

DATED

14<sup>TH</sup>

SEPTEMBER

1999

OTTLEY CORPORATION S.A.

(1)

- and -

FITNESS FIRST CLUBS LIMITED

(2)

- and -

FITNESS FIRST PLC

(3)

---

Counterpart

L E A S E

- of -

Part Ground and  
Part First Floors  
105 Salusbury Road  
London NW6

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

GSS/ANQ

LEASE

DATED

BETWEEN :

- 50p  
14th September
- 50p
- 1999
- (1) OTTLEY CORPORATION S.A. whose address for service in England and Wales is at 58 Queen Anne Street London W1M 9LA ("the Landlord")
  - (2) FITNESS FIRST CLUBS LIMITED whose registered office is at 51 Queens Park South Drive Bournemouth BH8 9BJ (Company Registration Number 3207791) ("the Tenant")
  - (3) FITNESS FIRST plc whose registered office is at 51 Queens Park South Drive aforesaid (Company Registration Number 3075946) ("the Surety")

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

"Building"

clause 3.14 hereof and containing the provisions set out in the Fifth Schedule means the property described in part I of the First Schedule

"Car Parking Areas" the land shown for the purpose of identification only edged brown on plan No 1 annexed hereto

"Common Parts" means the roadways ramps service yard forecourt car park entrances entrance lobbies landings lifts and staircases 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 the Landlord

"Insured Risks" means the risks from time to time covered by the policy or policies of insurance effected by the Landlord pursuant to the covenant in Clause 4.2 against

- (a) loss or damage by fire storm tempest flood lightning explosion aircraft (other than hostile aircraft) articles dropped therefrom riot or civil commotion malicious damage impact bursting and overflowing of 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 shall  
from time to time during the Term  
determine

"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 and 3.16  
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

includes an agreement to part with  
possession

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 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

"Rent Commencement Date" means the 23rd day of August 1998

"Rents" means the rents reserved in Clause 2

"Service Conduits and Appliances" means gas pipes water pipes drains ducts electric mains wires supply lines appliances air conditioning apparatus and services

"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" means the determination of the Term whether



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

"underlease" and include an agreement for underlease or sub  
"sub-underlease" 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 (including profit costs whether the  
solicitor is engaged by the Landlord or the Tenant or  
any other person) assessed in accordance with the  
Solicitors' Remuneration Order 1972

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. 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 five years from the 25th day of December 1997 (determinable as herein provided) Paying during the Term First until the 25th day of December 2002 the yearly rent of £53,050 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 Rent Commencement Date and ending on the next following quarter date and calculated by multiplying the yearly rent of £53,050 by the fraction of which the numerator is the number of days between those dates (both included) and the denominator is 365) to be made on the execution of this Lease and Secondly a yearly rent equal to a proportionate part (such proportion to be conclusively 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 on 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

#### 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 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 If the Landlord shall suffer any loss of rating relief which may be applicable to empty premises after the end of the Term by reason of such relief having been allowed to the Tenant in respect of any period before the end of the Term to make good such loss to the Landlord
- 3.2.3 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
- 3.2.4 To pay a fair proportion (to be conclusively determined by the Surveyor) 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 and every part thereof including without prejudice to the generality of the foregoing the floors and ceilings the inside plaster surfaces of the walls and ceilings enclosing the Premises the internal window frames door frames and doors the glass in the 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 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 restore all other inside surfaces to

their proper condition and appearance 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 to ensure that any part of the Premises so painted and decorated shall not thereafter be occupied

3.3.3 To clean the inside surface of the windows enclosing the Premises at least once a month

3.3.4 Where the use of conduits boundary structures or other things is common to the Premises and other property to undertake all work that is the responsibility of the owner lessee or occupier of the Premises in relation to those conduits boundary structures or other things

#### Rights of entry and inspection

3.4 To permit the Landlord and any authorised person at all reasonable times upon 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 all damage to the Premises so caused

#### Compliance with notices to remedy

3.5

3.5.1 Forthwith 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

3.5.2 If the Tenant shall not within a reasonable time comply with any such notice 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 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 proviso 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 reasonably 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 without the written consent of the Landlord which shall not be unreasonably withheld or delayed 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

#### 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 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 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

User permitted

- 3.12 To use and occupy the Premises only as a Health Club or such other purpose within Class B1 or D2 of the Town and Country Planning (Use Classes) Order 1987 as shall first be approved by the Landlord which approval shall not be unreasonably withheld or delayed

