

DATED

7 April

2017

COUNTERPART LEASE

relating to

**LAND AND BUILDINGS AT ABERDUNANT HALL PRENTEG
PORTHMADOC GWYNEDD LL49 9SR**

between

ROBERT GEOFFREY LLOYD

and

PORTMADOC HOLIDAY CAMP LIMITED

The logo for Slater Gordon Lawyers features a blue plus sign to the left of the text. 'Slater' and 'Gordon' are in a large, bold, black sans-serif font, stacked vertically. 'Lawyers' is in a smaller, blue sans-serif font below 'Gordon'.

**Slater
Gordon**
Lawyers

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PRESCRIBED CLAUSES

LR1. Date of lease

7 April 2017

LR2. Title number(s)

LR2.1 Landlord's title number(s)

CYM430094

LR2.2 Other title numbers

None

LR3. Parties to this lease

Landlord

ROBERT GEOFFREY LLOYD

12 Kingfisher Close, Saighton, Chester CH3 6BF

Tenant

PORTMADOC HOLIDAY CAMP LIMITED

(Company Registered Number: 795643)

Aberdunant Caravan Park Prenteg Porthmadog Gwynedd LL49 5SR

Other parties

None

LR4. Property

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

See the definition of "Property" in Clause 1.1 of this lease.

LR5. Prescribed statements etc.

None.

LR6. Term for which the Property is leased

The term as specified in this lease at Clause 1.1 in the definition of "Contractual Term".

LR7. Premium

None.

LR8. Prohibitions or restrictions on disposing of this lease

This lease contains a provision that prohibits or restricts dispositions.

LR9. Rights of acquisition etc.

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

See option to renew this lease as set out in clause 27 of this lease.

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

None.

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

None.

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

None.

LR11. Easements

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

None

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

The easements as specified in clause 4 of this lease.

LR12. Estate rentcharge burdening the Property

None.

LR13. Application for standard form of restriction

None.

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

None.

THIS LEASE is dated

7 April

2017

PARTIES

- (1) **ROBERT GEOFFREY LLOYD** of 12 Kingfisher Close Saughton Chester CH3 6BF (**Landlord**).
- (2) **PORTMADOC HOLIDAY CAMP LIMITED** incorporated and registered in England and Wales with company number 795643 whose registered office is at Aberdunant Caravan Park Prenteg Porthmadog Gwynedd LL49 5SR (**Tenant**).

AGREED TERMS

1. INTERPRETATION

1.1 The definitions and rules of interpretation set out in this clause apply to this lease.

Annual Rent: rent at the initial rate [REDACTED] and then as revised pursuant to this lease and any interim rent determined under the 1954 Act.

Completion Date: the date determined in accordance with clause 27.8.

Contractual Term: a term of years beginning on, and including 23rd December 2016 and ending on, and including 22nd December 2046.

Default Interest Rate: four percentage points above the Interest Rate.

Expert: a person appointed in accordance with clause 38.

Insolvency Event :

(a) where the guarantor is a corporation:

- (i) the taking of any step in connection with any voluntary arrangement or any other compromise or arrangement for the benefit of any creditors of the guarantor; or
- (ii) the making of an application for an administration order or the making of an administration order in relation to the guarantor; or
- (iii) the giving of any notice of intention to appoint an administrator, or the filing at court of the prescribed documents in connection with the appointment of an administrator, or the appointment of an administrator, in any case in relation to the guarantor; or
- (iv) the appointment of a receiver or manager or an administrative receiver in relation to any property or income of the guarantor; or
- (v) the commencement of a voluntary winding-up in respect of the guarantor, except a winding-up for the purpose of amalgamation or reconstruction of a solvent company in respect of which a statutory

declaration of solvency has been filed with the Registrar of Companies; or

- (vi) the making of a petition for a winding-up order or a winding-up order in respect of the guarantor; or
 - (vii) the striking-off of the guarantor from the Register of Companies or the making of an application for the guarantor to be struck-off; or
 - (viii) the guarantor otherwise ceasing to exist,
- (b) where any guarantor is an individual:
- (i) the taking of any step in connection with any voluntary arrangement or any other compromise or arrangement for the benefit of any creditors of the guarantor; or
 - (ii) the presentation of a petition for a bankruptcy order or the making of a bankruptcy order against the guarantor.

Insured Risks: means fire, explosion, lightning, earthquake, storm, flood, bursting and overflowing of water tanks, apparatus or pipes, impact by aircraft and articles dropped from them, impact by vehicles, riot, civil commotion, terrorism and any other risks against which the Tenant or the Landlord reasonably requires to be insured against from time to time and **Insured Risk** means any one of the Insured Risks.

Interest Rate: interest at the base lending rate from time to time of National Westminster Bank plc, or if that base lending rate stops being used or published then at a comparable commercial rate reasonably determined by the Landlord.

Landlord's Neighbouring Property: each and every part of the adjoining and neighbouring property in which the Landlord now or at any time during the term has an interest.

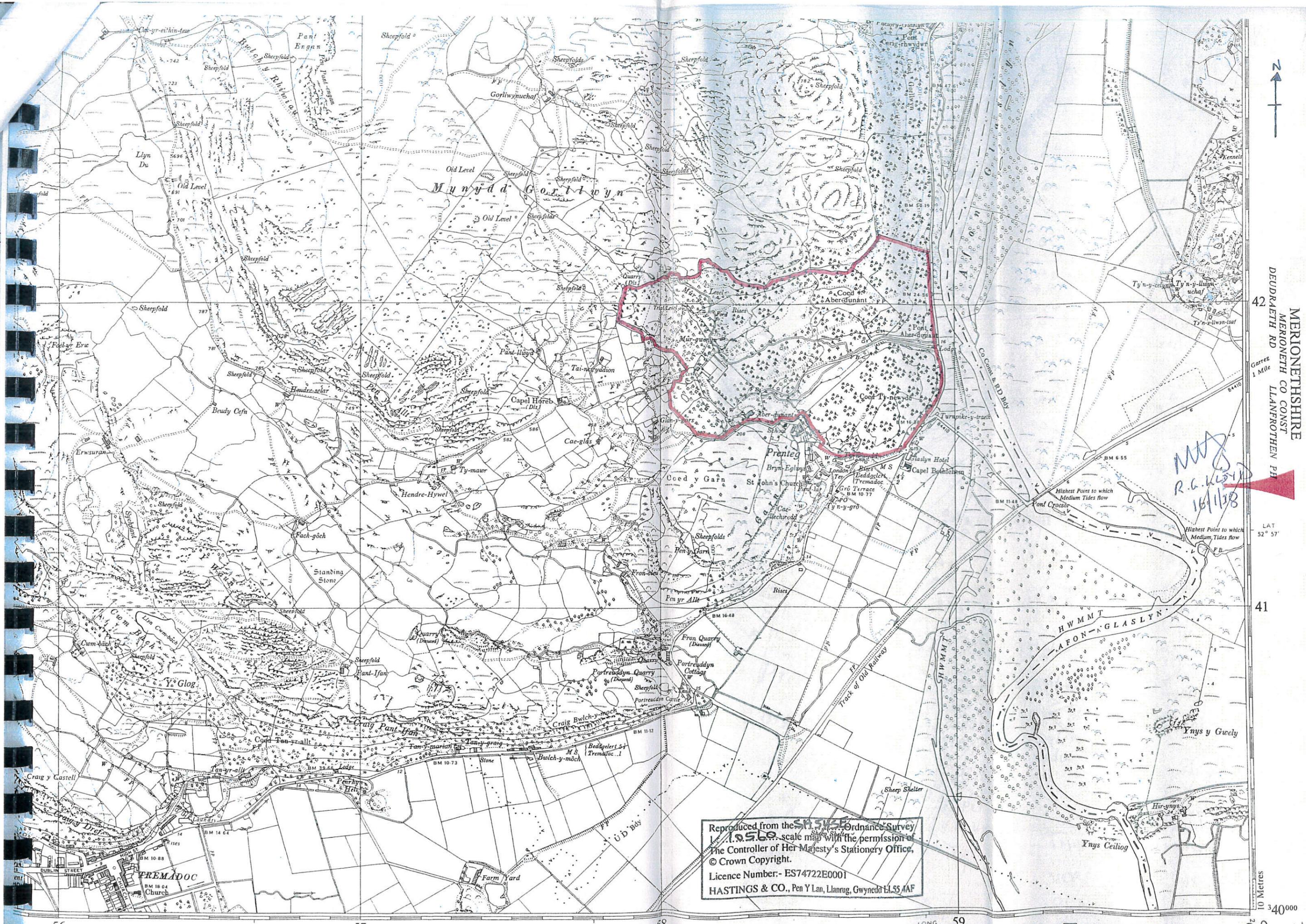
Licences: licences of pitches for static caravans for a term that may exceed the Contractual Term (but does not exceed industry practice at the time of grant) in substantially the form attached to this lease (with such insubstantial and immaterial amendments made to adapt it to the circumstances of each transaction and with any other amendments first approved by the Landlord (such approval not to be unreasonably withheld or delayed)).

