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STRATEGIC PLANNING AND CAPITAL MONITORING PANEL

Day: Monday
Date: 30 November 2015
Time: 2.00 pm
Place: Lesser Hall - Dukinfield Town Hall

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From: Democratic Services Unit – any further information may be obtained from the reporting officer or from Carolyn Eaton, Senior Democratic Services Officer, to whom any apologies for absence should be notified.

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Report To:	STRATEGIC PLANNING AND CAPITAL MONITORING PANEL
Date:	30 November 2015
Executive Member / Reporting Officer:	Councillor Jim Fitzpatrick - First Deputy (Performance and Finance) Sandra Stewart – Executive Director Governance & Resources
Subject:	ACQUISITION OF HYDE UNITED FOOTBALL CLUB CLUBHOUSE AND STAND
Report Summary:	<p>Hyde United Football Club currently benefits from a 125 year lease, dated 21 June 1995, in respect of Ewen Fields, Grange Road, Hyde which it uses as its home football ground and training facility. Whilst the freehold of the site is owned by the Council, the assets on the site are owned by the Club.</p> <p>This report proposes the acceptance of surrender of the 125 year lease, a gross payment of up to a £125K, in respect of the lease surrender and the provision of a replacement lease to the Club on a 25 year term, with a rolling mutual break, contracted out of the Landlord and Tenant Act 1954. The annual rent payable which will be linked to RPI will be dependent on the premium which the Club opts for.</p>
Recommendations:	<p>That it be recommended to Cabinet that the Council offer a premium to Hyde United Football Club Limited for the early surrender of the existing 125 year lease in respect of the land and buildings, currently known as Ewen Fields, Grange Road, Hyde, Cheshire SK14 2SB of £125K and the Borough Solicitor be authorised to grant a 25 year lease at a rental of £6.25K subject to annual RPI, in respect of the same land and buildings, and to reflect the markets terms subject to a rolling annual mutual break, (contracted out of the Landlord & Tenant Act 1954), and subject to a condition of the deal, that Hyde United Football Club repays an outstanding loan made to the Club from the premium.</p>
Links to Community Strategy:	<p>The advice shows that medium and long term the purchase of the assets and the reduced term of the lease will enable the Council to have greater flexibility to determine the future use of the site, whilst securing the short to medium term future of Hyde United Football Club.</p>
Policy Implications:	<p>In line with Council Policy.</p>
Financial Implications: (Authorised by the Section 151 Officer)	<p>The proposed offer is as outlined in section 4.2 and is based on the valuation provided by Matthews and Goodman.</p> <p>On 22 June 2011 Tameside Council approved, following a Key Decision, a £1.0m capital investment scheme for Hyde. Phase 1 of this scheme incorporated plans to:</p> <ul style="list-style-type: none">• Re-drain and resurface the natural turf pitch at Hyde United FC / Walker Lane.• Reclaim and clear redundant land between the Leisure

Pool and Hyde United FC.

- Extend the existing Active Hyde Leisure Pool car park to provide 198 spaces.
- Install a Multi-Use Games Area at Millennium Green.

The above works were successfully completed in December 2011 at a cost of £0.595m leaving a residual balance of £0.405m in the 2015/16 capital programme.

The Council decision also made provision for a phase 2 element which included the development of facilities at Hyde United FC including a synthetic 3G pitch and a community building. The original planned completion date for Phase 2 was July 2012. In order to successfully deliver phase 2 it was envisaged that the Club would seek a match funding capital contribution from the Premier League's Community Fund. It was agreed that once the outcome of the Community Fund bid was known a further report would be presented to the Council to approve the start of phase 2. Due to the considerable time lapse that since ensued, the matter was considered at the Joint Meeting of the Council's Executive Cabinet and Overview (Audit) Panel on 12 February 2014. *Hyde United FC be given a deadline of 31 March 2014 to confirm that the necessary funding from the Football Foundation is in place for the scheme. If a definitive guarantee was not provided by 31 March 2014, then the Council's capital support for the scheme would be withdrawn.* Funding was not secured by the deadline established above, and on 14 July 2015 the Council received notification from the Club that its bid to the Football Foundation had been unsuccessful.

Accordingly, it is proposed that the funding to buy out the lease and secure the land and a greater rent which can fund any necessary borrowing for the capital is earmarked from this allocation.

Legal Implications:
(Authorised by the Borough Solicitor)

The cash injection that will result from the sale of the assets to the Council could enable Hyde United Football Club to continue into the future, although there is no guarantee of this. The termination of the 125 year lease provides the Council with greater control of the Club site should it be placed in receivership.

Whilst on the face of it this proposal will see no immediate change in the day to day management of the Club it will in the short term assist the Club in meeting their financial liabilities allowing them to concentrate on the running of the Club.

The proposal is intended to secure the financial viability of the Club and where this is not achieved secure the Council's ability to determine the future of the site on a more sensible financial basis in the economic interests of the Borough.

Risk Management:

There are a number of risks relating to the current position relating to the football Club and ground.

Hyde United Football Club have made it known that they are in significant financial difficulties and struggling to pay their outstanding debts of which payment of a debt of £50K is

pressing.

The termination of the 125 year lease provides the Council with greater control of the Club site should it be placed in receivership and represents vfm to the Council.

The cash injection that will result from the sale of the assets to the Council, could enable it to continue into the future, although there is no guarantee of this.

There is a risk of the Club going into administration or other analogous position of insolvency. If this occurs then the deal which the Council now proposes could be reviewed to determine whether it was on solid commercial terms or, if not, with a view to the transaction being set aside. Ultimately this should mean the repayment of the premium

Access to Information:

The background papers relating to this report can be inspected by contacting the report writer, by contacting Sandra Stewart Borough Solicitor:



Telephone: 0161 342 3028



E-mail: Sandra.stewart@tameside.gov.uk

1 INTRODUCTION

- 1.1 Hyde United FC leases a 4.07 acre site, known as Ewen Fields, Hyde, from the Council, on a 125 year term from 21 June 1995. The Club owns the building, stands and other facilities on the site. A copy of the site plan is appended at **Appendix 1**. The original lease dated 21 June 1995, is attached at **Appendix 2**.
- 1.2 Hyde United Football Club was formed in 1885 as Hyde FC and became Hyde United in 1919 and changed its name back to Hyde FC in 2010 as a result of a sponsorship deal with Manchester City. It reverted back to Hyde United in 2015.
- 1.3 The Club has experienced financial problems caused in part by attendance at games remaining low due to the economic climate.
- 1.4 The current management are passionate about the Club. To alleviate some of the financial pressures and to secure the sustainability of the Club into the future, they have contacted the Council with a view to surrendering the current 125 year lease in return for a premium and a new lease. It is proposed that the new lease has a significantly shorter term of 25 years on a rolling annual break with the rent remaining at the current level (increased annually in line with the retail price index) and to be contract out of the Landlord and Tenant Act 1954.
- 1.5 The Council has commissioned a valuation of the clubhouse and grounds and also condition surveys in respect of the building.
- 1.6 This report provides further detail of the proposed transaction and seeks approval from the decision maker to accept the surrender of the 125 year lease and to enter into a shorter term lease for 25 years, with a rolling annual break and contracted out of the Landlord and Tenant Act 1954, using the opportunity purchase fund to enable the Club to concentrate on developing and sustaining the Club.

2 SCOPE OF THE CLUB HOUSE AND FACILITIES

- 2.1 Details of the premises are set out below:

General

- 2.2 Hyde United Football Club comprises an active operational football Club with an established levelled and drained playing field, together with five main stands. The main stand is seated whilst the remaining are standing terraces. The Club has, within the main stand, players and referees changing facilities and administrative offices, together with Club sponsor's bar lounge area and kitchens and WCs. The players and referee's changing accommodation is at ground floor level, together with first aid room and match day kitchen servery.

- 2.3 The total site area is approximately 4.07 acres (1.65 ha).

