) 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;
- (h) the willing lessee and its potential assignees and undertenants shall not be disadvantaged by any actual or potential election to waive exemption from VAT in relation to the Property; and

- (i) the Property has the same asset rating as the Property in any Energy Performance Certificate actually obtained in respect of the Property.

7.6 The matters to be disregarded are:

- (a) any effect on rent of the fact that the Tenant or any authorised undertenant has been in occupation of the Property;
- (b) 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;
- (c) any effect on rent attributable to any physical improvement to the Property carried out before or after the date of this lease, 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);
- (d) 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; and
- (e) any statutory restriction on rents or the right to recover them.
- (f) any increase in rental value attributable solely to the existence of a betting premises licence held by the Tenant in respect of the Property

7.7 The Surveyor shall be an independent valuer who is a Member or Fellow of the Royal Institution of Chartered Surveyors. The Landlord and the Tenant may, by agreement, appoint the Surveyor at any time before either of them applies to the President for the Surveyor to be appointed. Any application to the President may not be made earlier than three months before the relevant Review Date.

7.8 The Surveyor shall act as an expert and not as an arbitrator. The Surveyor shall determine the open market rent and shall have power to determine any issue involving the interpretation of any provision of this lease, his jurisdiction to determine the matters and issues referred to him or his terms of reference. The Surveyor's decision shall be given in writing, and the Surveyor shall provide reasons for any determination. The Surveyor's written decision on the matters referred to him shall be final and binding in the absence of manifest error or fraud.

7.9 The Surveyor shall give the Landlord and the Tenant an opportunity to make written representations to the Surveyor and to make written counter-representations commenting on the representations of the other party to the Surveyor. The parties will provide (or procure that others provide) the Surveyor with such assistance and documents as the Surveyor reasonably requires for the purpose of reaching a decision.

7.10 If the Surveyor dies, or becomes unwilling or incapable of acting, or unreasonably delays in making any determination, then either the Landlord or the Tenant may apply

to the President to discharge the Surveyor and clause 7.7 shall then apply in relation to the appointment of a replacement.

7.11 The reasonable fees and expenses of the Surveyor and the cost of the Surveyor's appointment and any counsel's fees, or other fees, reasonably incurred by the Surveyor shall be payable by the Landlord and the Tenant in the proportions that the Surveyor directs (or if the Surveyor makes no direction, then equally). If the Tenant does not pay its part of the Surveyor's fees and expenses within ten working days after demand by the Surveyor, the Landlord may pay that part and the amount it pays shall be a debt of the Tenant due and payable on demand to the Landlord. The Landlord and the Tenant shall otherwise each bear their own costs in connection with the rent review.

7.12 If the revised Annual Rent has not been agreed by the Landlord and the Tenant or determined by the Surveyor on or before the relevant Review Date, the Annual Rent payable from that Review Date shall continue at the rate payable immediately before that Review Date. On the date after the revised Annual Rent is agreed or the Surveyor's determination is notified to the Landlord and the Tenant, the Tenant shall pay:

- (a) the shortfall (if any) between the amount that it has paid for the period from the Review Date until the Rent Payment Date following the date of agreement or notification of the revised Annual Rent and the amount 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 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 date payment is received by the Landlord.

7.13 Time shall not be of the essence for the purposes of this clause.

7.14 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 and the Tenant and endorsed on or attached to this lease and its counterpart. The Landlord and the Tenant shall each bear their own costs in connection with the memorandum.

8. SERVICES AND SERVICE CHARGE

8.1 The Services are:

- 8.1.1 cleaning, maintaining and repairing the Common Parts including all Service Media forming part of the Common Parts ;

- 8.1.2 cleaning, maintaining, repairing and decorating the structural and exterior parts of the Building, including the roof and foundations;
 - 8.1.3 cleaning the outside of the windows of the Building excluding plate glass windows and shop fronts;
 - 8.1.4 lighting the Common Parts and cleaning, maintaining, repairing and replacing lighting on the Common Parts; and
 - 8.1.5 any other service or amenity that the Landlord may in its reasonable discretion acting in accordance with the principles of good estate management provide for the benefit of the tenants and occupiers of the Building.
- 8.2 The Service Costs are the total of:
- 8.2.1 the whole of the costs of:
 - 8.2.1.1 providing the Services;
 - 8.2.1.2 the supply and removal of electricity, gas, water, sewage and other utilities to and from the Common Parts;
 - 8.2.1.3 complying with the requirements of the insurers of the Building (insofar as those requirements relate to the Common Parts);
 - 8.2.1.4 complying with all laws relating to the Common Parts their use and any works carried out at them and relating to the use of all Service Media, machinery and equipment at or serving the Common Parts and to any materials kept at or disposed of from the Common Parts;
 - 8.2.1.5 complying with the Third Party Rights insofar as they relate to the Common Parts;
 - 8.2.1.6 taking any steps (including proceedings) that the Landlord considers necessary to prevent or remove any encroachment over the Common Parts or to prevent the acquisition of any right over the Common Parts (or the Building as a whole) or to remove any obstruction to the flow of light or air to the Common Parts (or the Building as a whole); and
 - 8.2.2 the reasonable and proper costs, fees and disbursements (not exceeding 10% of the total Service Costs) of:
 - 8.2.2.1 managing agents employed by the Landlord for the carrying out and provision of the Services or where managing agents are not employed a reasonable management fee for the same; and

8.2.2.2 accountants employed by the Landlord to prepare and audit the service charge accounts;

8.2.3 all rates, taxes and impositions payable in respect of the Common Parts their use and any works carried out on them (other than any taxes payable by the Landlord in connection with any dealing with or disposition of its reversionary interest in the Building); and

8.2.4 any VAT payable by the Landlord in respect of any of the items mentioned above except to the extent that the Landlord is able to recover such VAT.

