

- 7.4 If the open market rent is determined by the Surveyor, it shall be the amount that the Surveyor determines is the best annual rent (exclusive of any VAT) at which the Property could reasonably be expected to be let:
- 7.4.1 in the open market;
 - 7.4.2 at the relevant Review Date;
 - 7.4.3 on the assumptions listed in clause 7.5; and
 - 7.4.4 disregarding the matters listed in clause 7.6.
- 7.5 The assumptions are:
- 7.5.1 the Property is available to let in the open market:
 - 7.5.1.1 by a willing lessor to a willing lessee;
 - 7.5.1.2 as a whole;
 - 7.5.1.3 with vacant possession;
 - 7.5.1.4 without a fine or a premium;
 - 7.5.1.5 for a term equal to the unexpired residue of the Contractual Term at the relevant Review Date commencing on the relevant Review Date; and
 - 7.5.1.6 otherwise on the terms of this lease other than as to the amount of the Annual Rent but including the provisions for review of the Annual Rent and other than the provision in this lease for a rent-free period;
 - 7.5.2 the willing lessee has had the benefit of any rent-free or other concession or contribution which would be offered in the open market at the relevant Review Date in relation to fitting out works at the Property;
 - 7.5.3 the Property may lawfully be used, and is in a physical state to enable it to be lawfully used, by the willing lessee (or any potential undertenant or assignee of the willing lessee) for any purpose permitted by this lease;

- 7.5.4 the Landlord and the Tenant have fully complied with their obligations in this lease;
 - 7.5.5 if the Property or any other part of the Building or any Service Media serving the Property, has been destroyed or damaged, it has been fully restored;
 - 7.5.6 no work has been carried out on the Property or any other part of the Building that has diminished the rental value of the Property;
 - 7.5.7 any fixtures, fittings, machinery or equipment supplied to the Property by the Landlord that have been removed by or at the request of the Tenant, or any undertenant or their respective predecessors in title (otherwise than to comply with any law) remain at the Property; and
 - 7.5.8 the willing lessee and its potential assignees and undertenants shall not be disadvantaged by any actual or potential exercise of an option to tax under Part 1 of Schedule 10 to the VATA 1994 in relation to the Property.
- 7.6 The matters to be disregarded are:
- 7.6.1 any effect on rent of the fact that the Tenant or any authorised undertenant has been in occupation of the Property;
 - 7.6.2 any goodwill attached to the Property by reason of any business carried out there by the Tenant or by any authorised undertenant or by any of their predecessors in business;
 - 7.6.3 any effect on rent attributable to any physical improvement to the Property carried out after the date of this lease, by or at the expense of the Tenant or any authorised undertenant with all necessary consents, approvals and authorisations and not pursuant to an obligation to the Landlord (other than an obligation to comply with any law);
 - 7.6.4 any effect on rent of any obligation on the Tenant to fit out the Property or to reinstate the Property to the condition or design it was in before any alterations or improvements were carried out; and
 - 7.6.5 any statutory restriction on rents or the right to recover them.

- 7.7 The Surveyor shall be an independent valuer who is a Member or Fellow of the Royal Institution of Chartered Surveyors. The Landlord and the Tenant may, by agreement, appoint the Surveyor at any time before either of them applies to the President for the Surveyor to be appointed. Any application to the President may not be made earlier than three months before the relevant Review Date.
- 7.8 The Surveyor shall act as an expert and not as an arbitrator. The Surveyor shall determine the open market rent. The Surveyor's decision shall be given in writing. The Surveyor's written decision on the matters referred to him shall be final and binding in the absence of manifest error or fraud.
- 7.9 The Surveyor shall give the Landlord and the Tenant an opportunity to make written representations to the Surveyor and to make written counter-representations commenting on the representations of the other party to the Surveyor. The parties will provide (or procure that others provide) the Surveyor with such assistance and documents as the Surveyor reasonably requires for the purpose of reaching a decision.
- 7.10 If the Surveyor dies, or becomes unwilling or incapable of acting, or unreasonably delays in making any determination, then either the Landlord or the Tenant may apply to the President to discharge the Surveyor and clause ~~7.7~~ shall then apply in relation to the appointment of a replacement.
- 7.11 The fees and expenses of the Surveyor and the cost of the Surveyor's appointment and any counsel's fees, or other fees, incurred by the Surveyor shall be payable by the Landlord and the Tenant in the proportions that the Surveyor directs (or if the Surveyor makes no direction, then equally). If either the Landlord or the Tenant does not pay its part of the Surveyor's fees and expenses within ten working days after demand by the Surveyor then:
- 7.11.1 the other party may pay instead; and
- 7.11.2 the amount so paid shall be a debt of the party that should have paid due and payable on demand to the party that actually made the payment.

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

7.12 If the revised Annual Rent has not been agreed by the Landlord and the Tenant or determined by the Surveyor on or before the relevant Review Date, the Annual Rent payable from and including that Review Date shall continue at the rate payable immediately before that Review Date. No later than five working days after the revised Annual Rent is agreed or the Surveyor's determination is notified to the Landlord and the Tenant, the Tenant shall pay:

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

7.12.2 interest at the Interest Rate on that shortfall calculated on a daily basis by reference to the Rent Payment Dates on which parts of the shortfall would have been payable if the revised Annual Rent had been agreed or determined on or before that Review Date and the date payment is received by the Landlord.

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

7.14 If at any time there is a guarantor, the guarantor shall not have any right to participate in the review of the Annual Rent.