Main Stand

- 2.4 The main stand was originally constructed in 1986 and extended in 1996. It is constructed of steel and concrete frame, with profile steel cladding to the walls and canopy areas. The stand is seated and has external fluorescent lighting.
- 2.5 At the upper level, accommodation comprises an office, kitchen and main Club sponsors bar lounge area, together male and female WCs. The accommodation is heating by way of a gas fired central heating system, serving water filled radiators throughout and the bar is fitted out to a reasonable standard internally.

2.6 The ground floor area comprises home and away team changing rooms, together with shower facilities. The changing rooms are of basic accommodation with block emulsioned walls, whilst the shower areas are fully tiled and incorporates WC facilities.

2.7 There is a manager's office, together with first aid facility and the referees' changing facilities, together with a match day servery kitchen, serving hot food via an external hatch.

Leigh Street Stand and Walker Lane Stand

2.8 These two stands were constructed in 1999, replacing former old wooden stands. They comprise shallow depth, terraced stand areas with health and safety barriers. They are constructed of concrete and steel frame with profile steel cladding to the walls and roof areas. Both stands have fluorescent lighting.

North Stand and Main Terrace Stand

2.9 These were constructed in the 1970s of concrete frame with profile steel cladding to walls and roof areas, supported by steel framework. They have stepped terrace spectator areas and fluorescent external lighting.

Hyde United Supporters' Social Club

2.10 This building comprises a detached self-contained building, built for the members, which we understand is run as a separate members' Club area and comprises a bar lounge area, together with bar servery, male and female WCs and a beer store. The building is constructed of concrete frame, with pitched sheet roofing, has gas fired central heating and is separately metered from the main Club stands for electricity, gas and water.

2.11 The male and female WCs are fitted to a serviceable standard and the Club premises have a separate access leading from the car park, without requirement to pass through the entrance tollgates.

Land

2.12 To the west of the site is a tar macadam car park with parking for approximately 80 vehicles. To the south of the site and south of the southern terrace building, there is an area of land which is currently unused.

2.13 Whilst we have not undertaken specific tests of the services, we assume that the property is connected to all mains services including electricity, gas, water and drainage.

3 MARKET CONDITIONS FOR DISPOSAL OF SIMILAR FACILITIES

3.1 English football has a distinctive league organisation, the football pyramid. The pyramid consists of inter-connected national and regional leagues, with promotion and relegation enabling the smallest of clubs to realise top flight football. The national media focus is generally on the Premier League; however, the uncertain financial future for those unfortunate clubs relegated to the Championship is well published. Non-league football in England generally refers to the National and Regional Leagues below the Football League. That is, any league below the Second Division.

3.2 Today there are more than 50 leagues defined as non-league by the Football Association (FA) representing nearly 500 clubs. The major change to the football pyramid came in 1987, when automatic promotion and relegation of one Club between the Football League and the Football Conference, the top league in football was introduced, subject to the Club meeting stadium facility and financial standards. This led to an influx of new finance into non-league football and raised the expectations and ambitions of fans and supporters of non-league sides.

- 3.3 Non-league football provides economic features that distinguish it from the professional leagues. Attendance is typically indicative of demand for the sporting contest, rather than a measure of stadium capacity and is a better indicator of the Club's financial well-being. Ancillary income is typically a smaller proportion of total income and budgets for non-league clubs tend to be hard rather than soft. Equity withdrawal by a wealthy Club sponsor or owner is often not replaced, leading to dramatic decline in a Club's league status that threatens their financial survival.
- 3.4 Research by Loughborough University indicated that attendance and revenue is more sensitive to macro-economic factors such as league position, recent form and the price and quality of substitutes compared to the professional league clubs. These characteristics make the financial status of non-league clubs more volatile and uncertain compared to their professional counterparts. Non-league clubs including Fisher Athletic and Newcastle Blue Star both disappeared in 2009, being unable to meet their financial obligations. Generally, many clubs in a similar league position are struggling financially, due in part to the economic recession between 2008 and 2013.

4 VALUATION

- 4.1 Matthews and Goodman have provided an opinion as to the value of the site on the basis of a surrender and leaseback to the Football Club on a commercial lease basis, based on a 25 year lease with a rolling mutual break, at the existing rent and contracted out of the Landlord and Tenant Act 1954.
- 4.2 They have assessed the surrender premium to be £70 to 75K, based upon the surrender of the current 125 year lease and the intention to grant a 25 year lease, on an annual rolling mutual break basis with the tenant being responsible for full repairing and insuring of all the buildings, contents and the football pitch and on the basis that the new lease is contracted out of the Landlord and Tenant Act 1954. A copy of the valuation is included at **Appendix 3**.
- 4.3 They have further advised that should the Council look to a higher premium of say £100,000, we consider that there is a higher risk to the Council which should be reflected in a higher yield. We consider that if a £100,000 premium is paid, a 5% yield would be appropriate and this would reflect in an annual rental to the Football Club in the order of £5,000 per annum based on a 25 year lease.
- 4.4 Accordingly, the following premium have been considered fair and reasonable in the circumstances:

Premium	Rent per annum subject to annual RPI
£70 - 75K	£1.5K
£100K	£5k
£125K	£6.25K

5 PROPERTY IMPLICATIONS

- 5.1 The Council currently owns the freehold interest of the Hyde United FC site, although the Club has a 125 year lease which was signed on 21 June 1995.
- 5.2 The management of the Club have proposed that the current 125 year lease be surrendered and replaced by a shorter term lease. It is proposed that a 25 year lease with a mutual rolling annual break be granted and that the lease is contracted out of the Landlord and Tenant Act 1954.

5.3 The terms of the proposed lease are :

- Landlord – Tameside Metropolitan Borough Council;
- Tenant – Hyde United FC;
- Property – As shown on the outline plan attached to the Lease;
- Term – 25 years;
- Rent – £1,500 per annum;
- Break clause – annual rolling mutual break;
- Rent Reviews – Annually in line with the increase in RPI;
- Repair – Hyde United FC will be responsible for all repair, decoration and maintenance of the property;
- Use – the property is to be used as a football Club and for educating pupils aged 3 to 11 and ancillary purposes including fundraising and charitable purposes;
- Costs – Hyde United FC will be responsible for all business rates, taxes, utility bills and standing charges associated with the occupation and use of the;
- Alienation – Hyde United FC may not assign, sub-let, charge or allow anyone else to have benefit of the Lease; and
- Alterations – Hyde United FC may not make any alterations, extensions or changes to the property without the written consent of the Council.

6 FINANCIAL IMPLICATIONS

6.1 It is proposed that sum a sum of between £75K and £125K be offered in respect of the purchase of the assets on the Hyde United FC site and the surrender of the 125 year lease conditional upon the repayment of the £50,000 loan to the beneficiary.

6.2 It is further proposed that the Council enters into a 25 year lease for the land and buildings, with a rolling mutual break, with an annual value of dependent on the premium accepted by the Club, subject to annual rent reviews in line with the increase in the RPI as follows:

Premium	Rent per annum subject to annual RPI
£70 - 75K	£1.5K
£100K	£5k
£125K	£6.25K

7 CONCLUSIONS

7.1 Hyde United FC is a long standing, well supported football Club, which, in common with other similar clubs has struggled financially in recent years.

7.2 The management of the Club has offered the surrender of the 125 year lease for a cash sum, subject to external independent valuation and also in exchange for a shorter 25 year contracted out lease, with a rolling mutual annual break, at a reduced rent of £1,500 per annum.

