

Dated 19TH MARCH 2019

LONDON GATE BRIGHTON LIMITED

and

OPTIMUS CARDS UK LIMITED

LEASE

relating to

Ground & First Floors, London Gate, 72 Dyke Road Drive, Brighton, BN1 6AJ

THIS LEASE is made on the 19TH day of MARCH 2019

- (1) **LONDON GATE BRIGHTON LIMITED** (Company Number 06007708) whose registered office is situate at The Wheel House, 133 High Street, Hurstpierpoint, Hassocks, West Sussex BN6 9PU ("the Landlord"); and
- (2) **OPTIMUS CARDS UK LIMITED** (Company Registration Number 09044866) whose registered office , is situate at De Montfort House, High Street, Coleshill, Birmingham B46 3BP ("the Tenant").

IT IS AGREED:-

1. Interpretation

1.1 In this lease the following definitions apply:-

"Base RPI Month"	November 2018;
"Base Service Charge Cap"	£17,691.00;
"Break Date "	19TH MARCH 2022 (<i>the third anniversary of the Term Commencement Date</i>);
"Building"	the land and building at London Gate, 72 Dyke Road Drive, Brighton, BN1 6AJ registered at H M Land Registry at the date of this lease with title number SX127733 and shown edged red on Plan 1;
"Common Parts"	the entrance hall, staircases, landings and toilets in the Building, the car parking areas and outside areas of the Building and any other parts of the Building used in common by the occupiers of the Premises and the Lettable Units;
"Conduits"	conduits, pipes, drains, sewers, soakaways, channels, culverts, gutters, flues, ducts, wires, cables, aerials, optic fibres, and other media for the passage or transmission of water, soil, gas, air, smoke, electricity, light, information, air conditioning or other matters

	and all structures and equipment which are ancillary to such passage or transmission;
“Construction Regulations”	the Construction (Design and Management) Regulations 2015;
“Contractual Term”	the term of years specified in clause 2 together with any period of holding over or extension whether statutory or otherwise;
“Indexed Service Charge Cap”	a sum calculated in accordance with the formula in clause 8.13;
“Insured Risks”	(subject to such exclusions and limitations as may be imposed by the insurers and to the extent that insurance against such risks may ordinarily and reasonably be arranged with an insurer of good repute) fire (including subterranean fire), subsidence, landslip and heave, earthquake, bursting or overflowing of water tanks, apparatus or pipes, sprinkler leakage, riot or civil commotion, strikes, labour or political disturbance, damage by malicious persons, terrorism, explosion (including explosion of boilers and other heating apparatus), lightning, thunderbolt, storm, tempest, flood, impact by any road vehicle, aircraft, or other aerial device or articles dropped therefrom (in time of peace), accidental damage to underground pipes and cables and such other risks as are normally included in a comprehensive policy and such other risks as the Landlord acting reasonably insures against from time to time;
“Interest Rate”	interest at the rate of three per cent above the base lending rate from time to time of Santander UK plc or if that base lending rate is no longer used or published then at a rate calculated by reference to such comparable commercial rate reasonably determined by the Landlord;
“Landlord’s Accountant”	any person (whether or not an employee of the Landlord) who is a chartered or certified accountant, or any firm of chartered or certified accountants, appointed

	by or acting for the Landlord to perform the function of an accountant for any purpose of this lease;
“Landlord’s Surveyor”	any person (whether or not an employee of the Landlord) who is an associate or fellow of the Royal Institution of Chartered Surveyors, or any firm (at least one of whose members is so qualified) appointed by or acting for the Landlord to perform the function of a surveyor for any purpose of this lease;
“Legal Requirement”	all directly applicable EU law, all statutes and bye-laws and all regulations, orders, consents, licences, codes of practice, circulars, notices and statutory guidance made under them or issued by any competent authority exercising powers under statute or Royal Charter;
“Lettable Unit”	any part of the Building, other than the Premises, which is let or is capable of being let on terms similar to this lease;
“Loss of Rent Insurance”	means insurance against 3 years' loss of rent hereunder;
“Permitted Part”	a part of the Premises which in the reasonable opinion of the Landlord can be conveniently sublet and used independently from the remainder of the Premises, provided that no more than two separate tenants (including the Tenant) are in occupation of the Premises at any one time;
“Permitted Use”	offices within use class B1 of the Use Classes Order;
“Plan 1”	the plan attached to this lease marked ‘Plan 1’;
“Plan 2A”	the plan attached to this lease marked ‘Plan 2A’;
“Plan 2B”	the plan attached to this lease marked ‘Plan 2B’;
“Plan 3”	the plan attached to this lease marked ‘Plan 3’;
“Plan 4”	the plan attached to this lease marked ‘Plan 4’;
“Planning Acts”	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 all statutes referred to in any of them;
“Premises”	the Ground and First Floors of the Building shown edged

red on Plan 2A and Plan 2B including:

- (a) the internal plaster finishes of the external walls and columns and the internal plaster surfaces of internal walls and columns which are structural or load-bearing walls;
- (b) the inner half (severed medially) of internal, non-structural, non-load bearing walls which divide such parts from any other part of the Building;
- (c) the floor screed tiling or other floor finishes;
- (d) the ceiling finishes, tiles or suspended ceiling;
- (e) the glass in the external windows;
- (f) the doors, door frames and door furniture and furniture of any wall which divides such parts from any other part of the Building;

and also including:

- (g) the whole of any other internal, non- structural non-load-bearing wall or columns within such parts and all windows, window frames, window furniture and doors, door frames and door furniture within such walls;
- (h) landlord's fixtures including the air conditioning system serving the Premises and Conduits owned by the Landlord which are within and exclusively serve the Premises;
- (i) the floor tiling and the carpets and other floor coverings within such parts;
- (j) all additions, alterations and improvements made to such parts (but not Tenant's fixtures and fittings)

but excluding:

- (k) all external walls and columns, internal load-bearing or structural walls and columns (other than the internal plaster finishes of any of them and the window frames within the external walls);
- (l) anything below the floor screed, floor tiling or floor finishes;

- (m) anything above the ceiling finishes, tiles or suspended ceiling;
 - (n) landlord's fixtures (including Conduits and the parts of the Building containing the Conduits) which are within but do not exclusively serve such parts;
- "Rent"** for the first year of the Contractual Term £41,600 per annum exclusive;
for the second year of the Contractual Term £62,400 per annum exclusive; and
for the remainder of the Contractual Term £68,250 per annum exclusive;
- "Rent Commencement Date"** the date hereof;
- "Rent Payment Dates"** 1 January, 1 April, 1 July and 1 October;
- "RPI"** the Retail Prices Index published by the Office for National Statistics or such other government department or agency as may from time to time be appointed to publish the same;
- "Schedule of Condition"** such photographs as are annexed to this lease and evidence the state and condition of the Premises as at the date of a previous tenant's lease (in the case of the ground floor) and as at the date of this lease (in the case of the first floor);
- "Service Charge"** the Tenant's Proportion of:
- (a) the cost, including VAT that is otherwise irrecoverable by the Landlord, incurred by or on behalf of the Landlord in connection with the provision of the Services in respect of the relevant Service Charge Year (but not (for the avoidance of doubt) any contribution to a reserve fund to provide for major repairs to or replacement of any part of the Common Parts or any specific item mentioned in the definition of the "Services" in clause 8.1); and
 - (b) any taxation suffered by the Landlord in respect of the above items but for the avoidance of doubt the

Service Charge shall not include any costs which the Landlord is entitled to be reimbursed from another source;

"Service Charge Accounts"	the accounts to be provided by the Landlord in accordance with clause 8.9 and containing a fair summary of the costs incurred by the Landlord in providing the Services for a Service Charge Year as soon as reasonably practicable after the end of the Service Charge Year;
"Service Charge Cap"	(subject to the second proviso to clause 8.7) the Base Service Charge Cap (exclusive of VAT) subject to review in accordance with the provisions in clause 8.12;
"Service Charge Cap Review Date"	1st January 2020 and every anniversary of that date during the term;
"Service Charge Year"	means:- (a) the period from the Term Commencement Date until 31st December 2019; and then (b) the year beginning on 1st January in each year of the term, except the last term year of the term when it shall be the period beginning 1st January and ending on the last day of the Term;
"Tenant's Proportion"	40% or, if lower, such other fair and proper proportion determined by the Landlord acting reasonably in respect of each Service Charge Year;
"Term Commencement Date"	the date hereof;
"Third Party Rights"	all matters referred to in the entries 1 2 and 3 of the charges register to title number SX127733 as at 27 February 2019 at 15:55:19;
"Uninsured Risk"	a risk that would otherwise be an Insured Risk but for either any such exclusion or limitation as may be imposed by the insurers or such risk not being capable of ordinarily and reasonably being arranged with an insurer of good repute;
"Use Classes Order"	the Town and Country Planning (Use Classes) Order 1987 as at the date this lease is granted;
"Value Added Tax"	value added tax chargeable under the Value Added Tax Act

1994 or under the Sixth Council Directive of the Council of the European Communities (77/388/EC) or under any rule, regulation, order, or instrument authorised to be made by that Act or by that Directive or any identical or substantially similar tax which may replace such value added tax.

- 1.2 Unless the context otherwise requires, a reference in this lease to the Landlord includes the immediate reversioner for the time being, a reference to the Tenant includes the successors in title of the Tenant.
- 1.3 Unless otherwise specified, a reference in this lease to a particular Legal Requirement or to Legal Requirements in general includes references to any extension, modification, amendment, re-enactment replacement or consolidation of it or them, and to all statutes, regulations, orders, bye-laws, consents, Licenses, codes of practice, circulars , notices and statutory guidance made under it or them , in all cases from time to time during the term.
- 1.4 Unless the context otherwise requires, references in this lease to the Premises are to the whole and any part them.
- 1.5 A reference in this lease to:
 - 1.5.1 this lease, except a reference to the date of this lease, is a reference to this deed and any deed, licence, consent, approval or other instrument supplemental to it;
 - 1.5.2 landlord covenants or to tenant covenants has the same meaning as is given by section 28(1) of the Landlord and Tenant Covenants) Act 1995;
 - 1.5.3 the Term is to the Contractual Term;
 - 1.5.4 the end of the Term is to the end of the Term however and whenever it ends; and
 - 1.5.5 a working day is to any day other than a Saturday, a Sunday, Christmas Day, Good Friday, any statutory bank or other public holiday in England.
- 1.6 Unless the context otherwise requires, where the word "include", "includes" or "including" is used in this lease, it is deemed to have the words "without limitation" following it.
- 1.7 At any time when the Landlord or the Tenant comprises two or more persons such expressions are to all or either of any such persons and obligations expressed or implied to be made by or with any of them are made by or with such persons jointly and severally.

- 1.8 Where the consent of the Landlord is required under this lease, it will only be valid if given by deed, unless it is in writing, is signed by or on behalf of the Landlord and expressly states that the Landlord waives the requirement for a deed in that particular case. If such a waiver is given, it will not affect the requirement for a deed in any other case.
- 1.9 Covenants by the Tenant in this lease are made in favour of the Landlord and covenants by the Landlord in this lease are made in favour of the Tenant.
- 1.10 Any covenant in this lease by the Tenant not to do something includes a covenant not to agree or (so far as within the Tenant's reasonable control) suffer such thing to be done and to use all reasonable endeavours to prevent such thing being done by another person.
- 1.11 Headings and the table of contents in this lease are for convenience only and will not be taken into account in the interpretation of this lease.
- 1.12 Unless otherwise specified, a reference in this deed to a clause, sub-clause or schedule is a reference to the clause or sub-clause of, or schedule to this deed so numbered.

2 Grant and term

The Landlord with full title guarantee lets the Premises to the Tenant for a term of five (5) years from and including the Term Commencement Date and ending on and including 18TH MARCH 2024 upon the terms and conditions and covenants in this lease.

3 Ancillary rights

- 3.1 The Landlord grants the Tenant the following rights at all time
- 3.1.1 rights of support and protection from such parts of the Building as are necessary for either the physical integrity or the enjoyment of the Premises;
- 3.1.2 a right of way on foot over such part of the Common Parts as is necessary for the purpose of access to and egress from the Premises (including in case of emergency, or practice for emergency) to and from the adopted highway;
- 3.1.3 a right of way with vehicles over such external parts of the Common Parts as is necessary for the purpose of access to and egress from the Premises to and from the adopted highway **PROVIDED THAT** there shall be no vehicular access or right to park vehicles upon the area edged red on Plan 4
- 3.1.4 an exclusive right to park up to six private cars, motorcycles or light vans, in connection with the Permitted Use, in the spaces shown edged red on Plan 3;
- 3.1.5 a right to use such external part of the Common Parts as is necessary for the

purpose of loading and unloading vehicles in connection with the Permitted Use;

- 3.1.6 a right in common with the Landlord and the occupiers of the Lettable Units on a 'first come, first served' basis for the Tenant, its staff and visitors to park or leave bicycles within such cycle racks or stores as the Landlord shall from time to time provide for such purpose within the Common Parts;
 - 3.1.7 a right to connect into and use Conduits which are at the Building at the date of this lease or are constructed there during the Contractual Term, for the passage or transmission to and from the Premises of water, soil, gas, electricity, light, telecommunications, information and other matters and, without prejudice to the generality of the foregoing, to introduce such cabling and ancillary apparatus as may reasonably be required into the risers within the Building and otherwise to lay any such cabling within the Building so as to facilitate information technology connectivity between the floors comprising the Premises;
 - 3.1.8 a right to use such part of the Common Parts and the refuse bins within them as the Landlord may designate from time to time for the collection of refuse from the Premises at the Landlord's discretion acting reasonably;
 - 3.1.9 a right to use the washrooms and lavatory areas in the Common Parts; and
 - 3.1.10 signage rights that are consistent with and contemplated by the covenants on the part of the Tenant in clause 24.3.
- 3.2 The rights granted by this lease are (apart from the one contained in clause 3.1.4) granted in common with the Landlord, other tenants of the Building and all others entitled at any time during the Contractual Term;
- 3.3 The Tenant shall use the rights granted by this lease:
- 3.3.1 in such a manner as causes as little damage as possible to any land structure or Conduit over which they are exercised or to any other part of the Building or to any neighbouring property belonging to or used by the Landlord;
 - 3.3.2 such a manner as does not cause a legal nuisance, annoyance, inconvenience, danger, injury or damage to the Landlord or to any other tenant or occupier of the Building or any neighbouring property; and
 - 3.3.3 in accordance with any reasonable regulations which may be made by the Landlord from time to time which are notified to the Tenant in writing and that do not materially affect the Tenant's use and occupation of the Premises and

provided that in the event of any inconsistency between the regulations and this Lease then the provisions of this Lease shall prevail.

