

Dated

26th February 2013

**TIMOTHY JOHN MOORE,
MARK STUART CONSTABLE,
ALISON CONSTABLE and
NIGEL MOORE
THE TRUSTEES OF THE J H MOORE & SON
(RICKMANSWORTH) LIMITED PENSION FUND**

and

THOMAS IAN KEOGH & KATARENA YANETTE KEOGH

LEASE

**Relating to
The Hardinge Arms
Main Street
Kings Newton
Melbourne
Derbyshire
DE73 8BX**



SMITH PARTNERSHIP

Solicitors

**Smith Partnership
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Celtic House
Heritage Gate
Friary Street
Derby DE1 1LS
Tel: 01332 225225
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LR1. Date of lease 26th February 2013

LR2. Title number(s)

LR2.1 Landlord's title number

DY368573

LR 2.2 Other title numbers

None

LR3. Parties to this lease

Landlord

TIMOTHY JOHN MOORE, MARK STUART CONSTABLE, ALISON CONSTABLE and NIGEL MOORE of The Hardinge Arms, Main Street, Kings Newton, Melbourne, Derbyshire DE73 8BX THE TRUSTEES OF THE J H MOORE & SON (RICKMANSWORTH) LIMITED PENSION FUND

Tenant

THOMAS IAN KEOGH and KATARENA YANETTE KEOGH both of 17 Riverside Close, Calver, Hope Valley, Derbyshire S32 3WU

Other parties

None

LR4. Property

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

See the definition of "Premises" in Clause 1.39 of this lease.

LR5. Prescribed statements etc.

None

LR6. Term for which the Property is leased

The term as specified in this lease at clause 1.50 in the definition of "Contractual Term".

LR7. Premium

Nil

LR8. Prohibitions or restrictions on disposing of this lease

This lease contains a provision that prohibits or restricts dispositions.

LR9. Rights of acquisition etc.

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

None.

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

None.

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

None.

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

None.

LR11. Easements

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

None.

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

The easements as specified in Schedule 1 of this lease.

LT12. Estate rentcharge burdening the Property

None.

LR13. Application for standard form of restriction

None.

LR14. Declaration of trust where there is more than one person comprising the Tenant

The Tenant is more than one person. They are to hold the Property on trust for themselves as joint tenants.

THIS LEASE is made the 26th ... day of February 2013

BETWEEN:

- (1) TIMOTHY JOHN MOORE, MARK STUART CONSTABLE, ALISON CONSTABLE and NIGEL MOORE of The Hardinge Arms, Main Street, Kings Newton, Melbourne, Derbyshire DE73 8BX THE TRUSTEES OF THE J H MOORE & SON (RICKMANSWORTH) LIMITED PENSION FUND ('The Landlord') and
- (2) THOMAS IAN KEOGH and KATARENA YANETTE KEOGH both of 17 Riverside Close, Calver, Hope Valley, Derbyshire S32 3WU ('The Tenant')

NOW THIS DEED WITNESSES as follows:

1 DEFINITIONS AND INTERPRETATION

For all purposes of this Lease the terms defined in this clause have the meanings specified.

1.1 'The Amusement Machines'

'The Amusement Machines' means any amusement machine including, but not limited to, mechanical, electrical or electronic amusement with prizes machines, amusement without prizes machines, skill with prizes machines or gaming machines, or devices for sound and/or visual reproduction, or projection and other machines of a similar nature and pool tables, snooker tables, billiard tables and equipment for use with similar types of games, except where for purely domestic use.

1.2 'The Conduits'

'The Conduits' means the pipes, sewers, drains, mains, ducts, conduits, gutters, watercourses, wires, cables, laser optical fibres, data or impulse transmission, communication or reception systems, channels, flues and all other conducting media, including any fixings, louvres, cowls, covers and any other ancillary apparatus that are in, on, over or under the Premises.

1.3 'The Contractual Term'

'The Contractual Term' means 15 years commencing on and including 25th February 2013

1.4 'Development'

References to 'development' are references to development as defined by the Town and Country Planning Act 1990 section 55.

1.5 'The Exterior Decorating Years'

'The Exterior Decorating Years' means every fifth year of the contractual term.

1.6 Gender and number

Words importing one gender include all other genders; words importing the singular include the plural and vice versa.

1.7 Headings

The clause, paragraph and schedule headings and the table of contents do not form part of this document and are not to be taken into account in its construction or interpretation.

1.8 'Health and Safety Regulations'

'Health and Safety Regulations' means any regulations made pursuant to or any requirements of any act of parliament which relate to the health and safety of the workforce, employees or other persons who visit the Premises (whether or not in the course of their employment) including without limitation the Health and Safety at Work etc Act 1974, all regulations made pursuant to that Act and the Defective Premises Act 1972.

1.9 'Independent Surveyor'

'Independent Surveyor' means a qualified surveyor experienced in the valuation of public houses. If we are unable to agree with you on the identity of the Independent Surveyor either of us can ask the President of the Royal Institution of Chartered Surveyors or his appointed deputy to appoint one on our joint behalf.

1.10 'The Initial Rent'

'The Initial Rent' means: £30,000.00

1.11 'The Insurance Rent'

'The Insurance Rent' means such reasonable and competitive gross sums including any reasonable commission that the Landlord from time to time pays:

1.11.1 by way of premium for insuring the Premises, including insuring for loss of rent, in accordance with his obligations contained in this Lease,

1.11.2 by way of premium for insuring in such amount and on such terms as the landlord acting reasonably considers appropriate against all liability of the Landlord to third parties arising out of, or in connection with, any matter including or relating to the Premises, and

1.11.3 for insurance valuations.

1.12 'The Insured Risks'

'The Insured Risks' means the risks of loss or damage by fire, storm, tempest, earthquake, lightning, explosion, riot, civil commotion, malicious damage, impact by vehicles and by aircraft and articles dropped from aircraft, other than war risks, flood damage and bursting and overflowing of water pipes and tanks, landslip subsidence and upheaval and such other risks,

whether or not in the nature of the foregoing, as the Landlord from time to time reasonably decides to insure against.

1.13 'Interest'

References to 'interest' are references to interest payable during the period from the date on which the payment is due to the date of payment, both before and after any judgment, at the Interest Rate then prevailing or, should the base rate referred to in clause 1.14 cease to exist, at another rate of interest closely comparable with the Interest Rate decided on by the Landlord acting reasonably.

1.14 'The Interest Rate'

'The Interest Rate' means the rate of 4% per year above the base lending rate of The Royal Bank of Scotland or such other bank being a member of the Committee of London and Scottish Bankers as the Landlord may from time to time nominate in writing

1.15 'The Interior Decorating Years'

'The Interior Decorating Years' means every fifth year of the contractual term

1.16 Interpretation of 'consent' and 'approved'

1.16.1 References to 'consent of the Landlord' or words to similar effect are references to a prior written consent signed by or on behalf of the Landlord, and references to the need for anything to be 'approved by the Landlord' or words to similar effect are references to the need for a prior written approval by or on behalf of the Landlord.

1.16.2 Any provisions in this Lease referring to the consent or approval of the Landlord are to be construed as also requiring the consent or approval of any existing mortgagee of the Premises and any existing head landlord where that consent is required under a mortgage or superior lease in existence at the date of this Lease. Nothing in this Lease is to be construed as imposing any obligation on a mortgagee or head landlord not to refuse any such consent or approval unreasonably.

1.17 Interpretation of 'the Guarantor'

The expression 'the Guarantor' includes any person who enters into covenants with the Landlord pursuant to clause 3.9.5.2 or clause 3.23.

1.18 Interpretation of 'the Landlord'

The expression 'the Landlord' includes the person or persons from time to time entitled to possession of the Premises when this Lease comes to an end.

1.19 Interpretation of 'the last year of the Term' and 'the end of the Term'

References to 'the last year of the Term' are references to the actual last year of the Term howsoever it determines, and references to the 'end of the Term' are references to the end of the Term whensoever and howsoever it determines.

1.20 Interpretation of 'the Tenant'

'The Tenant' includes any person who is for the time being bound by the tenant covenants of this Lease.

1.21 Interpretation of 'this Lease'

Unless expressly stated to the contrary, the expression 'this Lease' includes any document supplemental to or collateral with this document or entered into in accordance with this document.

1.22 'The Inventory'

'The Inventory' means the following:

- 1.22.1 the items listed in the inventory (if any) annexed to the Lease; or
- 1.22.2 (if none) the Tenant's trade fixtures and fittings and trade equipment at the Premises now, during or at the end of the Term; and
- 1.22.3 any other goods and effects used in connection with the business at the Premises; and
- 1.22.4 any other tenant's trade fixtures and fittings and/or other such goods and effects replacing or added to them during or at the end of the Term.

1.23 Joint and several liability

Where any party to this Lease for the time being comprises two or more persons, obligations expressed or implied to be made by or with that party are deemed to be made by or with the persons comprising that party jointly and severally.

1.24 'The Liability Period'

'The Liability Period' means:

- 1.24.1 in the case of any guarantor required pursuant to clause 3.9.5.2, the period during which the relevant assignee is bound by the tenant covenants of this Lease together with any additional period during which that assignee is liable under an authorised guarantee agreement,
- 1.24.2 in the case of any guarantor under an authorised guarantee agreement, the period during which the relevant assignee is bound by the tenant covenants of this Lease, and

1.24.3 in the case of any guarantor required pursuant to clause 3.9.8.7, the period during which the relevant assignee of the sublease is bound by the tenant covenants of that sublease.

1.25 'Licences'

'Licences' means the Premises Licence and any other licences, or certificates, relating to the provision of Licensable activities at the Premises and /or any:

1.25.1 permits granted under the Gaming Act 1968;

1.25.2 excise licences relating to the Premises;

1.25.3 licences granted by the Performing Rights Society and Phonographic Performance Limited under the Copyright, Designs and Patents Act 1988.

1.26 'Licensing Authority'

The Licensing Authority means the licensing section of the local authority for the district in which the Premises are based

1.27 'The Licensing Covenants'

'The Licensing Covenants' means the covenants set out in schedule 3.

1.28 'Licence Holder'

'Licence Holder' means the person or persons holding the Necessary Licences.

1.29 'Losses'

References to 'losses' are references to liabilities, damages or losses, awards of damages or compensation, penalties, reasonable costs, disbursements and reasonable expenses reasonably incurred and arising from any claim, demand, action or proceedings.

1.30 'Market Rent'

'Market Rent' means the rent at which the Premises might be reasonably expected to be let on the relevant Rent Review Date to a reasonable tenant wishing to take this lease for a new term of 10 years (or the residue of the Contractual Term whichever is greater), without the payment of a premium but otherwise on the same terms as this lease (excepting the amount of rent but including the rent review provisions).

1.31 'Necessary Licences'

The Licences and all and any other licences, permits, certificates and consents in connection with, or ancillary to, the Permitted Use carried out at the Premises for the maximum hours allowed by law.

1.32 'The 1954 Act'

'The 1954 Act' means the Landlord and Tenant Act 1954 and all statutes, regulations and orders included by virtue of clause 1.44.

1.33 'The 1995 Act'

'The 1995 Act' means the Landlord and Tenant (Covenants) Act 1995 and all statutes, regulations and orders included by virtue of clause 1.44.

1.34 Obligation not to permit

Any covenant by the Tenant not to do anything includes an obligation not knowingly to permit that thing to be done by another person

1.35 'The Permitted Use'

'The Permitted Use' means a public house licensed for the sale by retail of alcoholic drinks and the provision of accommodation, food, other refreshment and entertainment.