7.3 There is a loan of £50,000 which will need to be discharged on completion, in favour of the beneficiary.

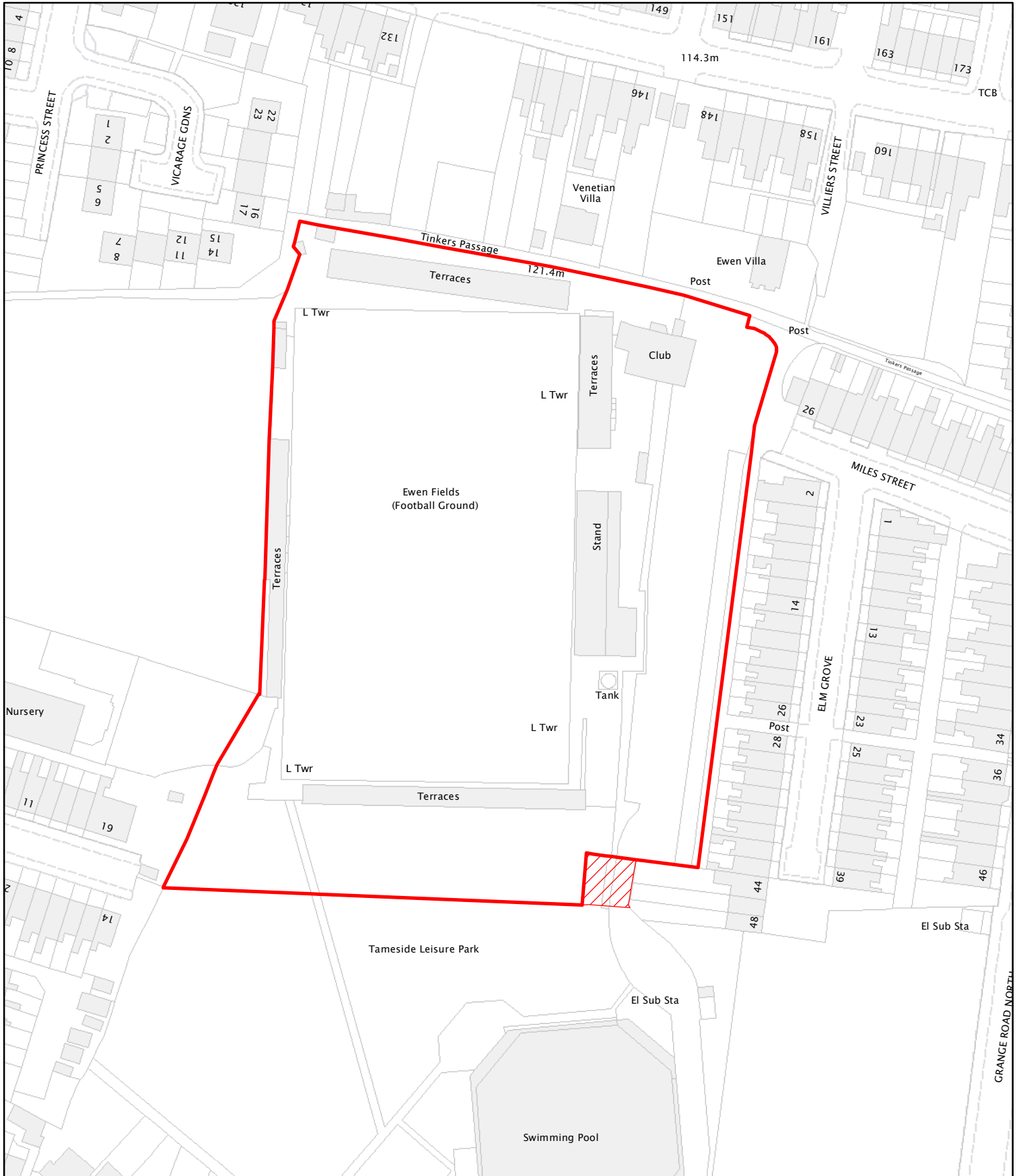
7.4 An external valuation of the surrender of the 125 year lease and the granting of a new 25 year contracted out lease, with a rolling mutual break, has been undertaken by Matthews and Goodman. They assess the value to be between £70 and £125K dependent on annual rental to be paid by the Club as set out in para 5.4 above.

- 7.5 Given the financial position of the Club going into administration or other analogous position of insolvency. If this occurs then the deal which the Council now proposes could be reviewed to determine whether it was on solid commercial terms or, if not, with a view to the transaction being set aside. Ultimately this should mean the repayment of the premium. However, the use of an independent valuation should reduce this risk materialising significantly.
- 7.6 The Club have advised following a meeting on the 26 November 2015 that they would be willing to pay the revised rent of £6.25K to access the £125 premium on the revised lease terms.

8 RECOMMENDATIONS

- 10.1 These are set out at the front of the report.

Ewen Fields Hyde



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Ordnance Survey 100022697

Plan prepared by Bill Boaden 25/11/2015

Tameside
Metropolitan Borough

Estates & Asset Management Unit
c/o Dukinfield Town Hall
King Street
Dukinfield
SK16 4LA

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DATED 21st June 1995

TAMESIDE METROPOLITAN BOROUGH COUNCIL

and

HYDE UNITED ASSOCIATION FOOTBALL CLUB LTD

LE A S E

of Land and Premises known as Ewen Fields
Football Ground Hyde Tameside in the
County of Greater Manchester

David W Parr LLB
Borough Solicitor
Tameside MBC
Council Offices
Wellington Road
Ashton-under-Lyne
OL6 6DL

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PROCESSED
21 JUN 1995
FINANCE AM 180

LEASE : DATED *21st June*

432

H M LAND REGISTRY

LAND REGISTRATION ACTS 1925 TO 1986

LEASE OF WHOLE

County and district or London Borough: GREATER MANCHESTER

Title Number: GM 412268

Property: Land and Premises known as Ewen Fields Football Ground

Hyde Tameside

DATE *21st June* 1995

1. Particulars

1.1 the Landlord

TAMESIDE METROPOLITAN BOROUGH COUNCIL
Council Offices Wellington Road Ashton-under-Lyne

1.2 the Tenant

HYDE UNITED ASSOCIATION FOOTBALL CLUB LIMITED of Ewen Fields Miles Street Hyde

1.3 the Premises

ALL THAT land and building known as Ewen Fields Football Ground Hyde which include the stands clubhouse stores and shown for the purpose of identification only edged red on the Plan

1.4 the Contractual Term

125 years from and including 21st June 1995

1.5 Rent Commencement Date

21st June 1995

1.6 Initial Rent

(a) for the period 21st June 1995 to 31st



December 1995 rent calculated at the rate of £800.00 per annum

(b) for the period 1st January 1996 to 20th June 2000 rent calculated at the rate of £1500.00 per annum

1.7 Additional Rent

The annual rent calculated in accordance with the Fourth Schedule hereto

1.8 Review Dates

21 day of June in the year 2000 and every fifth anniversary thereof throughout the term and "Review Date" means any one of the Review Dates

1.9 Interest Rate

4% per year above the base lending rate of Co-operative Bank plc (with a minimum of 10% per year) or such other bank (being a member of the Committee of London and Scottish Bankers) as the Landlord may from time to time nominate in writing

1.10 Permitted User

Use as a football ground including the use of such part of the Buildings as are used a licensed clubhouse

1.11 Exterior Decorating Years

Every third year throughout the term hereby created

1.12 Interior Decorating Years

Every fifth year throughout the term hereby created

2. Definitions

2.1 For all purposes of this lease the terms defined in clauses 1 and 2 have the meanings specified

- 2.2 "Adjoining Property" means any neighbouring or adjoining land in which the Landlord has a freehold or leasehold interest or in which during the Term the Landlord shall have acquired a freehold or leasehold interest
- 2.3 "Building" means the building or buildings now or at any time during the Term erected on part of the Premises
- 2.4 "the Insurance Rent" means the sums which the Landlord shall from time to time pay by way of premium
- 2.4.1 for insuring the Premises for the Insured Risk in accordance with clause 2.5 hereof
- 2.5 "Insured Risk" means fire and such other risks as the Landlord from time to time in its absolute discretion may think fit to insure against
- 2.6 "Interest" means interest during the period from the date on which the payment is due to the date of payment both before and after any judgment at the Interest Rate then prevailing or should the base rate referred to in clause 1.9 cease to exist such other rate of interest as is most closely comparable with the Interest Rate to be agreed between the parties or in default of agreement to be determined by the Surveyor acting as an expert and not as an arbitrator
- 2.7 "the 1954 Act" means the Landlord and Tenant Act 1954 and all statutes regulations and orders included by virtue of clause 3.14
- 2.8 "the Open Land" means all parts of the Premises which are not for the time being built upon
- 2.9 "Pipes" means all pipes sewers drains mains ducts conduits gutters watercourses wires cables channels flues and all other conducting media and includes any fixtures louvres cowls and any other ancillary apparatus which are in on or under or which serve the Premises
- 2.10 "the Plan" means the plan annexed to this lease