3.4 The Landlord will not be liable for any interruption to any of the rights granted by this lease by reason of the Landlord carrying out any of the Services or by reason of any matter outside the reasonable control of the Landlord, but the Landlord shall procure that there will always be access to and egress from the Premises and that the Tenant's use and occupation is not materially adversely affected.

3.5 Section 62 of the Law of Property Act 1925 shall not apply to this lease.

4 Rights excepted and reserved

4.1 There are excepted and reserved from this lease to the Landlord, any superior landlord and all others who may become entitled and for the benefit of the rest of the Building and any neighbouring property or any of them, rights to:

4.1.1 light, air, support and protection as are capable of being enjoyed at any time during the Contractual Term;

4.1.2 inspect, repair, replace, connect into and use Conduits at (but not forming part of) the Premises and to cut into any part of the Premises or attach anything to the Premises as is necessary for such purposes together with the right of access thereto with or without workmen at all reasonable times and upon reasonable prior notice (except in the case of emergency);

4.1.3 erect and maintain scaffolding on and against the exterior of the Premises in order to carry out any of the Services or to construct, repair, redevelop, maintain, clean or alter the Building or any building on any neighbouring property even if such scaffolding temporarily interferes with (but does not prevent or materially restrict) the access to or the use and enjoyment of the Premises provided that such scaffolding is erected for as minimum period as possible and subject to the Tenant having the right throughout any period when such scaffolding is erected to erect such signage as is reasonably required by the Tenant; and

4.1.4 enter the Premises in connection with the above rights or to carry out any of the Services or for any other purpose connected with this lease at reasonable times and upon not less than 48 hours' prior written notice except in the case of emergency.

4.2 The rights granted by this lease may be exercised by the Landlord and any superior landlord and all others properly authorised by any of them PROVIDED THAT the exercise of any rights granted to the Tenant in this lease and the use and occupation

of the Premises are not materially interfered with and the essential Services are maintained.

4.3 The Tenant shall allow such persons entitled to exercise any of the rights reserved to the Landlord to enter the Premises at any reasonable time and, except in case of emergency, after having given reasonable written notice to the Tenant and subject to such persons complying with the Tenant's reasonable security requirements.

4.4 Any person exercising a right under this lease will do so in a way which causes as little noise damage and inconvenience as reasonably practicable and shall forthwith make good all damage caused (whether to the Premises and the Tenant's fixtures and fittings or otherwise).

5 Third Party Rights

5.1 This lease is granted subject to the Third Party Rights.

5.2 The Tenant shall by way of indemnity only comply with all obligations on the Landlord relating to the Third Party Rights insofar as such obligations relate to the Premises or any land over which any right is granted by this lease and are still subsisting and capable of being enforced.

6 Rents Reserved

6.1 The rents reserved by this lease are:

6.1.1 the Rent;

6.1.2 the Service Charge; and

6.1.3 any VAT on any such rents.

6.2 (Subject to clause 6.3) the Tenant shall pay the Rent by four equal payments in advance on or before the Rent Payment Dates.

6.3 The first payment of the Rent and any VAT on it shall be made on the Rent Commencement Date in advance and shall be the proportion calculated on a daily basis in respect of the period beginning on the Rent Commencement Date and ending on the day before the next Rent Payment Date.

6.4 The Rent and the Service Charge and any VAT on it shall, subject to any Legal Requirement to the contrary, be paid to an account in the name of the Landlord in England and Wales.

7 Insurance

7.1 The Landlord shall keep the Building insured (the Landlord using all reasonable endeavours to procure that (i) the interests of the Tenant and of any lawful undertenants are noted on the policy, (ii) there is favour of the Landlord a non- invalidation provision in relation to acts and omissions of the Tenant, any lawful

undertenants or their respective employees, workmen and agents and (iii) the insurer's rights of subrogation against the Tenant and any lawful undertenants are waived) against loss or damage by the Insured Risks in its full reinstatement cost (taking inflation of building costs into account) and such policy shall include Loss of Rent Insurance. The Landlord shall maintain the insurance with reputable insurers and shall use all reasonable endeavours to obtain the insurance on fair and reasonable terms at reasonable market rates.

7.2 The insurance may, if required by the Landlord, be in the joint names of the Landlord and any mortgagee.

7.3 If the Building or the Premises or any part of either of them is damaged by an Insured Risk, the Landlord shall:

7.3.1 make a claim under the insurance policy effected in accordance with this clause;

7.3.2 notify the Tenant as soon as reasonably practicable if the Landlord's insurer indicates that the reinstatement value will not be recoverable in full under the insurance policy; and

7.3.3 subject to obtaining all necessary planning consents and all other necessary licences, approvals and consents (which the Landlord will use all reasonable endeavours to obtain as quickly as reasonably practicable), cause all insurance moneys received (other than from the Loss of Rent Insurance) to be applied in making good the damage for which the money has been received or (as the case may be) in rebuilding the Building (but not in any case so as to provide accommodation identical in layout provided that the Building including the Premises are reinstated to an equivalent standard and the prior written consent of the Tenant (such consent not to be unreasonably withheld or delayed) is obtained) and making good any shortfall out of its own monies.

7.4 The Landlord shall ensure that any rebuilding and reinstatement works are carried out in a good and workmanlike manner using good and suitable quality materials and in accordance with current good building practice having regard to the reasonable requirements of the Tenant.

7.5 The Landlord shall not be obliged to lay out or procure the laying out of the proceeds of such insurance if:

- 7.5.1 such rebuilding, repairing or reinstating of the whole or any part of the Building is rendered impossible by external causes beyond the reasonable control of the Landlord and in that event it is hereby agreed and declared that the whole of such proceeds shall then belong to the Landlord; or
- 7.5.2 and to the extent that payment of any insurance moneys shall be properly refused by reason of any wilful act or default of the Tenant or any person occupying or enjoying the use of the Premises under or through the Tenant or their respective servants or agents or any person on the Premises or elsewhere within or about the Building with the actual or implied authority of any of them (and the Tenant has not paid the shortfall to the Landlord);
- 7.5.3 this lease shall be determined in accordance with any of clauses 7.8, 7.9 and 7.10.
- 7.6 The Landlord shall supply to the Tenant as and when reasonably requested a copy of the current insurance policy or other adequate evidence of the terms and conditions of such policy (including evidence of payment of the current year's premiums and details of any commission paid by the Landlord to the Landlord's insurance agent) and confirm that the same is still in existence including all exclusions and limitations imposed by the insurers and in any event notify the Tenant as soon as reasonably practicable in the event of any changes to the availability of cover.
- 7.7 If the Premises or the access to them or any part(s) of the Building upon which they depend shall be damaged or destroyed by any of the Insured Risks or by an Uninsured Risk then the Rent and Service Charge shall be suspended until the date that is three months after the date when the Premises shall have been made fit for beneficial occupation and use or are accessible and any dispute with reference to this clause 7.7 shall be determined in accordance with the Arbitration Act 1996 by an arbitrator to be agreed between the parties and in default of agreement to be appointed on the application of either party by the President for the time being of the Royal Institution of Chartered Surveyors.
- 7.8 If the Premises or the access to them or any part(s) of the Building upon which they depend shall be damaged or destroyed by any of the Insured Risks and are not rebuilt so as to render the Premises fit for use and occupation and accessible by the expiration

of the period in respect for which the Landlord is obliged to maintain Loss of Rent Insurance the Landlord or the Tenant may determine this lease by giving to the other not less than one month's notice at any time not earlier than one month before the expiration of the Loss of Rent Insurance period and on the expiry of such notice this lease shall determine without prejudice to any right or remedy of either party in respect of any antecedent breach by the other.

7.9 If the Building or the Premises or the access thereto shall be damaged or destroyed by an Uninsured Risk so as to render the Premises unfit for use and occupation or inaccessible or so as materially to interfere with or interrupt any of the rights granted in clause 3 and the Landlord shall not desire to rebuild, reinstate or otherwise make good the damage or destruction and give to the Tenant notice to that effect, the Landlord or the Tenant may determine this lease by giving not less than one month's notice to the other at any time and such determination shall be without prejudice to any right or remedy of the Landlord or the Tenant in respect of any antecedent breach by the other whereupon the Landlord shall refund to the Tenant any monies paid by the Tenant relating to the period following the date of such damage or destruction.

7.10 The Tenant may give notice to the Landlord determining this lease with immediate effect where the Premises are damaged or destroyed by an Uninsured Risk in whole or in part so that they are unfit for occupation or use, the Common Parts are damaged or destroyed so as to make the Premises inaccessible or unusable or so as materially to interfere with or interrupt any of the rights granted in clause 3 and, in any such case, the Landlord shall not have given notice to the Tenant within twelve months after the date of damage or destruction that the Landlord will rebuild, reinstate or otherwise make good the damage or destruction at the Landlord's own cost whereupon the Landlord shall refund to the Tenant any monies paid by the Tenant relating to the period following the date of such damage or destruction.

7.11 The Tenant covenants with the Landlord:

7.11.1. To pay to the Landlord as part of the Service Charge without deduction (save where required by law) or set-off the Tenant's Proportion of:

- (i) the reasonable and proper expense (excluding any VAT payable by the Landlord) which shall from time to time be payable for the insurance of the Building in the full reinstatement cost thereof against loss or damage by or in consequence of the Insured Risks, including cover for demolition, site clearance, hoarding, propping

and incidental expenses, architects', consulting engineers', legal, surveyors' and statutory fees (and VAT thereon), the cost of any work which may be required by or by virtue of any statute, property owner's liability and such other fees and cover as the Landlord acting reasonably may consider appropriate (after any discount or commission is allowed or paid to the Landlord);

(ii) any amount which may be deducted or disallowed by the insurers on account of an uninsured normal excess pursuant to any excess provision in the insurance policy upon settlement of any claim by the Landlord; and

(iii) any proper and reasonable expense which the Landlord may incur in obtaining a valuation of the Building for insurance purposes (but not more than once in any 3 year period);

7.11.2. To pay to the Landlord as part of the Service Charge the whole of the premiums payable by the Landlord for maintaining Loss of Rent Insurance;

7.11.3. To notify the Landlord as soon as reasonably practicable after becoming aware of any event or thing happening in or relating to the Premises against which the Premises are insured under the terms of this lease;

7.11.4. Not knowingly to do or omit anything whereby any policy of insurance on the Premises or the Building may become void or voidable or otherwise prejudiced nor (unless the Tenant shall have previously notified the Landlord and have paid the increased premium) anything whereby abnormal or loaded insurance premiums may become payable.

7.11.5. If the insurance of the Landlord is vitiated in whole or in part in consequence of an act or omission of the Tenant, persons occupying or enjoying the use of the Premises through or under the Tenant, or their respective employees, workmen, agents or visitors, to pay to the Landlord within 21 days of written demand a sum equal to the amount of the insurance monies which has become irrecoverable in consequence of that act or omission;

7.11.6. To comply at all times with the requirements of the insurers notified to the Tenant in writing relating to the Premises;

7.11.7. Not to effect any insurance of or relating to the Premises except that provided for in this clause and insurance against risks which do not from

time to time constitute an Insured Risk save that the Tenant may effect insurance of loss of profit and tenant's fixtures and fittings and shall be permitted to arrange the required third party and property owners liability insurance under its own policy; and

7.11.8. If at any time the Tenant shall become entitled to the benefit of any insurance proceeds in respect of the Premises (arising out of a policy which is not effected or maintained in pursuance of any obligation of the Tenant contained in this lease) to apply such proceeds in making good the loss or damage to which those proceeds relate.