1.36 Personal Licence

Means a Personal Licence as defined in the Licensing Act 2003

1.37 'The Plan'

'The Plan' means the plan annexed to this Lease.

1.38 'The Planning Acts'

'The Planning Acts' means the Town and Country Planning Act 1990, the Planning (Listed Buildings and Conservation Areas) Act 1990, the Planning (Consequential Provisions) Act 1990, the Planning (Hazardous Substances) Act 1990, the Planning and Compensation Act 1991 and all statutes, regulations and orders included by virtue of clause 1.44

1.39 'The Premises'

1.39.1 'The Premises' means all that land and building known as The Hardinge Arms, Main Street, Kings Newton, Melbourne, Derbyshire DE73 8BX shown edged red on the Plan.

1.39.2 The expression 'the Premises' includes:

1.39.2.1 all buildings, erections, structures, fixtures, fittings and appurtenances on the Premises from time to time,

1.39.2.2 all additions, alterations and improvements carried out during the Term, and

1.39.2.3 the Conduits exclusively serving the Premises,

but excludes any fixtures installed by the Tenant that can be removed from the Premises without defacing the Premises. Unless the contrary is expressly stated, 'the Premises' includes any part or parts of the Premises.

1.40 Premises Licence

Means a Premises Licence as defined in the Licensing Act 2003 relating to the Premises

1.41 Previous Rent

'Previous Rent' means the amount of Rent payable immediately preceding the relevant Rent Review Date.

1.42 References to clauses and schedules

Any reference in this document to a clause, sub clause, paragraph, subparagraph or schedule without further designation is to be construed as a reference to the clause, sub clause, paragraph, subparagraph or schedule of this document so numbered.

1.43 References to rights of access

References to any right of the Landlord to have access to the Premises are to be construed as extending to any existing head landlord and any existing mortgagee of the Premises where such superior lease or mortgage grants such right of access to the Premises and to all persons properly authorised in writing by the Landlord including agents, professional advisers, contractors, workmen and others.

1.44 References to statutes

Unless expressly stated to the contrary, any reference to a specific statute includes any statutory extension or modification, amendment or re-enactment of that statute and any regulations or orders made under it, and any general reference to a statute includes any regulations or orders made under that statute.

1.45 'The Rent'

Until the First Review Date 'the Rent' means the Initial Rent. Thereafter 'the Rent' means the sum ascertained in accordance with schedule 2. 'The Rent' does not include the Insurance Rent, but the term 'the Lease Rents' means both the Rent and the Insurance Rent.

1.46 'The Rent Commencement Date'

'The Rent Commencement Date' means 28th February 2013.

1.47 'The Review Dates'

'The First Review Date' means the date five years after the commencement of the Contractual Term. 'The Review Dates' means the First Review Date and every fifth anniversary of that date during the Contractual Term and 'Rent Review Date' means any of them.

1.48 'The Reviewed Rent'

'The Reviewed Rent' means the new market rent decided or determined under paragraph 1 of Schedule 2.

1.49 'The Surveyor'

'The Surveyor' means any person or firm appointed as such by the Landlord provided that the person who purports to act as the surveyor must be a Member or Fellow of the Royal Institution of Chartered Surveyors or of the Incorporated Society of Valuers and Auctioneers. The Surveyor may be an employee of the Landlord or a company that is a member of the same group as the Landlord within the meaning of the 1954 Act section 42. The expression 'the Surveyor' includes the person or firm appointed by the Landlord to collect the Lease Rents.

1.50 'The Term'

'The Term' means the Contractual Term and any period of holding-over or extension or continuance of the Contractual Term by statute or common law.

1.51 Terms from the 1995 Act

Where the expressions 'landlord covenants', 'tenant covenants', or 'authorised guarantee agreement' are used in this Lease they are to have the same meaning as is given by the 1995 Act section 28(1).

1.52 'VAT'

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

2 DEMISE

The Landlord demises the Premises to the Tenant with full title guarantee, excepting and reserving to the Landlord the rights specified in schedule 1, to hold the Premises to the Tenant for the Contractual Term, together with the benefit of the rights contained or referred to in the Property Register of title number DY368573 but subject to all rights, easements, privileges, restrictions, covenants and stipulations of whatever nature affecting the Premises including any matters contained or referred to in schedule 4 yielding and paying to the Landlord:

2.1 the Rent, without any deduction or set-off, by equal quarterly payments in advance on the usual quarter days in every year and proportionately for any period of less than a year, the first such payment, being a proportionate sum in respect of the period from and including the Rent Commencement Date to and including the day before the quarter day next after the Rent Commencement Date, to be paid on the date of this document, and

2.2 by way of further rent, the Insurance Rent, payable on demand in accordance with clause 5.4.

3 THE TENANT'S COVENANTS

The Tenant covenants with the Landlord to observe the requirements of this clause 3.

3.1 Rent

3.1.1 The Tenant must pay the Lease Rents on the days and in the manner set out in this Lease, and must not exercise or seek to exercise any right or claim to withhold rent, or any right or claim to legal or equitable set-off

3.1.2 If so required in writing by the Landlord, the Tenant must pay the Lease Rents by banker's order or credit transfer to any bank and account in the United Kingdom that the Landlord properly nominates from time to time.

3.2 Outgoings and VAT

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

3.2.1 all rates, taxes, assessments, duties, charges, impositions and outgoings that are now or may at any time during the Term be charged, assessed or imposed on the Premises or on the owner or occupier of them, but excluding any payable by the Landlord occasioned by receipt of the rents or by any disposition or dealing with or ownership of any interest reversionary to the interest created by this Lease

3.2.2 all VAT that may from time to time be charged on the Lease Rents or other sums payable by the Tenant under this Lease on production of a valid VAT invoice to the Tenant, and

3.2.3 all VAT incurred in relation to any costs that the Tenant is obliged to pay or in respect of which he is required to indemnify the Landlord under the terms of this Lease, save where such VAT is recoverable or available for set-off by the Landlord as input tax.

3.3 Cost of services consumed

The Tenant must pay to the suppliers, and indemnify the Landlord against, all charges for electricity, water, gas, telecommunications and other services consumed or used at or in relation to the Premises, including meter rents and standing charges, and must comply with the lawful requirements and regulations of their respective suppliers.

3.4 Repair, cleaning and decoration

3.4.1 Repair of the Premises

The Tenant must repair the Premises and keep them in good condition and repair, except for damage caused by one or more of the Insured Risks save to the extent that the insurance money is irrecoverable due to any act or default of the Tenant or anyone at the Premises expressly or by implication with his authority provided that the Tenant shall not be obliged to put or keep the Premises in any better state of repair and condition than as evidenced by the Schedule of Condition annexed hereto

3.4.2 Replacement of landlord's fixtures

The Tenant must replace any landlord's fixtures and fittings in the Premises that are beyond repair at any time during or at the end of the Term.

3.4.3 Health and Safety

The Tenant must have all gas and electrical equipment upon the Premises regularly safety checked and on the occasion of each safety check and at the time of purchase of any second hand items, must obtain a certificate from a recognised body or person qualified and insured to inspect and repair such equipment, certifying its safety and compliance with Health and Safety Regulations.

3.4.4 Cleaning and tidying

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

3.4.5 Beer Raising Equipment

The Tenant must have all beer raising and dispensing, cellar cooling and ancillary equipment and pipes in proper working order and in a high standard of cleanliness at all times and replace, repair and renew the same whenever necessary or, if the same be on loan, comply strictly with the provisions of any agreement relating thereto.

3.4.6 Inventory

The Tenant must keep the Inventory clean, hygienic and in good repair and ensure that it complies with Health and Safety Regulations.

3.4.7 The Open Land

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

3.4.7.2 The Tenant must not store anything on the Open Land or bring anything onto it that is or is likely to become untidy, unclean, unsightly or in any way detrimental to the Premises or the area generally.

3.4.7.3 The Tenant must not deposit any waste, rubbish or refuse on the Open Land.

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

3.4.8 Care of abutting land

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

3.4.9 Decoration

The Tenant must redecorate the outside of the Premises in each of the Exterior Decorating Years and the last year of the Term and must redecorate the inside of the Premises in each of the Interior Decorating Years and the last year of the Term, in all instances in a good and workmanlike manner, with appropriate materials of good quality, to the reasonable satisfaction of the Surveyor, any change in the tints, colours and patterns of the decoration to be approved by the Landlord (such approval not to be unreasonably withheld or delayed) PROVIDED THAT the covenants relating to the last year of the Term shall not apply where the Tenant shall have redecorated the Premises less than 18 months prior to the expiry of the Term.

3.4.10 Shared facilities

Where the use of any of the Conduits or any boundary structures or other things is common to the Premises and other property, the Tenant must be responsible for, and indemnify the Landlord against, all sums due from the owner, tenant or occupier of the Premises in relation to those Conduits, boundary structures or other things and must undertake all work in relation to them that is his responsibility.

3.5 Waste and alterations

3.5.1 Waste, additions and alterations

The Tenant must not commit any waste, make any addition to the Premises, unite the Premises with any adjoining premises, or make any alteration to the Premises save as permitted by the provisions of this clause 3.5.

3.5.2 Pre-conditions for alterations

The Tenant must not make any alterations to the Premises unless he first:

3.5.2.1 obtains and complies with the necessary consents of the competent authorities and pays their charges for them,

3.5.2.2 makes an application to the Landlord for consent, supported by drawings and where appropriate a specification in duplicate prepared by an architect, or a member of some other appropriate profession, who must if reasonably required by the Landlord supervise the work throughout to completion,

3.5.2.3 pays the reasonable fees of the Landlord, any head landlord, any mortgagee and their respective professional advisers,

3.5.2.4 enters into any covenants the Landlord reasonably requires as to the execution and reinstatement of the alterations, and

3.5.2.5 obtains the consent of the Landlord.

3.5.3 Removal of alterations

At the end of the Term, if so reasonably requested by the Landlord, the Tenant must remove any additional buildings, additions, alterations or improvements made to the Premises and must make good any part of the Premises that is damaged by their removal.

3.5.4 Connection to the Conduits

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

3.6 Aerials, signs and advertisements

3.6.1 Masts and wires

The Tenant must not, without the consent of the Landlord (such consent not to be unreasonably withheld or delayed) erect any pole or mast or install any cable or wire on the Premises, whether in connection with telecommunications or otherwise.

3.6.2 Advertisements

The Tenant must not, without the consent of the Landlord, fix to or exhibit on the outside of the Premises, or fix to or exhibit through any window of the Premises, any placard, sign, notice, fascia board or advertisement save for any usual or necessary for the Permitted Use.

3.7 Statutory obligations

3.7.1 General provision

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

3.7.2 Particular obligations

3.7.2.1 Works required by statute, department or authority:

Without prejudice to the generality of clause 3.7.1, the Tenant must execute all works and provide and maintain all arrangements on or in respect of the Premises or the use to which they are being put that are required in order to comply with the requirements of any statute already or in the future to be passed, or the requirements of any government department, local authority or other public or competent authority or court of competent jurisdiction, regardless of whether the requirements are imposed on the owner, the occupier, or any other person except where compliance is within the ambit of the Landlord's obligations contained in this Lease.

3.7.2.2 Acts causing losses: Without prejudice to the generality of clause 3.7.1, the Tenant must not do in or near the Premises anything by reason of which the Landlord may incur any losses under any statute.

