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Title Number MAN336584

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DATED 28 March **2019**

UNDERLEASE

relating to

UNIT 1 AND THE ADJACENT EXTERNAL SEATING AREA, THE QUADRANGLE, CHESTER STREET, MANCHESTER, M1 5QS

between

TSS Property Limited

and

Los Panchos (Manchester) Limited

Birchall Blackburn Law
Merchant House
Avenham Street
Preston
PR1 3BN
01772 561663
Ref: SKC/489833-29

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LR1. Date of lease

28 March 2019

LR2. Title number(s)

LR2.1 Landlord's title number(s)

MAN137211

LR2.2 Other title numbers

GM147025

LR3. Parties to this lease

Landlord

TSS Property Limited (company number 03136868) whose registered office address is Riley House, 183-185 North Road, Preston, Lancashire PR1 1YQ

Tenant

Los Panchos (Manchester) Limited (company number 11796061) whose registered office address is Tatton House, 20-22 Tipping Street, Altrincham, WA14 2EZ

Other parties

Guarantor

None

LR4. Property

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

See the definition of "Property" in clause 2.1 of this lease.

LR5. Prescribed statements etc.

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

None.

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

None.

LR6. Term for which the Property is leased

The term as specified in this lease at clause 2.1 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.

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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 4 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 5 of this lease.

LR12. Estate rentcharge burdening the Property

None.

LR13. Application for standard form of restriction

None

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This lease is dated 28 March 2019

Parties

(1) **TSS Property Limited** incorporated and registered in England and Wales with company number 03136868 whose registered office is at Riley House, 183-185 North Road, Preston, Lancashire PR1 1YQ (**Landlord**)

(2) **Los Panchos (Manchester) Limited** incorporated and registered in England and Wales with company number 11796091 whose registered office is at Tatton House, 2-22 Tipping Street, Altrincham, WA14 2EZ (**Tenant**)

BACKGROUND

(A) The Landlord is entitled to possession of the Building under the terms of the Superior Lease (a copy of which has been given to the Tenant).

(B) The Landlord has agreed to grant an underlease of the Property to the Tenant on the terms set out in this lease.

Agreed terms

1. Particulars

1.1 **Contractual Term:** 15 years from and including 28 March 2019 and expiring on and including 27 March 2034

1.2 **Initial Rent:** ~~Eighteen~~ NINETEEN thousand TWO HUNDRED pounds (£19,200.00) per annum (exclusive of VAT)

1.3 **Permitted Use:** use of the Property as a restaurant and sandwich bar within Class A3 and hot food takeaway within Class A5 of the schedule to the Town and Country Planning (Use Classes) Order 1987 and the (ii) the External Seating Area as ancillary seating area to Unit 1

2. Interpretation

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

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2.1 Definitions:

1995 Act: means the Landlord and Tenants (Covenants) Act 1995

Apparatus: all water treatment plants boilers heating and ventilation systems cooling systems fire alarm smoke detection and security systems building management systems traffic control systems sprinkler systems closed circuit television systems fire fighting appliances generators and all other plant machinery and equipment belonging to or in the control of the Landlord in or about or serving the Building including (without prejudice to the generality of the foregoing) the Service Media

Act of Insolvency: an Act of Insolvency is any of the following:

a) the taking of any step in connection with any voluntary arrangement or any other compromise or arrangement for the benefit of any creditors of the Tenant or any guarantor;

b) the making of an application for an administration order or the making of an administration order in relation to the Tenant or any guarantor;

c) the giving of any notice of intention to appoint an administrator, or the filing at court of the prescribed documents in connection with the appointment of an administrator, or the appointment of an administrator, in any case in relation to the Tenant or any guarantor;

d) the appointment of a receiver or manager or an administrative receiver in relation to any property or income of the Tenant or any guarantor;

e) 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;

f) the making of a petition for a winding-up order or a winding-up order in respect of the Tenant or any guarantor;

g) the striking-off of the Tenant or any guarantor from the Register of Companies or the making of an application for the Tenant or any guarantor to be struck-off;

h) the Tenant or any guarantor otherwise ceasing to exist (but excluding where the Tenant or any guarantor dies);

i) the making of an application for a bankruptcy order, the presentation of a petition for a bankruptcy order or the making of a bankruptcy order against the Tenant or any guarantor; or

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j) the levying of any execution or other such process on or against, or taking control or possession of, the whole or any part of the Tenant's assets at the Property.

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: the Initial Rent as per the Particulars and then as revised pursuant to this lease and any interim rent determined under the LTA 1954.

Base CPI Month: December 2018 or, where there has been at least one review of the Annual Rent in accordance with clause 8, the month that falls two months before the month in which the most recent prior Review Date fell.

Base Rent: the Initial Rent or the Annual Rent payable immediately before a Review Date.

Building: the land and building known as parts of level 1, level 2 and level 2a The Quadrangle, Chester Street, Manchester, M1 5QS registered at HM Land Registry with title absolute under title number MAN137211 shown edged in red on Plan 2 and the expression shall include all Landlord's buildings structures additions improvements fixtures and fittings from time to time therein thereunder or thereon and forming part of such building and the appurtenances thereof.

Common Parts: means those parts of the Building the use of which is common to the Tenant and other tenants and occupiers of the Building or any part thereof and shall include (without affecting the generality of the foregoing) the Service Areas and any pedestrian malls or walkways the landscaped areas footpaths Service Media and all other areas of parts of the Building which from time to time during the Contractual Term are provided by the Landlord for common use and enjoyment by the tenants and occupiers of the Building and all persons expressly or by implication authorised by them excluding the Structure.

Competent Authority: any statutory undertaker or any statutory public local or other authority or regulatory body or any court of law or government department or any of them or any of their duly authorised officers.

Contractual Term: a term of years beginning on the date of this lease and ending on 27 March 2034.

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CDM Regulations: the Construction (Design and Management) Regulations 2015 (*SI 2015/51*).

CPI: the Consumer Price Index or any official index replacing it

Decoration: means to paint repaper or otherwise treat as the case may be all surfaces usually or requiring to be so treated having first prepared such surfaces by stripping off and priming as may be necessary and to wash down all washable surfaces and to make good all brickwork where necessary and to grain or varnish any parts usually so protected all decoration being carried out with good quality materials and in a good and workmanlike manner.

Default Interest Rate: 4% per annum above the Interest Rate.

Designated Hours: the hours as required by any Necessary Consent.

Environmental Protection Act: means the Environmental Protection Act 1990 and any Act or Acts amending replacing or modifying such Act for the time being in force or of a similar nature and all orders and regulations thereunder for the time being in force.

Energy Assessor: an individual who is a member of an accreditation scheme approved by the Secretary of State in accordance with regulation 22 of the Energy Performance of Buildings (England and Wales) Regulations 2012 (SI 2012/3118) or regulation 30 of the Building Regulations 2010 (SI 2010/2214).

Energy Performance Certificate: a certificate as defined in regulation 2(1) of the Energy Performance of Buildings (England and Wales) Regulations 2012 (SI 2012/3118).

Furniture: any advertising boards, barriers, benches, chairs, menu stands, space

heaters, parasols, planters, tables, railings, umbrellas, waiter station or other furniture

Group Company: a company which is a member of the same group of companies as the Tenant (as defined in section 42 of the Landlord and Tenant Act 1954 (as amended)).

Indexed Rent: the rent determined in accordance with clause 8.4.

Insurance Rent: a fair proportion of the sum payable by the Landlord to the Superior Landlord under the Superior Lease (before any discount or commission) for the insurance of:

a) the Building (other than any plate glass) for its full reinstatement cost (taking inflation of building costs into account) against loss or damage by or in consequence of the Insured Risks, including costs of demolition, site clearance, site protection and shoring-up, professionals' and statutory fees and incidental expenses, the cost of any work which may be required under any law and VAT in respect of all those costs, fees and expenses;

b) loss of Annual Rent of the Building for three years; and

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c) any insurance premium tax payable on the above.

Insured Risks: means fire, explosion, lightning, earthquake, storm, flood, bursting and overflowing of water tanks, apparatus or pipes, impact by aircraft and articles dropped from them, impact by vehicles, subsidence, group slip, heave, riot, civil commotion, terrorism (where such cover is available at reasonable commercial rates) and any other risks against which the Superior Landlord decides to insure against from time to time and **Insured Risk** means any one of the Insured Risks.

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

Landlord's Neighbouring Property: each and every part of the adjoining and neighbouring property in which the Landlord has an interest known as various car parking spaces at The Quadrangle, Chester Street, Manchester registered at HM Land Registry with title number MAN138340

Landlord's Surveyor: means any suitably qualified person appointed by or acting for the Landlord including an employee of the Landlord to perform the function of a surveyor for any purposes of this Lease

Lettable Units: those parts of the Building which are let or intended for letting as an occupational unit

LTA 1954: Landlord and Tenant Act 1954.

Management Company: means Chester Street Management Company Limited (registered company number 05189357) whose registered office is Revolution Property Management Ltd, 384a Deansgate, Manchester, M3 4LA and includes such party's successors in title

Maximum Rent: 1% of the Annual Rent payable immediately before a Review Date.

Minimum Rent: 4% of the Annual Rent payable immediately before a Review Date.

Necessary Consents: all planning permissions and all other consents, licences, permissions, certificates, authorisations and approvals whether of a public or private nature which shall be required by any Competent Authority.

Permitted Hours: the hours of 8.00am to 4.00pm each day or such other hours from time to time prescribed by the Landlord.

Permitted Use: means the use stated as such in the Particulars

Planning Acts: means the Town and Country Planning Act 1990, the Planning (Listed Buildings and Conservation Areas) Act 1990, the Planning (Hazardous Substances) Act 1990, the Planning (Consequential Provisions Act 1990 and the Planning and Compensation Act 1991 and any Act or Acts amending replacing or modifying any of such Acts for the time being in force or of a similar nature and all orders and regulations thereunder for the time being in force.

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

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

Policy Exclusion: means any condition, exclusion or limitation which may be imposed by the Landlord's insurers (but does not include any excess)

Property: Unit 1 and the adjacent external seating area (the 'External Seating Area'), The Quadrangle, Chester Street, Manchester of the Building (the floor plan of which is shown edged red and edged blue respectively on Plan 1), including without limitation to:

(I) in respect of the unit bounded by and including:

a) the flooring down to (but excluding) the floor slab including (where relevant) the floor screed and any raised floor and floor jacks supporting the same and any void between the floor screed and the raised floor;

b) the entire thickness of any ceiling tiles and any demountable panels and the void (if any) between the ceiling tiles and the underside of the ceiling slab and (if there is no suspended ceiling) the surface of the ceiling itself up to the underside of the ceiling slab;

c) the internal plastering tiling boarding and other finishes coverings and decorations of all walls pillars and columns forming part of the Structure that bound the unit or are within the same;

d) the inner half severed medially of any non-load bearing party wall or structure dividing the unit from any Lettable Units in the Building (but not from the Common Parts) and the entirety of any walls pillars and columns and other structures within and bounding the unit as are non-load bearing (unless they form part of the Structure)

e) the whole of the unit's shop front and fascia; and

f) all additions alterations and improvements to the unit;

g) all fixtures and fittings in the unit other than the Tenant's fixtures and fittings

h) such part of the Apparatus as shall exclusively serve the unit and shall be located wholly within the unit

together with all additions alterations and improvements thereto which may be carried out during the Contractual Term and shall also include all landlord's fixture and fittings from time to time in and about the same

but excluding the following:

a) the Common Parts; and

b) all Apparatus which does not exclusively serve the unit

c) the Structure; and

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d) any air space above the Property.

(II) in respect of the External Seating Area:

i) there is included in the demise the surface material and finish of the Property

but excluding the whole of the airspace above; and all structural parts of the Building

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Recommendation Report: a report as defined in regulation 4 of the Energy Performance of Buildings (England and Wales) Regulations 2012 (SI 2012/3118).

Rent Commencement Date: 28 March 2019

Rent Deposit: a rent deposit equating to three months value of the Initial Rent as detailed in the Rent Deposit Deed

Rent Deposit Deed: a rent deposit deed dated 28 March 2019 relating to the Property and made between the TSS Property Limited (1) and the Los Panchos (Manchester) Limited (2)

Rent Payment Dates: 25 March, 24 June, 29 September and 25 December in each year and '**Rent Day**' shall mean any of such days as the context requires.