8. Services

8.1 In this lease "Services" are:

- 8.1.1 the repair and maintenance of the Building (other than any parts specifically let or available for letting);
- 8.1.2 the inspection and testing of the Common Parts and the Conduits;
- 8.1.3 cleaning and decoration of the Common Parts, including cleaning any windows which are part of the Common Parts;
- 8.1.4 lighting the Common Parts;
- 8.1.5 planting and cultivating and maintaining any planted areas of the Common Parts and the provision, planting, maintenance and replacement of window boxes and other plant containers on the Common Parts; and
- 8.1.6 the control of pests on the Common Parts;
- 8.1.7 the provision and maintenance of refuse bins and bin areas and arranging for the removal of refuse;
- 8.1.8 the operation, maintenance, testing, inspection, repair and (where beyond economic repair) replacement of air conditioning in the Building and likewise (but also including the provision) of security apparatus, and systems at the Common Parts;
- 8.1.9 the provision, operation, maintenance, testing, inspection, repair and (where beyond economic repair) replacement of car parking and traffic safety and management apparatus, signs, markings and systems at the Common Parts;

- 8.1.10 gritting and clearing snow from the outside areas of the Building;
- 8.1.11 the provision, maintenance, repair and replacement of a name board at the entrance to the Building upon which the Landlord must display the name of the Tenant;
- 8.1.12 the provision of uniforms, work-clothes, equipment and non-residential accommodation for any staff engaged in the provision of any of the items listed above or below provided that where the staff provide services to other properties, a reasonable proportion only shall be included;
- 8.1.13 heating, cooling and ventilating the Common Parts within the Building;
- 8.1.14 supplying hot and cold water, towels and toilet hygiene services to the washrooms and lavatory areas of the Common Parts;
- 8.1.15 the operation, maintenance, testing, inspection, repair and (where beyond economic repair or otherwise necessary) the upgrading or replacement including installation of fire prevention, detection, alarm and fighting equipment (including sprinkler systems) to the Common Parts;
- 8.1.16 the provision where reasonable or appropriate and the repair and replacement (where beyond economic repair) as necessary of furniture, clocks, carpets and other floor coverings, flowers and plants at the Common Parts;
- 8.1.17 supplying or carrying out any works, goods or services needed to comply with any Legal Requirement affecting the Building;
- 8.1.18 complying with the Construction Regulations and compiling, maintaining, copying and insuring any health and safety file in relation to the Common Parts as is required under the Construction Regulations;
- 8.1.19 paying national non-domestic rates, water rates and any other rates, existing and future rates taxes and outgoings payable in relation to any part or parts of the Building (other than either the Premises or any Lettable Units) and a due proportion of those imposed on the Building together with other property except for any tax payable by the Landlord as a result of any dealing or deemed dealing by the Landlord with its reversionary interest in the Building and any tax payable by the Landlord in respect of rent (other than VAT) and other payments received by the Landlord under this lease;
- 8.1.20 opposing or making representations in respect of any existing, future or proposed Legal Requirement relating to the Common Parts or the Building as a whole;

- 8.1.21 employing staff and security personnel or engaging contractors, agents and professional advisors in connection with the management of the Building such management costs to be charged at normal commercial rates provided that where the staff provide services to other properties, a reasonable proportion only shall be included;
- 8.1.22 reasonable and proper interest and fees in respect of money borrowed by the Landlord to finance the provision of any of the items listed above at commercial rates;
- 8.1.23 the installation, operation, maintenance, testing, inspection, repair and, where beyond economic repair, replacement of any plant, machinery, equipment, goods or supplies which the Landlord in its reasonable discretion considers to be necessary or desirable in order to provide any of the other items mentioned in this clause;
- 8.1.24 any other necessary service, supply or amenity which the Landlord in its reasonable discretion provides or procures for the benefit of the Building or the tenants or other occupiers of or visitors to the Building; and
- 8.1.25 the cost of complying with the Landlord's obligations to insure contained in clause 7

PROVIDED THAT the following shall be excluded from the Service Charge:-

- (1) the cost (howsoever incurred) of the initial construction equipping and fitting out of the Building and the initial provision of any items necessary to provide the Services described in clause 8.1 including without prejudice to the generality of the foregoing close circuit television cleaning equipment and clothing;
- (2) any costs and expenses incurred relating to the rebuilding (except where such works are in the nature of maintenance or repair) of the structure of the Building and the Common Parts;
- (3) the cost of making good any defects in the Building to the extent that they arise as a result of faulty materials workmanship or design in the initial construction of the Building;
- (4) any fees and expenses attributable to disputes not relating to the Common Parts with other tenants or occupiers of the Building or attributable to any action or proceedings relating to the Landlord's title to the Building or a superior title;

- (5) the costs of any works to be carried out to the Building as a result of the Building having been constructed on land containing toxic waste or any other deleterious materials or substances;
- (6) leasing commissions, lawyers' fees, costs, disbursements and other expenses incurred in connection with negotiations with tenants or leasing, renovating or improving space for tenants or other occupiers in the Building or in connection with any dispute with any tenant or other occupier of the Building;
- (7) costs for permits, licences and inspection fees incurred in renovating or otherwise improving or decorating, painting or redecorating vacant space or spaces for other tenants or other occupiers of the Building;
- (8) expenses in connection with services or other benefits of a type which are not provided to the Tenant but which are provided to other tenants or occupiers;
- (9) any amount attributable to any unlet Lettable Units in the Building;
- (10) the cost of any improvement, modernisation or refurbishment extension and addition to or of the Building or any part thereof (provided that the Tenant shall not object to a reasonable element of betterment consequent upon repair);
- (11) the provision of any new plant or machinery or services save where such provision is of by way of replacement or renewal of existing plant or machinery or services (and replacement and/or renewal is in the nature of a repair);
- (12) service costs attributable to any part of the Building which has been let but where the relevant tenant has not paid such costs (whether or not the Landlord has taken legal proceedings to recover such costs);
- (13) the cost of the collection of rents;
- (14) the costs of making good any damage caused by any of the Insured Risks, the Uninsured Risks and acts of terrorism whether or not an Insured Risk (save for any insurance excesses and to the extent that insurance monies are irrecoverable in whole or part in consequence of any act or default or omission of the Tenant or the Tenant's agents employees or other lawful occupiers);
- (15) any costs referred to in clause 8.1(19) below;
- (16) any shortfall in costs of providing any of the services to a Lettable Unit for which the Landlord has agreed a special concession;
- (17) any future development of the Building;
- (18) any marketing or promotion activities relating to the Building;

- (19) the improvement of any item except where the expenditure can be justified having regard to a cost benefit analysis over the term of the leases in the Building.
- 8.2. Subject to clauses 8.3, 8.4, and 8.5, the Landlord shall act reasonably in providing the Services and shall use all reasonable endeavours to provide the Services and shall provide the Services in an efficient, cost effective and economical manner in accordance with the principles of good estate management.
- 8.3. The Landlord may alter, suspend or cease to provide any Service in its reasonable discretion and in accordance with the principles of good estate management provided that such alteration suspension or cessation does not have any material adverse effect upon the Tenant's use and enjoyment of the Premises or on the maintenance and repair of the structure and exterior of the Building.
- 8.4. Subject to the terms of this lease, the manner, period and standard of provision of the Services will in each case be within the reasonable discretion of the Landlord.
- 8.5. The Landlord shall not be liable for:
- 8.5.1. any failure, interruption or suspension of any of the Services caused by any matter outside its reasonable control but shall use all reasonable endeavours to keep the period of such failure, interruption or suspension to a minimum; or
- 8.5.2. the suspension, alteration or ceasing of any Service in order to (which the Landlord shall use all reasonable endeavours to procure as soon as reasonably practicable} repair, maintain or replace any building, structure, Conduit, plant, machinery or equipment.
- 8.6. The Landlord shall keep full and proper records of its expenditure in relation to its provision of the Services including copies of vouchers and receipts and competitive quotations and shall allow the Tenant upon prior appointment (which appointment the Landlord shall not unreasonably withhold its consent to make) to inspect the said records and at the Tenant's cost take copies thereof.
- 8.7. The Tenant shall in relation to each Service Charge Year pay the Landlord's reasonable estimate of the Service Charge in advance in equal instalments on the Rent Payment Dates during that Service Charge Year Provided that the first instalment of the estimated Service Charge is to be paid on the Term

Commencement Date and will be the appropriate proportion calculated on a daily basis from the date of this lease until and including the day immediately preceding the first Rent Payment Date to occur during the Contractual Term provided always that the Tenant shall not be obliged to pay more than the relevant Service Charge Cap for the corresponding Service Charge Year and provided further that (i) in relation to the Service Charge Year in which the Term Commencement Date occurs, the Service Charge Cap shall be a fair proportion calculated on a daily basis of the Base Service Charge Cap calculated by reference to the number of days from and including the Term Commencement Date to the end of that Service Charge Year relative to 365 and (ii) in relation to the Service Charge Year in which the end of the Term occurs, the Service Charge Cap shall be a fair proportion calculated on a daily basis of the Service Charge Cap for that Service Charge Year calculated by reference to the number of days from and including the beginning of that Service Charge Year to the end of the Term relative to 365.

- 8.8. At least one month before the start of the Service Charge Year the Landlord shall send to the Tenant:-
- (a) a statement of the Service Charge Cap for that Service Charge Year;
 - (b) an estimate of the Service Charge costs for that Service Charge year together with an explanatory commentary, provided that, if the estimated Service Charge exceeds the Service Charge Cap for that Service Charge Year, the statement shall also specify the amount actually payable by the Tenant, in accordance with clause 8.7 ("Service Charge Estimate").
- 8.9 As soon as practicable after the end of each Service Charge Year (and in any event no later than 4 months after the end of the Service Charge Year) the Landlord will prepare and supply the Tenant with:-
- (a) a statement of the Service Charge Cap for that Service Charge Year;
 - (b) the Service Charge Accounts. The Landlord shall allow the Tenant a period of one month from the date of receipt of the Service Charge Accounts to raise enquiries in respect thereof.
- 8.10. If the Tenant's Proportion of the costs incurred by the Landlord in providing the Services for any Service Charge Year exceeds the Service Charge Estimate for that Service Charge Year then following the issue of the Service Charge Accounts, the Tenant shall within 14 days after receipt of written demand pay the excess to the Landlord.

- 8.11. If the Service Charge for any Service Charge Year is less than the Service Charge Estimate for that Service Charge Year, the amount of the overpayment will be credited to the Tenant against the next instalment of the Service Charge Estimate or at the expiry or earlier termination of the Contractual Term forthwith refunded to the Tenant.
- 8.12. The Service Charge Cap shall be reviewed on each Service Charge Cap Review Date to the Indexed Service Charge Cap.
- 8.13. The Indexed Service Charge Cap shall be determined at a Service Charge Cap Review Date by multiplying the Base Service Charge Cap by the All Items index value of the RPI for the month of November immediately preceding the relevant Service Charge Cap Review Date, then dividing the product by the All Items index value of the RPI for the Base RPI Month.
- 8.14. Subject to clause 8.15, if there is any change to the methods used to compile the RPI, including any change to the items from which the All Items index of the RPI is compiled, or if the reference base used to compile the RPI changes, the calculation of the Indexed Service Charge Cap shall be made taking into account the effect of this change.
- 8.15. The Landlord shall, as soon as reasonably practicable, set a reasonable alternative mechanism for reviewing the Service Charge Cap if either:-
- (b) the Landlord or the Tenant reasonably believes that any change referred to in clause 8.14 would fundamentally alter the revision of the Service Charge Cap in accordance with this clause 8, and has given to the other party notice of this belief; or
 - (c) it becomes impossible or impracticable to calculate the Indexed Service Charge Cap at any Service Charge Cap Review Date in accordance with this clause 8.
- This alternative mechanism may (where reasonable) include, or consist of, substituting an alternative index for the RPI, and the Landlord shall notify the Tenant of this alternative mechanism as soon as reasonably possible.
- 8.16. The restriction on the amount of Service Charge and estimated Service Charge payable by the Tenant created by this clause shall have no effect in respect of, and is without prejudice to, any other sums payable by the Tenant pursuant to this lease.
- 8.17. If the Landlord does not demand payment of a Service Charge Estimate in any Service Charge Year the whole of the Service Charge for that Service Charge Year shall be paid by the Tenant within 14 days after receipt of written demand following the issue of the Service Charge Accounts for that Service Charge Year.
- 8.18. The Landlord shall provide the Tenant with a reasonable opportunity to inspect and

take copies of any accounts, invoices, and other documents relating to the Service Charge which are in the possession of the Landlord (or the Landlord's Accountant).

- 8.19. The Landlord may, by giving written notice to the Tenant, change the date given in the definition of the Service Charge Year. Such change will take effect at the end of the then current Service Charge Year which will then be extended to the date given. When such change takes effect the definition of Service Charge Year will be read with the new date substituted for the previous one and the parties hereto shall use all reasonable endeavours to agree such consequential amendments to this lease (and, in particular, to this clause 8) as shall be required to give effect and sense to that change.
- 8.20. The Service Charge for any Service Charge Year may include any costs incurred by the Landlord in relation to the Services or any taxation suffered in any earlier Service Charge Year but which have not been included in the amount for that earlier Service Charge Year.
- 8.21. The Service Charge for the first Service Charge Year of the term may include amounts in respect of any costs incurred by or on behalf of the Landlord before the beginning of the term but which relates to Services supplied to or enjoyed by the Tenant during the term.
- 8.22. Any part of the Service Charge which is applied in reimbursement for costs incurred by the Landlord or in respect of taxation will belong to the Landlord absolutely. The remainder of the Service Charge will be held by the Landlord during the Term on trust for all the persons for the time being entitled to the benefit of or subject to the burden of the Landlord's covenant in clause 8.2 with power to spend the same on any of the Services or in payment of any taxation and at the end of the Term the Tenant's Proportion of the amount standing to the credit of such bank account (less any tax due but subject to clause 8.8) will continue to be held on trust as set out above but (when no longer required) will be refunded within 14 days to the Tenant. Until so spent or paid or released such funds will be held in accordance with clause 8.24.
- 8.23. The remainder will be held either in a client account maintained in accordance with the Estate Agents Act 1979 or by the Landlord in a separate account at a clearing bank in England or Wales. Such account may contain corresponding funds received from the other tenants of the Building. Any interest paid by the bank on such account will be credited to and form part of that account. Any tax payable by the

Landlord in respect of the funds in that account will be paid out of such account. Upon any assignment of the reversion to this lease or the creation of a new immediate reversion to this lease the Landlord shall pay the amount standing to the credit of the Landlord's bank account to the immediate reversioner who shall hold it in accordance with this clause.