3.7.2.3 Construction (Design and Management) Regulations: Without prejudice to the generality of clause 3.7.1, the Tenant must comply with the provisions of the Construction (Design and Management) Regulations 1994 ('the CDM Regulations'), be the only client, as defined in the provisions of the CDM Regulations, fulfil, in relation to all and any works, all the obligations of the client as set out in or reasonably to be inferred from the CDM Regulations, and make a declaration to that effect to the Health and Safety Executive in accordance with the Approved Code of Practice published from time to time by the Health and Safety Executive in relation to the CDM Regulations. The provisions of clause 5.7.3 are to have effect in any circumstances to which these obligations apply.

3.7.2.4 Delivery of health and safety files: At the end of the Term, the Tenant must forthwith deliver to the Landlord any and all health and safety files relating to the Premises in accordance with the CDM Regulations.

3.8 Entry to inspect and notice to repair

3.8.1 Entry and notice

The Tenant must permit the Landlord:

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

3.8.1.2 to view the state of repair and condition of the Premises, and to open up floors and other parts of the Premises where that is necessary in order to do so, and

3.8.1.3 to give to the Tenant, or notwithstanding clause 8.7 leave on the Premises, a notice specifying the works required to remedy any breach of the Tenant's obligations in this Lease ('a notice to repair'),

PROVIDED THAT any opening-up must be made good by and at the cost of the Landlord if it reveals no breach of the terms of this Lease.

3.8.2 Works to be carried out

The Tenant must carry out the works specified in a notice to repair within a reasonable period of time, including making good any opening up that revealed a breach of the terms of this Lease.

3.8.3 Landlord's power in default

If within 1 month of the service of a notice (or such longer period as may be reasonable in the circumstances) to repair the Tenant has not started to execute the work referred to in that notice, or is not proceeding diligently with it, or if the Tenant fails to finish the work within or if in the Landlord's or Surveyor's opinion the Tenant is unlikely to finish the work within that period, the Tenant must permit the Landlord to enter the Premises to execute the outstanding work, and must within 7 days of a written demand pay to the Landlord the reasonable cost of so doing and all reasonable expenses incurred by the Landlord, including legal costs and surveyor's fees.

3.9 Alienation

3.9.1 Alienation prohibited

The Tenant must not hold the Premises on trust for another. The Tenant must not part with possession of the Premises or any part of them or permit another to occupy them or any part of them except pursuant to a transaction permitted by and effected in accordance with the provisions of this Lease.

3.9.2 Assignment, subletting and charging of part

The Tenant must not assign sublet or charge part only of the Premises.

3.9.3 Assignment of the whole

Subject to clauses 3.9.4 and 3.9.5, the Tenant must not assign the whole of the Premises without the consent of the Landlord, whose consent may not be unreasonably withheld or delayed.

3.9.4 Circumstances

If any of the following circumstances, which are specified for the purposes of the Landlord and Tenant Act 1927 section 19(1A) applies either at the date when application for consent to assign is made to the Landlord, or after that date but before the Landlord's consent is given, the Landlord may withhold his consent and if, after the Landlord's consent has been given but before the assignment has taken place, any such circumstances apply, the Landlord may revoke his consent, whether his consent is expressly subject to a condition as referred to in clause 3.9.5.4 or not. The circumstances are:

3.9.4.1 that any sum due from the Tenant under this Lease remains unpaid unless the subject of genuine dispute,

3.9.4.2 that in the Landlord's reasonable opinion the assignee is not a person who is likely to be able to comply with the tenant covenants of this Lease and to continue to be able to comply with them following the assignment (and for the purposes of this clause 3.9.4.2 a person who does not have in the reasonable opinion of the Landlord adequate experience in the management and/or control of a licensed premises is not a person so likely to be able to comply with the tenant covenants in this Lease,

3.9.4.3 that without prejudice to sub clause 3.9.4.2, in the case of an assignment to a company in the same group as the Tenant within the meaning of the 1954 Act section 42 in the Landlord's reasonable opinion the assignee is a person who is, or may become, less likely to be able to comply with the tenant covenants of this Lease than the Tenant requesting consent to assign, which likelihood is adjudged by reference in particular to the financial strength of that Tenant aggregated with that of any guarantor of the obligations of that Tenant and the value of any other security for the performance of the tenant covenants of this Lease when assessed at the date of grant or, where that Tenant is not the Original Tenant, the date of the assignment of this Lease to that Tenant,

3.9.4.4 that the assignee or any guarantor for the assignee, other than any guarantor under an authorised guarantee agreement, is a corporation registered, or otherwise resident in a jurisdiction in which the order of a court obtained in England and Wales will not necessarily be enforced against the assignee or guarantor without any consideration of the merits of the case

3.9.5 Conditions

The Landlord may (where it is reasonable to do so) impose any or all of the following conditions which are specified for the purposes of the Landlord and Tenant Act 1927 section 19(1A) on giving any consent for an assignment by the Tenant, and any such consent is to be treated as being subject to each of the following:

3.9.5.1 a condition that on or before any assignment and before giving occupation to the assignee, the Tenant requesting consent to assign, together with any former tenant who by virtue of the 1995 Act section 11 was not released on an earlier assignment of this Lease, must enter into an authorised guarantee agreement in favour of the Landlord in the terms set out in schedule 5,

3.9.5.2 a condition that if reasonably so required by the Landlord on an assignment to a limited company, the assignee must ensure that at least 2 directors of the company, or some other guarantor or guarantors acceptable to the Landlord, enter into direct covenants with the Landlord in the form of the guarantor's covenants contained in clause 6 with 'the Assignee' substituted for 'the Tenant',

3.9.5.3 a condition that on or before any assignment, the Tenant making the request for consent to assign must give to the Landlord a copy of the health and safety file required to be maintained under the Construction (Design and Management) Regulations 1994 containing full details of all works undertaken to the Premises by that Tenant,

3.9.5.4 a condition that if, at any time before the assignment, the circumstances specified in clause 3.9.4, or any of them, apply, the Landlord may revoke the consent by written notice to the Tenant,

3.9.5.5 a condition that before completion of the proposed Assignment the proposed Assignee must apply for a transfer of the Premises Licence with or without interim effect so that at all times licensable activities (as defined by Section 1(1) of the Licensing Act 2003) remain lawful by virtue of that Licence

3.9.5.6 a condition that before completion of the proposed Assignment the proposed Assignee must have paid to the Landlord in cleared funds a deposit in the amount of £7,500

3.9.6 Charging of the whole

The Tenant must not charge the whole of the Premises without the consent of the Landlord, whose consent may not be unreasonably withheld or delayed.

3.9.7 Subletting

The Tenant must not sublet the whole of the Premises without the consent of the Landlord, whose consent may not be unreasonably withheld or delayed.

3.9.8 Terms of a permitted sublease

Every permitted sublease must be granted, without a fine or premium, at a rent not less than whichever is the greater of the then open market rent payable in respect of the Premises to be approved by the Landlord before the sublease (such approval not to be unreasonably withheld or delayed) and to be determined by the Surveyor, acting as an expert and not as an arbitrator and the Rent, to be payable in advance on the days on which the Rent is payable under this Lease. Every permitted sublease must contain provisions approved by the Landlord:

3.9.8.1 for the upwards only review of the rent reserved by it, on the basis set out in schedule 2 and on the Review Dates,

3.9.8.2 prohibiting the subtenant from doing or allowing anything in relation to the Premises inconsistent with or in breach of the provisions of this Lease,

3.9.8.3 for re-entry by the sublandlord on breach of any covenant by the subtenant,

3.9.8.4 imposing an absolute prohibition against all dealings with the Premises other than assignment subletting or charging of the whole,

3.9.8.5 prohibiting assignment subletting or charging of the whole of the Premises without the consent of the Landlord under this Lease,

3.9.8.6 requiring the assignee on any assignment of the sublease to enter into direct covenants with the Landlord to the same effect as those contained in clause 3.9.9,

3.9.8.7 requiring on each assignment of the sublease that the assignor enters into an authorised guarantee agreement in favour of the Landlord in the terms set out in schedule 5 but adapted to suit the circumstances in which the guarantee is given,

3.9.8.8 prohibiting the subtenant from holding on trust for another or permitting another to share or occupy the whole or any part of the Premises,

3.9.8.9 imposing in relation to any permitted assignment subletting or charge the same obligations for registration with the Landlord as are contained in this Lease in relation to dispositions by the Tenant, and

3.9.8.10 imposing in relation to any permitted subletting the same obligations as are contained in this clause 3.9.8 and in clauses 3.9.9 , 3.9.11 and 3.9.12, and

3.9.8.11 excluding the provisions of sections 24–28 of the 1954 Act from the letting created by the sublease

3.9.9 Subtenant's direct covenants

Before any permitted subletting, the Tenant must ensure that the subtenant enters into a direct covenant with the Landlord that while he is bound by the tenant covenants of the sublease and while the subtenant is bound by an authorised guarantee agreement the subtenant will observe and perform the tenant covenants contained in this Lease except the covenant to pay the rent reserved by this Lease and in that sublease.

3.9.10 The Tenant must not grant a sublease or permit a subtenant to occupy the Premises unless the provisions of the Regulatory Reform (Business Tenancies) England and Wales Order 2003 have been complied with, excluding the provisions of Sections 24 – 28 of the 1954 Act

3.9.11 Enforcement, waiver and variation of subleases

In relation to any permitted sublease, the Tenant must enforce the performance and observance by every subtenant of the provisions of the sublease, and must not at any time either expressly or by implication waive any breach of the covenants or conditions on the part of any subtenant or assignee of any sublease, or without the consent of the Landlord, whose consent may not be unreasonably withheld or delayed, vary the terms or accept a surrender of any permitted sublease.

3.9.12 Sublease rent review

In relation to any permitted sublease:

3.9.12.1 the Tenant must ensure that the rent is reviewed in accordance with the terms of the sublease,

3.9.12.2 the Tenant must not agree the reviewed rent with the subtenant without the approval of the Landlord,

3.9.12.2 the Tenant must give notice to the Landlord of the details of the determination of every rent review within 28 days.

3.9.13 Registration of permitted dealings

Within 28 days of any assignment, charge sublease, or sub underlease, or any transmission or other devolution relating to the Premises, the Tenant must produce a certified copy of any relevant document for registration with the Landlord's solicitor, and must pay the Landlord's solicitor's reasonable charges for registration of not more than £50

3.10 Nuisance, restrictions and obligations relating to use

3.10.1 Nuisance

The Tenant must not do anything on the Premises, or allow anything to remain on them that may be or become or cause a nuisance, or annoyance, disturbance, inconvenience, injury or damage to the Landlord or his tenants or the owners or occupiers of adjacent or neighbouring premises.

3.10.2 Auctions, trades and immoral purposes

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

3.10.3 Residential Use, sleeping and animals

The Tenant must not use the Premises as sleeping accommodation or for residential purposes, or keep any animal on them save that pets are permitted in the upstairs accommodation which may also be used for residential purposes for the occupation of a manager and his family only but on the same terms of a service occupancy and without creating security of tenure.

