

DATED 4 December 2009

NEWBURY TRUSTEE NO.1 LIMITED
and NEWBURY TRUSTEE NO.2 LIMITED

(1)

VUE ENTERTAINMENT LIMITED

(2)

and

VUE ENTERTAINMENT HOLDINGS (UK) LIMITED

(3)

LEASE
of Cinema Premises at Kennet Centre,
Newbury

Wragge&Co

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LAND REGISTRY PRESCRIBED CLAUSES

LR1. Date of lease	4 December	2009
LR2. Title number(s)	LR2.1 Landlord's title number(s) BK235120 and BK433945	LR2.2 Other title numbers None
LR3. Parties to this lease	Landlord NEWBURY TRUSTEE NO.1 LIMITED incorporated in Jersey with company number 91287 and NEWBURY TRUSTEE NO.2 LIMITED incorporated in Jersey with company number 91288 both of 13-14 Esplanade, St Helier, Jersey, Channel Islands JE1 1BD (as Trustees for the Newbury Unit Trust)	Tenant VUE ENTERTAINMENT LIMITED incorporated in England and Wales with company number 04699504 and registered office at 10 Chiswick Park, 566 Chiswick High Road, London W4 5XS
LR4. Property	Guarantor VUE ENTERTAINMENT HOLDINGS (UK) LIMITED incorporated in England and Wales with company number 03812508 and registered office at 10 Chiswick Park, 566 Chiswick High Road, London W4 5XS	In the case of a conflict between this clause and the remainder of this lease then, for the purposes of registration, this clause shall prevail. Cinema Premises, Kennet Centre, Newbury, Berkshire more fully described in schedule 1.
LR5. Prescribed statements etc.	None	
LR6. Term for which the Property is leased	The term as specified in this lease at clause 1.1(ooo)	
LR7. Premium	None	

LR8. Prohibitions or restrictions on disposing of this lease	This lease contains a provision that prohibits or restricts dispositions
LR9. Rights of acquisition etc.	<p>LR9.1 Tenant's contractual rights to renew this lease, to acquire the reversion or another lease of the Property or to acquire an interest in other land.</p> <p>None</p> <p>LR9.2 Tenant's covenant to (or offer to) surrender this lease.</p> <p>None</p> <p>LR9.3 Landlord's contractual rights to acquire this lease.</p> <p>None</p>
LR10. Restrictive covenants given in this lease by the Landlord in respect of land other than the Property	See schedule 10
LR11. Easements	<p>LR11.1 Easements granted by this lease for the benefit of the Property</p> <p>See clause 2.1 and schedule 2</p> <p>LR11.2 Easements granted or reserved by this lease over the Property for the benefit of other property</p> <p>See clause 2.1 and schedule 3</p>
LR12. Estate rentcharge burdening the Property	None
LR13. Application for standard form of restriction	None

ADDITIONAL PARTICULARS

Agreement for Lease	Dated 1 st May 2008 between Belalan Limited (1) Newbury Trustee No.1 Limited and Newbury Trustee No. 2 Limited (2) Newbury Trustee No.1 Limited and Newbury Trustee No. 2 Limited (3) Vue Entertainment Limited (4) and Vue Entertainment Holdings (UK) Limited (5) as varied on 20 th July 2009
Internal Demise	Yes
Break Clause	None
Rent Commencement Date	<u>7 December</u> 2009
Principal Rent	£197,725.00 per annum
Additional Rent	£71,900 per annum
Rent Payment Dates	25 March, 24 June, 29 September and 25 December
Rent Review Frequency	Every 5th anniversary of the Term Commencement Date
Repairing Obligation	Good and substantial
1954 Act	Applies
1995 Act	Applies
Assignment	Permitted with Consent
Underletting of Whole	Permitted with Consent
Underletting of Part	Permitted with Consent
Interest Rate on late payment	4% above Lloyds TSB Base Rate
Service Charge Year	From (but excluding) 31 st March in any year to (and including) 31 st March in the next calendar year (as varied)
Service Charge Cap	Yes

THIS LEASE is made on the date and between the parties stated in the Land Registry
Prescribed Clauses

1 Definitions, Interpretation and Miscellaneous Provisions

1.1 Definitions

- (a) “Additional Rent” means £71,900 per annum;
- (b) “Adjoining Land” means any neighbouring or adjoining land or property (excluding the remainder of the Building and the Centre) in which the Landlord or a Group Company of the Landlord has (or during the Term acquires) a leasehold or a freehold interest;
- (c) “Ancillary Use” means the incidental operation of games, video games and other amusement devices and for the retail sale of hot and cold food, snacks, beverages and refreshments (including alcoholic beverages with or without food) intended for consumption on the Property and for the sale of pre-recorded materials to include videos, records, tapes, compact discs, DVDs and the merchandising of books, magazines, toys, novelties and memorabilia and similar items, which are film related and for any other use or operation normally undertaken from time to time by multiplex cinemas as an ancillary use to the Principal Use;
- (d) “Authority” means any statutory, public, local or other authority or any court of law or any government department or any of them or any of their duly authorised officers;
- (e) “Basic Rent” means up to (but excluding) the Rent Commencement Date a peppercorn if demanded and from and including that date the sum of the Principal Rent subject to review under schedule 5 and the Additional Rent;
- (f) “Building” means the building known as the extension to the Kennet Centre the general boundaries of which are shown edged red on the Site Plan and every part of it and everything attached to it or used for its benefit;
- (g) “Building Common Parts” means:
 - (i) all parts of the Building from time to time provided or created for the common use of the tenants or occupiers of the Building or the Centre and their visitors including (without limitation) any means of

vehicular and pedestrian accesses, passages, stairways, circulation areas, lifts, escalators, landscaped areas, art features, canopies, signage, loading bays, fire escapes, toilet facilities, storage areas, refuse collection and disposal areas; and

(ii) all other parts of the Building (except for the Lettable Areas) the Service Media and the Plant in the Building (except where they form part of any Lettable Areas);

(h) “Centre” means the Kennet Centre (excluding the Building) which is shown edged blue on the Site Plan and every part of it and everything attached to it or used for its benefit;

(i) “CDM Regulations” means the Construction (Design and Management) Regulations 2007;

(j) “Connected Person” means any person firm or company which is connected with the Tenant for the purposes of section 839 Income and Corporation Taxes Act 1988;

(k) “Consent” means an approval, permission, authority, licence or other relevant form of approval given by the Landlord in writing;

(l) “Determination” means the end of the Term however that occurs;

(m) “Enactment” means:

- (i) any Act of Parliament; and
- (ii) any European Union legislation or decree or other supranational legislation or decree having effect as law in the United Kingdom

and references (whether specific or general) to any Enactment include any statutory modification or re-enactment of it for the time being in force and any order, instrument, plan, regulation, permission or direction made or issued under it or under any Enactment replaced by it or deriving validity from it;

(n) “Environment” includes the ambient air, land surface or sub strata, any surface water or ground water, whether or not on, over, under or within the Property;

- (o) “**Environmental Laws**” means any Enactments relating to the protection of the Environment or the control of environmental hazards and pollution including laws relating to the Release or threatened Release of Hazardous Material into the Environment or otherwise relating to the presence, manufacture, processing, distribution, use, treatment, storage, disposal, transportation or handling of Hazardous Material;
- (p) “**Environmental Liabilities**” means any liabilities, responsibilities, claims, losses, costs including remedial, removal, abatement, clean up, investigative and all monitoring costs and other related costs and expenses, damages, settlements, claims, expenses, penalties, fines, legal fees and costs which are incurred by, asserted against or imposed upon the Landlord as a result of or in connection with:
 - (i) any violation of or non-compliance with Environmental Laws including the failure to procure or violation of any permit or licence required by any Environmental Laws;
 - (ii) any Remedial Action;
- (q) “**Floor Area**” means 17,975 square feet;
- (r) “**Goods Areas**” means the service yard and service ramp shown edged red on the Services Plans;
- (s) “**Group Company**” means any company of which the Tenant or the Landlord (as the case may be) is a Subsidiary or which has the same Holding Company as the Tenant or the Landlord (as the case may be) where Subsidiary and Holding Company have the meanings given to them by section 736 Companies Act 1985;
- (t) “**Guarantor**” means the party (if any) so named in clause LR3 or any person who is required to give a covenant to the Landlord as the assignee’s guarantor in a Licence to Assign for so long as each of those persons remains bound by the covenants on their part in this Lease or a Licence to Assign;
- (u) “**Hazardous Material**” means any substance known or reasonably believed to be harmful to human health or the Environment and for that reason subject to Environmental Laws;

- (v) “**Inherent Defect**” means a latent defect in the Building attributable to the design, workmanship, materials or ground preparation during the construction of the Building;
- (w) “**Interest Rate**” means four percent above the base rate from time to time of Lloyds TSB Bank Plc or such other bank being a UK shareholder in CHAPS Clearing Co. Limited as the Landlord may from time to time nominate or if no such base rate can be ascertained then four percent above such other rate as the Landlord may reasonably specify and where and whenever interest is payable at or by reference to the Interest Rate it shall be calculated on a daily basis and compounded on the Payment Days;
- (x) “**Insurance Commencement Date**” means the earlier of:
 - (i) the Rent Commencement Date; and
 - (ii) the first date on which the Tenant opens for trade from the Property;
- (y) “**Internal Area**” has the meaning attributed to Gross Internal Area specified by the edition of the Code of Measuring Practice issued by the RICS current at the date of this Lease;
- (z) “**Landlord**” means the party so named in clause LR3 and includes the immediate reversioner to this Lease from time to time;
- (aa) “**Landlord’s Plant Zone**” means the area shown hatched blue on the plan attached marked “Proposed Roof Plan”;
- (bb) “**Land Registry Prescribed Clauses**” means the clauses numbered LR1 to LR13 (inclusive) at the front of this Lease and references to clauses with an ‘LR’ prefix shall be interpreted accordingly;
- (cc) “**Lease**” means this lease and includes where relevant any deed of variation, licence, Consent or other document supplemental to or associated with this Lease;
- (dd) “**Legal Obligation**” means any obligation from time to time created by any Enactment or Authority which relates to the Property or the Building or the Centre or their use and includes without limitation obligations imposed by the Planning Acts or as a condition of any Necessary Consents;

- (ee) “**Lettalbe Area**” means any part of the Building (including the Property) designed or intended for letting or exclusive occupation (except in connection with the management of the Building) the boundaries of any Lettable Area being determined in the same manner as the boundaries of the Property under schedule 1;
- (ff) “**Licence**” means the licence dated 17 July 2009 made between West Berkshire Council (1) and the Landlord (2) under s177 of the Highways Act 1980;
- (gg) “**Main Structure**” means the foundation, floor slabs, floors, load bearing walls, columns, beams, steel frames and roofs of the Property or the Building or the Centre (as the case may be) but not the floor screed or floor coverings, plaster or wall coverings where they are comprised in the Property and all Service Media (other than those situated in and exclusively serving the Property) and “**structural**” means anything appertaining to the Main Structure;
- (hh) “**Necessary Consents**” means planning permission and all other consents, licences, permissions and approvals whether of a public or private nature which shall be relevant in the context;
- (ii) “**Opening Hours**” means whilst the Property remains a cinema between the hours of 9am and half an hour after the ending of the last film shown on Monday to Sunday (inclusive);
- (jj) “**Outgoings**” means all rates, taxes, charges, duties, assessments, impositions and outgoings of any sort which are at any time during the Term payable by the owner or occupier of property and includes charges for electricity, gas, water, sewerage, telecommunications (including meter rentals connection and hire charges) and other services rendered to or consumed by the relevant property but excludes tax payable by the Landlord on the receipt of the Basic Rent or on any dealings with its reversion to this Lease and input VAT suffered by the Landlord in respect of the Property or the Building or the Centre;
- (kk) “**Payment Days**” means 25th March 24th June 29th September and 25th December in each year;

- (ll) “**Permitted Use**” means the Principal Use and the Ancillary Use;
- (mm) “**Planning Acts**” means every Enactment or regulation of any Authority from time to time in force in relation to town and country planning, development control and the use of land or buildings;
- (nn) “**Plant**” means all apparatus, plant, machinery and equipment from time to time in or on the Property or the Building or the Centre including (without limitation) lifts, lift motors, hoists, shafts, generators, boilers, ducts, vents, pipes, cables and other items relating to ventilation, air conditioning, the provision of hot and cold water, heating, cooling, public address and closed circuit television systems, security systems, burglar and fire alarm, fire prevention or fire control, building management systems and window cleaning cradles or gantries;
- (oo) “**Plant Area**” means the plant area shown hatched green on the plan marked “Proposed Roof Plan” attached to this Lease;
- (pp) “**Poster Box Zones**” means the areas within the Building shown edged orange on the plans marked “Poster Case Location Plan” attached to this Lease
- (qq) “**Principal Rent**” means from and including the Rent Commencement Date the sum of £197,725 subject to review under schedule 5;
- (rr) “**Principal Use**” means as a cinema or auditoria for presentation of motion pictures, telecasts, motion simulators and interactive or computer related entertainment and (subject to planning consent) conferences;
- (ss) “**Property**” means the property being that part of the Building or the Centre stated in clause LR4 and more fully described in schedule 1 and references to the Property shall include reference to any part of it;
- (tt) “**Property Plans**” means the plans attached to this Lease marked “Proposed First Floor Plan” and “Proposed Second Floor Plan”;
- (uu) “**Reasonable Notice**” means (in all cases other than emergency) notice in writing to the Tenant and in respect of entry for the purposes of carrying out any works of whatsoever nature (other than emergency) such notice shall be of at least 10 days and in respect of any entry for the purposes of inspection

such notice shall (other than in an emergency) be of at least three days;

(vv) “**Regulations**” means the regulations in paragraph 2 of Part III of schedule 7 and any others from time to time made by the Landlord acting reasonably and properly varying them or in addition to or in substitution for them which the Landlord notifies to the Tenant and which it considers appropriate having regard to the principles of good estate management and which are no more onerous for the Tenant and which are for the benefit of the whole or substantially the whole of the leisure occupiers of the Building or depending on the regulations in question the Centre provided that:

- (i) in the event of there being any inconsistency between any existing, new or varied regulations and this Lease then the provisions of this Lease shall prevail;
- (ii) any varied or new regulations shall not materially prejudice the Tenant’s beneficial use and occupation of the Property or the Rights;

(ww) “**Release**” means any release, spillage, emission, leaking, pumping, injection, deposit, disposal, discharge, leeching or migration into the Environment or into or out of any property including the movement of Hazardous Material through the Environment;

(xx) “**Remedial Action**” means all actions required to:

- (i) clean up, remove, treat or in any other way adjust or manage Hazardous Material in the Environment;
- (ii) prevent the Release of Hazardous Material so that it does not migrate or endanger or threaten to endanger public health or welfare or the Environment;
- (iii) perform pre-remedial studies and investigations and post-remedial monitoring and care;

(yy) “**Rent**” means all sums reserved as rent under clause 2 of this Lease;

(zz) “**Rent Commencement Date**” means *7 December 2009*

(aaa) “**Requirements for Entry**” means that if the Landlord or any party authorised or pursuant to the authority of the Landlord wishes to exercise

any right of entry upon the Property then the following provisions will have effect:

- (i) such rights shall save in emergency be exercised outside of the hours when the Property is open to the public for trading;
- (ii) such rights shall only be exercisable when the purpose thereof cannot be reasonably achieved without so entering and the party seeking to exercise such rights shall consider all reasonable alternatives and shall consult with the Tenant who shall act reasonably;
- (iii) as little damage, disruption, disturbance and inconvenience to the Property and the trade or business being carried on there shall be caused;
- (iv) the person exercising such rights shall as soon as reasonably practicable make good any physical damage to the Property and/or the Tenant's fixtures, fixings and stock to the reasonable satisfaction of the Tenant;

(bbb) **“Reservations”** means the exceptions and reservations set out in schedule 3;

(ccc) **“Restaurant Plant Zones”** means the areas shown marked “Plant Zone Unit 2”, “Unit 1 Plant Platform”, “Unit 4 Plant Platform”, and “Unit 3 Plant Platform” on the Plan attached marked “Proposed Roof Plan”;

(ddd) **“Rights”** means the rights set out in schedule 2;

(eee) **“Riser Areas”** means the areas shown highlighted in yellow on each of the plans attached to this Lease marked “Riser Locations”;

(fff) **“Service Charge Commencement Date”** means the earlier of:

- (i) the Rent Commencement Date; and
- (ii) the first day on which the Tenant opens for trade from the Property;

(ggg) **“Services Plan”** means the plan marked “Services Plan” attached to this Lease;

(hhh) **“Service Media”** means sewers, drains, pipes, wires, cables, ducts, gutters, fibres and any other medium for the passage or transmission of soil, water,

gas, electricity, telecommunications, air, smoke, light, information or other matters and includes where relevant ancillary equipment and the other structures, plant, equipment and machinery;

(iii) **“Sign”** means any sign, hoarding, showcase, signboard, flag, flagpole, bill, plate, fascia, poster or advertisement;

(jjj) **“Signage Zones”** means the area or areas on the exterior and interior of the Building shown on the plans attached to this Lease marked “Signage Plans”;

(kkk) **“Site Plan”** means the plan attached to this Lease marked “Site Plan”;

(lll) **“Superior Landlord”** means the person or persons from time to time entitled to the reversion immediately expectant on the determination of the term created by the Superior Lease;

(mmm) **“Superior Lease”** means the superior lease under which the Landlord holds part of the Property made on 17th July 2009 between (1) West Berkshire District Council and (2) Newbury Trustee No 1 Limited and Newbury Trustee No 2 Limited;

(nnn) **“Tenant”** means the party so named in clause LR3 and includes its successors in title;

(ooo) **“Term”** means the term of 20 years calculated from the Term Commencement Date and includes any extension holding over or continuation of it whether by Enactment agreement or otherwise;

(ppp) **“Term Commencement Date”** means *4 December 2009*;

(qqq) **“Title Matters”** means all rights, easements, privileges, restrictions, covenants or other matters affecting the Property referred to in the documents set out in schedule 4;

(rrr) **“Uninsured Damage”** means damage or destruction of the Building or the Property by an Uninsured Risk;

(sss) **“Uninsured Risk”** means such risks against which insurance is not obtainable on normal commercial terms in the London insurance market at rates generally available in the London insurance market for a property of the type, size and location of the Building or the Centre or which are subject to

some special limitation excess or exclusion such that the full cost of reinstatement and rebuilding (other than normal excesses) is not recoverable;

(ttt) “VAT” includes any future tax of a like nature and all references to an election by the Landlord to waive exemption under paragraph 2(1) of Schedule 10 to the Value Added Tax Act 1994 shall be deemed to include any such election made by a company in the same VAT group as the Landlord.

1.2 Interpretation

In this Lease:

- (a) words importing one gender include every gender;
- (b) words importing the singular include the plural and vice versa;
- (c) words importing persons include firms, companies and corporations and vice versa;
- (d) references to numbered clauses and schedules are to the relevant clause in or schedule to this Lease;
- (e) references in any schedule to numbered paragraphs are to the numbered paragraphs of that schedule;
- (f) the headings to the clauses, schedules and paragraphs and the contents of the lease particulars are provided for convenience only and shall not affect the interpretation of this Lease;
- (g) where any obligation is undertaken by two or more persons jointly they shall be jointly and severally liable in respect of that obligation;
- (h) any obligation on any party not to do or omit to do anything shall include an obligation not to allow that thing to be done or omitted to be done by any undertenant of that party or by any employee, servant, agent, invitee or licensee of that party;
- (i) where the Landlord covenants to do something it shall be deemed to fulfil that obligation if it procures that it is done;
- (j) any sum payable by one party to the other shall be exclusive of VAT which

shall where it is chargeable be paid in addition to the sum in question and at the time when the sum in question is due to be paid;

- (k) any relevant perpetuity period shall be eighty years from the date of this Lease and shall apply to any rights granted or reserved over or in respect of anything which is not now in existence;
- (l) any reference to a particular plan in this Lease shall be to the relevant named plan so annexed;
- (m) the rights of the Landlord to have access to the Property are to be construed as extending to any mortgagee of the Landlord and to all persons authorised by them;
- (n) any provisions of this Lease requiring the Tenant to obtain Consent are to be construed as first requiring (as a condition precedent) the consent or other approval of any mortgagee and/or any Superior Landlord of the Landlord (where their consent or approval is required) and the Landlord shall not be considered to be unreasonably withholding or delaying Consent if the consent or approval of the mortgagee and/or the Superior Landlord (as the case may be) is withheld or delayed or is given subject to conditions and nothing in this Lease shall be construed to imply that any mortgagee and/or Superior Landlord are not to unreasonably withhold or delay any application for consent or approval;
- (o) unless this Lease states otherwise all sums payable to the Landlord are due on demand;
- (p) any part of the Property that faces onto any of the Building Common Parts shall be regarded as an external part of the Property notwithstanding that such Building Common Parts may be covered in and “exterior” and “external” shall be construed accordingly; and
- (q) reference to the Superior Landlord shall include its successors in title and shall include all superior landlords however remote.

1.3 In this Lease:

(a) Compensation

Except to the extent that compensation may be payable by law, neither the Tenant nor any undertenant or any occupier of the Property shall be entitled to any compensation under any Enactment upon Determination.

(b) Landlord's Liability

Except as expressly otherwise provided in this Lease and except to the extent it may be liable by law, the Landlord shall not be liable to the Tenant or any undertenant or any servant, agent, licensee or invitee of them by reason of:

- (i) any act, neglect, default or omission of any of the tenants or owners or occupiers of any adjoining or neighbouring property (whether within the Building or the Centre or not) or of any representative or employee of the Landlord unless acting within the scope of the express authority of the Landlord; or
- (ii) the defective working, stoppage or breakage of or leakage or overflow from any Service Media or Plant which is beyond the reasonable control of the Landlord; or
- (iii) the obstruction by others of the Building Common Parts or the areas over which rights are granted by this Lease.

(c) Alterations

The Landlord shall be entitled to vary and make alterations to the Building and the Centre and the Building Common Parts and to alter renew or replace any Service Media or Plant and to obstruct the access to the Property and the Building Common Parts while doing so provided that the Tenant shall at all times have reasonable means of customer and service access to and egress from the Property and for any other reasonable purposes and reasonable means to exercise the rights granted to the Tenant pursuant to schedule 2 by such route and over such of the Building Common Parts as the Landlord shall from time to time acting reasonably designate and provided

further that the Tenant's use of and trade from the Property is not materially adversely affected.

(d) No Planning Warranty

Nothing in this Lease shall imply or warrant that the Property may lawfully be used for the Permitted Use.

(e) Covenants

- (i) The Landlord and the Tenant shall not be liable to each other for breach of any covenant in this Lease to the extent that its performance or observance becomes impossible or illegal but subject to the other provisions of this Lease the Term and the Tenant's liability to pay the Rent shall not cease or be suspended for that reason.
- (ii) This Lease does not pass to the Tenant the benefit of or the right to enforce any covenants which now benefit or which may in the future benefit the reversion to this Lease and the Landlord shall be entitled in its sole discretion to waive, vary or release any such covenants.

(f) Approvals

The Landlord shall incur no liability to the Tenant or any undertenant or any predecessor in title of them by reason of any Consent given to or inspection made of any drawings plans specifications or works prepared or carried out by or on behalf of any of them nor shall any such approval or inspection in any way relieve the Tenant from its obligations under this Lease.

(g) Notices

Section 196 Law of Property Act 1925 (as amended by the Recorded Delivery Service Act 1962) shall apply to all notices to be served under this Lease provided that any notices served on the Tenant shall be served at its registered office address and not at the Property.

(h) New Tenancy

- (i) This Lease is a new tenancy for the purposes of the Landlord and Tenant (Covenants) Act 1995.

(ii) If the Landlord and the Tenant at any time agree in writing that the Tenant may defer payment of any sums due under this Lease then for the purposes of section 17 Landlord and Tenant (Covenants) Act 1995 those sums shall be deemed to be due for payment on the deferred date so agreed and not on the earlier date on which they would, but for that agreement, have fallen due.

(i) Proper Law

This Lease shall be governed by English law and the Tenant and the Guarantor irrevocably submit to the exclusive jurisdiction of the English Courts.

(j) Third Parties

For the purposes of the Contracts (Rights of Third Parties) Act 1999 it is agreed that nothing in this Lease shall confer or purport to confer on any third party any right to enforce or any benefit of any term of this Lease.

2 Demise and Rent

2.1 The Landlord demises the Property to the Tenant together with the Rights reserving to the Landlord the Reservations and subject to the Title Matters to hold them to the Tenant for the Term paying as Rent:

- (a) the Basic Rent to be paid yearly (and proportionately for any part of a year) by equal quarterly instalments in advance on the Payment Days (the first payment to be made on the Rent Commencement Date for the period from the Rent Commencement Date to the next Payment Day);
- (b) the Insurance Charge from the Insurance Commencement Date in accordance with Schedule 6; and
- (c) the Service Charge from the Service Charge Commencement Date in accordance with Schedule 9.

3 Tenant's Covenants

The Tenant covenants with the Landlord to observe and perform the covenants in schedule 7.

4 Landlord's Covenants

The Landlord covenants (whilst the reversion immediately expectant upon this Lease is vested in it) with the Tenant to observe and perform the covenants in schedule 8.

5 Re-Entry

5.1 “Relevant Event” means when:

- (a) the whole or part of the Rent or any other sums payable under this Lease remain unpaid twenty-one days after becoming due (whether in the case of the Basic Rent formally demanded or not); or
- (b) any of the Tenant's covenants in this Lease are not performed or observed; or
- (c) the Tenant (or if there is more than one Tenant then if any one of them):
 - (i) becomes Insolvent; or
 - (ii) dies or is dissolved or is removed from the Register of Companies or otherwise ceases to exist; or
- (d) any event occurs or proceedings are taken against the Tenant in any jurisdiction which has an effect equivalent or similar to any of the events mentioned in this clause.

5.2 “Insolvent” means:

- (a) in the case of a body corporate if:
 - (i) it is the subject of an order made (or a resolution passed) or analogous proceedings are successfully taken for appointing a liquidator of or winding up such company (except for the purpose of and followed within four months by an amalgamation or reconstruction which does not involve or arise out of insolvency or give rise to a reduction in capital); or
 - (ii) an administrator is appointed in respect of such company; or
 - (iii) has an encumbrancer take possession or any such person exercises or

any power of sale or a receiver or administrative receiver is appointed of the whole or any part of the undertaking, property, assets or revenues of such company; or

- (iv) stops payment or agrees to declare a moratorium or becomes or is deemed to be insolvent or makes a proposal for a voluntary arrangement under Part I Insolvency Act 1986 or makes an application under section 425 Companies Act 1985; or
- (v) is unable to pay its debts within the meaning of section 123 Insolvency Act 1986;

(b) in the case of an individual if such person:

- (i) is the subject of a bankruptcy order; or
- (ii) enters into any arrangement, scheme, compromise or moratorium or composition with his creditors (whether pursuant to Part VIII Insolvency Act 1986 or otherwise); or
- (iii) is the subject of an order or appointment under section 253 or section 273 or section 286 Insolvency Act 1986; or
- (iv) is unable to pay or has no reasonable prospect of being able to pay his debts within the meaning of sections 267 and 268 Insolvency Act 1986; or
- (v) has a receiver appointed.

5.3 If any Relevant Event shall occur in respect of the Tenant then the Landlord may at any time (and notwithstanding any waiver of any previous right of re-entry) re-enter the Property or any part in the name of the whole at which time this Lease shall immediately determine but without prejudice to any other rights or powers of the Landlord in respect of any previous breach of this Lease.

5.4 If any Relevant Event shall occur in relation to a Guarantor the Tenant shall immediately on becoming aware of the Relevant Event notify the Landlord and shall as soon as reasonably practicable (and in any event within 28 days of becoming aware of any Relevant Event) offer to the Landlord an alternative party who is acceptable to the Landlord (acting reasonably) to stand as Guarantor and shall procure that such alternative party shall enter into and deliver to the Landlord

covenants with the Landlord in substantially the form of the covenants in schedule 11 of this Lease within 14 days of the Landlord confirming that the alternative party is acceptable.

5.5 The Landlord shall not enforce any right of re-entry until either 14 days (in the case of a default in making payment) or one month (in the case of any other default) after service of notice upon any mortgagee or chargee of the Tenant's interest in the Property under this Lease who has previously given and not withdrawn written notification to the Landlord of a subsisting fixed mortgage or charge of this Lease and shall send to such mortgagee or chargee a copy of every notice of default by the Tenant at the same time as service upon the Tenant.

6 Queues

The Landlord acknowledges that queues of the Tenant's customers may from time to time form outside the Property and that the Tenant shall not be deemed to be in breach of any of the tenant covenants in the Lease solely by virtue of such queues.

7 Sprinklers

Notwithstanding any of the other provisions of the Lease nor for the avoidance of any doubt any of the provisions of the Regulations the Tenant shall not be required to install sprinklers within any of the auditoria within the Property.