New Lease: the lease of the Property (the terms of which are set out in clause 27) to be granted upon the exercise of the Option.

Option: the option granted by the Landlord to the Tenant by clause 27.

Option Notice: written notice exercising the Option in accordance with the terms of clause 27.

Option Period: the period from and including the date of this lease expiring on 22nd December 2045.



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MERONETH CO CONST
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Garres
1 Mile

LAT
52° 57'

41

10 Metres

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HASTINGS & CO., Pen Y Lan, Llanrug, Gwynedd LL55 4AF

Handwritten:
M.A.
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SH 54SF

PLAN 1

56

57

58

59

BORTMADOC UP
YNYSCYNIARFARN DU

LONG
4° 06' W

10

Permitted Part: (a) the hotel (forming part of the Property and shown edged green on the attached plan marked "Plan 2"); or

(b) the bar/restaurant (forming part of the Property and shown edged red on the attached plan marked "Plan 3"); or

(c) the whole of the building in which the hotel and the bar/restaurant referred to in paragraphs (a) and (b) of this definition are located.

Permitted Use: to the extent permitted by planning laws use as a caravan park with the use of the mansion house as a hotel, club house and restaurant with living accommodation for the Tenant's employees and the use of Mur Gwenyn and The Lodge as living accommodation for the Tenant's employees and/or as living accommodation under assured shorthold tenancies and all ancillary uses and such other use as approved by the Landlord (such approval not to be unreasonably withheld or delayed).

Previous Lease: the lease dated 31st January 2008 made between Robert Geoffrey Lloyd (1) and Porthmadoc Holiday Camp Limited (2).

Property: the land, buildings, woodlands and mansion house at Aberdunant Hall Prenteg Porthmadoc Gwynedd LL49 9SR shown edged red on the attached plans marked "Plan 1".

Rent Commencement Date: 23rd December 2016.

Rent Payment Dates: 25 March, 24 June, 29 September and 25 December.

Reservations: all of the rights excepted, reserved and granted to the Landlord by this lease.

Review Date: 23rd December 2017 and every third anniversary of that date.

Service Media: all media for the supply or removal of heat, electricity, gas, water, sewage, energy, telecommunications, data and all other services and utilities and all structures, machinery and equipment ancillary to those media.

Third Party Rights: all rights, covenants and restrictions affecting the Property.

VAT: value added tax chargeable under the Value Added Tax Act 1994 or any similar replacement or additional tax.

1954 Act: Landlord and Tenant Act 1954.

1.2 A reference to this lease, except a reference to the date of this lease or to the grant of the lease, is a reference to this deed and any deed, licence, consent, approval or other instrument supplemental to it.

1.3 A reference to the Landlord includes a reference to the person entitled to the immediate reversion to this lease. A reference to the Tenant includes a reference to its successors in title and assigns. A reference to a guarantor is to any guarantor of

the tenant covenants of this lease including a guarantor who has entered into an authorised guarantee agreement.

- 1.4 In relation to any payment, a reference to a **fair proportion** is to a fair proportion of the total amount payable, determined conclusively (except as to questions of law) by the Landlord.
- 1.5 The expressions **landlord covenant** and **tenant covenant** each has the meaning given to it by the Landlord and Tenant (Covenants) Act 1995.
- 1.6 Unless the context otherwise requires, a reference to the **Property** is to the whole and any part of it.
- 1.7 A reference to the **term** is to the Contractual Term and any agreed or statutory continuation of this lease.
- 1.8 A reference to the **end of the term** is to the end of the term however it ends.
- 1.9 References to the **consent** of the Landlord are to the consent of the Landlord given in accordance with clause 33.4 and references to the **approval** of the Landlord are to the approval of the Landlord given in accordance with clause 33.5.
- 1.10 A **working day** is any day which is not a Saturday, a Sunday, a bank holiday or a public holiday in Wales.
- 1.11 Unless otherwise specified, a reference to a particular law is a reference to it as it is in force for the time being, taking account of any amendment, extension, application or re-enactment and includes any subordinate laws for the time being in force made under it and all orders, notices, codes of practice and guidance made under it.
- 1.12 A reference to laws in general is to all local, national and directly applicable supra-national laws in force for the time being, taking account of any amendment, extension, application or re-enactment and includes any subordinate laws for the time being in force made under them and all orders, notices, codes of practice and guidance made under them.
- 1.13 Any obligation in this lease on the Tenant not to do something includes an obligation not to agree to or suffer that thing to be done and an obligation to use best endeavours to prevent that thing being done by another person.

- 1.14 Unless the context otherwise requires, where the words **include(s)** or **including** are used in this lease, they are deemed to have the words "without limitation" following them.
- 1.15 A **person** includes a corporate or unincorporated body.
- 1.16 References to **writing** or **written** do not include faxes or email.
- 1.17 Except where a contrary intention appears, a reference to a clause , is a reference to a clause of this lease.
- 1.18 Clause headings do not affect the interpretation of this lease.

2. GRANT

- 2.1 The Landlord lets the Property to the Tenant for the Contractual Term.
- 2.2 The grant is made excepting and reserving to the Landlord the rights set out in clause 4, and subject to the Third Party Rights.
- 2.3 The grant is made with the Tenant paying the following as rent to the Landlord:
- (a) the Annual Rent and all VAT in respect of it; and
 - (b) all interest payable under this lease.

3. ANCILLARY RIGHTS

- 3.1 The Landlord grants to the Tenant the right of support and protection, from the Landlord's Neighbouring Property to the extent that the Landlord's Neighbouring Property provides support and protection to the Property at the date of this lease.
- 3.2 Neither the grant of this lease nor anything in it confers any right over neighbouring property nor is to be taken to show that the Tenant may have any right over neighbouring property, and section 62 of the Law of Property Act 1925 does not apply to this lease.