3.11 Costs of applications, notices and recovery of arrears

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

- 3.11.1 every application made by the Tenant for a consent or licence required by the provisions of this Lease, whether it is granted, refused or offered subject to any lawful qualification or condition, or the application is withdrawn
- 3.11.2 the contemplation, preparation and service of a notice under the Law of Property Act 1925 section 146, or the contemplation or taking of proceedings under sections 146 or 147 of that Act, even if forfeiture is avoided otherwise than by relief granted by the court,
- 3.11.3 the recovery or attempted recovery of arrears of rent or other sums due under this Lease, and
- 3.11.4 any steps taken in contemplation of or in direct connection with the preparation and service of a schedule of dilapidations during or within two months after the end of the Term but, if served after the Term, relating only to wants of repair arising during the Term

3.12 Planning and development

3.12.1 Compliance with the Planning Acts

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

3.12.2 Consent for applications

The Tenant must not make any application for planning permission without the consent of the Landlord, whose consent may not be unreasonably withheld or delayed in any case where application for and implementation of the planning permission will not create or give rise to any tax liability for the Landlord or where the Tenant indemnifies the Landlord against such liability.

3.12.3 Permissions and notices

The Tenant must obtain any planning permissions and serve any notices that may be required to carry out any development by the Tenant on or at the Premises.

3.12.4 Charges and levies

Subject only to any statutory direction to the contrary, the Tenant must pay and satisfy any charge or levy that may subsequently be imposed under the Planning Acts in respect of the carrying out or maintenance of any development on or at the Premises.

3.12.5 Pre-conditions for development

Notwithstanding any consent that may be granted by the Landlord under this Lease, the Tenant must not carry out any development on or at the Premises until all necessary notices under the Planning Acts have been served and copies produced to the Landlord, all necessary permissions under the Planning Acts have been obtained and produced to the Landlord, and the Landlord has acknowledged that every necessary planning permission is acceptable to him, such acknowledgement not to be unreasonably withheld or delayed. The Landlord may refuse to acknowledge his acceptance of a planning permission on the grounds that any condition contained in it or anything omitted from it or the period referred to in it would in his reasonable opinion, be, or be likely to be, prejudicial to the Landlord or to his reversionary interest in the Premises whether during or following the end of the Term.

3.12.6 Completion of development

Where a condition of any planning permission granted for development begun before the end of the Term requires works to be carried out to the Premises by a date after the end of the Term,

the Tenant must, unless the Landlord directs otherwise, finish those works before the end of the Term.

3.12.7 Security for compliance with conditions

In any case where a planning permission is granted subject to conditions, and if the Landlord reasonably so requires, the Tenant must provide sufficient security for his compliance with the conditions and must not implement the planning permission until the security has been provided.

3.12.8 Appeal against refusal or conditions

If required by the Landlord to do so, but at his own cost, the Tenant must appeal against any refusal of planning permission or the imposition of any conditions on a planning permission relating to the Premises following an application for planning permission by the Tenant.

3.13 Plans, documents and information

3.13.1 Evidence of compliance with this Lease

If so requested, the Tenant must produce to the Landlord or the Surveyor any plans, documents and other evidence the Landlord reasonably requires to satisfy himself that the provisions of this Lease have been complied with.

3.13.2 Information for renewal or rent review

If so requested, the Tenant must produce to the Landlord, the Surveyor, or any person acting as the third party determining the Rent in default of agreement between the Landlord and the Tenant under the provisions for rent review contained in this Lease, any information reasonably requested in writing in relation to any pending or intended step under the 1954 Act or the implementation of any provisions for rent review.

3.14 Indemnities

The Tenant must keep the Landlord fully indemnified against all reasonable losses reasonably incurred and arising directly or indirectly out of any unlawful act, omission or negligence of the Tenant, or any persons at the Premises expressly or impliedly with his authority and under the Tenant's control, or any breach or non-observance by the Tenant of the covenants, conditions or other provisions of this Lease or any of the matters to which this demise is subject.

3.15 Reletting boards and viewing

At any time during the last 6 months of the Contractual Term and at any time thereafter, and whenever the Lease Rents or any part of them are in arrear and unpaid for longer than 21

days, the Tenant must permit the Landlord to enter the Premises and fix and retain in a position so as not to interfere with the Tenant's business a board advertising them for reletting. While any such board is on the Premises the Tenant must permit viewing of the Premises at reasonable times of the day by prior appointment with the Tenant.

3.16 Obstruction and encroachment

3.16.1 The Tenant must not stop up, darken or obstruct any window or light belonging to the Premises.

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

3.17 Yielding up

At the end of the Term the Tenant must yield up the Premises with vacant possession, decorated and repaired in accordance with and in the condition required by the provisions of this Lease, give up all keys of the Premises to the Landlord, remove tenant's fixtures and fittings if reasonably requested to do so by the Landlord, and remove all signs erected by the Tenant or any of his predecessors in title in, on or near the Premises, immediately making good any damage caused by their removal and leave at the Premises any beer dispensing equipment and take all necessary steps to ensure that the Landlord does not become responsible for the employment (or anything related to it) of any employee of the Tenant (unless the Landlord consents) and to indemnify the Landlord against all claims and liabilities arising from such employment.

3.18 Interest on arrears

The Tenant must pay interest on any of the Lease Rents or other sums due under this Lease that are not paid within 14 days of the date due, whether formally demanded or not in respect of the Rent but after formal demand in respect of any of the Lease Rents the interest to be recoverable as rent. Nothing in this clause entitles the Tenant to withhold or delay any payment of the Rent or any other sum due under this Lease or affects the rights of the Landlord in relation to any non-payment.

3.19 Statutory notices

The Tenant must give full particulars to the Landlord of any notice, direction, order or proposal relating to the Premises made, given or issued to the Tenant by any government department or local, public, regulatory or other authority or court within 7 days of receipt, and if so requested by the Landlord must produce it to the Landlord. The Tenant must without delay take all necessary steps to comply with the notice, direction or order. At the request and cost of the Landlord, the Tenant must make or join with the Landlord in making any objection or representation the Landlord reasonably deems expedient against or in respect of any notice, direction, order or proposal unless such objection or representation would be contrary to the interests of the Tenant.

3.20 Keyholders

The Tenant must ensure that at all times the Landlord and the local police force have written notice of the name, home address and home telephone number of at least 1 keyholder of the Premises.

3.21 Viewing on sale of reversion

The Tenant must, on reasonable notice in writing, at any time during the Term, permit prospective purchasers of the Landlord's reversion or any other interest superior to the Term, or agents instructed in connection with the sale of the reversion or such an interest, to view the Premises without interruption provided they have the prior written authority of the Landlord or his agents.

3.22 Defective premises

The Tenant must give notice to the Landlord of any defect in the Premises actually known to the Tenant that is likely to give rise to an obligation on the Landlord to do or refrain from doing anything in order to comply with the provisions of this Lease or the duty of care imposed on the Landlord, whether pursuant to the Defective Premises Act 1972 or otherwise, and must at all times display and maintain any notices the Landlord from time to time reasonably requires him to display at the Premises in that regard.

3.23 Replacement guarantor

3.23.1 In this clause 3.23 references to a 'guarantor replacement event' are references, in the case of an individual, to death, bankruptcy, having a receiving order made against him or having a receiver appointed under the Mental Health Act 1983, and, in the case of a company, to passing a resolution to wind up, entering into liquidation or having a receiver appointed.

3.23.2 Where during the relevant Liability Period a guarantor replacement event occurs to the Guarantor or any person who has entered into an authorised guarantee agreement, the Tenant must give notice of the event to the Landlord within 14 days of his becoming aware of it. If so required by the Landlord, the Tenant must within 28 days use reasonable endeavours to obtain some other person reasonably acceptable to the Landlord to execute a guarantee in the form of the Guarantor's covenants in clause 6 or the authorised guarantee agreement in schedule 5, as the case may be, for the residue of the relevant Liability Period.

3.24 Exercise of the Landlord's rights

The Tenant must permit the Landlord to exercise any of the rights granted to him by virtue of the provisions of this Lease at all times during the Term without interruption or interference but subject to the conditions (if any) under which those rights are expressed to be exercisable in this Lease.

3.25 The Licensing Covenants

The Tenant must observe and perform the Licensing Covenants.

3.26 Consent to the Landlord's release

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

3.27 Deposit

3.27.1. On the signing of this Lease the Tenant must pay to the Landlord a deposit in the amount of £7,500 to be held by the Landlord as security for the Tenant's liability for:-

3.27.1.1. the rents reserved by and the other sums payable under this Lease which have not been paid within Twenty one (21) days after the due date for payment and

3.27.1.2. in the event of forfeiture of this Lease or disclaimer of this Lease by or on behalf of the Tenant or the Landlord accepting a surrender of this Lease from the liquidator provisional liquidator or receiver or administrative receiver of the Tenant ("A Surrender") or the Lease becoming bona vacantia or if for any other reason the Tenant ceases to be or to remain liable under this Lease (all which events are hereinafter referred to as "Lease Determination") the rents and other sums which would have been payable under this Lease for the period from the date of the Lease Determination until the earlier of the date upon which this Lease would have expired by effluxion of time and the date from which rent being not less than that which would have been payable pursuant to the Lease if the Lease Determination had not taken place is payable under a new lease of the Demised Premises and

3.27.1.3. in the event of any breach of the Tenant's covenants or other obligations under this Lease such sums as would meet or go towards meeting the loss reasonably and properly suffered by the Landlord in respect of such breach and

3.27.1.4. all reasonable legal costs and other fees and expenses reasonably and properly incurred by the Landlord in enforcing the terms of this Lease

3.28. Date for Repayment of the Deposit

3.27.1. The deposit (if any) less any sums payable pursuant to Clause 3.27 shall be repaid with any interest earned to the Tenant on the earlier of:

3.28.1.1. a lawful assignment of the Lease or

3.28.1.2. will be repaid to the Tenant on the date on which all of the following circumstances have occurred namely one (1) calendar month has passed following the end of the term of this Lease and the Landlord has been given vacant possession of the Premises

3.28.2. Without prejudice to any other rights of the Landlord under the terms of this Lease any part or parts of the said deposit used by this Landlord to discharge any liability to the Landlord referred to in Clause 3.27 hereof at any time shall be paid by the Tenant to the Landlord within Fourteen (14) days of demand

4 LANDLORD'S COVENANTS

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

5 INSURANCE

5.1 Warranty as to convictions

The Tenant warrants that before the execution of this document he has disclosed to the Landlord in writing any conviction, judgment or finding of any court or tribunal relating to the Tenant or any director, other officer or major shareholder of the Tenant, of such a nature as to be likely to affect the decision of any insurer or underwriter to grant or to continue insurance of any of the Insured Risks.

5.2 Covenant to insure

The Landlord covenants with the Tenant to insure the Premises unless the insurance is vitiated by any act of the Tenant or by anyone at the Premises expressly or by implication with his authority and under the Tenant's control.

5.3 Details of the insurance

5.3.1 Office, underwriters and agency

Insurance is to be effected in such reputable insurance office, or with such reputable underwriters, and through such reputable agency as the Landlord from time to time reasonably decides.

5.3.2 Insurance cover

Insurance must be effected for the following amounts:

5.3.2.1 the sum that is the full cost of rebuilding and reinstating the Premises, including VAT, architects', surveyors', engineers', solicitors' and all other professional persons' fees, the fees payable on any applications for planning permission or other permits or consents that may be required in relation to rebuilding or reinstating the Premises, the cost of preparation of the site including shoring-up, debris removal, demolition, site clearance and any works that may be required by statute, and incidental expenses, and

5.3.2.2 loss of the Rent, taking account of any rent review that may be due for 3 years

5.3.2.3 the depreciation in value of the Premises resulting from the loss of the Licences.

5.3.3 Risks insured

Insurance must be effected against damage or destruction by any of the Insured Risks to the extent that such insurance may ordinarily be arranged for properties such as the Premises, subject to such excesses, exclusions or limitations as the insurer properly requires.