8 Guarantor's Covenants

The Guarantor covenants with the Landlord to observe and perform the covenants in schedule 11.

9 Registration of Lease at Land Registry

9.1 The Tenant shall promptly:

- (a) (but not before the end of the period referred to in the next clause) apply to the Land Registry for registration of this Lease; and
- (b) supply to the Landlord's solicitors a copy of the title information document and official copies of the register and title plan issued by the Land Registry on completion of that application.

9.2 The Tenant shall submit to the Land Registry with its own application for registration any application by the Landlord (at the Landlord's own cost) for the

registration of the Reservations provided the Landlord's application is delivered (with a cheque for the appropriate fee) to the Tenant or its solicitors within 7 days after completion of this Lease.

- 9.3 On Determination the Tenant shall as soon as practicable apply to the Land Registry for the title to this Lease to be closed and all entries in respect of it removed from the register.
- 9.4 The Landlord shall not be liable to the Tenant for any loss or damage suffered by the Tenant or any costs incurred as a result of the Tenant's failure to register this Lease or any of the Rights at the Land Registry but the Landlord shall if reasonably requested to do so by the Tenant assist the Tenant in dealing with any requisition raised by the Land Registry in connection with the Tenant's application for registration of the Lease relating to the Landlord's ability to grant this Lease.

10 **Trustee Capacity**

Newbury Trustee No 1 Limited and Newbury Trustee No 2 Limited have entered into this Lease as trustees of the Newbury Unit Trust and their liability under this Lease shall be limited to the assets of the Newbury Unit Trust from time to time.

IN WITNESS of which this Lease has been executed by the parties as a Deed and delivered on the date stated in clause LR1

Schedule 1

The Property

The property stated in clause LR4 the boundaries of which are shown edged red on the Property Plans forming part of the land more particularly described in the Property Register of Title Number BK235120 and Title Number BK 433945 including (for the avoidance of doubt):

- 1 all Service Media and Plant exclusively serving the Property up to the point of connection with the common or public system provided that the escalators and lifts (including the lift shafts) leading to and from the Property are not included in and do not form part of the Property;
- 2 all landlord's fixtures and fittings;
- 3 all improvements, alterations and additions;
- 4 the floors (but not the floor slabs), screed, plaster and other finishes coverings and carpets on the floors;
- 5 the interior finishes (including the plaster, paint, paper or any other coverings) from the upper side of the floor slab immediately below the Property to the underside of the floor or roof slab immediately above the Property but including any voids between the false ceilings and the ceiling slab above the Property and any voids between any suspended floor and the floor slab below the Property;
- 6 all non load bearing walls and columns wholly within the Property and the interior one half (including the finishes on them) of the thickness of such walls dividing the Property from any other parts of the Building or the Centre or any Adjoining Land;
- 7 all doors and windows whether internal or external and their frames, glass and fitments

but excluding:

- 8 the Main Structure of the Building or the Centre;
- 9 all Service Media and Plant within the Property serving any other part of the Building or the Centre or any Adjoining Land whether or not jointly with the Property;

- 10 all tenant's and trade fixtures and fittings;
- 11 the airspace above the Property (if any).

Schedule 2

The Rights

1 Access

1.1 The right of access to and egress from the Property:

- (a) during the Opening Hours on foot only over the footpaths, passageways, halls, stairways and other pedestrian parts designed for this purpose forming part of the Building Common Parts; and
- (b) at all times (subject to paragraph 13.3 below) with or without appropriate vehicles over the Goods Areas;
- (c) during the Opening Hours on foot only over the footpaths, passageways, halls and stairways between the Building and the multi-storey car park shown for identification only edged green on the Site Plan

for all reasonable and proper purposes in connection with the Tenant's use of the Property.

2 Building Common Parts

The right during the Opening Hours to use the Building Common Parts for the purpose and in the manner for which they are designed.

3 Services

The right to the free passage and running of water, sewage, gas, electricity, telephones and other services or supplies from and to the Property and in and through Service Media now or during the Term in, on, over or under the Building or any Adjoining Land.

4 Service Media

The right to use all Service Media and Plant not forming part of the Property from time to time serving the Property or provided within the perpetuity period for the benefit of the Property.

5 Support

The right of support and protection for the Property from those parts of the Building and the Centre designed to provide it.

6 Access to Carry out Works

6.1 Where the works referred to in this paragraph cannot reasonably be carried out from the Property, the right to enter upon those parts of the Building Common Parts and any Adjoining Land that are reasonably required for such purpose with or without workmen and such necessary plant and materials for the purpose of inspecting, repairing, maintaining, cleaning, renewing, altering and improving the Property, , any plant installed by the Tenant, any aerials or similar items installed pursuant to paragraph 12 and otherwise so as to comply with the Tenant's obligations in this Lease subject to the Tenant:

- (a) (except in an emergency) obtaining Consent which is not to be unreasonably withheld or delayed;
- (b) minimising any disturbance and/or inconvenience to the Landlord and/or the other occupiers of the Building or the Centre or any Adjoining Land;
- (c) acting expeditiously; and
- (d) causing as little damage as possible and making good all physical damage caused as soon as reasonably practicable to the Landlord's reasonable satisfaction.

7 Signs

7.1 The exclusive right to display a Sign or Signs indicating the name/and or business of the Tenant or as otherwise required by an Enactment within the Signage Zones subject to the following requirements:

- (a) the Tenant must have notified the Landlord in advance; and
- (b) the Tenant must have secured all Necessary Consents for the Sign.

8 Not Used

9 Refuse

The right to use the refuse containers and compactors to be provided by the Landlord within the Goods Areas and all necessary rights of access thereto and egress therefrom.

10 Plant

The exclusive right to install and maintain plant and equipment within the Plant Area together with associated pipes and ducting leading from the Plant Area to the Property along such route or routes as the Landlord acting reasonably shall approve such approval not to be unreasonably withheld or delayed.

11 Poster Boxes

Subject to obtaining any Necessary Consents the exclusive right to install, retain, maintain and use poster boxes within the Poster Box Zones.

12 Aerials etc

The right to erect such aerials satellite dishes and other transmitting and receiving equipment required for the use of the Property for the Principal Use on the roof of the Property (save within the Landlord's Plant Zone or the Restaurant Plant Zones) or within the Plant Area and the right to connect the same to the Property along such route or routes as the Landlord acting reasonably shall approve such approval not to be unreasonably withheld or delayed PROVIDED that nothing in this Lease shall allow the Tenant to erect any other aerials satellite dishes and other transmitting and receiving equipment.

13 Extent of Rights

13.1 All of the above rights:

(a) are (save as expressly stated) not granted exclusively to the Tenant but in common with the Landlord any Superior Landlord any other tenants and occupiers of the Building and the Centre or any Adjoining Land and any other persons authorised by them;

- (b) may in the event of emergency only be temporarily interrupted, suspended, diverted or varied for the purposes of any works of maintenance, repair or alteration provided that the Tenant shall at all times have reasonable means of customer and service access to and egress from the Property and for any other reasonable purposes by such route and over such of the Building Common Parts as the Landlord shall from time to time acting reasonably designate and provided further that the Landlord shall ensure that any periods of disruption are kept to the minimum reasonably practicable and that as little interference with the Tenant's occupation and/or use of the Property shall be caused as reasonably possible;
- (c) shall be exercised by the Tenant in accordance with the Regulations; and
- (d) are definitive.

13.2 Nothing contained or referred to in this Lease will confer or grant to the Tenant any other right, quasi-right, easement, quasi-easement or privilege not specifically mentioned in this Lease and the parties agree that section 62 Law of Property Act 1925 will not apply to this Lease.

13.3 Goods Areas

- (a) No part of the Goods Areas other than such areas as are or may be allocated by the Landlord for the purpose shall be used or permitted or suffered to be used by the Tenant its sub-lessees or occupiers of the Property or their respective servants agents or licensees for parking or waiting vehicles.
- (b) No goods shall be loaded or unloaded except at the loading dock or bay provided for the purpose.
- (c) The Goods Areas shall not be used or permitted or suffered to be used so as to cause any avoidance obstruction or interference with the proper use and enjoyment thereof by others entitled to use the same.
- (d) The Tenant its sub-lessees or occupiers of the Property and their respective servants agents or licensees shall comply with such reasonable directions as may from time to time be given by the Landlord for the regulation and direction of traffic using the goods facilities and of pedestrians using the

pedestrian areas with a view to securing and facilitating the use thereof by all persons entitled to rights thereover.

Schedule 3

The Reservations

1 Works

The right to carry out works to the Building or the Centre or to any Adjoining Land and to use them in whatever manner may be desired and to consent to others doing so provided that in each case the access of light and air to the Property or any other amenity from time to time enjoyed by them shall not be materially affected.

2 Services

The right to the free passage and running of water, sewage, gas, electricity, telephones and other services or supplies from and to any other parts of the Building or the Centre and any Adjoining Land in and through the Service Media which now are or may during the Term be in on over or under the Riser Areas within the Property.

3 Service Media

The right to construct, install, affix, repair, replace, re-install and to maintain Service Media or Plant for the benefit of any part of the Building or the Centre or any Adjoining Land within the Riser Areas.

4 Access

- 4.1 The right upon Reasonable Notice and subject to the Requirements for Entry to remain on the Property with or without workmen, tools, appliances, scaffolding and materials for the purposes of:
 - (a) installing, inspecting, repairing, renewing, reinstalling, cleaning, maintaining, removing or connecting up to any Service Media or Plant referred to in Paragraphs 2 and/or 3;
 - (b) inspecting, cleaning, altering, repairing, maintaining, renewing, demolishing or rebuilding any part of the Building or the Centre or any Adjoining Land;
 - (c) complying with the Landlord's obligations under this Lease or with any other Legal Obligation of the Landlord;
 - (d) inspecting the condition and state of repair of the Property;

- (e) taking schedules or inventories of fixtures and fittings and other items to be yielded up on the expiry of the Term;
- (f) exercising any of the rights granted to the Landlord under this Lease;
- (g) carrying out any inspection of the Property to comply with the requirements of the Insurers (whether for valuation purposes or otherwise); or
- (h) affixing on the exterior of the Property (in the last year of the Term) notices for the re-letting of the Property (so long as such notices do not create a material obstruction to the access of light and air to the Property) and viewing the Property with prospective purchasers and tenants

provided that the Landlord shall not in any circumstances be entitled to carry out any works to the internal decorative and trade fixtures and fittings of the Tenant unless failure to do so shall detrimentally affect the safety and security systems in the Building.

5 Scaffolding

The right to erect scaffolding for any purpose connected with or related to the Building or the Centre or any Adjoining Land provided except in an emergency the Tenant shall be given not less than 25 days' notice and provided further that any such scaffolding shall be designed and erected so as to obstruct the entrances windows and signage of the Property as little as practicable and shall be removed as quickly as practicable following completion of the works facilitated by such scaffolding.

6 Support

The rights of light, air, support, protection, shelter and all other easements and rights now or at any time during the Term belonging to or enjoyed by any other parts of the Building or the Centre or any Adjoining Land.

7 Light

The right at any time to alter the layout of the Building or the Centre or any Adjoining Land and to erect, build, rebuild and/or alter as the Landlord may think fit any buildings within or on the Building or the Centre or any Adjoining Land provided that the Tenant shall at all times have reasonable means of customer and

service access to and egress from the Property and for any other reasonable purposes and reasonable means to exercise the rights granted to the Tenant pursuant to schedule 2 by such route and over such of the Building Common Parts as the Landlord shall from time to time acting reasonably designate and provided further that the Tenant's use of and trade from the Property is not materially adversely affected.

8 Emergency Escape

The right in an emergency to use or pass along any fire escapes within the Property.

9 Superior Title

The rights reserved in the Title Matters.

10 Extent of Reservations

These rights are reserved for the Landlord any mortgagee and all others from time to time authorised by them or otherwise entitled and without any liability (except where damage is caused to the Property in the exercise of these rights) to pay compensation.

Schedule 4

Title Matters

1. The matters contained or referred to in the registers of Title Number BK235120 so far as the same are still subsisting and affect the Property excepting charges securing the financial indebtedness of the Landlord.
2. The Superior Lease

Schedule 5

Rent Review

1 Definitions

- 1.1 “**Rent Restrictions**” means any Enactment which restricts the right of the Landlord to review the Principal Rent or to recover any rent or other sums under this Lease;
- 1.2 “**Review Date**” means the 5th anniversary of the Term Commencement Date and the same day and month in every 5th year after that date and any date on which any Rent Restrictions in force on a previous Review Date are repealed or modified so as to be less restrictive (and “**relevant Review Date**” shall be construed accordingly).

2 Rent Review

- 2.1 On each Review Date the Principal Rent shall be reviewed.
- 2.2 On each Review Date the Principal Rent payable until the next Review Date shall be reviewed to be the Principal Rent payable immediately before the Relevant Review date increased by 2.5% per annum for each year between the previous Review Date and the relevant Review Date (ignoring for this purpose any rent cesser under paragraph 5 of schedule 6 then current).

The Principal Rent shall be:

- (a) from the 5th anniversary of the Term Commencement Date £223,707.70;
- (b) from the 10th anniversary of the Term Commencement Date £253,104.73;
- (c) from the 15th anniversary of the Term Commencement Date £286,364.77.

Schedule 6

Insurance

1 Definitions

1.1 “**Insurance Charge**” means:

- (a) the Percentage (as defined in schedule 9) of the cost to the Landlord of effecting and maintaining those elements of the Insurance Policy referred to in paragraphs 2.1(a) (b) and (c); and
- (b) the total cost to the Landlord in effecting and maintaining that element of the Insurance Policy referred to in paragraph 2.1(d);

1.2 “**Insurance Policy**” means the insurance policy or policies maintained by the Landlord covering the insurances taken out pursuant to paragraph 2.1;

1.3 “**Insured Risks**” means any of the following:

- (a) fire, storm, tempest, lightning, explosion, riot, civil commotion, malicious damage, impact, flood, bursting or overflowing of water tanks, burst pipes, discharge from sprinklers, aircraft and other aerial devices or articles dropped from them (other than war risks), earthquake, landslip, heave, subsidence, damage caused by Terrorist Activity; and
- (b) such other risks as the Landlord may from time to time reasonably require to be covered;

1.4 “**Insurers**” means such reputable underwriters or insurance office with whom the Insurance Policy is effected as determined by the Landlord from time to time;

1.5 “**Loss of Rent**” means loss of all rents or other payments due under this Lease due to damage or destruction by any of the Insured Risks for a maximum period of 3 years having regard to potential increases in those rents or other payments as a result of rent reviews or other matters which may occur;

1.6 “**Terrorist Activity**” means acts of persons acting on behalf of or in connection with any organisation which carries out activities directed towards the overthrowing or influencing by force or violence of Her Majesty’s Government in the United Kingdom or any other government de jure or de facto.

