

DATED

12th August

1999

OTTLEY CORPORATION S.A.

(1)

- and -

ITE GROUP PLC

(2)

Counterpart

L E A S E

- of -

Part Ground Part First and
Whole of Second Floors
105 Salusbury Road
London NW6

Simmons Stein & Co
58 Queen Anne Street
London W1M 9LA

GSS/ARJ

50p
LEASE

DATED

12th August

1999

BETWEEN :

(1) OTTLEY CORPORATION S.A. whose address for service
England and Wales is at 58 Queen Anne Street London W1M 9
("the Landlord")

(2) ITE GROUP plc whose registered office is at Byron House
112a Shirland Road Maida Vale London W9 2EQ (Company
Registration Number 2801121)

("the Tenant")

1. IN THIS LEASE

Interpretation

1.1 The following expressions shall have the following
meanings:

"Act" means any Act of Parliament now or hereafter
to be passed

"approved and
authorised" means as the case may be approved or
authorised in writing by the Landlord

"associated
company" means a company in the same group of
companies as the Tenant

"Authorised
Guarantee
Agreement" means an agreement between the Landlord and
the Tenant entered into by the Tenant as
guarantor in the circumstances set out in
clause 3.14 hereof and in the form set out
in the Fifth Schedule (with such amendments
as the Landlord may reasonably require)

"Building" means the property described in part I of
the First Schedule



"Common Parts"

Means the roadways ramps service yard car
bark entrances entrance lobbies landings
lifts staircases and fire escapes in the
Building and any other parts of the Building
intended for general use including any
lavatories and water closet accommodation
provided in the Building for general use

"Consent of the
Landlord"

Means a consent in writing of the Landlord
Signed by or on behalf of the Landlord

"Insured Risks"

Means the following:

- (a) loss or damage by fire storm tempest
flood lightning earthquake subsidence
heave explosion aircraft (other than
hostile aircraft) articles dropped
therefrom riot or civil commotion
malicious damage impact bursting and
overflowing of water tanks apparatus
pipes
- (b) all liability of the Landlord to third
parties arising out of or in connection
with the demise of the Premises by this
Lease and
- (c) such other risks as the Landlord or the
Tenant shall from time to time during
the Term reasonably require

"Landlord"

Includes where the context admits the estate
owner for the time being of the reversion
immediately expectant on the termination of

	the Term and in Clause 3.15 includes any superior landlord in addition to the Landlord
"Landlord's Surveyor"	means the Surveyor for the time being of the Landlord
"last year of the Term"	means the year of the Term ending on the termination of the Term
"notice"	means notice in writing
"part with possession"	includes an agreement to part with possession
"Plans"	means the plans annexed hereto
"Planning Acts"	means the Act or Acts for the time being in force relating to Town and Country Planning
"Premises"	means the property described in Part II of the First Schedule together with all additions and improvements thereto and all fixtures and fittings therein or thereon
"Prescribed Rate"	means either four per cent over the base rate of Barclays Bank plc (or such other Bank being a member of the Committee of the London Clearing Banks as the Landlord may from time to time nominate) or if no such base rate can be ascertained then, the rate at the relevant time which said Bank (or alternative Bank as aforesaid) shall utilise for equivalent purposes

"President" means the President for the time being of the Royal Institution of Chartered Surveyors or his duly appointed deputy

"Principal Rent" means the rent first reserved in Clause 2 or the rent from time to time payable following a review of rent pursuant to the provisions of the Third Schedule

"Rents" means the rents reserved in Clause 2

"Service Conduits ducts and appliances" means gas pipes water pipes sewer drains electric mains wires supply lines appliances air conditioning apparatus and services and any other conducting media by means of which any substance facility or service may pass

"Service Rent" means the rent thirdly reserved in Clause 2

"Tenant" includes where the context so admits the successors in title of the Tenant

"Term" means the term hereby granted and includes where appropriate any extension thereof by agreement or pursuant to any Act

"termination of the Term" means the determination of the Term whether by effluxion of time re-entry notice surrender (whether by operation of law or otherwise) or by any other means whatsoever

"underlease" and "sub-underlease" include an agreement for underlease or sub underlease

"underlet" includes an agreement to underlet

1.2 Where the context requires :

- 1.2.1 words importing the singular include the plural and vice versa
- 1.2.2 words importing the masculine include the feminine and neuter
- 1.2.3 where a party consists of more than one person covenants and obligations of that party shall take effect as joint and several covenants and obligations
- 1.3 References to any Act include references to any statutory modification or re-enactment thereof for the time being in force and any order instrument regulation or bye-law made or issued thereunder
- 1.4 References to legal costs shall be construed as including all Counsel's fees reasonably incurred and solicitors' costs reasonably incurred
- 1.5 The paragraph headings shall not in any way affect the construction of this Lease
- 1.6 Reference in this Lease to any clause or sub-clause or Schedule without further designation shall be construed as a reference to the relevant clause or sub-clause or Schedule to this Lease so numbered

Demise

- 2. In consideration of the rents hereinafter reserved and of the covenants on the part of the Tenant hereinafter contained the Landlord demises the Premises to the Tenant TOGETHER WITH the rights granted in Part I of the Second Schedule RESERVING to the Landlord the rights set out in Part II of the Second Schedule and Subject to all rights and easements (if any) enjoyed

by any adjoining neighbouring property over or in respect of the Premises TO HOLD for the term of twenty years from the 24th June 1999 (determinable as herein provided) Paying during the Term First until the 24th day of June 2004 the yearly rent of £230,000 and thereafter the yearly rent payable from time to time under the Third Schedule such rent to be paid without any deduction (except as required by any Act) by four equal quarterly payments in advance on the usual quarter days the first payment (for the period beginning on the 1st day of June 1999 and ending on the 29th day of September 1999 and calculated by multiplying the yearly rent of £230,000 by the fraction of which the numerator is the number of days between those dates (the first and last dates being included) and the denominator is 365) to be made on the 1st day of June 1999 and Secondly a yearly rent equal to a proportionate part (such proportion to be reasonably and properly determined by the Landlords surveyor) of the sum or sums paid by the Landlord in performance of the Landlord's covenant for insurance in Clause 4.2 such yearly rent to be paid within fourteen days of demand and Thirdly the yearly rent ascertained in accordance with the Fourth Schedule such rent to be paid in accordance with the Fourth Schedule

Tenant's covenants

3. The Tenant covenants with the Landlord:

Rent

- 3.1 To pay the Rents at the times and in manner aforesaid and if so required by direct debit or bankers standing order and without any deduction by way of set off (whether legal or equitable or of any other description) or otherwise

Outgoings and Shared Expenses

3.2

- 3.2.1 To defray (or in the absence of direct assessment on the Premises to pay to the Landlord a fair proportion of) all existing and future rates taxes assessments charges and outgoings payable in respect of the Premises or any part thereof by any estate owner landlord tenant or occupier thereof (save only for any such occasioned by receipt of the Rents and/or any disposition of or dealing with or the ownership of any estate or interest expectant in reversion on the termination of the Term)
- 3.2.2 To pay to the suppliers thereof all charges for gas and electricity and other services (including meter rents) consumed at the Premises during the Term
- 3.2.3 To pay a fair proportion of the expenses incurred in respect of any repairing rebuilding and cleansing of any conduits party walls fences passageways stairways entrance ways roads pavements and other things the use of which is common to the Premises and to other property

Repair cleaning decoration etc

3.3

3.3.1 To keep in good and substantial repair and condition throughout the Term the inside of the Premises (not including any structural parts of the Building) and every part thereof including without prejudice to the generality of the foregoing the surfaces of the floors the floorboards and ceiling finishes the inside plaster surfaces of the walls and ceilings enclosing the Premises internal window frames door frames and doors the glass in the shop front windows and doors and the Landlord's fixtures therein (damage by the Insured Risks excepted save to the extent that the policy or policies effected by the Landlord shall have been vitiated or payment of the policy monies refused in consequence of some act or default on the part of or suffered by the Tenant or his servants agents or licensees)