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

8. Services and Service Charge

8.1 The Services are:

8.1.1 cleaning, maintaining, decorating and repairing the Common Parts, including the structural parts and all Service Media forming part of the Common Parts, and remedying any inherent defect in those parts of the Building provided that, the Landlord's obligation does not extend to cleaning the inside or the outside of the windows of the Building;

- 8.1.2 lighting the Common Parts and cleaning, maintaining, repairing and replacing lighting machinery and equipment on the Common Parts;
- 8.1.3 cleaning, maintaining, repairing and replacing refuse bins on the Common Parts;
- 8.1.4 cleaning, maintaining, repairing and replacing signage for the Common Parts;
- 8.1.5 cleaning, maintaining, repairing, operating and replacing security machinery and equipment (including closed circuit television if any) on the Common Parts;
- 8.1.6 cleaning, maintaining, repairing, operating and replacing fire prevention, detection and fighting machinery and equipment and fire alarms on the Common Parts;
- 8.1.7 cleaning, maintaining, repairing and replacing any signboard showing the names and logos of the tenants and other occupiers;
- 8.1.8 cleaning, maintaining, repairing and replacing the Lifts if any in the Common Parts;
- 8.1.9 cleaning, maintaining, repairing and replacing the floor coverings on the internal areas of the Common Parts;
- 8.1.10 cleaning, maintaining, repairing and replacing the furniture and fittings on the Common Parts;
- 8.1.11 heating the internal areas of the Common Parts and cleaning, maintaining, repairing and replacing heating machinery and equipment serving the Common Parts;
- 8.1.12 providing air-conditioning for the internal areas of the Common Parts and cleaning, maintaining, repairing and replacing air-conditioning equipment serving the Common Parts;
- 8.1.13 carrying out any works necessary to ensure that the property complies with statutory or equivalent minimum energy efficiency requirements; and

8.1.14 any other service or amenity that the Landlord may in its reasonable discretion acting in accordance with the principles of good estate management provide for the benefit of the tenants and occupiers of the Building.

8.2 The **Service Costs** are the total of:

8.2.1 the whole of the costs of:

8.2.1.1 providing the Services;

8.2.1.2 the supply and removal of electricity, gas, water, sewage and other utilities to and from the Common Parts;

8.2.1.3 complying with the recommendations and requirements of the insurers of the Building (insofar as those recommendations and requirements relate to the Common Parts);

8.2.1.4 complying with all laws relating to the Common Parts, their use and any works carried out at them, and relating to the use of all Service Media, machinery and equipment at or serving the Common Parts and to any materials kept at or disposed of from the Common Parts;

8.2.1.5 complying with the Third Party Rights insofar as they relate to the Common Parts; and

8.2.1.6 taking any steps (including proceedings) that the Landlord considers necessary to prevent or remove any encroachment over the Common Parts or to prevent the acquisition of any right over the Common Parts (or the Building as a whole) or to remove any obstruction to the flow of light or air to the Common Parts (or the Building as a whole);

8.2.2 the costs, fees and disbursements (on a full indemnity basis) of:

8.2.2.1 managing agents employed by the Landlord for the carrying out and provision of the Services or, where managing agents are not employed, a management fee for the same; and

- 8.2.2.2 accountants employed by the Landlord to prepare and audit the service charge accounts;
 - 8.2.3 all rates, taxes, impositions and outgoings payable in respect of the Common Parts, their use and any works carried out on them (other than any taxes payable by the Landlord in connection with any dealing with or disposition of its reversionary interest in the Building); and
 - 8.2.4 any VAT payable by the Landlord in respect of any of the items mentioned above except to the extent that the Landlord obtains credit for such VAT under the VATA 1994.
 - 8.2.5 an appropriate amount as a reserve for or towards those matters mentioned in clause 8.1 of this lease which are likely to give rise to expenditure either only once during the Contractual Term or at intervals more than once in a year including (without prejudice to the generality of the foregoing) such matters as external painting of the Building, repair of the Building, repair of the Conduits or overhaul renewal or modernisation of any plan or machinery in the Building provided such sums shall be reduced by any unexpended reserve already made pursuant to this clause.
- 8.3 Subject to the Tenant paying the Service Charge, the Landlord shall use its reasonable endeavours:
- 8.3.1 to repair the structural parts of the Common Parts;
 - 8.3.2 to provide heating to the internal areas of the Common Parts during such periods of the year as the Landlord considers appropriate;
 - 8.3.3 to provide electricity and water to the Property;
 - 8.3.4 to keep the internal areas of the Common Parts clean, and to clean the outside of the windows of the Building as often as the Landlord considers appropriate;
 - 8.3.5 to keep the internal areas of the Common Parts reasonably well lit; and
 - 8.3.6 to keep any Lifts in reasonable working order.

- 8.4 The Landlord may, but shall not be obliged to, provide any of the other Services. The Landlord shall not be obliged to carry out any works where the need for those works has arisen by reason of any damage or destruction by a risk against which the Landlord is not obliged to insure.
- 8.5 The Landlord shall not be obliged to provide any of the Services outside the Permitted Hours.
- 8.6 The Landlord shall not be liable for:
- 8.6.1 any interruption in, or disruption to, the provision of any of the Services for any reason that is outside the reasonable control of the Landlord; or
- 8.6.2 any injury, loss or damage suffered by the Tenant as a result of any absence or insufficiency of any of the Services or of any breakdown or defect in any Service Media, except where due to the negligence of the Landlord.
- 8.7 Before or as soon as practicable after the start of each Service Charge Year, the Landlord shall prepare and send the Tenant an estimate of the Service Costs for that Service Charge Year and a statement of the estimated Service Charge for that Service Charge Year.
- 8.8 The Tenant shall pay the estimated Service Charge for each Service Charge Year in four equal instalments on each of the Rent Payment Dates.
- 8.9 In relation to the Service Charge Year current at the date of this lease, the Tenant's obligations to pay the estimated Service Charge and the actual Service Charge shall be limited to an apportioned part of those amounts, such apportioned part to be calculated on a daily basis for the period from and including the date of this lease to the end of the Service Charge Year. The estimated Service Charge for which the Tenant is liable shall be paid in equal instalments on [the date of this lease and] the [remaining] Rent Payment Dates during the period from and including the date of this lease until the end of the Service Charge Year.
- 8.10 As soon as reasonably practicable after the end of each Service Charge Year, the Landlord shall prepare and send to the Tenant a certificate showing the Service Costs and the Service Charge for that Service Charge Year. The certificate shall be in accordance with the service charge accounts prepared and audited by the

Landlord's managing agents. The Tenant may inspect the accounts and the supporting invoices and receipts by appointment with the Landlord (or its managing agents).