2 Landlord's Provisions

2.1 The Landlord shall effect and maintain at such rate or rates as are proper and competitive in the London insurance market the following insurances with the Insurers:

- (a) insurance against damage or destruction by the Insured Risks in a sum equal to the full reinstatement cost of the Building and the Centre including:
 - (i) the cost of demolition shoring up and site clearance;
 - (ii) all architects' surveyors' and other professional fees and incidental expenses in connection with reinstatement; and
 - (iii) VAT on those amounts to the extent applicable and to the extent that the Landlord may not be able to recover the same from HM Revenue & Customs
- (but excluding the Tenant's fixtures and fittings).
- (b) property owner's public liability insurance;
- (c) insurance against liability under the Defective Premises Act 1972 and any other Enactment in respect of which the Landlord requires insurance; and
- (d) Loss of Rent.

2.2 The Landlord shall not be obliged to insure under paragraph 2.1 if and to the extent that:

- (a) insurance is not generally available in the London insurance market on reasonable terms and at a reasonable cost; or
- (b) any normal excess exclusion or limitation imposed by the Insurers applies; or
- (c) the Insurance Policy has become void or voidable by reason of any act, neglect or default of the Tenant or any undertenant or any predecessor in title of either of them or any employee, servant, agent, licensee or invitee of any of them and the Tenant has not made good any moneys withheld; or
- (d) the Tenant has failed to comply with paragraph 4.3(e)

and to that extent if any damage occurs by a risk which would otherwise be an Insured Risk but which is not actually insured against as a result of any of the above matters it shall not be treated as an Insured Risk.

- 2.3 The Landlord will at the request of the Tenant and upon payment of a reasonable administration charge produce a copy or full details of the Insurance Policy which for the avoidance of doubt will include sufficient information to enable the Tenant to know the full extent of the premises insured and the fixtures and fittings covered, sums insured and excesses, exceptions, conditions and limitations and evidence that it is in force.
- 2.4 The Landlord will use all reasonable endeavours to have the interest of the Tenant noted on the Insurance Policy but this obligation shall be deemed to be satisfied if the Insurance Policy contains a general provision deeming tenants' interests to be noted.
- 2.5 The Landlord will notify the Tenant in writing of any change in the Insurance Policy from time to time which is material to the Tenant including without prejudice to the generality of the foregoing any change in the ambit quantum or terms of cover and (without the need for a request by the Tenant) to supply a copy of the new policy which becomes available.
- 2.6 If the Landlord receives any commissions or other benefits for effecting or maintaining the Insurance Policy it shall not be obliged to pass the benefit of them on to the Tenant.
- 2.7 If the Landlord is itself an insurance company it may self-insure in which case it shall be deemed to be doing so at its usual rates and on its usual terms for insuring a third party.
- 2.8 The Landlord shall use reasonable endeavours to procure that the Insurance Policy is effected at reasonable market rates.
- 2.9 The Landlord shall ensure that nothing is done or omitted by itself or its servants or agents which causes the policy or policies of insurance effected by the Landlord pursuant to this Lease to be avoided or whereby any extra or increased premium may become payable by the Tenant save where the Landlord pays such increased or extra premium out of its own monies.

2.10 The Landlord shall use all reasonable and commercially sensible endeavours to ensure that every policy of insurance effected by the Landlord hereunder contains a non-validation clause to the effect that the policy shall not be avoided by any act or omission or by any alteration whereby the risk of damage or destruction is increased, unknown to or beyond the control of the Landlord and a provision whereby the Insurers agree to waive all rights of subrogation remedies or relief to which the Insurers might become subrogated against the Tenant (unless the loss has been occasioned by or contributed to by the fraudulent or criminal or malicious act of the Tenant).

3 Reinstatement

3.1 If the Building or the Centre is destroyed or damaged by the Insured Risks then subject to paragraph 7.1 the Landlord will use all reasonable endeavours to obtain all Necessary Consents required to reinstate it (but not so as to be obliged to appeal any refusal) as soon as reasonably practicable and if these are obtained and in force (subject to clause 3.4) the Landlord will apply the insurance moneys received under the Insurance Policy other than Loss of Rent insurance in reinstating the damage with all reasonable speed and will to the extent that the sums are insufficient as a result of the Landlord's own act neglect or default make up the shortfall out of its own resources.

3.2 This clause shall be deemed to have been satisfied if the Landlord provides in the rebuilt premises accommodation of equivalent size, as convenient and commodious and equally suitable for the beneficial use of the Tenant and for the uses permitted under this Lease but not necessarily identical to that previously existing.

3.3 The Tenant shall have the right to approve all material modifications or alterations such approval not to be unreasonably withheld or delayed.

3.4 If the Landlord is unable to carry out the reinstatement of the Building or the Centre for any reason beyond its control it shall not be under any continuing obligation to do so and shall be entitled to retain for its own benefit all insurance moneys received or receivable under the Insurance Policy.

3.5 For the avoidance of any doubt the Landlord shall have no obligation to insure or reinstate the Tenant's fixtures or fittings.

4 Tenant's Provisions

- 4.1 The Tenant shall pay the Insurance Charge to the Landlord on demand.
- 4.2 The Tenant shall pay to the Landlord on demand the Percentage of:
 - (a) any normal and proper excess which the Landlord is required to bear under any Insurance Policy;
 - (b) the reasonable and proper costs incurred by the Landlord in valuing the Building or the Centre for insurance purposes at reasonable intervals; and
 - (c) the Landlord's reasonable and proper costs in administering and in preparing and making any claim under the Insurance Policy.
- 4.3 The Tenant covenants with the Landlord:
 - (a) not to do or fail to do anything which shall or may cause the Insurance Policy to be or become void or voidable or increase the premiums payable under it and shall pay on demand the whole of any increase in any premium arising from a breach of this provision;
 - (b) not to insure or maintain insurance of the Building or the Centre against any of the Insured Risks and if in breach of this provision the Tenant shall pay any such sums it is entitled to receive under any such policies to the Landlord on demand;
 - (c) to notify the Landlord upon becoming aware of the incidence of any Insured Risk or any other matter which ought reasonably to be notified to the Insurers including disclosing any conviction, judgement or finding of any Authority relating to the Tenant or any director of the Tenant of such a nature as to be likely to affect the decision of the Insurers to put the Insurance Policy in place or renew it;
 - (d) to comply with all the conditions of the Insurance Policy and all proper requirements of the Insurers notified to the Tenant in writing;
 - (e) to notify the Landlord in writing of the value of any alterations additions or improvements which the Tenant or any undertenant proposes to make which may become landlord's fixtures before those works are commenced so as to enable the Landlord to arrange adequate cover for them;

- (f) to insure its own public and employer's liability in respect of the Property and to provide the Landlord upon request with reasonable evidence that the same is in force;
- (g) in the event of breakage of or damage to the plate glass to replace the plate glass immediately at its own cost.

5 Rent Cesser

If the Building or the Centre is damaged or destroyed by any of the Insured Risks or by an Uninsured Risk such that the Property is unfit for beneficial occupation and use or incapable of reasonable access then (unless paragraph 6 applies) the Basic Rent and Service Charge and or a fair proportion according to the nature and extent of the damage in question shall be suspended until the earlier of:

- (a) the date 3 years after the date of such damage or destruction; and
- (b) the date on which the Property is again fit for occupation and use or capable of reasonable access.

5.2 There shall be no rent ceser under this paragraph unless and until any arrears of Basic Rent have been paid by the Landlord to the Tenant in full.

6 Vitiating of Insurance

6.1 If:

- (a) the insurance money under the Insurance Policy is wholly or partly irrecoverable by reason of any act, neglect or default of the Tenant or any undertenant or any predecessor in title of either of them or any employee, servant, agent, licensee or invitee of any of them; or
- (b) where paragraph 2.7 applies such money would ordinarily in the London insurance market be wholly or partly irrecoverable by reason of any act, neglect or default of the Tenant or any undertenant or any employee, servant, agent, licensee or invitee of any of them; or
- (c) the sum insured is inadequate as a result of a breach by the Tenant of paragraph 4.3(e)

then the Tenant shall before the Landlord becomes obliged under paragraph 3.1 to endeavour to obtain all Necessary Consents for reinstatement or to begin reinstatement pay to the Landlord the irrecoverable amount or the amount of such shortfall as the case may be.

7 Determination

- 7.1 If paragraph 3.4 applies or if at any time during the last 3 years of the Term the Building or the Centre is destroyed or damaged by any of the Insured Risks such that the Property is unfit for beneficial occupation and use or incapable of reasonable access and if the Landlord does not wish to reinstate the damage then if the Tenant or any undertenant of the whole of the Property does not enter into a contractual commitment to accept a new lease of the Property on terms acceptable to the Landlord acting reasonably the Landlord may determine this Lease by giving not less than three months' notice at any time within six months after such damage or destruction occurring.
- 7.2 If the Building or the Centre is destroyed or damaged by any of the Insured Risks such that the Property is unfit for occupation and use or incapable of reasonable access and if the Property is not made fit for occupation and use or capable of reasonable access within 3 years after that destruction or damage occurs then either the Landlord (provided it is not in material breach of its obligations in paragraph 3 of this schedule) or the Tenant may by one month's written notice to the other served at any time after that date (but before the Property is again fit for occupation and use) determine this Lease.
- 7.3 If notice is served pursuant to paragraph 7.1 or 7.2 then upon such notice expiring:
 - (a) this Lease shall immediately determine but without prejudice to any right of action of either party in respect of any previous breach of this Lease by the other or to any obligation of the Tenant under paragraphs 4.2 or 6 and any sums payable under those paragraphs shall be paid on determination if they have not already become payable; and
 - (b) all moneys payable under the Insurance Policy or by the Tenant under paragraphs 4.2 or 6 shall be paid to and belong to the Landlord absolutely.

8 Uninsured Risks

8.1 If there is Uninsured Damage then:

- (a) for the purpose of this paragraph 8 the Property shall be deemed to have been damaged by Insured Risks; and
- (b) within six months of the damage or destruction in question the Landlord shall give written notice to the Tenant ("Election Notice") stating whether or not it proposes to rebuild or reinstate the Property.

8.2 If the Election Notice states that the Landlord does propose to rebuild or reinstate the Property then for all the purposes of this Lease the Uninsured Damage shall be deemed to have been damage by Insured Risks in respect of which the full insurance monies are recoverable by the Landlord under the Insurance Policies.

8.3 If the Election Notice states that the Landlord does not propose to rebuild or reinstate the Property or if no Election Notice is served strictly within the period of six months referred to in paragraph 8.1.(b) then either party may determine this Lease by serving upon the other not less than one nor more than three months' notice in writing.

8.4 If there is Uninsured Damage then notwithstanding the provisions of this paragraph 8 the parties shall consult with each other to the practicability of rebuilding and reinstating the Property and shall make available to each other all reports which either of them may have commissioned in relation to the Property following Uninsured Damage and all appraisals and estimates as to the feasibility and cost of rebuilding and reinstating.

9 Arbitration

Any dispute under paragraphs 5, 6, 7 or 8 shall be referred to the judgement of an arbitrator who shall be appointed and act pursuant to the provisions of the Arbitration Act 1996.

Schedule 7

Tenant's Covenants

Part I

Financial Provisions

1 Payments of Rents

To pay the Rent and all other sums due under this Lease in pounds sterling at the times and in the manner required by this Lease and without deduction or set-off whether legal or equitable.

2 To pay Outgoings

- 2.1 To pay and discharge all Outgoings relating to the Property at the times when they become due.
- 2.2 If at any time the Property is not separately assessed for any Outgoings to pay to the Landlord on demand a fair proportion of any assessment which includes the Property.

3 Costs

- 3.1 The Tenant shall pay to the Landlord on demand all costs expenses losses and liabilities incurred by the Landlord as a result of or in connection with:
 - (a) the preparation and service of any notice under section 146 or 147 Law of Property Act 1925 notwithstanding that forfeiture may be avoided otherwise than by relief granted by the Court; and
 - (b) the preparation service and enforcement of any notice under paragraph 5 of Part II of this schedule or any schedule of dilapidations served during the Term or within four months after Determination.
- 3.2 The Tenant shall pay to the Landlord on demand all reasonable and proper costs and expenses incurred by the Landlord in connection with any application for Consent under this Lease whether or not Consent is refused on lawful grounds or the application is withdrawn but not where such consent is unlawfully withheld or delayed or granted subject to unlawful conditions.

4 VAT

- 4.1 To pay any VAT properly chargeable in respect of any sum or consideration due to the Landlord under this Lease in addition to such sum or consideration and at the time when it is due to be paid.
- 4.2 Where the Tenant is obliged to pay or reimburse any expenditure incurred by the Landlord under this Lease to pay an amount equal to the VAT on that expenditure which the Landlord does not recover as an input.

5 Interest

- 5.1 If the Basic Rent or any part of it is not paid in cleared funds within seven days of the date on which it is due or if any other sum due under this Lease is not paid within 14 days after becoming due (whether or not demanded except where a demand is required by this Lease) to pay interest on the sum in question (before or after any Court Order) at the Interest Rate for the period from the date on which it became due until the date of actual payment.

6 Indemnities

- 6.1 To be responsible for and keep the Landlord fully indemnified against all damages, losses, costs, expenses, actions, demands, proceedings, claims, taxes, levies or charges and liabilities made against or suffered by the Landlord caused by or in any way arising out of:
 - (a) any act, omission or negligence of the Tenant or any person at the Property or in the Building or the Centre expressly or impliedly with the Tenant's authority;
 - (b) any breach or non-observance by the Tenant of the covenants, conditions or other provisions in this Lease;
 - (c) injury to any persons (including officers or servants of the Landlord) the infringement, disturbance or destruction of any right, easement or privilege and damage to property (movable or immovable) caused by or in any way arising out of the condition or use of the Property or anything kept within the Property or the carrying out of any work to the Property including any matters arising in respect of section 4 of the Defective Premises Act 1972; or

(d) the Tenant's use or development of the Property.

Part II

Repairs, Alterations and Decoration

1 Repair

- 1.1 To keep the Property in good and substantial repair and condition and to the extent necessary to comply with such obligation to reinstate, rebuild or renew each part of it.
- 1.2 To keep all landlord's fixtures and fittings and the Service Media and Plant in and exclusively serving the Property properly maintained and in good working order and condition and in doing so to employ reputable contractors to regularly inspect and service them and to renew or replace them or any part as and when necessary with new ones of at least equal type and quality.

