

1. Matthew George
Cooper Lewes Gee
and
Loveday Elisabeth
Talbot Gee

2. Llanllyr Spring Water
Company Limited

Counterpart Water Extraction Licence relating to
Land at Llanllyr, Talsarn, Lampeter, Dyfed

Biddle
1 Gresham Street
London
EC2V 7BU
Ref: 9/186

LICENCE

DATED: 25th May

1999

PARTIES:

- (1) Matthew George Cooper Lewes Gee and Loveday Elisabeth Talbot Gee both of Llanllyr, Talsarn, Lampeter, Dyfed DA48 8QB ("together the Licensor")
- (2) Llanllyr Spring Water Company Limited whose registered office is at 1 Gresham Street, London EC2V 7BU (Company no. 3648492) ("the Licensee")

WHEREAS

- A. The Parties have entered into the lease ("the Lease") set out in Schedule 1 to this Licence, the property demised by the Lease being described as "the Property".
- B. The Licensee for the purposes of carrying out its business requires to carry out certain works and maintain equipment and installations on the land of the Landlord ("the Retained Land") and hatched brown on the plan ("the Plan") attached to this Licence.

NOW THIS DEED WITNESSES as follows

1. Duration

The Licensor grants this Licence for the period of 99 years from the date of this Licence.

2. Rights Granted

The Licensor grants to the Licensee the following rights ("the Rights") subject to clauses 3 and 4 below:

- 2.1. to extract water from the borehole marked X on the Plan and to take it via the existing pipe to the Property together with the right to a supply of electricity via the existing cables to such borehole provided that the Licensor shall be permitted to continue to take a supply of water from such borehole for the purposes of its farm on the Retained Land.
- 2.2. with the Licensor's consent as to the positions of such boreholes (such consent not to be unreasonably withheld or delayed) the right to sink and maintain up to six further boreholes on the Retained Land and the right to extract water from such boreholes

- 2.3. with the Licensor's consent to the route and method of installation (such consent not to be unreasonably withheld or delayed) to lay maintain replace or relay any pipes and cables in over or under the Retained Land for the purposes of connecting and maintaining the connection of the boreholes to mains electricity and of piping water from the boreholes to the Property
- 2.4. in the event that the Lease is terminated during the period of this Licence with the Licensor's consent to the route and method of installation (such consent not to be unreasonably withheld or delayed) to lay maintain replace or relay pipes to take water from the boreholes away from the Retained Land to a discharge point at a location within the ownership and control of the Licensor to be reasonably specified by the Licensor provided that the Licensee shall at all times have a right of access and egress with and without vehicles to such discharge point.
- 2.5. to install and retain at the boreholes any fixtures fittings equipment and apparatus required by the Licensee for the purpose of the exercise of its rights under this Licence
- 2.6. to enter onto such parts of the Retained Land as is necessary for the purpose of the exercise of any of its rights under this Licence as set out above
- 2.7. to take electricity supplies through the cables referred to in subsections 2.1 and 2.3 above subject to payment of the cost of such supplies.

3. Licence Fee

The Licensee agrees to pay to the Licensor the licence fee ("the Licence Fee") annually in arrears on 12 January and 12 July of each year of this Licence and the Licence Fee shall be calculated according to the total volume of water extracted by the Licensee by reference to the following rates ("the Royalty Rates") subject to review as set out in Schedule 3:

- up to 500,000 litres £0.005 per litre
- between 500,000 litres and 1,500,000 litres £0.0075 per litre
- between 1,500,000 litres and 1,600,000 litres £0.008 per litre
- between 1,600,000 litres and 1,700,000 litres £0.0085 per litre
- between 1,800,000 litres and 1,900,000 litres £0.0095 per litre
- over 1,900,000 litres £0.01 per litre.

