

DATED

13th May

2011

THORNSETT INVESTMENTS LLP

- and -

KETTERING GENERAL HOSPITAL NHS TRUST

FOUNDATION

B&B

LEASE

relating to the car park at
Trafalgar Road, Kettering, Northamptonshire

Cobbetts LLP
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Birmingham
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AKW/CPD/TH547-2

WE HEREBY CERTIFY THAT THIS IS A
TRUE COPY OF THE ORIGINAL OF WHICH
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THIS 16 DAY OF July 20 11

BIRD & BIRD
15 FETTER LANE
LONDON EC4A 1JP

Bird & Bird LLP

CONTENTS

Clause		Page
1	DEFINITIONS AND INTERPRETATION	1
2	DEMISE	4
3	THE TENANT'S COVENANTS	4
4	LANDLORD'S COVENANTS	13
5	INSURANCE	13
6	FORFEITURE	15
7	MISCELLANEOUS	16
	SCHEDULE 1 RENT REVIEW	19
	SCHEDULE 2 LANDLORD'S APPLICATION FOR PLANNING PERMISSION	22

PRESCRIBED CLAUSES

LR1. Date of lease

13 May 2011

LR2. Title number(s)

LR2.1 Landlord's title number(s)

NN265126

LR2.2 Other title numbers

None

LR3. Parties to this lease

Landlord

Thornsett Investments LLP (incorporated and registered in England and Wales with company number OC348382) whose registered office is at 39/40 Calthorpe Road, Edgbaston, Birmingham B15 1TS

Tenant

Kettering General Hospital NHS Foundation Trust of Rothwell Road, Kettering, Northamptonshire NN16 8UZ

Other parties

None

LR4. Property

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

See the definition of "Premises" in clause 1.1 of this lease

LR5. Prescribed statements etc.

None

LR6. Term for which the Property is leased

The term as specified in this lease at clause 1.1 in the definition of "Term"

LR7. Premium

None

LR8. Prohibitions or restrictions on disposing of this lease

This lease contains a provision that prohibits or restricts dispositions

LR9. Rights of acquisition etc.

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

None

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

None

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

None

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

None

LR11. Easements

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

None

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

None

LR12. Estate rentcharge burdening the Property

None

THIS LEASE is made

2011

13th May

BETWEEN:

- (1) THORNSETT INVESTMENTS LLP (incorporated and registered in England and Wales with company number OC348382) whose registered office is at 39/40 Calthorpe Road, Edgbaston, Birmingham B15 1TS (the "Landlord"); and
- (2) KETTERING GENERAL HOSPITAL NHS FOUNDATION TRUST of Rothwell Road, Kettering, Northamptonshire, NN16 8UZ (the "Tenant").

§ 1 B

NOW THIS DEED WITNESSES as follows:

1 DEFINITIONS AND INTERPRETATION

- 1.1 For all purposes of this lease the terms defined in this Clause have the meanings specified.

"Hazardous Substances" any natural or artificial substance whether in the form of solid liquid or gas which alone or in combination with one or more others is capable of causing harm or damage to land air water buildings or man-made structures above or below ground by having a detrimental effect on the health of living organisms or other interference with the ecological systems of which they form part.

"Interest Rate" the rate of 4% a year above the base lending rate of Barclays Bank PLC or such other bank being a member of the British Bankers' Association as the Landlord may from time to time nominate in writing.

"New Planning Permission" shall have the meaning attributed thereto in Schedule 2.

"Plan" the plan annexed to this lease.

"Planning Acts" the Town and Country Planning Act 1990 the Planning (Listed Buildings and Conservation Areas) Act 1990 the Planning (Consequential Provisions) Act 1990 the Planning (Hazardous Substances) Act 1990 the Planning and Compensation Act 1991 the Planning and Compulsory Purchase Act 2004.

"Planning Permission" a planning permission from Kettering Borough Council dated 10 February 2011 (Ref: KET/2010/0810 (being a variation of condition 1 of planning permission ref: KET/2008/0246)) for the temporary use of the Premises as a car park for a 3 year term from 10 February 2011.

"Premises" approximately 1.4 acres of land comprising a car park at Trafalgar Road, Kettering, Northamptonshire and shown for the purposes of identification only edged red on the Plan.

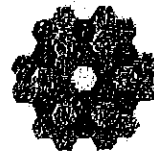
Land Registry
Official copy of
title plan