2 Decoration

- 2.1 In this paragraph "Decorate" means to carry out in a good and workmanlike manner and to a high standard in keeping with modern practice the preparation and decoration with good quality paint or other appropriate treatment or preservative and/or the cleaning, washing down, re-pointing and reinstating of all tiles and finishes of the Property and/or the papering and plastering of areas so decorated all to the Landlord's reasonable satisfaction and "Decoration" shall be construed accordingly.
- 2.2 As often as shall be reasonably necessary and in the last year of the Term (however determined) to Decorate the Property (having on the last occasion first obtained Consent to the colour scheme which Consent shall not be unreasonably withheld or delayed) provided that the Tenant shall not be obliged to Decorate the Property more than once in any period of 18 months.

3 Insured Risk

Paragraphs 1 and 2 shall not apply to the extent that any lack of repair or Decoration is caused by damage by an Insured Risk (unless paragraph 6 of schedule 6 applies and the Tenant has not made good the shortfall or irrecoverable amount) or by an Uninsured Risk.

4 Cleaning

- 4.1 To keep the Property and its curtilage and the Tenant's fixtures and fittings in a clean and tidy condition, free from rubbish and other articles.
- 4.2 To clean the glass of all windows comprised in the Property both inside and out as often as reasonably necessary.

5 Tenant's Breach

- 5.1 If the Tenant is in breach of any of paragraphs 1-4 then in addition to any other rights which the Landlord may have:
 - (a) the Landlord may serve on the Tenant written notice specifying the breach in question; and
 - (b) the Tenant shall as soon as practicable after receipt of that notice commence and proceed with all due speed to remedy the breach.
- 5.2 If the Tenant fails to comply with paragraph 5.1(b) the Landlord may enter the Property and carry out the relevant work and all costs incurred by the Landlord shall be a debt due from the Tenant to the Landlord which the Tenant shall pay on demand but the Landlord shall not in any circumstances be entitled to carry out any works to the internal decorative and trade fixtures and fittings of the Tenant unless failure to do so shall detrimentally affect the safety and/or security systems of the Building or the Centre.
- 5.3 The Tenant shall give written notice to the Landlord immediately on becoming aware of:
 - (a) any damage to or destruction of the Property or the Building or the Centre or
 - (b) any defect or want of repair in the Property or the Building or the Centre including (without limitation) any relevant defect within the meaning of section 4 Defective Premises Act 1972 which the Landlord is liable to repair under this Lease or which the Landlord is or may be liable to repair under common law or by virtue of any Enactment.

6 Yielding up on Determination

- 6.1 On Determination the Tenant shall yield up the Property to the Landlord with vacant possession in a state of repair, condition and decoration which is consistent with the proper performance of the Tenant's covenants in this Lease.
- 6.2 If at Determination the Tenant leaves any fixtures, fittings or other items in the Property the Landlord may treat them as having been abandoned and may remove, destroy or dispose of them as the Landlord wishes and the Tenant shall pay to the Landlord on demand the cost of this and indemnify the Landlord against any and all resulting liability.
- 6.3 Immediately before the end of the Term if and to the extent reasonably required by the Landlord (providing that such request is made where this Lease determines by effluxion of time not less than 3 months prior to the end of the Term) (or if not so required at the discretion of the Tenant) the Tenant shall:
 - (a) reinstate all alterations, additions or improvements made to the Property at any time during the Term or tenant's fixtures and fittings installed pursuant to any agreement for lease made before the start of the Term (but not those alterations, additions or improvements carried out by the Tenant and detailed in the specification attached hereto) and where this involves the disconnection of Service Media or Plant the Tenant shall ensure that the disconnection is carried out properly and safely and that the Service Media and Plant are suitably sealed off or capped and left in a safe condition;
 - (b) replace any of the landlord's fixtures and fittings which shall be missing, damaged beyond repair or destroyed with new items of at least equal type and quality or at the Landlord's option pay to the Landlord the cost of replacing them; and
 - (c) remove from the Property any Sign of the Tenant or any occupier of the Property.
- 6.4 The Tenant shall make good any damage caused in complying with paragraph 6.3 or in removing any tenant's fixtures and fittings and shall carry out all relevant works including the making good of damage to the reasonable satisfaction of the Landlord.

7 Alterations

7.1 The Tenant shall make no alteration, addition or improvement to the Property whether structural or otherwise except:

- (a) as expressly permitted under paragraph 7.2; or
- (b) with Landlord's approval and the Landlord shall not unreasonably withhold or delay approval of such request.

7.2 The Tenant may without Landlord's consent carry out alterations, additions or improvements to the Property which do not affect the exterior or the appearance of the Property (except in relation to the entrance foyer and fascia signage) and which do not adversely affect the structural integrity of the Property or the Building or the Centre where:

- (a) the Tenant has submitted to the Landlord detailed plans and specifications showing the proposed works;
- (b) the Tenant has obtained and supplied copies to the Landlord of all Necessary Consents to carry out the proposed works;
- (c) the Tenant has notified the Landlord of the valuation of the proposed works for insurance purposes;
- (d) the Tenant has given to the Landlord such covenants relating to the carrying out of the proposed works as the Landlord may reasonably require,

and for the avoidance of doubt no Landlord's consent shall be required to the Tenant's signage indicating the name and nature of the business.

7.3 In carrying out any work under paragraph 7.2 the Tenant shall:

- (a) comply in all respects with all Necessary Consents relating to those works;
- (b) comply with the requirements of the Insurers;
- (c) comply with the reasonable requirements of the Landlord and permit it to enter the Property for the purpose of inspecting the progress of those works;
- (d) not overload the Service Media or Plant; and

- (e) carry out the same in a good and workmanlike manner with good quality materials.

7.4 To the extent that any works undertaken by or on behalf of the Tenant fall within the scope of the CDM Regulations the Tenant shall:

- (a) warrant to the Landlord that it is the only client for such works; and
- (b) supply to the Landlord a copy of the Health and Safety Manual prepared for the purposes of the CDM Regulations within one month of the relevant works being completed.

Part III

User Provisions

1 Use

- 1.1 The Tenant shall use the Property solely for the Permitted Use or other uses with Landlord's Consent, such consent not to be unreasonably withheld or delayed subject to the provisions of this Part III of the Lease.
- 1.2 The Tenant shall not use the Property:
 - (a) for any purpose or activity which is illegal, immoral, noisy, noxious, dangerous or offensive or for the burning or incineration of waste or rubbish;
 - (b) as a sex shop, a betting office, for an auction, public, religious or political meeting;
 - (c) in a way which may be or become an actionable nuisance to or cause damage to the Landlord or any other person or any property;
 - (d) in a way which might be harmful to the Property or the Building or the Centre; or
 - (e) in a way which may result in the disapplication of the Landlord's election to waive exemption in respect of the Property under paragraph 2(1) of Schedule 10 to the Value Added Tax Act 1994;
 - (f) for the purpose of residing or sleeping.

- 1.3 The Tenant shall not enter into any covenant in favour of any person other than the Landlord nor require a covenant from any person the effect of which is to restrict the use of the Property further than it is already restricted by this Lease provided that this shall not apply in the case of underleases of part and concessions.

2 Regulations

- 2.1 The Tenant shall and shall procure that all occupiers of and visitors to the Property shall:
 - (a) ensure that the delivery and despatch of goods, mail and other items to the Property and access for workmen, servicing deliveries and materials shall

only take place through the service areas in the Building Common Parts and through the service entrances, lifts, stairs and corridors as are reasonably designated for those purposes by the Landlord from time to time;

- (b) ensure that where vehicles are allowed into any service area in the Building or the Centre for the purpose of loading or unloading they shall only be allowed at such times as the Landlord may reasonably specify and the Landlord may also specify a reasonable maximum time during which any vehicle may remain there and may remove or immobilise any vehicles not complying with this regulation;
- (c) dispose of rubbish in suitable containers and in the manner reasonably required by and to the reasonable satisfaction of the Landlord and not to store, deposit or exhibit any goods, articles or rubbish so that the same may be visible from outside the Property;
- (d) ensure that no machinery is used which may cause vibration to be felt outside the Property or which may damage the Main Structure of the Property or the Building or the Centre;
- (e) maintain to the satisfaction of the Landlord and the Insurers adequate fire prevention apparatus upon the Property and shall from time to time remove from the Property all waste and inflammable material as quickly as possible;
- (f) not exhibit or place any articles of any kind outside the Property or transact any business except inside the Property;
- (g) ensure the Property is locked or otherwise secured when not in use;
- (h) not leave the Property empty for more than one month without:
 - (i) notifying the Landlord in writing; and
 - (ii) providing such security arrangements as the Landlord or the Insurer reasonably require;
- (i) not obstruct the Building Common Parts and so far as reasonably practicable maintain and contribute to the respectability and good order and conduct of the Building and the Centre.

2.2 In relation to any application for Consent to change the use(s) being carried on from the Property it shall be reasonable for the Landlord to refuse Consent on the following grounds (without limitation):

- (a) that the proposed change conflicts with the principles of good estate management including any particular mix of shops or other users in the immediate vicinity of the Property;
- (b) that the proposed trade conflicts with any covenant or non-competition clause agreed by the Landlord with any other occupier of the Building or the Centre or with any other obligation on the Landlord not to permit such trade;
- (c) that less than 5 years have passed since the later of the Term Commencement Date and the date when the cinema opened for trade being ~~[(1)November 2009]~~; and/or
- (d) that the proposed change does not fall within class D2 (excluding D2(E)) of the Town and Country Planning (Use Classes) Order 1987.

2.3 The Tenant shall not allow drinks or meals to be served by its staff outside the Property.

2.4 The Tenant shall use all reasonable endeavours not to allow odours arising from the preparation of food to be discharged through the Service Media in such a way as to affect the beneficial use and occupation of any other Lettable Area or the Building Common Parts or the Centre.

2.5 The Tenant shall at all times continuously maintain the Property in a clean and sanitary condition so as to comply with all Enactments relating to health and safety and food and hygiene and shall ensure that all rubbish and refuse from the Property is removed without delay.

2.6 Once the cinema within the Property has been opened to members of the public the Tenant shall not allow the cinema within the Property to close to members of the public for a continuous period of more than 30 days until the fifth anniversary of the cinema opening for trade save where the cinema is inoperable due to damage or where necessary to carry out works to the Property or where it would be contrary to the general law or the lawful requirement of any competent authority

and where such opening would be contrary to the general law or the lawful requirement of any competent authority the Tenant shall (where such measures are within the Tenant's ability) take reasonable measures to comply with such law or requirement so as to be able to open to members of the public as quickly as reasonably possible thereafter.

3 Legal Obligations and Necessary Consents

- 3.1 The Tenant shall comply with all Legal Obligations relating to the Property and its use of it.
- 3.2 Where the Tenant receives from an Authority any formal notice relating to the Property (whether or not the notice is of a Legal Obligation) it shall as soon as practicable send a copy to the Landlord and if requested by the Landlord at the Landlord's cost make or join in making such objections, representations or appeals in respect of it as the Landlord may reasonably require (to the extent that the same would not be to the detriment of the Tenant or any permitted occupier of the Property).
- 3.3 Where any Legal Obligation requires the carrying out of works to the Property the Tenant shall to the extent required by this Lease apply for Consent and any Necessary Consents to carry out the works and after obtaining them the Tenant shall carry out the works to the reasonable satisfaction of the Landlord.
- 3.4 Before doing anything at the Property which requires any Necessary Consents and whether or not the Landlord shall have issued its Consent to that matter under the other provisions of this Lease the Tenant shall:
 - (a) obtain all Necessary Consents for the purpose;
 - (b) produce copies of all Necessary Consents and its applications for them to the Landlord; and
 - (c) obtain the approval of the Landlord (which shall not be unreasonably withheld) to the Necessary Consents and the implementation of them.
- 3.5 The Tenant shall not without Consent (not to be unreasonably withheld or delayed) make or alter any application for any Necessary Consents.

- 3.6 Where any Necessary Consents implemented by the Tenant or any undertenant or permitted occupier of the Property require works to be carried out by a date subsequent to the end of the Term the Tenant shall ensure that those works are completed before Determination.
- 3.7 If the Tenant receives or is entitled to receive any statutory compensation in relation to the Lease (other than from the Landlord) and if Determination occurs otherwise than by effluxion of time the Tenant shall upon Determination pay to the Landlord a fair proportion of that compensation.

4 Service Media

- 4.1 The Tenant shall not use the Service Media or the Plant:
 - (a) for any purpose other than that for which they are designed; or
 - (b) so as to exceed the capacity for which they are designed (having regard to the fact that such use may be shared with other occupiers of the Building or the Centre or any Adjoining Land).
- 4.2 The Tenant shall keep clean and free from obstruction all Service Media and Plant forming part of the Property and not allow any Hazardous Material or material which causes an obstruction to be discharged through them or through any Service Media and Plant serving part of the Property.

5 Overloading and Damage

- 5.1 The Tenant shall not overload any part of the Property or the Building or the Centre by bringing into the Property or allowing to remain there any safe or other heavy article that may damage any lift within the Building or the Centre or any part of the Main Structure of the Property or the Building or the Centre.
- 5.2 The Tenant shall not do anything on the Property which would or might remove support from or endanger any Adjoining Land or any part of the Building or the Centre and shall not suspend anything from any wall or ceiling in the Property which would adversely affect the structural integrity of the Property or the Building or the Centre.

6 Rights and Easements

- 6.1 The Tenant shall not grant to any third party any rights of any nature over the Property.
- 6.2 The Tenant shall preserve all easements and rights currently enjoyed by the Property and in particular (without limitation) will not obstruct any of the windows of the Property.
- 6.3 The Tenant shall not do or omit to do anything whereby any right of prescription may arise against the Landlord.

7 Entry by Landlord

- 7.1 Upon Reasonable Notice and subject to the Requirement for Entry the Tenant shall permit the Landlord and those authorised by it at all times to enter and remain unobstructed on the Property for the purpose of exercising any of the rights reserved by this Lease in schedule 3 or otherwise in this Lease.
- 7.2 The Tenant shall upon request supply the Landlord with telephone numbers via which at least two keyholders of the Property can be contacted at any time in the case of emergency.

8 Title Matters

The Tenant shall not do or permit to be done anything in respect of the Property which would put the Landlord in breach of the Title Matters or the Licence.