3.3.2 In every fifth year of the Term and in the last three months of the last year of the Term (unless such decoration has taken place in the preceding twelve month period) howsoever determined in a proper and workmanlike manner to prepare and paint all inside surfaces of the Premises usually painted with two coats of good quality paint and to strip and repaper all inside surfaces usually papered and to treat and decorate all other inside surfaces in the manner appropriate to such surfaces In complying with this

covenant in the last three months of the last year of the Term howsoever determined to use only materials of an approved colour quality and finish (and such approval shall not be unreasonably withheld or delayed)

- 3.3.3 To clean the glass in the shop front and the inside surface of the windows enclosing the Premises at least once a month

Rights of entry and inspection

- 3.4 To permit the Landlord and any authorised person at all reasonable times upon at least 48 hours prior notice save in cases of emergency to enter the Premises in exercise of the right reserved in Paragraph 2 of Part II of the Second Schedule PROVIDED THAT the Landlord shall make good forthwith all damage to the Premises so caused and shall ensure that the minimum inconvenience is caused to the Tenants' use and enjoyment of the Premises

Compliance with notices to remedy

3.5

- 3.5.1 As soon as reasonably practicable (and in any event within one month of receipt) to commence to comply with any notice given by the Landlord requiring the Tenant to remedy any breach of the Tenant's covenants found upon any inspection and thereafter to diligently proceed with the necessary works
- 3.5.2 If the Tenant shall not comply with any such notice as aforesaid to permit the Landlord and any authorised

person to enter the Premises to remedy any such breach
(at the Tenant's expense)

- 3.5.3 To pay to the Landlord on demand all the costs and expenses reasonably and properly incurred by the Landlord under the provisions of this sub-clause

yielding up etc

- 3.6 At the termination of the Term
- 3.6.1 To yield up the Premises (tenant's or trade fixtures only excepted) in good and substantial repair and condition and fully in accordance with the foregoing covenants
- 3.6.2 To make good any damage caused to the Premises by the removal of the Tenant's fixtures fittings furniture and effects and by the reinstatement of the Premises pursuant to any covenant with the Landlord
- 3.6.3 To reimburse to the Landlord all expenditure reasonably incurred by the Landlord after the termination of the Term in repairing painting and decorating the Premises so as to put them into the condition required by the foregoing Tenant's covenants

Alterations and waste

- 3.7 Subject to the provisos to this clause not to:
- 3.7.1 commit any waste
- 3.7.2 erect any new buildings structures pipes wires masts or posts upon the Building or on the Premises or make any alteration in the external appearance of the Building or the Premises

- 3.7.3 make or permit to be made any alterations or additions affecting the structure of the Building or the Premises
- 3.7.4 make any internal non-structural alterations to the Premises without:
 - 3.7.4.1 obtaining and complying with all necessary consents of any competent authority and paying all charges of any competent authority in respect of such consents
 - 3.7.4.2 notifying the Landlord in writing of the intention to make such alterations and supplying to the Landlord such information as shall be necessary to enable the nature of the alterations to be understood PROVIDED that alterations additions or replacements to internal demountable partitions shall not require the consent of the Landlord

Signs

- 3.8 Not to affix or display or permit or suffer to be affixed or displayed upon any part of the exterior of the Premises or to or through any window thereof any placard poster notice advertisement name or sign whatsoever except (with the prior consent of the Landlord which consent is not to be unreasonably withheld or delayed) a sign stating the name of the Tenant and/or any authorised underlessee or other person with whom occupation of the Premises may be shared pursuant to the provisions of this Lease and the trade business or profession of the Tenant and/or such other person as aforesaid in such place or places

as reasonably designated by the Landlord for such signs

Notices of a competent authority

3.9

3.9.1 Within seven days of the receipt by the Tenant of any notice order requisition direction or plan given made or issued to or by a competent authority affecting the Premises or the occupation or user thereof to supply a copy thereof to the Landlord and to make or join in making such objections or representations against or in respect thereof as the Landlord may reasonably require

3.9.2 To pay to the Landlord all proper costs charges and expenses which may be incurred by the Landlord in abating a nuisance on or arising from the Tenant's occupation of the Premises and executing all such works as may be necessary to abating such a nuisance in obedience to a notice served by a local or public authority

Requirements of any Act or competent authority

3.10 To comply (save where the obligation to comply rests with the Landlord pursuant to any express provision in this Lease) in every respect with the provisions of any Act or the requirements of any competent authority in respect of the Premises or any part thereof or in respect of the occupation or user thereof and to indemnify the Landlord against all claims demands expenses and liability in respect thereof and to pay

all costs charges and expenses incurred by the Landlord in connection with any such provision or requirement

Planning Acts

3.11 Without prejudice to the generality of the last preceding sub-clause not in relation to the Planning Acts to:

3.11.1 commit any breach of planning control

3.11.2 make any application for planning permission in respect of the Premises or any part thereof (whether in respect of the carrying out of any operations works acts or things or the user of the Premises or any part thereof) without the prior consent of the Landlord such consent not to be unreasonably withheld or delayed

User permitted

3.12 To use and occupy the Premises only as commercial or professional offices

User Prohibited

3.13

3.13.1 Not to store or bring upon the Premises any materials or liquid of a specially combustible inflammable dangerous or offensive nature (save as ordinarily used in offices)

3.13.2 Not to do any act or thing whereby any insurance effected on the Building and the Premises or any neighbouring property may be rendered void or voidable or the rate of premium thereon may be increased and to

comply with all requirements of the insurers as to fire precautions relating to the Premises

3.13.3 Not to do on the Premises or any part thereof any act or thing whatsoever which may be or tend to be a nuisance material annoyance or damage or material disturbance of the Landlord or the owners or occupiers of any adjoining or neighbouring property

3.13.4 Not to use the Premises or any part thereof for any illegal or immoral purposes

3.13.5 Not to bring into or upon the Premises or do anything which might impose on the Building or the Premises any load or weight in excess of 1.5KN nor to cause any undue vibration to the Building by machinery or otherwise

3.13.6 Not to obstruct the Common Parts or any means of escape or to do anything which might be or become a source of danger to persons using the Common Parts or means of escape

3.13.7 Not to use any trolleys or other conveyances in the Common Parts except those fitted with tyres or rubber or other similar material which do not injure damage or mark the surfaces of the Common Parts

3.13.8 Not to deposit or permit to be deposited any waste rubbish or refuse in the Common Parts save in proper receptacles in any bin area designated in the Building

3.13.9 Not to hold in the Premises any sale by auction public exhibition or political meeting

3.13.10 Not to use the Premises or any part thereof for gambling betting gaming or wagering or as a betting office or as a cinema club cinema or place for displaying or showing any films or video tapes to members of the general public or for any use whereby an admission charge or membership fee or any other form of levy is made or for an amusement arcade or exchange of cheques or currency or for the display of any pornographic obscene material or any sex aids or any items associated with the business of a sex shop or the sale of any pornographic books magazines or video tapes or as a club or for the sale of beer wines and spirits and not to play or use any musical instrument record playing loud speaker or similar apparatus in such a manner as to cause a nuisance outside the Premises

PROVIDED that it shall be a breach of this sub-clause 3.14 for the Tenant to knowingly permit or suffer any act expressly prohibited in this sub-clause

Assignment etc

3.14

3.14.1 Not to hold on trust for another or (save pursuant to a transaction permitted by and effected in accordance with the provisions of this Lease) part with the possession of the whole or any part of the Premises or permit another to occupy the whole or any part of the Premises