~~Title number NN265126~~

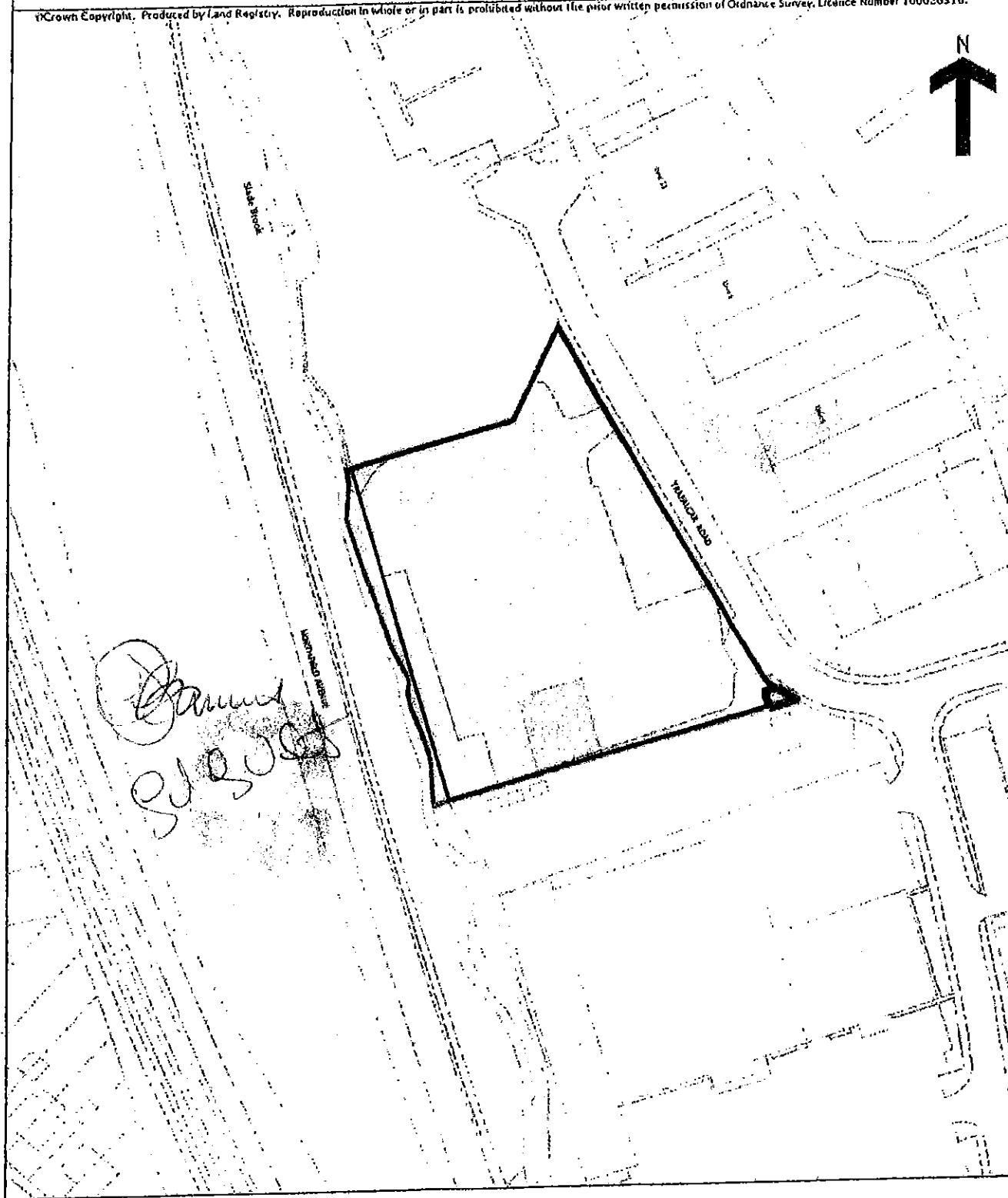
Ordnance Survey map reference SP8678NW

Scale 1:1250

Administrative area NORTHAMPTONSHIRE :
KETTERING



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"Rent" the rent of £35,000 a year (exclusive of VAT) subject to review in accordance with the provisions of Schedule 1.

"Rent Commencement Date" 8 May 2011.

"Review Date" 7 May 2015.

"Surveyor" any person or firm appointed by the Landlord as its surveyor and may be an employee of the Landlord or a company that is a member of the same group as the Landlord within the meaning of the 1954 Act section 42. The expression the **"Surveyor"** includes the person or firm appointed by the Landlord to collect the Rent.

"Term" the term from and including the Term Commencement Date up to and including 7 May 2021 (subject to the provisions of Clause 7.6).

"Term Commencement Date" 8 May 2011.

"Title Matters" the matters referred to in the Landlord's title to the Premises registered at the Land Registry under Title Number NN265126.

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

"Working Day" Mondays to Fridays (inclusive) but excludes Bank and other Public Holidays.

"1954 Act" the Landlord and Tenant Act 1954.

"1995 Act" the Landlord and Tenant (Covenants) Act 1995.

- 1.2 Words importing one gender include all other genders; words importing the singular include the plural and vice versa.
- 1.3 The Clause, Paragraph and Schedule headings and the Table of Contents do not form part of this document and are not to be taken into account in its construction or interpretation.
- 1.4 Any provisions in this lease referring to the consent or approval of the Landlord are to be construed as also requiring the consent or approval of any mortgagee of the Premises and any head landlord, where that consent is required under a mortgage or headlease in existence at the date of this lease. Nothing in this lease is to be construed as imposing any obligation on a mortgagee or head landlord not to refuse any such consent or approval unreasonably.
- 1.5 References to **"development"** are references to development as defined by the Town and Country Planning Act 1990 section 55.
- 1.6 References to **"interest"** are references to interest payable during the period from the date on which the payment is due to the date of payment both before and after

any judgment at the Interest Rate then prevailing or should the base rate specified as the **"Interest Rate"** cease to exist at another rate of interest closely comparable with the Interest Rate.

- 1.7 The expression the **"Landlord"** includes the person or persons from time to time entitled to possession of the Premises when this lease comes to an end.
- 1.8 References to the **"last year of the Term"** are references to the actual last year of the Term howsoever it determines and references to the **"end of the Term"** are references to the end of the Term whensoever and howsoever it determines.
- 1.9 Interpretation of the **"Tenant"** includes any person who is for the time being bound by the tenant covenants of this lease.
- 1.10 Unless expressly stated to the contrary the expression this **"Lease"** includes any document supplemental to or collateral with this document or entered into in accordance with this document.
- 1.11 Where any party to this lease for the time being comprises two or more persons, obligations expressed or implied to be made by or with that party are; deemed to be made by or with the persons comprising that party jointly and severally.
- 1.12 References to **"losses"** are references to liabilities damages or losses awards of damages or compensation penalties reasonable and properly incurred costs disbursements and expenses arising from any claim demand action or proceedings.
- 1.13 Any covenant by the Tenant not to do anything includes an obligation to use reasonable endeavours not to knowingly permit or suffer that thing to be done by another person.
- 1.14 References to **"consent of the Landlord"** or words to similar effect are references to a prior written consent signed by or on behalf of the Landlord and references to the need for anything to be **"approved by the Landlord"** or words to similar effect are references to the need for a prior written approval by or on behalf of the Landlord.
- 1.15 Any reference in this document to a Clause, Paragraph or Schedule without further designation is to be construed as a reference to the Clause, Paragraph or Schedule of this document so numbered.
- 1.16 References to any right of the Landlord to have access to the Premises are to be construed as extending to any head landlord and any mortgagee of the Premises and to all persons properly authorised in writing by the Landlord and any head landlord or mortgagee including agents professional advisers contractors workmen and others.
- 1.17 Unless expressly stated to the contrary any reference to a specific statute includes any statutory extension or modification amendment or re-enactment of that statute

and any regulations or orders made under that statute, and any general reference to a statute includes any regulations or orders made under that statute.