4. RIGHTS EXCEPTED AND RESERVED

- 4.1 The following rights are excepted and reserved from this lease to the Landlord for the benefit of the Landlord's Neighbouring Property and for the avoidance of doubt to the extent possible for the benefit of any neighbouring or adjoining property in which the Landlord acquires an interest during the term

- (a) rights of light, air, support and protection to the extent those rights are capable of being enjoyed at any time during the term;
- (b) the right to use and to connect into Service Media at the Property which are in existence at the date of this lease or which are installed or constructed during the term;
- (c) the right to develop the Landlord's Neighbouring Property including for the avoidance of doubt any neighbouring or adjoining property in which the Landlord acquires an interest during the term;
- (d) the right to re-route any Service Media at or serving the Property.

notwithstanding that the exercise of any of the Reservations or the works carried out pursuant to them result in a reduction in the flow of light or air to the Property or loss of amenity for the Property provided that:-

- (i) in exercising any of the Reservations that require access to the Property the Landlord does not materially affect the use and enjoyment of the Property for the Permitted Use; and
- (ii) the Landlord causes as little damage and inconvenience as reasonably practicable to the Tenant, its customers, lessees and licensees and the Landlord makes good any physical damage to the Property caused by the exercise of such Reservations as soon as reasonably practicable and to the Tenant's reasonable satisfaction.

4.2 The Landlord reserves the right to enter the Property:

- (a) to repair, maintain or replace any Service Media or structure relating to any of the Reservations; and
- (b) for any other purpose mentioned in or connected with:
 - (i) this lease;
 - (ii) the Reservations; and
 - (iii) the Landlord's interest in the Property.

4.3 The Reservations may be exercised by the Landlord and by anyone else who is or becomes entitled to exercise them, and by anyone authorised by the Landlord.

4.4 The Tenant shall allow all those entitled to exercise any right to enter the Property, to do so with their workers, contractors, agents and professional advisors, and to enter the Property at any reasonable time (whether or not during usual business hours) and, except in the case of an emergency, after having given reasonable notice (which need not be in writing) to the Tenant.

5. THIRD PARTY RIGHTS

- 5.1 The Tenant shall comply with all obligations on the Landlord relating to the Third Party Rights (insofar as those obligations relate to the Property) and shall not do anything (even if otherwise permitted by this lease) that may interfere with any Third Party Rights.
- 5.2 The Tenant shall allow the Landlord and any other person authorised by the terms of the Third Party Rights to enter the Property in accordance with its terms.

6. THE ANNUAL RENT

- 6.1 The Tenant shall pay the Annual Rent and any VAT in respect of it by four equal instalments in advance on or before the Rent Payment Dates. The payments shall be made by banker's standing order or by any other method that the Landlord requires at any time by giving notice to the Tenant.
- 6.2 The first instalment of the Annual Rent and any VAT in respect of it shall be made on the Rent Commencement Date and shall be the proportion, calculated on a daily basis, in respect of the period from the Rent Commencement Date until the day before the Rent Payment Date following the date of this lease.

7. REVIEW OF THE ANNUAL RENT

- 7.1 In this clause the following expressions shall have the following meanings:-

'Base Figure' shall mean the Index published for the calendar month immediately before the calendar month in which the Review Date immediately preceding the relevant Review Date or (if none) the Rent Commencement Date falls;

'Index' shall mean the 'All Items' Index figure of the Index of Retail Prices (or any official index replacing it) published by the Office for National Statistics or any successor body;

'Current Figure' shall mean the Index published for the calendar month immediately before the calendar month in which the relevant Review Date falls;

'Indexed Rent' shall mean the sum which is equal to the Annual Rent immediately prior to the relevant Review Date first multiplied by the Current Figure and then divided by the Base Figure.

7.2 The Annual Rent under this lease shall be reviewed on each of the Review Dates and the Annual Rent from each Review Date shall be the greater of:-

- (a) the Annual Rent immediately before the relevant Review Date; and
- (b) such sum as shall be equal to the Indexed Rent as at the relevant Review Date.

7.3 If the reference base used to compile the Index shall be changed from that used for the Base Figure the figure taken to be shown in the Index after the change shall be the figure which would have been shown in the Index if the reference base used for the Base Figure had been retained.

7.4 If it becomes impossible by reason of any change in the method used to compile the Index or for any other reason whatever to calculate the Indexed Rent by reference to the Index or if any dispute or question whatever shall arise between the parties with respect to the amount of the Indexed Rent or the construction or effect of this clause the determination of the Indexed Rent or other matter in difference shall be referred to an arbitrator in accordance with clause 37 and the arbitrator shall have full power to determine on such dates as he shall deem apposite what would have been the Current Figure had the Index continued on the basis and in view of the information assumed to be available for the operation of the relevant rent review PROVIDED THAT if the parties shall agree or if the arbitrator (at his absolute discretion) shall declare that that determination shall also be impossible or impractical the arbitrator shall determine a reasonable Annual Rent for the Property on such dates having regard to the purposes and intent of the provisions in this lease for the review of the Annual Rent.

7.5 The Landlord shall as soon as reasonably practicable give written notice to the Tenant of the Indexed Rent in respect of each Review Date.

7.6 Time shall not be of the essence for the purposes of this clause 7.

7.7 If the Indexed Rent in respect of any Review Date shall not have been ascertained by the relevant Review Date the Annual Rent payable immediately before such Review Date shall continue to be payable until such date as the Indexed Rent has been so ascertained and upon the Rent Payment Day immediately following such date there shall be due to the Landlord by the Tenant a sum of money equal to the amount (if any) by which the Annual Rent payable from the relevant Review Date shall exceed the Annual Rent payable immediately before such Review Date but duly apportioned

on a day to day basis in respect of the period from the relevant Review Date to the rent day immediately following the date upon which the Indexed Rent has been so ascertained together with interest at the Interest Rate on any excess for the whole of such period calculated on a day to day basis as from the date upon which the relevant instalment thereof would otherwise have been payable.

- 7.8 If at any of the Review Dates there shall be in force a statute which shall prevent restrict or modify the Landlord's right to review the Annual Rent in accordance with this lease the Landlord shall when such restriction is removed relaxed or modified be entitled (but without prejudice to its rights (if any) to recover any Annual Rent the payment of which has only been deferred by law) on giving notice in writing to the Tenant to invoke the review provisions as if the date of such notice were an additional Review Date.

8. INSURANCE

8.1 The Tenant shall:

- (a) at all times to keep the Property and all additions to the Property insured to the full cost of reinstatement under a policy complying with the terms of this clause;
- (b) produce to the Landlord on demand the insurance policy effected pursuant to this clause and the receipt for the last premium paid and produce to the Landlord as soon as received a copy or details of any endorsement substantially varying the terms of the insurance policy;
- (c) inform the Landlord and the insurer of the Property immediately upon becoming aware of:-
 - (i) any matter which occurs in relation to the Tenant or the Property that any insurer or underwriter may treat as material in deciding whether or on what terms to insure or continue insuring the Property;
 - (ii) any damage or loss that relates to the Property; and
 - (iii) any other event that occurs which might affect any insurance policy relating to the Property;
- (d) if requested by the Landlord in writing, use reasonable endeavours to procure that the interest of any Landlord's mortgagee is noted on the insurance policy.