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

Review Date: 28 March 2024 and every fifth anniversary of that date.

Revised Rent: the ~~rent~~ RENT ascertained in accordance with clause 8

Service Areas: the areas within the Building designed for the servicing of the ground floor commercial units forming part of the Building.

Service Charge: a fair proportion of the costs listed in clause 10.1

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

Services: the services listed in clause 10.1.

Special Licence: all licences from time to time necessary for the Property to be used for the user from time to time permitted by this lease as a bar restaurant.

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Stipulated Rate: means in relation to interest the rate per annum of three per centum above the base rate from time to time of the Royal Bank of Scotland Plc (or where such base rate is not quoted over the base rate of a major clearing bank).

Structure: means all the main structure of the Building including (but without limitation) the roofs foundations walls (including the entirety of any walls which divide the Property from the Common Parts) floor slabs ceiling slabs beams columns and pillars and canopies (if any) of the Building the windows window frames external doors door frames and external glass in the units forming the Building but does not include:

ii) the flooring comprised in the Property down to (but excluding) the floor slab including the floor screed and any raised floor and any floor jacks supporting the same and any void between the floor screed and the raised floor;

iii) the ceiling tiles forming part of the Property and any demountable panels and the void (if any) between the ceiling tiles and the underside of the ceiling slab;

iv) the internal plastering tiling boarding and other finishes coverings and decorations forming part of the Structure that board the Property or are within the same;

v) all non-load-bearing walls pillars columns and structures comprised within the Property;

vi) those parts of the Property detailed in the definition; and

vii) all portions corresponding to the items referred to in (a) to € inclusive as are in the other Lettable Units

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Superior Landlord: means the person or persons from time to time entitled to the reversion immediately expectant on the determination of the term created by the Superior Lease

Superior Landlord's Covenants: the obligations in the Superior Lease to be observed by the Superior Landlord.

Superior Lease: means a lease by virtue of which the Landlord holds the Building, which is dated 28 November 2008 and made between (1) Andrew Louis Properties Limited (2) Chester Street Management Company Limited and (3) M2 Quadrangle Limited by which the Property together with other premises was let for a term of 999 years from 28 November 2008, which lease is now vested in the Landlord and any documents made supplemental to it.

Superior Rent: the annual rent payable by the Landlord under clauses 3 and 4.1 of the Superior Lease.

Tenant: means the party stated as such in the Particulars and shall include such party's successors in title to this Lease

Third Party Rights: all rights, covenants and restrictions affecting the Property including the matters referred to at the date of this lease in the property register and charges register of title number MAN137211 (other than financial charges) which are subsisting and capable of taking effect.

Uninsured Damage: has the meaning given to it in the Superior Lease

VAT: value added tax or any equivalent tax chargeable in the UK.

VATA 1994: Value Added Tax Act 1994.

2.2 A reference to the **Superior Lease** is a reference to the superior lease and any deed, licence, consent, approval or other instrument supplemental to it. A reference to this **lease**, except a reference to the date of this lease or to the grant of the lease, is a reference to this deed and any deed, licence, consent, approval or other instrument supplemental to it.

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2.3 A reference to the **Superior Landlord** includes a reference to the person entitled to the immediate reversion to the Superior Lease. 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 to any guarantor of the tenant covenants of this lease including a guarantor who has entered into an authorised guarantee agreement.

2.4 Save as provided in clause 46, in relation to any payment, a reference to a **fair proportion** is to a fair and reasonable proportion of the total amount payable, determined conclusively (except as to questions of law) by the Landlord (acting reasonably).

2.5 The expressions **landlord covenant** and **tenant covenant** each has the meaning given to it by the Landlord and Tenant (Covenants) Act 1995.

2.6 Unless the context otherwise requires, references to the **Building**, the **Common Parts** and the **Property** are to the whole and any part of them or it.

2.7 The expression **neighbouring property** does not include the Building.

2.8 A reference to the **term** is to the Contractual Term and any agreed or statutory continuation of this lease.

2.9 A reference to the **end of the term** is to the end of the term however it ends.

2.10 References to the **consent** of the Landlord are to the consent of the Landlord given in accordance with clause 49.5 and references to the **approval** of the Landlord are to the approval of the Landlord given in accordance with clause 49.6. References to any consent or approval required from the Landlord shall be construed as also including a requirement to obtain the consent or approval of the Superior Landlord where such consent or approval is required under the terms of the Superior Lease except that nothing in this lease shall be construed as imposing on the Superior Landlord any obligation (or indicating that such an obligation is imposed on the Superior Landlord by the terms of the Superior Lease) not unreasonably to refuse any such consent.

2.11 A **working day** is any day which is not a Saturday, a Sunday, a bank holiday or a public holiday in England.

2.12 A reference to laws in general is a reference to all local, national and directly applicable supra-national laws as amended, extended or re-enacted from time to time and shall

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include any subordinate laws made from time to time under them and all orders, notices, codes of practice and guidance made under them.

2.13 Unless otherwise specified, a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time and shall include all subordinate legislation made from time to time under that statute or statutory provision and all orders, notices, codes of practice and guidance made under it.

2.14 Any obligation on the Tenant not to do something includes an obligation not to allow that thing to be done and an obligation to use best endeavours to prevent that thing being done by another person.

2.15 Unless the context otherwise requires, any words following the terms **including**, **include**, **in particular**, **for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.

2.16 A **person** includes a natural person, corporate or unincorporated body (whether or not having separate legal personality).

2.17 A reference to **writing** or **written** includes fax but not email.

2.18 Unless the context otherwise requires, references to clauses and Schedules are reference to the clauses and Schedules of this lease and references in to paragraphs are to paragraphs of the relevant Schedule.

2.19 Clause, Schedule and paragraph headings shall not affect the interpretation of this lease.

2.20 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders

2.21 Unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular.

3. Grant

3.1 The Landlord lets with full title guarantee the Property to the Tenant for the Contractual Term.

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3.2 The grant is made together with the ancillary rights set out in clause 4, excepting and reserving to the Landlord the rights set out in clause 5 and subject to the Third Party Rights.

3.3 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 Service Charge and all VAT in respect of it;

(c) the Insurance Rent; and

(d) all interest payable under this lease; and

(e) all other sums due under this lease.

3.4 The grant is made with the Tenant also entering into the Rent Deposit Deed.

4. Ancillary rights

4.1 The following rights are granted to the Tenant and all persons expressly or by implication authorised by the Tenant in connection with the use of the Property in accordance with and subject to the provisions of this Lease such rights being exercisable in common with the Landlord and those authorised by the Landlord including other tenants of the Building (the **Rights**):

(a) the use of the Common Parts for all proper purposes

(b) the free passage (subject only to temporary interruptions for repair alteration or replacement) of water soil gas electricity telephone communications and all other services and supplies of whatsoever nature from and to the Property through the Service Media which are in order parts of the Building and which serve the Property now or at any time during the Contractual Term

(c) the right to support shelter and protection from the Common Parts and the Building to the extent that the Common Parts and the Building provide support and protection to the Property at the date of this lease;

(d) the right to place and maintain such condensers fume extractors air filtering units ventilation systems (including motors and silencers) air conditioning and other plant as the Tenant shall reasonably require for the proper carrying on of its business on the exterior of the Property and the roof of the Building and for air ventilation and fume extraction in through and over the air shafts serving the Property and elsewhere in such locations firstly approved by the Landlord (such approval not to be unreasonably withheld or delayed) and to run from such condensers air conditioning and other plant all pipes ducts wires and cables as may be reasonably required by the Tenant over such route as shall have been

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previously approved by the Landlord (such approval not to be unreasonably withheld or delayed) together with the right of access over the other part or parts of the Building to such condensers air conditioning and other plant the pipes ducts wires and cables for the purpose of repair maintenance cleaning and renewal thereof;

(e) the right to use the refuse containers within the Common Parts allocated from time to time by the Landlord provided that the Tenant shall not be entitled to use the Common Parts or any part or parts thereof for the purposes of accepting deliveries outside the Permitted Hours

(f) 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 or are installed or constructed during the Contractual Term;

(g) the right to erect on any totem signage erected by the Landlord at the Building a sign of a size and design approved by the Landlord (such approval not to be unreasonably withheld or delayed);

(h) the right for the Tenant to enter the Landlord's Neighbouring Property or any other part of the Building so far as is reasonably necessary to carry out any works to the Property where such works would otherwise not be possible or may be possible but rendered more expensive than they would otherwise be if this right was available.

(i) the right to use the airspace above the External Seating Area so far as is reasonably necessary and so far as applicable for the use and enjoyment of the Property for the purposes authorised by this lease.

4.2 The Rights are granted in common with the Landlord, the Superior Landlord and any other person authorised by Landlord or the Superior Landlord.

4.3 The Rights are granted subject to the Third Party Rights insofar as the Third Party Rights affect the Common Parts and the Tenant shall not do anything that may interfere with any Third Party Right.

4.4 The Tenant shall exercise the Rights (other than the Right mentioned in clause 4.1(a)) only in connection with its use of the Property for the Permitted Use and only during the Permitted Hours and in accordance with any regulations made by the Landlord as mentioned in clause 32.1.

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4.5 The Tenant shall comply with all laws relating to its use of the Common Parts pursuant to the Rights.

4.6 In relation to the Rights mentioned in clause 4.1(d) to Clause 4.1(g), the Landlord may, at its discretion, change the route of any means of access to or egress over the Common Parts (acting reasonably) and the Superior Landlord's Neighbouring Property from the interior of the Building and may change the area within the Common Parts and the Superior Landlord's Neighbouring Property over which any of those Rights are exercised provided that any such changes by the Landlord only do not affect the use and enjoyment of the Property for the Permitted Use and that any rights granted to the Tenant are no less commodious at the date of this lease.

4.7 In relation to the Rights mentioned in clause 4.1(f), the Landlord or the Superior Landlord may, at their discretion, 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.

4.8 In relation to the Rights mentioned in clause 4, where the Tenant requires the consent of the Landlord and, of the Superior Landlord in accordance with the terms of the Superior Lease, to carry out the works to the Property, the Tenant may only exercise that Right when consent has been granted and in accordance with the terms of that consent.

4.9 In exercising the Rights mentioned in clause 4.1, the Tenant shall:

(a) except in case of emergency, give reasonable notice to the Landlord and any occupiers of the relevant 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 possible to the Common Parts and to any property belonging to or used by the Landlord, the Superior Landlord or the tenants or occupiers of any other part of the Building;

(d) cause as little inconvenience as possible to the Landlord, the Superior Landlord and the tenants and occupiers of any other part of the Building as is reasonably practicable; and

(e) promptly make good (to the satisfaction of the Landlord and/or the Superior Landlord) any damage caused to the Common Parts (or to any property belonging to or used by the Landlord and/or the Superior Landlord) by reason of the Tenant exercising that Right.

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4.10 Except as mentioned in this clause 4, neither the grant of this lease nor anything in it confers any right over the Common Parts or any neighbouring property nor is to be taken to show that the Tenant may have any right over the Common Parts or any neighbouring property and section 62 of the Law of Property Act 1925 does not apply to this lease.