- 1.18 Where the expressions "**landlord covenants**", "**tenant covenants**", or "**authorised guarantee agreement**" are used in this lease they are to have the same meanings as are given by the 1995 Act section 28(1).

2 **DEMISE**

The Landlord lets the Premises to the Tenant with full title guarantee to hold the Premises to the Tenant for the Term yielding and paying to the Landlord, by Standing Order the Rent payable without any deduction or set-off by equal quarterly payments in advance on the usual quarter days in every year and proportionately for any period of less than a year the first such payment being a proportionate sum in respect of the period commencing on the Rent Commencement Date to and including the day before the next quarter day such sum to be paid on the Rent Commencement Date subject to the Title Matters but not the benefit thereof unless expressly granted by this lease.

3 **THE TENANT'S COVENANTS**

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

3.1 **Rent**

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

3.2 **Outgoings and VAT**

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

- 3.2.1 all rates taxes assessments duties charges impositions and outgoings that are now or may at any time during the Term be charged assessed or imposed upon the Premises or on the owner or occupier of them (excluding any payable by the Landlord occasioned by receipt of the Rent or by any disposition of or dealing with this lease or ownership of any interest reversionary to the interest created by it);
- 3.2.2 all VAT that may from time to time be charged on the Rent or other sums payable by the Tenant under this lease; and
- 3.2.3 all VAT incurred in relation to any costs that the Tenant is obliged to pay or in respect of which it is required to indemnify the Landlord under the terms of this lease save where such VAT is recoverable or available for set-off by the Landlord as input tax.

3.3 Repair and cleaning

3.3.1 Repair of the Premises

The Tenant must put and keep the Premises and the security fence along the Trafalgar Road frontage in good repair and condition at all times.

3.3.2 Cleaning and Tidying

The Tenant must keep the Premises at all times clean and tidy and clear of all rubbish.

3.3.3 The Open Land

3.3.3.1 Care of the Open Land

The Tenant must keep any part of the Premises that is not built on (the "Open Land") adequately surfaced, in good condition and free from weeds and keep all landscaped areas (if any) properly cultivated.

3.3.3.2 Storage on the Open Land

The Tenant must not store anything upon the Open Land which is inflammable (apart from the fuel contained in the tanks of the vehicles parked upon the Premises) that is or might become untidy unclean unsightly or in any way detrimental to the Premises or the area generally.

3.3.3.3 Rubbish on the Open Land

The Tenant must not deposit any waste rubbish or refuse on the Open Land or place any receptacle for them on it.

3.3.3.4 Vehicles on the Open Land

The Tenant must not keep or store any caravan or movable dwelling on the Open Land.

3.3.3.5 Care of abutting land

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

3.3.3.6 Shared facilities

Where the use of any conduits or any boundary structures or other things is common to the Premises and other property the Tenant must be responsible for and indemnify

the Landlord against all sums due from the owner tenant or occupier of the Premises in relation to those conduits boundary structures or other things and must undertake all work in relation to them that is his responsibility.

3.4 Waste and alterations

3.4.1 Waste additions and alterations

The Tenant must not commit any waste, make any addition, alteration or improvement to the Premises or unite the Premises with any adjoining premises.

3.4.2 Connection to conduits

The Tenant must not make any connection with any conduits except in accordance with plans and specifications approved by the Landlord whose approval shall not be unreasonably withheld or delayed and subject to consent to make the connection having previously been obtained from the competent authority undertaker or supplier (as the case may be).

3.4.3 Fencing

The Tenant must keep the Premises secure at all times and keep indemnified the Landlord at all times in respect of any claims damages costs professional fees and expenses howsoever arising in respect of any unlawful entry or possession of the Premises at any time.

3.4.4 Aerials signs and advertisements

The Tenant must not without the consent of the Landlord fix to or exhibit or display anywhere on the Premises any placard sign notice fascia board or advertisement.

3.5 Statutory obligations

3.5.1 General provision

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

3.5.2 Particular obligations

3.5.2.1 Works required by statute department or authority

Without prejudice to the generality of Clause 3.5.1 the Tenant must execute all works and provide and maintain

all arrangements on or in respect of the Premises or the use to which they are being put that are required in order to comply with the requirements of any statute already or in the future to be passed or the requirements of any government department local authority or other public or competent authority or court of competent jurisdiction regardless of whether such requirements are imposed on the owner the occupier or any other person.

3.5.2.2 Acts causing losses

Without prejudice to the generality of Clause 3.5.1 the Tenant must not do in or near the Premises anything by reason of which the Landlord may incur any losses under any statute.

3.6 Hazardous Substances

Provided that nothing in this lease shall oblige the Tenant to remove or remediate any Hazardous Substance present at in or under the Premises (unless the presence of that Hazardous Substance or migration of such Hazardous Substance to the surface of the Premises or onto adjoining land is directly attributable to any act or omission of the Tenant or any employee, agent or visitor of the Tenant).

3.7 Use

3.7.1 Car park

The Tenant must not use the Premises for any purpose other than as a car park for the private motor cars cycles and motor cycles of its employees.

3.7.2 Nuisance

The Tenant must not do anything on the Premises or allow anything to remain on them that may be or become or cause a nuisance disturbance injury or damage to the Landlord or its tenants or the owners or occupiers of adjacent or neighbouring premises (provided that use of the Premises as a car park shall not be deemed to be a breach of the covenant).