8.2.5 but exclude the following;

(i) any cost which the Landlord recovers under any other clause of this lease, or from any insurance taken out by the Landlord, where the Tenant is obliged to refund the Landlord the whole or any part of the premium;

(ii) damage or otherwise by an Insured Risk (unless and to the extent that the policy insurance 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)

(iii) the costs in connection with remedying any inherent defect

(iv) any liability or expense for which other tenants or occupiers of the Building will individually be responsible under the terms of their tenancies or other arrangements by which they use or occupy the Building

(v) the cost of routine rent collection, rent reviews, lease renewals, the letting of vacant units or any disposition or dealing with the Landlord's interest in the Building

(vi) the cost of any improvement, modernisation or refurbishment of the ~~Landlord's Development or any part of the Landlord's Development (there is no definition of Landlord's Development)~~

(vii) works of reconfiguration or refurbishment of the Building save where this is by way of repair

8.3 The Landlord shall use its reasonable endeavours in accordance with the principles of good estate management to provide the Services.

8.4 The Landlord shall not be obliged to carry out any works where the need for those works has arisen by reason of any damage or destruction by a risk against which the Landlord is not obliged to insure.

8.5 The Landlord shall not be liable for:

8.5.1 any interruption in or disruption to the provision of any of the Services for any reason that is outside the reasonable control of the Landlord; or

- 8.5.2 any injury loss or damage suffered by the Tenant as a result of any absence or insufficiency of any of the Services or of any breakdown or defect in any Service Media except where due to the negligence of the Landlord.
- 8.6 Before or as soon as possible after the start of each Service Charge Year the Landlord shall prepare and send the Tenant an estimate of the Service Costs for that Service Charge Year and a statement of the estimated Service Charge for that Service Charge Year.
- 8.7 The Tenant shall pay the estimated Service Charge for each Service Charge Year in four equal instalments on ~~each of the Rent Payment Dates.~~ *the usual quarter days* Bf
- 8.8 As soon as reasonably practicable after the end of each Service Charge Year the Landlord shall prepare and send to the Tenant a certificate showing the Service Costs and the Service Charge for that Service Charge Year. The certificate shall be in accordance with the service charge accounts prepared by the Landlord or its managing agents. The Tenant may inspect the accounts and the supporting invoices and receipts by appointment with the Landlord (or its managing agents).
- 8.9 If any cost is omitted from the calculation of the Service Charge in any Service Charge Year the Landlord shall be entitled to include it in the estimate and certificate of the Service Charge in any following Service Charge Year. Otherwise and except in the case of manifest error the Service Charge certificate shall be conclusive as to all matters of fact to which it refers.
- 8.10 Without prejudice to clause 9.4 (f) where the Landlord provides any Service by reason of damage to or destruction of the Common Parts by an Insured Risk the costs of that Service shall not be included in the Service Charge.
- 8.11 If in respect of any Service Charge Year the Landlord's estimate of the Service Charge is less than the Service Charge the Tenant shall pay the difference within 14 days of written demand. If in respect of any Service Charge Year the Landlord's estimate of the Service Charge is more than the Service Charge the Landlord shall credit the difference against the Tenant's next instalment of the estimated Service Charge (and where the difference exceeds the next instalment then the balance of the difference shall be credited against each succeeding instalment until it is fully credited).

9. INSURANCE

- 9.1 Subject to clause 9.2, the Landlord shall keep the Building (other than any plate glass) insured against loss or damage by the Insured Risks for 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.
- 9.2 The Landlord's obligation to insure is subject to:

- (c) any exclusions, limitations, excesses and conditions that may be imposed by the insurers; and
- (d) insurance being available in the London insurance market on reasonable terms acceptable to the Landlord.

9.3 The Tenant shall pay to the Landlord within 7 days of a written demand:

- (a) the Insurance Rent;
- (b) any amount that is deducted or disallowed by the insurers pursuant to any excess provision in the insurance policy in so far as the excess is attributable to the Property; and
- (c) any reasonable costs that the Landlord incurs in obtaining a valuation of the Property for insurance purposes and a fair proportion of any costs that the Landlord incurs in obtaining a valuation of the Building for insurance purposes provided that such valuation is not more than once in any two year period.

9.4 The Tenant shall:

- (a) give the Landlord notice immediately upon becoming aware of any matter occurs that any insurer or underwriter may treat as material in deciding whether or on what terms to insure or to continue to insure the Property;
- (b) not knowingly 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 of the insurers relating to the Property and the exercise of the Rights by the Tenant;
- (d) give the Landlord as soon as reasonably practicable upon becoming aware notice of the occurrence of any damage or loss relating to the Property arising from an Insured Risk or of any other event that might affect any insurance policy relating to the Property;
- (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 by reason of any act or omission of the Tenant or any undertenant, their workers, contractors or agents or any person at the Building with the actual or implied authority of any of them.