5. Rights excepted and reserved

5.1 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 and to the Superior Landlord to the extent possible for the benefit of any neighbouring or adjoining property in which the Superior Landlord acquires an interest during the term:

(a) the full free and uninterrupted passage and running of water soil gas telephone electricity telecommunications and all other services and supplies of whatsoever nature from and to any other parts of the Building and any other adjoining or neighbouring property of the Landlord through such of the Service Media serving the same which are or may hereafter during the Term be in on under or over the Property and the right of entry onto the Property at reasonable times and no less than seven days written notice (save in the case of emergency) for the purposes of inspecting repairing renewing and re-laying when beyond economic repair cleansing maintaining and connecting up to any such existing or future Service Media

(b) the right to erect or to consent hereafter to any person erecting a new building or to alter any part of the Building or any building for the time being on any neighbouring or adjoining property of the Landlord in such manner as the Landlord or the person or persons exercising such right may think fit and notwithstanding that such alteration or erection provided that it does not materially diminish the access of light and air enjoyed by the Property and the right to deal with the remainder of the Building and any neighbouring or adjoining property of the Landlord as it may think fit provided that the Tenant's access to and use and enjoyment of the Property is not materially adversely affected;

(c) on giving not less than two weeks prior notice to the Tenant (save in the case of emergency) the right to erect temporary 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 such scaffolding may not restrict the access to the Property nor materially adversely affect the enjoyment and use of the Property and shall be erected for as short a period as reasonably practicable;

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(d) rights of light, air, support, shelter and protection for the parts of the Building not included in the Property at the date of this Lease;

(e) the right to regulate and control the use of the Common Parts via the issue of reasonable regulations and in particular (but without prejudice to the generality of the foregoing) to make reasonable regulations for the control regulation and limitation of traffic thereon or on any part;

(f) the right to deviate and alter any part of the Common Parts and the right to close any part of the Common Parts as often as may be absolutely necessary for the purpose of carrying out works to any part of the Building which are permitted by the lease for such periods as may be necessary in that behalf and (provided that the Landlord uses all reasonable endeavours to minimise any loss or damage occasioned) without being liable for any consequential loss or damage occasioned to the Tenant provided always that (save in case of emergency) none of the Common Parts to the enjoyment of which the Tenant is entitled under the lease shall be stopped unless prior adequate alternative provision is made;

(g) the right to fix and thereafter maintain directional or informative signs to or upon the external walls bounding the Property (excluding the shop front or fascia);

(h) at any time during the term, the full and free right for:

i) the Landlord to develop any neighbouring or adjoining property in which the Landlord acquires an interest during the term as the Landlord may think fit; and

ii) the Superior Landlord to develop any neighbouring or adjoining property in which the Superior Landlord acquires an interest during the term as the Superior Landlord may think fit.

(i) the right to erect or to consent hereafter to any person erecting a new building or to alter any part of the Building or any building for the time being on any neighbouring or adjoining property of the Landlord in such manner as the Landlord or the person or persons exercising such right may think fit and notwithstanding that such alteration or erection provided that it does not materially diminish the access of light and air enjoyed by the Property and the right to deal with the remainder of the Building and any neighbouring or adjoining property of the Landlord as it may think fit provided that the Tenant's access to and use and enjoyment of the Property is not materially adversely affected;

(j) the right to attach any structure, fixture or fitting to the boundary of the Property in connection with any of the Reservations;

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(k) the right to re-route any means of access to or egress from the Property or the Building and to change the areas over which the Rights mentioned in clause 5.1(a) to clause 5.1(l) are exercised; and

(l) the right to re-route and replace any Service Media over which the Rights mentioned in clause 4.1(f) are exercised

notwithstanding that the exercise of any of the Reservations or the works carried out pursuant to them result in a reduction in the flow of light or air to the Property or the Common Parts or loss of amenity for the Property or the Common Parts provided that they cause as little inconvenience as possible to the Tenant and they do not materially adversely affect the use and enjoyment of the Property for the Permitted Use.

5.2 The Landlord reserves for itself for the benefit of the Building and to the extent possible for the benefit of any neighbouring or adjoining property in which the Landlord acquires an interest during the term and for the Superior Landlord to the extent possible for the benefit of any neighbouring or adjoining property in which the Superior Landlord acquires an interest during the term the right to enter the Property:

(a) to repair, maintain, install, construct re-route or replace any Service Media or structure relating to any of the Reservations;

(b) to examine the state of repair and condition thereof;

(c) to check and take inventories of the Landlord's fixtures and fittings and the plant machinery and equipment therein;

(d) for measurement and inspection in relation to any rent review hereunder or any renewal of this Lease or in connection with any dealing with the interest of the Landlord in the Property;

(e) to carry out any works to any other part of the Building;

(f) to view the condition of an repair replace alter and decorate any of the Structure Common Parts and Lettable Units to the extent that such viewing or work cannot otherwise be practicably carried out; and

(g) for any other purpose mentioned in or connected with:

i) this lease;

ii) the Superior Lease;

iii) the Reservations; and

iv) the interests of the Landlord and the Superior Landlord in the Property and the Building.

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5.3 The Reservations may be exercised by the Landlord and the Superior Landlord and by anyone else who is or becomes entitled to exercise them and by anyone authorised by the Landlord or the Superior Landlord.

5.4 In exercising the rights excepted and reserved the Landlord shall cause or procure that there is caused as little damage and disturbance to the Property and the Tenant's business as is reasonably practicable and shall promptly make good any damage caused to the reasonable satisfaction of the Tenant and shall ensure that the exercise of rights does not materially adversely affect the amenity of or access to the Property or the passage of light and air to the Property or the conduct of the Tenant's business at the Property other than in the case of emergency.

5.5 The Tenant shall allow all those entitled to exercise any right to enter the Property to do so with their workers, contractors, agents and professional advisors and to enter the Property at any reasonable time (whether or not during usual business hours) and, except in the case of an emergency, after having given reasonable notice (which need not be in writing) to the Tenant.

5.6 No party exercising any of the Reservations, nor its workers, contractors, agents and professional advisors, shall be liable to the Tenant or to any undertenant or other occupier of or person at the Property for any loss, damage, injury, nuisance or inconvenience arising by reason of its exercising any of the Reservations except for:

(a) physical damage to the Property; or

(b) any loss, damage, injury, nuisance or inconvenience in relation to which the law prevents the Landlord from excluding liability.

6. Third Party Rights

6.1 The Tenant shall comply with all obligations on the Landlord and the Superior Landlord relating to the Third Party Rights (insofar as those obligations relate to the Property) and are subsisting and capable of taking effect and shall not do anything (even if otherwise permitted by this lease) that may interfere with any Third Party Right.

6.2 The Tenant shall allow the Landlord, the Superior Landlord and any other person authorised by the terms of the Third Party Right to enter the Property in accordance with its terms.

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7. The Annual Rent

7.1 The Tenant shall pay the Annual Rent and any VAT in respect of it by four equal instalments in advance on or before the Rent Payment Dates. The payments shall be made by banker's standing order or by any other method that the Landlord requires at any time by giving notice to the Tenant.

7.2 The first instalment of the Annual Rent and any VAT in respect of it shall be made on the date of this lease and shall be the proportion, calculated on a daily basis, in respect of the period beginning on the date of this lease and ending on the day before the next Rent Payment Date

8. Review of the Annual Rent

8.1 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 (**President**), and the Surveyor is the independent valuer appointed pursuant to clause 8.11 (**Surveyor**).

8.2 The Annual Rent shall be reviewed at each Review Date to equal the Revised Rent.

8.3 The Revised Rent at a Review Date shall be the Indexed Rent unless:

(a) the Indexed Rent is less than the Minimum Rent, in which case the Revised Rent shall be the Minimum Rent; or

(b) the Indexed Rent is greater than the Maximum Rent, in which case the Revised Rent shall be the Maximum Rent.

8.4 The Indexed Rent for a Review Date shall be determined by multiplying the Base Rent by the index value of the CPI for the month that falls two months before the month in which that Review Date falls, then dividing the product by the index value of the CPI for the Base CPI Month.

8.5 The Landlord shall calculate the Indexed Rent as soon as reasonably practicable and shall give the Tenant written notice of the Revised Rent as soon as it has been ascertained.

8.6 If the Revised Rent has not been calculated by the Landlord and notified to the Tenant on or before a Review Date, the Annual Rent payable from that Review Date shall continue at the rate payable immediately before that Review Date. No later than five

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working days after the Revised Rent is notified by the Landlord to 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 notification of the Revised Rent and the amount that would have been payable had the Revised Rent been notified 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 Rent had been notified on or before that Review Date and the date payment is received by the Landlord.

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

8.8 Subject to clause 8.9, if there is any change to the methods used to compile the CPI, including any change to the items from which the CPI is compiled, or if the reference base used to compile the CPI changes, the calculation of the Indexed Rent shall be made taking into account the effect of this change.

8.9 The Landlord and the Tenant shall endeavour, within a reasonable time, to agree an alternative mechanism for setting the Annual Rent if either:

(a) the Landlord or the Tenant reasonably believes that any change referred to in clause 8.8 would fundamentally alter the calculation of the Indexed Rent in accordance with this clause 8, and has given notice to the other party of this belief; or

(b) it becomes impossible or impracticable to calculate the Indexed Rent in accordance with this clause 8.

This alternative mechanism may (where reasonable) include, or consist of, substituting an alternative index for the CPI. In default of agreement between the Landlord and the Tenant on an alternative mechanism for setting the Annual Rent, the Surveyor shall determine an alternative mechanism.

8.10 The Surveyor shall determine (acting reasonably) a question, dispute or disagreement that arises between the parties in the following circumstances:

(a) where any question or dispute arises between the parties as to the amount of the Annual Rent payable or as to the interpretation, application or effect of any part of this clause 8; or

(b) where the Landlord and the Tenant fail to reach agreement under clause 8.9.

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The Surveyor shall have full power to determine (acting reasonably) the question, dispute or disagreement, and shall have power to determine any issue involving the interpretation of any provision of this lease, his jurisdiction to determine the question, dispute or disagreement referred to him or his terms of reference. When determining such a question, dispute or disagreement, the Surveyor may, if he considers it reasonably appropriate, specify that an alternative mechanism for setting the Annual Rent should apply to this lease, and this includes (but is not limited to) substituting an alternative index for the CPI.

8.11 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.

8.12 The Surveyor shall act as an expert and not as an arbitrator. 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.

8.13 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.

8.14 Either the Landlord or the Tenant may apply to the President to discharge the Surveyor if the Surveyor:

(a) dies;

(b) becomes unwilling or incapable of acting; or

(c) unreasonably delays in making any determination.

clause 8.11 shall then apply in relation to the appointment of a replacement.

8.15 The 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 either the Landlord or the Tenant does not pay its part of the Surveyor's fees and expenses within ten working days after demand by the Surveyor then:

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(a) the other party may pay instead; and

(b) the amount so paid shall be a debt of the party that should have paid due and payable on demand to the party that actually made the payment.

The Landlord and the Tenant shall otherwise each bear their own costs in connection with the rent review.

9. Service Charge

9.1

(a) The Tenant shall pay to the Landlord within 14 days of the Landlord's VAT invoice being presented such sums as are reasonably and properly due under the Superior Lease (or at the option of the Landlord and by direction direct to the Management Company) without any deduction a fair and reasonable proportion of all sums which the Landlord is obliged to pay to the Superior Landlord in relation to the provision of the Services (as defined in the Superior Lease) pursuant to clause 4.4 of the Superior Lease; and

(b) The Tenant shall pay to the Landlord within 14 days of the Landlord's VAT invoice being presented such sums as are reasonably and properly due under the Superior Lease (or at the option of the Landlord and by direction direct to the Superior Landlord) without any deduction a fair and reasonable proportion of all sums which the Landlord is obliged to pay to the Superior Landlord in relation to the provision of the Structural Services (as defined in the Superior Lease) pursuant to clause 4.4 of the Superior Lease.

10. Insurance

10.1 The Landlord shall use reasonable endeavours to procure that the Superior Landlord complies with the covenants imposed on it regarding insurance contained in the Superior Lease save to the extent that the policy of insurance has been vitiated or any insurance proceeds withheld in consequence of any act or omission of the Tenant or its workers, contractors or agents or any person on the Property with the actual or implied authority of any of them. Neither the Superior Landlord or the Landlord shall be obliged to insure any part of the Property installed by the Tenant.

10.2 The Tenant shall pay to the Landlord within 14 days of written demand:

(a) the Insurance Rent;

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(b) a fair proportion of any amount that is deducted or disallowed by the Superior Landlord's insurers pursuant to any excess provision in the insurance policy; and

(c) a fair proportion of any costs that the Superior Landlord properly and reasonably incurs in obtaining a valuation of the Building for insurance purposes. If the Superior Landlord insures the Building together with other land, the amount of the Insurance Rent shall be a fair proportion of the total for the Building and the other land.