- 8.11 If any cost is omitted from the calculation of the Service Charge in any Service Charge Year, the Landlord shall be entitled to include it in the estimate and certificate of the Service Charge in any following Service Charge Year. Otherwise, and except in the case of manifest error, the Service Charge certificate shall be conclusive as to all matters of fact to which it refers.
- 8.12 Without prejudice to clause 9.4.6, where the Landlord provides any Service by reason of the damage to or destruction of the Common Parts by an Insured Risk, the costs of that Service shall not be included in the Service Charge.
- 8.13 If, in respect of any Service Charge Year, the Landlord's estimate of the Service Charge is less than the Service Charge, the Tenant shall pay the difference on demand. If, in respect of any Service Charge Year, the Landlord's estimate of the Service Charge is more than the Service Charge, the Landlord shall credit the difference against the Tenant's next instalment of the estimated Service Charge (and where the difference exceeds the next instalment then the balance of the difference shall be credited against each succeeding instalment until it is fully credited).

9. Insurance

- 9.1 Subject to clause 9.2, the Landlord shall keep the Building other than any plate glass insured against loss or damage by the Insured Risks for the sum which the Landlord considers to be its full reinstatement cost (taking inflation of building costs into account). The Landlord shall not be obliged to insure any part of the Property installed by the Tenant.
- 9.2 The Landlord's obligation to insure is subject to:
- 9.2.1 any exclusions, limitations, excesses and conditions that may be imposed by the insurers; and
- 9.2.2 insurance being available in the London insurance market on reasonable terms acceptable to the Landlord.

9.3 The Tenant shall pay to the Landlord on demand:

9.3.1 the Insurance Rent;

9.3.2 any amount that is deducted or disallowed by the insurers pursuant to any excess provision in the insurance policy; and

9.3.3 a fair proportion of any costs that the Landlord incurs in obtaining a valuation of the Building for insurance purposes no more than once every three years of the Contractual Term.

9.4 The Tenant shall:

9.4.1 immediately inform the Landlord if any matter occurs in relation to the Tenant or the Property that any insurer or underwriter may treat as material in deciding whether or on what terms to insure or to continue to insure the Building and shall give the Landlord notice of that matter;

9.4.2 not do or omit anything as a result of which any policy of insurance of the Building or any neighbouring property may become void or voidable or otherwise prejudiced, or the payment of any policy money may be withheld, nor (unless the Tenant has previously notified the Landlord and has paid any increased or additional premium) anything as a result of which any increased or additional insurance premium may become payable;

9.4.3 comply at all times with the requirements and recommendations of the insurers relating to the Property and the use by the Tenant of the Common Parts;

9.4.4 give the Landlord immediate notice of the occurrence of any damage or loss relating to the Property arising from an Insured Risk;

9.4.5 not effect any insurance of the Property (except any plate glass at the Property), but if it becomes entitled to the benefit of any insurance proceeds in respect of the Property (other than in respect of plate glass) pay those proceeds or cause them to be paid to the Landlord; and

9.4.6 pay the Landlord an amount equal to any insurance money that the insurers of the Building refuse to pay (in relation to the Building) by reason

of any act or omission of the Tenant or any undertenant, their workers, contractors or agents or any person at the Property or the Common Parts with the actual or implied authority of any of them.

- 9.5 The Landlord shall, subject to obtaining all necessary planning and other consents, use all insurance money received (other than for loss of rent) in connection with any damage to the Building to repair the damage for which the money has been received or (as the case may be) in rebuilding the Building. The Landlord shall not be obliged to:
- 9.5.1 provide accommodation or facilities identical in layout or design so long as accommodation reasonably equivalent to that previously at the Property and its access, services and amenities is provided; or
 - 9.5.2 repair or rebuild if the Tenant has failed to pay any of the Insurance Rent; or
 - 9.5.3 repair or rebuild the Building after a notice has been served pursuant to clause 9.7 or clause 9.8.
- 9.6 If the Property is damaged or destroyed by an Insured Risk so as to be unfit for occupation and use or if the Common Parts are damaged or destroyed by an Insured Risk so as to make the Property inaccessible or unusable then, unless the policy of insurance in relation to the Property or the Common Parts has been vitiated in whole or in part in consequence of any act or omission of the Tenant, any undertenant or their respective workers, contractors or agents or any other person on the Property or the Common Parts with the actual or implied authority of any of them, payment of the Annual Rent and the Service Charge, or a fair proportion of it according to the nature and extent of the damage, shall be suspended until the Property has been reinstated and made fit for occupation and use or the Common Parts have been reinstated so as to make the Property accessible or useable (as the case may be), or until the end of three years from the date of damage or destruction, if sooner.
- 9.7 If, following damage to or destruction of the Building, the Landlord considers that it is impossible or impractical to reinstate the Building, the Landlord may terminate this lease by giving notice to the Tenant. On giving notice this lease shall determine but this shall be without prejudice to any right or remedy of the Landlord in respect

of any breach of the tenant covenants of this lease. Any proceeds of the insurance (other than any insurance for plate glass) shall belong to the Landlord.

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

10. Rates and taxes

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

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

10.1.2 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.

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

10.3 The Tenant shall not make any proposal to alter the rateable value of the Property or that value as it appears on any draft rating list, without the approval of the Landlord.

10.4 If, after the end of the term, the Landlord loses rating relief (or any similar relief or exemption) because it has been allowed to the Tenant, then the Tenant shall pay the Landlord an amount equal to the relief or exemption that the Landlord has lost.

11. Utilities

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

12. Common items

- 12.1 The Tenant shall pay the Landlord on demand a fair proportion of all costs payable by the Landlord for the maintenance, repair, lighting, cleaning and renewal of all Service Media, structures and other items not on the Building but used or capable of being used by the Building in common with other land.
- 12.2 The Tenant shall comply with all reasonable regulations the Landlord may make from time to time in connection with the use of any of those Service Media, structures or other items.

13. VAT

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

14. Default interest and interest

- 14.1 If any Annual Rent or any other money payable under this lease has not been paid by the date it is due, whether it has been formally demanded or not, the Tenant shall pay the Landlord interest on that amount at the Default Interest Rate (both

before and after any judgment). Such interest shall accrue on a daily basis for the period beginning on the due date to and including the date of payment.