9 Plans and Information

- 9.1 If called upon to do so the Tenant shall supply the Landlord with all plans, information and documents and other evidence that the Landlord may reasonably and properly require to:
 - (a) satisfy itself that the provisions of this Lease are being complied with;
 - (b) enable it to consider any application for Consent made by the Tenant;
 - (c) implement any rent review; or
 - (d) carry out any step or procedure under the Landlord and Tenant Act 1954.

10 Pollution

10.1 The Tenant covenants:

- (a) to ensure that all operations of the Tenant at the Building and the Centre comply with all applicable Environmental Laws;
- (b) to obtain all permits, licences and approvals required by any Environmental Laws or by any laws governing health and safety which are necessary to conduct the Tenant's business operations from the Building and/or the Centre and to ensure that all such permits, licences and approvals remain in full force and effect and that the Tenant complies with all terms and conditions of such permits, licences and approvals;
- (c) to file all reports, records or notices required under any applicable Environmental Laws including any relating to any Release, creation, treatment, storage, disposal or other handling by the Tenant of Hazardous Material at the Building and/or the Centre;
- (d) to take all proper and reasonable measures to avoid either directly or indirectly any Release of Hazardous Material by the Tenant into or any contamination or pollution of the Environment or the Property at or from the Building and/ or the Centre;
- (e) at all times throughout the Term and at the end of the Term to carry out any Remedial Action which may be required as a result of any notice served by any Authority or as a result of any breach by the Tenant of its obligations under this paragraph;
- (f) to keep the Landlord fully indemnified against all Environmental Liabilities related to or connected with the Tenant's use and occupation of the Building and/or the Centre and anyone deriving title under or through them during the Term.

Part IV

Dealings with the Property

1 General Prohibition

Except where permitted by this Lease the Tenant shall not assign, underlet, charge, part with or share possession or occupation of all or any part of the Property in any way nor hold the Property on trust or as the agent for any other person.

2 Charges

The Landlord shall not unreasonably withhold or delay Consent to an application by the Tenant to grant a legal charge of the whole of the Property to a bona fide and reputable financial institution provided that no consent is required to a charge to a UK Clearing Bank or other substantial financial institution.

3 Assignments of the Whole

3.1 The Landlord shall not unreasonably withhold or delay Consent permitting the Tenant to assign the whole of the Property but the Landlord and the Tenant agree for the purposes of section 19(1A) Landlord and Tenant Act 1927 that the Landlord may withhold Consent unless:

- (a) the prospective assignee is not a Group Company of the Tenant or a Connected Person or if it is a Group Company of the Tenant or a Connected Person it is of no lesser covenant strength (assessed together with the covenant strength of any guarantor offered also) than the Tenant (which shall when assessing the covenant strength of the Tenant include the strength of any Guarantor of the Tenant's liabilities prior to the date of the assignment);
- (b) the prospective assignee is of sufficient financial standing to enable it to comply with the Tenant's covenants in this Lease;
- (c) being a body corporate, the prospective assignee is or each of its proposed guarantors (if any) are corporate bodies incorporated within the United Kingdom or within such a jurisdiction which enforces United Kingdom judgements without further assessment of the merits of the case;

- (d) any Basic Rent due from the Tenant to the Landlord under this Lease is paid and any material breach of covenant is remedied;
- (e) the Tenant (and any former tenant who by virtue of there having been an “excluded assignment” as defined in section 11 of the Landlord and Tenant (Covenants) Act 1995 has not been released from the Tenant’s covenants in this Lease) enters into an authorised guarantee agreement within the meaning of the Landlord and Tenant (Covenants) Act 1995 with the Landlord in such terms as the Landlord acting reasonably shall require;
- (f) if the Landlord reasonably requires, a guarantor acceptable to the Landlord acting reasonably has guaranteed to the Landlord the due performance of the prospective assignee’s obligations in the terms set out in schedule 11;
- (g) if the Landlord reasonably requires, any security for the Tenant’s obligations under this Lease which the Landlord holds immediately before the assignment is continued or renewed in each case on such terms as the Landlord may reasonably require in respect of the Tenant’s liability under the authorised guarantee agreement referred to above (but this paragraph shall not apply to any authorised guarantee agreement entered into by a former tenant or by any guarantor of a former tenant).

4 Underletting

4.1 The Landlord shall not unreasonably withhold or delay Consent to an application by the Tenant to underlet the whole or part only of the Property where all of the following conditions are satisfied:

- (a) the prospective undertenant covenants with the Landlord in a form reasonably required by the Landlord that until it assigns the underlease with consent as required by the underlease it will observe and perform the Tenant’s covenants and obligations in the underlease;
- (b) if the Landlord reasonably so requires, a guarantor or guarantors reasonably acceptable to the Landlord has guaranteed to the Landlord the performance by the undertenant of its covenant in paragraph 4.1(a) in such terms as the Landlord may reasonably require;
- (c) no fine or premium is taken by the Tenant for the grant of the underlease;

- (d) the basic rent payable under the underlease is not less than the open market rent reasonably obtainable for the underlease;
- (e) any rent free period or other financial inducements given to the undertenant are no greater than is usual at the time;
- (f) the form of the underlease has been approved in writing by the Landlord, such approval not to be unreasonably withheld or delayed where the provisions of the underlease are consistent with the provisions of this Lease and where the basic rent due under it is reviewable at the same times and on the same terms as the Basic Rent;
- (g) in respect of an underlease of part only the underlease prohibits any further assignments underlettings licences or the parting with or sharing of possession or occupation with any party (except for an assignment of the whole);
- (h) in respect of an underlease of the whole the underlease contains the same provisions as to alienation as are contained in this Lease but subject to additional conditions that:
 - (i) the consent of the Landlord under this Lease has been obtained (such consent not to be unreasonably withheld or delayed); and
 - (ii) the prospective assignee and its guarantors (if any) have covenanted with the Landlord under this Lease in the terms of paragraphs 4.1 (a) and 4.1 (b);
- (i) in respect of an underlease of part only or an underlease of the whole in the last 5 years of the term before the undertenant enters into the underlease or, if earlier, becomes contractually bound to do so:
 - (i) the underlease is excluded from the operation of sections 24 to 28 (inclusive) of the Landlord and Tenant Act 1954 by the procedure mentioned in section 38A of that Act;
 - (ii) an agreement between the Tenant and the proposed undertenant to exclude the operation of those sections and a reference to the relevant notice and declaration is contained in, or endorsed on, the underlease; and

- (iii) the Tenant provides to the Landlord certified copies of that notice and declaration and such other evidence as the Landlord may reasonably require that the relevant requirements of section 38A of the Act are satisfied; and
- (j) in respect of an underletting of part no more than 3 such underlettings shall be permitted at any one time and such underlettings shall not be in respect of a combined area of more than 20% of the aggregate of the gross internal floor area of the Property.

The Tenant shall:

- (k) enforce against any undertenant the provisions of any underlease and shall not waive any of them;
- (l) operate the rent review provisions contained in any underlease so as to ensure that the rent is reviewed at the correct times and in accordance with those provisions and without prejudice to the foregoing the Tenant shall:
 - (i) incorporate as part of its submissions or representations to that third party such submissions or representations as the Landlord may reasonably require;
 - (ii) give notice to the Landlord of the details of the determination of every rent review within 21 days; and
- (m) not without Consent (which shall not be unreasonably withheld or delayed) vary the terms of or accept a surrender of the whole or any part of any underlease.

4.2 The Tenant shall not require or permit any rent reserved by any underlease to be commuted or to be paid more than one quarter in advance or to be reduced.

5 Limit of Consent

Any Consent granted under this Part of this schedule shall (unless it expressly states otherwise) only be valid if the dealing to which it relates is completed within three months after the date of the Consent.

6 Sharing with Group Companies

6.1 The Tenant may after giving written notice to the Landlord containing all relevant information share occupation of part of the Property (but not so as to mean that such Group Company occupies the whole of the Property to the exclusion of the Tenant) with any Group Company of the Tenant on condition that:

- (a) the sharing shall not create any relationship of landlord and tenant; and
- (b) on any occupier ceasing to be a Group Company of the Tenant the occupation shall immediately cease.

7 Concessions

7.1 The Tenant shall be entitled to grant concessions of the Property to bona fide third parties by way of licence only provided that:

- (a) the areas so licensed are not separately constructed or partitioned so as to give the impression of the same forming a separate unit within the Property; and
- (b) no relationship of landlord and tenant shall exist between the Tenant and the concessionaire.

8 Notice of Dealings

Within twenty eight days of any dealing with or transmission or devolution of the Property or any interest in it the Tenant shall give to the Landlord notice in duplicate specifying the basic particulars of the matter in question and at the same time supply a certified copy of any instrument making or evidencing it and, in the case of an underlease excluded from the operation of sections 24 to 28 (inclusive) of the Landlord and Tenant Act 1954, certified copies of the notice, declaration and other evidence referred to in paragraph 4.1(i)(iii) and pay a registration fee of £40 or such higher sum as shall be reasonably specified by the Landlord at the time.

9 Provision of Occupier Information

From time to time on demand during the Term the Tenant shall provide the Landlord with particulars of all derivative interests of or in the Property including particulars of rents, rent reviews, permitted uses and service and maintenance

charges payable in respect of them and copies of any relevant documents and the identity of the occupiers of the Property.

Schedule 8

Landlord's Covenants

1 Quiet Enjoyment

To allow the Tenant to hold and use the Property during the Term without any interruption (except as authorised by this Lease) by the Landlord or by any person lawfully claiming through under or in trust for the Landlord.

2 Title Matters

To observe and perform its covenants in the Title Matters except to the extent that they are the Tenant's responsibility under this Lease.

3 Insurance

To observe and perform the covenants on its part contained in schedule 6.

4 Service Charge

To observe and perform the covenants on its part contained in schedule 9.

5 Restrictions

To observe and perform the covenants on its part contained in schedule 10.=6. Superior Lease and Licence

- (a) To pay the rents reserved by the Superior Lease and to observe and perform the covenants and conditions on the part of the lessee contained in the Superior Lease and to keep the Tenant fully and effectually indemnified in respect of any breach non-observance or non-performance of it.
- (b) On the Tenant's request to use all reasonable endeavours to enforce the covenants on the part of the Superior Landlord contained in the Superior Lease.
- (c) To use all reasonable endeavours to obtain the consent of the Superior Landlord wherever the Tenant makes application for any consent required under this Lease where the consent of both the Landlord and the Superior

Landlord is needed by virtue of this Lease and/or the Superior Lease.

- (d) To notify the Tenant forthwith of any notices received by the Landlord pursuant to the Superior Lease or Licence which touch or concern the Property and supply a copy of the same if requested by the Tenant.
- (e) Not to charge the Tenant for any expenses or costs incurred by or due from the Landlord under the terms of the Superior Lease or the Licence, or in complying with the terms of the Superior Lease or the Licence unless those expenses or costs would have been incurred by the Landlord and payable by the Tenant under this Lease even if there was no Superior Lease and/or Licence in existence.
- (f) To observe and perform the covenants and conditions on the part of the Licensee contained in the Licence and to keep the Tenant fully and effectually indemnified in respect of any breach non-observance or non-performance of it.

Schedule 9

Service Charge

Part I

The Mechanics

1 Definitions

- 1.1 “Auditor” means such reputable and suitably qualified person or firm as the Landlord may from time to time appoint for the purpose of preparing the Statement;
- 1.2 “Calculation Date” means the 31st March in any year or such other date or dates in each year of the Term as the Landlord may by written notice stipulate;
- 1.3 “Charging Period” means the periods:
 - (a) from the Service Charge Commencement Date to (and including) the first Calculation Date; and then
 - (b) between two consecutive Calculation Dates (excluding the first Calculation Date but including the second Calculation Date in that period); and then
 - (c) from (and including) the Calculation Date prior to Determination up to Determination (provided that Determination shall not prejudice the Landlord’s right to recover the Service Charge for that Charging Period);
- 1.4 “Costs” means the aggregate total cost of the items listed in Part III of this schedule;
- 1.5 “Index” means the Index of Retail Prices (All Items) published by the Office of National Statistics (or such other body on whom the duties for the preparation and publication of the Index may devolve);
- 1.6 “Interim Charge” means the Landlord’s reasonable estimate of the Service Charge which will be payable by the Tenant during a Charging Period;
- 1.7 “Managing Agent” means any party from time to time appointed by the Landlord to manage the Building or the Centre (who may be an employee of the Landlord);

1.8 “**Percentage**” means a fair and reasonable proportion to be determined by the Landlord but which in the absence of special circumstances will be primarily based on the proportion which the Floor Area of the Property bears to the Internal Area of all the Lettable Areas of the Building;

1.9 “**Services**” means the services as set out in Part II of this schedule;

1.10 “**Service Charge**” for any Charging Period means the Percentage of the Costs; or the Service Charge Cap for that Charging Period if lower;

1.11 “**Service Charge Cap**” means:

- (a) for the period of five years from the Service Charge Commencement Date (“**Initial Cap Period**”) £26,962.50 per annum (“**Initial Cap Figure**”);
- (b) thereafter for the remainder of the Term, for the period from the expiry of the Initial Cap Period until the day before the start of the Charging Period next following (“**Second Cap Period**”) the figure obtained by multiplying the Initial Cap Figure (and for each subsequent Charging Period thereafter the figure obtained by multiplying the Service Charge Cap Figure for the immediately preceding Charging Period) (or in the case of the Second Cap Period the Initial Cap Figure) by the greater of:

X/Y; and

1

where:

“X” is the latest published figure for the Index on the relevant Calculation Date (or in the case of the Second Cap Period the date of expiry of the Initial Cap Period); and

“Y” was the latest published figure for the Index on the immediately preceding Calculation Date (being in the case of the Second Cap Period the Calculation Date immediately preceding the start of the Second Cap Period)

- (i) whenever the Second Cap Period or any Charging Period is for a period of less than 365 days the relevant Service Charge Cap shall be calculated by multiplying the relevant Service Charge Cap by the

fraction of which the numerator is the number of days in the relevant Second Cap Period or Charging Period and the denominator is 365;

- (ii) if any adjustments need to be made to reflect any rebasing of the Index between any Calculation Dates or if the Index shall cease to exist or if for any other reason the parties fail to agree the Service Charge Cap then an independent professionally qualified chartered accountant (the "Accountant") as shall be agreed upon by the parties (or in the absence of such agreement nominated on the application of either party at any time after the date one month after the relevant Calculation Date by the President for the time being of the Institute of Chartered Accountants or his appointed deputy) shall act as an independent expert in calculating the Service Charge Cap for the relevant Charging Period on the basis of his considered judgement of the increase in consumer retail prices in the United Kingdom since the time of the last Calculation Date but will:
 - (A) allow the parties a reasonable opportunity of making one set of written representations and one set of written counter-representations to him;
 - (B) take those representations and counter-representations into account; and
 - (C) give written reasons for his determination;
- (iii) the award of the Accountant shall be binding on the parties and the costs of the reference to him and of his determination including his own fees and expenses and the legal and other costs of the parties shall lie in his award and if the Accountant dies or becomes unwilling to act or becomes incapable of acting the President referred to above may upon the application of either party discharge him and appoint another Accountant to act in his place and in the same capacity and this shall be repeated as many times as the circumstances may require;

1.12 **"Statement"** means an audited service charge statement issued pursuant to paragraph 3.3.