2.11 "the Planning Act" means the Town and Country Planning Act 1990 and all statutes Regulations and orders included by virtue of clause 3.14

2.12 "Rent" means the Initial Rent and rent ascertained in accordance with the third schedule and such term does not include the Insurance Rent but the term "rents" includes both the Rent and the Insurance Rent

2.13 "the Surveyor" means the Director of Economic and Property Services for the time being of the Landlord and in the event that the Landlord disposes of the Freehold Reversion interest then such surveyor as shall be appointed by its successor in title

3. Interpretation

3.1 The expression "the Landlord" and "the Tenant" wherever the context so admits include the person for the time being entitled to the reversion immediately expectant on the determination of the Term and the Tenant's successors in title respectively

3.2 Where the Landlord the Tenant or the Guarantor for the time being are two or more persons obligations expressed or implied to be made by or with such party are deemed to be made by or with such persons jointly and severally

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

3.4 The expression "Guarantor" includes not only the person referred to in clause 1.3 but also any person who enters into covenants with the Landlord pursuant to clauses 5.9.5 or 5.25

3.5 The expression "the Premises" includes:

3.5.1 the Buildings

3.5.2 all additions and improvements to the Premises

3.5.3 all the fixtures and fittings of every kind in or upon the Premises at the date of this Lease (whether originally affixed or fastened to or upon the Premises or otherwise)

- 3.5.4 all Pipes in on under or over the Premises that exclusively serve the Premises and
- 3.5.5 the entire thickness of all walls and fences forming all boundaries of the Premises marked with a "T" on the Plan and references to "the Premises" in the absence of any provision to the contrary include any part of the Premises
- 3.6 The expression "the Term" includes the Contractual Term and any period of holding-over or extension or continuance of the Contractual Term whether by statute or common law
- 3.7 References to "the last year of the Term" include the last year of the Term if the Term shall determine otherwise than by effluxion of time and references to "the expiration of the Term" include such other determination of the Term by effluxion of time or in any other way
- 3.8 References to any right of the Landlord to have access to the Premises shall be construed as extending to any mortgage of the Premises and to all persons authorised by the Landlord or mortgagee (including agents professional advisers contractors workmen and others) where such mortgage grants such rights of access to the mortgagee
- 3.9 Any covenant by the Tenant not to do an act or thing shall be deemed to include an obligation to use reasonable endeavours not to permit or suffer such act or thing to be done by another person where the Tenant is aware that such act or thing is being done
- 3.10 Any provision in this lease referring to the consent or approval of the Landlord shall be construed as also requiring the consent or approval of any mortgagee of the Premises such consent not to be unreasonably withheld where such consent shall be required but nothing in this lease shall be construed as implying that any obligation is imposed upon any mortgagee

- 3.11 References to "consent of the Landlord" or words to similar effect mean a consent in writing signed by the Surveyor by or on behalf of the Landlord as freehold owner of the Premises and to "approved" and "authorised" or words to similar effect mean (as the case may be) approved or authorised in writing by the Surveyor by or on behalf of the Landlord
- 3.12 The term "the parties" or "party" means the Landlord and/or the Tenant but except where there is an express indication to the contrary exclude the Guarantor
- 3.13 "Development" has the meaning given by the Town and Country Planning Act 1990 Section 55
- 3.14 Any references to a specific statute include any statutory extension or modification amendment or re-enactment of such statute and any regulations or orders made under such statute and any general reference to "statute" or "statutes" includes any regulations or orders made such statute or statutes
- 3.15 References in this lease to any clause sub-clause or schedule without further designation shall be construed as a reference to the clause sub-clause or schedule to this lease so numbered
- 3.16 The clause paragraph and schedule headings and the table of contents do not form part of this lease and shall not be taken into account in its construction or interpretation
4. Demise
- 4.1 The Landlord demises to the Tenant the Premises TOGETHER with the rights specified in the First Schedule but EXCEPTING AND RESERVING to the Landlord the rights specified in the Second Schedule TO HOLD the Premises to the Tenant for the Contractual Term SUBJECT to all rights easements privileges restrictions covenants and stipulations of whatever nature affecting the Premises including any matters contained

or referred to in the Fourth Schedule YIELDING AND PAYING to the
Landlord

4.1.1 the Rent payable without any deductions by equal quarterly payments in advance on the usual quarter days in every year and proportionately for any period of less than a year the first such payment being a proportionate sum in respect of the period from and including the Rent Commencement Date to and including the day before the quarter day next after the Rent Commencement Date to be paid on the date of this lease and

4.1.2 The additional rent made payable in accordance with the provisions contained in the Fourth Schedule

4.2 by way of further rent the Insurance Rent payable on demand in accordance with clause 7.4

5. The Tenant's covenants

The Tenant covenants with the Landlord:

5.1 Rent

5.1.1 to pay the rents and the Additional Rent on the days and in the manner set out in this lease and not to exercise or seek to exercise any right or claim to withhold rent or any right or claim to legal or equitable set-off

5.1.2 if so required in writing by the Landlord to make such payments by Banker's standing order or credit transfer to any bank and account in the United Kingdom that the Landlord may from time to time nominate

5.2 Outgoings and Value Added Tax

to pay and indemnify the Landlord against:

5.2.1 all rates taxes assessments duties charges impositions and outgoings which are now or during the Term shall be charged assessed or imposed upon the Premises or upon the owner or

occupier of them and 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 being allowed to the Tenant in respect of any period before the end of the Term to make good such loss to the Landlord

5.3 Electricity gas and other services consumed

to pay to the suppliers and to indemnify the Landlord against all charges for electricity gas and other services consumed or used at or in relation to the Premises (including meter rents)

5.4 Repair cleaning decoration etc

5.4.1 as to the Open Land:

5.4.1.1 to maintain the football pitch and to keep the Open Land forming part of the Premises in a good and tenantable repair and the football pitch constantly in good heart and condition with good sound turf and keep all the Open Land fit for the permitted use

5.4.1.2 to keep all the hedges ditches fences and gates always in good repair and condition

5.4.1.3 to keep that portion of the Open Land which is for the time being laid out as a car park adequately surfaced in a good and clean condition and free from weeds

5.4.1.4 not to deposit any waste rubbish or refuse on the Open Land

5.4.1.5 not to bring keep store stack or lay out upon the Open Land any materials equipment plant bins crates cartons boxes or any receptacle for waste or any other item which is or may become untidy unclean unsightly or in any way detrimental to the Premises or the area generally

5.4.1.6 not to keep or store on the Open Land any vehicle caravan or movable dwelling save that motor cars may be parked on that part of the Open Land which is for the time being laid out as a car park