9. Rates, taxes and outgoings

9.1 The Tenant shall pay all present and future rates, taxes and other impositions payable in respect of the Premises, their use and any works carried out by the Tenant there, other than:

9.1.1. any taxes payable by the Landlord in connection with any dealing with or disposition of the reversion to this lease; or

9.1.2. any taxes, other than VAT and insurance premium tax, payable by the Landlord by reason of the receipt of any of the rents due under this lease, and if any such rates, taxes or other impositions are payable in respect of the Premises together with other land including any other part of the Building then the Tenant shall pay a fair proportion of such rates.

9.2 The Tenant shall not agree to any revision of the rateable value of the Premises without the written approval of the Landlord such approval not to be unreasonably withheld or delayed.

9.3 To pay all charges for electricity consumed and telephony used in the Premises including any connection and hiring charges and meter charges and to perform and observe all present and future Legal Requirements of the electricity and water supply and telephony service authorities in respect of the supply and consumption of electricity and water in and the use of telephony on the Premises and to keep the Landlord indemnified against any breach thereof.

9.4 Nothing in this lease shall oblige the Tenant to pay for or contribute towards any energy efficiency works or improvements to the Premises or the Building and nor shall the Tenant be obliged to carry out such works or improvements.

10. VAT

10.1 All sums payable by the Tenant are exclusive of any VAT which may be chargeable. The Tenant shall pay VAT on all taxable supplies made to it pursuant to this lease on the due date for making any payment or the passing of any non-monetary consideration in respect of the relevant supply or, on whichever is the later of 10

working days after receipt of written demand and the date on which that supply is made for VAT purposes subject to the provisions of clause 10.2 below.

- 10.2 Every obligation on the Tenant under or in connection with this lease to pay, refund or to indemnify the Landlord or any other person any money or against any liability includes an obligation to refund or indemnify against any VAT chargeable in respect of it save where such VAT is recoverable by the Landlord as input tax and subject to the Landlord delivering to the Tenant a valid VAT invoice.

11. Interest

If the Rent or any other money due under this lease has not been paid within 21 days after its due date (whether, in the case of the Rent, it has been formally demanded or not), the Tenant shall pay the Landlord interest at the Interest Rate (both before and after any judgment) on such Rent or other money for the period from the due date until the date of payment.

12. No set-off

All Rent and other money due under this lease are to be paid by the Tenant without deduction (save where required by law), counterclaim or set-off, whether legal or equitable.

13. Repairs

- 13.1. The Tenant shall keep the Premises in good and substantial repair and shall rebuild and replace them as necessary provided that the Tenant shall not be liable for any damage or destruction by any Insured Risk or any Uninsured Risks or for any latent defect affecting the Premises at the date hereof (which for the avoidance of doubt the Landlord will remedy at its cost) and provided also that the Tenant shall not be required to put or keep the Premises in any better state and condition than their state and condition as at the date of a previous tenant's lease (in the case of the ground floor) and as at the date of this lease (in the case of the first floor) (as each such state and condition is evidenced by the Schedule of Condition).

- 13.2. The Tenant shall not knowingly overload any Conduits, plant or machinery or Landlord's fixtures which form part of the Premises and shall maintain them in accordance with any relevant manufacturers' recommendations.

- 13.3. The Tenant shall (if reasonably required and subject to fair wear and tear) replace or repair all carpets and other floor coverings at the Premises within three months after

the end of the term, so that the carpets and other floor coverings are otherwise in no worse a condition than is evidenced by the Schedule of Condition.

- 13.4. The Tenant shall keep the Premises clean and tidy and clear of rubbish and shall clean all windows and glass at the Premises (both inside and outside) as often as reasonably necessary and keep them unobstructed.
- 13.5. The Tenant shall ensure that any works carried out to any Conduits forming part of the Premises are carried out in accordance with the regulations of the relevant utility supplier.
- 13.6. As soon as reasonably practicable after the Tenant becomes aware of any defect in the Premises or the Building, it shall give the Landlord notice of it and shall at the Landlord's costs take all actions which are reasonably necessary (so far as they are within the Tenant's responsibilities under this lease) to ensure that the Landlord will not incur any liability under the Defective Premises Act 1972 in relation to the Premises.
- 13.7. The Tenant will not be liable under this clause 13 to the extent that damage has been caused by an Insured Risk or (if not an Insured Risk) by terrorism or flood, except to the extent that (in the case of an Insured Risk) any policy of insurance effected by the Landlord pursuant to this lease has been vitiated in consequence of any act or omission of the Tenant, any under-tenant or their workers, contractors or agents or any person on the Premises or at the Building with the actual or implied authority of any of them (and the Tenant has not paid the shortfall to the Landlord).
- 13.8. The Tenant shall not knowingly do anything which may result in damage to any Conduit, plant or machinery or Landlord's fixture which is within the area edged red on Plan 1 but which does not form part of the Premises.

14. Decoration

- 14.1 The Tenant shall decorate the inside of the Premises in the third years of the term and also in the last three months of the term howsoever determined PROVIDED THAT the Tenant shall not be liable to redecorate more than once in any one period of 2 years and provided also that the Tenant shall not be required to put or keep the Premises in any better state of decoration than their state of decoration as is evidenced by the Schedule of Condition).

14.2 The Tenant shall not change the type or colour of the internal decoration of the Premises, nor cover-up or change any part of the architectural decorations of the Premises without the consent or written approval of the Landlord (such consent or approval, in the case of any internal decoration not to be unreasonably withheld or delayed).

14.3 All decoration is to be carried out in a good and proper manner with good quality materials, appropriate for the Permitted Use, but subject always to the second proviso to clause 14.1.

15. Returning the Premises to the Landlord

15.1 At the end of the term the Tenant shall return the Premises to the Landlord with vacant possession and in such a state and condition as is consistent with the Tenant having fully complied with the tenant covenants in this lease.

15.2 If any Legal Requirement with which the Tenant is obliged to comply by virtue of this lease remains outstanding at the end of the Contractual Term, the Tenant shall comply with it before the end of the Contractual Term notwithstanding that the terms of the Legal Requirement provide or allow for compliance after the end of the Contractual Term.

16. Assignments

16.1 The Tenant shall not assign the whole of the Premises without the consent of the Landlord, such consent not to be unreasonably withheld or delayed.

16.2 The Tenant shall not assign part only of the Premises.

16.3 The Landlord and the Tenant agree that for the purposes of section 19(1A) of the Landlord and Tenant Act 1927 the Landlord may withhold its consent to an assignment in any of the circumstances set out in clause 16.4 and may give its consent subject to all or any of the conditions set out in clause 16.5.

16.4 The circumstances are:

- (a) any money due from the Tenant under this lease prior to the giving of the consent shall not have been paid;
- (b) there is a material breach of the tenant covenants relating to the state and condition of the Premises;
- (c) the assignee is a person who, in the reasonable opinion of the Landlord will be or become unlikely to be able to comply with the tenant covenants in

this lease and the assignee is unable to provide additional security reasonably acceptable to the Landlord;

- (d) the assignee (other than a proposed guarantor under an authorised guarantee agreement) is registered or resident in a jurisdiction in which a court order obtained in England and Wales would not necessarily be enforced without re-examination of the merits of the case by the courts of that jurisdiction and the assignee is unable to provide additional security reasonably acceptable to the Landlord; and
- (e) the assignee (other than a proposed guarantor under an authorised guarantee agreement) has state or diplomatic immunity, unless that assignee is the government (or any department or Secretary of State of the government) of the United Kingdom.

16.5. The conditions are that before the assignment is entered into:

- (a) the assignor (and (if reasonable but not otherwise) any other former tenant who by virtue of section 11 of the Landlord and Tenant (Covenants) Act 1995 has not been released from the tenant covenants in this lease) enters into an authorised guarantee agreement in the form set out in schedule 2 (with such amendments as the Landlord may reasonably require) but only where reasonable in all circumstances.
- (b) if reasonably required by the Landlord, one or more persons reasonably acceptable to the Landlord enter into a guarantee and indemnity of the liability of the assignee for the tenant covenants of this lease in the terms set out in schedule 1 (with such amendments as the Landlord may reasonably require and adapted to suit the circumstances in which the guarantee and indemnity is given);
- (c) if reasonably required by the Landlord, the assignee will provide a rent deposit or other security upon such terms as the Landlord reasonably requires;
- (d) the consent of any third party which is needed for the assignment is obtained;
- (e) any outstanding Rent or Service Charge then due by the Tenant is paid;
- (f) where the assignee is not registered or resident in the United Kingdom a legal opinion from lawyers of the relevant jurisdiction addressed to the then Landlord and its mortgagees (if any) and in a form satisfactory to the

Landlord acting reasonably is delivered to the Landlord; and

(g) none of the circumstances in clause 16.4 has come into existence.

16.6. Nothing in this clause 16 will prevent the Landlord from refusing consent to an assignment where it is reasonable to do so, nor from giving consent subject to any other reasonable condition.

17. Underlettings

17.1. The Tenant shall not underlet the whole of the Premises otherwise than in accordance with this clause 17 nor without the consent of the Landlord, such consent not to be unreasonably withheld or delayed.

17.2. The Tenant shall not underlet part only of the Premises save for a Permitted Part.

17.3. The Tenant shall not underlet the Premises together with any property or any right over the Premises not included within this lease nor at a fine or premium, nor at a reverse premium, nor with the giving of any rent free period exceeding such period as is then usual in the open market in respect of such a letting.

17.4. The Tenant shall not underlet the Premises unless before the underlease is granted:

(a) the undertenant enters into a covenant with the Landlord to comply with the tenant covenants in this lease (other than payment of the rents payable hereunder) and the tenant covenants in the underlease in both cases from the date the underlease is granted until the undertenant is released from those covenants by virtue of section 5 of the Landlord and Tenant (Covenants) Act 1995;

(b) if reasonably required by the Landlord, one or more persons reasonably acceptable to the Landlord shall enter into a full guarantee and indemnity (in the terms set out in schedule 1 with such amendments as the parties agree (acting reasonably) and adapted to suit the circumstances in which the guarantee and indemnity is given) of the liability of the undertenant under the tenant covenants in the underlease and in respect of the tenant covenants in this lease (other than payment of the rents payable hereunder) of the undertenant or that the undertenant provides such other security reasonably acceptable to the Landlord; and

(c) the underlease is excluded from sections 24 to 28 of the Landlord and Tenant Act 1954 pursuant to the provisions of section 38A of that Act.

17.5. Any underletting by the Tenant must be in writing and must include the following:

- (a) an agreement between the Tenant and the undertenant excluding the application of sections 24 to 28 of the Landlord and Tenant Act 1954 from applying to the tenancy created by the underlease;
- (b) the reservation of a rent which is not less than the full open market value of the Premises or the relevant Permitted Part at the date the Premises are or the relevant Permitted Part is underlet and which is payable at the same time as the Rent under this lease but shall not prevent the grant of a rent free period under the underlease as is normal in the open market at that time;
- (c) provisions for re-entry by the Tenant in similar circumstances as the Landlord may re-enter the Premises under this lease; and
- (d) provisions restricting assignment, underletting, charging, parting or sharing possession or occupation of the Premises or the relevant Permitted Part in terms similar to those in this lease and which:
 - (i) require the consent of the Landlord (which shall not be unreasonably withheld) to any assignment or underletting and which allow the Landlord to require, and approve (such requirement and approval in each case not to be unreasonably made or withheld) the terms of any direct covenants, guarantees or other securities in favour of the Landlord pursuant to clause 17.4(a); and
 - (ii) in relation to assignments, permit the Tenant to give consent to an assignment of any underlease subject to conditions that the assignee enters into a direct covenant with the Landlord as referred to in clause 17.4(a); and
- (e) contains provisions requiring the consent of the Landlord to be obtained in respect of any matter (other than any other dealing with any underlease than is set out above) for which the consent of the Landlord is required under this lease;

and must otherwise be consistent with and no less onerous (other than the amount of the Rent) than this lease and in a form approved by the Landlord, such approval not to be unreasonably withheld or delayed.

17.6. In relation to any underletting by the Tenant, the Tenant shall:

- (a) not vary terms of the underletting without the consent of the Landlord, such

consent not to be unreasonably withheld or delayed;

- (b) enforce the tenant covenants in the underlease and not waive any obligation of, nor reduce, commute or accelerate any rent payable by, the undertenant nor take any other step which would restrict the Landlord's statutory power to collect the underlease rents; and
- (c) unless the Landlord otherwise agrees (such agreement not to be unreasonably withheld), refuse consent to an assignment of the underlease in any of the circumstances where the underlease permits it to do so and give consent to an assignment subject to the conditions which may be imposed by the terms of the underlease.

18. Sharing occupation

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

19. Charging

- 19.1. The Tenant shall not charge the whole of the Premises without the consent of the Landlord, such consent not to be unreasonably withheld provided that no consent shall be required for the creation of a floating charge or debenture.
- 19.2. The Tenant shall not charge part only of the Premises.

20. Prohibition of other dealings

Except as expressly permitted by this lease, the Tenant shall not assign, underlet, charge, part with or share possession or occupation of the Premises or hold them on trust for any person, except where a trust arises pending registration of a dealing at HM Land Registry following a dealing permitted by this lease.

21 Registration and notification of dealings and occupation

- 21.1 Within one month of any dealing with or creation, devolution, transmission or parting with possession of any interest in, or of making any arrangement for the occupation of the Premises (other than pursuant to clause 18), the Tenant shall:
 - (a) give the Landlord's solicitors notice of the transaction or event;
 - (b) deliver two certified copies of any document effecting the transaction to the Landlord's solicitors; and
 - (c) pay the Landlord's solicitors a registration fee of not less than £75 (plus VAT).