- 9.5 The Landlord shall use reasonable endeavours to obtain all necessary planning and other consents and, 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 (as the case may be). 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 is provided; or
 - (b) repair or rebuild the Building after a notice has been served pursuant to clause 9.7.
- 9.6 If the Building or means of access thereto or essential service to the Property is damaged or destroyed by an Insured Risk so as to make the Property unfit for occupation and use, then, unless the policy of insurance in relation to the Building 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 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 Insurance Rent and Service Charge, shall be suspended until the Building has been reinstated so as to make the Property fit for occupation and use or until the end of three years from the date of damage or destruction, if sooner.
- 9.7 Either party may terminate this lease by giving notice to the other if following damage or destruction of the Building or means of access thereto or essential service to the Property by an Insured Risk the Building has not been reinstated so as to make the Property fit for occupation and use 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 either party in respect of any breach of the others covenants of this lease. Any proceeds of insurance (other than any insurance for plate glass) shall belong to the Landlord
- 9.8 Upon written request from the Tenant the Landlord shall supply to the Tenant a summary of the main terms of the insurance policy and evidence of payment of the premium
- 9.9 The Landlord shall use reasonable endeavours to procure that notice of the interest of the tenant is given to the Landlord's insurers whether by way of a general or specific note

9.10 The Landlord shall use reasonable endeavours to procure that any material changes to the insurance policy are notified to the Tenant as soon as practicable after they have been made.

9.11 The Landlord shall forthwith;

9.11.1 institute and thereafter diligently proceed with a claim on the policy or policies of insurance;

9.11.2 use all reasonable endeavours to obtain any labour permits, planning permissions, bye-law and other approvals which are necessary to enable the Building and the Premises to be rebuilt or reinstated

9.12 Uninsured Damage

In the event of damage or destruction of the Property by any event other than an Insured Risk and unless caused by some act or default of the Tenant the Tenant may at any time after such damage or destruction by not less than 3 months notice in writing to the Landlord terminate this lease.

If the Landlord does not confirm in writing to the Tenant that the Landlord will reinstate the Property at the cost of the Landlord (in which case such damage or destruction will be deemed to be damage or destruction by an Insured Risk and the provisions of this lease will apply) then on the expiry of the notice by the Tenant this Lease shall cease and determine but without prejudice to any other right or remedy that the Landlord may have in relation to any earlier breach of this lease.

10 RATES AND TAXES

10.1 The Tenant shall pay all present and future rates, taxes and other impositions payable in respect of the Property, its use and any works carried out there, other than:

- (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.

- 10.2 If any such rates, taxes or other impositions 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.
- 10.3 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.
- 10.4 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.

11 UTILITIES

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

12. COMMON ITEMS

- 12.1 The Tenant shall pay the Landlord on demand a fair proportion of all reasonable costs payable by the Landlord for the maintenance, repair, lighting, cleaning and renewal of 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 provided that in the event that such sums have been included in the Service Charge the Tenant will not be required to pay the Landlord those monies under this clause 12.1.
- 12.2 The Tenant shall comply with all reasonable regulations the Landlord may make from time to time in connection with the use of any of those Service Media, structures or other items.

13. VAT

- 13.1 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.
- 13.2 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 Value Added Tax Act 1994.

14. DEFAULT INTEREST AND INTEREST

- 14.1 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 at the Default Interest Rate (both before and after any judgment) on that amount for the period from the due date to and including the date of payment.
- 14.2 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's 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 from the date the amount (or each part of it) became due until the date it is accepted by the Landlord.

15. COSTS

- 15.1 The Tenant shall pay the proper costs and expenses of the Landlord including any solicitors' or other professionals' costs and expenses reasonably and properly 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 served during or within three months after the expiry or sooner determination of the term 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).
- 15.2 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 proper costs and expenses assessed on a full indemnity basis.

16. INDEMNITY

The Tenant shall keep the Landlord indemnified against the reasonable and proper expenses, costs, claims, damage and loss (including any diminution

in the value of the Landlord's interest in the Building and loss of amenity of the Building) arising from any breach of any tenant covenants in this lease, or any act or omission of the Tenant, or any other person on the Property or any other part of the Building with the actual or implied authority of the Tenant.

Provided that

- (a) The Landlord shall not knowingly do or omit to do anything which shall give rise to or increase the liability under this clause 16;
- (b) The Landlord shall give notice to the Tenant as soon as reasonably practicable of actual or potential claims of which it becomes aware;
- (c) The Landlord shall take such reasonable steps as the Tenant shall reasonably require to mitigate the Tenant's costs' liability;
- (d) The Landlord shall not settle or compromise any claim which is the subject of indemnification by the Tenant without the prior written consent of the Tenant

17. NO DEDUCTION, COUNTERCLAIM OR SET-OFF

The Annual Rent and all other money due under this lease are to be paid by the Tenant or any guarantor (as the case may be) without deduction, counterclaim or set-off.