4. Licensee's covenants

The Licensee covenants with the Licensor as follows:

- 4.1. To pay to the Licensor the Licence Fee (together with any VAT and any tax of a similar nature substituted for or payable in addition to it payable thereon) without any deduction set off withholding or counterclaim whatsoever.
- 4.2. Not to assign the benefit of this Licence without the consent in writing of the Licensor such consent not to be unreasonably withheld or delayed.
- 4.3. To maintain in good repair and condition all pipes fixtures fittings equipment and apparatus installed by the Licensee pursuant to this Licence.
- 4.4. Not to do on the Retained Land anything which is a nuisance or cause of damage to the Landlord or any adjoining or nearby property provided that this shall not prevent the Licensee from carrying out its business as permitted by this Licence in a proper and efficient way.
- 4.5. To erect and maintain in good repair around each borehole sunk by the Licensee or from which the Licensee extracts water pursuant to this Licence a continuous stock-proof security fence of such position good quality materials and construction to be approved by the Landlord (such approval not to be unreasonably withheld or delayed).
- 4.6. To install and maintain meters at the boreholes to measure the volume of water extracted by the Licensee and
 - 4.6.1. To have meter readings taken twice a year on 1 January and 1 July in each year of the Licence in order to measure the amount of water extracted by the Tenant and to supply those readings to the Landlord within seven days of those dates.
 - 4.6.2. At any time but not more frequently than once a fortnight to provide meter readings to the Licensor within a week of request without charge.
 - 4.6.3. To permit the Licensor at all reasonable times to inspect the water meters.
- 4.7. If so required by the Licensor to cap off such boreholes as from time to time are the subject of the Licence and become disused in the course of this Licence.

- 4.8. If so required by the Licensor upon termination of this Licence howsoever determined to remove all fixtures fittings and equipment installed on the Retained Land by the Licensee pursuant to this Licence making good all damage thereby caused and to cap off such boreholes as have from time to time been the subject of this Licence.
- 4.9. Not to bring onto the Retained Land any substance which is or might become of a dangerous hazardous or contaminative nature or which might adversely affect or damage the Retained Land except where such substance is not dangerous hazardous or contaminative when properly used.
- 4.10. To pay interest at the rate of 2% per annum above the base lending rate from time to time or its equivalent of National Westminster Bank plc (or such other bank as the Licensor may from time to time nominate) upon the Licence Fee from the date upon which it falls due until the date of actual payment.
- 4.11. To comply with the requirements of all statutes and other regulations relating to the carrying out any work on the Retained Land by the Licensee and the extraction of water from the boreholes.
- 4.12. To comply with the reasonable requirements of the Licensor in relation to the management of the Retained Land.
- 4.13. To make good to the reasonable satisfaction of the Licensor all damage to the Retained Land and the Licensor's equipment and stock caused by the Licensee's exercise of the rights granted by this Licence.

5. LICENSOR'S COVENANTS

The Licensor covenants with the Licensee as follows:

- 5.1. For the period of twenty years from the date of this Licence the Licensor will not farm the Retained Land other than organically in compliance with Soil Association Standards for organic land.
- 5.2. The Licensor will exercise all reasonable precautions in relation to the Retained Land and any of its other land to ensure that the water extracted by the Licensee pursuant to this Licence does not become contaminated and that the hygiene regime which the Licensee is required to maintain for the business carried on at the Property is not in any way adversely affected Provided that this shall not extend to the arrangements for security at the boreholes and their surrounds.

5.3. So far as the Licensor is aware the Licensor has legal title to grant this Licence, the Retained Land is not subject to any covenant or restriction on the title which would prevent the intended use and there are no consents required for the grant of this Licence from any mortgagee which have not been duly obtained.

6. **PROVIDED THAT:**

6.1. The Licensor shall be entitled to terminate this Licence without notice and without prejudice to any accrued rights of action if any one or more of the following events occur:

6.1.1. the Licence Fee or any material part of it amounting to more than £500 is in arrear for twenty-eight days or more (after written demand).

6.1.2. the Licensee is in material breach of any of its covenants in this Licence and fails to remedy such breach within 28 days of written notice of such breach being given by the Licensor.

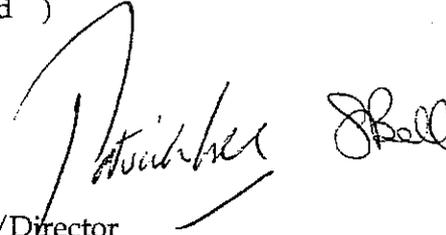
6.2. The Licensor shall be entitled to terminate this Licence on three months notice if on or after the fifth year of this Licence the total volume of water extracted by the Licensee in the immediately preceding 12 month period does not exceed 300,000 litres.

6.3. Upon termination of this Licence howsoever determined the Licensee shall remove all pipes fixtures fittings equipment and apparatus installed by the Licensee making good all damage thereby caused and shall cap off (if so required by the Licensor) all boreholes that have been from time to time the subject of this Licence and remove any surrounding fencing.