3.7.3 Auctions trades and immoral purposes

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

3.8 Entry to inspect and notice to repair

3.8.1 Entry and notice

The Tenant must permit the Landlord on no less than 48 hours' prior written notice during normal business hours except in emergency when no prior notice need be given:

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

3.8.1.2 to view the state of repair and condition of the Premises; and

3.8.1.3 to give to the Tenant a notice (a "Notice of Repair") specifying the works required to remedy any breach of the Tenant's obligations in this lease as to the repair and condition of the Premises.

3.8.2 Works to be carried out

The Tenant must as soon as reasonably practicable carry out the works specified in a notice to repair.

3.8.3 Landlord's power in default

If within one month of the service of a notice to repair the Tenant has not started to execute the work referred to in the notice or is not proceeding diligently with it or if the Tenant fails to finish the work within two months or such longer period as is reasonable in the circumstances the Tenant must permit the Landlord to enter the Premises to execute the outstanding work and must within 14 days of a written demand pay to the Landlord the cost of so doing and all reasonable expenses properly incurred by the Landlord including legal costs and surveyor's fees.

3.9 Assignment and charging prohibited

3.9.1 The Tenant must not assign, underlet or charge either the whole or part of the Premises or hold either the whole or part on trust for another. The Tenant must not share occupation or part with possession of the whole or any part of the Premises or permit another to occupy them or any part of them (save that the Tenant may use reputable third party contractors to manage the car park on the Tenant's behalf without the consent of the Landlord provided that the Tenant shall ensure that such contractors maintain at all times adequate third party liability insurance in respect of the Premises and that no relationship of landlord and tenant is created).

- 3.9.2 The Tenant shall not underlet the whole of the Premises except in accordance with this Clause nor without the consent of the Landlord, such consent not to be unreasonably withheld.
- 3.9.3 The Tenant shall not underlet part only of the Premises.
- 3.9.4 The Tenant shall not underlet the Premises:
- 3.9.4.1 together with any property or any right over property that is not included within this lease;
 - 3.9.4.2 at a fine or premium or reverse premium; nor
 - 3.9.4.3 allowing any rent free period to the undertenant other than such period as would generally be granted in the open market at such time for fitting out purposes.
- 3.9.5 The Tenant shall not underlet the Premises unless, before the underlease is granted, the Tenant has given the Landlord:
- 3.9.5.1 a certified copy of the notice served on the undertenant, as required by section 38A(3)(a) of the 1954 Act, applying to the tenancy to be created by the underlease; and
 - 3.9.5.2 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 1954 Act.
- 3.9.6 Any underletting by the Tenant shall be by deed and shall include:
- 3.9.6.1 an agreement between the Tenant and the undertenant that the provisions of sections 24 to 28 of the 1954 Act are excluded from applying to the tenancy created by the underlease;
 - 3.9.6.2 the reservation of a rent which is not less than the full open market rental value of the Premises at the date the Premises is underlet and which is payable at the same times as the Rent under this lease;
 - 3.9.6.3 provisions for the review of rent at the same dates and on the same basis as the review of rent in this lease, unless the term of the underlease does not extend beyond the next Review Date;
 - 3.9.6.4 a covenant by the undertenant, enforceable by and expressed to be enforceable by the Landlord (as superior landlord at the date of grant) and its successors in title in their own right, to observe and perform the tenant

covenants in the underlease and any document that is supplemental or collateral to it and the tenant covenants in this lease, except the covenants to pay the rents reserved by this lease;

3.9.6.5 a covenant by the undertenant not to deal with or dispose of its interest in the underlease or part with or share possession or occupation of the whole or part of that interest or permit any other person to occupy the Premises other than by way of an assignment or transfer of the whole of the Premises for which the consent of the Landlord under this lease shall first be obtained (which shall not be unreasonably withheld or delayed); and

3.9.6.6 provisions requiring the consent of the Landlord to be obtained in respect of any matter for which the consent of the Landlord is required under this lease;

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

3.10 Costs of applications, notices and recovery of arrears

The Tenant must pay to the Landlord on an indemnity basis all costs, fees, charges, disbursements and expenses including without prejudice to the generality of the above those payable to counsel, solicitors, surveyors and bailiffs properly and reasonably incurred by the Landlord in relation to or incidental to:

3.10.1 every application made by the Tenant for a consent or licence required by the provisions of this lease, whether it is granted, refused or offered subject to any lawful qualification or condition, or the application is withdrawn unless the refusal, qualification or condition is unlawful, whether because it is unreasonable or otherwise;

3.10.2 preparation and service of a notice under the law of Property Act 1925 section 146 or 147 of that Act (even if forfeiture is avoided otherwise than by relief granted by the Court);

3.10.3 the recovery or attempted recovery of arrears of rent or other sums due under this lease; and

3.10.4 any steps taken in direct connection with the preparation and service of a schedule of dilapidations during or after the end of the Term.

3.11 Planning

3.11.1 Compliance with the Planning Acts

The Tenant shall if required by the Landlord to do so observe and comply with the provisions and requirements of the Planning Acts affecting the Premises and their use and must indemnify the Landlord and keep it indemnified, both during the Term and following the end of it against all losses in respect of any contravention by the Tenant of those Acts.

3.11.2 Planning applications prohibited

The Tenant must not make any application for planning permission relating to the Premises.

3.12 Indemnities

The Tenant must keep the Landlord fully indemnified against all losses arising directly out of any act, omission or negligence of the Tenant or any persons at the Premises expressly or impliedly with its authority or any breach or non-observance by the Tenant of the covenants conditions or other provisions of this lease or any of the matters to which this demise is subject provided that the Landlord shall use its reasonable endeavours to mitigate any such losses and that in the event of any claim being brought against the Landlord in respect of which the Landlord seeks to rely on this indemnity the Landlord shall not settle such claim without the prior written consent of the Tenant (which should not be unreasonably withheld or delayed).

3.13 Reletting boards and viewing

At any time during the last six months of the Term the Tenant shall permit the Landlord to enter the Premises and fix and retain anywhere on them a board advertising them for reletting. While any such board is on the Premises the Tenant must permit viewing of the Premises at reasonable times of the day provided that no less than 24 hours prior written notice has been given.