10.3 The Tenant shall:

(a) immediately inform the Landlord and the Superior Landlord as soon as reasonably practicable after becoming aware of any matter which occurs that any insurer or underwriter may reasonably consider as material in deciding whether or on what terms to insure or to continue to insure the Building and shall give the Landlord and the Superior Landlord notice of that matter and shall also immediately inform the Landlord if any matter occurs that any insurer or underwriter may treat as material in deciding whether or on what terms to insure or to continue the insurance referred to in clause 10.1 of this lease and shall give the Landlord notice of that matter;

(b) not do or omit anything as a result of which:

i) any policy of insurance of the Building or any neighbouring property or in respect of the Landlord's covenant under clause 10.2 of the lease may become void or voidable or otherwise prejudiced;

ii) the payment of any policy money may be withheld; or

iii) (unless the Tenant has previously notified the Landlord and the Superior Landlord and has paid any increased or additional premium) any increased or additional insurance premium may become payable;

(c) comply at all times with the requirements and reasonable recommendations of the insurers relating to the Property as are notified to the Tenant and the use by the Tenant of the Common Parts;

(d) give the Landlord and the Superior Landlord notice upon becoming aware as soon as reasonably practicable of the occurrence of any damage or loss relating to the Building arising from an Insured Risk or of any other event that might reasonably be expected to affect any insurance policy relating to the Building and shall give the Landlord and the Superior Landlord notice of that damage or loss.

(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

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the Property (other than in respect of plate glass) pay those proceeds or cause them to be paid to the Superior Landlord; and

(f) pay the Superior Landlord an amount equal to any insurance money that the insurers of the Building refuse to pay (in relation to the Building) by reason of any act or omission of the Tenant, its workers, contractors or agents or any person at the Property or the Common Parts with the actual or implied authority of any of them.

10.4 If the Property is damaged or destroyed by a risk against which the Superior Landlord is obliged to insure under the terms of the Superior Lease so as to be unfit for occupation and use or if the Common Parts are damaged or destroyed by a risk against which the Superior Landlord is obliged to insure under the terms of the Superior Lease so as to make the Property inaccessible or unusable then, unless the policy of insurance of the Property has been vitiated in whole or in part in consequence of any act or omission of the Tenant, or its workers, contractors or agents or any other person on the Property with the actual or implied authority of any of them, payment of the Annual Rent, or a fair proportion of it according to the nature and extent of the damage, shall be suspended until the soonest of one of the following:

(a) the date that the Property has been reinstated and made fit for occupation and use or the Common Parts have been reinstated so as to make the Property accessible or usable (as the case may be);

(b) the end of three years from the date of damage or destruction; and

(c) the end of the period of suspension of the payment of the Superior Rent under the Superior Lease.

10.5 If, following damage to or destruction of the Property, the Superior Lease is determined in accordance with the provisions of the Superior Lease, the Landlord shall notify the Tenant of this no later than five working days after:

(a) receipt by the Landlord of the Superior Landlord's notice to determine; or

(b) service by the Landlord of the notice to determine the Superior Lease on the Superior Landlord.

On the same date, the Landlord shall send to the Tenant a certified copy of the notice to determine and any accompanying correspondence that the Landlord has sent to or received from the Superior Landlord. The determination of this lease under this clause 10.5 shall be without prejudice to any right or remedy of either party in respect of any breach of the covenants by the other of this lease. Any proceeds of the insurance effected by the Superior Landlord under the terms of the Superior Lease shall belong to

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the Superior Landlord and any proceeds of the insurance effected by the Landlord under clause 11.1 of this lease shall belong to the Landlord.

10.6 The Landlord or Tenant may terminate this lease by giving notice to the other if, following damage or destruction of the Property or the Common Parts by an Insured Risk, the Property has not been reinstated so as to be fit for occupation and use or the Common Parts have not been reinstated so as to make the Property accessible or useable within three years after the date of damage or destruction. On giving this notice this lease shall determine but this shall be without prejudice to any right or remedy of the either party in respect of any breach of covenants of this lease by the other. Any proceeds of the insurance effected by the Superior Landlord under the terms of the Superior Lease shall belong to the Superior Landlord. Any proceeds of the insurance effected by the Landlord under clause 11.1of this lease shall belong to the Landlord.

11. Rates and taxes

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

(a) any taxes payable by Landlord in connection with any dealing with or disposition of:

i) the reversion to this lease; or

ii) the Landlord's interest in the Superior Lease;

(b) any taxes payable by the Superior Landlord in connection with any dealing with or disposition of the reversion to the Superior Lease; or

(c) any taxes, other than VAT and insurance premium tax, payable by the Landlord or the Superior Landlord or by reason of the receipt of any of the rents due under this lease or the Superior Lease.

11.2 If any rates, taxes or other impositions and outgoings are payable in respect of the Property together with other property (including another part of the Building), the Tenant shall pay a fair proportion of the total.

11.3 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 and the Superior Landlord (such approval of the Landlord not to be unreasonably withheld or delayed).

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11.4 If, after the end of the term, either the Landlord or the Superior 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 or the Superior Landlord, as appropriate, an amount equal to the relief or exemption that has been lost.

12. Utilities

12.1 The Tenant shall pay all costs in connection with the supply and removal of electricity, gas, water, sewage, telecommunications and data and other services and utilities to or from the Property.

12.2 If any of those costs are payable in relation to the Property together with other property, the Tenant shall pay a fair proportion of all those costs.

12.3 The Tenant shall comply with all laws and with any reasonable requirements of the relevant suppliers relating to the use of those services and utilities.

13. Common items

13.1 Other than referred to in clause 9, the Tenant shall pay the Landlord within 14 days of written demand a fair proportion of all costs payable by the Landlord to the Superior 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 property.

13.2 The Tenant shall comply with all reasonable written regulations that the Landlord or the Superior Landlord may make from time to time in connection with the use of any of those Service Media, structures or other items.

14. VAT

14.1 All sums payable by the Tenant are exclusive of any VAT that may be chargeable. The Tenant shall upon receipt of a valid VAT invoice properly addressed to the Tenant 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.

14.2 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

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obligation to pay an amount equal to any VAT incurred on that sum by the Landlord or other person, except to the extent that the Landlord or other person obtains credit for such VAT under the VATA 1994.

15. Default interest and interest

15.1 If any Annual Rent or any other money payable under this lease has not been paid by the date it is due, whether it has been formally demanded or not, the Tenant shall pay the Landlord interest on that amount at the Default Interest Rate (both before and after any judgment). Such interest shall accrue on a daily basis for the period beginning on the due date and ending on the date of payment.

15.2 If the Landlord does not demand or accept any Annual Rent or other money due or tendered under this lease because the Landlord reasonably believes that the Tenant is in breach of any of the tenant covenants of this lease, then the Tenant shall, when that amount is accepted by the Landlord, also pay interest at the Interest Rate on that amount for the period beginning on the date the amount (or each part of it) became due and ending on the date it is accepted by the Landlord.

16. Costs

16.1 The Tenant shall pay the reasonable and proper costs charges expenses damages and losses (including but without prejudice to the generality of the foregoing legal costs bailiff's fees and surveyor's fees) reasonably and properly incurred by the Landlord and those of the Superior Landlord incurred both during and after the end of the term) in connection with or in proper contemplation of any of the following:

(a) the enforcement of the tenant covenants of this lease;

(b) the preparation and service of 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) the preparation and service of any notice in connection with this lease under section 17 of the Landlord and Tenant (Covenants) Act 1995;

(d) the preparation and service of a schedule of dilapidations in connection with this lease served no later than 3 months after expiry of the Term; or

(e) procuring the remedying of any breach of covenant on the part of the Tenant or any sub- tenant or their respective predecessors in title contained in this Lease and

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(f) any consent or approval applied for under:

i) this lease, whether or not it is granted; and

ii) the Superior Lease, where the consent of the Superior Landlord is required under this Lease, whether or not it is granted;

save where such consent is unreasonably withheld or granted subject to unreasonable or unlawful conditions by the Landlord.

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

17. Compensation on vacating

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

18. Set-off

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

19. Registration of this lease

Promptly following the grant of this lease, the Tenant shall apply to register this lease at HM Land Registry. The Tenant shall ensure that any requisitions raised by HM 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.

20. Assignments

20.1 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, and of the Superior Landlord in accordance with the terms of the Superior Lease.

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20.2 The Tenant shall not assign part only of this lease.

20.3 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 the assignor enters into an authorised guarantee agreement which:

i) is in respect of all the tenant covenants of this lease;

ii) is in respect of the period beginning with the date the assignee becomes bound by those covenants and ending on the date when the assignee is released from those covenants by virtue of section 5 of the Landlord and Tenant (Covenants) Act 1995;

iii) imposes principal debtor liability on the assignor;

iv) requires (in the event of a disclaimer of this lease) the assignor to enter into a new tenancy for a term equal to the unexpired residue of the Contractual Term;

v) is prepared by the Landlord's solicitors at the reasonable and proper expense of the Tenant and shall be executed and take effect as a deed; and

vi) is otherwise in a form reasonably required by the Landlord and the Superior Landlord;

(b) a condition that a person of standing acceptable to the Landlord acting reasonably enters into a guarantee and indemnity of the tenant covenants of this lease in the form set out in the Schedule 1 (but with such amendments and additions as the Landlord may reasonably require); and

(c) the assignee shall by deed enter into a direct covenant with the Landlord to observe and perform the covenants and provisions of and to pay the rents reserved by this Lease for (subject to the provisions of the 1995 Act) the remainder of the Contractual Term;

(d) a condition that the assignor enters into an authorised guarantee agreement in respect of the tenant covenants mentioned in clause 40 of the lease in favour of the Superior Landlord 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. The authorised guarantee agreement shall be in a form reasonably required by the Superior Landlord.

(e) a condition that a person of standing acceptable to the Superior Landlord enters into guarantee and indemnity obligations in favour of the Superior Landlord in

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respect of the tenant covenants mentioned in clause 40 of this lease. The guarantee and indemnity obligations shall be in a form reasonably required by the Superior Landlord

20.4 The Landlord and the Tenant agree that for the purposes of section 19(1A) of the Landlord and Tenant Act 1927 the Landlord may refuse its consent to an assignment if any of the following circumstances exist at the date of the Tenant's application for consent to assign this lease:

(a) the Annual Rent or any other money due under this lease is outstanding; or

(b) in the Landlord's reasonable opinion the assignee is not of sufficient financial standing to enable it to comply with the Tenant's covenants and conditions contained in this lease.

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

21. Underlettings

21.1 The Tenant shall not underlet part only of the Property.

21.2 The Tenant shall not underlet the whole of the Property without the consent of the Landlord, such consent not to be unreasonably withheld or delayed, and of the Superior Landlord in accordance with the terms of the Superior Lease, and the Tenant shall not underlet the whole of 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;

(c) to a Group Company;

(d) at less than the open market rental value of the Property at the time of the underletting;

(e) for a term which extends beyond any Review Date unless such underlease provides for rent review at the times set out in and otherwise in accordance with the terms of this lease; or

(f) allowing any rent free period to the undertenant.

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21.3 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.

21.4 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) a covenant by the undertenant, enforceable by and expressed to be enforceable by the Landlord 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;

(d) a condition for re-entry by the underlessor on breach of any covenant by the undertenant;

(e) an absolute prohibition on any further underletting or parting with possession or sharing occupation of the premises demised by the underlease (save by way of assignment of the whole thereof);

(f) a prohibition on any assignment of the whole of the premises demised by the underlease without the consent of the Landlord such consent not to be unreasonably withheld or delayed notwithstanding the provisions of clause 22 which shall apply in the case of an underlease; and

(g) 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,

(h) provisions that allow the Tenant (as the landlord of the underlease) to terminate the underlease no later than the earliest date on which this lease may be terminated pursuant to clause 40.

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and shall otherwise be 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.

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

(a) not vary the terms of the underlease without the consent of the Landlord, such consent not to be unreasonably withheld; and

(b) enforce the tenant covenants in the underlease and not waive any of them nor allow any reduction in the rent payable under the underlease.

22. Sharing occupation

22.1 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.

23. Charging

23.1 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 (provided that floating charges may be created without consent where the same form part of the Tenant's usual banking arrangements).

23.2 The Tenant shall not charge part only of this lease.

24. 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 assign, part with or share any of the benefits or burdens of this lease, or in any interest derived from it, whether by a virtual assignment or other similar arrangement or hold the lease on trust for any person (except pending registration of a dealing permitted by this lease at HM Land Registry or by reason only of joint legal ownership).

25. Registration and notification of dealings and occupation

25.1 In this clause a **Transaction** is:

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(a) any dealing with this lease or the devolution or transmission of, or parting with possession of any interest in it; or

(b) the making of any other arrangement for the occupation of the Property.