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
- 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 recommendations 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 annoyance damage or 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 that which the Premises are designed or constructed to bear with due margin for safety nor to cause any undue vibration to the Building by machinery or otherwise
- 3.13.6 Not to bring keep store stack or lay out upon any unbuilt upon part of the Premises any materials equipment plant bins crates cartons boxes waste receptacles or any other items which are or might become untidy unclean unsightly or in any way detrimental to the Premises
- 3.13.7 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
- 3.13.8 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
- 3.13.9 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
- 3.13.10 Not to keep the Premises open before 6.30 am or after 11.30 pm between Mondays to Fridays or before 8.00 am or after 11.30 pm on Saturdays Sundays or Public Holidays

- 3.13.11 Not to hold in the Premises any sale by auction public exhibition or political meeting
- 3.13.12 Not to remove from or bring into the Premises any furniture or heavy or bulky goods between the hours of 9.00 am and 6.00 pm
- 3.13.13 Not to use the Premises or any part thereof for the sale of hot food gambling betting gaming or wagering or as a betting office or as a club (other than a health club) cinema or for an amusement arcade or exchange of cheques or currency or for the display or 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 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 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 the assignee is an associated company of the Tenant unless the proposed assignment is to the Tenant and the assignee jointly
  - 3.14.5.2 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



- 3.14.5.3 where the Tenant is materially in breach of any of the covenants on its part contained in this Lease
- 3.14.5.4 where the assignee enjoys diplomatic or state immunity
- 3.14.5.5 where the assignee is not resident in England and Wales
- 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)
  - 3.14.6.2 the payment to the Landlord of all rents and other sums which have 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 condition of such consent satisfied
  - 3.14.6.4 if reasonable to do so the execution and delivery to the Landlord prior to the assignment of a rent deposit deed in a form to be prepared by the Landlord's solicitor together with the payment by way of cleared funds of the sum specified in the rent deposit deed
- 3.14.7 On a permitted assignment to a limited company and if the Landlord shall reasonably so require to procure that at least 2 directors of the company or some other guarantor or guarantors reasonably acceptable to the Landlord 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 associate company for so long as both companies shall remain members of that 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
- 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 the then open market rental value of the Premises such value to be approved by the Landlord prior to any such underlease 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 including:



- 3.15.3.1 for the upwards only review of the rent reserved by such underlease on the basis and on the dates on which the Principal Rent is to be reviewed in this Lease such review to be a market rent
- 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
- 3.15.4 To enforce the performance and observance by every undertenant of the provisions of the underlease and not at any time either expressly or 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 or accept a surrender 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



- 3.15.5.3 where the underlease provides such an option not to agree that the third party determining the rent in default of agreement shall act as an arbitrator or as an expert without the approval of the Landlord
- 3.15.5.4 not to agree upon the appointment of a person to act as the third party determining the rent in default of agreement without the approval of the Landlord
- 3.15.5.5 to incorporate as part of its submissions or representations to that third party such submissions or representations as the Landlord shall reasonably require
- 3.15.5.6 to give notice to the Landlord of the details of the determination of every rent review within 28 days PROVIDED THAT the Landlord's approvals specified above shall not be unreasonably withheld or delayed

#### Registration

- 3.16 Within 28 days of any assignment charge underlease or sub-underlease or any transmission or other devolution relating to the Premises 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 glass in the 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 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 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) 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 to view the Premises PROVIDED that in the case of a sale such notice shall make it plain that the interest offered is the reversion of this Lease

Landlord's costs

- 3.21 To pay to the Landlord on demand all 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 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 after the termination of the Term
- 3.21.5 the recovery of Rents whether by distrain 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 in addition to such sum the amount of the Value Added Tax or other tax thereon at the rate applicable to that payment

Obstruction and encroachments

- 3.24 Not to obstruct or permit or suffer to be obstructed any of the windows lights or ventilators belonging to the Premises nor to 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 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 Tenant 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 regulations for the time being made by the Landlord 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 provisions affecting the title of the Landlord specified in the Sixth Schedule

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 in his absolute discretion 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 in such amount as the Landlord shall in his absolute discretion 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 Premises AND to effect such insurance with an Insurance Company or Underwriters and through such agency as the Landlord from time to time deems fit and proper

**Landlord's further insurance covenants**

4.3.1 to produce to the Tenant on demand (but not more than once in every 12 months) a copy of the policy and of the last premium renewal receipt or reasonable evidence of the terms of the policy and the fact that the last premium has been paid

4.3.2 to procure either that the interest of the Tenant and any undertenant and its or their mortgagees are noted or indorsed on the policy

4.3.3 to notify the Tenant of any material change in the risks covered by the policy from time to time

**Reinstatement**

4.4.1 If the Premises 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 to expend the insurance monies receivable by the Landlord (other than money received for loss of rent) in rebuilding or reinstating the Building