3.14 Encroachments

The Tenant shall take all reasonable steps to prevent the construction of any new window, light, opening, doorway, path, passage, pipe or the making of any encroachment or the acquisition of any easement in relation to the Premises and must notify the Landlord immediately if any such thing is constructed encroachment is made or easement acquired or if any attempt is made to construct such a thing encroach or acquire an easement. At the request of the Landlord the Tenant must adopt at the cost of the Landlord such means as are reasonably required to prevent the construction of such a thing the making of any encroachment or the acquisition of any easement.

3.15 Yielding up

At the end or sooner determination of the Term the Tenant must yield up the Premises with vacant possession repaired in accordance with and in the condition required by the Provisions of this lease and remove tenant's fixtures and fittings, all signs erected by the Tenant (as soon as reasonably practicable making good any damage caused by their removal) and for the avoidance of doubt the Tenant shall clear the Premises of all equipment if any and leave them in a clean and tidy condition and further secure the Trafalgar Road frontage to the Premises by the retention of the palisade fence along this frontage to the reasonable satisfaction of the Landlord save that the Tenant shall not be required to reinstate the surface of the Premises by the removal of any tarmac or markings for car parking bays.

3.16 Interest on arrears

The Tenant must pay interest on the Rent or any other sums due under this lease that are not paid on the due date whether formally demanded or not the interest to be recoverable as rent. Nothing in this Clause entitled the Tenant to withhold or delay any payment of the Rent or any other sum due under this lease or affects the rights of the Landlord in relation to any non-payment.

3.17 Statutory notices

The Tenant must give full particulars to the Landlord of any notice, direction, order or proposal relating to the Premises made given or issued to the Tenant by any government department or local public regulatory or other authority or Court within seven days of receipt and if so requested by the Landlord must produce it to the Landlord. The Tenant must without delay take all necessary steps to comply with the notice, direction or order. At the request and cost of the Landlord the Tenant must make or join with the Landlord in making any objection or representation the Landlord acting reasonably deems expedient against or in respect of any notice, direction, order or proposal.

3.18 Viewing on sale of reversion

The Tenant must on no less than 24 hours' prior written notice at any time during the Term permit prospective purchasers of the Landlord's reversion or any other interest superior to the Term or agents instructed in connection with the sale of the reversion or such an interest to view the Premises without interruption provided they have the prior written authority of the Landlord or its agents.

3.19 Defective premises

The Tenant must give notice to the Landlord of any defect in the Premises that might given rise to an obligation on the Landlord to do or refrain from doing anything in order to comply with the provisions of this lease or the duty of care imposed on the

Landlord whether pursuant to the Defective Premises Act 1972 or otherwise and must at all times at the Landlord's cost display and maintain any notices the Landlord from time to time reasonably requires it to display at the Premises.

3.20 Exercise of the Landlord's rights

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

3.21 Consent of the Landlord's release

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

4 LANDLORD'S COVENANTS

4.1 Quiet Enjoyment

The Landlord covenants with the Tenant to permit the Tenant peaceably and quietly to hold and enjoy the Premises without any interruption or disturbance from or by the Landlord or any person claiming under or in trust for it.

4.2 Planning Permission

The Landlord and the Tenant agree to be bound by the provisions of Schedule 2.

5 INSURANCE

5.1 Definitions

In this Clause 5 the terms defined in this Clause 5.1 have the meanings specified:

"Insured Risks" the risks of loss or damage by fire, storm, tempest, earthquake, lightning, explosion, riot, civil commotion, malicious damage, impact by vehicles and by aircraft and articles dropped from aircraft other than war risks, flood damage and bursting and overflowing of water pipes and tanks such other risks whether or not in the nature of the foregoing as the Landlord from time to time by notice to the Tenant reasonably requires the Tenant to insure against.

"Permissions" are references to all the planning permissions and other permits and consents that may be required under the Planning Acts or other statutes for the time being in force to enable the Premises to be rebuilt and reinstated lawfully in the event of any damage or destruction.

5.2 Covenant to insure

5.2.1 Insurance of the Premises

The Tenant covenants with the Landlord to insure the Premises and keep them insured against damage or destruction by all of the Insured Risks, in an amount equal to the full cost of rebuilding and reinstating the Premises as new in the event of their total destruction including VAT architects' surveyors' engineers' solicitors' and all other professional persons' fees and all fees payable on applications for any permissions, the cost of preparation of the site including debris removal, demolition, site clearance and any works that may be required by statute and incidental expenses.

5.2.2 Liability insurance

The Tenant covenants with the Landlord to effect and maintain such insurance and in such amount as the Landlord from time to time by notice to the Tenant reasonably requires in respect of the Tenant's liability to indemnify and keep indemnified the Landlord against losses costs and damages arising from the Tenant's or any of its invitees' employees' or authorised agents' acts omissions or negligence and all liability of the Landlord to third parties arising out of or in connection with any matter involving or relating to the Premises.

5.3 Tenant's further insurance covenants

The Tenant covenants with the Landlord to observe and perform the requirements of this Clause 5.3.

5.3.1 Requirements of insurers

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

5.3.2 Policy avoidance

The Tenant must not do or omit anything that could cause any insurance policy effected in accordance with this lease to become wholly or partly void or voidable.

5.3.3 Fire authority requirements

The Tenant must comply with all requirements and reasonable recommendations of the fire authority as to fire precautions relating to the Premises.

5.3.4 Notice of events and damage

The Tenant must give immediate notice to the Landlord as soon as reasonably practicable of any event that might affect any insurance policy effected in accordance with this lease and of any destruction of or damage to the Premises whether or not caused by one or more of the Insured Risks.

5.3.5 Production of the policy

The Tenant must produce to the Landlord as soon as reasonably practicable every insurance policy effected in accordance with this lease and the receipt for the then current year's premium, and if so required must supply the Landlord with a copy of every such policy.