- 14.2 If the Landlord does not demand or accept any Annual Rent or other money due or tendered under this lease because the Landlord reasonably believes that the Tenant is in breach of any of the tenant covenants of this lease, then the Tenant shall, when that amount is accepted by the Landlord, also pay interest at the Interest Rate on that amount for the period beginning on the date the amount (or each part of it) became due until the date it is accepted by the Landlord.
15. **Costs**
- 15.1 The Tenant shall pay the proper and reasonable costs and expenses of the Landlord including any solicitors' or other professionals' costs and expenses (incurred both during and after the end of the term) in connection with or in contemplation of any of the following:
- 15.1.1 the enforcement of the tenant covenants of this lease;
 - 15.1.2 serving any notice in connection with this lease under section 146 or 147 of the Law of Property Act 1925 or taking any proceedings under either of those sections, notwithstanding that forfeiture is avoided otherwise than by relief granted by the court;
 - 15.1.3 serving any notice in connection with this lease under section 17 of the Landlord and Tenant (Covenants) Act 1995;
 - 15.1.4 the preparation and service of a schedule of dilapidations in connection with this lease; or
 - 15.1.5 any consent or approval applied for under this lease, whether or not it is granted.
- 15.2 Where the Tenant is obliged to pay or indemnify the Landlord against any solicitors' or other professionals' costs and expenses (whether under this or any other clause of this lease) that obligation extends to those costs and expenses assessed on a full indemnity basis.

16. Compensation on vacating

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

17. Set-off

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

18. Registration of this lease

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

18.2 The Tenant shall not:

18.2.1 apply to HM Land Registry to designate this lease as an exempt information document;

18.2.2 object to an application by the Landlord to HM Land Registry to designate this lease as an exempt information document; or

18.2.3 apply for an official copy of any exempt information document version of this lease.

19. Assignments

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

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

- 19.3 The Landlord and the Tenant agree that for the purposes of section 19(1A) of the Landlord and Tenant Act 1927 the Landlord may give its consent to an assignment subject to all or any of the following conditions:
- 19.3.1 In the reasonable opinion of the Landlord the assignor should enter into an authorised guarantee agreement which:
- 19.3.1.1 is in respect of all the tenant covenants of this lease;
- 19.3.1.2 is in respect of the period beginning with the date the assignee becomes bound by those covenants and ending on the date when the assignee is released from those covenants by virtue of section 5 of the Landlord and Tenant (Covenants) Act 1995;
- 19.3.1.3 imposes principal debtor liability on the assignor;
- 19.3.1.4 requires (in the event of a disclaimer of this lease) the assignor to enter into a new tenancy for a term equal to the unexpired residue of the Contractual Term; and
- 19.3.1.5 is otherwise in a form reasonably required by the Landlord;
- 19.3.2 a condition that a person of standing acceptable to the Landlord acting reasonably enters into a guarantee and indemnity of the tenant covenants of this lease in the form set out in the Schedule 1 (but with such amendments and additions as the Landlord may reasonably require).
- 19.4 The Landlord and the Tenant agree that for the purposes of section 19(1A) of the Landlord and Tenant Act 1927 the Landlord may refuse its consent to an assignment if any of the following circumstances exist at the date of the Tenant's application for consent to assign this lease:
- 19.4.1 the Annual Rent or any other money due under this lease is outstanding or there is a material breach of covenant by the Tenant that has not been remedied;
- 19.4.2 in the Landlord's reasonable opinion the assignee is not of sufficient financial standing to enable it to comply with the Tenant's covenants and conditions contained in this lease; or

- 19.4.3 the assignee and the Tenant are group companies within the meaning of section 42 of the LTA 1954 and the strength of the assignee's covenant is less than the strength of the Tenant's covenant at the date that it acquired its interest in this lease.
- 19.5 Nothing in this clause shall prevent the Landlord from giving consent subject to any other reasonable condition, nor from refusing consent to an assignment in any other circumstance where it is reasonable to do so.
- 20. Underlettings**
- 20.1 The Tenant shall not underlet the whole of the Property except in accordance with this clause nor without the consent of the Landlord, such consent not to be unreasonably withheld.
- 20.2 The Tenant shall not underlet part only of the Property.
- 20.3 The Tenant shall not underlet the Property:
- 20.3.1 together with any property or any right over property that is not included within this lease;
- 20.3.2 at a fine or premium or reverse premium; nor
- 20.3.3 allowing any rent free period to the undertenant that exceeds the period as is then usual in the open market in respect of such a letting.
- 20.4 The Tenant shall not underlet the Property unless, before the underlease is granted, the Tenant has given the Landlord:
- 20.4.1 a certified copy of the notice served on the undertenant, as required by section 38A(3)(a) of the LTA 1954, applying to the tenancy to be created by the underlease; and
- 20.4.2 a certified copy of the declaration or statutory declaration made by the undertenant in accordance with the requirements of section 38A(3)(b) of the LTA 1954.
- 20.5 Any underletting by the Tenant shall be by deed and shall include:

20.5.1 an agreement between the Tenant and the undertenant that the provisions of sections 24 to 28 of the LTA 1954 are excluded from applying to the tenancy created by the underlease;

20.5.2 the reservation of a rent which is not less than the full open market rental value of the Property at the date the Property is underlet and which is payable at the same times as the Annual Rent under this lease (but this shall not prevent an underlease providing for a rent-free period of a length permitted by clause 20.3.3);

20.5.3 provisions for the review of rent at the same dates and on the same basis as the review of rent in this lease, unless the term of the underlease does not extend beyond the next Review Date;

20.5.4 a covenant by the undertenant, enforceable by and expressed to be enforceable by the Landlord (as superior landlord at the date of grant) and its successors in title in their own right, to observe and perform the tenant covenants in the underlease and any document that is supplemental or collateral to it and the tenant covenants in this lease, except the covenants to pay the rents reserved by this lease; and

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

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

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

20.6.1 not vary the terms of the underlease nor accept a surrender of the underlease without the consent of the Landlord, such consent not to be unreasonably withheld;

20.6.2 enforce the tenant covenants in the underlease and not waive any of them nor allow any reduction in the rent payable under the underlease; and

20.6.3 ensure that in relation to any rent review the revised rent is not agreed without the approval of the Landlord, such approval not to be unreasonably withheld or delayed.