3.14.2 Not to assign or charge part only of the Premises

- 3.14.3 Not to assign the whole of the Premises without the prior written consent of the Landlord such consent not to be unreasonably withheld or delayed provided that the Landlord shall be entitled:-
- 3.14.3.1 to withhold its consent in any of the circumstances set out in subclause 3.14.5
- 3.14.3.2 to impose all or any of the matters set out in subclause 3.14.6 as a condition of its consent
- 3.14.4 The provisions to clause 3.14.3 shall operate:-
- 3.14.4.1 regardless of whether the withholding of consent in such circumstances or the grant of consent subject to such conditions would be reasonable and
- 3.14.4.2 without prejudice to the right of the Landlord to withhold such consent on any other ground or grounds where such withholding of consent would be reasonable or to impose any further condition or conditions upon the grant of consent where the imposition of such condition or conditions would be reasonable
- 3.14.5 The circumstances referred to in clause 3.14.3.1 are as follows:
- 3.14.5.1 where in the reasonable opinion of the Landlord the assignee is not of sufficient financial standing to enable it to comply with the tenant's covenants in the Lease
- 3.14.5.2 where the Tenant is in arrears of the Principal Rent payable under this Lease
- 3.14.5.3 where the assignee enjoys diplomatic or state immunity

- 3.14.5.4 where the assignee is not resident in England and Wales and fails to produce guarantors who are so resident and who are acceptable to the Landlord acting reasonably
- 3.14.6 The conditions referred to in clause 3.14.3.2 are as follows:-
- 3.14.6.1 the execution and delivery to the Landlord prior to the assignment in question of a deed of guarantee (being an Authorised Guarantee Agreement) in the form of the draft set out in the Fifth Schedule hereto with such amendments as the Landlord may reasonably require
- 3.14.6.2 the payment to the Landlord of all Principal Rent which has fallen due under the Lease prior to the date of assignment
- 3.14.6.3 the assignment shall not take place until any requisite consent of any superior landlord or mortgagee has been obtained and any lawful condition of such consent satisfied (and the Landlord hereby covenants with the Tenant that it shall use all reasonable endeavours to obtain such consent)
- 3.14.7 On a permitted assignment to a limited company and if the Landlord shall so reasonably require to procure that no more than 2 directors of the company or some other guarantor or guarantors acceptable to the Landlord acting reasonably enter into direct covenants with the Landlord to accept a new lease of the Premises upon a disclaimer of this Lease if so required by notice to the guarantors within three

months after such disclaimer such new lease to be for the residue of the Term unexpired at the date of such disclaimer and at the Rents then payable and subject to the terms of this Lease in every respect and to be granted at the cost of the guarantors in exchange for a counterpart duly executed by the guarantors

- 3.14.8 Notwithstanding Clause 3.14.1 the Tenant may share the occupation of the whole or any part of the Premises with an associated company for so long as both companies shall remain members of the same group and otherwise than in a manner that transfers or creates a legal estate

Underletting

3.15

- 3.15.1 Not to underlet part only of the Premises except by an underletting or underlettings of either a whole floor (or that part thereof demised to the Tenant by this Lease) or a self contained half of the second floor as shown hatched on the plan without the prior consent of the Landlord which consent shall not be unreasonably withheld or delayed **PROVIDED THAT** the principal rent to be reserved by the underlease shall be not less than a due proportion of the Rents for the time being payable by the Tenant under this Lease such proportion in the case of dispute to be conclusively determined by the Landlord's Surveyor and **FURTHER PROVIDED THAT** before the grant of such underlease an order of the Court authorising an agreement between the parties to

such underlease excluding the operation of the Landlord and Tenant Act 1954 Sections 24 to 28 (inclusive) in relation to the tenancy created by such underlease

3.15.2 Not to underlet the whole of the Premises without the prior consent of the Landlord such consent not to be unreasonably withheld or delayed

3.15.3 That each and every permitted underlease shall be granted without any fine or premium at a rent not less than either the Principal Rent then payable under the terms of this Lease or (if higher) the then open market rental value of the Premises such value to be approved by the Landlord prior to such underlease (such approval not to be unreasonably withheld or delayed) such rent being payable in advance on the days on which rent is payable under this Lease and shall contain provisions approved by the Landlord (such approval not to be unreasonably withheld or delayed) including:

3.15.3.1 for the upwards only review of the rent reserved by such underlease on the basis (mutatis mutandis having regard to the extent of the Premises to be underlet where the underletting is not of the whole of the Premises) and on the dates on which the Principal Rent is to be reviewed in this Lease

3.15.3.2 prohibiting the undertenant from doing or allowing any act or thing in relation to the underlet premises

inconsistent with or in breach of the provisions of this Lease

3.15.3.3 for re-entry by the underlandlord on breach of any covenant by the undertenant

3.15.3.4 imposing an absolute prohibition against all dispositions of or other dealings whatever with the Premises without the prior consent of the Landlord under this Lease (such consent not to be unreasonably withheld or delayed)

3.15.4 To use all reasonable endeavours to enforce the performance and observance by every undertenant of the provisions of the underlease and not at any time either expressly or knowingly by implication to waive any breach of the covenants or conditions on the part of any undertenant or assignee of any underlease nor (without the consent of the Landlord such consent not to be unreasonably withheld or delayed) vary the terms of any permitted underlease

3.15.5 In relation to any permitted underlease :

3.15.5.1 to ensure that the rent is reviewed in accordance with the terms of the underlease

3.15.5.2 not to agree the reviewed rent with the undertenant without the approval of the Landlord (such approval not to be unreasonably withheld or delayed)

3.15.5.3 to incorporate as part of its submissions or representations to that third party such submissions or representations as the Landlord shall reasonably require provided that such submissions or

representations are notified in writing by the Landlord to the Tenant within a reasonable time

3.15.5.4 to give notice to the Landlord of the details of the determination of every rent review within 28 days

Registration

3.16 Within 28 days of any assignment charge or underlease or of becoming aware of any transmission or other devolution relating to the Premises and where reasonably practicable to produce for registration with the Landlord's solicitor such deed or document or a certified copy of it and to pay the Landlord's solicitor's reasonable charges for the registration of every such document such charges not being less than Twenty Pounds (£20)

Glass Insurance

3.17 To insure and keep insured against loss or damage by accident all plate glass in the shop front and in any inside windows doors and partitions in the Premises to the full replacement value thereof in some insurance office of repute and to produce the policy and the last premium receipt to the Landlord on demand but save as aforesaid not to effect or maintain any insurance in respect of the Premises (except as to the Tenant's fixtures)

Notice of damage

3.18 In the event of the Premises being destroyed or damaged to give notice thereof immediately to the

Landlord stating (if possible) the cause of such destruction or damage

Indemnities

- 3.19 To be responsible for and to keep the Landlord fully indemnified against all damage damages losses costs expenses actions demands proceedings claims and liabilities made against or suffered or incurred by the Landlord arising directly or indirectly out of :
- 3.19.1 any act omission or negligence of the Tenant or any persons at the Premises expressly or impliedly with the Tenant's authority or
- 3.19.2 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

Boards

- 3.20 To permit the Landlord during the last six months of the Term to affix and retain without interference upon any suitable and conspicuous part of the Building or the Premises (but not so as materially to affect the access of light and air to the Premises or the Tenant's use and enjoyment of the Premises) a notice for re-letting the same (if the termination of the Term is a prospective possibility) or selling the Landlord's interest in the Building and to permit persons with written authority of the Landlord or the Landlord's agents at reasonable times of the day and on reasonable prior notice in writing to view the Premises

Landlord's costs

- 3.21 To pay to the Landlord on demand all reasonable costs charges and expenses (including legal and surveyor's fees and costs and commission payable to a bailiff) of and incidental to :
- 3.21.1 every application made by the Tenant for the consent of the Landlord whether the same be granted or refused (save where unlawfully refused) or proffered subject to any lawful qualification or condition or whether the application be withdrawn
- 3.21.2 the preparation and service of a notice under Section 146 of the Law of Property Act 1925 notwithstanding that forfeiture is avoided otherwise than by relief granted by the Court
- 3.21.3 any notice given by the Landlord under this Clause
- 3.21.4 any schedule relating to wants of repair to the Premises whether served before or within three months after the termination of the Term
- 3.21.5 the recovery of Rents whether by distraint or otherwise