18. REGISTRATION OF THIS LEASE

- 18.1 Promptly following the grant of this lease, the Tenant shall apply to register this lease at the Land Registry. The Tenant shall ensure that any requisitions raised by the Land Registry in connection with that application are dealt with promptly and properly. Within one month after completion of the registration, the Tenant shall send the Landlord official copies of its title.

19. ASSIGNMENTS

- 19.1 The Tenant shall not assign the whole of this lease without the consent of the Landlord, such consent not to be unreasonably withheld or delayed.
- 19.2 The Tenant shall not assign part only of this lease.
- 19.3 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 if required by the Landlord the assignor (and any former tenant who because of section 11 of the Landlord and Tenant (Covenants) Act 1995 has not been released from the tenant covenants of this lease) 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 (and any former tenant);
 - (iv) requires (in the event of a disclaimer of liability under this lease) the assignor (or former tenant, as the case may be) 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,
- (b) a condition that if required by the Landlord (acting reasonably) on an assignment to a limited company either two Directors of the company or a person of standing acceptable to the Landlord enters into a guarantee and indemnity of the tenant covenants of this lease in the form set out in the Second Schedule (but with such amendments and additions as the Landlord may reasonably require)
 - (c) a condition that if at any time before the assignment the circumstances specified in clause 19.4 or any of them apply the Landlord may revoke the consent by written notice by the Tenant.

19.4 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 apply either at the date when application for consent to assign is made to the Landlord or after that date but before the Landlord's consent is given the Landlord may withhold its consent and if, after the Landlord's consent has been given but before the assignment has taken place any such circumstances apply the Landlord may revoke its consent whether its consent is expressly subject to a condition as referred to in this clause. The circumstances are

- (a) that any Annual Rent or other money due from the Tenant under this lease remains unpaid or there are material outstanding breaches of any covenants and conditions on the part of the Tenant to be performed under the terms of this lease.
- (b) that in the Landlord's reasonable opinion the assignee is not a person or company who is likely to be able to comply with the tenant covenants of this lease and continue to be able to comply with them following the assignment.
- (c) 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 necessary be enforced against the assignee or guarantor without any consideration of the merits of the case.

20. UNDERLETTINGS

- 20.1 The Tenant shall not underlet the whole of the Property except in accordance with this clause nor without the consent of the Landlord as to such underletting and the form of such proposed underlease, such consent not to be unreasonably withheld or delayed.
- 20.2 The Tenant shall not underlet part only of the Property.
- 20.3 The Tenant shall not underlet the Property:
- (a) together with any property or any right over property that is not included within this lease;
 - (b) at a fine or premium or reverse premium; nor
 - (c) allowing any rent free period to the undertenant that exceeds the period as is then usual in the open market in respect of such a letting.
- 20.4 The Tenant shall not underlet the Property unless, before the underlease is granted, the Tenant has given the Landlord:
- (a) a certified copy of the notice served on the undertenant, as required by section 38A(3)(a) of the LTA 1954, applying to the tenancy to be created by the underlease; and
 - (b) a certified copy of the declaration or statutory declaration made by the undertenant in accordance with the requirements of section 38A(3)(b) of the LTA 1954.
- 20.5 Any underletting by the Tenant shall be by deed and shall include:
- (a) an agreement between the Tenant and the undertenant that the provisions of sections 24 to 28 of the LTA 1954 are excluded from applying to the tenancy created by the underlease;
 - (b) the reservation of a rent which is not less than the full open market rental value of the Property at the date the Property is underlet and which is payable at the same times as the Annual Rent under this lease;
 - (c) provisions for the review of rent at the same dates and on the same basis as the review of rent in this lease, unless the term of the underlease does not extend beyond the next Review Date;
 - (d) a covenant by the undertenant, enforceable by and expressed to be enforceable by the Landlord (as superior landlord at the date of grant) and its successors in title in their own right, to observe and perform the tenant covenants in the underlease and any document that is supplemental or

collateral to it and the tenant covenants in this lease, except the covenants to pay the rents reserved by this lease; and

- (e) a covenant by the undertenant not to underlet the whole or part of the Property
- (f) provisions requiring the consent of the Landlord to be obtained in respect of any matter for which the consent of the Landlord is required under this lease,

and shall otherwise be materially consistent with and include tenant covenants no less onerous (other than as to the Annual Rent) than those in this lease and in a form approved by the Landlord, such approval not to be unreasonably withheld or delayed.

20.6 In relation to any underlease granted by the Tenant, the Tenant shall:

- (a) not vary the terms of the underlease nor accept a surrender of the underlease without the consent of the Landlord, such consent not to be unreasonably withheld or delayed;
- (b) use reasonable endeavours to enforce the tenant covenants in the underlease and not waive any of them nor allow any reduction in the rent payable under the underlease; and
- (c) ensure that in relation to any rent review the revised rent is not agreed without the approval of the Landlord, such approval not to be unreasonably withheld.

21. SHARING OCCUPATION

The Tenant may share occupation of the Property with any company that is a member of the same group (within the meaning of section 42 of the LTA 1954) as the Tenant for as long as that company remains within that group and provided that no relationship of landlord and tenant is established by that arrangement.

22. CHARGING

- 22.1 The Tenant shall not charge the whole of this lease without the consent of the Landlord, such consent not to be unreasonably withheld or delayed.
- 22.2 The Tenant shall not charge part only of this lease provided that no consent shall be required for a bona fide floating charge over the business assets of the Tenant.