21. Sharing occupation

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

22. Charging

22.1 The Tenant shall not charge the whole of this lease without the consent of the Landlord, such consent not to be unreasonably withheld.

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

23. Prohibition of other dealings

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

24. Registration and notification of dealings and occupation

24.1 In this clause a Transaction is:

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

24.1.2 the creation of any underlease or other interest out of this lease, or out of any interest, underlease derived from it, and any dealing, devolution or transmission of, or parting with possession of any such interest or underlease; or

24.1.3 the making of any other arrangement for the occupation of the Property.

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

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

24.3.1 give the Landlord's solicitors notice of the Transaction; [and]

24.3.2 deliver two certified copies of any document effecting the Transaction to the Landlord's solicitors; and

24.3.3 pay the Landlord's solicitors a registration fee of £50 (plus VAT); and

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

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

25. Closure of the registered title of this lease

Within 21 working days after the end of the term (and notwithstanding that the term has ended), the Tenant shall make an application to close the registered title of this lease and shall ensure that any requisitions raised by HM Land Registry in connection with that application are dealt with promptly and properly; the Tenant shall keep the Landlord informed of the progress and completion of its application.

26. Repairs

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

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

26.2.1 the policy of insurance of the Property has been vitiated or any insurance proceeds withheld in consequence of any act or omission of the Tenant, any undertenant or their respective workers, contractors or agents or any person on the Property with the actual or implied authority of any of them;
or

26.2.2 the insurance cover in relation to that disrepair is excluded, limited, is unavailable or has not been extended, as mentioned in clause 9:2.

27. Decoration

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

27.2 All decoration shall be carried out in a good and proper manner using good quality materials that are appropriate to the Property and the Permitted Use and shall include all appropriate preparatory work.

27.3 All decoration carried out in the last three months of the term shall also be carried out to the reasonable satisfaction of the Landlord and using materials, designs and colours approved by the Landlord provided that the Landlord shall not have exercised the provisions of clause 46. Landlord Break Clause in this Lease.

27.4 When the Landlord has exercised the provisions of 46. Landlord Break Clause then the Tenant's decoration covenant shall be limited to handing over the property at the end of the term in wind and water tight condition only.

28. Alterations and signs

28.1 The Tenant shall not make any alteration to the Property without the consent of the Landlord, such consent not to be unreasonably withheld, other than as mentioned in clause 28:2.

28.2 The Tenant may install and remove non-structural, demountable partitioning, without the consent of the Landlord provided that the Tenant shall:

28.2.1 not carry out any such works until it has:

28.2.1.1 provided details of the works to the insurers of the Property;
and

28.2.1.2 given the Landlord two copies of the plans and specification for the works; and

28.2.2 make good any damage to the Property and to any part of the Common Parts.

28.3 The Tenant shall not install nor alter the route of any Service Media at the Property without the consent of the Landlord, such consent not to be unreasonably withheld.

28.4 The Tenant shall not attach any sign, fascia, placard, board, poster or advertisement to the Property so as to be seen from the outside of the Building without the consent of the Landlord such consent not to be unreasonably withheld or delayed.

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

29. Returning the Property to the Landlord

29.1 At the end of the term the Tenant shall return the Property to the Landlord in the repair and condition required by this Lease provided that the Landlord shall not have exercised the provisions of clause 46. Landlord Break Clause in this Lease.

29.1.1 when the Landlord has exercised the provisions of 46. Landlord Break Clause then the Tenant's decoration covenant shall be limited to handing over the Property at the end of the term in wind and water tight condition only.

29.2 The Tenant shall remove items it has fixed to the Property, remove any alterations it has made to the Property and make good any damage caused to the Property by that removal provided that the Landlord shall not have exercised the provisions of clause 46. Landlord Break Clause in this Lease.

29.2.1 when the Landlord has exercised the provisions of 46. Landlord Break Clause then the Tenant's decoration covenant shall be limited to handing over the property at the end of the term in wind and water tight condition only.

- 29.3 At the end of the term, the Tenant shall remove from the Property all chattels belonging to or used by it.
- 29.4 The Tenant irrevocably appoints the Landlord to be the Tenant's agent to store or dispose of any chattels or items it has fixed to the Property and which have been left by the Tenant on the Property for more than ten working days after the end of the term. The Landlord shall not be liable to the Tenant by reason of that storage or disposal. The Tenant shall indemnify the Landlord in respect of any claim made by a third party in relation to that storage or disposal.
- 29.5 If the Tenant does not comply with its obligations in this clause, then, without prejudice to any other right or remedy of the Landlord, the Tenant shall pay the Landlord an amount equal to the Annual Rent at the rate reserved immediately before the end of the term for the period that it would reasonably take to put the Property into the condition it would have been in had the Tenant performed its obligations under this clause. The amount shall be a debt due on demand from the Tenant to the Landlord.

30. Use

- 30.1 The Tenant shall not use the Property for any purpose other than the Permitted Use.
- 30.2 The Tenant shall not use the Property for any illegal purpose nor for any purpose or in a manner that would cause loss, damage, injury, nuisance or inconvenience to the Landlord, the other tenants or occupiers of the Lettable Units or any owner or occupier of neighbouring property.
- 30.3 The Tenant shall not overload any structural part of the Building nor any Service Media at or serving the Property.