2 The Performance of the Services

- 2.1 The Landlord shall perform the Services in a good and workmanlike and efficient manner and may (after consulting with and having due regard to any reasonable representations made by the Tenant) from time to time increase the scope of add to alter, vary, suspend or discontinue any of the Services if it is reasonable to do so for the benefit of the tenants and other occupiers and having regard to the principles of good estate management and provided always that the Landlord shall not withhold any of the Services relating to the repair, maintenance, cleaning, lighting and decoration of the Building or the Building Common Parts including the lift and escalator serving the Property the provision of and operation of a security patrol and/or security observation system within the Building Common Parts and the provision of refuse compactors and the operation of a refuse collection service for the Building.
- 2.2 Notwithstanding paragraph 2.1 the Landlord shall not be obliged to provide the Services where:
 - (a) it is prevented from doing so by circumstances beyond its reasonable control including (without limitation) breakdown damage the need for inspection or repair, shortage of labour, fuel, equipment or materials and inclement weather; or
 - (b) the Services in question cannot reasonably be provided as a result of works of alteration inspection or repair or any other works being carried out at the Building or the Centre; or
 - (c) the Tenant has failed to give the Landlord notice of the failure of the Services in question and the Landlord ought not reasonably to have known about it,but the Landlord shall use all reasonable endeavours to restore the relevant Service in question as soon as reasonably practicable.
- 2.3 In performing any of the Services the Landlord shall be entitled to employ such agents contractors and individuals as it may think fit (including a Group Company of the Landlord) and to delegate its duties and powers to them, such parties' fees forming part of the Costs as the case may be.

2.4 The Landlord shall not be liable to the Tenant in respect of any act, omission or negligence of any person undertaking the Services or any of them for or on behalf of the Landlord.

2.5 If at any time during the Term the total property enjoying the benefit of the Services is increased or decreased or if any other event occurs the result of which is that the Percentage (whether or not relating to individual items of expenditure) is no longer appropriate to the Property the Landlord shall be entitled to vary the said percentage to such other percentage as is fair and reasonable in all the circumstances provided that for the avoidance of doubt the Percentage for the Property shall always be calculated by reference to the Floor Area.

2.6 If at any time the Landlord supplies or provides services additional to the Services including where the Landlord keeps the Building or the Centre open outside of the Opening Hours (“the Additional Services”) the Landlord shall exclude the cost of the Additional Services from the Costs and charge them to particular tenants according to user and where the Additional Services are charged to the Tenant the Tenant shall pay to the Landlord on written demand the costs properly incurred by the Landlord in respect of the Additional Services (or a fair and reasonable proportion of such costs where the Additional Services are provided to the Tenant and other tenants of the Building or the Centre).

2.7 In carrying out the Services the Landlord will:

- (a) act in good faith;
- (b) act in accordance with the principles of good estate management; and
- (c) use all reasonable endeavours to do so:
 - (i) to a reasonable standard;
 - (ii) in a reasonably efficient and economic manner; and
 - (iii) so that only items beyond reasonable economic repair are renewed or replaced except that in the case of decorating any part of the Building the Landlord may decorate at any time provided it acts reasonably.

3 Calculation and Payment of Service Charge

- 3.1 The Landlord will notify the Tenant before or during any Charging Period of the Interim Charge payable by the Tenant during that Charging Period.
- 3.2 The Tenant shall pay the Interim Charge by equal instalments on the Payment Days.
- 3.3 As soon as practicable after each Calculation Date the Landlord will supply the Tenant with the Statement certified by the Auditor as containing a fair and complete summary of:
 - (a) the Costs for the Charging Period;
 - (b) the amount of any of the Costs which have been received from any insurer, tenant or other person not being a tenant or occupier of the Building or the Centre;
 - (c) the total of the Interim Charge collected from the Tenant during the relevant Charging Period; and
 - (d) the Service Charge for the Charging Period.
- 3.4 If the Service Charge exceeds the Interim Charge the Tenant shall pay the excess to the Landlord within seven days of receipt of the Statement.
- 3.5 If the Service Charge is less than the Interim Charge then the shortfall shall be set off against any other moneys due from the Tenant to the Landlord under this Lease and any balance shall be credited against the next payment of the Interim Charge or following Determination paid to the Tenant.
- 3.6 Any omission by the Landlord to include within the Statement in any Charging Period a sum expended or a liability incurred in that period shall not preclude the Landlord from including that sum or amount in any subsequent Charging Period.
- 3.7 The Tenant shall not be entitled to dispute any item of the Costs by reason only of an allegation that the Services in question could have been provided or costs incurred at a cost less than that in fact incurred by the Landlord provided the Landlord has otherwise complied with paragraph 2.7.

- 3.8 The statement shall be prepared by a suitably qualified person (who may be an employee of the Landlord) and shall in the absence of manifest error be conclusive and final and binding on the parties.
- 3.9 No invalidity of any part of the Statement shall affect the validity of any other part of the Statement.
- 3.10 Where the Landlord is undertaking major works it may elect to apportion the cost so incurred over one or more Charging Periods.
- 3.11 The Landlord shall have due regard to any reasonable representations made by the Tenant in respect of the sums to be paid in advance by the Tenant pursuant to paragraph 3 of part 1 of this schedule and if after production of the statement for the previous Charging Period the estimate and assessment for the current Service Charge appears excessive and cannot reasonably be justified then the Landlord shall at the reasonable request of the Tenant adjust its estimate for the remainder of the then current Charging Period to take account of the reasonable representations made by the Tenant in respect thereof.
- 3.12 If the Tenant reasonably and bona fide disputes that any sum incurred by the Landlord is unduly high or should not have been included the matter may be referred to an independent surveyor appointed by agreement between the parties failing which on the application of either party to the President of the Royal Institution of Chartered Surveyors to act as an expert and the costs of such expert shall in the absence of any determination be borne equally by the Landlord and the Tenant.
- 3.13 The Tenant shall within the period of six months following the date on which the Landlord sends to the Tenant the Statement referred to in paragraph 3.3 of this schedule, be entitled on request to receive reasonable details of how such account has been calculated and details of the percentages payable by each tenant of a Lettable Unit and the Tenant shall be entitled to inspect and take copies of all vouchers, invoices, receipts, accounts and other records evidencing expenditure and all relevant correspondence at the offices of the Landlord or where the Landlord may otherwise agree (in the United Kingdom) at all times during normal business hours on not less than three working days' notice.

Part II

The Services

1 The Services are:

1.1 Repair, Cleaning and Decoration

- (a) the repair, decoration, inspection, testing, maintenance, altering, rebuilding, reinstating and renewal of the Building Common Parts and the Goods Areas and any other common parts of the Centre over which the Tenant has rights of access under this Lease and the Main Structure of the Centre;
- (b) the cleaning of the Building Common Parts and the Goods Areas and any other common parts of the Centre over which the Tenant has rights of access under this Lease and the exterior of the Building and the Centre including the exterior of all windows (except for the windows of any Lettable Area the cleaning of which shall be the responsibility of the tenant of such Lettable Area);
- (c) the maintenance and landscaping of the grounds of the Building and/or the Building Common Parts;

1.2 Amenity Services

- (a) the provision of a lift and escalator service within the Building when reasonably necessary (which shall include for the avoidance of any doubt during the Opening Hours);
- (b) the provision of lighting (including security floodlighting) to the Building Common Parts when reasonably necessary (which shall include for the avoidance of any doubt during the Opening Hours);
- (c) the provision of adequate heating to the Building and the Building Common Parts when reasonably necessary (which shall include for the avoidance of any doubt during the Opening Hours);
- (d) the provision of air-conditioning, comfort cooling or other appropriate ventilation to the Building and the Building Common Parts when reasonably

necessary (which shall include for the avoidance of any doubt during the Opening Hours);

- (e) the provision when reasonably necessary (which shall include for the avoidance of any doubt during the Opening Hours) of hot and cold water to any hot or cold taps in the Building Common Parts;
- (f) the provision of towels, soap and other requisites to any toilets in the Building Common Parts;
- (g) the provision of promotions seasonal decorations and other related marketing activities in the Building or the Centre which may be organised by the Landlord in its reasonable discretion for the general benefit of the occupiers of the Building or the Centre;

1.3 Security

- (a) the provision and maintenance of appropriate or useful signs or notices in the Building Common Parts or visible from the Building Common Parts or from outside the Building and the provision and operation of any other signs, flags, flag poles, directional signage and traffic control systems, name boards and/or communal signboards for the benefit of the occupiers of the Building;
- (b) the provision and operation of a security patrol and/or security observation system and/or other security equipment for the Building and/or the Building Common Parts;
- (c) the provision and operation in the Building Common Parts of such fire prevention, fire fighting and fire alarm and detection equipment and signs as may be required by any Authority or Enactment or by the Insurers;
- (d) the provision and operation of a public address system, loudspeakers and music broadcast system for the Building and the Building Common Parts;

1.4 Equipping the Common Parts

- (a) the provision of carpeting, furniture (including street furniture) and the equipping of the Building Common Parts;

(b) the provision either permanently or at times which the Landlord reasonably considers appropriate of pictures, floral displays, flags, decorative lights and other decorations, art and/or water features in the Building Common Parts including seasonal displays.

1.5 Refuse

the provision of refuse bins, compactors and the operation of a refuse collection service for the Building and the Building Common Parts;

1.6 General

the provision of any other works, services or facilities which the Landlord from time to time reasonably considers appropriate for the purpose of maintaining, improving or modernising the services or facilities in or for the Building and the Building Common Parts and which are for the general benefit of all or substantially all the occupiers of the Building and which are in keeping with the principles of good estate management.

Part III

The Costs

1 Costs

The Costs shall include all reasonable and proper costs and expenses reasonably and properly incurred by the Landlord in the operation and management of the Building and the provision of the Services to it and where applicable to the Centre (PROVIDED THAT where such costs and expenses are incurred in relation both to the Building and to the Centre jointly the Costs shall only include such proportion as shall be reasonably and properly apportioned to the Building) including without limitation:

1.1 The Services:

- (a) the cost of providing the Services;
- (b) the cost of all fuel or other energy sources for the Building Common Parts;
- (c) the cost of leasing any item required in connection with the Services and effecting insurance of the Plant or Service Media or any other insurances

(including employer's, third party and public liability insurances) that the Landlord reasonably requires;

- (d) the cost of removing any obstruction from the Building Common Parts or abating any nuisance in the Building Common Parts;

1.2 Third Party Payments:

- (a) any costs which the Landlord may be required to pay to other parties in respect of the Title Matters (except for rent under any Superior Lease) or for the repair, decoration, inspecting, testing, maintenance or renewal of any areas or structures used in common with other parties;
- (b) the Outgoings attributable to the Building Common Parts and any other property used in connection with the provision of the Services;
- (c) the cost of complying with, making representations against, or otherwise contesting the incidence of any Legal Obligation or prospective Legal Obligation which will or may affect the Building or the Centre;

1.3 Managing Agent and other Fees:

- (a) the cost of employing or retaining the Managing Agent and/or a centre manager for managing the Building (but not any costs arising as a result of the collection of the Basic Rent) due from the occupiers of the Lettable Areas (or where that task is undertaken by the Landlord or a Group Company of the Landlord a reasonable charge for the same);
- (b) the cost of employing (and terminating the employment of) or retaining staff reasonably required to provide the Services including all incidental expenditure relating to that employment which without limitation shall include expenditure on pensions, insurance, health, welfare, industrial training, levies, redundancy, clothing, tools, machinery, equipment and vehicles and the provision of residential and other accommodation together with other related overheads (e.g. telephone rental stationery office equipment and management accommodation) reasonably determined by the Landlord in connection with such employment which in each case the Landlord considers are required for the proper performance by the staff in question of their duties;

- (c) all professional charges, fees and expenses payable by the Landlord in respect of any of the Services or the Costs;
- (d) the cost of calculating the Service Charge for each tenant and the preparation and issue of certificates, accounts and audits in respect of the Service Charge;
- (e) the cost of any other individual firm or company employed or retained by the Landlord to perform or in connection with any of the Services;
- (f) the cost of entering into any contracts for the provision of Services;
- (g) the cost of all marketing and advertising promotions and other related activities as the Landlord may deem desirable for the effective promotion of the Building or the Centre where the Tenant is Vue Entertainment Limited or its Group Company and the Property is being used as a cinema the Tenant has given prior consent for such item to be included as a Cost;

1.4 Tax and Interest:

- (a) all VAT payable by the Landlord in respect of the Costs so far as it is not recoverable by the Landlord as an input;
- (b) the gross cost to the Landlord by way of interest, commission, banking charges, commitment fees or otherwise of borrowing any necessary sums in respect of the Costs (if it is reasonable and proper for the Landlord to do so).

2 Exclusions

2.1 The Costs shall not include:

- (a) the cost of making good any loss or damage by an Insured Risk (save for any excess which cannot be recovered under the policy of insurance);
- (b) any expenditure in respect of the maintenance or repair of any part of the Building or the Centre or anything within it that is the exclusive responsibility of any tenant of any Lettable Area;
- (c) any costs associated with remedying any Inherent Defect in respect of the Building;

- (d) any costs incurred in remedying or making good any damage caused by Uninsured Risks;
- (e) any costs incurred by the Landlord in connection with any Lettable Units which are unlet or unoccupied;
- (f) any expenditure in respect of any part of the Building for which the Tenant or any other tenant or occupier of any unit in the Building is wholly responsible;
- (g) the cost of any works to the extent that money has been or is recovered from third parties in respect thereof;
- (h) any costs occasioned as part of the initial construction and equipping of the Building and the initial provision of any items necessary to provide the Services and the capital cost of any refurbishment or improvement, modernisation, extension or addition or upgrading of the Building which does not arise solely from the carrying out of normal maintenance and repairs or by reason of obsolescence which renders repair uneconomical or undesirable;
- (i) any costs and expenses relating to the collection and review of rents from the tenants of Lettable Units other than the Property;
- (j) any costs of promotion, marketing or advertising the Building or Centre;
- (k) any fees and expenses attributable to disputes not relating to the Building Common Parts with other tenants or occupiers of the Building or the Centre or attributable to any action or proceedings relating to the Landlord's title to the Building or superior title;
- (l) 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;
- (m) leasing, commissions, lawyers' fees, costs, disbursements and other expenses incurred in connection with negotiations or disputes 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 and costs for permits, licences and inspection fees incurred in

renovating or otherwise improving or decorating, painting or redecorating vacant space or space for other tenants or other occupiers of the Building;

- (n) the provision of any new plant or machinery or services save where such provision is 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 or due to obsolescence which renders repair uneconomical or undesirable);
- (o) any costs referred to in paragraph 6 (e) of Schedule 8 of this Lease which the Landlord is not permitted to recover from the Tenant.