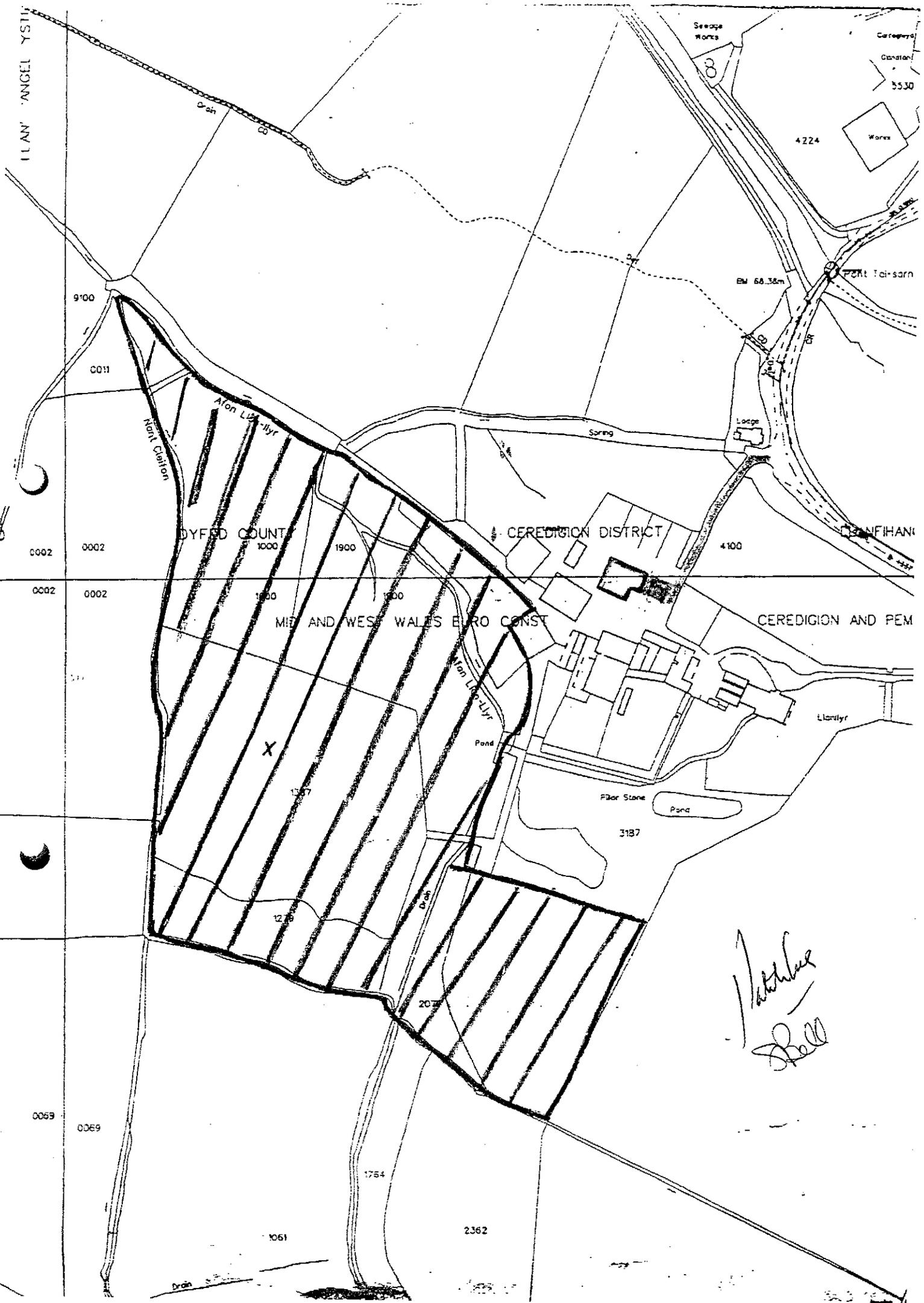
SIGNED as a DEED for and on behalf of)
Llanllyr Spring Water Company Limited)
acting by

Director

Secretary/Director

The image shows two handwritten signatures in black ink. The first signature is larger and more stylized, written over the 'Director' label. The second signature is smaller and more compact, written over the 'Secretary/Director' label.

LLAN' ANGEL YSTIU



Handwritten signature:
 H. H. Bell