Interest

- 3.22 If any sum payable by the Tenant to the Landlord under this Lease shall not be paid within 21 days of the same becoming due to pay to the Landlord interest thereon at the Prescribed Rate calculated on a day to day basis from the date of the same becoming due down to the date of payment and the aggregate amount for

the time being so payable shall at the option of the Landlord be recoverable by action or as rent in arrear

VAT

- 3.23 Whenever any sum is payable by the Tenant on which Value Added Tax or other tax is payable to pay to the Landlord (subject to the Tenant receiving a valid Value Added Tax invoice) in addition to such sum the amount of the Value Added Tax or other tax properly chargeable thereon at the rate applicable to that payment

Obstruction and encroachments

- 3.24 Not to obstruct or knowingly permit or suffer to be obstructed any of the windows lights or ventilators belonging to the Premises nor to knowingly permit or suffer any new window light ventilator passage drainage or other encroachment or easement to be made into against or over the Premises or any part thereof AND in case any encroachment or easement whatsoever shall be attempted to be made or acquired over the Premises by any person whomsoever to give notice thereof to the Landlord immediately the same shall come to the knowledge of the Tenant and at the cost of the Landlord do all such things as may be proper for preventing any new encroachment or easement being made or acquired

Regulations affecting Building

- 3.25 To comply in all respects with the reasonable regulations for the time being made by the Landlord in

accordance with the principles of good estate management for the maintenance and amenity and good order of the Building

covenants and provisions affecting Landlord's title

- 3.26 To observe and perform the covenants and provisions affecting the title of the Landlord specified in the Sixth Schedule insofar as applicable the Premises

Landlord's covenants

4. The Landlord covenants with the Tenant :

Quiet Enjoyment

- 4.1 That the Tenant paying the Rents and performing and observing the covenants and stipulations on the part of the Tenant herein shall peaceably hold and enjoy the Premises during the Term without any interruption by the Landlord or any person rightfully claiming under or in trust for the Landlord

Insurance

- 4.2 To insure the Building and keep the same insured against :
- 4.2.1 loss or damage by such of the Insured Risks as are insurable with reputable insurers in such amount as the Landlord shall acting reasonably from time to time deem sufficient to cover the full amount of the costs (including reasonable provision for escalation of such costs between the date of destruction or damage and the date of rebuilding or reinstating the Building including all applicable Value Added Tax) of completely rebuilding or reinstating the Building or

in such higher amount as the Tenant shall by notice to the Landlord from time to time specify and

4.2.2 professional fees relating to rebuilding or reinstatement of the Building in such amount as the Landlord shall acting reasonably from time to time deem appropriate the cost of site clearance (including demolition and debris removal) and three years rent of the Building at the rate for the time being payable or prospectively payable including all applicable Value Added Tax

4.2.3 (to the extent to which the same is not covered by paragraph 4.2.1) breakdown of the boilers lifts and other plant in the Building which serve the Premises AND to effect such insurance with a substantial and reputable Insurance Company or Underwriters of repute and through such agency as the Landlord acting reasonably from time to time deems fit and proper and if permitted to do so will arrange for the interest of the Tenant and any mortgagee to be noted thereon and to produce to the Tenant within 14 days of request the policy or policies of such insurance and the receipt for the current premium or premiums

Reinstatement

4.3 If the Building shall be destroyed or damaged by any of the Insured Risks and subject to the Landlord obtaining any planning or other permissions necessary for rebuilding or reinstating the Building (and the Landlord hereby agrees that it shall use all

reasonable endeavours to obtain all such permissions) to expend the insurance monies receivable by the Landlord (other than money received for loss of rent) in forthwith rebuilding or reinstating the Building PROVIDED THAT if for any reason beyond the control of the Landlord the rebuilding or reinstatement of the Building is prevented or frustrated all such insurance monies shall be the absolute beneficial property of the Landlord

Repair of Building and provision of services

- 4.4 Unless prevented by strikes lockouts or other causes beyond the Landlord's control to use his best endeavours to comply with the obligations in paragraph 2 of the Fourth Schedule

Landlords works to the Building

- 4.5 The Landlord shall at all times ensure that in carrying any works of development or construction on or to other parts of the Building it and its employees agents licensees and other persons under its control shall use all reasonable endeavours to ensure that minimum disturbance and inconvenience is caused to the Tenant in the carrying out of such works and the Landlord shall make good at its own expense (notwithstanding any other provisions of this Lease) all damage to the Common Parts and the Building caused by such works of construction or development and shall clean as often as is reasonably necessary the Common Parts at its own expense and ensure that such Common

Parts are kept free of obstruction and/or rubbish (and for the avoidance of doubt such costs incurred in making good damage to the Common Parts and/or the Building and cleaning the same shall not be included in the Service Rent payable by the Tenant)

Provisos

5. PROVIDED as follows:

Re-entry

5.1 If:

5.1.1 the Rents or any part thereof shall be in arrear for 14 days next after becoming payable (whether formally demanded or not) or

5.1.2 there shall be any breach non-performance or non-observance of any of the Tenant's covenants or

5.1.3 the Tenant (being an individual) shall become bankrupt or (being a company) shall enter in liquidation whether compulsory or voluntary (save for the purpose of amalgamation or reconstruction of a solvent company) or have a receiver or an Administrative Receiver appointed of its undertaking or

5.1.4 the Tenant shall enter into any arrangement or composition for the benefit of the Tenant's creditors or shall suffer any distress or execution to be levied on the Tenant's goods at the Premises

it shall be lawful for the Landlord at any time thereafter to re-enter the Premises or any part thereof in the name of the whole and thereupon the Term shall absolutely determine but without prejudice

to any rights of action of the Landlord or the Tenant in respect of any antecedent breach by the other of any of the covenants herein

Payment of rent not waiver

- 5.2 No demand for or receipt or acceptance of any part of the Rents or any payment on account thereof shall operate as a waiver by the Landlord of any right which the Landlord may have to forfeit this Lease by reason of any breach of covenant by the Tenant and the Tenant shall not in any proceedings for forfeiture be entitled to rely on any such demand receipt or acceptance as aforesaid as a defence PROVIDED that this clause shall have effect in relation only to a demand receipt or acceptance made during such period as may in all the circumstances be reasonable for enabling the Landlord to conduct any negotiation with the Tenant for remedying the breach commenced upon the Landlord becoming aware of such breach

Suspension of rent

- 5.3 If the Premises and/or any part of the Building reasonably required for the full use and enjoyment of the Premises shall at any time during the Term be so damaged or destroyed by any of the Insured Risks as to be unfit for occupation and/or use then (save to the extent that the insurance money shall be wholly or partly irrecoverable by reason solely or in part of any act or default of the Tenant) the Rents or a fair proportion thereof according to the nature and extent

of the damage sustained shall be suspended until the date when the Premises and such part or parts of the Building as aforesaid shall again be rendered fit for occupation and/or use or until the date three years from the date of such damage or destruction whichever date shall be the earlier and any dispute with reference to this proviso shall be referred to arbitration in accordance with the Arbitration Act 1950

Determination if destruction

5.4 If the Premises and/or any part of the Building reasonably required for the full use and enjoyment of the Premises shall be destroyed or so damaged by any of the Insured Risks as to be substantially unfit for occupation and/or use and the Landlord shall not have rebuilt or reinstated the Building within three years of the date of such damage or destruction then the provisions of clause 5.4.1 shall apply

5.4.1 either party may by not less than three months notice served on the other after expiry of the three year period referred to in clause 5.4 above determine the Term and upon the expiry of such notice the Term shall determine without prejudice to any remedy of either party against the other in respect of any of the covenants on the part of such other party herein contained

- 5.4.2 if the Term is determined under sub-clause 5.4.1 the Landlord shall be entitled to retain the insurance monies received by the Landlord

No warranty as to use

- 5.5 Nothing herein shall be deemed to constitute any warranty by the Landlord that the Premises or any part thereof are under the Planning Acts authorised for use for any specific purpose