23. 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 hold the lease on trust for any person (except pending registration of a dealing permitted by this lease at the Land Registry or by reason only of joint legal ownership).

24. REGISTRATION AND NOTIFICATION OF DEALINGS AND OCCUPATION

24.1 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; or
- (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.

24.2 In respect of every Transaction that is registrable at the 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 the 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).

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

- (a) give the Landlord's solicitors notice of the Transaction; and
- (b) deliver two certified copies of any document effecting the Transaction to the Landlord's solicitors[and
- (c) pay the Landlord's solicitors a registration fee of £50 (plus VAT).

24.4 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.

25. CLOSURE OF THE REGISTERED TITLE OF THIS LEASE

As soon as reasonably practicable 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 the 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.

26. TENANT'S COVENANTS FOR REPAIR

26.1 The Tenant shall keep the Property clean and tidy and in good repair and condition.

26.2 The Tenant shall not be liable to repair the Property to the extent that any disrepair has been caused by an Insured Risk or an uninsured 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 9.2.
- 26.3 The Tenant shall clean the inside and outside of all windows at the Property as often as is reasonably necessary.
- 26.4 The Tenant shall replace any plate glass or other window that becomes cracked or broken as soon as reasonably practicable.
- 27. DECORATION**
- 27.1 The Tenant shall decorate the outside and inside of the Property as often as is reasonably necessary and also in the last three months before the end of the term.
- 27.2 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.
- 27.3 All decoration carried out in the last three months of the term shall also be carried out to the reasonable satisfaction of the Landlord and using materials, designs and colours approved by the Landlord.
- 28. ALTERATIONS**
- 28.1 Except in accordance with clauses 3.1 (e) and 29, the Tenant shall not make any external or structural alteration or addition to the Property and shall not make any opening in any boundary of the Property.
- 28.2 The Tenant shall not make any internal, non-structural alteration to the Property without the consent of the Landlord, (such consent not to be unreasonably withheld) except for internal non-structural partitioning which does not interfere with the integrity of the Service Media or the Property which may be made without such approval.
- 28.3 The Tenant shall not install any Service Media at the Property nor alter the route of any Service Media at the Property without the consent of the Landlord, such consent not to be unreasonably withheld or delayed.
- 29. SIGNS**
- 29.1 Subject to clause 29.2, the Tenant shall not attach any signs, fascia, awnings, placards, boards, posters and advertisements (**Signs**) to the exterior of the Property or display any inside the Property so as to be seen from the outside.

- 29.2 The Tenant may attach a shop fascia of a size and design approved by the Landlord, such approval not to be unreasonably withheld or delayed appropriate to the nature and location of the Property and the Permitted Use and may display such trade posters and advertisements 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 provided that no consent shall be required in respect of the signage in the corporate style or livery of the Tenant.
- 29.3 The Tenant shall allow the Landlord to fix to and keep at the Property any sale board or re-letting board (save in the case of a re-lettering board where the Tenant has made an application to renew this Lease under the 1954 Act) as the Landlord reasonably requires provided that such does not obscure or obstruct the signage and/or fascia and/or glazed areas of the Property where the signage and/or fascia has been approved (or where no approval is needed) in accordance with clause 29.2.

30. RETURNING THE PROPERTY TO THE LANDLORD

- 30.1 At the end of the term the Tenant shall return the Property to the Landlord in the repair and condition required by this lease.
- 30.2 If the Landlord gives the tenant notice before the end of the term the Tenant shall remove items, including any Signs, it has fixed to the Property, remove any alterations it has made to the Property (except to the extent that such removal would leave the Property insecure) and make good any damage caused to the Property by that removal.
- 30.3 At the end of the term, the Tenant shall remove from the Property all fittings and chattels belonging to or used by it and all stock (whether or not belonging to it).
- 30.4 The Tenant irrevocably appoints the Landlord to be the Tenant's agent to store or dispose of any fittings, chattels, stock 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.

31. USE

- 31.1 The Tenant shall not use the Property for any purpose other than the Permitted Use.
- 31.2 The Tenant shall not place or keep any items on any external part of the Property.
- 31.3 The Tenant shall not leave any refuse outside the Property or on any street or pavement outside the Property except at such times and in such manner as accord with the arrangements for the collection of refuse from the Property by the local authority.

- 31.4 The Tenant shall load and unload goods only at such times as accord with any by laws or parking restrictions imposed by the local authority.
- 31.5 The Tenant shall not allow any noise, music, flashing lights, fumes or smells to emanate from the Property so as to cause a legal nuisance to any other tenants or occupiers of the Building or any neighbouring property.
- 31.6 The Tenant shall not use the Property for any illegal purposes nor for any purpose or in a manner that would cause loss, damage, injury, legal nuisance to the Landlord, the other tenants or occupiers of the Building or of any neighbouring property.
- 31.7 The Tenant shall not overload any structural part of the Building nor any Service Media at or serving the Property.
- 31.8 Nothing in this lease shall impose or be deemed to impose any restriction on the use of any other part of the Building or any neighbouring property.