21.2 If the Landlord requests (acting reasonably), the Tenant shall supply the Landlord with full details of the occupiers of the Premises and the terms upon which they occupy the Premises.

22 Use

22.1 The Tenant shall not use the Premises for any purpose other than the Permitted Use and shall not use the Premises:

- (a) for any illegal or immoral purpose;
- (b) for any noxious, noisy, offensive or dangerous activity;
- (c) as a club, betting office (but this will not prevent the sale of National Lottery tickets), sex shop, amusement arcade;
- (d) for any public exhibition, show or political meeting;
- (e) for any auction sale;
- (f) as a residence or as sleeping accommodation;
- (g) for keeping any animal; nor
- (h) in a manner which would cause a legal nuisance, annoyance, inconvenience, danger, injury or damage to the Landlord, its other tenants or any owner or occupier of neighbouring property.

22.2 The Tenant may only keep machinery and equipment at the Premises which is of a type usually used in connection with the Permitted Use and shall not in any event keep any machinery or equipment at the Premises, nor use it in a manner which may:

- (a) cause damage to the Premises or the Building;
- (b) cause damage to any neighbouring property; or
- (c) cause a nuisance, annoyance inconvenience danger, injury or damage to the Landlord, the other tenants or occupiers of the Building or any owner or occupier of neighbouring property.

22.3 Unless the Premises have been damaged or destroyed by either an Insured Risk or an Uninsured Risk or by another cause wholly outside the control of the Tenant, the Tenant shall not leave the Premises unoccupied for more than one month at a time without:

- (a) making such security and care-taking arrangements as are reasonably necessary to protect the Premises from unlawful entry or occupation, theft and criminal damage;
- (b) taking any other steps reasonably required by the Landlord or required or recommended by the insurers of the Premises;

- (c) paying any increase in the insurance premiums for the Premises or any other property resulting from the Premises being unoccupied; and
- (d) notifying the Landlord when the Premises are reoccupied.

22.4 If the Premises are continuously unoccupied for more than one month to provide such security and caretaking arrangements as are reasonably necessary to give the Premises reasonable protection from vandalism, theft or unlawful occupation and if the insurance premiums payable in respect of the Building or any adjoining or neighbouring premises owned by the Landlord are increased by reason of the Premises being unoccupied to pay to the Landlord on demand all such increased premiums.

23 Alterations

23.1 The Tenant shall not make any external or structural alterations or additions and shall not unite the Premises with any adjoining property.

23.2 The Tenant shall not make any internal, non-structural alterations or additions to the Premises which would interfere with any Conduits, plant or machinery or Landlord's fixtures at the Building, other than those which form part of the Premises and shall not make any other internal, non-structural alterations or additions unless the Tenant first:

- (a) supplies details of the proposed alterations to the Landlord together with three copies of any appropriate plans and specifications; and
- (b) obtains all necessary consents of any competent authority and pays all charges in connection with such consents

and then not without the consent of the Landlord, such consent not to be unreasonably withheld or delayed.

23.3 As a condition of giving such consent, the Landlord may require the Tenant to:

- (a) pay all legal and other expenses properly and reasonably incurred by the Landlord in connection with such consent;
- (b) reinstate the Premises to the condition they were in before the alteration was made, where the alteration does not add to the letting value of the Premises and such a requirement is reasonable;
- (c) enter into such other covenants with the Landlord relating to the carrying out, reinstatement, the insurance of the works, the provision of security for their completion and such other matters as may be reasonable.

23.4 If the Tenant installs or makes any alteration to any Conduits, such installation or

alteration must be made in accordance with the regulations and recommendations of the relevant utility suppliers.

23.5 Without prejudice to the Tenant's other covenants in this lease, the Tenant may erect and remove non-structural demountable, internal partitioning at the Premises without the consent of the Landlord.

23.6 If the Tenant makes any alterations whether with or without the Landlord's consent and/or erects any partitioning, it must remove the same before the end of the term and make good any damage caused to the Premises.

24 Advertisements, Signs and Aerials

24.1 Except as permitted by clauses 23 or 24, the Tenant shall not exhibit any advertisement, notice or sign outside any building at the Premises or inside any such building so as to be seen from the outside.

24.2 The Tenant shall not allow anything to project from the Premises nor hang anything from the windows at the Premises, nor have any window box at the Premises.

24.3 The Tenant may, with the written approval of the Landlord, such approval not to be unreasonably withheld or delayed, display signage in the entrance hall to the Building and on or adjacent to any internal doors leading to the Premises and on the exterior of the Building showing the Tenant's name and business and signage indicating the designation of the parking spaces identified in clause 3.1.4 as being for the exclusive use of the Tenant, the size, position and nature of which, in each case, has been first approved in writing by the Landlord, such approval not to be unreasonably withheld or delayed. The Tenant shall remove such signage at the end of the term and make good any damage caused by such removal.

25 Compliance with Legal Requirements

25.1 The Tenant shall comply with all Legal Requirements for the time being in force relating to the Premises or to the use of them by the Tenant, any undertenant or any other person at the Premises with the consent of the Tenant or any undertenant.

25.2 The Tenant shall not knowingly do or knowingly omit anything which would result in the Landlord being liable to pay any levy, charge, penalty, damages, compensation or costs under any Legal Requirement and shall indemnify the Landlord against all such liability.

26 Town Planning

26.1 The Tenant shall comply with the Planning Acts and with any planning permission relating to the Premises in existence at the date of this lease.

26.2 The Tenant shall not apply for planning permission for the Premises without the Landlord's consent, such consent not to be unreasonably withheld or delayed.

27 Compliance with Construction Regulations

27.1 Where the Construction Regulations apply, the Tenant shall plan, carry out and complete all relevant works which the Tenant carries out at the Premises in accordance with the Construction Regulations.

27.2 In relation to any relevant work carried out at the Premises, the Tenant shall:

- (a) obtain all documents which, in accordance with the Construction Regulations should be placed in the health and safety file for the Building;
and
- (b) give copies of such documents to the Landlord as soon as possible after completion of such work if reasonably requested by the Landlord.

28 Fire Safety and Prevention

28.1 The Tenant shall keep the Premises equipped with all fire prevention, detection and fighting equipment which is required by law, or required by the insurers of the Building or reasonably recommended by them and shall keep such equipment available for inspection by the insurers and properly maintained.

28.2 The Tenant shall not obstruct the access to or means of working such equipment or the means of escape from the Premises in case of fire.

29 Allowing the Landlord to enter the Premises

29.1 The Tenant shall allow the Landlord to enter the Premises at reasonable times and on reasonable notice (except in the case of an emergency) for any of the following purposes:

- (a) to view and record the state, condition and use of the Premises and to determine whether the tenant covenants are being complied with;
- (b) to prepare a notice identifying any breaches of the tenant covenants and requiring the Tenant to remedy them;
- (c) to remedy any material breach of covenant for which the Tenant is liable and which the Tenant has failed to do in accordance with this lease;
- (d) to take any steps which the Landlord reasonably considers necessary because the Premises are vacant, including securing the Premises against unlawful occupation, theft or criminal damage, putting the Premises into a

safe, clean and tidy state, boarding or whitewashing the windows or placing a display or a sign or signs in the windows;

- (e) to take any step in connection with the insurance of the Building;
- (f) to exercise any right excepted and reserved by this lease;
- (g) to carry out any of the Services;
- (h) to comply with any landlord covenant in this lease;
- (i) to make any connection into any Conduits at the Premises;
- (j) to comply with any Legal Requirements of any competent authority or any third party having rights over the Premises (including any related to a Third Party Right} or any neighbouring property; or
- (k) to fix a notice-board on the exterior of the Premises (but not on any of the windows) for the reletting (save where the Tenant has the right to renew this Lease) or the sale of the Landlord's interest in the Premises, in which case the Tenant shall not remove or obscure such notice-board provided that it has been fixed in a position which does not obscure or interfere with the Tenant's business and for any other purpose mentioned in this lease or for any other reasonable purpose connected with this lease or with the Landlord's interest in the Premises, the Building or any neighbouring property.

29.2 If the Landlord gives notice during the term of any breach of covenant relating to the state and condition of the Premises for which the Tenant is liable, the Tenant shall:

- (a) start the necessary remedial work within 2 months after the date of the notice or sooner if reasonably required;
- (b) proceed diligently and without interruption to complete the work; and
- (c) use reasonable endeavours to complete the work within such period or periods as the Landlord may reasonably specify in the notice, or any longer period which the Landlord may allow the Tenant.

29.3 If the Tenant does not comply with clause 29.2, then, without prejudice to the Tenant's liability for any breach of covenant, the Tenant shall allow the Landlord to enter the Premises and carry out the work in default PROVIDED THAT the Landlord shall not be permitted to enter where the works are of a minor or decorative nature only.

29.4 In all cases the Tenant shall permit entry at any reasonable time requested by the Landlord for any purpose in connection with this lease on reasonable written notice (except in the case of an emergency). If the Landlord is allowed to enter the Premises, then any of the Landlord's workers , contractors, agents and professional advisers may also enter the Premises in the same circumstances.

29.5 The Landlord will not be obliged to enter the Premises in any of the circumstance where it may do so, and if it does enter the Premises and if it takes any steps or carries out any works to or at the Premises, then such entry, steps and works will be without prejudice to the liability of the Tenant for any breach of covenant and to any other right or remedy of the Landlord in respect of such breach.

29.6 Anyone entering shall cause as little noise damage and inconvenience as reasonably practicable and shall forthwith make good any damage caused (whether to the Premises, the Tenant's fixtures and fittings or otherwise) in consequence of it entering the Premises pursuant to this clause 29 (including where entry to the Premises is reasonably necessary in connection with a material breach of any repairing covenant).

30 Encroachments

30.1 The Tenant shall not (save where consequent upon any permitted alterations or signage) grant any right or licence over the Premises to a third party.

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

- (a) as soon as reasonably practicable after becoming aware give notice to the Landlord; and
- (b) take such steps at the Landlord's cost as the Landlord reasonably requires to prevent or license the continuation of such encroachment or action.

31 Obstructions

The Tenant shall not obstruct any window at, nor the flow of light or air to the Premises nor any means of access to the Premises nor acknowledge that any light or the flow of air to the Premises or means of access to the Premises is enjoyed by consent of any other person.

32 Security

The Tenant shall keep the Landlord informed of the name and address and

telephone number of at least one key-holder of the Premises.

33 Substitute guarantor

33.1 If any of the following events occurs in relation to a guarantor, the Tenant shall give the Landlord notice of it and, if the Landlord reasonably requires, procure that a guarantee and indemnity in the form set out in schedule 1 with such amendments as are reasonably required in the circumstances is executed and delivered to the Landlord within one month of such event by such other person or persons who shall be reasonably acceptable to the Landlord.

33.2 The events are:

- (a) where that guarantor is a corporation, any of the events referred to in clause 39.1(c) occurs in relation to that corporation or
- (b) where that guarantor is an individual, any of the events referred to in clause 39.1(d) occurs in relation to that individual.

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

34 Notices received by the Tenant

As soon as reasonably practicable after receipt of any consent, notice or other communication which may affect the Landlord's interest in the Premises or the Building, including any notice under the Party Wall etc. Act 1996 relating to the Premises or the Building or any neighbouring property, the Tenant shall send a copy of the relevant document to the Landlord, and at the Landlord's reasonable request and cost shall make, or join the Landlord in making, such objections or representations against or in respect of such notice, order or communication or serve such counter notice as the Landlord reasonably deems expedient, and shall not take any other action without the Landlord's written approval (such approval not to be unreasonably withheld or delayed) PROVIDED THAT the Tenant shall not be obliged to do anything which is contrary to its genuine business interests.

35 Costs

35.1 The Tenant shall pay the reasonable and properly incurred costs and expenses incurred by the Landlord, any mortgagee and their respective professional advisers in connection with:

- (a) any breach of covenant by the Tenant, including any costs and expenses incurred in remedying the breach of covenant;

- (b) any notice requiring the Tenant to remedy a breach of any of the tenant covenants and any notice served under section 17 of the Landlord and Tenant (Covenants) Act 1995;
- (c) the preparation and service of a schedule of dilapidations during or within one month after the end of the term and relating to dilapidations which occurred prior to the expiry of the Contractual Term; and
- (d) any consent or approval applied for under this lease unless such consent or approval is unlawfully withheld (any such costs and expenses under this clause 35.1(d) to be proper and reasonable).

36. Indemnity

The Tenant shall keep the Landlord indemnified against all reasonable and proper expenses, demands, costs, claims and losses (including any diminution in the value of the Landlord's interest in the Premises or the Building and loss of amenity of the Premises or the Building) arising from any breach of any of the tenant covenants in this lease. This indemnity will not extend to any criminal liability of the Landlord.

37. Information

The Tenant shall supply with Landlord with such information and documents as it may reasonably request from time to time to show that the Tenant is complying with the tenant covenants in this lease.

38. Landlord's covenant for quiet enjoyment and enforcement

38.1 The Landlord agrees that the Tenant will have quiet enjoyment of the Premises without any interruption by the Landlord or any person claiming title through the Landlord.

38.2 The Landlord agrees that (at the request of the Tenant) it will use all reasonable endeavours to enforce the covenants on the part of other tenants and occupiers of the Building.