- 4.4.2 If for any reason the Premises and all other relevant parts of the Building sufficient for the Tenant to carry on its normal trade and business including the means of access to the Premises and all essential services therein and thereto shall not be rebuilt or reinstated as they were immediately prior to the date of the relevant destruction or damage (whether the destruction or damage was caused by the Insured Risks or otherwise or by terrorism where terrorism is for any reason not one of the Insured Risks) by the second anniversary of the date of the destruction or damage then either the Tenant or the Landlord may thereafter determine the Term by giving not less than one month's notice to the other party and upon expiry of such notice the Term will forthwith cease but without prejudice to the claim of either party for any earlier breach of covenant by the other or any rights or remedies which may have accrued to either party against the other (including without prejudice to the generality of the foregoing) any right that the Tenant may have against the Landlord for a breach of the Landlord's covenants set out in sub-clauses 4.2 and 4.3 hereof **PROVIDED FURTHER** that the Landlord shall not be entitled to determine the Term where the reason

for the failure to rebuild or reinstate is the fault of or omission of the Landlord **AND PROVIDED FURTHER THAT** no such notice shall be served following completion of the relevant rebuilding or reinstatement works **AND ALSO PROVIDED FURTHER THAT** if for any reason 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**

- 4.5 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

**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

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 proviso 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 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 use then (unless 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 shall again be rendered fit for occupation and 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 Acts 1950 to 1979

### Determination if destruction

- 5.4 If during the last three years of the Term the Premises shall be destroyed or so damaged by any of the Insured Risks as to be substantially unfit for occupation and use
- 5.4.1 the Landlord may by not less than three months notice expiring at any time determine the Term and upon the expiry of such notice the Term shall determine without prejudice to any remedy of the Landlord in respect of any of the Tenant's covenants
- 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

service of notices

- 5.6 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

Surety's Covenants

6. The Surety in consideration of this Lease having been granted at the request of the Surety covenants with the Landlord:

Guarantee of Tenant's Performance

- 6.1 That the Tenant will pay the Rents on the days and in manner aforesaid and will duly perform and observe all the Tenant's covenants herein and that in case of default the Surety will pay and make good to the Landlord on demand all loss damages costs and expenses thereby arising or incurred by the Landlord PROVIDED THAT any neglect or forbearance of the Landlord in endeavouring to obtain payment of the Rents when the same become payable or to enforce performance or observance of the Tenant's covenants herein nor any time which may be given by the Landlord to the Tenant nor any promise or arrangement made by the Landlord with the Tenant nor the bankruptcy or liquidation of the Tenant nor the disclaimer forfeiture or assignment

of the Lease nor any other act or thing whereby but for the present proviso the Surety would have been released shall release or exonerate or in any way affect the liability of the Surety under this or the next following sub-clause

Further Lease on disclaimer

- 6.2 If this Lease is disclaimed under any statutory or other power to take from the Landlord if so required by notice to the Surety within three months after such disclaimer a new Lease of the Premises 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 (the rights and liabilities thereunder to take effect as from the date of such disclaimer) and to execute and deliver to the Landlord a counterpart thereof and pay to the Landlord the costs thereof

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



## Part II

### The Premises

ALL THOSE premises situate on part of the ground and first floors of the Building and shown for the purpose of identification only edged red on the Plans

## 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 exclusive use for the parking of 5 private motor cars in the spaces shown edged blue on Plan 1 or such other 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
- (3) The passage and use of all such Service Conduits and Appliances in the Building as serve the Premises
- (4) The right to use such spaces in the Car Park Areas as are not being used by any of the other tenants in the Building (and with their prior consent) outside normal office hours and for the purpose of the Tenant's members or customers PROVIDED ALWAYS that this right shall be subject to the Tenant providing two car park attendants at all times during which the user is exercised
- (5) The right to enter upon the Common Parts and upon the roof of the Building and to lay new Service Conduits and thereafter to use the same for the passage of all material usually carried