- 8.2 An insurance policy complies with the terms of this clause if:
- (a) the Landlord's interest is noted on the policy;
 - (b) it provides cover against loss or damage by the Insured Risks to the extent that such cover is for the time being available for buildings of the type of the Property at normal insurance rates and subject to such exclusions, excesses and limitations as may be imposed by the insurers;
 - (c) it insures an appropriate percentage of the building cost for professional fees incurred in rebuilding or reinstating any building destroyed or damaged by an Insured Risk and two years' loss of rent; and
 - (d) it is effected in some insurance office of repute or at Lloyd's.
- 8.3 The Tenant shall promptly apply the proceeds of any insurance policy effected by the Tenant covering the Property and all alterations and fixtures to them in their rebuilding or reinstatement and to make up any shortfall from its own funds.
- 8.4 The Tenant shall not do anything that will or may render void or voidable any policy of insurance covering the Property.
- 8.5 In the event of the Tenant being in breach of any of the provisions of this clause the Landlord may (but shall be under no obligation to) insure the Property and the premiums paid shall be due from the Tenant to the Landlord as rent payable on demand.
- 8.7 In the event of any buildings forming part of the Property (or any of them or any part thereof) being destroyed or damaged by an Insured Risk at any time during the term and the insurance money under any policy of insurance effected thereon being by reason of any act or default of the Tenant wholly or partially irrecoverable the Tenant shall forthwith in every such case rebuild and reinstate at the Tenant's own expense the building or buildings so destroyed or damaged to the satisfaction and under the supervision of the Landlord's surveyor (the Tenant being allowed towards its expenses of so doing upon such rebuilding and reinstatement being completed the amount (if any) actually received in respect of such destruction or damage under any such insurance as aforesaid).
- 8.8.1 If, following damage to or destruction of the Property by any of the Insured Risks the repair, rebuilding or reinstatement of the Property shall be impossible due to the inability to obtain the necessary planning or other consents:-
- (a) the Tenant shall hold all proceeds of any insurance in respect of the Property on trust for itself and the Landlord in proportion to their respective interests in the Property immediately before the damage or destruction, as agreed in

writing between the Landlord and the Tenant and failing agreement in the proportions determined pursuant to clause 8.8.5;

- (b) the Tenant shall pay (in cleared funds) the Landlord's proportion of such insurance proceeds within 14 days of the receipt of the proceeds of the insurance policy or within 7 days of the determination pursuant to clause 8.8.5, whichever is the later; and
- (c) the Tenant may terminate this lease by giving no less than two months prior written notice to the Landlord.

8.8.2 The Tenant's notice referred to in clause 8.8.1(c) shall have no effect if, on the expiry of such notice:-

- (a) the Tenant has not paid any part of the Annual Rent which was due to have been paid; or
- (b) vacant possession of the whole of the Property is not given to the Landlord.

8.8.3 Subject to clause 8.8.2, this lease shall determine on the expiry of a notice served by the Tenant pursuant to clause 8.8.1(c) but such determination shall be without prejudice to any right or remedy of either party in respect of any breach of the covenants of this lease.

8.8.4 If this lease is determined in accordance with clause 8.8.1(c), the Landlord shall refund to the Tenant the proportion of the Annual Rent paid by the Tenant for any period from and including the date on which this lease is terminated (such refund to be paid within 14 days of such termination date).

8.8.5 Any dispute arising regarding this clause 8.8 shall be finally determined by arbitration pursuant to clause 37 of this lease.

9. RATES AND TAXES

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

- (a) any taxes payable by the Landlord in connection with any dealing with or disposition of the reversion to this lease; or
- (b) any taxes, other than VAT, payable by the Landlord by reason of the receipt of any of the rents due under this lease.

- 9.2 If any rates, taxes or other impositions are payable in respect of the Property together with other property, the Tenant shall pay a fair proportion of the amount payable.
- 9.3 The Tenant shall not make any proposal to alter the rateable value of the Property or that value as it appears on any draft rating list, without the approval of the Landlord.
- 9.4 If, after the end of the term, the Landlord loses rating relief (or any similar relief or exemption) because it has been allowed to the Tenant, then the Tenant shall pay the Landlord an amount equal to the relief or exemption that the Landlord has lost.

10. UTILITIES

- 10.1 The Tenant shall pay all costs in connection with the supply and removal of electricity, gas, water, sewage, telecommunications, data and other services and utilities to or from the Property.
- 10.2 If any of those costs are payable in relation to the Property together with other property, the Tenant shall pay a fair proportion of all those costs.
- 10.3 The Tenant shall comply with all laws and with any recommendations of the relevant suppliers relating to the use of those services and utilities.

11. VAT

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

12. DEFAULT INTEREST AND INTEREST

- 12.1 If any Annual Rent or any other money payable under this lease has not been paid by the date it is due, whether it has been formally demanded or not, the Tenant shall pay the Landlord interest at the Default Interest Rate (both before and after any judgment) on that amount for the period from the due date to and including the date of payment.

- 12.2 If the Landlord does not demand or accept any Annual Rent or other money due or tendered under this lease because the Landlord reasonably believes that the Tenant is in breach of any of the tenant covenants of this lease, then the Tenant shall, when that amount is accepted by the Landlord, also pay interest at the Interest Rate on that amount for the period from the date the amount (or each part of it) became due until the date it is accepted by the Landlord.

13. COSTS

The Tenant shall pay the reasonable and proper costs and expenses of the Landlord including any solicitors' or other professionals' costs and expenses (incurred both during and after the end of the term) in connection with or in contemplation of:

- (a) the enforcement of the tenant covenants of this lease;
- (b) serving any notice in connection with this lease under section 146 or 147 of the Law of Property Act 1925 or taking any proceedings under either of those sections, notwithstanding that forfeiture is avoided otherwise than by relief granted by the court;
- (c) serving any notice in connection with this lease under section 17 of the Landlord and Tenant (Covenants) Act 1995;
- (d) the preparation and service of a schedule of dilapidations in connection with this lease served within three months of the end of the Term and relating solely to disrepair arising during the Term; and
- (e) any consent or approval applied for under this lease, whether or not it is granted (unless the consent or approval is unreasonably withheld by the Landlord in circumstances where the Landlord is not unreasonably to withhold it).

14. NO DEDUCTION, COUNTERCLAIM OR SET-OFF

The Annual Rent and all other money due under this lease are to be paid by the Tenant or any guarantor (as the case may be) without deduction, counterclaim or set-off.

15. REGISTRATION OF THIS LEASE

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

15.2 Simultaneously with the application referred to in clause 15.1 of this lease if requested by the Landlord the Tenant shall submit an application to the Land Registry in forms EX1 and EX1A as the Landlord's agent (subject to the Landlord providing the Tenant with completed forms EX1 and EX1A and cleared funds for the application fee within 10 working days of the date of completion of this lease).