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

25.3 No later than 28 days after a Transaction the Tenant shall:

(a) give notice of the Transaction to the Landlord's solicitors;

(b) deliver a certified copy of any document effecting the Transaction to the Landlord's solicitors;

(c) pay the Landlord's solicitors a registration fee of £50 (plus VAT) together with any charges payable to the Superior Landlord's solicitors in accordance with the terms of the Superior Lease; and

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

25.4 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.

25.5 If the Landlord so requests in writing, the Tenant shall promptly supply any details required by the Landlord pursuant to Section 40 of the Landlord and Tenant Act 1954 and to supply the Landlord with full details of any notices given pursuant to section 25 of the Landlord and Tenant Act 1954 by the Tenant to any undertenant and full details of any notices received by the Tenant from any undertenant pursuant to section 26 of the Landlord and Tenant Act 1954.

26. 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 HM Land Registry in connection with that application are dealt with promptly and properly. The Tenant shall keep the Landlord informed of the progress and completion of its application.

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27. Repairs

27.1 The Tenant shall keep the Property clean and tidy and in good and substantial repair and condition and shall ensure that any Service Media within and exclusively serving the Property are kept in good repair and working order.

27.2 The Tenant shall keep all rubbish and waste in enclosed receptacles on the Property or in such other bin store on the Building as the Landlord provides and to empty the same at lease once a week.

27.3 The Tenant shall clean the inside of the window panes and frames of the Property as often as reasonably necessary.

27.4 The Tenant shall maintain in good and serviceable repair and condition the Landlord's fixtures and fittings and all Apparatus plant machinery and equipment (including but without prejudice to the generality of the foregoing any heating or air conditioning systems and any sprinkler system) in or upon and exclusively serving the Property and to replace such of them (when beyond economic repair) as may become worn out lost unfit for use or destroyed by substituting others of a like or (if no like model exists) of an updated nature and of good quality and if the Landlord shall at any time so reasonably require to enter into agreements with the manufacturers thereof or with approved maintenance contractors for the regular inspection and servicing of the same.

27.5 The Tenant shall remedy any repairs, cleaning or maintenance that the Tenant has failed to do in breach of the terms of this lease as soon as reasonably practicable after the giving of such notice in writing provided that in the case of default by the Tenant it shall be lawful for (but not obligatory upon) the Landlord (but without prejudice to the right of re-entry hereinafter contained or other rights of the Landlord with regard thereto) to enter upon the Property and remedy the breach (provided that the Landlord shall not be entitled to enter the Property to execute works of a minor nature or decoration only) and the property and reasonable cost thereof and all proper and reasonable expenses (including surveyors' and other professional fees) shall be due from the Tenant with 21 days of the date of written demand together with interest if required by the landlord thereon at the Default Interest Rate from the date calculated as 21 days from the date of demand until payment by the Tenant (as well after as before judgement).

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

(a) the policy of insurance of the Property has been vitiated or any insurance proceeds withheld in consequence of any act or omission of the Tenant or its

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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 to the Superior Landlord, as mentioned in clause 8.2 of the Superior Lease.

28. Decoration

28.1 The Tenant shall decorate the inside of the Property as often as is reasonably necessary and also in the last three months before the end of the term.

28.2 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.

28.3 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 or Landlord's Surveyor acting reasonably and without delay.

29. Alterations and signs

29.1 The Tenant shall not cut injure maim remove or alter the Structure or any part therefore nor merge the Property with any adjoining premises.

29.2 The Tenant shall not make any alteration to the Property without the consent of the Landlord such consent not to be unreasonably withheld or delayed, and of the Superior Landlord in accordance with the terms of the Superior Lease.

29.3 The Tenant shall not make any alteration or addition (whether structural or non-structural) to the exterior of the Property or to the external appearance of the Property save that the shop front and fascia forming part of the property may be altered pursuant to clause 29.4 below.

29.4 Subject to clause 29.6, the Tenant shall not make any internal non-structural alteration or addition whatsoever of in or to the Property or any alteration to the shop front and fascia forming part of the property except:

i) with the prior written consent of the Landlord (which shall not be unreasonably withheld or delayed)

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ii) subject to such reasonable terms and conditions (including provision for reinstatement at the Tenant's cost on the expiration or sooner determination of the Contractual Term) as the Landlord may reasonably require

iii) in accordance with drawings and specifications previously submitted in triplicate to an approved in writing by or on behalf of the Landlord (such approval not to be unreasonably withheld or delayed) and

iv) where necessary after having obtained and supplied to the Landlord copies of all requisite consents licences and permissions for the carrying out of such works from any local public or other authority or body

29.5 Notwithstanding the provisions of clause 29.4 above the Tenant may without obtaining the prior written consent of the Landlord erect or remove non structural demountable partitioning within the Property.

29.6 The Tenant shall not install or 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, and of the Superior Landlord in accordance with the terms of the Superior Lease.

29.7 The Tenant shall not without the Landlord's consent (such consent not to be unreasonably withheld or delayed) to erect upon or affix to any exterior part of the Property any pole mast aerial satellite dish or wire.

29.8 Save as provided elsewhere in this lease, the Tenant shall not attach any sign, fascia, placard, board, poster or advertisement to the Property so as to be seen from the outside of the Building, other than:

(a) The fascia of the Property;

(b) Trade placards posters or advertisements provided that none is attached to the exterior of any shop window and not more than 40 per cent of any shop window of the Property shall be obscured by such placards posters or advertisements; and

(c) A canopy over the front of the shop window and doors to the Property provided that the Tenant shall obtain the prior written consent of the Landlord to the design and type of the canopy (such approval not to be unreasonably withheld or delayed)

In the event of the Tenant failing to observe this covenant it shall be lawful for the Landlord and its agents or surveyors (but without limiting the Landlord's rights of re-entry contained in this lease) to enter the Property and remove any

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such items as are referred to in this clause and all proper expenses (including surveyor's and other professional fees) together with interest thereon at the Default Interest Rate from the date of written demand by the Landlord until payment by the Tenant as well after as before judgement shall be due from the Tenant to the Landlord within fourteen days of written demand.

29.9 The Tenant shall allow the Landlord or the Superior Landlord to fix to and keep at the Property any sale or re-letting board as the Landlord or Superior Landlord reasonably requires.

29.10 The Tenant shall not carry out any alteration to the Property which would, or may reasonably be expected to, have a material adverse effect on the asset rating in any Energy Performance Certificate commissioned in respect of the Property.

29.11 In the event of the Tenant failing to observe this covenant it shall be lawful for the Landlord and its agents or surveyors with or without workmen and others and all persons authorised by the Landlord with any necessary materials and appliances to enter upon the Property and remove any alterations or additions and execute such works as may be necessary to restore the Property to their former state and the proper cost thereof and all proper expenses (including surveyors' and other professional fees) together with interest thereon at the Default Interest Rate from the date of written demand by the Landlord until payment by the Tenant as well after as before judgement shall be due from the Tenant to the Landlord within seven days of written demand.

30. Returning the Property to the Landlord

30.1 At the end of the term the Tenant shall return the Property to the Landlord with vacant possession in the repair and condition required by this lease.

30.2 If the Landlord gives the Tenant not less than 3 months written notice, the Tenant shall remove items it has fixed to the Property, remove any alterations it has made to the Property and make good any physical damage caused to the Property by that removal.

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

30.4 At the end of the term, the Tenant shall leave the External Seating Area in a clean and tidy condition free from the Furniture, equipment and goods.

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30.5

30.6 The Tenant irrevocably appoints the Landlord and the Superior Landlord to be the Tenant's agent to store or dispose of any chattels or items it has fixed to the Property and which have been left by the Tenant on the Property for more than twenty eight days after the end of the term. Neither the Landlord nor the Superior Landlord shall be liable to the Tenant by reason of that storage or disposal. The Tenant shall indemnify the Landlord or the Superior 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 or with the Landlord's prior written consent (such consent not to be unreasonably withheld or delayed) and in accordance with the requirements and conditions of any planning permission authorising such use from time to time provided that:

(a) If the Landlord reasonably considers that such other use shall conflict with the principles of good estate management, or

(b) If the Landlord is under a binding obligation which prohibits the Landlord from allowing such other trade to be carried on upon the Property

then the Landlord may refuse his consent to such other use.

31.2 The Tenant shall not use the Property outside the Permitted Hours without the prior written consent of the Landlord (such consent not to be unreasonably withheld or delayed).

31.3 If the Landlord gives its approval to the Tenant using the Property outside the Permitted Hours, the Tenant shall comply with any reasonable regulations that the Landlord makes relating to that use and shall pay the Landlord all proper costs incurred by the Landlord in connection with that use, including the whole of the cost of any Services provided by the Landlord attributable to the use by the Tenant of the Property outside the Permitted Hours.

31.4 The Tenant shall not use the Property for any illegal purpose nor for any purpose or in a manner that would cause loss, damage, injury, actionable nuisance or inconvenience to the Landlord, the other tenants or occupiers of the Building, the Superior Landlord or any owner or occupier of neighbouring property. The Tenant shall pay all proper costs charges and expenses properly incurred by the Landlord in abating a nuisance and in executing such works as may be required to abate a nuisance in obedience to any

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notice served upon the Landlord in respect of or incidental to the property or the use thereof.

31.5 The Tenant shall not use the Property for any noxious noisy or offensive trade or business and not hold any sale by auction or public show now keep any live animals or birds on the Property and not to allow on the property anything which is or may become dangerous offensive combustible inflammable radioactive or explosive and it is hereby agreed that the Tenant's use of the property for the Permitted Use and storage of products that are properly connected with such Permitted Use shall not be in breach of this covenant.

31.6 Tenant shall not trade or display goods outside the Property (save where the Tenant has the benefit of a licence from the Landlord permitting such action) nor to cause any obstruction outside the Property.

31.7 The Tenant shall not use on the Property any machine (other than machinery normally associated with the Permitted Use (which expression shall include all amusement machines usually to be found in licensed premises) and which where appropriate shall be mounted so as to minimise noise and vibration) without the written consent of the Landlord (such consent not to be unreasonably withheld or delayed) and not to use on the property any machinery or sound reproduction or amplifying equipment which shall be audible outside the Property or otherwise noisy or cause vibration or be a nuisance to the Landlord or the owners and/or occupiers of any adjoining or neighbouring premises

31.8 The Tenant shall not suffer or permit any person to reside or sleep on the Property, save for in the mezzanine rooms at the rear of the Property.

31.9 The Tenant shall not knowingly discharge anything into the Service Media serving the Property which will be corrosive or harmful or which may cause any obstruction or deposit therein.

31.10 The Tenant shall not commit any waste upon or to the Property.

31.11 The Tenant shall not use the Property as an office for a government agency or other public authority which would involve the attendance thereat of members of the public for the purpose of seeking employment or enrolling for or collecting any statutory social security health insurance or other benefit payment or applying for or collecting any licence passport certificate or similar document or paying thereat any tax imposition or other financial liability.

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31.12 If the Property is continually unoccupied for more than one month the Tenant shall provide security and caretaking arrangements to afford the Property reasonable protection against vandalism theft or unlawful occupation.

31.13 To keep the Property at a temperature sufficiently high to prevent freezing of water in any Service Media.

31.14 The Tenant shall not park vehicles in the Service Areas except whilst loading or unloading goods to or from the Property and in accordance with the reasonable directions of the Landlord.

31.15 The Tenant shall not load or unload goods except from the Service Areas.

31.16 The Tenant shall not obstruct others lawfully using the Common Parts and shall use the same in a reasonable manner and in accordance with any reasonable regulations made by the landlord from time to time in regard thereto.

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

31.18 The Tenant shall comply with the External Seating Area Covenants as set out in schedule 2

32. Management of the Building

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

32.2 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.

33. Compliance with laws

33.1 The Tenant shall comply with all laws relating to:

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(a) the Property and the occupation and use of the Property by the Tenant;

(b) the use or operation of all Service Media and machinery and equipment at or serving the Property whether or not used or operated, and shall, where necessary, replace or convert such Service Media within or exclusively serving the Property so that it is capable of lawful use or operation;

(c) any works carried out at the Property; and

(d) all materials kept at or disposed from the Property.

33.2 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.

33.3 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 the Superior Landlord; and

(b) in so far as it relates to the Property and at the joint cost of the Landlord and Tenant, 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 reasonably require.