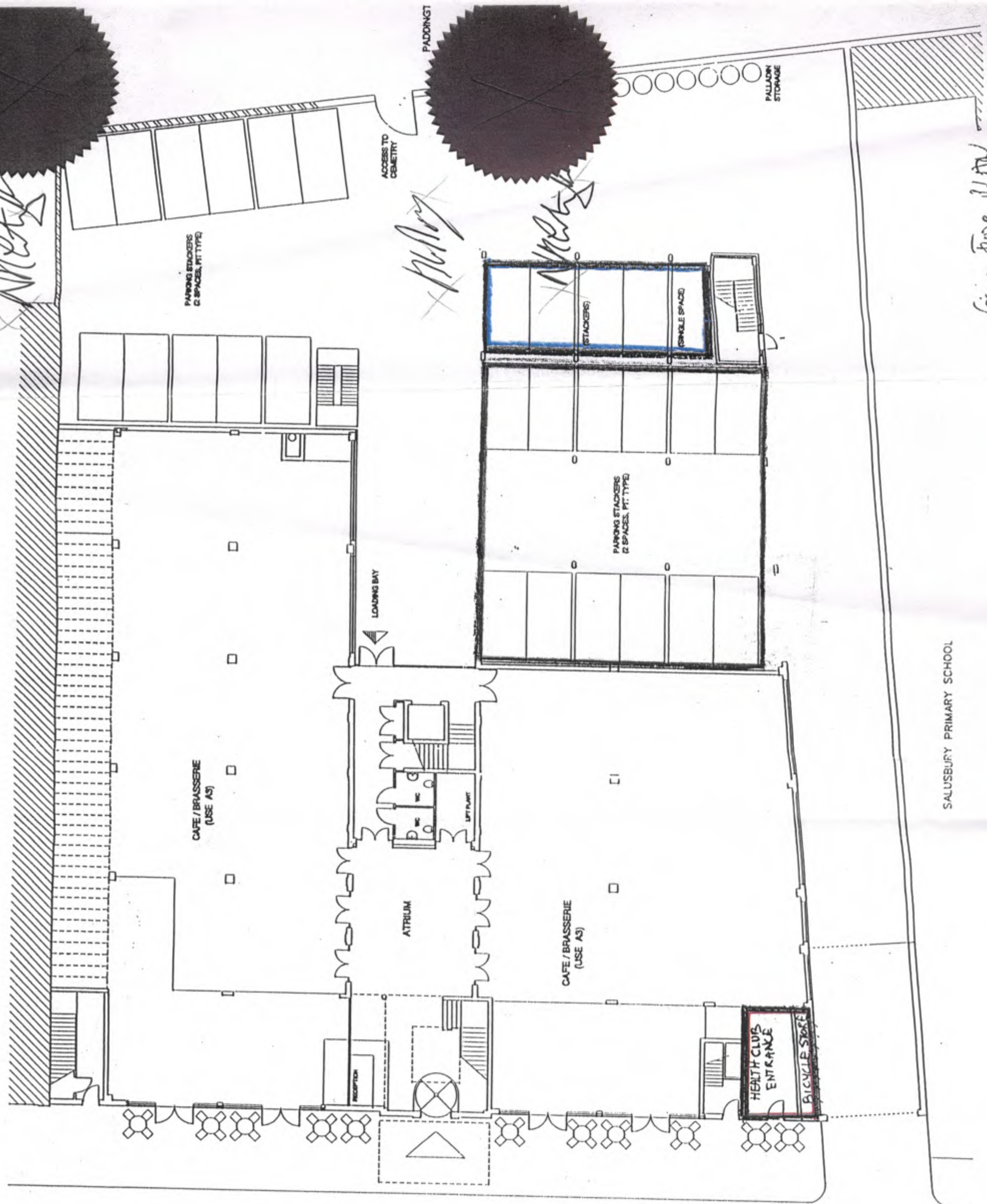


20/11/14  
X  
MAY

16/11/14  
X  
MAY

16/11/14  
X  
MAY

Grass Road 11/11/14



SALUSBURY PRIMARY SCHOOL

SALUSBURY ROAD



20/11/14



FIRST FLOOR PLAN

by such Service Conduits and also with the Landlord's consent which shall not be unreasonably withheld or delayed to erect satellite dishes or antenna Providing That the Tenant shall make good any loss or damage caused in the exercise of these rights

(6) The right to enter the lower ground floor of the Building for the purpose of installing and thereafter maintaining a boiler in such area as shall be designated by the Landlord for such purpose and to lay new Service Conduits and to use the same for the passing of all materials usually carried by such Service Conduits

(7) The right for disabled persons (being invitees of the Tenant) and their carers together with the Landlord and all authorised persons to gain access to the lift on the ground floor of the Building from the ground floor front entrance of the Building and through the atrium and to use the said lift to pass and repass with such personal wheelchairs or other mechanical devices used by the disabled person to assist his personal movement between ground and first floor and then from the lift entrance at the first floor level to the access door of the Premises at first floor level provided that such rights shall be subject to reasonable security arrangements to be approved by the Landlord such consent not to be unreasonably withheld or delayed and also provided that such arrangements shall not inhibit access for disabled persons and their carers during the Tenants normal business hours and does not require any payments by the disabled person or his or her carer or carers