16. ALIENATION

16.1 ASSIGNMENTS

- (a) The Tenant shall not assign the whole of this lease without the consent of the Landlord, such consent not to be unreasonably withheld.
- (b) The Tenant shall not assign part only of this lease.
- (c) The Landlord and the Tenant agree that for the purposes of section 19(1A) of the Landlord and Tenant Act 1927 the Landlord may give its consent to an assignment subject to any or all of the following conditions:
 - (i) (if reasonably required by the Landlord) a condition that the assignor enters into an authorised guarantee agreement which:
 - (A) is in respect of all the tenant covenants of this lease;
 - (B) is in respect of the period beginning with the date the assignee becomes bound by those covenants and ending on the date when the assignee is released from those covenants by virtue of section 5 of the Landlord and Tenant (Covenants) Act 1995;
 - (C) imposes principal debtor liability on the assignor;
 - (D) requires (in the event of a disclaimer of this lease) the assignor to enter into a new tenancy for a term equal to the unexpired residue of the Contractual Term; and
 - (E) is otherwise in a form reasonably required by the Landlord;
 - (ii) (if reasonably required by the Landlord) a condition that a person or persons of standing acceptable to the Landlord acting reasonably enters into a guarantee and indemnity with the Landlord as principle debtors (and if more than one jointly and severally) on such terms as the Landlord may reasonably require).
- (d) The Landlord and the Tenant agree that for the purposes of section 19(1A) of the Landlord and Tenant Act 1927 the Landlord may refuse its consent to an assignment if any of the following circumstances exist at the date of the Tenant's application for consent to assign the lease:
 - (i) the Annual Rent is outstanding or there is a material breach of covenant by the Tenant that has not been remedied (and any dispute

regarding the existence of a material breach shall be referred to an Expert pursuant to clause 38);

- (ii) in the Landlord's reasonable opinion the assignee is not of sufficient financial standing to enable it to comply with the Tenant's covenants and conditions contained in this lease; or
 - (iii) the assignee and the Tenant are group companies within the meaning of section 42 of the 1954 Act.
- (e) Nothing in this clause shall prevent the Landlord from giving consent subject to any other reasonable condition, nor from refusing consent to an assignment in any other circumstance where it is reasonable to do so.

16.2 UNDERLETTINGS

- (a) The Tenant shall not underlet the whole of the Property or a Permitted Part except in accordance with this clause nor without the consent of the Landlord, such consent not to be unreasonably withheld.
- (b) The Tenant shall not underlet part only of the Property other than a Permitted Part.
- (c) The Tenant shall not underlet the Property or a Permitted Part:
 - (i) together with any property or any right over property that is not included within this lease;
 - (ii) at a fine or premium or reverse premium; nor
 - (iii) allowing any rent free period to the undertenant that exceeds the period as is then usual in the open market in respect of such a letting.
- (d) The Tenant shall not underlet the Property or a Permitted Part unless, before the underlease is granted, the Tenant has given the Landlord:
 - (i) a certified copy of the notice served on the undertenant, as required by section 38A(3)(a) of the 1954 Act, applying to the tenancy to be created by the underlease; and
 - (ii) a certified copy of the declaration or statutory declaration made by the undertenant in accordance with the requirements of section 38A(3)(b) of the 1954 Act.
- (e) Any underletting by the Tenant shall be by deed and shall include:
 - (i) an agreement between the Tenant and the undertenant that the provisions of sections 24 to 28 of the 1954 Act are excluded from applying to the tenancy created by the underlease;
 - (ii) the reservation of a rent which is not less than the full open market rental value of the Property, or if the underletting is of a Permitted Part only the full open market rental value of that Permitted Part, at

the date the Property, or a Permitted Part (as the case may be), is underlet and which is payable at the same times as the Annual Rent under this lease (but this shall not prevent an underlease providing for a rent-free period of a length permitted by clause 16.2(c) (iii);

- (iii) provisions for the upwards only review of rent at the same dates and on the same basis as the review of rent in this lease, unless the term of the underlease does not extend beyond the next Review Date;
- (iv) a covenant by the undertenant, enforceable by and expressed to be enforceable by the Landlord (as superior landlord at the date of grant) and its successors in title in their own right, to observe and perform the tenant covenants in the underlease and any document that is supplemental or collateral to it and the tenant covenants in this lease (insofar as they relate to the underlet property and rights granted to the undertenant), except the covenants to pay the rents reserved by this lease;
- (v) a provision for re-entry by the underlessor on breach of any covenant by the undertenant,
- (vi) an absolute covenant against underletting and the same restrictions on assignment, charging, holding on trust for another, parting with or sharing possession or occupation of the underlet premises and the same provisions for direct covenants and registration as in this lease;
- (vii) provisions requiring the consent of the Landlord to be obtained in respect of any matter for which the consent of the Landlord is required under this lease; and
- (viii) in the case of an underletting of a Permitted Part, appropriate tenant covenants requiring the undertenant to pay an appropriate proportion of:-
 - (A) the costs of the insurance of the property demised by this lease; and
 - (B) the repair, maintenance and decoration of any property which does not form part of the underlet property but over which the undertenant is granted rights by the underlease in a form first approved by the Landlord (such approval not to be unreasonably withheld or delayed); and
 - (C) rates, taxes and other impositions payable in respect of the property demised by the lease; and
 - (D) all costs in connection with the supply and removal of electricity, gas, water, sewage, telecommunications, data and other services and utilities to or from the property demised by the lease;

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

- (f) In relation to any underlease granted by the Tenant, the Tenant shall:
 - (i) not vary the terms of the underlease nor accept a surrender of the underlease without the consent of the Landlord, such consent not to be unreasonably withheld;
 - (ii) enforce the tenant covenants in the underlease and not waive any of them nor allow any reduction in the rent payable under the underlease; and
 - (iii) ensure that in relation to any rent review the revised rent is not agreed without the approval of the Landlord, such approval not to be unreasonably withheld.
- (g) The Tenant shall enforce the performance and observance by every such underlessee of the provisions of any underlease and shall not at any time either expressly or by implication waive any breach of the covenants or conditions on the part of any underlessee or assignee of any underlease nor (without the consent of the Landlord such consent not to be unreasonably withheld) vary the terms or accept a surrender of any permitted underlease.
- (h) The Tenant shall procure in any permitted underletting that the rent is reviewed under such underletting in accordance with the terms of the underlease (if any) but shall not agree any such reviewed rent with the underlessee without the prior written consent of the Landlord (such consent not to be unreasonably withheld) and shall procure that if the rent under any underlease is to be determined by an independent person not to determine whether such person is to act as an expert or as an arbitrator without the Landlord's prior written consent and shall procure that the Landlord's representations as to the rent payable thereunder are made to such independent person to the reasonable satisfaction of the Landlord.
- (i) Where there has been an underletting the Tenant shall give notice of the details of the determination of every rent review to the Landlord within twenty-eight days of determination.

16.3 CHARGING

- (a) The Tenant shall not charge the whole of this lease without the consent of the Landlord, such consent not to be unreasonably withheld.
- (b) The Tenant shall not charge part only of this lease.

16.4 MISCELLANEOUS DEALINGS

Notwithstanding the provisions of this clause 16 the Landlord's consent shall not be required (and the notification of the Landlord pursuant to clause 16.6 shall not be required) for the following:-

- (a) employees of the Tenant living in the Mansion House, Mur Gwenyn and The Lodge provided that such occupation is by way of a strict service occupancy (confirming that such occupation shall be determined if the employee's employment ends) or an assured shorthold tenancy provided that such tenancies are granted for a term not exceeding six months;
- (b) the Tenant granting assured shorthold tenancies in respect of Mur Gwenyn and The Lodge provided that such tenancies are granted for a term not exceeding six months;
- (c) the use of any part of the Property for holiday lettings; and
- (d) the grant of Licences

PROVIDED ALWAYS that the Tenant shall ensure that any occupation of any part of the Property as living accommodation shall in no circumstances allow the occupier(s) any security of tenure and shall be in strict compliance with all planning laws, consents and licences required for such purposes and PROVIDED FURTHER THAT the Tenant shall enforce the performance and observance by any occupier of the provisions of any assured shorthold tenancy agreement, holiday letting agreement and Licences.