33.4 The Tenant shall not apply for any planning permission for the Property without the Landlord's prior written consent (which shall not be unreasonably withheld or delayed) provided that consent shall not be required in relation to applications in respect of the shop front or signage or aerials or other telecommunications equipment at the Property) and if the Landlord acting reasonably attaches conditions to any such consent not to apply for any planning permission except in accordance with those conditions.

33.5 The Tenant shall comply with the provisions and requirements of the Planning Acts and of any planning permissions (and the conditions thereof) relating to or affecting the Property or the use thereof or any operations works act or things carried out executed done or omitted thereon.

33.6 Subject to clause 33.4 as often as occasion required during the Contractual Term at the Tenant's expense to obtain and if appropriate renew all planning permissions and serve all notices required under the Planning Acts for the carrying out by the Tenant of any operations of the institution or continuance by the Tenant of any use of the Property or any part thereof.

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33.7 To pay and satisfy any charge imposed under the Planning Acts in respect of the carrying out or maintenance by the tenant of any such operation or the institution or continuance by the Tenant of any such use as aforesaid.

33.8 Notwithstanding any consent which may be granted by the Landlord under this lease note to carry out or make any alteration or addition to the property or any change of use of the Property (being an alteration or addition or change of use prohibited by or for which the Landlord's consent is required under this Lease and for which a planning permission is needed) before a planning permission for such alteration addition or change of use has been produced to an acknowledged by the Landlord as satisfactory such acknowledgement of satisfaction not to be unreasonably withheld or delayed provided that the Landlord may refuse to express such satisfaction if the period of such permission or anything contained in or omitted from it will in the reasonable opinion of the Landlord's Surveyor be likely to materially prejudice the Landlord's interest in the property either during the Contractual Term or on or after the expiration or earlier determination of the Contractual Term.

33.9 Unless the Landlord (acting reasonably) otherwise directs in writing to carry out and complete before the expiration or earlier determination of the Contractual Term any work required to be carried out to the Property as a condition of any planning permission granted and implemented by the Tenant during the Contractual Term whether or not the date by which the planning permission requires such works to be carried out is during the Contractual Term and any development begun on the Property in respect of which the Landlord shall or may be or become liable for any charge of levy under the Planning Acts.

33.10 When called upon so to do to produce to the Landlord and the Landlord's Surveyor all plans documents and other evidence reasonably required by the landlord to satisfy itself that the Tenant's obligations in this clause have been complied with.

33.11 Not without the prior written consent of the Landlord (such consent not to be unreasonably withheld or delayed) to enter into a planning obligation for the purposes of section 106 of the Town and Country Planning Act 1990. The Tenant covenants with the Landlord to comply with any Section 106 Agreement so far as it relates to the Property and which are not required to be complied with by the Landlord pursuant to that agreement and indemnifies the Landlord against all proper and reasonable costs incurred by the Landlord that result from a breach of this covenant provided that the Tenant shall not be liable to pay any financial contributions under the Section 106 Agreement or Community Infrastructure Levy payments

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33.12 As soon as reasonably practicable to notify the Landlord of any order direction proposal or notice under the Planning Acts served on or received by the Tenant or coming to the Tenant's notice which relates to or affects the Property and to produce to the Landlord if reasonably required any such order direction proposal or notice in the Tenant's possession and not (cave in cases of emergency) at the joint reasonable and proper cost of the Landlord and Tenant to take any action in respect of such order direction proposal or notice without the Landlord's approval such approval not to be unreasonably withheld or delayed).

33.13 In relation to any act the commission or omission of which requires any consent licence or other authority under the Environmental Protection Act not to do or omit to do (as the case may be) such act without obtaining such authority.

33.14 As soon as reasonably practicable on receipt of any permission notice order or proposal relating to the Property or the use or condition thereof given or issued by any government local or other public or competent authority to give full particulars thereof to the Landlord and if so reasonably required by the Landlord to produce the same to the Landlord and to take all necessary steps to comply at the joint reasonable and proper cost of the Landlord and Tenant therewith to the extent that the Tenant is liable to do so under the terms of this lease and also when reasonably requested by the Landlord and at the Landlord's reasonable and proper cost to make or join with the Landlord in making such objections and representations against or in respect of the same as the Landlord shall (acting reasonably) deem expedient save where to do so would be contrary to the Tenant's business interests.

33.15 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. The Tenant shall maintain the health and safety file for the Property in accordance with the CDM Regulations and shall give it to the Landlord at the end of the term.

33.16 The Tenant shall supply all information to the Landlord that the Landlord reasonably requires from time to time to comply with its obligations under the CDM Regulations.

33.17 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.

33.18 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

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reasonably required by the Landlord or the Superior Landlord and shall keep that machinery, equipment and alarms properly maintained and available for inspection.

34. Energy performance certificates

34.1 The Tenant shall:

(a) cooperate with the Landlord so far as is reasonably necessary to allow the Landlord to obtain an Energy Performance Certificate and Recommendation Report for the Property or the Building including providing the Landlord with copies of any plans or other information held by the Tenant that would assist in obtaining an Energy Performance Certificate; and

(b) allow such access to any Energy Assessor appointed by the Landlord as is reasonably necessary to inspect the Property for the purposes of preparing an Energy Performance Certificate and/or Recommendation Report for the Property or the Building.

34.2 The Tenant shall not commission an Energy Performance Certificate for the Property without the Landlord's consent (such consent not to be unreasonably withheld or delayed).

35. Encroachments, obstructions and acquisition of rights

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

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

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

(b) at the joint reasonable and proper cost of the Landlord and Tenant take all steps (including any proceedings) the Landlord reasonably requires to prevent or license the continuation of that encroachment or action.

35.3 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.

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35.4 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.

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

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

(b) at the joint reasonable and proper cost of the Landlord and Tenant take all steps (including proceedings) the Landlord reasonably requires to prevent or secure the removal of the obstruction.

36. Breach of repair and maintenance obligations

36.1 The Landlord and the Superior 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.

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

36.3 The reasonable and 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 on demand.

36.4 Any action taken by the Landlord pursuant to this clause shall be without prejudice to the Landlord's other rights, including those under clause 44.

37. Special Licence

37.1 The Tenant shall do everything required by law to obtain and maintain all Special Licences.

37.2 The Tenant shall not do anything which may prejudice the continuation or renewal of any Special Licence.

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37.3 The Tenant shall give notice to the Landlord as soon as reasonably practicable of any:

(a) material complaint or warning given by the competent authority relating to the conduct of the Property

(b) summons issued against the Tenant or the holder of any Special Licence regarding any offence relating to the Property charged against the Tenant or any Special Licence holder

(c) notice received by the Tenant or the holder of any Special Licence of any intention to oppose any renewal of any Special Licence

(d) application for revocation of any Special Licence

(e) person being convicted of or charged with any offence committed on the Property

37.4 Unless the Tenant has not indicated an intention to renew this Lease at the end of the Contractual Term (however determined) existing, if the Landlord so requires, and at the entire cost of the Landlord to take all steps reasonably necessary to transfer any existing Special Licence into the name of the Landlord or the Landlord's nominee including (without limitation) signing all appropriate notices and other documents and attending before any competent authority it being agreed that any premises' licence not transferred in accordance with this clause shall be considered to be surrendered pursuant to section 28 of the Licensing Act 2003.

37.5 If the Tenant fails to renew the Special Licence or at the end of the Contractual Term (however determined) fails to transfer any existing Special Licence into the name of the Landlord or the Landlord's nominee when requested to do so in accordance with clause 37.4 unless it is prevented from doing so by the appropriate authority, then the Landlord or its nominee may at its own cost do all things necessary to effect such renewal or transfer on behalf of and in the name of the Tenant. In such circumstances and as security for this covenant the Tenant irrevocably appoints the Landlord to do any lawful act or execute any documents in the name of and on behalf of the Tenant as the lawfully appointed attorney of the tenant for the purpose of this clause. Such appointment shall be effect pursuant to section 4 of the Powers of Attorney Act 1971 and the Landlord's right under this clause shall not affect its other rights and remedies under this lease and under the general law.

38. Indemnity

The Tenant shall keep the Landlord indemnified against all 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 its workers, contractors

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or agents or any other person on the Property or the Common Parts with the actual or implied authority of any of them provided that the indemnity shall not be construed so as to extend the statutory liability contained in section 18(1) of the Landlord and Tenant Act 1927.

39. Covenant to comply with covenants in the Superior Lease

39.1 The Tenant shall observe and perform the tenant covenants in the Superior Lease (insofar as they relate to the Property and rights granted to the Tenant), except the covenants to pay the rents reserved by the Superior Lease.

39.2 The Tenant shall permit the Landlord upon reasonable written notice (except in an emergency) to enter the Property for any purpose that is in the reasonable opinion of the Landlord necessary to enable it to comply with the covenants on the part of the lessee and the conditions contained in the Superior Lease.

39.3 The Tenant shall permit the Superior Landlord and all persons authorised by the Superior Landlord to enter the Property for the purposes specified and upon the terms contained in the Superior Lease or in any lease superior to it as if the provisions in these documents dealing with the lessor's access to the Property were incorporated into this lease.

39.4 The Tenant shall not omit suffer or permit in relation to the Property any act or thing which would or might cause the Landlord to be in breach of the Superior Lease or which if done omitted or suffered or permitted by the Landlord would or might constitute a breach of the covenants on the part of the lessee and the conditions contained in the Superior Lease.

40. Covenant with the Superior Landlord

The Tenant covenants with the Superior Landlord and its successors in title in their own right to observe and perform:

(a) the tenant covenants in this lease and any document that is collateral to it; and

(b) the tenant covenants in the Superior Lease (insofar as they relate to the Property and rights granted to the Tenant), except the covenants to pay the rents reserved by the Superior Lease.

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41. Tenant's break clause

41.1 In this clause the following definitions apply:

Break Date: 27 March 2029

Break Notice: notice to terminate this lease in the form set out in Schedule 2.

Tenant: Los Panchos (Manchester) Limited incorporated and registered in England and Wales with company number 11796091 whose registered office is at Tatton House, 2-22 Tipping Street, Altrincham, WA14 2EZ

41.2 Subject to clause 40.4, the Tenant may terminate this lease on the Break Date by serving the Break Notice on the Landlord at least six (6) months before the Break Date stated in the Break Notice.

41.3 The Break Notice shall have no effect if:

(a) at the Break Date stated in the Break Notice:

i) the Tenant has not paid any part of the Annual Rent, or any VAT in respect of it, which was due to have been paid;

ii) the whole of the Property is not given back to the Landlord free from the Tenant's occupation and the occupation of any continuing underleases;

(b) the Break Notice does not comply with the requirements of this clause; or

(c) the Break Notice is served otherwise than in accordance with this clause.

41.4 The Break Notice shall be in writing and, for the purposes of this clause, writing does not include facsimile transmission or email.

41.5 The Break Notice shall state the Break Date in respect of which it is served.

41.6 The Break Notice shall not purport to terminate the lease in relation to any part as opposed to the whole of the Property.

41.7 The Break Notice shall be signed by the Tenant or by a person who is expressed to sign on behalf of and with the authority of the Tenant.

41.8 The Break Notice shall be in the form set out in Schedule 2.

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41.9 The Break Notice shall be served by delivering it by hand or sending it by pre-paid first-class post or recorded delivery to the Landlord and marked for the attention of the Company Secretary or Director.

41.10 In proving service of the Break Notice it shall be sufficient to prove that delivery by hand was made or that the envelope containing the Break Notice was correctly addressed and posted by pre-paid first-class post or recorded delivery, as the case may be.

41.11 A Break Notice delivered or sent by the Tenant in accordance with clause 40.10 shall be deemed to have been served on the Landlord:

(a) if delivered by hand, on the day of delivery, except that if delivery occurs after 5.00pm on a Working Day or on a day that is not a Working Day, then the notice shall be deemed to have been served on the next Working Day;

(b) if sent by pre-paid first-class post or recorded delivery, on the second Working Day after posting (for the avoidance of doubt, not including the date of posting itself).

41.12 The Break Notice shall be delivered or sent by the Tenant so that it shall be deemed to have been served on the Landlord as provided by clause 40.12 not less than six (6) months before the Break Date stated in the Break Notice (and for the avoidance of doubt, the day of deemed receipt shall not be taken into account in calculating the period of six (6) months).

41.13 Neither section 196 of the Law of Property Act 1925, nor section 1139 of the Companies Act 2006 nor clause 50 shall apply to a Break Notice, but those sections and clause 50 shall apply to any other notice served pursuant to this clause.