31. Management of the Building

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

- 31.2 Nothing in this lease shall impose or be deemed to impose any restriction on the use of any other Lettable Unit or any neighbouring property.
- 32. Compliance with laws**
- 32.1 The Tenant shall comply with all laws relating to:
- 32.1.1 the Property and the occupation and use of the Property by the Tenant;
 - 32.1.2 the use or operation of all Service Media and machinery and equipment at or serving the Property whether or not used or operated, and shall, where necessary, replace or convert such Service Media within or exclusively serving the Property so that it is capable of lawful use or operation;
 - 32.1.3 any works carried out at the Property; and
 - 32.1.4 all materials kept at or disposed from the Property.
- 32.2 Without prejudice to any obligation on the Tenant to obtain any consent or approval under this lease, the Tenant shall carry out all works that are required under any law to be carried out at the Property whether by the owner or the occupier.
- 32.3 Within five working days after receipt of any notice or other communication affecting the Property or the Building (and whether or not served pursuant to any law) the Tenant shall:
- 32.3.1 send a copy of the relevant document to the Landlord; and
 - 32.3.2 insofar as it relates to the Property, take all steps necessary to comply with the notice or other communication and take any other action in connection with it as the Landlord may require.
- 32.4 The Tenant shall not apply for any planning permission for the Property without the prior written consent of the Landlord not to be unreasonably withheld or delayed.
- 32.5 The Tenant shall comply with its obligations under the CDM Regulations, including all requirements in relation to the provision and maintenance of a health and safety file.

- 32.6 The Tenant shall supply all information to the Landlord that the Landlord reasonably requires from time to time to comply with the Landlord's obligations under the CDM Regulations.
- 32.7 As soon as the Tenant becomes aware of any defect in the Property, it shall give the Landlord notice of it. The Tenant shall indemnify the Landlord against any liability under the Defective Premises Act 1972 in relation to the Property by reason of any failure of the Tenant to comply with any of the tenant covenants in this lease.
- 32.8 The Tenant shall keep the Property equipped with all fire prevention, detection and fighting machinery and equipment and fire alarms which are required under all relevant laws or required by the insurers of the Property or reasonably recommended by them or reasonably required by the Landlord and shall keep that machinery, equipment and alarms properly maintained and available for inspection.
- 33. Energy performance certificates**
- 33.1 The Tenant shall:
- 33.1.1 co-operate with the Landlord so far as is reasonably necessary to allow the Landlord to obtain an Energy Performance Certificate and Recommendation Report for the Property or the Building including providing the Landlord with copies of any plans or other information held by the Tenant that would assist in obtaining an Energy Performance Certificate; and
- 33.1.2 allow such access to any Energy Assessor appointed by the Landlord as is reasonably necessary to inspect the Property for the purposes of preparing an Energy Performance Certificate and/or Recommendation Report for the Property or the Building.
- 33.2 The Tenant shall not commission an Energy Performance Certificate for the Property without the Landlord's consent such consent not to be unreasonably withheld or delayed.
- 34. Encroachments, obstructions and acquisition of rights**
- 34.1 The Tenant shall not grant any right or licence over the Property to a third party.

- 34.2 If a third party makes or attempts to make any encroachment over the Property or takes any action by which a right may be acquired over the Property, the Tenant shall:
- 34.2.1 immediately inform the Landlord and shall give the Landlord notice of that encroachment or action; and
 - 34.2.2 take all steps (including any proceedings) the Landlord reasonably requires to prevent or license the continuation of that encroachment or action.
- 34.3 The Tenant shall not obstruct the flow of light or air to the Property or any other part of the Building nor obstruct any means of access to the Property or any other part of the Building.
- 34.4 The Tenant shall not make any acknowledgement that the flow of light or air to the Property or any other part of the Building or that the means of access to the Property or any other part of the Building is enjoyed with the consent of any third party.
- 34.5 If any person takes or threatens to take any action to obstruct the flow of light or air to the Property or obstruct the means of access to the Property, the Tenant shall:
- 34.5.1 immediately inform the Landlord and shall give the Landlord notice of that action; and
 - 34.5.2 take all steps (including proceedings) the Landlord reasonably requires to prevent or secure the removal of the obstruction.
35. **Breach of repair and maintenance obligations**
- 35.1 The Landlord may enter the Property to inspect its condition and state of repair and may give the Tenant a notice of any breach of any of the tenant covenants in this lease relating to the condition or repair of the Property.
- 35.2 If the Tenant has not begun any works needed to remedy that breach within two months following that notice (or if works are required as a matter of emergency, then immediately) or if the Tenant is not carrying out the works with all due speed, then the Landlord may enter the Property and carry out the works needed.

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

35.4 Any action taken by the Landlord pursuant to this clause shall be without prejudice to the Landlord's other rights, including those under clause 39.

36. Indemnity

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

37. Landlord's covenant for quiet enjoyment

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

38. Guarantee and indemnity

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

38.2 Clause 38.1 shall not apply in the case of a person who is guarantor by reason of having entered into an authorised guarantee agreement.

- 38.3 For so long as any guarantor remains liable to the Landlord, the Tenant shall, if the Landlord requests, procure that that guarantor joins in any consent or approval required under this lease and consents to any variation of the tenant covenants of this lease.
39. **Re-entry and forfeiture**
- 39.1 The Landlord may re-enter the Property (or any part of the Property in the name of the whole) at any time after any of the following occurs:
- 39.1.1 any rent is unpaid 21 days after becoming payable whether it has been formally demanded or not;
- 39.1.2 any breach of any condition of, or tenant covenant in, this lease;
- 39.1.3 an Act of Insolvency.
- 39.2 If the Landlord re-enters the Property (or any part of the Property in the name of the whole) pursuant to this clause, this lease shall immediately end, but without prejudice to any right or remedy of the Landlord in respect of any breach of covenant by the Tenant or any guarantor.
40. **Joint and several liability**
- 40.1 Where the Tenant comprises more than one person, those persons shall be jointly and severally liable for the obligations and liabilities of the Tenant arising under this lease. The Landlord may take action against, or release or compromise the liability of, or grant time or other indulgence to, any one of those persons without affecting the liability of any other of them.
- 40.2 Where a guarantor comprises more than one person, those persons shall be jointly and severally liable for the obligations and liabilities of a guarantor arising under this lease. The Landlord may take action against, or release or compromise the liability of, or grant time or other indulgence to, any one of those persons without affecting the liability of any other of them.
- 40.3 The obligations of the Tenant and any guarantor arising by virtue of this lease are owed to the Landlord and the obligations of the Landlord are owed to the Tenant.