16.5 PROHIBITION OF OTHER DEALINGS

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

16.6 REGISTRATION AND NOTIFICATION OF DEALINGS AND OCCUPATION

- (a) In this clause a Transaction is:
 - (i) any dealing with this lease or the devolution or transmission of, or parting with possession of any interest in it; or
 - (ii) the creation of any underlease or other interest out of this lease, or out of any interest, underlease derived from it, and any dealing, devolution or transmission of, or parting with possession of any such interest or underlease; or

- (iii) the making of any other arrangement for the occupation of the Property; or
 - (iv) the charging of the Property.
- (b) In respect of every Transaction that is registrable at the Land Registry, the Tenant shall promptly following completion of the Transaction apply to register it (or procure that the relevant person so applies). The Tenant shall (or shall procure that) any requisitions raised by the Land Registry in connection with an application to register a Transaction are dealt with promptly and properly. Within one month of completion of the registration, the Tenant shall send the Landlord official copies of its title (and where applicable of the undertenant's title).
- (c) No later than one month after a Transaction the Tenant shall:
 - (i) give the Landlord's solicitors notice of the Transaction; and
 - (ii) deliver two certified copies of any document effecting the Transaction to the Landlord's solicitors; and
 - (iii) pay the Landlord's solicitors a reasonable registration fee (plus VAT).
- (d) If the Landlord so requests, the Tenant shall promptly supply the Landlord with full details of the occupiers of the Property and the terms upon which they occupy it.

16.7 CLOSURE OF THE REGISTERED TITLE OF THIS LEASE

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

17. REPAIRS

- 17.1 The Tenant shall keep the Property clean and tidy and in good and tenable repair and condition including, for the avoidance of doubt, the whole of all buildings forming part of the Property and all additions thereto (including the chimneys roofs valleys and gutters) and the walls rails fences hedges ditches and gates situate on the Property.
- 17.2 The Tenant shall keep all roofs valleys and gutters of all buildings forming part of the Property free from leaves and dirt.

- 17.3 The Tenant shall keep all the drains sinks sewers soil and other pipes belonging to the Property in good working order and condition.
- 17.4 The Tenant shall repair and keep in tenantable repair all windows and skylights locks latches and fastners and the sanitary and water apparatus at the Property.
- 17.5 For the avoidance of doubt, the covenants contained in this clause 17 shall be construed as if they had been given at the date of the Previous Lease.

18. DECORATION

- 18.1 The Tenant shall paint with two good coats of oil paint in a workmanlike manner at least once every five years and in the last year of the term howsoever determined all the outside wood and iron work and all the other parts of the Property heretofore usually painted (including gates) and any additions thereto proper to be so painted and shall so often as may be necessary in a workmanlike manner tar or whitewash such parts of the exterior of the outbuildings and fences belonging to the Property as have usually heretofore been so treated.
- 18.2 At least once every seven years and in the last year of the said term howsoever determined the Tenant shall whitewash such parts of the interior of the buildings forming part of the Property as are usually whitewashed and shall paint with two coats at least of good oil paint in a workmanlike manner all the inside wood and iron work and other parts of the Property heretofore usually painted and any additions thereto proper to be painted and after every such painting shall grain and varnish all such parts as have previously been so treated and shall repaper with suitable paper of as good quality as that in use at the commencement of the term the parts usually papered.
- 18.3 All decoration shall be carried out in a good and proper manner using good quality materials that are appropriate to the Property and the Permitted Use and shall include all appropriate preparatory work.
- 18.4 All decoration carried out in the last year of the term shall also be carried out to the satisfaction of the Landlord and using materials, designs and colours approved by the Landlord.

19. ALTERATIONS

- 19.1 The Tenant shall not make any external or structural alteration or addition to the Property without the previous written consent of the Landlord, such consent not to be unreasonably withheld or delayed.

19.2 Clause 19.1 shall not be construed so as to require consent for the laying out of parking spaces hardstandings for caravan pitches and the supply of water and other services for housing caravans on the Property.

19.3 The Tenant shall not make any internal or non-structural alterations to the Property without the consent of the Landlord, such consent not to be unreasonably withheld or delayed.

19.4 Save in respect of clause 19.2 the Tenant shall not install any Service Media at the Property nor alter the route of any Service Media at the Property without the consent of the Landlord, such consent not to be unreasonably withheld or delayed.

20. SIGNS

20.1 In this clause **Signs** include signs, fascia, placards, boards, posters and advertisements.

20.2 The Tenant shall not display any Signs at the Property or display any except Signs of a design, size and number and in a position that are appropriate to the Property and the Permitted Use, without the consent of the Landlord (such consent not to be unreasonably withheld).

20.3 Before the end of the term, the Tenant shall remove any Signs placed by it at the Property and shall make good any damage caused to the Property by that removal.

20.4 The Tenant shall allow the Landlord to fix to and keep at the Property any sale or re-letting board as the Landlord reasonably requires during the last six months of the term.

21. RETURNING THE PROPERTY TO THE LANDLORD

21.1 At the end of the term the Tenant shall return the Property to the Landlord in the repair and condition required by this lease.

21.2 At the end of the term, the Tenant shall remove from the Property all chattels belonging to or used by it.

21.3 The Tenant irrevocably appoints the Landlord to be the Tenant's agent to store or dispose of any chattels or items it has fixed to the Property and which have been left by the Tenant on the Property for more than ten working days after the end of the term. The Landlord shall not be liable to the Tenant by reason of that storage or

disposal. The Tenant shall indemnify the Landlord in respect of any claim made by a third party in relation to that storage or disposal.

22. USE

22.1 The Tenant shall not use the Property for any purpose other than the Permitted Use.

22.2 The Tenant shall not use the Property for any illegal purpose nor for any purpose or in a manner that would cause loss, damage, injury, nuisance or inconvenience to the Landlord, its other tenants or any other owner or occupier of neighbouring property.

22.3 The Tenant shall keep the gardens pleasure grounds drives and walks belonging to the Property in good order and condition and fully stocked and shall manage the same gardens and pleasure grounds according to approved methods of gardening.

22.4 The Tenant shall replace all ornamental or fruit trees or shrubs which die or become unprofitable with others of healthy and suitable kinds and shall properly guard and protect the same and shall not without the previous consent in writing of the Landlord alter the style of the said gardens or pleasure grounds such consent not to be unreasonably withheld.

22.5 The Tenant shall not fell cut down lop top or carry away for commercial purposes any of the timber or other trees now growing or being or which shall at any time during the term grow or be upon any part of the Property unless such felling is required in the general management of the woodland and no felling shall be carried out which would alter the character of the Property.