5.4 Payment of the Insurance Rent

The Tenant covenants to pay the Insurance Rent for the period commencing on the Rent Commencement Date and ending on the day before the next policy renewal date on the date of this Lease, and subsequently to pay the Insurance Rent on demand and, if so demanded, in advance of the policy renewal date, but not more than 1 month in advance.

5.5 Suspension of the Rent

5.5.1 Events giving rise to suspension

If and whenever the Premises or any part of them or the essential services thereto or the access thereto are damaged or destroyed by one or more of the Insured Risks except one against which insurance may not ordinarily be arranged with a substantial and reputable insurer

for properties such as the Premises unless the Landlord has in fact insured against that risk so that the Premises or any part of them are unfit for occupation or use, and payment of the insurance money is not wholly or partly refused because of any act or default of the Tenant or anyone at the Premises expressly or by implication with his authority and under the Tenant's control then the provisions of clause 5.5.2 are to have effect.

5.5.2 Suspending the Rent

In the circumstances mentioned in clause 5.5.1 the Rent, or a fair proportion of it according to the nature and the extent of the damage sustained, is to cease to be payable until the Premises, or the affected part, have been rebuilt or reinstated so as to render the Premises, or the affected part, fit for occupation and use, or until the end of 3 years from the destruction or damage, whichever period is the shorter, the proportion of the Rent suspended and the period of the suspension to be determined by the Surveyor acting as an expert and not as an arbitrator.

5.6 Reinstatement and termination

5.6.1 Obligation to obtain permissions

If and whenever the Premises or any part of them are damaged or destroyed by one or more of the Insured Risks except one against which insurance may not ordinarily be arranged with a substantial and reputable insurer for properties such as the Premises, unless the Landlord has in fact insured against that risk, and payment of the insurance money is not wholly or partly refused because of any act or default of the Tenant or anyone at the Premises expressly or by implication with his authority, the Landlord must use his best endeavours to obtain the planning permissions or other permits and consents ('permissions') that are required under the Planning Acts or otherwise to enable him to rebuild and reinstate the Premises.

5.6.2 Obligation to reinstate

Subject to the provisions of clause 5.6.3, and, if any permissions are required, after they have been obtained, the Landlord must as soon as reasonably practicable apply all money received in respect of the insurance, except sums in respect of loss of the Rent, in rebuilding or reinstating the Premises making up any deficiency out of the Landlord's own monies.

5.6.3 Relief from the obligation to reinstate

The Landlord need not rebuild or reinstate the Premises if and for so long as rebuilding or reinstatement is prevented because:

5.6.3.1 the Landlord, despite using his best endeavours, cannot obtain any necessary permission,

5.6.3.2 any permission is granted subject to a lawful condition with which in all the circumstances it is unreasonable to expect the Landlord to comply,

5.6.3.3 there is some defect or deficiency in the site on which the rebuilding or reinstatement is to take place that means it can only be undertaken at a cost that is unreasonable in all the circumstances,

5.6.3.4 the Landlord is unable to obtain access to the site to rebuild or reinstate,

5.6.3.5 the rebuilding or reinstating is prevented by war, act of God, government action, strike or lock-out, or

5.6.3.6 because of the occurrence of any other circumstances beyond the Landlord's control.

5.6.4 Notice to terminate

If, at the end of a period of 2 years commencing on the date of the damage or destruction, the Premises are still not fit for the Tenant's occupation and use, either the Landlord or the Tenant may by notice served at any time within 6 months of the end of that period ('a notice to terminate following failure to reinstate') implement the provisions of clause 5.6.5.

5.6.5 Termination following failure to reinstate

On service of a notice to terminate following failure to reinstate, the Term is to cease absolutely but without prejudice to any rights or remedies that may have accrued and all money received in respect of the insurance effected by the Landlord pursuant to this Lease is to belong to the Landlord absolutely.

5.7 Tenant's insurance covenants

The Tenant covenants with the Landlord to observe and perform the requirements of this clause 5.7.

5.7.1 Requirements of insurers

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

5.7.2 Policy avoidance and additional premiums

The Tenant must not knowingly do or omit anything that could cause any insurance policy on or in relation to the Premises to become wholly or partly void or voidable, or do or omit anything by which additional insurance premiums may become payable unless he has previously notified the Landlord and has agreed to pay the increased premium.

5.7.3 Fire-fighting equipment

The Tenant must keep the Premises supplied with such fire-fighting equipment as the insurers and the fire authority require and must maintain the equipment to their satisfaction and in efficient working order. At least once in every 6 months the Tenant must cause any sprinkler system and other fire-fighting equipment to be inspected by a competent person.

5.7.4 Combustible materials

The Tenant must not store on the Premises or bring onto them anything of a specially combustible, inflammable or explosive nature, and must comply with the requirements and reasonable recommendations of the fire authority and the reasonable requirements of the Landlord as to fire precautions relating to the Premises.

5.7.5 Fire escapes, equipment and doors

The Tenant must not obstruct the access to any fire equipment or the means of escape from the Premises or lock any fire door while the Premises are occupied.

5.7.6 Notice of events affecting the policy

The Tenant must give immediate notice to the Landlord of any event actually known to the Tenant that is likely to affect any insurance policy on or relating to the Premises, and any event against which the Landlord has insured under this Lease.

5.7.7 Notice of convictions

The Tenant must give immediate notice to the Landlord of any conviction, judgment or finding of any court or tribunal relating to the Tenant, or any director other officer or major shareholder of the Tenant, of such a nature as to be likely to affect the decision of any insurer or underwriter to grant or to continue any such insurance.

5.7.8 Other insurance

If at any time the Tenant is entitled to the benefit of any insurance of the Premises that is not effected or maintained in pursuance of any obligation contained in this Lease, the Tenant must apply all money received by virtue of that insurance in making good the loss or damage in respect of which the money is received.

5.7.9 Reinstatement on refusal of money through default

If at any time the Premises or any part of them are damaged or destroyed by one or more of the Insured Risks and the insurance money under the policy of insurance effected by the Landlord pursuant to his obligations contained in this Lease is wholly or partly irrecoverable because of any act or default of the Tenant or of anyone at the Premises expressly or by implication with his authority and under the Tenant's control, the Tenant must immediately, at

the option of the Landlord, either rebuild and reinstate the Premises or the part of them destroyed or damaged, to the reasonable satisfaction and under the supervision of the Surveyor in which case, on completion of the rebuilding and refurbishment, the Landlord must pay to the Tenant the amount that the Landlord has actually received under the insurance policy in respect of the destruction or damage or pay to the Landlord on demand with interest the amount of the insurance money so irrecoverable in which case the provisions of clauses 5.5 and 5.6 are to apply.

5.7.10 Tenant's further insurance covenants

The Tenant must at the Tenant's own expense effect and maintain insurance in the full cost of reinstating, or where appropriate replacing:

5.7.10.1 all plate glass on the demised Premises,

5.7.10.2 the Tenant's decorations,

5.7.10.3 all Tenant's stock,

5.7.10.4 all cash in any Amusement Machines or otherwise in or about the Premises,

5.7.10.5 all the Tenant's fixtures and fittings and anything else in the Inventory (which items mentioned in clauses 5.7.10.1 shall be insured in the joint names of the Landlord and the Tenant),

AND MUST PROMPTLY pay all premiums necessary in respect thereof within 7 days after the same shall become due and payable, and produce to the Landlord or the Landlord's agents on demand a copy of the policy or policies of such insurance and the last premium renewal receipt, failing which the Landlord may take all necessary steps to effect those insurances and the associated costs shall be a debt due from the Tenant to the Landlord on demand, PROVIDED THAT if the Tenant shall at any time fail to insure in accordance with this clause 5.7.10 the Landlord may do all things necessary to effect and maintain such insurances and the Tenant must reimburse any monies expended by the Landlord for that purpose on demand.

5.8 Landlord's further insurance covenants

The Landlord covenants with the Tenant to observe and perform the requirements set out in this clause 5.8 in relation to the insurance policy effected by the Landlord pursuant to his obligations contained in this Lease.

5.8.1 Copy policy

The Landlord must produce to the Tenant on demand (but not more often than once in any twelve months period) a copy of the policy and the last premium renewal receipt or reasonable evidence of the terms of the policy and the fact that the last premium has been paid.

5.8.2 Noting of the Tenant's Interest

The Landlord must ensure that the interest of the Tenant is noted or endorsed on the policy.

5.8.3 Change of risks

The Landlord must notify the Tenant of any material change in the risks covered by the policy from time to time.

5.8.4 Waiver of subrogation

The Landlord must produce to the Tenant on demand written confirmation from the insurers that they have agreed to waive all rights of subrogation against the Tenant.

5.9 Uninsured Risks

5.9.1 For the purpose of this Clause the following expressions shall have the following meanings:

5.9.1.1 "Election Notice" means notice given by the Landlord to the Tenant in which the Landlord elects to reinstate the Premises

5.9.1.2 "Election Period" means the period three months following the date of damage or destruction

5.9.1.3 "Excluded Risk" means any risk against which the Landlord does not insure (or in respect of which there was a partial exclusion to the extent that the partial exclusion applies) because the insurance cover for that risk is not ordinarily available in the United Kingdom insurance market

5.9.2 If the whole or substantially the whole of the Premises is made unfit for occupation or use by damage or destruction caused by an Excluded Risk then:

5.9.2.1 the Landlord may within the Election Period give an Election Notice electing to reinstate the Premises in which case for the purposes of this Lease the Excluded Risk shall be deemed to be an Insured Risk and this Lease shall be construed accordingly

5.9.2.2 if the Landlord gives an Election Notice in accordance with clause 5.9.2.1 above the Landlord shall reinstate the Premises at the Landlord's cost and otherwise in accordance with its obligations under clause 5.6.2 provided that if the Landlord has not obtained all necessary planning and other consents (which the Landlord will use reasonable endeavours to obtain) by the date 2 years after the Election Notice due to reasons beyond the Landlord's reasonable control, then the Landlord may terminate this Lease with immediate effect by giving written notice to the Tenant within the period of one month thereafter

5.9.2.3 If the Landlord has not given the Election Notice within the Election Period or gives notice that the Landlord will not reinstate the Premises the Tenant has the right within a further period of three months to give notice to the Landlord of its intention to reinstate the Premises at its own cost

5.9.3 If the Tenant gives the notice pursuant to clause 5.9.2.3 then the Tenant shall reinstate the Premises at the Tenant's cost

5.9.4 If the Tenant does not give a notice pursuant to clause 5.9.2.3 within the 3 month period this Lease shall with immediate effect on the expiry of such 3 month period

terminate without prejudice to any claims which the Landlord or the Tenant may have against the other for any earlier breach of their respective obligations in this Lease

5.9.5 Time shall be of the essence for the purposes of this Clause 5.9

6 GUARANTEE PROVISIONS

6.1 The Guarantor's covenants

6.1.1 Nature and duration

The Guarantor's covenants with the Landlord are given as sole or principal debtor or covenantor, with the landlord for the time being and with all his successors in title without the need for any express assignment, and the Guarantor's obligations to the Landlord will last throughout the Liability Period.

6.1.2 The covenants

The Guarantor covenants with the Landlord to observe the requirements of this clause 6.1.2.