Exclusion of Landlord's liability

- 5.6 The Landlord shall not be responsible to the Tenant (save as to the extent hereinbefore expressly provided) or his employees or visitors for any injury death damage destruction or financial or consequential loss whether to person property or goods sustained on or by reason of the condition of the Premises (save where such condition arises due to the Landlords failure to comply with its covenants herein contained)

Service of notices

- 5.7 Section 196 of the Law of Property Act 1925 as amended by the Recorded Delivery Service Act 1962 shall apply to the service of any notice required to be served under this Lease

Modification of compensation

- 5.8 Subject to Section 38(2) of the Landlord and Tenant Act 1954 neither the Tenant nor any assignee or underlessee of the Term or of the Premises or any part of the Premises shall be entitled on quitting the

Premises or that part to any compensation under
Section 37 of the Act

option to Determine

6. The Tenant shall be entitled to determine this Lease at the end of the fifteenth year of the Term by giving twelve months prior written notice in writing to the Landlord and on the expiry of such notice the Term shall absolutely cease and determine but without prejudice to the rights of either party in respect of any antecedent breach of the terms hereof

Release of Landlords Liability

7. It is hereby agreed that the liability of the Landlord for the time being for the performance and observance of the covenants and obligations on its part herein contained shall subsist for the period for which the reversion immediately expectant on the determination of the Term is vested in it and the Landlord for the time being shall have no liability to the Tenant (save in respect of any pre-existing breach) after it shall have disposed of the said reversion and the Tenant hereby releases (to the extent permitted by law) the Landlord from any such liability (save as aforesaid) it might otherwise have following such disposal

Law & Jurisdiction

8. This Agreement is governed by and shall be construed in accordance with English law and the parties hereto irrevocably agree that the Courts of England shall have jurisdiction to hear and determine any action suit or proceeding and to settle any dispute which may arise out of or in connection with this

Agreement and for such purposes irrevocably submit to the jurisdiction of such Courts

The Landlord irrevocably waives any objection which it may have now or in the future to the Courts of England being nominated for the purposes of this clause on the ground of venue or otherwise and agrees not to claim that any such Court is not a convenient or appropriate forum or that any assets it has in any other jurisdiction may not be seized or otherwise taken in or towards satisfaction of any order made by the Courts against the assets of the Landlord

IN WITNESS the parties have duly executed this Deed

THE FIRST SCHEDULE

Part I

The Building

ALL THAT property being 105, 107 and 109 Salusbury Road in the London Borough of Brent as the same is registered at H. M. Land Registry at the date hereof under Title Number MX372719

Part II

The Premises

ALL THOSE premises situate on part of the ground floor part of the first floor and the whole of the second floor of the Building and shown for the purpose of identification only edged red on the Plans which premises include the surfaces of the floors and floorboards and ceiling finishes the inside plaster surfaces of the walls and ceilings enclosing the Premises the internal window frames door frames and doors the glass in shop front at ground floor level glass in the windows and doors and the Landlord's

SALUSBURY ROAD

SALUSBURY PRIMARY SCHOOL

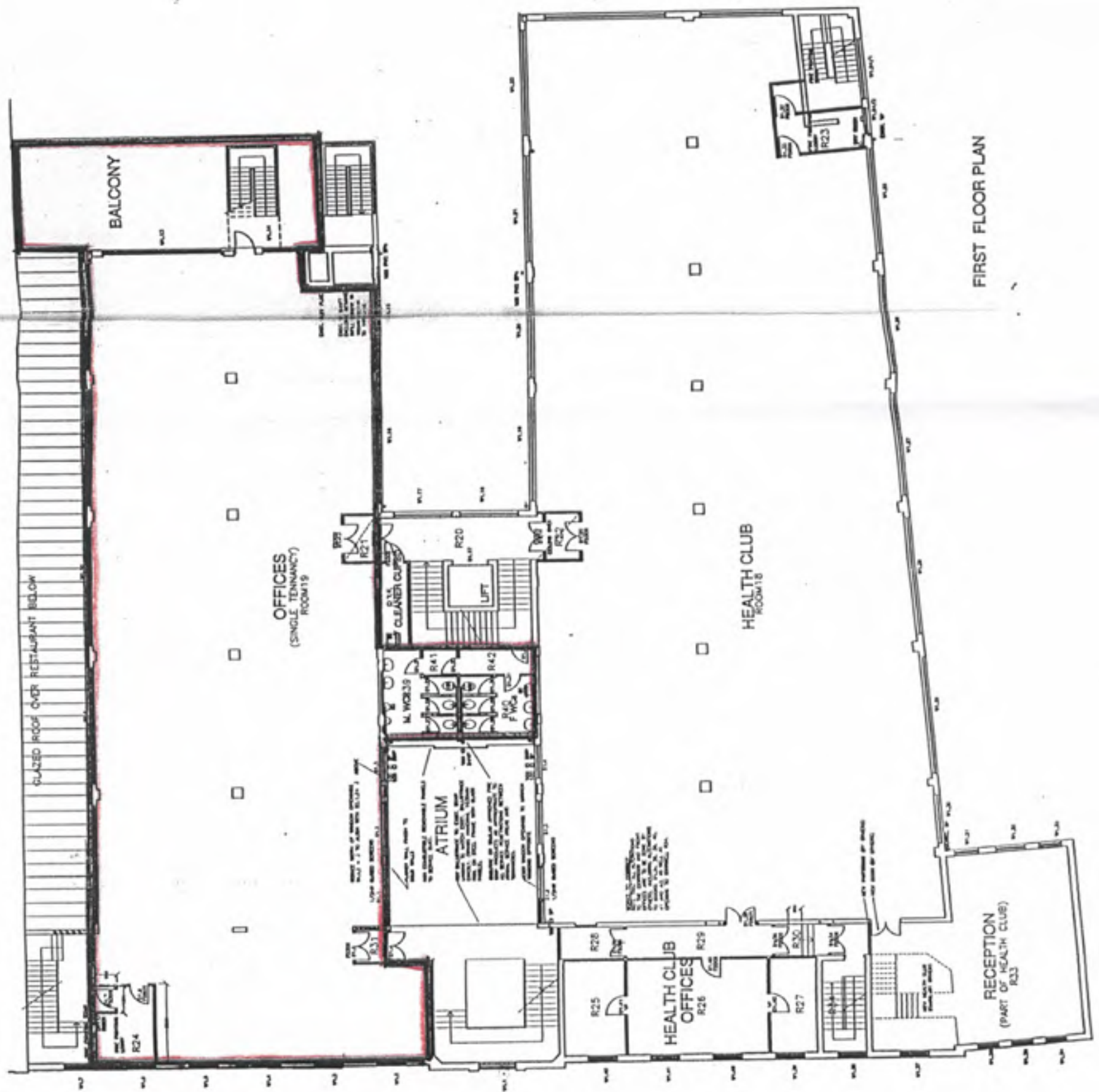
GROUND FLOOR PLAN

ROBERT O'HARA ARCHITECTS

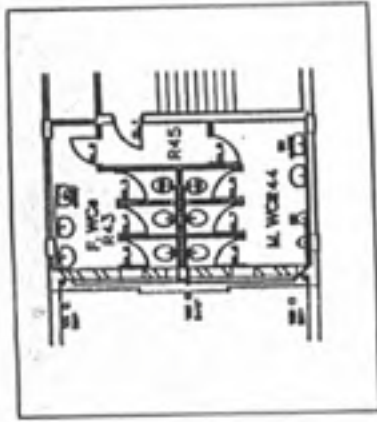
25 Loveland Road
Queens Park
LOVELAND, OHIO 43085

TEL: 01753 674007 FAX: 01753 674005
 TITLE: PROPOSED GROUND FLOOR PLANS
 Project 100 SALLISBURY ROAD, LONDON NW4
 Client: SILVERHAWK LTD