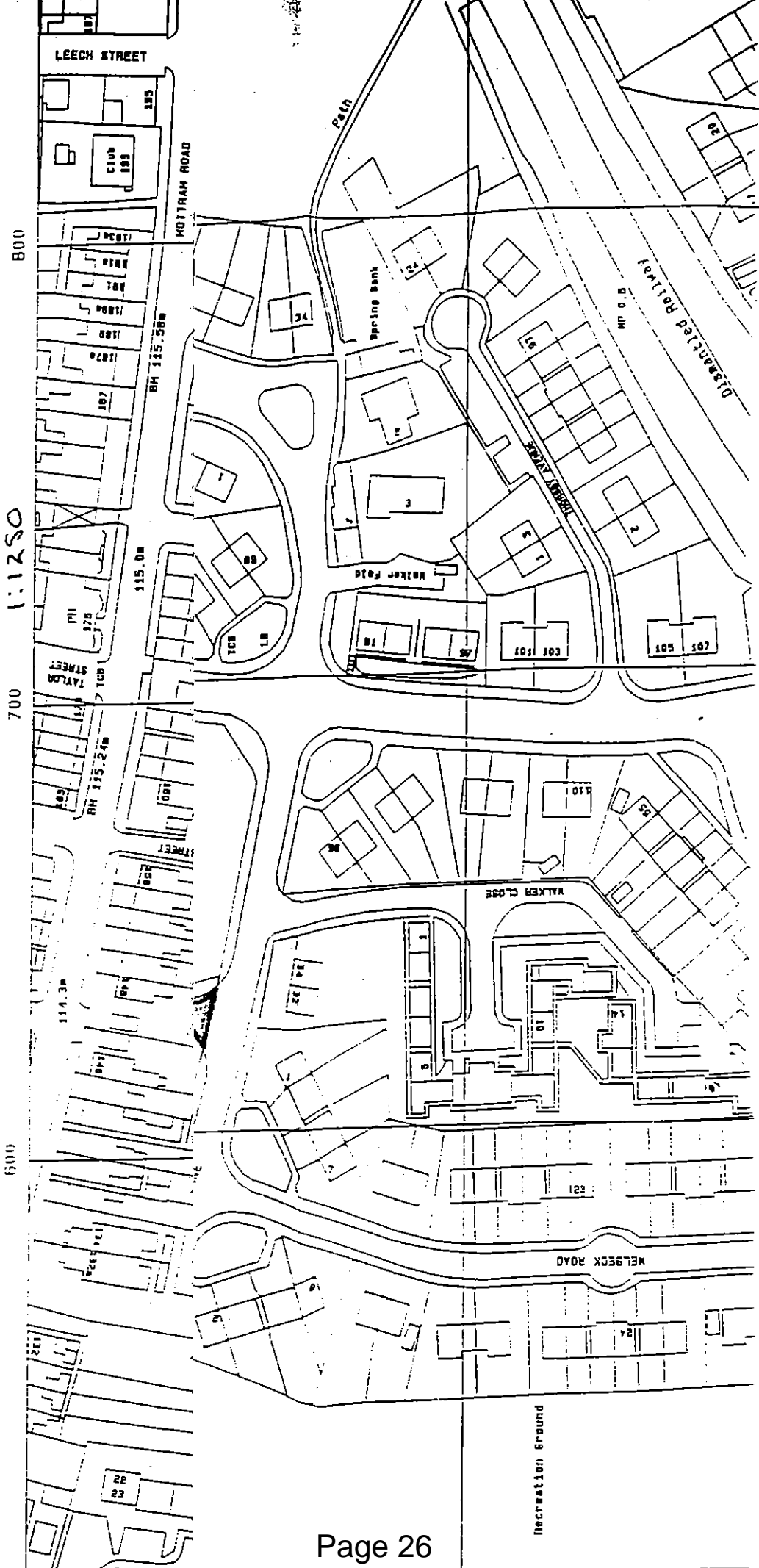
5.4.2 as to the Building:

5.4.2.1 The Tenant will at their own cost put into repair the Building and keep the same in good tenantable repair to the satisfaction of the Surveyor excepting damage caused by an Insured Risk save to the extent that any insurance money may be withheld by the insurers in consequence of any act or default of the Tenant or anyone for whose acts the Tenant may be responsible

5.4.2.2 to replace from time to time at the Tenant's cost the Landlord's fixtures and fittings in the Building which may be or become beyond repair at any time during or at the expiration of the Term

5.4.2.3 to clean the Building and keep it in a clean condition

5.4.2.4 as often as may in the reasonable opinion of the Surveyor be necessary in order to maintain a high standard of decorative finish and attractiveness and to preserve the Building and in the last year of the Term to redecorate the exterior and the interior of the Building or in each of the Exterior Decorating Years and in the last year of the Term to redecorate the exterior of the Building and in each of the Interior Decorating Years and in the last year of the Term to redecorate the interior of the Building in both instances in a good and workmanlike manner and with appropriate materials of good quality to the



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Recreation Ground

LEECH STREET

MOTTRAM ROAD

WALKER ROAD

WALKER CLOSE

HELBECK ROAD

Disrupted Railway

TARBURTON ROAD

WALKER BANK

TAYLOR STREET

STREET

STREET

STREET

STREET

STREET

STREET

BH 115.58M

115.0M

BH 115.37M

114.3M

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satisfaction of the Surveyor any change in the tints colour and patterns of such decoration to be approved by the Surveyor such approval not to be unreasonably withheld or delayed PROVIDED that the covenants relating to the last year of the Term shall not apply where the Tenant shall have performed the obligation in question less than 18 months prior to the expiry of the Term

5.4.3 as to the Premises:

5.4.3.1 not to cause or allow to be caused by any employee agent or servant of the Tenant the road coloured brown on the Plan to be untidy or in a dirty condition and in particular (but without prejudice to the generality of the above) not to deposit on the said road any refuse or other materials or obstruct or allow or permit obstruction thereof

5.5 Waste and alterations

5.5.1 not to:

5.5.1.1 commit any waste

5.5.1.2 make any addition to the Building

5.5.1.3 unite the Buildings with any adjoining premises

5.5.1.4 make any structural alteration to the Building or make any internal non structural alteration save as permitted by the following provisions of this clause

5.5.2 not to make internal non-structural alterations to the Building without:

5.5.2.1 obtaining and complying with all necessary consents approvals and licences of any relevant authority and

paying all charges of any such authority in respect of such consents

5.5.2.2 making an application to the Surveyor supported by drawings and where appropriate a specification in duplicate prepared by an architect or member of some other appropriate profession (who shall supervise the work throughout to completion)

5.5.2.3 the consent of the Landlord such consent not to be unreasonably withheld or delayed and paying the fees of the Landlord or any mortgagee and their respective professional advisers for every application made by the Tenant for a consent or licence to make internal non-structural alterations to the Building whether such consent is granted or refused

5.5.2.4 entering into such covenants as the Landlord may require as to the execution and reinstatement of the alterations

and in the case of any works of a substantial nature the Landlord may require prior to the commencement of such works the provision by the Tenant of adequate security in the form of a deposit of money or the provision of a bond as assurance to the Landlord that any works which may from time to time be permitted by the Landlord shall be fully completed PROVIDED that the consent of the Landlord shall not be withheld to any alteration to that part of the Building used to a clubhouse that may from time to time be required by the licensing justices

5.5.3 not to cut down or injure any trees plants bushes or hedges or remove from the Premises any soil clay sand or other materials

or make any excavations save for the purpose of altering the layout of the football ground in accordance with a scheme first approved by the Surveyor such approval not to be unreasonably withheld or delayed and paying the fees of the Landlord and their professional advisors whether such approval is granted or refused

5.5.4 not to construct any additional structure on the Premises

5.5.5 to remove at the Tenant's cost any additional buildings additions alterations or improvements made to the Premises at the expiration of the Term if so requested by the Landlord and to make good at the Tenant's cost any part or parts of the Premises which may be damaged by such removal

5.5.6 not to make connection with the Pipes otherwise than in accordance with plans and specifications approved by the Surveyor such approval not to be unreasonably withheld or delayed and paying the fees of the Landlord and their professional advisers whether such approval is granted or refused and subject to consent to make such connection having previously been obtained from the competent statutory authority or undertaker

5.5.7 at all times during the term at the Tenant's own expense to observe and comply (within all required time limits) in all respects with the provisions and requirements of the following regulations (a) the Sports Grounds and Sporting Events (Designation Order) 1985 (b) the Home Office Circular 54/1985 "Safety in Sports Grounds" (c) Sporting Events (Control of Alcohol etc) Act 1985 (d) The Safety of Sports Grounds Act 1975 (e) Fire Safety and Safety of Places of Sports Act 1987 (f) Football Spectators Act 1989 and any other enactment prescribed

obligations imposed by law or by any byelaws applicable to the Premises or in regard to carrying on the user for the time being carried on on the Premises