6.1.2.1 Payment of rent and performance of the Lease: The Tenant must pay the Lease Rents and VAT charged on them punctually and observe and perform the covenants and other terms of this Lease, and if, at any time during the Liability Period while the Tenant is bound by the tenant covenants of this Lease, the Tenant defaults in paying the Lease Rents or in observing or performing any of the covenants or other terms of this Lease, then the Guarantor must pay the Lease Rents and observe or perform the covenants or terms in respect of which the Tenant is in default and make good to the Landlord on demand, and indemnify the Landlord against, all reasonable losses reasonably incurred and resulting from such non-payment, non-performance or non-observance notwithstanding:

6.1.2.1.1 any time or indulgence granted by the Landlord to the Tenant, any neglect or forbearance of the Landlord in enforcing the payment of the Lease Rents or the observance or performance of the covenants or other terms of this Lease, or any refusal by the Landlord to accept rent tendered by or on behalf of the Tenant at a time when the Landlord is entitled or will after the service of a notice under the Law of Property Act 1925 section 146 be entitled to re-enter the Premises,

6.1.2.1.2 that the terms of this Lease may have been varied by agreement between the Landlord and the Tenant (save where such variation is prejudicial to the Guarantor)

6.1.2.1.3 that the Tenant has surrendered part of the Premises in which event the liability of the Guarantor under this Lease is to continue in respect of the part of the Premises not surrendered after making any necessary apportionments under the Law of Property Act 1925 section 140, and

6.1.2.1.4 anything else by which, but for this clause 6.1.2.1, the Guarantor would be released.

6.1.2.2 New lease following disclaimer:

If, at any time during the Liability Period while the Tenant is bound by the tenant covenants of this Lease, any trustee in bankruptcy or liquidator of the Tenant disclaims this Lease, the Guarantor must, if so required by notice served by the Landlord within 60 days of the Landlord's becoming aware of the disclaimer, take from the Landlord forthwith a lease of the Premises for the residue of the Contractual Term as at the date of the disclaimer, at the Rent then payable under this Lease and subject to the same covenants and terms as in this Lease except that the Guarantor need not ensure that any other person is made a party to that lease as guarantor the new lease to commence on the date of the disclaimer. The Guarantor must pay the reasonable costs of the new lease and VAT charged thereon, save where such VAT is recoverable or available for set-off by the Landlord as input tax, and execute and deliver to the Landlord a counterpart of the new lease.

6.1.2.3 Payments following disclaimer:

If this Lease is disclaimed and the Landlord does not require the Guarantor to accept a new lease of the Premises in accordance with clause 6.1.2.2, the Guarantor must pay to the Landlord on demand an amount equal to the Lease Rents for the period commencing with the date of the disclaimer and ending on whichever is the earlier of the date 6 months after the disclaimer, the date, if any, upon which the Premises are relet, and the end of the Contractual Term.

6.1.2.4 Guarantee of the Tenant's liabilities under an authorised guarantee agreement:

If, at any time during the Liability Period while the Tenant is bound by an authorised guarantee agreement, the Tenant defaults in his obligations under that agreement, the Guarantor must make good to the Landlord on demand, and indemnify the Landlord against, all reasonable losses reasonably incurred and resulting from that default notwithstanding:

6.1.2.4.1 any time or indulgence granted by the Landlord to the Tenant, or neglect or forbearance of the Landlord in enforcing the payment of any sum or the observance or performance of the covenants of the authorised guarantee agreement,

6.1.2.4.2 that the terms of the authorised guarantee agreement may have been varied by agreement between the Landlord and the Tenant (save where such variation is prejudicial to the Guarantor)

6.1.2.4.3 anything else by which, but for this clause 6.1.2.4, the Guarantor would be released.

6.1.3 Severance

6.1.3.1 Any provision of this clause 6 rendered void by virtue of the 1995 Act section 25 is to be severed from all remaining provisions, and the remaining provisions are to be preserved.

6.1.3.2 If any provision in this clause 6 extends beyond the limits permitted by the 1995 Act section 25, that provision is to be varied so as not to extend beyond those limits.

7 FORFEITURE

If and whenever during the Term:

7.1 the Lease Rents, or any of them or any part of them, or any VAT payable on them, are outstanding for 21 days after becoming due, whether formally demanded or not in respect of the Rent but after formal demand in respect of any other sum, or

7.2 the Tenant commits a material breach any covenant or other term of this Lease, or

7.3 the Tenant, being an individual, becomes bankrupt, or

7.4 the Tenant, being a company, enters into liquidation whether compulsory or voluntary but not if the liquidation is for amalgamation or reconstruction of a solvent company or has a receiver appointed, or

7.5 the Tenant enters into an arrangement for the benefit of his creditors, or

7.6 the Tenant has any distress or execution levied on his goods at the Premises, or

7.7 the Tenant or the Licence Holder (as defined in clause 1.28) for the time being becomes disqualified from holding a Licence or is convicted of any offence which is likely to cause the forfeiture of the Licence or in the reasonable opinion of the Landlord does any act or fails to take any steps as a consequence of which the Licence is likely to be revoked

AND, where the Tenant is more than one person, if and whenever any of the events referred to in this clause happens to any one or more of them, the Landlord may at any time re-enter the Premises or any part of them in the name of the whole even if any previous right of re-entry has been waived and thereupon the Term is to cease absolutely but without prejudice to any rights or remedies that may have accrued to the Landlord against the Tenant or the Guarantor in respect of any breach of covenant or other term of this Lease, including the breach in respect of which the re-entry is made.

8 MISCELLANEOUS

8.1 Exclusion of warranty as to use

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

8.2 Exclusion of third party rights

Nothing in this Lease is intended to confer any benefit on any person who is not a party to it save for a lawful assignee or underlessee.

8.3 Representations

The Tenant acknowledges that this Lease has not been entered into in reliance wholly or partly on any statement or representation made by or on behalf of the Landlord, except any such statement or representation expressly set out in this Lease or made by the Landlord's solicitors in any written response to enquiries raised by the Tenant's solicitors in connection with the grant of this Lease

8.4 Documents under hand

While the Landlord is a limited company or other corporation, any licence, consent, approval or notice required to be given by the Landlord is to be sufficiently given if given under the hand of a director, the secretary or other duly authorised officer of the Landlord or by the Surveyor on behalf of the Landlord.

8.5 Tenant's property

If, after the Tenant has vacated the Premises at the end of the Term, any property of his remains in or on the Premises and he fails to remove it within 7 days after a written request from the Landlord to do so, or, if the Landlord is unable to make such a request to the Tenant, within 14 days from the first attempt make it, then the Landlord may, as the agent of the Tenant, sell that property. The Tenant must indemnify the Landlord against any liability incurred by the Landlord to any third party whose property is sold by him in the mistaken belief held in good faith which is to be presumed unless the contrary is proved that the property belonged to the Tenant. If, having made reasonable efforts to do so, the Landlord is unable to locate the Tenant, then the Landlord may retain the proceeds of sale absolutely unless the Tenant claims them within 6 months of the date upon which he vacated the Premises. The Tenant must indemnify the Landlord against any damage occasioned to the Premises and any losses caused by or related to the presence of the property in or on the Premises.

8.6 Notices

8.6.1 Form and service of notices

A notice under this Lease must be in writing and, unless the receiving party or his authorised agent acknowledges receipt, is valid if, and only if:

8.6.1.1 it is given by hand, sent by registered post or recorded delivery, or sent by fax provided that a confirmatory copy is given by hand or sent by registered post or recorded delivery on the same day, and

8.6.1.2 it is served:

8.6.1.2.1 where the receiving party is a company incorporated within Great Britain, at the registered office,

8.6.1.2.2 where the receiving party is the Tenant and the Tenant is not such a company, at the Premises, and

8.6.1.2.3 where the receiving party is the Landlord and or that party is not such a company, at that party's address shown in this Lease or at any address specified in a notice given by the Landlord to the Tenant or that party to the other parties.

8.6.2 Deemed delivery

8.6.2.1 Unless it is returned undelivered, a notice sent by registered post or recorded delivery is to be treated as served on the 3rd working day after posting whenever and whether or not it is received.

8.6.2.2 A notice sent by fax is to be treated as served on the day upon which it is sent, or the next working day where the fax is sent after 1600 hours or on a day that is not a working day, whenever and whether or not it or the confirmatory copy is received unless the confirmatory copy is returned undelivered.

8.6.2.3 References to 'a working day' are references to a day when the United Kingdom clearing banks are open for business in the City of London.

8.6.3 Joint recipients

If the receiving party consists of more than one person, a notice to one of them is notice to all.

8.6.4 Purchase of Inventory and Stock

This clause applies and to the extent that the Tenant owns the Inventory at the end of the Term

8.6.4.1 The Landlord shall have the right (but no obligation so to do) at the end of the Term to take free from all mortgages, charges and encumbrances whatsoever and pay for such parts of the Inventory as the Landlord shall select ('the Selected Items') at a valuation ('the Valuation') to be agreed between the Landlord and the Tenant or, if they are unable to agree, to be

decided by an independent surveyor acting as an expert appointed by agreement between the parties or (in the absence of agreement) nominated by or on behalf of the then President of the Royal Institution of Chartered Surveyors or his appointed deputy.

8.6.4.2 The property in the Selected Items shall pass to the Landlord immediately upon the Landlord giving notice to the Tenant of the exercise of its option to purchase them, whether a Valuation has been agreed or not, and the Tenant must not damage the same and they shall remain at the Tenant's risk until such time as the Tenant delivers the same into the possession of the Landlord upon quitting the Premises.

8.6.4.3 The Tenant must not during the Term dispose of any articles specified in the Inventory without first offering to sell the same to the Landlord at the Valuation.

8.6.4.4 The Landlord shall have the right at the end of the Term (but no obligation so to do) to take free from all mortgages, charges, encumbrances and third party claims whatsoever and pay for the Tenant's sound and saleable stock-in-trade at a valuation to be agreed between the Landlord and the Tenant or, if they are unable to agree, to be decided by an independent surveyor acting as an expert appointed by agreement between the parties or (in the absence of agreement) nominated by or on behalf of the then President of the Royal Institution of Chartered Surveyors.

8.6.4.5 On agreement or determination of the Valuation the Landlord shall be entitled to set-off against the Valuation any sums owing to it by the Tenant at that time, or any subsequent time, before the amount of the Valuation is paid to the Tenant.

8.6.4.6 The Landlord shall not be under any obligation to take and pay for any other property of the Tenant which may be on the Premises at the determination of this Lease.

8.7 New lease

This lease is a new tenancy for the purposes of the 1995 Act section 1.

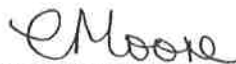
8.8 Capacity of tenants

It is declared that the persons comprising the Tenant hold this document as joint tenants.