22.6 The Tenant shall not destroy disturb or interfere with any herons or their nests.

23. COMPLIANCE WITH LAWS

23.1 The Tenant shall comply with all laws relating to:

- (a) the Property and the occupation and use of the Property by the Tenant;
- (b) the use of all Service Media and machinery and equipment at or serving the Property;
- (c) any works carried out at the Property; and
- (d) all materials kept at or disposed from the Property.

- 23.2 Without prejudice to any obligation on the Tenant to obtain any consent or approval under this lease, the Tenant shall carry out all works that are required under any law to be carried out at the Property whether by the owner or the occupier.
- 23.3 Within five working days after receipt of any notice or other communication affecting the Property (and whether or not served pursuant to any law) the Tenant shall:
- (a) send a copy of the relevant document to the Landlord; and
 - (b) take all steps necessary to comply with the notice or other communication and take any other action in connection with it as the Landlord may acting reasonably require.
- 23.4 The Tenant shall not apply for any planning permission for the Property without the Landlord's consent such consent not to be unreasonably withheld or delayed.
- 23.5 The Tenant shall not carry out any works at the Property in respect of which the Construction (Design and Management) Regulations 2015 apply without the consent of the Landlord. Such consent is not to be unreasonably withheld in the case of works in respect of which the Landlord is not otherwise to withhold its consent unreasonably or which the Tenant is obliged to carry out under the terms of this lease.
- 23.6 The Tenant shall maintain the health and safety file for the Property in accordance with the Construction (Design and Management) Regulations 2015 and shall give it to the Landlord at the end of the term.
- 23.7 As soon as the Tenant becomes aware of any defect in the Property, it shall give the Landlord notice of it. The Tenant shall indemnify the Landlord against any liability under the Defective Premises Act 1972 in relation to the Property by reason of any failure of the Tenant to comply with any of the tenant covenants in this lease.
- 23.8 The Tenant shall keep all necessary parts of the Property equipped with all fire prevention, detection and fighting machinery and equipment and fire alarms which are required under all relevant laws or required by the insurers of the Property or reasonably recommended by them or reasonably required by the Landlord and shall keep that machinery, equipment and alarms properly maintained and available or inspection.

24. ENCROACHMENTS, OBSTRUCTIONS AND ACQUISITION OF RIGHTS

- 24.1 The Tenant shall not grant any right or licence over the Property to a third party.

- 24.2 If a third party makes or attempts to make any encroachment over the Property or takes any action by which a right may be acquired over the Property, the Tenant shall:
- (a) immediately give notice to the Landlord; and
 - (b) take all steps (including any proceedings) the Landlord reasonably requires to prevent or license the continuation of that encroachment or action.
- 24.3 The Tenant shall not obstruct the flow of light or air to the Property nor obstruct any means of access to the Property.
- 24.4 The Tenant shall not make any acknowledgement that the flow of light or air to the Property or that the means of access to the Property is enjoyed with the consent of any third party.
- 24.5 If any person takes or threatens to take any action to obstruct the flow of light or air to the Property or obstruct the means of access to the Property, the Tenant shall:
- (a) immediately notify the Landlord; and
 - (b) take all steps (including proceedings) the Landlord reasonably requires to prevent or secure the removal of the obstruction.

25. REMEDY BREACHES

- 25.1 The Landlord may (after giving the Tenant reasonable prior notice except in the case of an emergency when no such notice shall be required) enter the Property to inspect its condition and state of repair and may give the Tenant a notice of any breach of any of the tenant covenants in this lease relating to the condition or repair of the Property.
- 25.2 If the Tenant has not begun any works needed to remedy that breach within twenty one days following that notice (or if works are required as a matter of emergency, then immediately) or if the Tenant is not carrying out the works with all due speed, then the Landlord may enter the Property and carry out the works needed.
- 25.3 The costs incurred by the Landlord in carrying out any works pursuant to this clause (and any professional fees and any VAT in respect of those costs) shall be a debt due from the Tenant to the Landlord and payable on demand.
- 25.4 Any action taken by the Landlord pursuant to this clause shall be without prejudice to the Landlord's other rights, including those under clause 29.

26. INDEMNITY

The Tenant shall keep the Landlord indemnified against all expenses, costs, claims, damage and loss (including any diminution in the value of the Landlord's interest in the Property and loss of amenity of the Property) arising from any breach of any tenant covenants in this lease, or any act or omission of the Tenant, any undertenant or their respective workers, contractors or agents or any other person on the Property with the actual or implied authority of any of them provided the Landlord takes reasonable steps to mitigate such loss.

27. OPTION TO RENEW

27.1 The Landlord grants the Tenant, during the Option Period, an option to take the New Lease.

27.2 The Tenant may exercise the Option at any time during the Option Period by serving an Option Notice on the Landlord. The Option Notice must:-

- (a) exercise the Option in respect of the whole of the Property and not in respect of part only; and
- (b) be given in writing and in accordance with clause 33 of this lease.

27.3 The service of the Option Notice by the Tenant shall be of no effect if, at the date of service of the Option Notice or at the Completion Date, there is a subsisting material breach of any of the tenant covenants of this lease that, in the Landlord's reasonable opinion:-

- (a) will or is likely to materially reduce the capital value or the rack rental value of the Property; or
- (b) will or is likely to materially reduce the capital value or the rack rental value of the Landlord's Neighbouring Property; or
- (c) will or is likely to prevent the Landlord's Neighbouring Property from being used for its use at the date of service of the Option Notice or make it materially more expensive to continue using it for that use; or
- (d) will or is likely to prevent a landlord from reletting the Property on the Completion Date;

and any dispute regarding the existence of a material breach shall be referred to an Expert pursuant to clause 38.

27.4 If the Option is exercised in accordance with the terms of this clause, the Landlord will grant to the Tenant and the Tenant will accept from the Landlord the New Lease, provided that:

- (a) the Tenant cannot require the Landlord to grant the New Lease to any person other than the Tenant; and

- (b) no premium is payable for the grant of the New Lease.

27.5 The New Lease shall:

- (a) include all of the terms, requirements, covenants and conditions contained in this lease except to the extent that they are inconsistent with the terms of this clause;
- (b) be for a term of years beginning on and including 23rd December 2046 and ending on and including 22nd December 2076;
- (c) be at an initial annual rent of an amount equivalent to the annual rent payable by the Tenant at the end of the term of this lease (and then as revised pursuant to the provisions for rent review in the New Lease); and
- (d) not include an option to renew the New Lease.

27.6 The Landlord will grant the New Lease with full title guarantee.

27.7 If the Option is exercised, the Tenant will pay the Landlord's reasonable legal costs and disbursements incurred in connection with the grant of the New Lease on the Completion Date.

27.8 Completion of the New Lease will take place on the date twenty working days after the date of service of the Option Notice.

27.9 If the Option is not exercised in accordance with the terms of this clause then, immediately after the expiry of the Option Period, the Tenant will remove all entries relating to the Option registered against the Landlord's title to the Property.

28. LANDLORD'S COVENANTS FOR QUIET ENJOYMENT

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

29. GUARANTEE AND INDEMNITY

29.1 If any Insolvency Event occurs in relation to a guarantor that is a corporation, or occurs in relation to one or more individuals who is a guarantor or if one or more of those individuals dies or becomes incapable of managing its affairs the Tenant shall, if the Landlord requests, procure that a person of standing acceptable to the Landlord enters into a replacement or additional guarantee and indemnity of the tenant covenants of this lease in the same form as that entered into by the former guarantor.