41.14 Time shall be of the essence in respect of all time periods and limits in this clause..

41.15 Subject to clause 40.4, following service of the Break Notice, this lease shall terminate on the Break Date specified in the Break Notice.

41.16 Termination of this lease pursuant to this clause shall be without prejudice to any right or remedy of either party in respect of any antecedent breach of the covenants or conditions by the other party in this lease, including any covenants expressed to be complied with before the end of the term.

41.17 Nothing in this clause makes time of the essence in relation to any time limit in clause 8.

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41.18 If the Tenant serves a Break Notice, it shall take all necessary steps to terminate, before the Break Date stated in the Break Notice, all underleases deriving from this lease.

41.19 If this lease terminates in accordance with clause 40.16 then, within 14 days of the Break Date, the Landlord shall refund to the Tenant the proportion of the Annual Rent, and any VAT paid in respect of it, for the period from and excluding the Break Date up to and excluding the next Rent Payment Date, calculated on a daily basis.

42. Landlord's covenants

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

42.2 Subject to the Tenant paying the rents reserved by this lease and observing the tenant's covenants, the Landlord shall pay the rents reserved by the Superior Lease and perform the covenants on the part of the tenant contained in the Superior Lease and to observe and perform those matters contained in or referred to in leasehold title number MAN137211 so far as the Tenant is not liable for such performance under the terms of this lease.

42.3 At the request and cost of the Tenant, on a full indemnity basis, the Landlord shall use all reasonable endeavours to procure that the Superior Landlord complies with the Superior Landlord's Covenants during such period as the Superior Lease subsists and, if reasonable, the Landlord may require that the Tenant pay it reasonable security in advance in respect of anticipated costs for enforcing such compliance.

42.4 If the Superior Lease is surrendered, the Landlord shall from the date of the surrender perform or procure the performance of obligations equivalent to the Superior Landlord's Covenants immediately prior to the surrender of the Superior Lease.

42.5 The Landlord shall use reasonable endeavours to obtain the consent of the Superior Landlord whenever the Tenant makes application for a consent required under this Lease and where the consent of both the Landlord and the Superior Landlord is required by virtue of this Lease or the Superior Lease.

42.6 If the Management Company fails to perform any of its obligations despite receiving a written notice from the Landlord requesting the remedying of such breach in a

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reasonable time (not less than seven days save in the case of emergency) the Landlord shall use all reasonable endeavours to perform those obligations and where payment of the Service Charge has not already been made to the Management Company by the Tenant the Landlord shall require payment to be made by the Tenant in accordance with clause 9.1 and within fourteen days of written demand to the Landlord or an amount equal to the Service Charge which would have been paid to the Management Company on account of the performance of these obligations.

42.7 On the Tenant's request to use all reasonable endeavours to enforce the covenants on the part of the Management Company in the Superior Lease.

43. Guarantee and indemnity

43.1 The provisions of the Schedule 1 apply.

43.2 If an Act of Insolvency occurs in relation to a guarantor, or if any guarantor (being an individual) dies or becomes incapable of managing his affairs the Tenant shall notify the Landlord as soon as reasonably practicable after becoming so aware and, if the Landlord requests, procure that a person of standing acceptable to the Landlord, within fourteen days of that request, enters into a replacement or additional guarantee and indemnity of the tenant covenants of this lease in the same form as that entered into by the former guarantor.

43.3 clause 43.2 shall not apply in the case of a person who is guarantor by reason of having entered into an authorised guarantee agreement.

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

44. Re-entry and forfeiture

44.1 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 non-performance or non-observance of any of the covenants and conditions herein contained and on the part of the Tenant to be observed or

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performed which is not remedied within a reasonable period of time after the Tenant has been given notice thereof by the Landlord; and

(c) an Act of Insolvency.

44.2 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 by either party in respect of any breach of covenant by the other party.

45. Joint and several liability

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

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

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

46. Disputes under the Superior Lease

Notwithstanding the other terms of this lease, if any dispute, issue, question or matter arising out of or under or relating to the Superior Lease also affects or relates to the provisions of this lease, the determination of that dispute, issue, question or matter pursuant to the provisions of the Superior Lease is to be binding on the Tenant as well as the Landlord for the purposes both of the Superior Lease and this lease provided that this provision is not to apply to the provisions for the review of rent payable under this lease.

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47. Disputes with adjoining occupiers

Any dispute arising as between the Tenant and the lessees tenants or occupiers of adjoining or neighbouring premises belonging to the Landlord relating to any easement right or privilege in connection with the Property or relating to the part or other walls of the Property or as to the amount of any contribution towards the expenses of works to services or matters used in common shall be referred to the Landlord whose decision shall be binding upon all parties to the dispute save in the case of manifest error or fraud or on point of law.

48. Entire agreement

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

48.2 The Tenant acknowledges that 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.

48.3 Nothing in this lease constitutes or shall constitute a representation or warranty that the Property or the Common Parts may lawfully be used for any purpose allowed by this lease.

48.4 Nothing in this lease or in any consent granted by the Landlord under this lease shall imply or warrant that the Property may be used for any purpose whatsoever under the Planning Acts now or from time to time in force (including the Permitted Use) or that the Property are or will remain otherwise fit for any such use provided that the Landlord shall not do or permit anybody to do anything that could result in any planning permission relating to the Permitted Use being varied so that the Permitted Use becomes an unlawful use under any such planning permission.

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

49. Notices, consents and approvals

49.1 Except where this lease specifically states that a notice need not be in writing, any notice given under or in connection with this lease shall be:

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(a) in writing and for the purposes of this clause an email is not in writing; and

(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; or

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

49.2 If a notice complies with clause 48.1, whether or not this lease requires that notice to be in writing, it shall be deemed to have been received:

(a) if delivered by hand, at the time the notice is left at the proper address;

(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.

49.3 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.

49.4 Section 196 of the Law of Property Act 1925 shall otherwise apply to notices given under this lease.

49.5 Where the consent of the Landlord is required under this lease, a consent shall only be valid if it is given by deed, unless:

(a) it is given in writing and signed by the Landlord or a person duly authorised on its behalf; and

(b) it expressly states that the Landlord waives the requirement for a deed in that particular case.

If a waiver is given, it shall not affect the requirement for a deed for any other consent.

49.6 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.

49.7 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

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been obtained, nor shall it obviate the need to obtain any consent or approval from a third party.

49.8 Where the consent of the Superior Landlord is required under this lease, a consent shall only be valid if it would be valid as a consent given under the Superior Lease. Where the approval of the Superior Landlord is required under this lease, an approval shall only be valid if it would be valid as an approval given under the Superior Lease.

49.9 Where the Tenant requires the consent or approval of the Superior Landlord to any act or omission then, subject to the provisions of clause 2.10, the Landlord shall at the cost of the Tenant use all reasonable endeavours to obtain that consent or approval.

50. Governing law

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

51. Jurisdiction

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

52. Contracts (Rights of Third Parties) Act 1999

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

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

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Schedule 1 Guarantee and indemnity

1. Guarantee and indemnity

1.1 The Guarantor guarantees to the Landlord that the Tenant shall:

(a) pay the rents reserved by this lease and observe and perform the tenant covenants of this lease and that if the Tenant fails to pay any of those rents or to observe or perform any of those tenant covenants, the Guarantor shall pay or observe and perform them; and

(b) observe and perform any obligations the Tenant enters into in an authorised guarantee agreement made in respect of this lease (the **Authorised Guarantee Agreement**) and that if the Tenant fails to do so, the Guarantor shall observe and perform those obligations.

1.2 The Guarantor covenants with the Landlord as principal obligor and as a separate and independent obligation and liability from its obligations and liabilities under paragraph 1.1 to indemnify and keep indemnified the Landlord against any failure by the Tenant:

(a) to pay any of the rents reserved by this lease or any failure to observe or perform any of the tenant covenants of this lease; or

(b) to observe or perform any of the obligations the Tenant enters into in the Authorised Guarantee Agreement.

2. Guarantor's liability

2.1 The liability of the Guarantor under paragraph 1.1(a) and paragraph 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 reduced, discharged or otherwise adversely affected by:

(a) any time or indulgence granted by the Landlord to the Tenant; or

(b) any delay or forbearance by the Landlord in enforcing the payment of any of the rents or the observance or performance of any of the tenant covenants of this lease (or the Tenant's obligations under the Authorised Guarantee Agreement) or in making any demand in respect of any of them; or

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(c) any refusal by the Landlord to accept any rent or other payment due under this lease where the Landlord believes that the acceptance of such rent or payment may prejudice its ability to re-enter the Property; or

(d) the Landlord exercising any right or remedy against the Tenant for any failure to pay the rents reserved by this lease or to observe or perform the tenant covenants of this lease (or the Tenant's obligations under the Authorised Guarantee Agreement); or

(e) the Landlord taking any action or refraining from taking any action in connection with any other security held by the Landlord in respect of the Tenant's liability to pay the rents reserved by this lease or observe and perform the tenant covenants of the lease (or the Tenant's obligations under the Authorised Guarantee Agreement) including the release of any such security; or

(f) a release or compromise of the liability of any one of the persons who is the Guarantor, or the grant of any time or concession to any one of them; or

(g) any legal limitation or disability on the Tenant or any invalidity or irregularity of any of the tenant covenants of the lease (or the Tenant's obligations under the Authorised Guarantee Agreement) or any unenforceability of any of them against the Tenant; or

(h) the Tenant being dissolved, or being struck off the register of companies or otherwise ceasing to exist, or, if the Tenant is an individual, by the Tenant dying or becoming incapable of managing its affairs; or

(i) without prejudice to paragraph 4, the disclaimer of the Tenant's liability under this lease or the forfeiture of this lease; or

(j) the surrender of the lease in respect of part only of the Property, except that the Guarantor shall not be under any liability in relation to the surrendered part in respect of any period after the surrender; or

by any other act or omission except an express written release 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.

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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 the liability of the Tenant under this lease is disclaimed and the Landlord gives the Guarantor notice not later than three months after the Landlord having received notice of the disclaimer, the Guarantor shall enter into a new lease of the Property on the terms set out in paragraph 4.2.

4.2 The rights and obligations under the new lease shall take effect beginning on the date of the 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 disclaimer;

(c) reserve as an initial annual rent an amount equal to the Annual Rent payable under this lease at the date of the 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;

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(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 reasonable and proper 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 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 and agreed by the Superior 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

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Guarantor pursuant to this guarantee and indemnity. If it otherwise receives any money in such proceedings or arrangement, it shall hold that money on trust for the Landlord to the extent of its liability to the Landlord.

6.3 The Guarantor shall not, without the consent of the Landlord, exercise any right or remedy that it may have (whether against the Tenant or any other person) in respect of any amount paid or other obligation performed by the Guarantor under this guarantee and indemnity unless and until all the obligations of the Guarantor under this guarantee and indemnity have been fully performed.

7. Other securities

7.1 The Guarantor warrants that it has not taken and covenants that it shall not take any security from or over the assets of the Tenant in respect of any liability of the Tenant to the Guarantor. If it does take or hold any such security it shall hold it for the benefit of the Landlord.

7.2 This guarantee and indemnity is in addition to and independent of any other security that the Landlord may from time to time hold 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.

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Schedule 2 FORM OF BREAK NOTICE

To: INSERT NAME OF LANDLORD of INSERT ADDRESS OR REGISTERED OFFICE DETAILS AS APPROPRIATE (**Landlord**)

From: INSERT NAME OF TENANT of INSERT ADDRESS OR REGISTERED OFFICE DETAILS AS APPROPRIATE (**Tenant**)

Premises: INSERT DETAILS OF PREMISES as demised by the lease dated INSERT DATE OF LEASE made between INSERT PARTIES TO THE LEASE (**Lease**)

I/WE, [INSERT NAME OF TENANT **OR** INSERT NAME AND ADDRESS OF SOLICITORS SERVING NOTICE ON BEHALF OF THE TENANT for and on behalf of the Tenant **GIVE YOU NOTICE** that I/we/the Tenant will terminate the term of the Lease on INSERT THE BREAK DATE in accordance with clause INSERT NUMBER OF THE BREAK CLAUSE IN THE LEASE of the Lease so that the Lease will determine on that date, which is the Break Date for the purposes of that clause.

SIGNED: .....