8.9 It is certified that there is no agreement for lease to which this lease gives effect.

IN WITNESS whereof the parties have hereunto executed this document as a Deed the day and year first before written

SIGNED as a DEED by
TIMOTHY JOHN MOORE (Acting by his
Attorney CHRISTINE MOORE)



In the presence of: NEIL STANLEY

Witness Signature: 

Witness Name: NEIL STANLEY

Witness Address: 4 MUNMORE CLOSE,
KEGWORTH. DE74 2DG

Witness Occupation: PERSONAL TRAINER

SIGNED as a DEED by
MARK STUART CONSTABLE



In the presence of: NEIL STANLEY

Witness Signature: 

Witness Name: NEIL STANLEY

Witness Address: 4 MUNMORE CLOSE
KEGWORTH

Witness Occupation: PERSONAL TRAINER

SIGNED as a DEED by
ALISON CONSTABLE



In the presence of: NEIL STANLEY

Witness Signature: 

Witness Name: NEIL STANLEY

Witness Address: 4 MUNMORE CLOSE
KEGWORTH. DE74 2DG

Witness Occupation: PERSONAL TRAINER

SIGNED as a DEED by
NIGEL MOORE



In the presence of: NEIL STANLEY

Witness Signature: 

Witness Name: NEIL STANLEY

Witness Address: 4 MUNMORE CLOSE
KEGWORTH. DE74 2DG

Witness Occupation: PERSONAL TRAINER

**SIGNED as a DEED by
THOMAS IAN KEOGH
In the presence of:**

Witness Signature:

Witness Name:

Witness Address:

Witness Occupation:

**SIGNED as a DEED by
KATARENA YANETTE KEOGH
In the presence of:**

Witness Signature:

Witness Name:

Witness Address:

Witness Occupation:

SCHEDULE 1

THE RIGHTS RESERVED

1 Right of entry to inspect

The right to enter, or in emergency to break into and enter, the Premises at any time during the Term (at reasonable times and upon reasonable notice in writing except in emergency) to inspect them, to take schedules or inventories of fixtures and other items to be yielded up at the end of the Term, and to exercise any of the rights granted to the Landlord elsewhere in this Lease, and to ascertain the Tenant's compliance with the obligations of the Tenant.

2 Access on renewal

The right to enter the Premises with the Surveyor and the third party determining the Rent under any provisions for rent review contained in this Lease at convenient hours and on reasonable prior notice in writing to inspect and measure the Premises for all purposes connected with any pending or intended step under the 1954 Act

3 Access for repair

The right upon giving reasonable notice (except in cases of emergency) to enter upon the Property to carry out any work which is the responsibility of the Landlord or where appropriate the Tenant under this Lease making good any damage to the Property in the exercise of this right and causing as little interference to the Tenant as is reasonably practicable.

SCHEDULE 2: THE RENT AND RENT REVIEW

1.1 On each Rent Review Date the Rent will be reviewed to the greater of the Market Rent on that date or the Previous Rent.

1.2 The Landlord and the Tenant acting reasonable shall try to agree the amount of the Market Rent prior to the relevant Rent Review Date. If we are unable to agree, the decision may be referred to an Independent Surveyor for determination as follows:

(a) if the parties have not reached agreement before the relevant Rent Review Date the Tenant may refer the matter to an Independent Surveyor, and may elect whether he acts as an expert or an arbitrator;

(b) if the Tenant has not referred the matter to an Independent Surveyor by the relevant Rent Review Date, the Landlord may then do so and elect whether he acts as an expert or arbitrator.

1.3 The Independent Surveyor in making his decision must assume:

(a) that the Tenant has complied with his obligations in this lease which will include any releases, re-impositions or variations of the tie in accordance with Schedule 3; and

(b) that if the Premises have been damaged by an Insured Risk they have been repaired; and

(c) that the Premises are suitably equipped for the Business; and

(d) that the Premises are being used for the Permitted Use; and

(e) that the Tenant holds all Licences and statutory permissions to conduct the business carried on from the Premises and that the Tenant has not reduced the permissions attached to the Premises Licence; and

(f) that the Tenant has not carried out any works which have reduced the value of the Premises except to the extent that it has been carried out pursuant to any statutory requirements or the requirements of any local authority or other public body; and

(g) that the Tenant is able to recover the VAT on any Rents.

1.4 In making his decision the Independent Surveyor must disregard:

(a) any effect on the rent of the Tenant's occupation of the Premises or of the

occupation of the Premises by any undertenant or their respective predecessors in title; and

(b) any goodwill attached to the Premises by reason of the carrying on at the Premises of the business of the Tenant its under tenants or their predecessors in title in their respective businesses ; and

(c) any increase in value attributable to improvements that the Tenant or any undertenant or their predecessors in title have carried out at the Premises otherwise than in pursuance of an obligation under this Lease to the Landlord or its predecessors in title (except where such obligation is imposed by statute or is a requirement or direction of a local authority or other public body or where the obligation is a covenant to carry out the improvements contained in any licence or consent authorising the same)

1.5 Upon agreement or determination of the Reviewed Rent the Landlord and the Tenant (and any Guarantor) will sign a memorandum evidencing the decision.

1.6 If the Reviewed Rent has not been determined by the Relevant Review Date the Tenant will continue to pay the Previous Rent until the determination.

1.7 Once the Reviewed Rent has been determined if the Reviewed Rent is higher than the Previous Rent, the Tenant will pay to the Landlord within 14 days the difference plus interest at a rate of 4% below the Interest Rate from the relevant Rent Review Date to the date of determination;

2 Independent Surveyor

2.1 If the Independent Surveyor is to act as an arbitrator (in accordance with paragraph 1.2) he shall act in accordance with the Arbitration Act 1996.

2.2 If the Independent Surveyor is to act as an independent expert (in accordance with paragraph 1.2), the Independent Surveyor must:

(a) allow both the Landlord and the Tenant a reasonable opportunity to make written representations to him and to give one set of comments on each other's representations;

(b) he must take those representations and comments into account; and

(c) he must give written reasons and a copy of his decision.

2.3 The decision of the Independent Surveyor shall be binding on the Landlord and the Tenant.

2.4 If the Independent Surveyor acts as an arbitrator, he will decide who is to be responsible for his fees.

2.5 If the Independent Surveyor acts as an expert his fees will be shared between the Landlord and the Tenant.

3. Time is not of the essence in this Schedule.

SCHEDULE 3

THE LICENSING COVENANTS

1 Permitted Use only

The Tenant must use the Premises for the Permitted Use only.

2 The Tenant's Licensing Obligations

- 2.1 The Tenant must hold the Necessary Licences at all times during the term.
- 2.2 The Tenant must hold a Personal Licence at all times, unless the Tenant is a company, in which case the Tenant must ensure that a suitably experienced person who holds a Personal Licence is responsible for the day to day conduct of the business at the Premises.
- 2.3 The Tenant must not, unless he/she gets the Landlord's prior written permission, transfer, give back or allow to end any of the Licences and the Tenant must not take any steps to have any Licence transferred to any other premises.
- 2.4 The Tenant must ensure that a suitably experienced person (being the holder of a Personal Licence) is named in the premises licence as designated supervisor and is responsible on a daily basis for supervising any licensable activities carried out at the Property. If that person is someone other than the Tenant he/she must provide the Landlord with details of that person's name, address, age, experience and any convictions and the Tenant must obtain the Landlord's approval to that person. If that person leaves the business the Tenant must immediately notify the Landlord and take all necessary steps to find a suitable replacement and vary the Premises Licence accordingly. The Tenant will not require the Landlord's consent for an emergency application to vary the Premises Licence in this respect, but he/she must obtain the Landlord's approval of the designated supervisor.
- 2.5 The Tenant must not allow anything to happen which may lead to any Licence connected with the Premises or business to be withdrawn or in any way reviewed, restricted or surrendered. The Tenant must not do anything, which is likely to mean he/she will be convicted of any offence relating to the Premises, the use allowed or any other use of the Premises. This includes any matter relating to selling, supplying, displaying, storing or handling any products in or about the Premises.
- 2.6 The Tenant must apply for and do everything he/she reasonably can to retain the Licences for the Premises or the business, which are in force at the start of this Lease. The Tenant must also pay the fees for the Licences as and when they need to be paid.
- 2.7 The Tenant must comply with any conditions attached to the Licences and keep to any

- undertakings given to the Licensing Authority for the property or the business. The Tenant must also keep to legal regulations, which apply to licensed premises.
- 2.8 The Tenant must not agree to any restriction in the terms of the Licences and must not give any undertakings relating to the Premises or how it is used or apply for any variation to the Premises Licence without getting the Landlord's written permission beforehand (such permission not to be unreasonably withheld or delayed). If the Tenant is asked to give any promise, the Tenant must write and tell the Landlords immediately by special delivery post.
- 2.9 The Tenant must not carry out or allow any alterations which need consent of the Licensing Authority or fire officer unless he/she first gets that consent (and the Landlords' consent whose consent shall not be unreasonably withheld or delayed) and he/she complies with any conditions imposed by the Licensing Authority or fire officer.
- 2.10 The Tenant must hand over to the Landlord for safekeeping the original Premises Licence together with the plans and the operating schedule. The Landlord shall require copies of all other Licences. The Landlord will provide the Tenant with a certified copy, which he/she must keep at the Premises together with any other Licences. The Tenant must also display a summary of the Premises Licence at the Premises as set out in Licensing Act 2003. The Landlord will deliver the original Premises Licence where required on sale of the Tenant's business or where it is required to be produced to the Licensing Authority
- 2.11 Any application in relation to the Licences will be at the Tenant's cost.
- 2.12 The Tenant must give immediate notice by registered or recorded delivery post to the Landlord of:
- 2.12.1 any complaint or warning formal or informal given by the Police or HM Revenue & Customs or by or on behalf of the Licensing Authority in respect of the conduct of the business at the Premises and of any summons issued against the Tenant or the Licence Holder for the time being in respect of any offence charged against the Tenant or the Licence Holder for the time being in respect of the conduct of the Tenant or the Licence Holder for the time being or in relation to VAT or otherwise, or
- 2.12.2 any notice received by the Tenant or the Licence Holder of an intention to review the Licence in respect of the Premises or to exercise the power to revoke the Licence or to make an application to revoke the Licence, or
- 2.12.3 any person having been to the Tenant's knowledge convicted of any offence committed upon the Premises or having been apprehended on the charge of committing any such offence or having been served with any summons in respect of any such offence.

- 2.13 If the Tenant refuses or neglects to retain or procure the retention of the Licences, it shall be lawful for the Landlord, and the Landlord is hereby irrevocably empowered by the Tenant at the expense of the Tenant to do all things necessary to effect such retention, and for such purposes to sign any document reasonably required for and on behalf of and in the name of the Tenant.
- 2.14 The Landlord is also hereby irrevocably empowered by the Tenant in his name and at his expense to appeal against any refusal by any authority to retain or transfer the Licence or against any revocation of the Licences or against the making or variation of any restriction order or against any order made in respect of the Premises and to do all acts and things necessary or proper in respect of such appeal.
- 2.15 On the determination of the Term the Tenant must transfer the Licences to the person properly named by the Landlord and for that purpose sign all documents and attend such hearing or elsewhere as shall be necessary provided that:
- 2.15.1 if the Tenant refuses or neglects to transfer the Licences as required by this paragraph it shall be lawful for the Landlord, and the Landlord is hereby irrevocably empowered by the Tenant, to do all things necessary to effect such transfer and for such purposes to sign any document for and on behalf of and in the name of the Tenant and to appear before the Licensing Authority by his solicitors or agents and to consent as the agent of the Tenant to a transfer being made to the person seeking to be the new Licence Holder of the Premises,
- 2.15.2 the Landlord is irrevocably empowered by the Tenant in his name and at the expense of the Landlord to appeal against the refusal of any authority to transfer the Licences.

3 Amusement Machines

- 3.1 The Tenant must not without the previous written consent of the Landlord (such consent not to be unreasonably withheld or delayed) install any Amusement Machine in the Premises.
- 3.2 The Tenant must not allow to be in or upon the Premises any Amusement Machine which the Landlord has not consented to in writing (hereinafter called "Unauthorised Machines") and must remove any Unauthorised Machines on demand failing which the

Landlord may remove them and the associated costs may be recovered from the Tenant as a debt.