32. COMPLIANCE WITH LAWS

- 32.1 The Tenant shall comply with all laws relating to:
- (a) the Property and the occupation and use of the Property by the Tenant including without prejudice to the generality of the foregoing all consents and licences in relation to the Permitted Use;
 - (b) the use of all Service Media and machinery and equipment at or serving the Property;
 - (c) any works carried out at the Property; and
 - (d) all materials kept at or disposed from the Property.
- 32.2 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.
- 32.3 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) in so far 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.
- 32.4 The Tenant shall not apply for any planning permission for the Property without the Landlord's consent not to be unreasonably withheld.

- 32.5 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.
- 32.6 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.
- 32.7 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.
- 32.8 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.
- 32.9 The Tenant shall pay on demand a fair proportion of the proper costs incurred or properly estimated by the Landlord to be incurred by the Landlord in complying with all laws relating to Building and the Service Media belonging to the Landlord at it (other than any parts of the Building or Service Media that are part of the Property or a Lettable Unit).

33. ENCROACHMENTS, OBSTRUCTIONS AND ACQUISITION OF RIGHTS

- 33.1 The Tenant shall not grant any right or licence over the Property to any person.
- 33.2 If any person 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 give notice to the Landlord; and
 - (b) take all steps (including any proceedings) the Landlord reasonably requires to prevent or license the continuation of that encroachment or action.
- 33.3 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.
- 33.4 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.
- 33.5 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 notify the Landlord; and
- (b) take all steps (including proceedings) the Landlord reasonably requires to prevent or secure the removal of the obstruction.

34. BREACH OF REPAIR AND MAINTENANCE OBLIGATIONS

- 34.1 Upon the giving of reasonable notice (except in the case of emergency) 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.
- 34.2 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 within three months, then the Landlord may enter the Property and carry out the works needed.
- 34.3 The proper 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 within fourteen days of a written demand.
- 34.4 Any action taken by the Landlord pursuant to this clause shall be without prejudice to the Landlord's other rights, including those under clause 38.

35. BREAK CLAUSE

- 35.1 The Tenant may determine this Lease by serving a Break Notice on the Landlord at least six months before the Break Date.
- 35.2 A Break Notice served by the Tenant shall be of no effect if, at the Break Date:
 - 35.2.1 there are any arrears of the Annual Rent or any VAT in respect of it which was due to have been paid; or
 - 35.2.2 the Tenant does not give up occupation or if a subsisting underlease continues
- 35.3 Subject to clause 35.2 following service of a Break Notice this lease shall terminate on the Break Date.
- 35.4 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.
- 35.5 Within 14 days after the Break Date the Landlord shall refund to the Tenant the proportion of the Annual Rent Service Charge and/or Insurance Rent and any VAT

paid in respect of them for the period from and excluding the Break Date calculated on a daily basis where such monies have been paid to the Landlord by the Tenant on or before the Break Date.

36. LANDLORD'S COVENANT FOR QUIET ENJOYMENT

The Landlord covenants with the Tenant, that, 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.

37. GUARANTEE AND INDEMNITY

37.1 The provisions of the Second Schedule apply.

37.2 If any of the events mentioned in clause 38.1 (c) occurs in relation to a guarantor or if a guarantor is an individual and 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 enters into a replacement or additional guarantee an indemnity of the tenant covenants of this lease in the same form as that entered into by the former guarantor.

37.3 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.

38. RE-ENTRY AND FORFEITURE

38.1 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, or tenant covenant, in this lease;
- (c) an Act of Insolvency.

38.2 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.

39. LIABILITY

39.1 At any time when the Landlord, the Tenant or a guarantor is more than one person, then in each case those persons shall be jointly and severally liable for their

respective obligations arising by virtue of this lease. The Landlord may release or compromise the liability of any one of those persons or grant any time or concession to any one of them without affecting the liability of any other of them.

39.2 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.

39.3 In any case where the facts are or should reasonably be known to the Tenant, 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 facts that give rise to the failure and the Landlord has not remedied the failure within a reasonable time.

40. ENTIRE AGREEMENT AND EXCLUSION OF REPRESENTATIONS

40.1 This lease and any documents annexed to it constitutes the whole agreement between the parties and supersedes all previous discussions, correspondence, negotiations, arrangements, understandings and agreements between them relating to their subject matter.

40.2 The Tenant acknowledges in entering into this Lease it has not relied on nor shall have any remedy in respect of any statement or representation made by or on behalf of the Landlord except any written statement or representation expressly set out in this Lease or made by the Landlord's solicitors.

40.3 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.

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

41. NOTICES, CONSENTS AND APPROVALS

41.1 A notice given under or in connection with this lease shall be:

(a) in writing unless this lease expressly states otherwise and for the purposes of this clause an e-mail is not in writing;

(b) given:

(i) 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 and in the case of the Tenant marked "for the attention of the Property Manager"; or

(ii) by fax to the party's main fax number.

41.2 If a notice is given in accordance with clause 41.1 (b), it shall be deemed to have been received:

- (a) if delivered by hand, at the time the notice is left at the proper address;
 - (b) if sent by pre-paid first-class post or other next working day delivery service, on the second working day after posting; or
 - (c) if sent by fax, at 9.00 am on the next working day after transmission.
- 41.3 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.
- 41.4 Section 196 of the Law of Property Act 1925 shall otherwise apply to notices given under this lease.
- 41.5 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 a person duly authorised on behalf of the Landlord; 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.
- 41.6 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.
- 41.7 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.