- 40.4 The Landlord shall not be liable to the Tenant for any failure of the Landlord to perform any landlord covenant in this lease, unless and until the Tenant has given the Landlord notice of the failure and the Landlord has not remedied the failure within a reasonable time of service of that notice.
41. **Entire agreement**
- 41.1 This lease constitutes the whole agreement between the parties and supersedes all previous discussions, correspondence, negotiations, arrangements, understandings and agreements between them relating to its subject matter.
- 41.2 Each party acknowledges that in entering into this lease it does not rely on, and shall have no remedies in respect of, any representation or warranty (whether made innocently or negligently) other than those contained in any written replies that Taylor Walton has given to any written enquiries raised by or supplied to Payne Hicks Beach before the date of this lease.
42. **Notices, consents and approvals**
- 42.1 Except where this lease specifically states that a notice need not be in writing, any notice given under or in connection with this lease shall be:
- 42.1.1 in writing and for the purposes of this clause an email is not in writing; and
- 42.1.2 given:
- 42.1.2.1 by hand or by pre-paid first-class post or other next working day delivery service at the party's registered office address (if the party is a company) or (in any other case) at the party's principal place of business; or
- 42.1.2.2 by fax to the party's main fax number.
- 42.2 If a notice complies with the criteria in clause 42.1, whether or not this lease requires that notice to be in writing, it shall be deemed to have been received:
- 42.2.1 if delivered by hand, at the time the notice is left at the proper address;
- 42.2.2 if sent by pre-paid first-class post or other next working day delivery service, on the second working day after posting; or

42.2.3 if sent by fax, at 9.00 am on the next working day after transmission.

42.3 This clause does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.

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

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

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

42.5.2 it expressly states that the Landlord waives the requirement for a deed in that particular case.

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

42.6 Where the approval of the Landlord is required under this lease, an approval shall only be valid if it is in writing and signed by or on behalf of the Landlord, unless:

42.6.1 the approval is being given in a case of emergency; or

42.6.2 this lease expressly states that the approval need not be in writing.

42.7 If the Landlord gives a consent or approval under this lease, the giving of that consent or approval shall not imply that any consent or approval required from a third party has been obtained, nor shall it obviate the need to obtain any consent or approval from a third party.

43. Governing law

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

44. **Jurisdiction**
- Each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with this lease or its subject matter or formation (including non-contractual disputes or claims).
45. **Exclusion of sections 24-28 of the LTA 1954**
- 45.1 The parties confirm that:
- 45.1.1 the Landlord served a notice on the Tenant, as required by section 38A(3)(a) of the LTA 1954, applying to the tenancy created by this lease, not less than 14 days before this lease was entered into;
- 45.1.2 [**Bernard Suh**] who was duly authorised by the Tenant to do so made a statutory declaration dated [**17th September 2018**] in accordance with the requirements of section 38A(3)(b) of the LTA 1954; and
- 45.1.3 there is no agreement for lease to which this lease gives effect.
- 45.2 The parties agree that the provisions of sections 24 to 28 of the LTA 1954 are excluded in relation to the tenancy created by this lease.
46. **Landlord Break Clause**
- 46.1 The Landlord may terminate this lease at any time on or after 20 July 2020 ("the Break Date") by serving at least three months prior written notice of its wish to do so on the Tenant ("the Break Notice").
- 46.2 Service of the Break Notice shall terminate this lease on the Break Date.
- 46.3 Termination of this lease on the Break Date shall be without prejudice to any right or remedy of the Landlord or the Tenant in respect of any antecedent breach of the Tenant or the Landlord covenants in this lease.
- 46.4 If this lease terminates in accordance with Clause 46.1 then:
- 46.4.1 within 14 days of the Break Date and the Tenant giving vacant possession of the Property the Landlord shall refund to the Tenant the proportion of the

Annual Rent, Insurance Rent and Service Charge and any VAT in respect of them for the period from but excluding the Break Date up to and excluding the next date for payment of such sum calculated on a daily basis;

46.4.2 upon the Break Date and the Tenant delivering vacant possession of the Property the Landlord shall pay to the Tenant as full and final compensation for the cost the Tenant has incurred in relation to its shop fit out works the following sums depending on the date that vacant possession of the Property is given to the Landlord pursuant to the Break Notice:

46.4.2.1 if vacant possession of the Property pursuant to the Break Notice is given between 20 July 2020 and 19 July 2021 a sum of £15,000.00 will be paid by the Landlord to the Tenant;

46.4.2.2 if vacant possession of the Property pursuant to the Break Notice is given between 20 July 2021 and 19 July 2022 a sum of £10,000.00 will be paid by the Landlord to the Tenant;

46.4.2.3 if vacant possession of the Property pursuant to the Break Notice is given between 20 July 2022 and 19 July 2023 a sum of £5,000.00 will be paid by the Landlord to the Tenant;

46.4.2.4 for the avoidance of doubt if vacant possession is given for any other reason or is given after 20 July 2023 then no compensation will be due from the Landlord to the Tenant.

47. Contracts (Rights of Third Parties) Act 1999

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

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

Schedule 1 Guarantee and indemnity

1. Guarantee and indemnity

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

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

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

1.2 The Guarantor covenants with the Landlord as principal obligor and as a separate and independent obligation and liability from its obligations and liabilities under paragraph ~~Schedule 1 Part 11.1~~ to indemnify and keep indemnified the Landlord against any failure by the Tenant:

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

1.2.2 to observe or perform any of the obligations the Tenant enters into in the **Authorised Guarantee Agreement**.

2. Guarantor's liability

2.1 The liability of the Guarantor under paragraph ~~Schedule 1 Part 11.1.1~~ and paragraph ~~Schedule 1 Part 11.2.1~~ shall continue until the end of the term, or until the Tenant is released from the tenant covenants of this lease by virtue of the Landlord and Tenant (Covenants) Act 1995, if earlier.