4 Trading Obligations

- 4.1 The Tenant must not change the name of the Premises without the Landlord's consent.
- 4.2 The Tenant must present and supply all goods for retail to the public in good condition.
- 4.3 The Tenant must offer for sale at all times at least one cask-conditioned beer or ale.
- 4.4 The Tenant must not use any recycled beer or overspill or residue from beer sold to the public.
- 4.5 The Tenant must comply with routine cleaning and maintenance requirements for beer dispensing equipment.
- 4.6 The Tenant must display notices (including price lists) as reasonably required by the Landlord or as required by law.
- 4.7 The Tenant must keep the Premises open for business during the whole period of the licensing hours from time to time prevailing in respect of the Premises unless prevented from so doing by illness or matters beyond the Tenant's control.

5 Environmental protection—discharge of dangerous substances

The Tenant must not permit any oil or grease or any deleterious, objectionable, dangerous, poisonous or explosive matter or substance to be discharged into any of the Conduits, and must take all reasonable measures to ensure that any effluent discharged into the Conduits does not harm the environment, or corrode or otherwise harm the Conduits or cause obstruction or deposit in them.

SCHEDULE 4

THE SUBJECTIONS

All matters contained or referred to in the Freehold Title Number DY368573 as at the date of this Lease

SCHEDULE 5

THE AUTHORISED GUARANTEE AGREEMENT

THIS GUARANTEE is made the day of

BETWEEN:

- (1) (name of outgoing tenant) of (address) [(or as appropriate) the registered office of which is at (address)][Company Registration no ...]('the Guarantor') and
- (2) ***** (name of landlord) [of (address) (or as appropriate) the registered office of which is at (address)][Company Registration no ...] ('the Landlord')

NOW THIS DEED WITNESSES as follows:

1 DEFINITIONS AND INTERPRETATION

For all purposes of this guarantee the terms defined in this clause have the meanings specified.

1.1 'The Assignee'

'The Assignee' means (insert name of incoming tenant) [Company Registration no ...].

1.2 'The Lease'

'The Lease' means the lease of dated (date) and made between (name of original landlord) and (name of original tenant) [and (name of original guarantor)] for a term of (number) years commencing on and including (commencement date) [and varied by a deed dated (date) and made between (names of parties)].

1.3 'The Premises'

'The Premises' means the premises demised by the Lease.

1.4 'Trigger Event'

'Trigger Event' means:-

1.4.1 disclaimer of the Lease;

1.4.2 forfeiture of the Lease; or

1.4.3 while the Lease is vested in the Assignee (being a corporation), the dissolution or ceasing to exist of the Assignee.

1.5 Terms from the Landlord and Tenant (Covenants) Act 1995

The expressions 'authorised guarantee agreement' and 'tenant covenants' have the same meaning in this guarantee as in the Landlord and Tenant (Covenants) Act 1995 section 28(1).

1.6 Period of liability

Any reference in this deed to the period during which the Assignee is bound by the tenant covenants of the Lease includes any agreed or statutory continuation of the term granted by the Lease.

1.7 References to clauses

Any reference in this deed to a clause without further designation is to be construed as a reference to the clause of this deed so numbered.

2 RECITALS

2.1 Consent required

By clause 3.9 of the Lease, the Landlord's consent to an assignment of the Lease is required.

2.2 Agreement to consent

The Landlord has agreed to give consent to the assignment to the Assignee on condition that the Guarantor enters into this guarantee.

2.3 Effective time

This guarantee takes effect only when the Lease is assigned to the Assignee.

3 GUARANTOR'S COVENANTS

In consideration of the Landlord's consent to the assignment, the Guarantor covenants (both as primary obligor and also by way of indemnity and guarantee) with the Landlord and without the need for any express assignment with all his successors in title as set out in this clause 3.

3.1 Payment and performance

While the Assignee is bound by the tenant covenants of the Lease (or would be so bound but for the happening of a Trigger Event) the Assignee will pay the rents and observe and perform the tenant covenants and other terms of the Lease, and if the Assignee should fail to do so, the Guarantor must pay the rents and observe and perform the tenant covenants or terms in respect of which the Assignee is (or would be but for the happening of a Trigger Event) in default, and make good to the Landlord on demand, and indemnify the Landlord against, all reasonable losses, damages, costs and expenses reasonably incurred and resulting from such non-payment, non-performance or non-observance notwithstanding—

- 3.1.1 any time or indulgence granted by the Landlord to the Assignee, or any neglect or forbearance of the Landlord in enforcing the payment of the rents or the observance or performance of the covenants or other terms of the Lease, or any refusal by the Landlord to accept rents tendered by or on behalf of the

Assignee at a time when the Landlord is entitled, or would after the service of a notice under the Law of Property Act 1925 section 146 be entitled, to re-enter the Premises,

- 3.1.2 that the terms of the Lease may have been varied by agreement between the parties unless the variation is prejudicial to the Guarantor,
- 3.1.3 that the Assignee has surrendered part of the Premises, in which event the liability of the Guarantor under the Lease is to continue in respect of the part of the Premises not surrendered after making any necessary apportionments under the Law of Property Act 1925 section 1408, and
- 3.1.4 anything else by which, but for this clause 3.1, the Guarantor would have been released.

3.2 New lease following Trigger Event

The Guarantor must, if required by written notice served by the Landlord within 60 days of the Landlord's receiving written notice of a Trigger Event occurring, take from the Landlord forthwith a lease of the Premises for the residue of the contractual term of the Lease as at the date of the Trigger Event, at the rent then payable under the Lease (or which would be payable but for any abatement of rent in accordance with the Lease or any statutory restriction or modification) and subject to the same covenants and terms as in the Lease—except that the Guarantor need not ensure that any other person is made a party to that lease as guarantor—the new lease to commence on the date of the Trigger Event. The Guarantor must pay the reasonable costs of the new lease and execute and deliver to the Landlord a counterpart of it.

3.3 Payments following Trigger Event

- 3.3.1 The Guarantor must pay to the Landlord on demand an amount calculated in accordance with clause 3.3.2 if:-
 - 3.3.1.1 a Trigger Event occurs; and
 - 3.3.1.2 the Guarantor's obligations under clause 3.1 are determined; and
 - 3.3.1.3 the Landlord does not require the Guarantor to accept a new lease in accordance with clause 3.2; and
 - 3.3.1.4 either (in the case of disclaimer) no vesting order is made in respect of the Lease or (in the case of forfeiture) relief from forfeiture has not been granted to any person.
- 3.3.2 The amount referred to in clause 3.3.1 shall be equal to the rents reserved by the Lease for the period commencing with the date of the Trigger Event and

ending on whichever is the earlier of the date 6 months after the Trigger Event,
the date, if any, on which the Premises are relet, and the end of the contractual
term of the Lease.

4 LANDLORD'S COVENANT

The Landlord covenants with the Guarantor to notify the Guarantor in writing within 7 days of
being informed of the facts bringing the Guarantor's liability under this guarantee to an end.

5 SEVERANCE

5.1 Severance of void provisions

Any provision of this deed rendered void by virtue of the Landlord and Tenant (Covenants) Act
1995 section 25 is to be severed from all remaining provisions, and the remaining provisions
are to be preserved.

5.2 Limitation of provisions

If any provision in this deed extends beyond the limits permitted by the Landlord and Tenant
(Covenants) Act 1995 section 25, that provision is to be varied so as not to extend beyond
those limits.

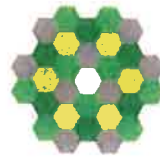
IN WITNESS

(signatures (or common seals) of the guarantor and the landlord)
(signatures of witnesses)

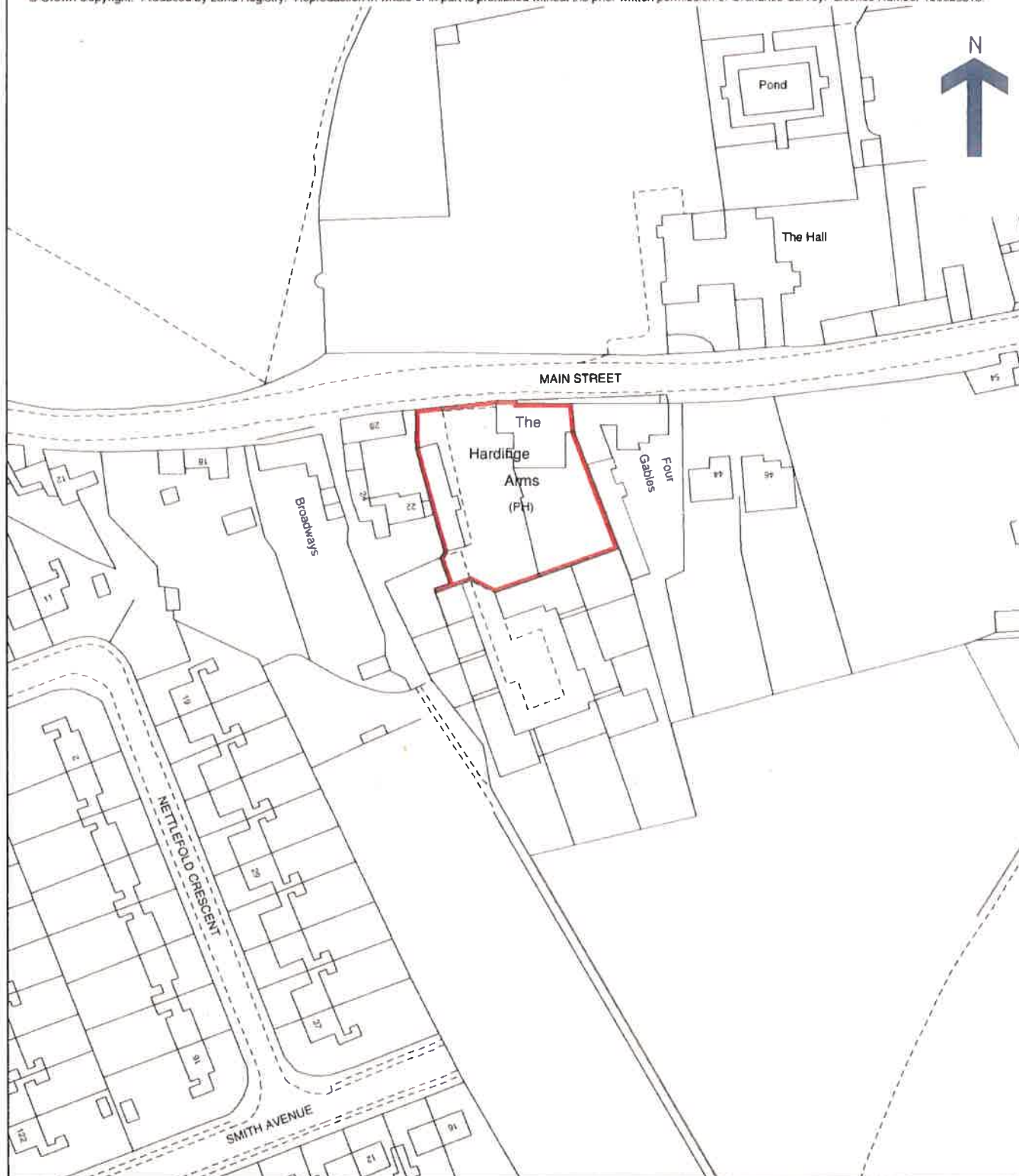
(signatures (or common seals) of the guarantor and the landlord)
(signatures of witnesses)

Land Registry
Official copy of
title plan

Title number **DY368573**
Ordnance Survey map reference **SK3826SE**
Scale **1:1250** enlarged from 1:2500
Administrative area **Derbyshire: South Derbyshire**



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This title is dealt with by Land Registry, Nottingham Office.