5.8 Access of Landlord and notice to repair

5.8.1 to permit the Landlord upon reasonable notice (except in the case of emergency):

5.8.1.1 to enter upon the Premises for the purpose of ascertaining that the covenants and conditions of this lease have been observed and performed

5.8.1.2 to view (and to open up floors and other parts of the Building where such opening up is required in order to view) the state of repair and condition of the Premises and

5.8.1.3 to serve on the Tenant a notice specifying any repairs cleaning maintenance or painting that the Tenant has failed to execute in breach of the terms of this lease and to request the Tenant immediately to execute the same including the making good of any opening up under the provision of clause 5.8.1.2

PROVIDED that any such opening up shall be made good by and at the cost of the Landlord where such opening up reveals no breaches of the terms of this lease

5.8.2 The Tenant shall at their own cost immediately comply with the requirements of any notice served under clause 5.8.1.3

5.8.3 if within one month of the service of a notice under clause 5.8.1.3 the Tenant shall not have commenced and be proceeding diligently with the execution of the work referred to in the notice or shall fail to complete the work within 2 months or such reasonable period of time as stated in the notice or if in

the surveyor's opinion the Tenant is unlikely to have completed the work within such period to permit the Landlord or its agents to enter the Premises to execute such work as may be necessary to comply with the notice and to pay to the Landlord the cost of so doing and all expenses incurred by the Landlord (including legal costs and surveyor's fees) within 14 days of a written demand

5.9 Alienation

5.9.1 Not to assign or charge part only of the Premises

5.9.2 not at any time to assign or charge the whole of the Premises or permit another to occupy the whole or any part of the Premises without the consent of the Landlord

5.9.3 prior to any permitted assignment to procure that the assignee enters into direct covenants with the Landlord to perform and observe all the Tenant's covenants and all other provisions during the residue of the Term

5.9.4 on a permitted assignment to a limited company and if the Landlord shall so require to procure that a guarantor or guarantors acceptable to the Landlord enter into direct covenants with the Landlord in the form of the Guarantor's covenants contained in clause 8 with "the Assignee" substituted for "the Tenant"

5.9.5 Not without the consent in writing of the Landlord to underlet the whole or any part of the Premises

5.9.6 Not to Underlet the whole or any part of the Premises otherwise than by means of an Underlease which complies with the provisions on 5.9.7 5.9.8 5.9.9 and 5.9.10 hereof

5.9.7 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 whole of the Premises in the case of a proposed Underlease of the whole of the Premises or the then open market rental value of that part of the Premises which it is proposed to underlease such rent in each case to be approved by the Landlord prior to any such underlease and to be determined by the Surveyor acting as an expert and not as an arbitrator or in the case of an Underlease of the whole of the Premises or in the case of an Underlease of part of the Premises such apportioned part of the Rent as shall be determined by the Surveyor acting as an expert and not an arbitrator the Rent then being paid (whichever shall be the greater) such rent being payable in advance on the days on which Rent is payable under clause 4.1 and shall contain provisions approved by the Landlord:

- 5.9.7.1 for the upwards only review of the rent reserved by such underlease on the basis and on the dates on which the Rent is to be reviewed in this lease
- 5.9.7.2 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
- 5.9.7.3 for re-entry by the underlandlord on breach of any covenant by the undertenant
- 5.9.7.4 imposing an absolute prohibition against all dispositions of or other dealings whatever with the Premises other than an assignment underletting or charge of the whole
- 5.9.7.5 prohibiting any assignment underletting or charge of the Underlease without the prior consent of the

Landlord under this lease (such consent not to be unreasonably withheld or delayed)

5.9.7.6 prohibiting the undertenant from permitting another to occupy the whole or any part of the Premises

5.9.7.7 imposing in relation to any permitted assignment underletting or charge the same obligations for registration with the Landlord as are contained in this lease in relation to dispositions by the Tenant

5.9.7.8 imposing in relation to any permitted underletting the same obligations as are contained in clause 5.9.6 and in clauses 5.9.7 5.9.8 and 5.9.9

5.9.8 prior to any permitted underletting to procure that the undertenant enters into direct covenants with the Landlord to the like effect as those contained in clauses 5.9.6, 5.9.7, 5.9.8 and 5.9.7 and pays the Landlord's legal and surveyor's fees

5.9.9 to enforce the performance and observance by every such 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

5.9.10 in relation to any permitted underlease:

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

5.9.10.2 not to agree the reviewed rent with the undertenant without the approval of the Landlord

5.9.10.3 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

5.9.10.4 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

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

5.9.10.6 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

5.9.11 within 28 days of any transmission or other devolution relating to the Premises to produce for registration with the Landlord's solicitors such deed or document (or a certified copy of it) and to pay the Landlord's solicitor's charges for the registration of every such document such charges not being less than £20 (twenty pounds) Provided however that should the Tenant desire to assign or underlet the Premises the Tenant shall before so doing and before giving possession to any intended assignee or undertenant execute and deliver to the Landlord a Licence to Assign or Licence to Underlet (whichever is appropriate) to be prepared by the Landlord at the cost of the Tenant

5.10 Nuisance etc and residential restrictions

5.10.1 not to do nor allow to remain upon the Premises anything which may be or become or cause a nuisance annoyance disturbance inconvenience injury or damage to the Landlord or the

Landlord's tenants or the owners or occupiers of adjacent or neighbouring premises

5.10.2 not to use the Premises for a sale by auction or for any dangerous noxious noisy or offensive trade business manufacture or occupation nor for any illegal or immoral act or purpose

5.10.3 the Tenant having had due notice of a covenant contained in a Conveyance dated the 5th day of December 1931 and made between THOMAS BROWNSON of the one part and JOHN BRAMHALL, HARRY FIRTH and WILLIAM MORTON of the other part shall upon any complaint being made either to the Tenant or the Landlord abate the nuisance forthwith and shall not allow any activity which would cause a breach of the covenant

5.11 User

5.11.1 to use the Premises for the Permitted User only

5.11.2 not to discharge into any Pipes any oil grease or other deleterious matter or any substance which may be or become a source of danger or injury to the drainage system

5.11.3 to keep the gates of the Premises always locked when the Premises are not in actual use by the Tenant

5.11.4 not to permit any vehicles belonging to the Tenant or any employee or member of the club to stand on such road coloured brown on the Plan

5.12 Licence for intoxicating liquor

5.12.1 to apply or cause application to be made at all proper times to the licensing authorities for the time being and to use the Tenant's best endeavours to obtain the grant or renewal of any certificates or licences necessary for the maintenance of a members' bar in such part of the Building on the Premises as

is so designated and to pay all necessary fees and excise duties

5.12.2 to conduct the members' bar in a lawful and orderly manner strictly in accordance with every such certificate or licence and to preserve the character of the members' bar with the licensing authorities

5.12.3 in the conduct of the members' bar not to do anything that would or would be likely to endanger any certificate or licence or render it liable to forfeiture or suspension

5.12.4 on the expiration of the Term to assign transfer and deliver to the Landlord or the Landlord's nominee the then existing licences and certificates in respect of the Building and to sign make and do all necessary notices applications and acts for procuring the transfer of the existing licences and certificates or for obtaining renewals of them to the Landlord or the Landlord's nominee and upon failure of the Tenant to do anything which under this covenant ought to be done by the Tenant the Landlord may and is now authorised by the Tenant to sign make and do any such notice application or act in the name and as agent of the Tenant as the case may require

5.13 Landlord's costs

to pay to the Landlord on an indemnity basis all costs fees charges disbursements and expenses (including without prejudice to the generality of the above those payable to counsel solicitors surveyors and bailiffs) properly and reasonably incurred by the Landlord in relation to or incidental to:

5.13.1 every application made by the Tenant for a consent or licence required by the provisions of this lease whether such consent or licence is granted or refused or proffered subject to any

lawful qualification or condition or whether the application is withdrawn unless such refusal qualification or condition is declared to be unlawful by a court

- 5.13.2 the preparation and service of a notice under the Law of Property Act 1925 Section 146 or incurred by or in contemplation of proceedings under the Law of Property Act 1925 Section 146 or 147 notwithstanding that forfeiture is avoided otherwise than by relief granted by the court
- 5.13.3 the recovery or attempted recovery of arrears of Rent or other sums due from the Tenant and
- 5.13.4 any steps taken in contemplation of or in direct connection with the preparation and service of a schedule of dilapidations during or after the expiration of the Term

5.14 The Planning Act

- 5.14.1 not to commit any breach of planning control (such terms to be construed as it is used in the Planning Act) and to comply with the provisions and requirements of the Planning Act that affect the Premises whether as to the Permitted User or otherwise and to indemnify (both during and following the expiration of the Term) and keep the Landlord indemnified against all liability whatever including costs and expenses in respect of any contravention
- 5.14.2 at the expense of the Tenant to obtain all planning permissions and to serve all such notices as may be required for the carrying out of any operations or user on the Premises which may constitute a Permitted Development under this Lease provided that no application for planning permission shall be made without the previous consent of the Landlord such consent not to be unreasonably withheld or delayed in any case where

the application for and implementation of such planning permission will not create or give rise to any tax or other fiscal liability for the Landlord or where the Tenant indemnifies the Landlord against such liability

5.14.3 subject to any statutory direction to the contrary to pay and satisfy any charge or levy that may subsequently be imposed under the Planning Act in respect of the carrying out or maintenance of any such operations or the commencement or continuance of any such user

5.14.4 notwithstanding any consent which may be granted by the Landlord under this lease not to carry out or make any alteration or addition to the Premises or any change of use until:

5.4.4.1 all necessary notices under the Planning Act have been served and copies produced to the Landlord

5.4.4.2 all necessary permissions under the Planning Act have been obtained and produced to the Landlord and

5.4.4.3 the Landlord has acknowledged that every necessary planning permission is acceptable to the Landlord

5.15 Plans documents and information

5.15.1 if called upon to do so to produce to the Landlord or the surveyor all plans documents and other evidence as the Landlord may require in order to satisfy itself that the provisions of this lease have been complied with

5.15.2 if called upon to do so to furnish to the Landlord or the surveyor such information as may be requested in writing in relation to any pending or intended step under the 1954 Act

5.16 Indemnities

save to the extent that the Landlord shall be indemnified by virtue of any insurance effected by the Landlord pursuant to clause 7.2 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:

5.16.1 any act omission or negligence of the Tenant or any person for whose acts the Tenant is responsible or

5.16.2 any breach or non-observance by the Tenant of the covenants conditions or other provisions of this lease or any of the matters to which this demise is subject

5.17 Reletting boards

to permit the Landlord at any time during the last 6 months of the Contractual Term and at any time after that to enter upon the Premises and affix and retain anywhere upon the Premises a notice for reletting the Premises and during such period to permit persons with the written authority of the Landlord or the Landlord's agent at reasonable times of the day to view the Premises

5.18 Encroachments

5.18.1 not to stop up darken or obstruct any windows or light belonging to the Building

5.18.2 to take all steps to prevent any new window light opening doorway path passage pipe or other encroachment or easement being made or acquired in against out of or upon the Premises and to notify the Landlord immediately if any such encroachment or easement shall be made or acquired (or attempted to be made or acquired) and at the request of the Landlord to adopt such means as shall reasonably be required to prevent such encroachment or the acquisition of any such easement

5.19 Roads and Pipes

to pay to the Landlord on demand the costs to be determined by the Surveyor acting as an expert and not as an arbitrator of any sums that may be incurred by the Landlord in or incidentally to the performance of the Landlord's obligations in respect of repair of the access road to the Premises shown coloured brown on the Plan and the Pipes

5.20 Yield Up

at the expiration of the Term:

5.20.1 to yield up the Premises in repair and in accordance with the terms of this lease

5.20.2 to give up all keys of the Premises to the Landlord and

5.20.3 to remove all signs erected by the Tenant in upon or near the Premises and immediately to make good any damage caused by such removal

5.21 Interest on arrears

5.21.1 if the Tenant shall fail to pay the rents or any other sums due under this lease within 14 days of the date due whether formally demanded or not or if the Landlord shall refuse to accept any rents or other sums due under this lease by reason of any breach of covenant by the Tenant the Tenant shall pay to the Landlord Interest on the rents or other sum at the interest rate from the date when they were due to the date on which they are paid or accepted (as the case may be) and such Interest shall be deemed to be rents due to the Landlord

5.21.2 nothing in clause 5.21.1 shall entitle the Tenant to withhold or delay any payment of the rents or any other sum due under this lease after the date upon which they fall due or in any way prejudice affect or derogate from the rights of the Landlord in relation to such non-payment including (but without

prejudice to the generality of the above) under the proviso for re-entry contained in clause 9.1

5.22 Statutory notices etc

to give full particulars to the Landlord of any notice direction order or proposal for the Premises made given or issued to the Tenant by any local or public authority within 7 days of receipt and if so required by the Landlord to produce it to the Landlord and without delay to take all necessary steps to comply with the notice direction or order and at the request of the Landlord but at the cost of the Tenant to make or join with the Landlord in making such objection or representation against or in respect of any notice direction order or proposal as the Landlord shall deem expedient

5.23 Sale of reversion etc

to permit upon reasonable notice at any time during the Term prospective purchasers of or agents instructed in connection with the sale of the Landlord's reversion or of any other interest superior to the Term to view the Premises without interruption provided they are authorised in writing by the Landlord or the Landlord's agents

5.24 Defective Premises

to give notice to the Landlord of any defect in the Premises which may give rise to an obligation on the Landlord to do or refrain from doing any act or thing in order to comply with the provisions of this lease or the duty of care imposed on the Landlord pursuant to the Defective Premises Act 1972 or otherwise and at all times to display and maintain all notices which the Landlord may from time to time require to be displayed at the Premises

5.25 New guarantor

within 14 days of the death during the Term of any Guarantor (here meaning only a person who has become Guarantor at the request of the

person who is the Tenant under this lease for the time being and not for any predecessor in title of the Tenant) or of such person becoming bankrupt or having a receiving order made against him or having a receiver appointed under the Mental Health Act 1983 or being a company passing a resolution to wind up or entering into liquidation or having a receiver appointed to give notice of this to the Landlord and if so required by the Landlord at the expense of the Tenant within 28 days to procure some other person acceptable to the Landlord to execute a guarantee in respect of the Tenant's obligations contained in this lease in the form of the Guarantor's covenants contained in clause 8

5.26 Landlord's rights

to permit the Landlord at all times during the Term to exercise without interruption or interference any of the rights granted to the Landlord by virtue of the provisions of this lease

5.27 Landlord's costs on grant etc

to pay the fees and disbursements of the Landlord's solicitors' agents and surveyors and all other costs and expenses incurred by the Landlord in relation to the negotiation preparation execution and grant of this lease and any future lease and duplicate or counterpart in respect of the Premises and the stamp duty on the counterpart

6. The Landlord's covenants

The Landlord covenants with the Tenant:

Quiet Enjoyment

to permit the Tenant peaceably and quietly to hold and enjoy the Premises without any interruption or disturbance from or by the Landlord or any person claiming under or in trust for the Landlord or by title paramount PROVIDED THAT the Tenant hereby acknowledges and agrees that the Landlord does not at the date hereof hold a documentary title to that part of the Premises shown hatched blue on the Plan and

that the Landlord and the Tenant shall jointly use all reasonable endeavours to vest a freehold title in such part of the Premises in the Landlord