DATE: 7/24/87 BY: ELS/CS 10/13/88
TITLE: PROPOSED GROUND FLOOR PLANS



FIRST FLOOR PLAN



TOILETS ON
HALF LANDING

1. ALL WORK TO BE COMPLETED BY 15/10/97
2. ALL WORK TO BE COMPLETED BY 15/10/97
3. ALL WORK TO BE COMPLETED BY 15/10/97
4. ALL WORK TO BE COMPLETED BY 15/10/97
5. ALL WORK TO BE COMPLETED BY 15/10/97
6. ALL WORK TO BE COMPLETED BY 15/10/97
7. ALL WORK TO BE COMPLETED BY 15/10/97
8. ALL WORK TO BE COMPLETED BY 15/10/97
9. ALL WORK TO BE COMPLETED BY 15/10/97
10. ALL WORK TO BE COMPLETED BY 15/10/97

REV 1 15/10/97 UPDATE FOR CORRECT BALCONY
REV 2 15/10/97 UPDATE FOR CORRECT BALCONY
REV 3 15/10/97 UPDATE FOR CORRECT BALCONY
REV 4 15/10/97 UPDATE FOR CORRECT BALCONY
REV 5 15/10/97 UPDATE FOR CORRECT BALCONY
REV 6 15/10/97 UPDATE FOR CORRECT BALCONY
REV 7 15/10/97 UPDATE FOR CORRECT BALCONY
REV 8 15/10/97 UPDATE FOR CORRECT BALCONY
REV 9 15/10/97 UPDATE FOR CORRECT BALCONY
REV 10 15/10/97 UPDATE FOR CORRECT BALCONY

PROJECT 106 BALDWIN ROAD, LONDON NW9
CLIENT : EL VERDEHAWK LTD.
ARCHITECT : ROBERT O'HARA ARCHITECTS
25 Lonsdale Road
Quatre Park

fixtures therein BUT EXCLUDING any structural parts of the Building

THE SECOND SCHEDULE

Part I

Rights Granted

- (1) The use in common with the Landlord all authorised persons and the other occupiers for the time being of the Building of the Common Parts
- (2) The right in common with the Landlord all authorised persons and the occupiers for the time being of the third floor of the Building to pass and repass over and along the area coloured yellow on the ground floor plans
- (3) The exclusive use for the parking of 17 private motor cars in the spaces shown coloured blue on the attached plan marked Car Parking Plan or such spaces as may from time to time be designated for that purpose by the Landlord Provided that the Landlord shall have the right at any time and from time to time to change the location of such spaces subject to providing alternative spaces which are equally convenient together with the right in common with the restaurant premises forming part of the Building to use the three car parking spaces shown coloured green on the aforesaid plan (but so that neither the Premises nor such restaurant premises shall have the exclusive right to use such three spaces)
- (4) The passage and use of all such Service Conduits and Appliances in the Building as now or at any time during the Term serve the Premises

(5) The right to support and protection from the remainder of the Building

Part II

Rights Reserved

(1) The passage and use of all such Service Conduits and Appliances as pass or run into through along under or over the Premises

(2) The right for the Landlord and all authorised persons at all reasonable times upon reasonable prior notice in writing except in case of emergency to enter the Premises for the purpose of cleaning or repairing any Service Conduits and Appliances or for the purpose of cleaning repairing or rebuilding the Building or any adjoining premises in each such case where the necessary work cannot be carried out without such entry and the person entering causing as little inconvenience to the Tenant as possible and forthwith making good any damage caused

(3) The right for any authorised tenant or occupier of any other part of the Building by prior arrangement with the Tenant at reasonable times in the daytime and at any time in case of emergency to enter the Premises for the purpose of repairing that other part of the Building where such repairs could not otherwise be carried out and subject to the person entering causing as little inconvenience to the Tenant as possible and forthwith making good any damage so caused

(4) All rights of light and air and other easements and rights (but without prejudice to those expressly hereinbefore granted to the Tenant) now or hereafter belonging to or enjoyed by the

Premises from or over any adjoining or neighbouring land or building

(5) The right to build or rebuild or repair or alter or improve the Building or any adjoining or neighbouring land or building in any manner whatsoever and to let the same for any purpose or otherwise deal therewith notwithstanding that the light or air to the Premises is in any such case thereby diminished and Provided That the Tenant's use and enjoyment of the Premises is not adversely affected thereby and that the atrium area as shown on the Plan is retained

THE THIRD SCHEDULE

Review of Principal Rent

1. In this Schedule:

"Review Date"

means the 24th day of June in the years 2004, 2009, 2014 and the 22nd day of June the year 2019 and any other date that becomes a Review Date pursuant to paragraph 6

"the Assumptions"

mean the following assumptions at the Relevant Review Date:-

- (i) that the Premises are available for letting by a willing lessor to a willing lessee in the open market without premium or other capital sum being paid by

the lessee or a rental concession being made which on a new letting might be granted to an ingoing Tenant for purposes of fitting out the Premises only

(ii) that the term of the Lease is for a term of fifteen years commencing on the relevant Review Date

(iii) that the Premises are let with vacant possession and ready for fitting out by the incoming tenant for the uses for the time being permitted under this Lease (or for the actual use or uses if attracting a higher value) and that the Premises may lawfully be so used

(iv) that otherwise the letting is upon the terms of this Lease (other than the amount of the Principal Rent but including these provisions for rent reviews)

(v) that all the Tenant's covenants in this Lease have

been complied with and that in case the Premises have been destroyed or damaged by any of the Insured Risks they have been completely rebuilt or reinstated and

(vi) that no work has been carried out on the Premises by the Tenant its subtenants or their predecessors in title during or before the commencement of the Term which has diminished the rental value of the Premises

(vii) that if Value Added Tax is charged on the Rents or on any other monies payable by the Tenant under the terms of the Lease every prospective willing tenant would be able to recover such Value Added Tax in full

"the Disregarded
Matters"

means :

(i) any effect on rent of the fact that the Tenant or any undertenant or predecessors in title of either has been

in occupation of the
Premises

- (ii) any goodwill attached to the
Premises by reason of the
carrying on thereof by the
Tenant or any undertenant or
predecessor in title of
either of any business and
- (iii) any effect on rent of any
alteration or improvement to
the Premises made (otherwise
than pursuant to any
obligation of the Tenant to
the Landlord to carry out
such work and save for any
statutory obligation) by the
Tenant during the Term at
the sole expense of the
Tenant and with the prior
consent of the Landlord
where necessary
- (iv) any trade fixtures fittings
furniture or other moveable
items at the Premises which
belong to the Tenant
- (v) any depreciatory effect on
rent of any of the following
matters namely

- (a) any custom or practice in the market of allowing to tenants of comparable Premises on a new letting with vacant possession a rent-free period or of paying to such tenants a sum by way of contribution in each case by way of allowance or contribution towards tenant's fitting-out expenses
- (b) any works to the Premises carried out by the Tenant at any time or the existence on the Premises of any fittings or partitioning installed by the Tenant at any time (save where the requirement for such works or installation was imposed by statute) and

(c) any law for the time being in force which imposes a temporary restraint upon increase in the rent of the Premises

(vi) the taxable status of any party for the purpose of Value Added Tax or any other tax

"Market Rent"

means the yearly rent at which the Premises might reasonably be expected to be let in the open market at the relevant Review Date making the Assumptions but disregarding the Disregarded Matters

"President"

means the President for the time being of the Royal Institution of Chartered Surveyors or his duly appointed deputy

"Surveyor"

means a surveyor agreed upon by the Landlord and the Tenant or in default of agreement appointed by the President

"agree" or "agreed"

means agree or agreed in writing between the Landlord and the Tenant

2. From each Review Date the Principal Rent shall be such as may at any time be agreed between the Landlord and the Tenant as the Principal Rent payable from that Review Date or (in default of such agreement) whichever is the greater of (a) the Market Rent or (b) the Principal Rent contractually payable immediately before that Review Date