## 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 prior notice 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 AND PROVIDED ALWAYS that the person or persons exercising these rights shall make good all damage caused in the exercise thereof

(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 making good any damage so caused

(4) The right for the Landlord and any authorised tenant or occupier of any other part of the Building including any invitees in case of fire or other emergency only to pass and repass over the staircase shown coloured yellow on the Plan leading from the ground to the first floor in the south west part of the Building and forming part of the Premises

(5) All rights of light 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

(6) 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 or any other liberty easement right or advantage belonging to the Tenant is thereby diminished or prejudicially affected

### THE THIRD SCHEDULE

#### Review of Principal Rent

1. In this Schedule:

"Review Date"

means the 25th day of December in the years 2002 2007 2012 2017 and the 22nd day of December in the year 2022 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

(ii) that the term of the Lease is for a term of 15 years



commencing on the relevant  
Review Date

(iii) that the Premises are let  
with vacant possession fit  
for immediate occupation and  
use (subject to Tenants  
fitting out works) 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) and  
substituting an absolute  
covenant against using the  
Premises for any use other  
than the one being carried  
on by the Tenant at the  
relevant Review Date

(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 has been in occupation of the Premises
- (ii) any goodwill attached to the Premises by reason of the



carrying on thereat by the  
Tenant of any business and  
(iii) any effect on rent of any  
alteration or improvement to  
the Premises made either  
(a) by the Tenant or its  
predecessor in title  
during the Term or  
during any period of  
occupation prior to the  
Term arising out of an  
agreement to grant or  
(b) by any tenant of the  
Premises before the  
commencement of the  
Term so long as the  
Landlord or its  
predecessors in title  
have not since the  
alteration was carried  
out had vacant  
possession of the  
relevant part of the  
Premises PROVIDED THAT  
any alteration or  
improvement carried out  
by the Tenant pursuant  
to any obligation

(other than an obligation contained in clause 3.10 of this Lease) shall not be disregarded

(iv) 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 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 and

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

(v) 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 application shall if practicable be a specialist in the letting of Health Club premises in the area or nearby 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 the Prescribed Rate less 4 per cent calculated as at the Review Date and each quarter day thereafter until the date of payment

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 22.3 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 and subject as provided in Clause 4.4 the Landlord covenants:
  - 2.1 to repair decorate and cleanse the foundations roofs outside walls and structural parts of the Building and the glass in the outside walls of the Building but not 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 and 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 a housekeeper porters caretakers and other staff necessary for the good management and security of the Building as it shall in its absolute discretion shall decide
  - (d) cleaning of the Common Parts
  - (e) cleaning of the outside glass surfaces of the Building as often as is necessary
  - (g) maintenance of landscaped areas within the curtilage of the Building
3. The Service Costs shall be the total of :
- 3.1 the cost in any Accounting Year to the Landlord of complying with his covenants in paragraph 2.1 and 2.2 of this Schedule including the cost of any inspections in connection therewith
  - 3.2 an amount (to be revised annually by the Landlord at his discretion) towards the estimated cost to the Landlord of complying with his covenant in paragraph 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 third year of the Term and of the Common Parts in every seventh 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 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) 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 of accommodation in the Building (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 outgoings of any nature in respect of such accommodation
  - (g) general and water rates and all other 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 in the Building
  - (j) professional fees in relation to periodic valuations of the Building for insurance purposes
  - (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 in its absolute discretion 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 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 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

3.6 the actual 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 by four equal quarterly payments in advance on the usual quarter days

4.2 As soon as practicable 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) 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 within 28 days 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 make necessary adjustments resulting from such change

5.2 The Landlord shall be entitled to make such alterations as the Landlord 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 thinks fit the installation of lifts heating 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



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 Service Costs is permanently increased or decreased or if the benefit of any of the Service Costs 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

5.5.1 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

- 5.5.2 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 <sup>22.3%</sup>~~19.7%~~ per centum of the surplus

- 5.5.3 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

- 5.5.4 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 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
- 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 that the Covenantor 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 Covenantee 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 Covenantee of this Lease the Covenantee 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
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 No. 1 of the Charges Register of Title Number MX372719

SIGNED as a DEED by FITNESS )  
FIRST CLUBS LIMITED acting by )  
two Directors (a Director/ )  
Company Secretary) )

Director *N.R. Cartwright*

Secretary *S. Cadd*

SIGNED as a DEED by FITNESS )  
FIRST PLC acting by two )  
Directors (a Director/ )  
Company Secretary) )

Director *N.R. Cartwright*

Secretary *S. Cadd*