2.2 The liability of the Guarantor shall not be reduced, discharged or otherwise adversely affected by:

2.2.1 any time or indulgence granted by the Landlord to the Tenant; or

2.2.2 any delay or forbearance by the Landlord in enforcing the payment of any of the rents or the observance or performance of any of the tenant

- covenants of this lease (or the Tenant's obligations under the Authorised Guarantee Agreement) or in making any demand in respect of any of them;
or
- 2.2.3 any refusal by the Landlord to accept any rent or other payment due under this lease where the Landlord believes that the acceptance of such rent or payment may prejudice its ability to re-enter the Property; or
- 2.2.4 the Landlord exercising any right or remedy against the Tenant for any failure to pay the rents reserved by this lease or to observe or perform the tenant covenants of this lease (or the Tenant's obligations under the Authorised Guarantee Agreement); or
- 2.2.5 the Landlord taking any action or refraining from taking any action in connection with any other security held by the Landlord in respect of the Tenant's liability to pay the rents reserved by this lease or observe and perform the tenant covenants of the lease (or the Tenant's obligations under the Authorised Guarantee Agreement) including the release of any such security; or
- 2.2.6 a release or compromise of the liability of any one of the persons who is the Guarantor, or the grant of any time or concession to any one of them;
or
- 2.2.7 any legal limitation or disability on the Tenant or any invalidity or irregularity of any of the tenant covenants of the lease (or the Tenant's obligations under the Authorised Guarantee Agreement) or any unenforceability of any of them against the Tenant; or
- 2.2.8 the Tenant being dissolved, or being struck off the register of companies or otherwise ceasing to exist, or, if the Tenant is an individual, by the Tenant dying or becoming incapable of managing its affairs; or
- 2.2.9 without prejudice to paragraph 4, the disclaimer of the Tenant's liability under this lease or the forfeiture of this lease; or
- 2.2.10 the surrender of the lease in respect of part only of the Property, except that the Guarantor shall not be under any liability in relation to the surrendered part in respect of any period after the surrender; or

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

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

3. Variations and supplemental documents

- 3.1 The Guarantor shall, at the request of the Landlord, join in and give its consent to the terms of any consent, approval, variation or other document that may be entered into by the Tenant in connection with this lease (or the Authorised Guarantee Agreement).
- 3.2 The Guarantor shall not be released by any variation of the rents reserved by, or the tenant covenants in, this Lease (or the Tenant's obligations under the Authorised Guarantee Agreement) whether or not:
 - 3.2.1 the variation is material or prejudicial to the Guarantor; or
 - 3.2.2 the variation is made in any document; or
 - 3.2.3 the Guarantor has consented, in writing or otherwise, to such variation.
- 3.3 The liability of the Guarantor shall apply to the rents reserved by and the tenant covenants in this lease (and the Tenant's obligations under the Authorised Guarantee Agreement) as varied except to the extent that the liability of the Guarantor is affected by section 18 of the Landlord and Tenant (Covenants) Act 1995.

4. Guarantor to take a new lease or make payment

- 4.1 If this lease is forfeited or the liability of the Tenant under this lease is disclaimed and the Landlord gives the Guarantor notice not later than six months after the forfeiture or the Landlord having received notice of the disclaimer, the Guarantor shall enter into a new lease of the Property on the terms set out in paragraph Schedule 1 Part 14.2.
- 4.2 The rights and obligations under the new lease shall take effect beginning on the date of the forfeiture or disclaimer and the new lease shall:

- 4.2.1 be granted subject to the right of any person to have this lease vested in them by the court and to the terms on which any such order may be made and subject to the rights of any third party existing at the date of the grant;
 - 4.2.2 be for a term that expires at the same date as the end of the Contractual Term of this lease had there been no forfeiture or disclaimer;
 - 4.2.3 reserve as an initial annual rent an amount equal to the Annual Rent payable under this lease at the date of the forfeiture or disclaimer or which would be payable but for any abatement or suspension of the Annual Rent or restriction on the right to collect it (subject to paragraph Schedule 1 Part 15.) and which is subject to review on the same terms and dates provided by this lease; and
 - 4.2.4 be excluded from sections 24 to 28 of the LTA 1954; and
 - 4.2.5 otherwise be on the same terms as this lease (as varied if there has been any variation).
- 4.3 The Guarantor shall pay the Landlord's solicitors' costs and disbursements (on a full indemnity basis) and any VAT in respect of them in relation to the new lease and shall execute and deliver to the Landlord a counterpart of the new lease within one month after service of the Landlord's notice.
- 4.4 The grant of a new lease and its acceptance by the Guarantor shall be without prejudice to any other rights which the Landlord may have against the Guarantor or against any other person or in respect of any other security that the Landlord may have in connection with this lease.
- 4.5 The Landlord may, instead of giving the Guarantor notice pursuant to paragraph Schedule 1 Part 14, but in the same circumstances and within the same time limit, require the Guarantor to pay an amount equal to six months Annual Rent and the Guarantor shall pay that amount on demand.
- 5. Rent at the date of forfeiture or disclaimer**
- 5.1 If at the date of the forfeiture or disclaimer there is a rent review pending under this lease, then the initial annual rent to be reserved by the new lease shall be the greater of:

- 5.1.1 the Annual Rent previously payable (or which would have been payable but for any abatement or suspension of the Annual Rent or restriction on the right to collect it) under the lease prior to forfeiture or disclaimer; and
- 5.1.2 the open market rent of the Property at the relevant Review Date, as determined by the Landlord before the grant of the new lease.

6. Payments in gross and restrictions on the Guarantor

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


7. Other securities


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

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

ORIGINAL

Executed as a deed by **DOME ASSETS LIMITED** acting by a director, in the presence of:

.....
Witness Signature: 
Witness Name: NILESH JOSHI
Witness Address: 38 TINTZEN AVE
LONDON
NW4 8ZJ
Witness Occupation: PROPERTY MANAGER

.....
Director 
.....
Full Names FRISOS KASMAKAMIS

COUNTERPART

Executed as a deed by **KOREA FOODS COMPANY LIMITED** acting by a director, in the presence of:

.....
Witness Signature:
Witness Name:
Witness Address:

Witness Occupation:

.....
Director

.....
Full Names