3. If by a date two months before the Review Date the rent payable from that Review Date has not been agreed the Landlord and the Tenant may agree upon a person to act as the Surveyor who shall determine the Market Rent but in default of such agreement then the Landlord or the Tenant may at any time whether before or after the Review Date make application to the President to appoint a surveyor to determine the Market Rent and such surveyor shall if practicable be experienced in the letting of office premises in the area in which the Premises are situate

4.1 Unless the Landlord and the Tenant otherwise agree (but subject to the next sub-paragraph) the Surveyor shall act as an arbitrator and the provisions of the Arbitration Acts for the time being in force shall apply

4.2 If in his application to the President the Landlord shall so require the Surveyor appointed in respect of that review shall act as an expert and not as an arbitrator (but so that he shall be instructed by the Landlord to accept oral or written representations from the parties) and in that event unless the Surveyor shall otherwise direct the Landlord and the Tenant shall each be responsible for one half of his fees and if either shall pay the whole thereof

he shall be entitled to recover one half thereof from the other

4.3 If the Surveyor whether appointed as arbitrator or expert refuses to act or is incapable of acting or dies the Landlord or the Tenant may apply to the President for the further appointment of a surveyor

5. If by a Review Date the Principal Rent payable from that Review Date has not been ascertained pursuant to this Schedule the Tenant shall continue to pay the Principal Rent at the rate previously payable and on the quarter day next after such ascertainment the Tenant shall pay to the Landlord the difference for the period ending on that quarter day between the Principal Rent paid and the Principal Rent so ascertained together with interest on such difference for such period at two per cent below the Prescribed Rate calculated as at the Review Date and each quarter day thereafter until the date of payment (Provided that the Tenant may at its sole option pay the aforesaid difference in rent to the Landlord prior to the next quarter day in which case the interest payable by the Tenant shall be reduced accordingly)

6. If at any Review Date there is by virtue of any Act a restriction upon the Landlord's right to review the Principal Rent or if at any time there is by virtue of any Act a restriction upon the right of the Landlord to recover the Principal Rent otherwise payable then upon the ending removal or modification of such restriction the Landlord may at any time thereafter give to the Tenant not less than one month's notice requiring an additional rent review upon a quarter day specified

therein which quarter day shall for the purposes of this Schedule be a Review Date

7. A memorandum of the Principal Rent ascertained from time to time in accordance with this Schedule shall be signed by and on behalf of the Tenant and the Landlord respectively and exchanged between them

THE FOURTH SCHEDULE

Repair of the Building Services and the Service Rent

1. In this Schedule:

"Accounting Year"	means subject to paragraph 5.1 a period of twelve months ending on the 31st December in each year of the Term
"Service Costs"	means the total sum computed under paragraph 3
"Service Rent"	means 67.7 per centum of the Service Costs
"Service Rent Document"	means an estimate served under paragraph 4.1 or an account served under paragraph 4.2
"Expert"	means a chartered surveyor agreed upon by the Landlord and the Tenant or in default of agreement within six weeks of the nomination in writing of a surveyor by one party to the other appointed by the President

on the application of either party

"Reserve"

means the total of the sums received by the Landlord in respect of the matters referred to in paragraph 3.2

2. Subject to the Tenant complying with its obligations as to payment of Service Rent and subject as provided in Clause 4.4 the Landlord covenants:
 - 2.1 to repair decorate and cleanse as often as reasonably necessary the foundations roofs outside walls and structural parts of the Building and the glass in the outside walls of the Building and the external window frames and door frames (but not the shop front in the ground floor level of the Premises the inside plaster surfaces of the walls and ceilings of the Premises and of any other premises in the Building let or intended to be let by the Landlord) and the Common Parts
 - 2.2 to repair and if and when necessary replace and to maintain in good working order all plant machinery apparatus and equipment comprising or serving the lifts and water-heating and central heating systems in the Building the lighting in the Common Parts the fire alarm and smoke detector systems in the Building and all Service Conduits and Appliances in the Building which serve the Building except any which are within and exclusively serve the Premises or are within and exclusively serve any other premises in the Building let or intended to be let by the Landlord

2.3 To provide :

- (a) appropriate lighting of the Common Parts
- (b) an adequate supply of hot and cold water in any lavatory and water closet accommodation in the Building
- (c) such porters caretakers and other staff necessary for the good management and security of the Building as it shall acting reasonably decide
- (d) cleaning of the Common Parts as often as is reasonably necessary
- (e) cleaning of the outside glass surfaces of the Building as often as is necessary
- (f) maintenance of landscaped areas within the curtilage of the Building
- (g) that the area shown coloured yellow on the plan relating to the ground floor shall be maintained as a lobby/reception area appropriate to the use of the Premises as professional offices

3. The Service Costs shall be the total of :

- 3.1 the reasonable cost in any Accounting Year within the Term to the Landlord of complying with his covenants in paragraphs 2.1 and 2.2 of this Schedule including the cost of any inspections reasonably required in connection therewith
- 3.2 an amount (to be revised annually by the Landlord acting reasonably towards the estimated cost to the Landlord of complying with his covenants in paragraphs 2.1 and 2.2 of

this Schedule such amount to be ascertained on the assumptions:

- (a) that the cost of replacement of the items mentioned in paragraph 2.2 of this Schedule is calculated on such life expectancy of the said items as the Landlord may from time to time reasonably determine (whether or not extending beyond the Term) to the intent that a fund be accumulated sufficient to cover the cost of replacement of the said items by the end of their anticipated life PROVIDED that nothing herein contained shall oblige the Landlord to establish or maintain such a fund sufficient in whole or in part to cover such cost of replacement
 - (b) that the future decoration of the outside of the Building will be carried out in every fifth year of the Term and of the Common Parts in every third year of the Term PROVIDED that any expenditure on any such item during an Accounting Year shall first be met out of the Reserve to the extent of the credit in the Reserve in respect of the item in question
- 3.3 the reasonable cost in any Accounting Year to the Landlord of complying with his covenant in paragraph 2.3 of this Schedule (including where appropriate any sums payable by the Landlord to independent contractors) including/together with the cost of :
- (a) fuel power gas electricity and water (but not gas and electricity consumed by the Tenant in the Premises) nor any other tenant in premises demised to such tenant consumed in

the supply of any service referred to in paragraph 2 of this Schedule

- (b) cleaning materials and equipment for the cleaning of the Common Parts and the outside glass surfaces of the Building
- (c) the renewal of bulbs tubes and any other light fittings or equipment
- (d) wages and statutory contributions in respect of the employees of the Landlord engaged in providing the services referred to in this Schedule
- (e) any contracts in respect of the repair maintenance and running costs of the plant machinery apparatus and equipment in the Building
- (f) the provision where necessary of accommodation in the Building for any staff employed solely in connection with the services to be provided by the Landlord pursuant to its covenants herein contained (including a notional sum in respect of any living accommodation provided for any house-keeper equal to the open market rent which would be obtainable for such living accommodation on the basis that the Rent Acts would not apply to such rent) and all reasonable outgoings of any nature in respect of such accommodation
- (g) general and water rates and all other reasonable outgoings in respect of the Common Parts and any such living accommodation
- (h) all necessary arrangements for the security of the Building
- (i) the supply of any requisites in the lavatories and water closet accommodation in the Common Parts dustbins tools

fire equipment and apparatus uniforms and working clothes for staff employed solely in the Building

- (j) professional fees in relation to periodic valuations of the Building for insurance purposes (but so that such fees shall not be payable more than once in each year)
- (k) any other expenses reasonably incurred by the Landlord in or incidental to the provision of the services referred to in this Schedule and/or any other services which the Landlord acting reasonably and in accordance with principles of good estate management shall provide for the Building or any part thereof
- (l) the preparation of accounts and certificates relating to the Service Costs and the Service Rent

3.4 a reasonable management fee for the management and supervision of the Building and the carrying out of the matters referred to in this Schedule being either if the Landlord employs managing agents the reasonable fees of such managing agents or if such management or supervision is provided by the Landlord a sum equal to the scale of fees from time to time recommended by the Royal Institution of Chartered Surveyors for the performance of management supervision and rent collection services or if no such scale be recommended as settled by the Expert