42. GOVERNING LAW AND JURISDICTION

- 42.1 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.
- 42.2 The Landlord the Tenant and any other guarantor irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this lease or its subject matter or formation (including non-contractual disputes or claims).

43. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

A person who is not a party to this lease shall not have any rights under or in connection with it by virtue of the Contracts (Rights of Third Parties) Act 1999 but this does not affect any right or remedy of a third party which exists, or is available, apart from that Act.

44. LANDLORD AND TENANT (COVENANTS) ACT 1995

This lease creates a new tenancy for the purposes of the Landlord and Tenant (Covenants) Act 1995.

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

First Schedule
The Property

Property: means the ground and first floor rooms at 97/99 St James Street Newport Isle of Wight as are shown edged red on the Plan 1 comprising:-

- (a) the whole of any non-structural walls situated wholly within the property ;
- (b) the non-structural finishes facings or coverings to the interior of any floor slabs roof and roof structure of or bounding the property and of any walls and partitions which bound the property and to any columns or structural walls therein;
- (c) one half (served vertically) of any non-structural walls separating the property from the remainder of the Building;
- (d) the whole of the doors, door frames, windows and window frames and glass within such windows fitted in the walls within and which bound the property and their frames and fixings and including the shop front;
- (e) the screed on the floor and the plaster on the ceiling structures and the floor and ceiling coverings within the property;
- (f) all Landlord's fixtures and fittings within the property;
- (g) all Service Media that are within and exclusively serve the property;
- (h) any additions to the property.

But excluding:-

- (a) the structure of any walls and partitions bounding the property and of the columns or structural walls therein except as mentioned in paragraphs (a) (b) and (c) above.
- (b) the floor and ceiling structures of the property (other than the screed on the floor and the plaster on the ceiling structures and other than the floor and ceiling coverings within the property);
- (c) the foundations roof and roof structure of the Building;
- (d) any Service Media in on under or over the property (whether in existence at the date of this Lease or installed thereafter) which are used by the property in common with any other part of the Building.

Second Schedule
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 a separate and independent primary obligation to indemnify 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; and
- (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 paragraphs 1.1(a) and 1.2(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 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 part 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 written 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 from 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; and
- (d) 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 six months Annual Rent and the Guarantor shall pay that amount on demand.

5. RENT AT THE DATE OF FORFEITURE OR DISCLAIMER

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

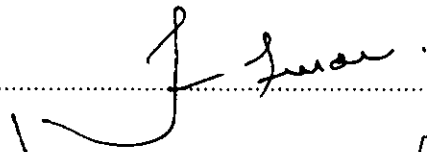
- 6.1 Any payment or dividend that the Landlord receives from the Tenant (or its estate) or any other person in connection with any insolvency proceedings or arrangement involving the Tenant shall be taken and applied as a payment in gross and shall not prejudice the right of the Landlord to recover 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.

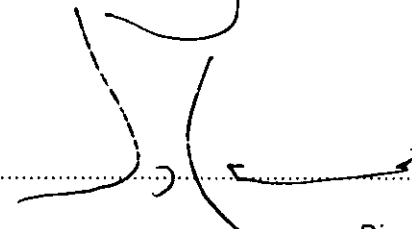
7. OTHER SECURITIES

- 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 any other security that the Landlord may at any 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 a Deed by **BASING PARTNERS LIMITED** acting by


.....
Director


.....
Director/Secretary

EXECUTED as a Deed by **DONE BROTHERS (CASH BETTING) LIMITED** acting by

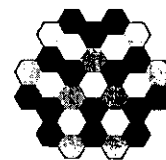
.....
Director

In the presence of

Witness signature

Witness name

Witness address



Done Brothers (cash Betting) Ltd
Kate Clough - Betfred
Spectrum
56-58 Benson Road
Birchwood, Warrington
WA3 7PQ



Date
16 May 2012

Your ref
KC.SLS.1441

Our ref
IW75934/L/015/RD/WY CT7

Proprietor/Applicant **Done Brothers (Cash Betting) Limited**

Title number **IW75934**

Property **97-99 St James Street, Newport (PO30 1HY)**

Dear Sirs

We have completed the registration of the transfer/lease of the above property dated 17 April 2012.

Part of the land shown by red edging on the plan to the lease does not fall within the lessor's title, as it has already been demised by a prior lease and is registered to another title. We have therefore excluded this land from the lessee's new title. The plan attached to this letter shows the land excluded by blue tint and this comprises the property at the first floor level only.

Your clients should keep this letter and plan so that they will be able to explain the exclusion, if necessary, when they deal with the property in future.

Land Registry
Weymouth Office
Melcombe Court
1 Cumberland Drive
Weymouth DT4 9TT

DX 8799 Weymouth 2

Tel 01305 363636
Fax 01305 363646
weymouth.office
@landregistry.gsi.gov.uk

www.landregistry.gov.uk

If you would like to discuss this correspondence or require it in an alternative format please contact me, quoting our reference.