5.3.6 Reinstatement

If and whenever during the Term the Premises are damaged or destroyed by one or more of the Insured Risks then:

5.3.6.1 all money received under any insurance policy effected in accordance with this lease must be placed in an account in the joint names of the Landlord and the Tenant at a bank designated by the Landlord acting reasonably and must subsequently be released to the Tenant from that account by instalments against architect's certificates or other evidence acceptable to the Landlord whose acceptance may not be unreasonably withheld, of expenditure actually incurred by the Tenant in rebuilding and reinstating the Premises; and

5.3.6.2 the Tenant must with all convenient speed use reasonable endeavours to obtain the permissions, and as soon as they have been obtained rebuild and reinstate the Premises in accordance with them making up out of its own money any difference between the cost of rebuilding and reinstatement and the money received from the insurance policy.

6 FORFEITURE

If and whenever during the Term:

6.1 the Rent is outstanding for more than 14 days after becoming due whether formally demanded or not, or

6.2 the Tenant breaches any covenant or other term of this lease;

then the Landlord may at any time re-enter the Premises or any part of them in the name of the whole and thereupon the Term shall cease absolutely but without prejudice to any rights or remedies that may have accrued to the Landlord or against the Tenant in respect of any breach of covenants or other term of this lease including the breach in respect of which the re-entry is made.

7 MISCELLANEOUS

7.1 Exclusion of warranty as to use

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

7.2 Exclusion of third party rights

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

7.3 Representations

The Tenant acknowledges that this lease has not been entered into in reliance wholly or partly on any statement or representation made by or on behalf of the Landlord except any such statement or representation expressly set out in this lease.

7.4 Notices

7.4.1 Any notice to be given by one party to the other under this lease shall be in writing and signed by or on behalf of the party giving it. It shall be served by delivering it by hand or sending it by pre-paid recorded delivery or special delivery to the Landlord or to the Tenant (as the case may be) (save for a notice served pursuant to the 1954 Act which shall be served by pre-paid recorded delivery or special delivery post) at the address given for first party in this lease or its new address where notification has been given in accordance with Clause 7.4.3.

7.4.2 Any notice so served pursuant to Clause 7.4.1 shall be deemed to have been duly served where:

7.4.2.1 in the case of delivery by hand when delivered;

7.4.2.2 in the case of pre-pay recorded delivery or special delivery post at 10:00am on the first Working Day following the date of posting;

provided that in each case where delivery by hand occurs after 6:00pm on a Working Day or on a day which is not a working day service shall be deemed to occur at 9:00am on the next following Working Day.

7.4.3 In the event of either party changing its address from that given in this lease it will promptly serve notice on the other party of its new address and the date upon which the change is to take place or has taken place (as the case may be) such notice to be served in accordance with this Clause 7.4.

7.4.4 E-mail or fax are not a valid method of service of notices under this lease.

7.5 New lease

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

7.6 Break Clause

"Break Date" means:

- (a) (subject to Clauses 7.6.1 and 7.6.2) 9 February 2014 ("**First Break Date**"); and
- (b) such date ("**Second Break Date**") being whichever is the earlier of the date upon which the New Planning Permission expires and 7 May 2017.

"Break Notice" written notice to terminate this lease specifying the relevant Break Date.

7.6.1 The Tenant shall have the right to terminate this lease on the First Break Date in the event that:

7.6.1.1 the New Planning Permission shall not having been determined or granted by the First Break Date; or

7.6.1.2 if the New Planning Permission has not been granted by the First Break Date that this has arisen by virtue of the Landlord's default in complying with the obligations on its part in Schedule 2.

7.6.2 If the application for the New Planning Permission has not been determined by the date being one month before 9 February 2014 but it is subsequently granted on or before 9 February 2014 then the First Break Date shall be extended until whichever is the later of:

7.6.2.1 9 March 2014; or

7.6.2.2 (if there is a referral to an expert in accordance with the provisions of paragraph 1.10 of Schedule 2) one month following the date of determination by such expert (if such be the case) that the New Planning Permission is subject to Onerous Conditions (as defined in Schedule 2).

7.6.3 The Tenant's right to terminate the lease in accordance with the provisions of Clauses 7.6.1 or 7.6.2 shall be exercised by the Tenant serving a Break Notice on the Landlord at any time after the date being one month prior to the First Break Date but no later than the First Break Date and on the expiry of such Break Notice the lease shall determine.

7.6.4 Either the Landlord or the Tenant may terminate this lease on the Second Break Date by serving a Break Notice on the other party at least nine (9) months before the Second Break Date and on the expiry of such Break Notice the lease shall determine.

7.6.5 **Termination**

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

7.7 **Exclusion of Security of Tenure**

7.7.1 The Landlord served a notice which relates to this tenancy pursuant to section 38A(3)(a) of the 1954 Act dated 26th April 2011 (the "Notice") on the Tenant before the Tenant entered into this tenancy.

7.7.2 The Tenant or a person authorised by it to do so made a statutory declaration dated 3rd May 2011 (the "Declaration") in relation to the Notice in substantially the form set out in Paragraph 8 of Schedule 2 to the Regulatory Reform (Business Tenancies) (England and Wales) Order 2003 before the Tenant entered into this tenancy.

7.7.3 Where the Declaration was made by a person other than the Tenant the Tenant confirms that such person was duly authorised by the Tenant so to do.

7.7.4 The Landlord and the Tenant hereby agree that the provisions of sections 24 to 28 (inclusive) of the 1954 Act shall be excluded in relation to the tenancy hereby granted.

7.8 **Agreement for Lease**

This lease has not been entered into pursuant to an agreement for lease.

THIS LEASE has been executed as a deed but not delivered until the day on which it has been dated.