39. Condition for re-entry

39.1 The Landlord may re-enter the Premises at any time after any of the following occurs:

- (a) any rent is unpaid 14 days after becoming payable whether it has been formally demanded or not;
- (b) there is a breach of any of the tenant covenants in this lease;
- (c) where the Tenant is a corporation:
 - (i) a voluntary arrangement (as defined in section 1 of the Insolvency Act

1986) is implemented in respect of the Tenant;

- (ii) an administration order is made in relation to the Tenant;
 - (iii) a receiver or manager (including an administrative receiver) is appointed in relation to any property or income of the Tenant;
 - (iv) a voluntary winding-up is commenced under section 84 of the Insolvency Act 1986 in respect of the Tenant, 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;
 - (v) a winding-up order is made in respect of the Tenant;
 - (vi) a meeting is convened or any other step is taken for the purpose of making or proposing to enter into or make any arrangement, compromise or composition for the benefit of any creditors or the Tenant;
 - (vii) the Tenant is struck off the Register of Companies or it otherwise ceases to exist;
 - (viii) if it is registered with unlimited liability, it applies to be registered with limited liability;
- (d) where the Tenant is an individual the Tenant makes an assignment for the benefit of its creditors or convenes a meeting or takes any other step for the purpose of making or proposing to make any compromise, arrangement or composition of its creditors;

39.2 If the Landlord re-enters the Premises pursuant to this clause , this lease will immediately end, but without prejudice to any right or remedy of either party in respect of any breach of covenant by the other.

40. Notices in connection with this lease

40.1 Unless otherwise specified in this lease, a notice in connection with this lease must be in writing and will be validly served if the recipient or its authorised agent acknowledges receipt or if it is delivered by hand or sent by registered post or recorded delivery post to:

- (a) the recipient's registered office, if the recipient is a company incorporated in England and Wales or in Scotland or in Northern Ireland; or
- (b) if the recipient is the Landlord, the latest address within England and Wales which the Landlord has notified in writing to the Tenant; or

(c) otherwise, the recipient's address given in this lease.

40.2 A notice delivered by hand is to be treated as served that day if delivered before 4pm and otherwise on the next working day and if sent by registered post or recorded delivery post is to be treated as served on the third working day after posting whenever and whether or not it is received.

40.3 The provisions of this clause 40 do not preclude the service of a notice in connection with this lease by any other method authorised by any statute.

41. Redevelopment of the Building and development of neighbouring property

The Landlord will be entitled to carry out or permit the development or redevelopment of the Building or the redevelopment of any neighbouring property, to build on or into any roof or boundary wall of the Building and to re-route any Conduits at or serving or access to the Premises. And in each case the Landlord may do so even if this results in a reduction in the flow of light or air to the Premises but provided always that the Tenant's use and occupation of the Premises and access thereto shall not in any case be materially adversely affected thereby.

42. Landlord's liability

42.1 To the extent that the law allows the Landlord will be under no liability to the Tenant except where the Landlord expressly undertakes that liability in this lease.

42.2 The Landlord will not be liable to the Tenant or any other person claiming through the Tenant for any damage which may be caused by the stoppage of or any defect in any Conduit, plant or machinery in or serving the Premises, the Building or any neighbouring property save where such stoppage or defect is as a result of a breach of any of the Landlord's covenants or obligations contained in this lease.

42.3 In any case where the facts are or should reasonably be known to the Tenant, the Landlord will not be liable to the Tenant in respect of any failure of the Landlord to perform any landlord covenant in this lease unless and until the Tenant has given the Landlord notice of the facts giving rise to the failure and the Landlord has not within a reasonable time remedied the failure.

43. Exclusion of representations and warranties

43.1 The Tenant acknowledges that it has not entered into this lease in reliance (wholly or partly) on any statement or representation made by or on behalf of the Landlord except in so far as any such statement or representation is expressly set out in this lease or has been made in writing by the Landlord's solicitors to the

Tenant's solicitors before the date of this lease.

43.2 Nothing in this lease or in any consent or approval granted by the Landlord under this lease will imply or warrant that the Premises may lawfully be used for any purpose authorised by this lease or by any such consent or approval.

43.3 This clause 43 will not affect liability for any fraudulent statement or representation.

44. Performance impossible

Nothing in this lease will make the Landlord or the Tenant liable in respect of any breach of the landlord covenants or the tenant covenants in this lease if and for so long as the performance or observance of them becomes impossible or illegal under the Planning Acts or any other Legal Requirement but in such circumstances the term will continue.

45. Tenant's effects

45.1 The Tenant irrevocably appoints the Landlord to be the Tenant's agent to store or dispose of any items left by the Tenant on the Premises for more than 14 days after the end of the Contractual Term subject to any conditions which the Landlord reasonably thinks fit and without the Landlord being liable to the Tenant except (but subject to clause 45.2) to account for the net proceeds of sale less the cost of storage and any other expenses reasonably incurred by the Landlord.

45.2 Any items belonging to the Tenant which are left at the Premises on or after the end of the term will be subject to a lien in favour of the Landlord in respect of any liability of the Tenant to the Landlord in connection with this lease. The Landlord will have power to sell or otherwise dispose of all such items on whatever terms the Landlord thinks fit and to apply the net proceeds of such sale or disposal towards satisfaction of such liability SAVE THAT the Landlord shall destroy (at the Tenant's cost) any copyrighted or trademark material or any other such items of the Tenant and will not be entitled to retain or sell any such items.

46 Indemnity

Where in this lease the Tenant indemnifies the Landlord in respect of any act matter or thing the Landlord shall consult with the Tenant in connection with any action claim cost proceeding (or any similar matter) and shall use all reasonable endeavours to mitigate its loss.

47. Tenant's break right

47.1 Subject to the conditions in clause 47.2 being satisfied at the Break Date, the Tenant may determine this lease on the Break Date by giving the Landlord not less than six months' prior written notice.

47.2 The conditions are that:

(a) The Rent shall have been paid in full to the Break Date; and

(b) The Tenant gives up to the Landlord occupation of the Premises on the Break Date.

47.3 Termination of the lease will be without prejudice to the rights of the Landlord or the Tenant in respect of any breach occurring before the Break Date.

47.4 Time will be of the essence for the purpose of this clause.

47.5 Any Rent and other monies paid by the Tenant for or in respect of any period after the Break Date will be refunded to the Tenant by the Landlord within 21 days after the Break Date.

48 Contracts (Rights of Third Parties) Act 1999

No third party shall have any rights under or in connection with this lease by virtue of the Contracts (Rights of Third Parties) Act 1999.

49 Landlord and Tenant (Covenants) Act 1995

This lease is a new tenancy within the meaning of the Landlord and Tenant (Covenants) Act 1995

SCHEDULE 1
CONTRACTUAL GUARANTEE

1. Interpretation

1.1 In this schedule references to the "Principal" are to the Tenant named as a party to this lease and not to that person's successors in title and a "Relevant Event" is any of the following:

- (a) the disclaimer of the liability of the Principal of its obligations under this lease;
- (b) the Principal going into liquidation (within the meaning of section 247 of the Insolvency Act 1986) or being struck off the register of companies or otherwise ceasing to exist;
- (c) the Landlord re-entering the Premises.

1.2 References to paragraphs are to paragraphs of this schedule.

2. Guarantee and indemnity

2.1 The Guarantor covenants with the Landlord first by way of guarantee and secondly as a separate and independent primary obligation, that while the Principal is bound by the tenant covenants of this lease:

- (a) the Principal will pay the rents reserved by this lease and observe and perform the tenant covenants of this lease; and
- (b) if the Principal fails to pay any of those rents or to observe and perform any of those tenant covenants, the Guarantor will pay or observe and perform them.

2.2 The Guarantor covenants with the Landlord that if the Landlord has refused a tender of any sum due under this lease by the Principal at a time when the Landlord is reasonably entitled or would, after service of a notice under section 146 of the Law of Property Act 1925, be reasonably entitled to re-enter the Premises, the Guarantor will on written demand pay the Landlord a sum equal to the sum refused.

2.3 The Guarantor covenants with the Landlord that it will keep the Landlord indemnified against all claims, losses, damages, liabilities, costs and expenses sustained by the Landlord by reason of or arising in any way out of the Principal's failure:

- (a) to pay any of the rents reserved by this lease or to observe and perform

any of the tenant covenants of this lease, or

- (b) to observe and perform its obligations under an authorised guarantee agreement.

2.4 The Guarantor's covenants are made in consideration of the grant of this lease by the Landlord to the Tenant or the Landlord's consent to the assignment of this lease to the Tenant.

3. Preservation of Guarantor's liability

3.1 The liability of the Guarantor will not be affected by:

- (a) any time or indulgence granted by the Landlord to the Principal whether under this lease or under an authorised guarantee agreement;
- (b) any neglect or forbearance of the Landlord in enforcing the payment of any of the rents or the observance or performance of any of the tenant covenants;
- (c) any variation of this lease, whether made with or without the consent or knowledge of the Guarantor and whether or not material or prejudicial to the Guarantor except to the extent that the liability of the Guarantor may be affected by virtue of section 18 of the Landlord and Tenant (Covenants) Act 1995;
- (d) any refusal by the Landlord to accept any rents from the Principal in the circumstances mentioned in paragraph 2.2 and in which event paragraph 2.3 applies;
- (e) the surrender of part of the Premises except that the Guarantor will not be under any liability in relation to the surrendered part in respect of any period after the surrender;
- (f) without prejudice to paragraph 6 or 7, the occurrence of a Relevant Event or the Landlord being otherwise entitled to re-enter the Premises;
- (g) or by any other act or thing except an express written release of the Guarantor by the Landlord.

3.2 Where the Guarantor consists of more than one person, the liability of such persons is joint and several and the release of any one or more such person will not release or otherwise affect the liability of the other or others.

4. Guarantor to join in supplemental documents

Without prejudice to paragraph 3, the Guarantor shall at the request of the Landlord join in and give its consent to the terms of any licence, consent or other instrument which may be entered into by the Principal in connection with this lease.

5. Guarantor to take a new lease

5.1 The Guarantor covenants with the Landlord that if the Landlord gives the Guarantor notice within three months after the Landlord receiving notice of a Relevant Event (as mentioned in paragraph (a) or (b) of the definition of that term) having occurred or within three months after the Landlord having re-entered the Premises (as the case may be), the Guarantor will, enter into a new lease of the Premises on the terms set out in paragraph 5.2.

5.2 The new lease will take effect from the date of the Relevant Event and will:

- (a) be granted subject to the right of any person to have this lease vested in them by the court and to the right of any person to apply to the court for relief from forfeiture of this lease and to the terms on which any such order may be made or relief given;
- (b) be for a term equal to the residue of the Contractual Term granted by this lease which would have remained had the Relevant Event not occurred;
- (c) reserve as an Rent an amount equal to the Rent which is reserved by this lease on the date of the Relevant Event (subject to paragraph 7); and
- (d) otherwise be on the same terms as in this lease, except that the Guarantor will not be required to procure a guarantor of its obligations under the new lease (but this will not prevent the Guarantor being required if this is reasonable but not further or otherwise to enter into an authorised guarantee agreement if it assigns the new lease).

5.3 The Guarantor will pay the Landlord's solicitors' proper and reasonable costs and disbursements and any VAT on them in relation to the new lease and will execute and deliver to the Landlord a counterpart of the new lease within one month after service of the Landlord's notice or ten working days after the receipt of the counterpart of the new lease if later.

5.4 The grant of a new lease and its acceptance by the Guarantor will be without prejudice to any other rights which the Landlord may have against the Guarantor or against any other person in connection with this lease.

6 Payment by the Guarantor

- 6.1 If, following a Relevant Event, the Landlord has not given the Guarantor notice in accordance with paragraph 5.1, the Landlord may give the Guarantor notice citing this paragraph 6.1 no later than three months after the Landlord has received notice of the Relevant Event (if within paragraph (a) or (b) of the definition of that term) or no later than three months after the Landlord shall have re-entered the Premises (as the case may be) requiring payment under this paragraph.
- 6.2 The Guarantor covenants with the Landlord that, subject to paragraph 6.3, it will immediately following service of a notice pursuant to paragraph 6.1, pay the Landlord a sum equal to three months' Rent at the rate (subject to paragraph 7) which is reserved by this lease at the date of the Relevant Event.
- 6.3 The Guarantor covenants with the Landlord that if before the Landlord has given notice under paragraph 6.1:
- (a) the Premises have been re-let, or
 - (b) relief from forfeiture of this lease has been granted by the court, or
 - (c) a vesting order in respect of the whole of this lease has been made by the court,
- it will, subject to the terms (if any) upon which relief has been granted or of the vesting order, pay the Landlord a sum equal to the Rent at the rate which is reserved by this lease at the date of the Relevant Event (subject to paragraph 7) for the period from the date of the Relevant Event until the date the Premises were re-let, relief was granted or the vesting order was made (as the case may be).
- 6.4 Payment by the Guarantor of the sum demanded under this paragraph will release the Guarantor from any further liability to the Landlord and will be without prejudice to any other rights of the Landlord against any other person in connection with the lease.

7. Rent at date of Relevant Event

If at the date of the Relevant Event there is any abatement or suspension of the Rent, then, for the purposes for this schedule, the Rent will be deemed to be the Rent which would be reserved but for the abatement or suspension but without prejudice to the provisions relating to abatement or suspension of rent to be contained in the new lease.

8. Guarantor not to claim in competition

The Guarantor shall not claim in priority to the Landlord in any distribution of the assets of the Principal and if it receives any money in any distribution of such assets

it shall pay such money to the Landlord to the extent of the Guarantor's liability to the Landlord.