Yours faithfully


Roger Dinsey
Direct Line 01305 363126

Land Registry Notice plan

Title number **IW75934**
Ordnance Survey map reference **SZ4989SE**
Scale **1:1250**
Administrative area **Isle of Wight**

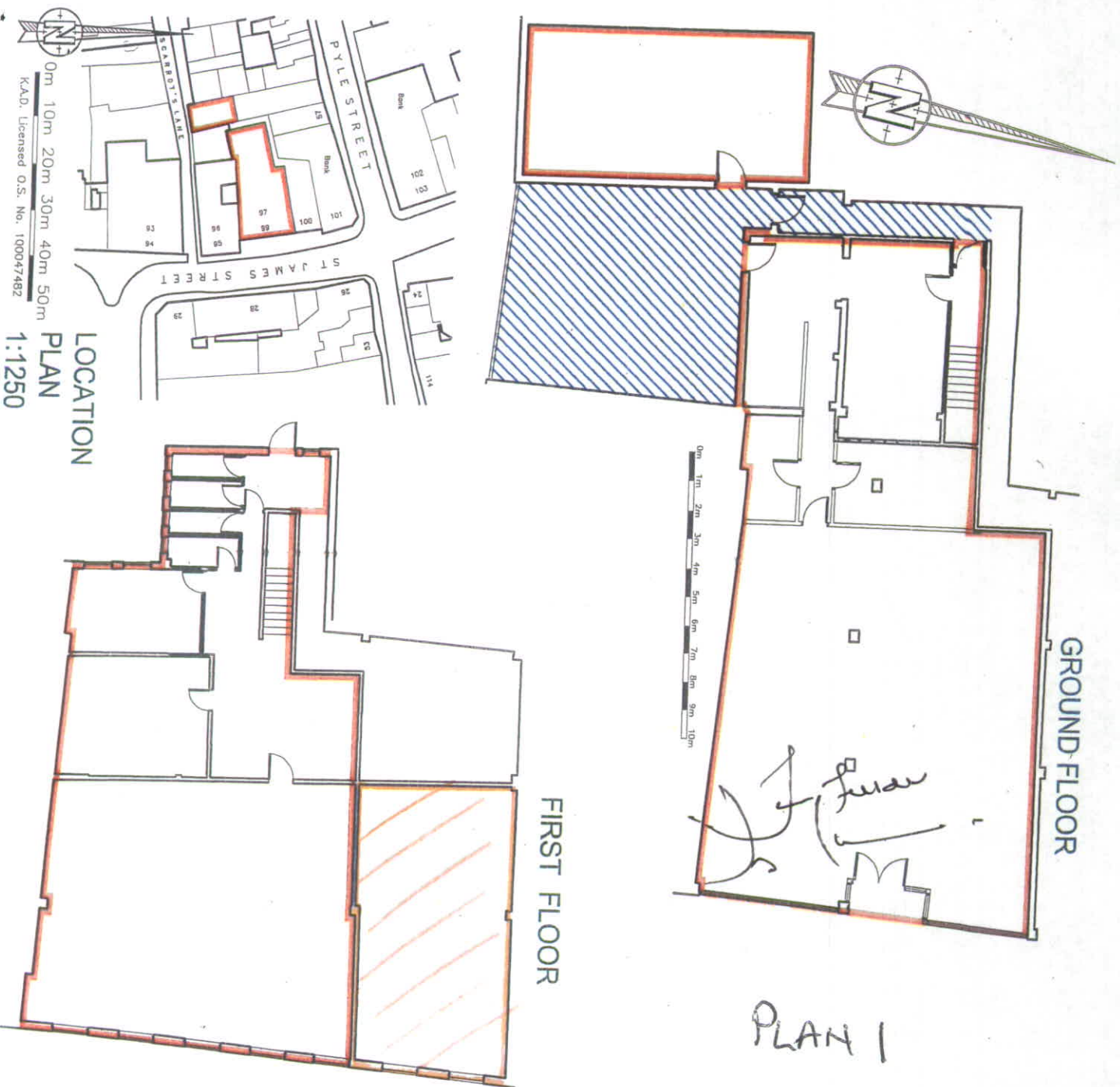


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This is the plan referred to in the accompanying letter dated 16/05/2012 Title no. IW75934



This plan shows the general position, not the exact line, of the boundaries. It may be subject to distortions in scale. Measurements scaled from this plan may not match measurements between the same points on the ground. See Land Registry Public Guide 19 - Title Plans and Boundaries.





Rev	Revision	By	Date

K NIGHT
A RCHITECTURAL
D ESIGN

Ian Knight
K.A.D.
181 Kathleen Road
Sholing
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SO19 8GX
m: 07801 34 64 79
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Client

BASING PARTNERS LTD

Project

**97-99 ST JAMES STREET
NEWPORT - ISLE OF WIGHT**

Drawing

LAND REGISTRY PLANS

Scale

1:1250&200@A4

Date

JAN 2012

Project no.

Sequential

Bldg/Floor

Detail

Rev

KAD

01

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LR

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0m 10m 20m 30m 40m 50m
K.A.D. Licensed O.S. No. 100047482
**LOCATION
PLAN
1:1250**

Land Registry
Official copy of
title plan

Title number **IW27750**
Ordnance Survey map reference **SZ4989SE**
Scale **1:1250**
Administrative area **ISLE OF WIGHT**



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