SCHEDULE 1

RENT REVIEW

- 1 In this Schedule the “**President**” is the President for the time being of the Royal Institution of Chartered Surveyors or a person acting on his behalf, and the “**Surveyor**” is the independent valuer appointed pursuant to paragraph 7.
- 2 The amount of Rent shall be reviewed on the Review Date to the greater of:
 - 2.1 the Rent payable immediately before the Review Date (or which would then be payable but for any abatement or suspension of the Rent or restriction on the right to collect it); and
 - 2.2 the open market rent agreed or determined pursuant to this Schedule.
- 3 The open market rent may be agreed between the Landlord and the Tenant at any time before it is determined by the Surveyor.
- 4 If the open market rent is determined by the Surveyor, it shall be the amount that the Surveyor determines is the open market Rent (exclusive of any VAT) at which the Premises could reasonably be expected to be let:
 - 4.1 in the open market;
 - 4.2 at the Review Date;
 - 4.3 on the assumptions listed in paragraph 5; and
 - 4.4 disregarding the matters listed in paragraph 6.
- 5 The assumptions are:
 - 5.1 the Premises are available to let in the open market:
 - 5.1.1 by a willing lessor to a willing lessee (which may be the Tenant);
 - 5.1.2 as a whole;
 - 5.1.3 with vacant possession;
 - 5.1.4 without a fine or a premium;
 - 5.1.5 for a term equal to the unexpired residue of the Term at the Review Date; and
 - 5.1.6 otherwise on the terms of this lease other than as to the amount of the Rent but including the provisions for review of the Rent;
 - 5.2 the willing lessee has had the benefit of any rent-free or other concession or contribution which would be offered in the open market for the purpose of the willing lessee carrying out such works of fitting out as a reasonable lessee might be expected to carry out at the Review Date;

- 5.3 the Premises may lawfully be used, and is in a physical state to enable them to be lawfully used, by the willing lessee (or any potential undertenant or assignee of the willing lessee) for any purpose permitted by this lease;
 - 5.4 the Tenant has fully complied with its obligations in this lease; and
 - 5.5 if the Premises, or any means of access to them or any boundary structures serving the Premises, have been destroyed or damaged, they have been fully restored;
 - 5.6 no work has been carried out on the Premises that has diminished their rental value.
- 6 The matters to be disregarded are:
- 6.1 any effect on rent of the fact that the Tenant or any authorised undertenant has been in occupation of the Premises;
 - 6.2 any goodwill attached to the Premises by reason of any business carried out there by the Tenant or by any authorised undertenant or by any of their predecessors in business;
 - 6.3 any effect on rent attributable to any physical improvement to the Premises carried out before or after the date of this lease, by or at the expense of the Tenant or any authorised undertenant with all necessary consents, approvals and authorisations and not pursuant to an obligation to the Landlord under this lease (other than an obligation to comply with any law); and
 - 6.4 any statutory restriction on rents or the right to recover them.
- 7 The Landlord and the Tenant may appoint an independent valuer at any time before either of them applies to the President for an independent valuer to be appointed. The Landlord or the Tenant may apply to the President for an independent valuer to be appointed at any time after the date which is three months before the relevant Review Date. The independent valuer shall be an associate or fellow of the Royal Institution of Chartered Surveyors.
- 8 The Surveyor shall act as an expert and not as an arbitrator.
- 9 The Surveyor shall give the Landlord and the Tenant an opportunity to make written representations to the Surveyor and to make written counter-representations commenting on the representations of the other party to the Surveyor.
- 10 If the Surveyor dies, delays or becomes unwilling or incapable of acting, then either the Landlord or the Tenant may apply to the President to discharge the Surveyor and paragraph 7 shall then apply in relation to the appointment of a replacement.
- 11 The fees and expenses of the Surveyor and the cost of the Surveyor's appointment and any counsel's fees incurred by the Surveyor shall be payable by the Landlord and the Tenant in the proportions that the Surveyor directs (or if the Surveyor makes no direction, then equally). If the Tenant does not pay its part of the Surveyor's fees and expenses within ten working days after demand by the Surveyor, the Landlord may pay that part and the amount it pays

shall be a debt of the Tenant due and payable on demand to the Landlord. The Landlord and the Tenant shall otherwise each bear their own costs in connection with the rent review.

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

12.1 the shortfall (if any) between the amount that it has paid for the period from the Review Date until the Rent Payment Date following the date of agreement or notification of the revised Rent and the amount that would have been payable had the revised Rent been agreed or determined on or before the Review Date; and

12.2 interest at the base rate of Barclays Bank plc on that shortfall calculated on a daily basis by reference to the usual quarter days on which parts of the shortfall would have been payable if the revised Rent had been agreed or determined on or before the Review Date and the date payment is received by the Landlord.

- 13 Time shall not be of the essence for the purposes of this Schedule.

- 14 As soon as practicable after the amount of the revised Rent has been agreed or determined, a memorandum recording the amount shall be signed by or on behalf of the Landlord and the Tenant and endorsed on or attached to this lease and its counterpart. The Landlord and the Tenant shall each bear their own costs in connection with the memorandum.

SCHEDULE 2
LANDLORD'S APPLICATION FOR PLANNING PERMISSION

1 DEFINITIONS AND INTERPRETATION

- 1.1 For all the purposes of this schedule the terms defined in this paragraph shall have the meanings specified:

"Onerous Conditions" any planning conditions imposed on the New Planning Permission which are more onerous to the Landlord or the Tenant (as the case may be and which in the event of any dispute between the parties shall be determined by an Expert pursuant to the provisions of paragraph 4 below) than any planning conditions imposed pursuant to the Planning Permission.

"New Planning Permission" the grant of planning permission pursuant to the Planning Application.

"Planning Agreement" any agreement or unilateral obligation or undertaking under section 106 of the Town and Country Planning Act 1990 (as amended from time to time) required by the local planning authority (or relevant Secretary of State) in connection with the grant of the New Planning Permission.

"Planning Application" the application for the renewal of the Planning Permission in the joint names of the Landlord and the Tenant to be valid for a period of not less than 3 years commencing from a date being not later than the date of expiration of the Planning Permission.

"Planning Refusal" a refusal of planning permission applied for under the terms of this contract (including a deemed refusal arising under section 78(2) of the 1990 Act).