3.5 Value Added Tax payable by the Landlord in respect of the supply to by or on behalf of the Landlord of any of the matters referred to in this Schedule where such Value Added Tax is otherwise irrecoverable by the Landlord

- 3.6 the actual and reasonable cost to the Landlord by way of interest commission banking charges or otherwise of borrowing any necessary sums to provide the Service Costs
4. The Service Rent shall be payable as follows :
- 4.1 As soon as practicable but not more than two months before the beginning of an Accounting Year the Landlord shall serve on the Tenant an estimate prepared by the Landlord's Surveyor of the amount of the Service Rent the sum so estimated being payable by four equal quarterly payments in advance on the usual quarter days PROVIDED that the sum so payable for the first Accounting Year of the Term shall be £ ** (and accordingly no such notice shall be necessary in respect of that period)
- 4.2 As soon as practicable after the end of each Accounting Year (and in any event such certified account to be prepared within six months after the end of each Accounting Year) the Landlord shall cause his auditors to prepare an account to be certified as true and correct of the amounts under each of the sub-paragraphs 3.1 to 3.6 of paragraph 3 of this Schedule and a calculation of the Service Rent and thereupon the amount of the Service Rent for that Accounting Year shall (subject only to the provisions of paragraph 6 of this Schedule and in the absence of manifest error) be final and binding on the Tenant
- 4.3 If the Service Rent for any Accounting Year shall exceed the sum estimated under sub-paragraph 4.1 of this paragraph the amount of the excess shall be paid by the Tenant to the Landlord on the usual quarter day next after receipt of the

account by the Tenant and in the case of the last year of the Term upon demand

- 4.4 If the Service Rent shall be less than the sum estimated under sub-paragraph 4.1 of this paragraph the amount of the over-payment shall be credited to the Tenant against the next payment of the Rents following the receipt of the account by the Tenant and in the case of the last year of the Term refunded upon demand

5. Provided :

- 5.1 The Landlord shall be entitled to change the Accounting Year whenever the Landlord in his sole discretion shall think necessary and expedient and in such event the Landlord shall notify the Tenant in writing of such revised Accounting Year and make necessary adjustments resulting from such change

- 5.2 The Landlord shall be entitled to make such alterations as the Landlord acting reasonably thinks fit to the lavatories and water closet accommodation in the Common Parts and to the lifts and heating plant or equipment including if the Landlord acting reasonably thinks fit the installation of lifts heating plant or equipment of a different type and to suspend the service of a lift or heating while the work of alteration or installation is being carried out Provided That the use and enjoyment of the Premises is not materially adversely affected by such alterations

- 5.3 If at any time during the Term the total property that enjoys or is capable of enjoying the benefit of any of the services to which the Service Costs relate is permanently

increased or decreased or if the benefit of any such services is permanently extended to any adjoining or neighbouring property or if some other event occurs as a result of which the Service Rent is no longer appropriate to the Premises then with effect from the computing date following that event the Service Rent may be varied by agreement between the Landlord and the Tenant or in default of agreement within three months of the first proposal for variation made by the Landlord then the Service Rent payable shall be such percentage as shall be determined by the Landlords Surveyor (acting as an expert and not as an arbitrator) as being fair and reasonable in the light of the event in question PROVIDED THAT nothing in this Lease shall imply an obligation on the part of the Landlord to provide the Service Costs to any adjoining or neighbouring property

5.4 If any part of the Building intended to be let is for the time being unlet by the Landlord a sum equal to the Service Rent attributable to the unlet part shall be borne by the Landlord

5.4.1 All sums received by the Landlord in respect of the Reserve shall be held by the Landlord upon trust during the period of eighty years from the date hereof (which shall be the perpetuity period applicable to the provisions of this Schedule) to apply the same and any income thereof for the purposes for which the same were collected and subject thereto upon trust for the persons who at the expiry of that period shall be the

tenants of the Building in shares equal to the proportion which the Service Rent payable by them respectively bears to 100% of all the Service Rents

5.4.2 At the end of the perpetuity period the Reserve shall be applied in putting the Building into good repair and the surplus shall be distributed among the tenants in the Building so that the Tenant shall receive a share equal to the same fraction of the surplus as the fraction of the Service Costs for which the Tenant is liable by way of Service Rent

5.4.3 The power of appointing a new trustee of the trust referred to in this sub-paragraph is vested in the Landlord who in the absence of an express appointment shall be the Landlord for the time being

5.4.4 The Landlord shall have all such powers of investment and all other administrative powers in relation to the Reserve and any income arising therefrom as if he were the beneficial owner thereof PROVIDED that the Landlord shall not be entitled to exercise any of the said powers for his own benefit or in any manner inconsistent with the purposes of the trust referred to in this sub-paragraph

6. If the Tenant shall dispute any item or charge in a Service Rent Document the Tenant shall within one month of the service of the Service Rent Document (as to which period time shall be of the essence) serve on the Landlord a notice specifying the disputed item or items

- 6.1 Any such dispute shall be determined by the Expert who shall act as an expert and not as an arbitrator and whose fees shall be borne as he directs
- 6.2 The Tenant shall not be entitled to dispute the cost of any work or service included in the calculation of the Service Rent on the ground that the work or service could be performed for or cost less than that in fact incurred by the Landlord or in good faith estimated by the Landlord's Surveyor unless the Tenant acting reasonably considers that such cost is more than 30% in excess of the cost that would have been reasonable in the circumstances
- 6.3 Until the Expert's determination the Tenant shall not withhold payment of the Service Rent or any part thereof
- 6.4 If the Expert's determination shows that the Tenant has made an overpayment in respect of the Service Rent the Landlord shall pay to the Tenant the amount of such overpayment within 28 days after the Expert's determination shall have been received by the Landlord

THE FIFTH SCHEDULE

Authorised Guarantee Agreement

1. The Covenantor hereby covenants with the Landlord (but not so as to bind the Covenantor after the expiry of the original term of this Lease nor after a lawful assignment of this Lease by the Covenantee that the Covenantee will pay the Rents and all other moneys payable hereunder at the times and in manner aforesaid and will fully observe and perform the covenants agreements stipulations and

conditions herein contained and on the part of the tenant to be observed and performed and that in case of default by the Covenantor in such payment or observance and performance the Covenantor will pay and make good to the Landlord on written demand all losses damages costs and expenses thereby arising or incurred by the Landlord PROVIDED ALWAYS and it is hereby agreed that any neglect or forbearance by or on the part of the Landlord in endeavouring to obtain such payment or enforce such observance and performance or any other indulgence which may be given to the Covenantor by the Landlord shall not release or exonerate or in any way reduce or affect the liability of the Covenantor under the provisions hereof

2. The liability of the Covenantor under clause 1 shall continue for three months after any disclaimer of this Lease unless such disclaimer has the effect of determining the Term
3. If prior to any lawful assignment by the Covenantor of this Lease the Covenantor shall enter into liquidation or being individuals or an individual is adjudicated bankrupt and the liquidator or trustee in bankruptcy as the same may be shall disclaim this Lease the Covenantor hereby agrees with the Landlord that (if so required in writing by or on behalf of the Landlord within three months of receipt by the Landlord of notice of such disclaimer) the Covenantor will accept from the Landlord within 28 days of such requirement a lease of the Premises for the residue then unexpired of the Term reserving the Rents and containing

the same reservations and exceptions covenants agreements stipulations and conditions as apply to the Lease (save that no guarantor shall be required to guarantee the obligations of the Covenantor as lessee under such new lease)

4. Words and expressions used herein shall have the same meaning as in the Lease


THE SIXTH SCHEDULE

Provisions affecting the Landlord's title

Entry Number 1 of the Charges Register of Title Number MX322719

THE COMMON SEAL of ITE GROUP)
PLC was hereunto affixed in)
the presence of:)

Director



Secretary