NAME OF TENANT **OR** NAME OF SOLICITORS, solicitors for and on behalf of TENANT

DATED: .....

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Schedule 3 External Seating Area Covenants

In the case of a conflict between this schedule and the remainder of this lease, in respect of the External Seating Area, this schedule shall prevail.

1) To ensure that proper supervision and control is exercised over the External Seating Area at all times;

2) To keep the External Seating Area clean and tidy at all times and to ensure that all tables are cleared promptly;

3) Not to use the External Seating Area other than during normal opening hours and in any event not after 1am. Further to be responsible for obtaining any licences or other permissions or authorities to use the External Seating Area that may be required by the local authority;

4) Not without the Landlord's prior consent, such consent shall not be unreasonably withheld, to provide or permit to be played any music on the External Seating Area nor to permit any public entertainment of any kind on the External Seating Area;

5) Not knowingly to permit any drunkenness rowdy unseemly or disreputable behaviour to take place on the External Seating Area nor knowingly permit any behaviour which shall cause or is likely to cause a nuisance (whether or not actionable) or annoyance to any tenants or occupiers of other parts of the Building;

6) To ensure that no glass cups plates cutlery bottles or litter originating from the Property shall be permitted to accumulate on the External Seating Area and (without prejudice to the foregoing) the Tenant shall remove from any other parts of the Building all glasses cups plates cutlery bottles and litter emanating from the Property and/or the External Seating Area as often as necessary to the Landlord's reasonable satisfaction;

7) To comply with the provisions of the operating directory relating to restaurants and bars within the Building issued by the Landlord from time to time;

8) To take all reasonable steps to prevent the Tenant's customers from consuming drinks and/or food purchased from the Property outside the External Seating Area;

9) To ensure that all tables parasols and chairs and other items placed on the External Seating Area shall be of high quality and of a design style and colour commensurate with a high class operation at the Building;

10) To ensure that any parasols or umbrellas placed on the External Seating Area are of a uniform design and that no beach umbrellas are used;

11) Not to exceed any restrictions on seating capacity or number of tables contained in any Necessary Consent.

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12) Not to play any music on the External Seating Area at unreasonable levels and which may cause a public nuisance.

~~13) To ensure that proper supervision and control is exercised over the External Seating Area at all times.~~

~~14~~ 13) Not in any way to erect any buildings or other structures on the External Seating Area (whether they are of a temporary or permanent nature) and not to alter or add to the External Seating Area, without written consent from the Landlord, not to be unreasonably refused or delayed.

14. ~~15~~) Not to place or display on the External Seating Area any name writing notice sign placard poster sticker or advertisement other than such signs notices menus and/or logos as the Landlord shall first approve in writing (such approval not to be unreasonably withheld or delayed in the case of signs notices menus and/or logos (excluding menu boards or other similar boards) consistent with the use of the External Seating Area authorised by this lease); (including flank wall signage)

15. ~~16~~) To permit the Landlord or its agents at reasonable times and upon reasonable notice (except in an emergency) to enter upon and examine the condition of the External Seating Area and in case of any defects disrepair lack of adequate maintenance or unauthorised alterations additions or signage shall then be found for which the Tenant is liable the Tenant will upon notice execute all repairs replacements removals or other works required within a reasonable period after such notice to the reasonable satisfaction of the Landlord and in case of default it shall be lawful for workmen or agents of the Landlord to enter the External Seating Area and execute such works and all expenses incurred shall on demand be paid by the Tenant to the Landlord and be recoverable as if the same were rent in arrear;

16. ~~17~~) To use the External Seating Area only as an outside patio area (such use to include the placing by the Tenant of parasols tables and chairs on the External Seating Area) for the consumption of food and drink (alcoholic and non-alcoholic) purchased from the Property and for no other purpose whatsoever;

17. ~~18~~) The Tenant shall not use the External Seating Area outside the Designated Hours

18. ~~19~~) The Tenant shall not use the External Seating Area for any illegal purpose nor for any purpose or in a manner that would cause loss, damage, injury, nuisance or inconvenience to the Landlord, the other tenants or occupiers of the Estate or any owner or occupier of neighbouring property.

19. ~~20~~) To keep insured in a United Kingdom insurance office of good repute the third party and property owners' liability risks of the External Seating Area and to produce to the Landlord on request the policy for such insurance and the receipts for the current year's

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premium provided that such request shall not be made by the Landlord more than once in any year.

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[redacted]

Director

Executed as a deed by TSS Property Limited acting by Ashraf Kantharia a director, in the presence of:

[redacted]

SIGNATURE
NAME STEPHANIE KAY COSTICH
ADDRESS

BIRCHALL BLACKBURN
SOLICITORS
MERCHANT HOUSE
38, 44 & 46 AVENHAM STREET
PRESTON PR1 3BN

.....

Director

Executed as a deed by Los Panchos (Manchester) Limited acting by Richard Peel, a director, in the presence of:

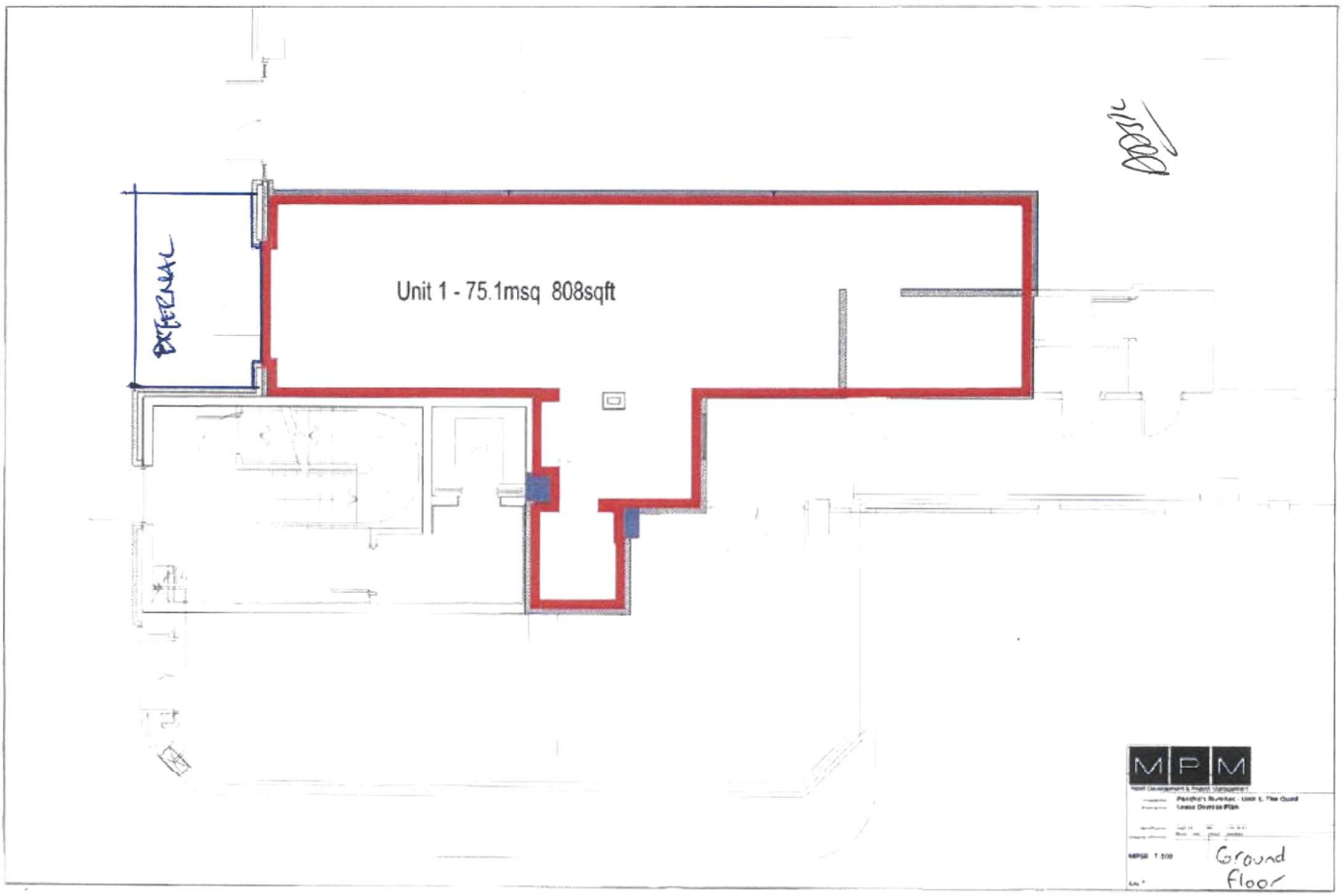
.....

SIGNATURE
NAME
ADDRESS

This official copy is incomplete without the preceding notes page.

Plan 1

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Gateley

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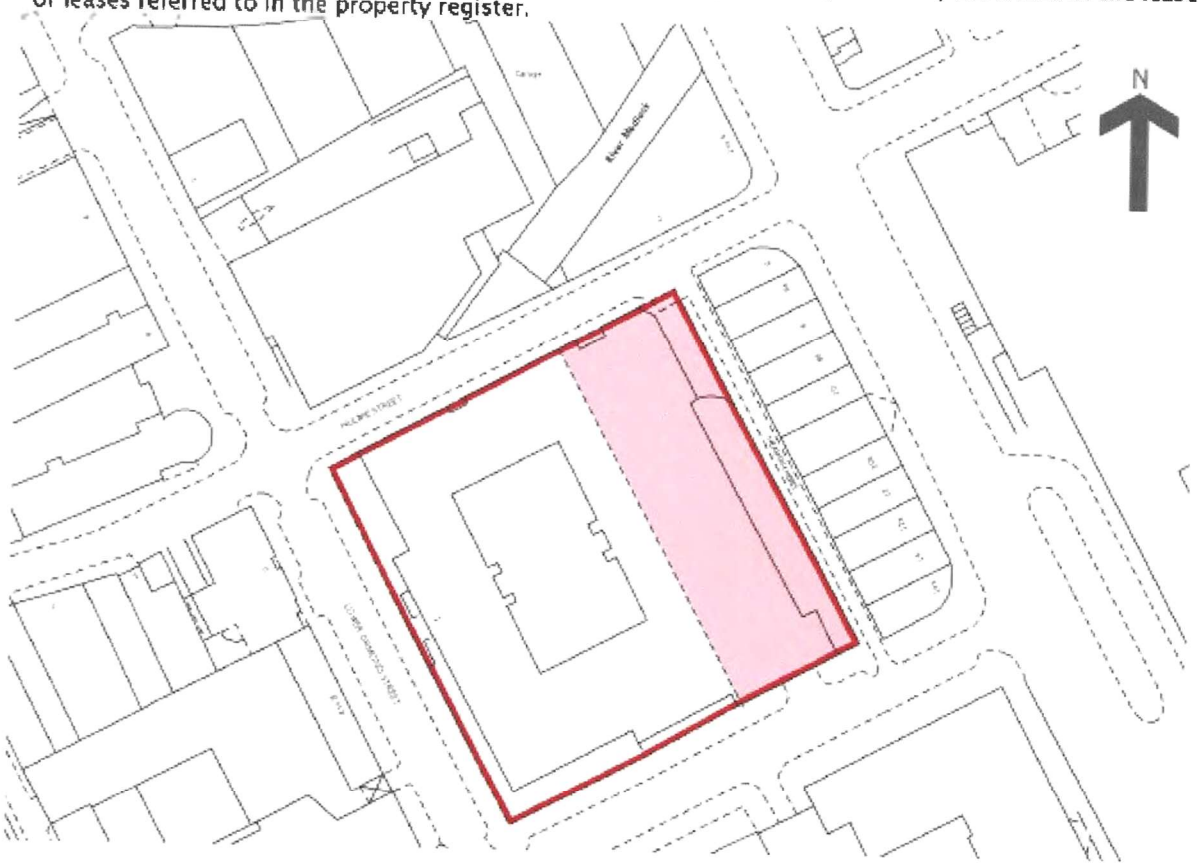
Plan 2

Land Registry
Official copy of
title plan

Title number **MAN137211**
Ordnance Survey map reference **SJ8497SW**
Scale **1:1250**
Administrative area **Greater Manchester : Manchester**

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The land in this title lies within the area edged red hereon and is more particularly described in the lease or leases referred to in the property register.



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