- 1.2 Not less than 5 months prior to the date when the Planning Permission shall no longer be extant, the Landlord will submit the Planning Application and will use reasonable endeavours to secure grant of the New Planning Permission as soon as possible which application will be in the joint names of the Tenant and the Landlord.
- 1.3 The Landlord will keep the Tenant informed as to progress of the Planning Application and will supply the Tenant with copies of all correspondence to or from the Landlord in connection with the Planning Application.
- 1.4 The Landlord will give the Tenant at least 5 Working Days' notice of any meetings to be held with the council in connection with the Planning Application and will give the Tenant and the Tenant's representatives or agents the opportunity to attend and a copy of any minutes.

- 1.5 The Landlord will not agree to any extension of the period for determination of the Planning Application without the prior written approval of the Tenant, which the Tenant cannot unreasonably withhold or delay.
- 1.6 The Tenant will give all reasonable assistance to the Landlord in seeking to obtain the New Planning Permission.
- 1.7 The Landlord must in negotiating and progressing the Planning Application pay due regard to the Tenant's reasonable representations.
- 1.8 The Landlord shall give written notice to the Tenant within 5 Working Days after receiving written notification of the grant of any planning permission or Planning Refusal relating to the Premises enclosing a copy of the planning decision.
- 1.9 If a planning permission is granted it will be deemed to be the New Planning Permission unless, within 10 Working Days of receipt by the Tenant of a copy of the decision in accordance with paragraph 1.8:
 - 1.9.1 the Landlord gives written notice to the Tenant specifying which of the conditions, to which the planning permission is subject, the Landlord regards as being Onerous Conditions; and/or
 - 1.9.2 the Tenant gives written notice to the Landlord specifying which of the conditions, to which the planning permission is subject, the Tenant regards as being Onerous Conditions.
- 1.10 If a written notice is given under paragraph 1.9 then unless the question as to whether or not the planning permission is subject to any Onerous Conditions is referred to the expert under paragraph 4 of this Schedule within 10 Working Days of such written notice being received the planning permission shall be deemed a Planning Refusal.

2 PLANNING APPEAL

- 2.1 The Landlord may, but is not obliged to, appeal against a Planning Refusal, but: if the Landlord does appeal, he will do so at his own expense.
- 2.2 If the Landlord does appeal the Landlord will submit an appeal and will use all reasonable endeavours to secure grant of the New Planning Permission as soon as possible.
- 2.3 The Landlord will keep the Tenant informed as to progress of the appeal and will:
 - 2.3.1 supply the Tenant with copies of all correspondence to or from the Landlord in connection with the appeal within 5 Working Days after either:
 - 2.3.1.1 the date of any correspondence sent by the Landlord; or

- 2.3.1.2 the date of receipt of any correspondence by the Landlord
- 2.3.2 give the Tenant at least 5 Working Days' notice of any meetings to be held with the council, or other authority or body in connection with the appeal and will give the Tenant and the Tenant's representatives or agents, the opportunity to attend and a copy of any minutes.
- 2.4 The Landlord will not agree to any extension of the period for determination of the appeal without the prior written approval of the Tenant, which the Tenant cannot unreasonably withhold or delay.
- 2.5 The Landlord must in negotiating and progressing the appeal pay due regard to the Tenant's reasonable representations.
- 2.6 For the avoidance of doubt, paragraphs 1.6 and paragraphs 1.8 to 1.10 shall apply during the course of any appeal and to the decision of any appeal.

3 PLANNING AGREEMENTS

- 3.1 The Landlord will use its reasonable endeavours to procure that any mortgagee of the Premises will, enter into any Planning Agreement.
- 3.2 Any Planning Agreement that the Landlord requires the Tenant to enter into under this paragraph must be in a reasonable form and must contain stipulations that the agreement will not come into effect until the New Planning Permission is granted.
- 3.3 The Tenant will not be required to enter into any Planning Agreement that obliges the Tenant to pay money or to carry out works.
- 3.4 The Landlord will keep the Tenant indemnified against all liability, proceedings, costs, claims, demands and expenses incurred or arising under each Planning Agreement that the Tenant enters into under this contract, including any irrecoverable VAT thereon.

4 DISPUTES

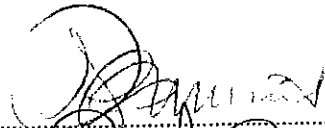
Unless and to the extent not specified otherwise in this contract any dispute (including whether or not a planning permission is a New Planning Permission) shall be referred to a person having appropriate professional qualifications and experience in such matters (the "Expert") appointed jointly by the parties or in default by the President for the time being of the Royal Institution of Chartered Surveyors or the President of the Institute of Civil Engineers as appropriate (or on his behalf) on the application of either party. The Expert shall act as an expert and not as an arbitrator. The decision of the Expert shall be final and binding upon the parties and the following provisions shall apply to the Expert:

- 4.1 the charges and expenses of the Expert shall be borne equally between the parties or in such other proportions as the expert may direct;

- 4.2 the Expert shall give the parties an opportunity to make representations to him before making his decision which he shall make available to the other party on request;
- 4.3 the Expert shall be entitled to obtain opinions from others if he so wishes;
- 4.4 the Expert shall make his decision on any valuation matters within the range of any representations made by the parties;
- 4.5 the Expert shall comply with any time limits or other directions agreed by both parties on or before his appointment.

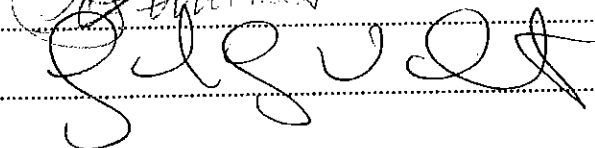
SIGNED as a DEED by THORNSETT INVESTMENTS LLP
acting by its authorised signatories:

Authorised Signatory:



Handwritten signature of Daniel on a dotted line.

Authorised Signatory:



Handwritten signature of J. J. J. J. on a dotted line.