29.2 For so long as any guarantor remains liable to the Landlord, the Tenant shall, if the Landlord requests, procure that that guarantor joins in any consent or approval

required under this lease and consents to any variation of the tenant covenants of this lease.

30. CONDITION FOR RE-ENTRY

30.1 The Landlord may re-enter the Property at any time after any of the following occurs:

- (a) any rent is unpaid 21 days after becoming payable whether it has been formally demanded or not;
- (b) any material breach of any condition of, or tenant covenant, in this lease.

30.2 Before commencing any proceedings for forfeiture of this lease, the Landlord shall:

- (a) give notice of the breach complained of to any mortgagee of this lease of whom the Landlord has received written notice pursuant to clause 16.6; and
- (b) if the mortgagee confirms in writing to the Landlord within 14 days of the notice that it wishes to remedy the breach, allow the mortgagee 28 days (or such longer time as may be reasonable in view of the nature of the breach) to remedy the breach.

30.3 If the Landlord re-enters the Property pursuant to this clause, this lease shall immediately end, but without prejudice to any right or remedy of the Landlord in respect of any breach of covenant by the Tenant or any guarantor.

31. LIABILITY

31.1 At any time when the Landlord, the Tenant or a guarantor is more than one person, then in each case those persons shall be jointly and severally liable for their respective obligations arising by virtue of this lease. The Landlord may release or compromise the liability of any one of those persons or grant any time or concession to any one of them without affecting the liability of any other of them.

31.2 The obligations of the Tenant and any guarantor arising by virtue of this lease are owed to the Landlord and the obligations of the Landlord are owed to the Tenant.

31.3 In any case where the facts are or should reasonably be known to the Tenant, the Landlord shall not be liable to the Tenant for any failure of the Landlord to perform any landlord covenant in this lease unless and until the Tenant has given the Landlord notice of the facts that give rise to the failure and the Landlord has not remedied the failure within a reasonable time.

32. ENTIRE AGREEMENT AND EXCLUSION OF REPRESENTATIONS

- 32.1 This lease constitutes the entire agreement and understanding of the parties relating to the transaction contemplated by the grant of this lease and supersedes any previous agreement between the parties relating to the transaction.
- 32.2 The Tenant acknowledges that in entering into this lease it is not relying on, and shall have no remedy in respect of, any statement or representation made by or on behalf of the Landlord.
- 32.3 Nothing in this lease constitutes or shall constitute a representation or warranty that the Property may lawfully be used for any purpose allowed by this lease.
- 32.4 Nothing in this clause shall, however, operate to limit or exclude any liability for fraud.

33. NOTICES, CONSENTS AND APPROVALS

- 33.1 Except where this lease specifically states that a notice need not be in writing, or where notice is given in an emergency, any notice given pursuant to this lease shall be in writing.
- 33.2 A written notice shall be delivered by hand or sent by pre-paid first class post or registered post. A correctly addressed notice sent by pre-paid first class post shall be deemed to have been delivered at the time at which it would have been delivered in the normal course of the post.
- 33.3 Section 196 of the Law of Property Act 1925 shall otherwise apply to notices given under this lease.
- 33.4 Where the consent of the Landlord is required under this lease, a consent shall only be valid if it is given by deed, unless:
- (a) it is given in writing and signed by a person duly authorised on behalf of the Landlord; and
 - (b) it expressly states that the Landlord waives the requirement for a deed in that particular case.

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

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

- (a) the approval is being given in a case of emergency; or
- (b) this lease expressly states that the approval need not be in writing.

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

34. GOVERNING LAW AND JURISDICTION

34.1 This lease shall be governed by and construed in accordance with the law of England and Wales.

34.2 The Landlord and the Tenant (and any guarantor) irrevocably agree to submit to the exclusive jurisdiction of the courts of England and Wales over any claim or matter arising under or in connection with this lease or the legal relationships established by it.

35. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

A person who is not a party to this lease shall not have any rights under or in connection with this lease by virtue of the Contracts (Rights of Third Parties) Act 1999.

36. LANDLORD AND TENANT (COVENANTS) ACT 1995

This lease creates a new tenancy for the purposes of the Landlord and Tenant (Covenants) Act 1995.

37. ARBITRATION

Unless this lease states otherwise, any dispute in relation to this lease shall be referred in accordance with the Arbitration Act 1996 to a single arbitrator nominated in default of agreement between the Landlord and the Tenant by the President for the time being of the Royal Institution of Chartered Surveyors or his duly appointed deputy at the request of either of them.

38. EXPERT

- 38.1 The parties shall agree on the appointment of an independent Expert and shall agree with the Expert the terms of his appointment.
- 38.2 If the parties are unable to agree on an Expert or the terms of his appointment within seven days of either party serving details of a suggested expert on the other, either party shall then be entitled to request the President for the time being of the Royal Institution of Chartered Surveyors to appoint an Expert of repute with at least 10 years experience in dealing with the type of matter being referred.
- 38.3 The Expert is required to prepare a written decision including reasons and give notice (including a copy) of the decision to the parties within a maximum of three months of the matter being referred to the Expert.
- 38.4 If the Expert dies or becomes unwilling or incapable of acting, or does not deliver the decision within the time required by this clause then:-
- (a) either party may apply to the President for the time being of the Royal Institution of Chartered Surveyors to discharge the Expert and to appoint a replacement Expert with the required expertise; and
 - (b) this clause shall apply to the new Expert as if he were the first Expert appointed.
- 38.5 All matters under this clause must be conducted, and the Expert's decision shall be written, in the English language.
- 38.6 The parties are entitled to make submissions to the Expert and will provide (or procure that others provide) the Expert with such assistance and documents as the Expert reasonably requires for the purpose of reaching a decision.
- 38.7 The Expert shall act as an expert and not as an arbitrator. The Expert shall determine the matter being referred which may include any issue involving the interpretation of any provision of this lease, his jurisdiction to determine the matters and issues referred to him/or his terms of reference. The Expert may award interest as part of his decision. The Expert's written decision on the matters referred to him shall be final and binding on the parties in the absence of manifest error or fraud.
- 38.8 Each party shall bear its own costs in relation to the reference to the Expert. The Expert's fees and any costs properly incurred by him in arriving at his determination (including any fees and costs of any advisers appointed by the Expert) shall be borne by the parties equally or in such other proportions as the Expert shall direct.

38.9 All matters concerning the process and result of the determination by the Expert shall be kept confidential among the parties and the Expert.

38.10 Each party shall act reasonably and co-operate to give effect to the provisions of this clause and otherwise do nothing to hinder or prevent the Expert from reaching his determination.

39. EXCLUSION OF USE WARRANTY

Nothing in this lease or in any consent granted by the Landlord under this lease shall imply or warrant that the Property may be used for the purposes herein authorised (or any purpose subsequently authorised) under the Town and Country Planning Act 1990, the Planning (Listed Building and Conservation Areas) Act 1990, the Planning (Hazardous Substances) Act 1990, the Planning (Consequential Provisions) Act 1990, the Planning and Compensation Act 1991, Planning and Compulsory Purchase Act 2004 or the Planning Act 2008.

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

Executed as a deed by PORTMADOC
HOLIDAY CAMP LIMITED acting by a
director and the company secretary (or by
two directors)

~~Anders~~
.....
Director *Anders*
.....
~~X~~
.....
Director/Secretary