9. Guarantor not to take security

The Guarantor shall not take any security from or over the assets of the Principal in respect of any liability of the Principal to the Guarantor under this lease, and if it does take or hold any such security it shall hold it for the benefit of the Landlord to the extent of the Guarantor's liability to the Landlord.

10. Time not of the essence

Time will not be of the essence for the purposes of this schedule.

11. Section 25 Landlord and Tenant (Covenants) Act 1995

To the extent that any provision of this schedule is rendered void by virtue of section 25 of the Landlord and Tenant (Covenants) Act 1995, it will be modified to the extent needed so that it will not be rendered void, or, if it cannot be so modified it will be severed from this schedule. In such circumstances this schedule will not otherwise be affected.

SCHEDULE 2
FORM OF AUTHORISED GUARANTEE AGREEMENT

THIS AGREEMENT is made on

BETWEEN

- | | |
|-----|----------------------------|
| (1) | (The Landlord) |
| (2) | (the Authorised Guarantor) |

IT IS AGREED

1. Interpretation

1.1 In this agreement the following definitions apply:

Assignee:

Lease:

Premises:

Rent:

1.2. Unless the context otherwise requires, a reference in this agreement to the Landlord includes a reference to the immediate reversioner of the Lease for the time being.

1.3. Any covenant in this agreement by the Authorised Guarantor not to do something includes a covenant not to permit or suffer it to be done and to use all reasonable endeavours to prevent it being done by another person.

1.4. At any time when the Landlord or the Authorised Guarantor comprises more than one person, obligations expressed or implied to be made by or with that party are made by or with those persons jointly and severally

1.5. The expressions "landlord covenants" and "tenant covenants" have the same meaning as those given by section 28(1) of the Landlord and Tenant (Covenants) Act 1995.

1.6. Headings are for convenience only and do not affect the meaning of this agreement.

1.7. References in this agreement to a clause without further designation are references to the clause of this agreement so numbered.

2. Assignment by the Authorised Guarantor

2.1 The Authorised Guarantor intends to assign the Lease to the Assignee and the Lease requires the consent of the Landlord to such assignment. The Landlord has by a licence dated [] given its consent to the assignment subject to a condition that the Authorised Guarantor enters into this agreement, and this agreement is made pursuant to that condition.

2.2 This agreement takes effect on the date of the instrument of assignment of the Lease by the Authorised Guarantor to the Assignee and shall continue until the end of the term of the Lease (however it may end) or until the Assignee is released from the tenant covenants of the Lease by virtue of the Landlord and Tenant (Covenants) Act 1995, if earlier.

3. Guarantee and indemnity

3.1 The Authorised Guarantor covenants with the Landlord first by way of guarantee and secondly as a separate and independent primary obligation that from the date the Assignee becomes bound by the tenant covenants of the Lease until it is released from them by virtue of the Landlord and Tenant (Covenants) Act 1995:

- (a) the Assignee will pay the rents reserved by the Lease and observe and perform the tenant covenants of the Lease; and
- (b) if the Assignee fails to pay any of those rents or to observe and perform any of those tenant covenants, the Authorised Guarantor will pay or observe and perform them.

3.2 The Authorised Guarantor covenants with the Landlord that if the Landlord has refused a tender of any sum due under the Lease at a time when the Landlord is reasonably entitled or would, after service of a notice under section 146 of the Law of Property Act 1925, be reasonably entitled to re-enter the Premises, the Authorised Guarantor will on written demand pay the Landlord a sum equal to the sum refused.

3.3 The Authorised Guarantor covenants with the Landlord that it will keep the Landlord indemnified against all claims, losses, damages, liabilities, costs and expenses sustained by the Landlord by reason of or arising in any way out of the Assignee's failure to pay any of the rents reserved by the Lease or to observe and perform any of the tenant covenants of the Lease.

4 Preservation of Authorised Guarantor's liability

4.1 The liability of the Authorised Guarantor will not be affected by:

- (a) any time or indulgence granted by the Landlord to the Assignee;
- (b) any neglect or forbearance of the Landlord in enforcing the payment of any of the rents or the observance or performance of any of the tenant covenants;
- (c) any variation of the Lease, whether made with or without the consent or knowledge of the Authorised Guarantor and whether or not material or prejudicial to the Authorised Guarantor except to the extent that the liability of the Authorised Guarantor may be affected by virtue of section 18 of the

Landlord and Tenant (Covenants) Act 1995;

- (d) any refusal by the Landlord to accept any rents from the Assignee in the circumstances mentioned in clause 3.2 and in which event clause 3.2 applies;
- (e) the surrender of part of the Premises except that the Authorised Guarantor will not be under any liability in relation to the surrendered part in respect of any period after the surrender;
- (e) the Assignee going into liquidation (within the meaning of section 247 of the Insolvency Act 1986) or being struck off the register of companies or otherwise ceasing to exist;
- (f) the Landlord re-entering the Premises or being entitled to re-enter the Premises;
- (g) without prejudice to clause 6, the disclaimer of the liability of the Assignee of its obligations under the Lease;
- (h) or by any other act or thing except released by statute or an express written release of the Authorised Guarantor by the Landlord.

4.2 Where the Authorised Guarantor consists of more than one person, the liability of such persons is joint and several and the release of any one or more such person will not release or otherwise affect the liability of the other or others.

5. Authorised Guarantor to join in Supplemental Documents

Without prejudice to clause 4, the Authorised Guarantor shall at the request of the Landlord join in and give its consent to the terms of any licence, consent or other instrument which may be entered into by the Assignee in connection with the Lease.

6. Authorised Guarantor to take a New Lease

6.1 The Authorised Guarantor covenants with the Landlord that, if the Landlord gives the Authorised Guarantor written notice within six months of the Landlord receiving notice that the liability of the Assignee under the Lease has been disclaimed, the Authorised Guarantor will, enter into a new lease of the Premises on the terms set out in clause 6.2.

6.2 The new lease will take effect from the date of the disclaimer and will:

- (a) be granted subject to the right of any person to have the Lease vested in them by the court and to the terms on which any such order may be made;
- (b) be for a term equal to the residue of the Contractual Term granted by the Lease as at the date of the disclaimer;
- (c) reserve as an Rent an amount equal to the Rent which is reserved by the Lease on the date of the disclaimer (subject to clause 7); and
- (d) otherwise be on the same terms as the Lease (except that the Authorised

Guarantor will not be required to procure a guarantor of its obligations under the new lease (but this will not prevent the Authorised Guarantor being required if this is reasonable but not further or otherwise to enter into an authorised guarantee agreement if it assigns the new lease).

6.3 The Authorised Guarantor will pay the Landlord's solicitors' proper and reasonable costs and disbursements and any VAT on them in relation to the new lease and will execute and deliver to the Landlord a counterpart of the new lease within one month after service of the Landlord's notice or ten working days after the receipt of the counterpart of the new lease if later.

6.4 The grant of a new lease and its acceptance by the Authorised Guarantor will be without prejudice to any other rights which the Landlord may have against the Authorised Guarantor or against any other person in connection with the Lease.

7. Rent at the Date of Disclaimer

If at the date of the disclaimer there is any abatement or suspension of the Rent, then, for the purposes for this agreement, the Rent will be deemed to be the Rent which would be reserved by the Lease but for the abatement or suspension, but without prejudice to the provisions relating to abatement or suspension to be contained in the new lease.

8. Authorised Guarantor not to claim in competition

The Authorised Guarantor shall not claim in priority to the Landlord in any distribution of the assets of the Assignee and, if it receives any money in any distribution of such assets, it shall pay such money to the Landlord to the extent of the Authorised Guarantor's liability to the Landlord.

9. Authorised Guarantor not to take security

The Authorised Guarantor shall not take any security from or over the assets of the Assignee in respect of any liability of the Assignee to the Authorised Guarantor under this lease, and, if it does take or hold any such security, it shall hold it for the benefit of the Landlord to the extent of the Guarantor's liability to the Landlord.

10. Time not of the Essence

Time will not be of the essence for the purposes of this agreement.

11. Contracts (Rights of Third Parties) Act 1999

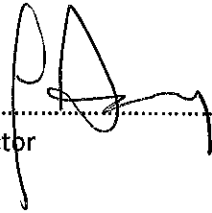
No third party shall have any rights under or in connection with this agreement by virtue of the Contracts (Rights of Third Parties) Act 1999.

12. Section 25 Landlord and Tenant (Covenants) Act 1995

To the extent that any provision of this agreement is rendered void by virtue of section 25 of the Landlord and Tenant (Covenants) Act 1995, it will be modified to the extent needed so that it will not be rendered void, or, if it cannot be so modified, it will be severed from this agreement. In such circumstances this agreement will not otherwise be affected.

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

Executed as a Deed by
LONDON GATE BRIGHTON LIMITED
acting by a Director
in the presence of:-


.....
Director


.....
Witness Signature

Witness Name: PHAEDRA CASSILLIS
Witness Address 4-8 BROADWATER ST EAST, WORTHING BN14 9AA
Witness Occupation: LEGAL EXEC

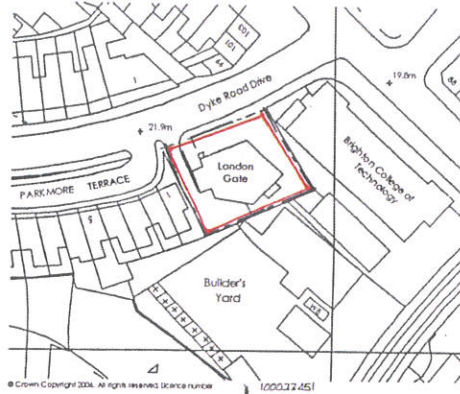
Executed as a Deed by
OPTIMUS CARDS UK LIMITED
acting by a Director
in the presence of:-

.....
Director

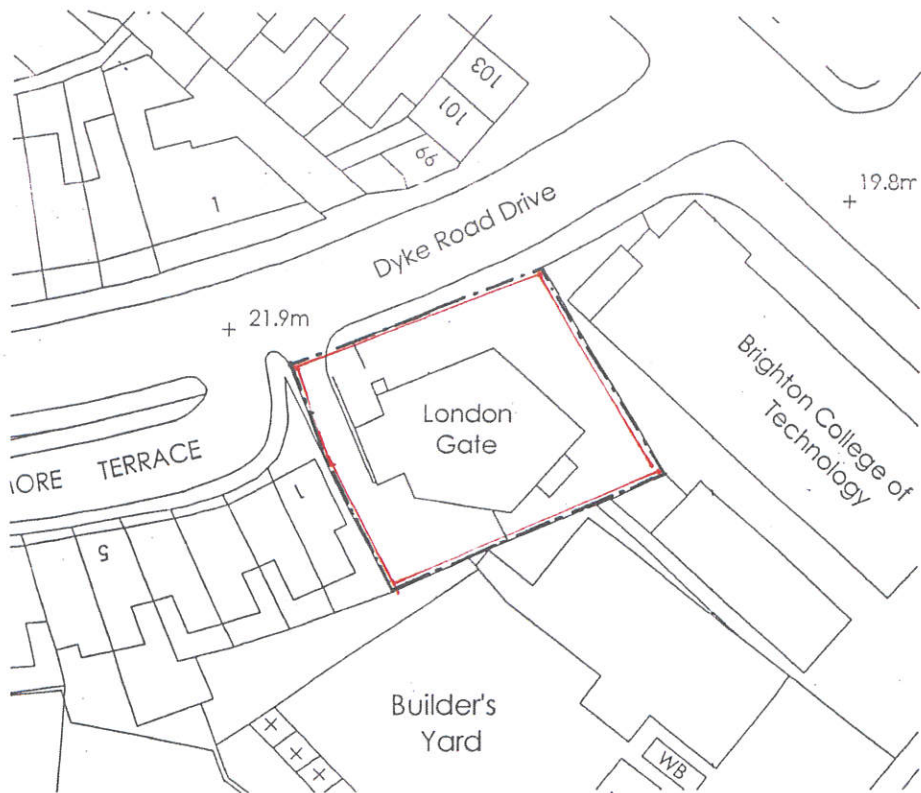
.....
Witness Signature

Witness Name:
Witness Address
Witness Occupation:

PLAN 1

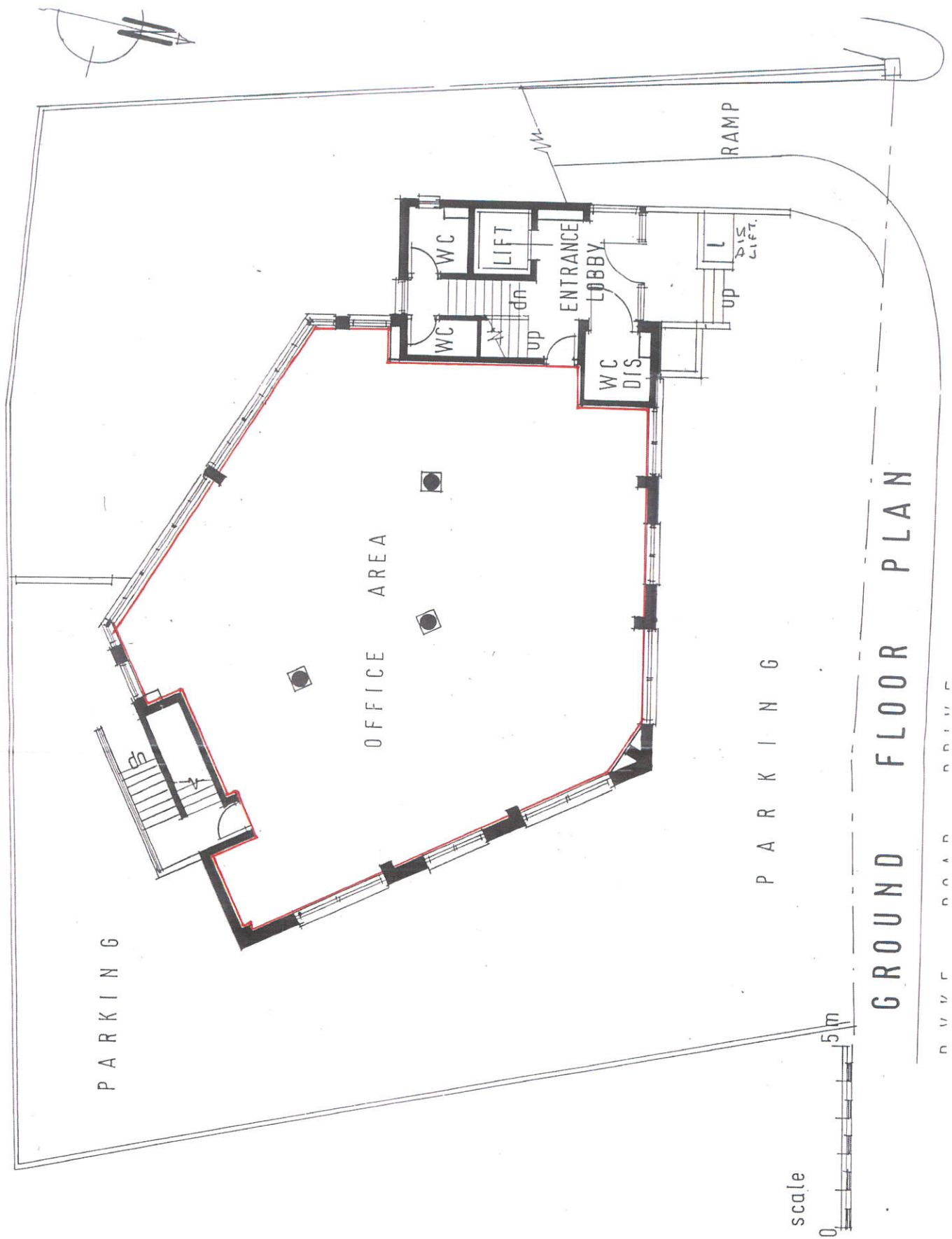


Os Map
1:1250



Block Plan
1:500

LONDON GATE • DYKE ROAD DRIVE
BRIGHTON



PLAN 2A

GROUND FLOOR PLAN

PARKING

PARKING

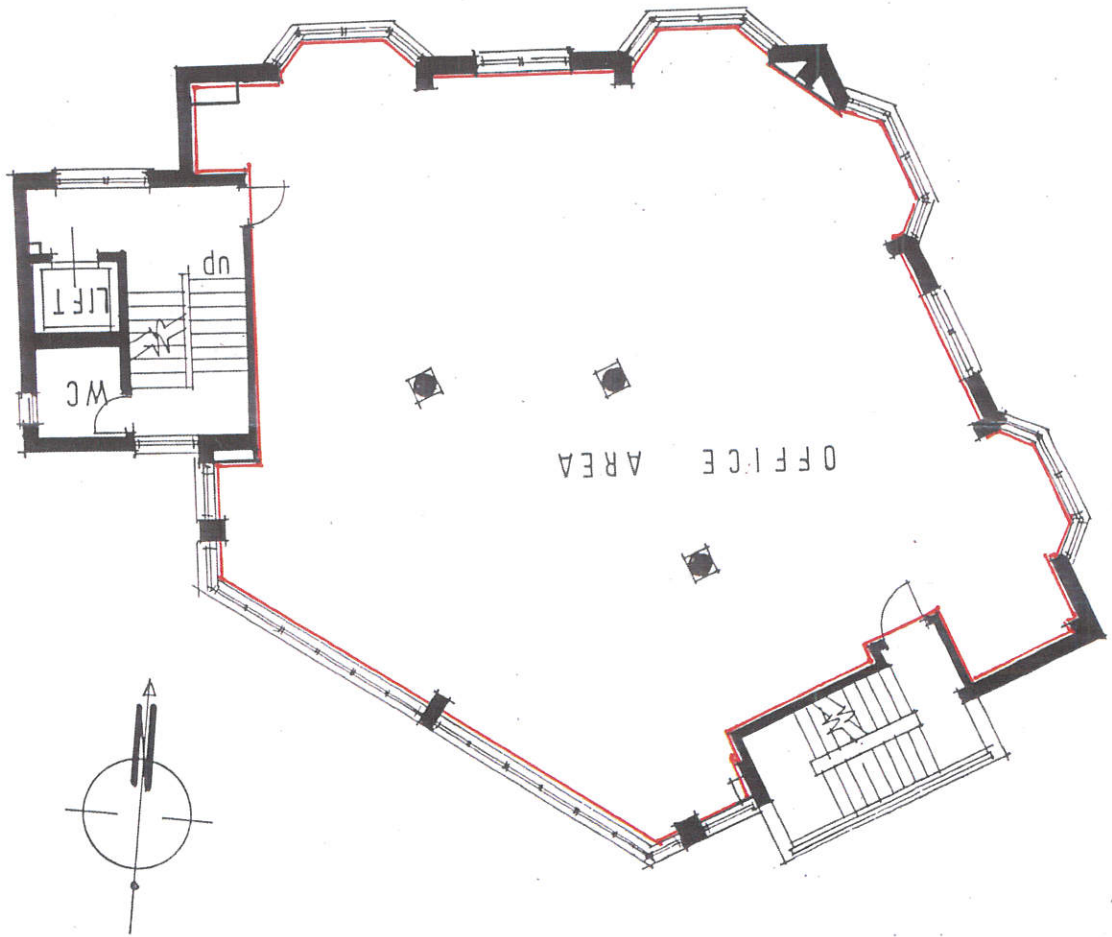
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D V V E R S A R E S S I V E

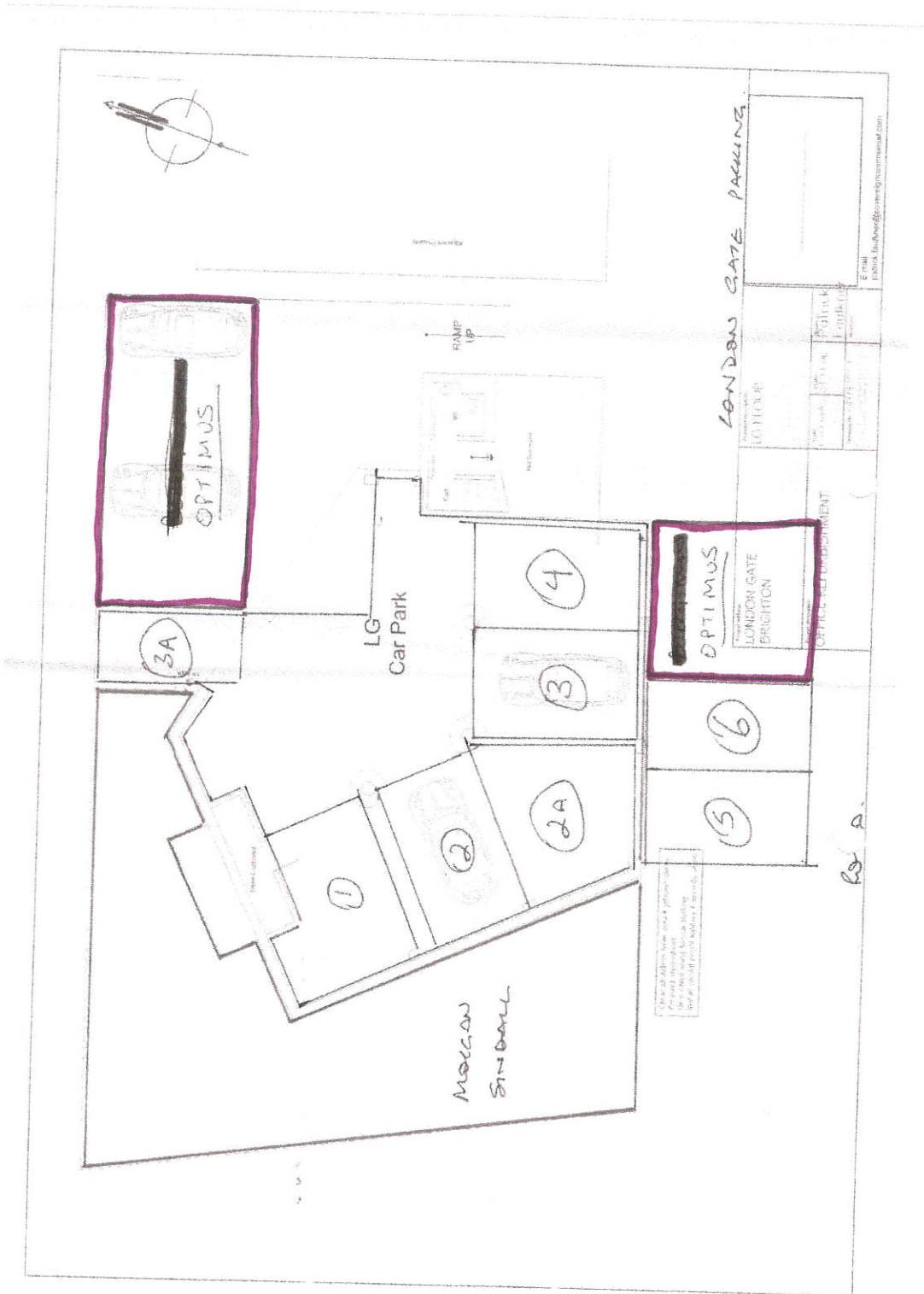
FIRST FLOOR PLAN
LONDON GATE • DYKE ROAD DRIVE • BRIGHTON

scale 0 5m

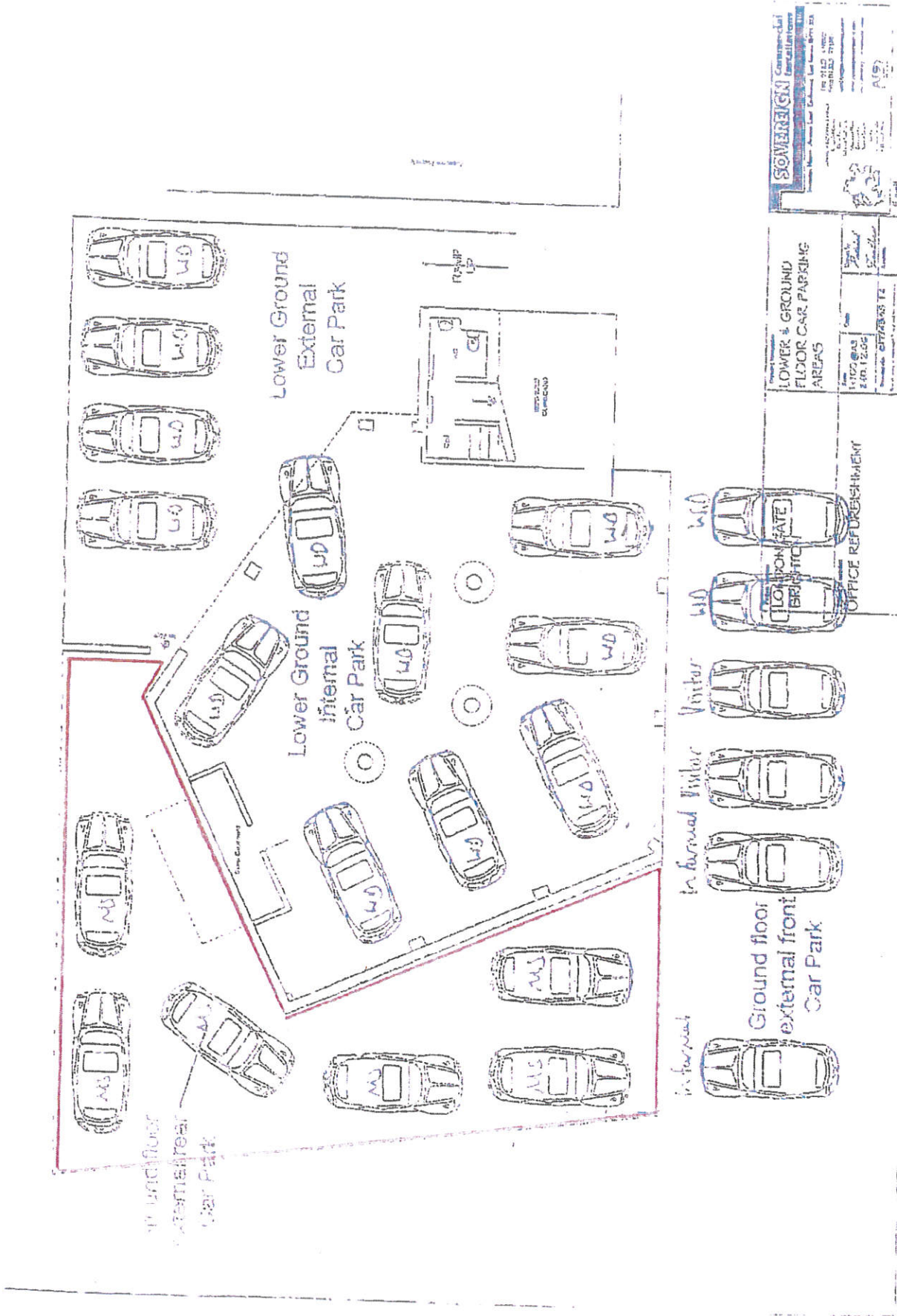


PLAN 2 B

PLAN 3



PLAN 4



Ground Floor