2.2 The Service Charge shall not be increased or altered by reason only that at any relevant time any other Lettable Area may be vacant or be occupied by the Landlord or that any tenant or occupier of any other Lettable Area may default in payment of its Service Charge.

Schedule 10

Restrictions

1 Restrictions on Competing Uses

Whilst the Property is used as a cinema the Landlord shall not:

- (a) allow any other part of the Building (other than the Property) to be used as a cinema and shall use reasonable endeavours not to allow any part of the remainder of the Centre to be used as a cinema;
- (b) place or allow to be placed any stall barrow, kiosk or "RMU" or anything of a similar nature on any part of the Building;
- (c) permit the sale or distribution of popcorn or Pick N Mix from any other part or parts of the Building (other than the Property);
- (d) permit the sale of confectionery, soft drinks and ice cream for consumption off the premises within any part of the Building (other than the Property) except in respect of restaurant units within the Building for consumption within such premises;
- (e) permit the sale of movie merchandise and memorabilia from any part of the Building other than the Property;
- (f) permit the showing of films exceeding 60 minutes in length from any part of the Building other than the Property;
- (g) permit the showing of sporting events unless on TVs or screens no larger than 2.4 metres wide from any part of the Building other than the Property;
- (h) grant a lease or enter into an agreement to grant a lease for any part of the Building other than the Property to be used by fast food operators (which shall mean operators selling burgers or chicken or sausage based products where metal cutlery is not provided) but the Landlord may grant a lease or enter into an agreement for lease to restaurant users with ancillary take away offers as ancillary to the main use (for example, pizza restaurants or Chinese buffets);

- (i) permit the installation of any vending machines selling food or drink from any part of the Building other than the Property;

2 Protection against noise and vibration

2.1 The Landlord agrees that on the grant of any new lease of any Lettable Area comprised within the Building (other than of the Property) (and within any agreement for lease pre-dating such lease) the Landlord will include provision requiring the tenant and any lawful occupier of such Lettable Area:

- (a) to procure that any operations carried out to or within such Lettable Area at times when the Property is used and operated principally as a cinema and during the hours that the Property is open for trade shall not give rise to noise levels:

- (i) inside any part of the cinema auditoria which exceed either of the following values:

Music:-NR25 LMAX, Slow

All other sources: NR30 LMAX, Slow

- (ii) inside any other part of the Premises which exceed the following values: All sources: NR40 LMAX, Slow;

- (b) generate vibration levels above curve 1 shown in figure 4-7 of BS6472:1992 "Guide to the evaluation of human exposure to vibration in buildings (1Hz to 80Hz)"; and

- (c) to take all reasonable steps to ensure that vermin emanating from such Lettable Area are not present in the Property.

2.2 The Landlord agrees that on the grant of any licence permitting alterations given in favour of a tenant or other lawful occupier of any Lettable Area situate on the Building other than the Property the Landlord will include provisions requiring the tenant or lawful occupier to similarly observe the acoustics and vibration restrictions as set out in paragraph 2.1 of this Schedule.

2.3 The Landlord shall if requested in writing so to do by the Tenant at the cost of the Tenant take such steps as are reasonable to enforce the obligations referred to in paragraphs 2.1 and 2.2 of this Schedule (including without limitation taking and

diligently pursuing court proceedings but the Landlord shall not be obliged to forfeit or take any steps to forfeit any lease).

2.4 The Landlord shall itself comply with the obligations in paragraphs 2.1 and 2.2 of this schedule in respect of the Building Common Parts and all parts of the Building as are unlet.

3 Not to object to licences

The Landlord shall not make or cause any objection or presentation against or in respect of any proposal for any cinema, liquor or restaurant licences to be granted for the Property (subject to the other terms of this Lease).

4 Positioning of plant

4.1 The Landlord shall ensure that no plant or equipment relating to any Lettable Area within the Building (other than the Property) is placed directly over any of the auditoria (except within the zones marked Unit 1 & 4 Plant Platform and Unit 3 Plant Platform (both hatched black) on the plan attached and marked "Proposed Roof Plan").

4.2 The Landlord shall procure that (i) appropriate plant is installed for the extraction of air from such of the other Lettable Areas as are used as restaurants and (ii) that such plant shall treat odours in accordance with recommended practice as contained in "the Guidance on the Control of Odour and Noise from Commercial Kitchen Exhaust Systems" published by Department of Environment Food and Rural Affairs and dated January 2005.

4.3 Such extraction plant shall be located in areas away from the inlet plant serving the Property and having due regard to the prevailing wind directions.

5 Distress

The Landlord shall not be entitled to levy distress upon the goods of the Tenant.

6 Indemnity

Where in this Lease the Tenant indemnifies the Landlord or the Landlord indemnifies the Tenant in respect of any act, matter or thing, then each party shall use reasonable endeavours where possible to consult with the other in connection with any action, claim, cost, proceeding (or any similar matters) and to use all

reasonable and commercially sensible endeavours to mitigate any losses suffered by it.

7 Receipts for rent

The Landlord shall issue as soon as reasonably practicable following payment of the sums in question a receipt for the rent and any other payments made by the Tenant under this Lease.

Schedule 11

Guarantor's Covenants

- 1 In consideration of the grant of this Lease to the Tenant being made at its request the Guarantor irrevocably and unconditionally guarantees (without prejudice to any other security right or remedy of the Landlord from time to time) to the Landlord (including without the need for any express assignment its successors in title) that at all times during the Term until the Tenant has lawfully assigned this Lease to a third party with Consent:
 - 1.1 the rents reserved by and all other sums payable pursuant to the Lease will be duly and punctually paid and the covenants, conditions and stipulations on the Tenant's part contained in this Lease (the "Lessee Covenants") will be duly performed, observed and kept;
 - 1.2 the Tenant and the Guarantor will enter into and will comply with their obligations in any Licence to Assign if one is entered into pursuant to this Lease;
 - 1.3 if there is any default in the payment of the rents or other sums payable under this Lease or in the observance or performance of any of the Lessee's Covenants it will pay the rents or other sums and observe or perform the covenants or terms in respect of which such default has occurred and will make good the same to the Landlord on demand;
 - 1.4 (as a separate and distinct obligation to that in paragraph 1.3) it will indemnify the Landlord against all losses, damages, costs and expenses arising or incurred by the Landlord as a result of the Tenant's non-payment, non-performance or non-observance of the matters listed in paragraph 1.3 provided always (and without prejudice to section 18(3) of the Landlord and Tenant (Covenants) Act 1995) the liability of the Guarantor under this schedule will remain in full force and effect and will not be released and nor will the rights of the Landlord be prejudiced or affected by:
 - (a) any time, indulgence or concession granted by the Landlord to the Tenant or any neglect or forbearance of the Landlord in enforcing the payment of the rents or the observance or performance of the Lessee's Covenants or other terms of this Lease or any refusal by the Landlord to accept rents or other sums tendered by or on behalf of the Tenant at a time when the Landlord

was entitled (or would after the service of a notice under the Law of Property Act 1925 Section 146 have been entitled) to re-enter the Property;

- (b) the existence of or dealing with varying or failing to perfect or enforce any other rights or security which the Landlord may have or acquire against the Tenant or the Guarantor;
- (c) the occurrence of any Relevant Event;
- (d) the fact that part of the Property may have been surrendered in which event the liability of the Guarantor will continue in respect of the part of the Property not so surrendered;
- (e) any agreement between the Landlord and the Tenant or any determination made by an arbitrator or expert relating to any rent review as provided in this Lease and so that any rent agreed or determined on such rent review will be deemed to be properly agreed or determined;
- (f) any other act or thing by virtue of which (but for this provision) the Guarantor would have been released or discharged from its obligations under this schedule or the rights of the Landlord would have been prejudiced or affected (other than a release by deed entered into by the Landlord in accordance with the terms of such deed);

1.5 not without the consent of the Landlord (until all the liabilities expressed to be guaranteed by the Guarantor under this schedule have been paid discharged or satisfied irrevocably and in full) to:

- (a) exercise any of its rights in respect of the legal liabilities expressed to be guaranteed under this schedule against the Tenant;
- (b) demand or accept any security from the Tenant in respect of any indebtedness due to the Guarantor from the Tenant and any security received by the Guarantor in breach of this provision or any such security held by the Guarantor as at the date of this Lease shall be held by the Guarantor on trust for the Landlord and delivered to the Landlord on demand (without prejudice to the Guarantor's continuing obligation to make good any shortfall);
- (c) claim any legal or equitable set-off or counterclaim against the Tenant;

(d) claim or prove in the liquidation, bankruptcy, administration or receivership of the Tenant in competition with the Landlord or share in any payment or distribution from or composition or arrangement with the Tenant and any money or claim so acquired in breach of this provision shall be held by the Guarantor on trust for the Landlord and delivered to the Landlord on demand (without prejudice to the Guarantor's continuing obligation to make good any shortfall);

1.6 if:

- (a) this Lease is forfeited; or
- (b) this Lease is disclaimed by any liquidator or trustee in bankruptcy of the Tenant or by the Crown after it has become bona vacantia; or
- (c) the Tenant (being a corporate body) ceases to exist

then, if so required by written notice given by the Landlord within six months after the Landlord has actual notice of any of the above matters occurring (the "six months period"), to accept from the Landlord a lease of the Property:

- (i) in its then actual state or condition;
- (ii) subject to any underlease or tenancy or other interest affecting the Property or any part of it;
- (iii) for a term commencing on the date on which the relevant matter occurred equal to the residue of the Term then remaining;
- (iv) at the same rent as that then payable under this Lease; and
- (v) subject to the same covenants, provisions and conditions in all respects as those contained in this Lease (including the proviso for re-entry and rent review dates co-incident with those contained in this Lease)

provided that if this Lease is forfeited or, having been disclaimed, this Lease is determined during the six months period or the Tenant (being a corporate body) ceases to exist and (in either case) the Landlord does not require the Guarantor to take a new lease of the Property under this paragraph, the Guarantor shall pay to the Landlord on demand an amount equal to the rents and other sums reserved by

this Lease (or which would have been reserved by this Lease had the relevant matter not occurred) for the period from (and including) the date on which the relevant matter occurred until the end of the six months period, less any rent or other such sum actually paid to the Landlord in respect of that period;

- 1.7 to pay to the Landlord on demand on an indemnity basis all legal and other costs and charges which may be payable by the Landlord in relation to the enforcement of the Guarantor's obligations under this Lease;
- 1.8 to pay interest at the Interest Rate on any sum demanded under these provisions from the due date for payment (being the date the Tenant became responsible under this Lease to make such payment) until payment is made to the Landlord provided that where the sum in question represents interest owing by the Tenant to the Landlord the Guarantor shall (if such interest is paid on demand to the Landlord) not be liable for any additional interest;
- 1.9 (as and when requested to do so by the Landlord) to enter into (at its own cost) any supplemental deed to this Lease entered into by the Tenant for the purpose of consenting to the Tenant entering into such supplemental deed and confirming that (subject only to section 18(3) of the Landlord and Tenant (Covenants) Act 1995) all the obligations of the Guarantor will remain in full force and effect in respect of this Lease.

2 It is agreed and declared that:

- 2.1 the liability of the Guarantor is as principal covenantor with the Landlord and not merely collateral to the principal liability of the Tenant;
- 2.2 the obligations of the Guarantor may be enforced by the Landlord at its discretion and without first enforcing or seeking to enforce its rights against the Tenant or any other person who is liable or exercising its rights under any other security or resorting to any other means of payment;
- 2.3 each of the provisions of this schedule is severable from the others and if at any time one or more of such provisions is or becomes illegal, invalid or unenforceable the legality, validity and enforceability of the remaining provisions of this schedule shall not in any way be affected or impaired in consequence.

PROJECT SPECIFICATION

AND

DESCRIPTION OF WORKS

**For the works undertaken by Vue on behalf of the Developer as Shell at Kennet Centre,
Newbury**

Dated 30th April 2008 Revision D

CONTENTS

- 1 Introduction***
- 2 Description of the shell and Fit-out works***
- 3 Acoustic design***

Figure 1

Figure 2

Figure 3

EXECUTED as a DEED by
NEWBURY TRUSTEE NO 1 LIMITED
a company incorporated in
Jersey by []
and []
being persons who, in
accordance with the laws of that
territory, are acting under
the authority of the company

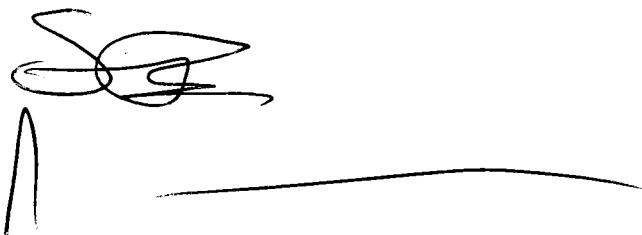
Authorised Signatories

EXECUTED as a DEED by
NEWBURY TRUSTEE NO 2 LIMITED
a company incorporated in
Jersey by []
and []
being persons who, in
accordance with the laws of that
territory, are acting under
the authority of the company

Authorised Signatories

EXECUTED as a DEED by
VUE ENTERTAINMENT LIMITED
acting by a Director and its Secretary (or two Directors)

Director

A handwritten signature in black ink, appearing to read 'S. S.', is placed above a horizontal line. To the left of this line, the word 'Director' is printed in a standard font.

Director/Secretary

EXECUTED as a DEED by
VUE ENTERTAINMENT HOLDINGS (UK) LIMITED
acting by a Director and its Secretary (or two Directors)

Director

Director/Secretary

A handwritten signature in black ink, appearing to be a stylized 'V' or 'U' shape, is positioned above a horizontal line. To the left of the signature, the words 'Director' and 'Director/Secretary' are written vertically.