7. Insurance

7.1 Warranty

The Tenant warrants that prior to the execution of this lease it has disclosed to the Landlord in writing any conviction judgement or finding of any court or tribunal relating to the Tenant (or any director other officer or major shareholder of the Tenant) of such a nature as to be likely to affect the decision of any insurer or underwriter to grant or to continue insurance of any of the Insured Risks

7.2 Landlord to insure

The Landlord covenants with the Tenant to insure the Premises at the Tenant's cost for the Insured Risks

7.3 Details of the insurance

Insurance shall be effected:

7.3.1 in such substantial and reputable insurance office or with such underwriters and through such agency as the Landlord may from time to time decide

7.3.2 for the following sums:

- (a) such sum as the Landlord shall from time to time be advised by the Surveyor as being the full cost of rebuilding and reinstatement including architects' surveyors' and other professional fees payable upon any application for planning permission or other permits or consents that may be required in relation to the rebuilding or reinstatement of the Premises the cost of debris removal demolition site clearance

any works that may be required by statute and
incidental expenses and

7.3.3 against damage or destruction by the Insured risks to the extent that such insurance may ordinarily be arranged for property such as the Premises with an insurer of repute and subject to such excesses exclusions or limitations as the insurer may require

7.4 Payment of Insurance Rent

The Tenant shall for the whole of the contractual Term pay the Insurance Rent and the Tenant shall pay the Insurance Rent on the date of this lease for the period from and including the commencement date of the Contractual Term to the day before the next policy renewal date and subsequently the Tenant shall pay the Insurance Rent on demand and (if so deemed) in advance but not more than 2 months in advance of the policy renewal date

7.5 Suspension of Rent

7.5.1 If and whenever during the Term:

7.5.1.1 the Premises or any part of them are damaged or destroyed by any of the Insured Risks

7.5.1.2 payment of the insurance money is not refused in whole or in part by reason of any act or default of the Tenant or anyone for whose acts the Tenant is responsible

the provisions of clause 7.5.2 shall have effect

7.5.2 When the circumstances contemplated in clause 7.5.1 arise the Rent or a fair portion of the Rent according to the nature and the extent of the damage sustained shall cease to be payable until the Premises or the affected part are made fit for occupation or use or until the expiration of 3 years from the

destruction or damage whichever period is the shorter (the amount of such portion and the period during which the Rent shall cease to be payable to be determined by the Surveyor acting as an expert and not as an arbitrator) or (any dispute as to such portion or the period during which the Rent shall cease to be payable to be determined in accordance with the Arbitration Acts 1950-1979 by an arbitrator to be appointed by agreement between the parties or in default by the President for the time being of the Royal Institution of Chartered Surveyors upon the application of either party

7.6 Reinstatement and termination if prevented

7.6.1 If and whenever during the Term:

7.6.1.1 the Premises or any part of them are damaged or destroyed by any of the Insured Risks

7.6.1.2 the payment of the insurance money is not refused in whole or in part by reason of any act or default of the Tenant or anyone for whose acts the Tenant is responsible the Landlord shall use the Landlord's reasonable endeavours to obtain all planning permissions or other permits and consents that may be required under the Planning Act or other statutes (if any) to enable the Landlord to rebuild and reinstate the Premises or part thereof so damaged or destroyed ("the Permissions")

7.6.2 Subject to the provisions of clauses 7.6.3 and 7.6.4 the Landlord shall as soon as the Permissions have been obtained or immediately where no Permissions are required apply all money received in respect of such insurance (except sums in respect of loss of Rent) in rebuilding or reinstating the Premises so

destroyed or damaged PROVIDED that in the event of substantial damage to or destruction of the Premises by an Insured Risk the above provisions shall have effect as if they obliged the Landlord subject as provided above to rebuild and reinstate the Premises either in the form in which they were immediately before the occurrence of the destruction or damage or in that form with such modifications as

7.6.2.1 may be required by any competent authority as a condition of the grant of any of the Permissions

7.6.2.2 the Landlord may reasonably make to reflect the then current good building practice

7.6.3 For the purposes of clause 7.6 the expression "Supervening Event" means

7.6.3.1 the Landlord has failed despite using its best endeavours to obtain the Permissions

7.6.3.2 any of the Permissions has been granted subject to a lawful condition with which it would be impossible for or in the circumstances it would be unreasonable to expect the Landlord to comply

7.6.3.3 some defect or deficiency in the site upon which the rebuilding or reinstatement is to take place would render the rebuilding or reinstatement impossible or mean that the rebuilding or reinstatement could only be undertaken at a cost that would be unreasonable in all the circumstances

7.6.3.4 the Landlord is unable to obtain access to the site for the purposes of rebuilding or reinstating

7.6.3.5 the rebuilding or reinstating is prevented by war act of God Government action strike lock-out or

7.6.3.6 any other circumstances beyond the control of the
Landlord

7.6.4 The Landlord shall not be liable to rebuild or reinstate the
Premises if and for so long as such rebuilding or reinstating
is prevented by Supervening Events

7.6.5 If upon the expiry of a period of 3 years commencing on the
date of the damage or destruction the Premises have not been
rebuilt or reinstated so as to be fit for the Tenant's
occupation and use either party may by notice served at any
time within 6 months of the expiry of such period invoke the
provisions of clause 7.6.6

7.6.6 Upon service of a notice in accordance with clause 7.6.5

7.6.6.1 the Term will absolutely cease but without prejudice
to any rights or remedies that may have accrued to
either party against the other including (without
prejudice to the generality of the above) any right
that the Tenant may have against the Landlord for a
breach of the Landlord's covenants set out in clauses
7.6.1 and 7.6.2

7.6.6.2 all money received in respect of the insurance
effected by the Landlord pursuant to this clause
shall belong to the Landlord

7.7 Tenant's Insurance

7.7.1 The Tenant shall at the Tenant's own expense:

7.7.1.1 insure and keep insured against loss or forfeiture
the licences for the time being held in respect of
the Premises in the joint names of the Landlord and
the Tenant with or without other names with an
insurance office to be approved by the Landlord

- 7.7.1.2 pay all premiums necessary for the purpose of clause 7.7.1.1 within 7 days after the premiums shall become due and
- 7.7.1.3 deliver to the Landlord on demand every policy of insurance pursuant to clause 7.7.1.1 and the receipt for the then current year's premiums for the policy
- 7.7.2 In the event of such licences or any of them being lost or forfeited on any ground the Tenant shall pay all money received by virtue of the insurance of them to the Landlord
- 7.7.3 If the Tenant shall not on demand deliver the receipt for any year's premiums to the Landlord within 7 days after the premiums shall become due the Landlord may pay such premiums and the Tenant shall defray the amount so paid and all incidental expenses to the Landlord on demand and such amount and expenses shall be recoverable by the Landlord as liquidated damages

7.8 Tenant's insurance covenants

The Tenant covenants with the Landlord:

- 7.8.1 to comply with all the requirements and reasonable recommendations of the insurers
- 7.8.2 not to do or omit anything that could cause any policy of insurance on or in relation to the Premises to become void or voidable wholly or in part or (unless the Tenant shall have previously notified the Landlord and have agreed to pay the increased premium) anything by which additional insurance premiums may become payable
- 7.8.3 to keep the Premises supplied with such fire fighting equipment as the insurers and the fire authority may require or as the Landlord may reasonably require and to maintain such equipment

to their satisfaction and in efficient working order and at least once in every 6 months to cause any sprinkler system and other fire fighting equipment to be inspected by a competent person

- 7.8.4 not to store or bring onto the Premises any article substance or liquid or a specially combustible inflammable or explosive nature and to comply with the requirements and recommendations of the fire authority and the reasonable requirements of the Landlord as to fire precautions relating to the Premises
- 7.8.5 not to obstruct the access to any fire equipment or the means of escape from the Building nor to lock any fire door while the Building is occupied
- 7.8.6 to give notice to the Landlord immediately upon the happening of any event which may affect any insurance policy on or relating to the Premises or upon the happening of any event against which the Landlord may have insured under this lease
- 7.8.7 immediately to inform the Landlord in writing of any conviction judgement or finding of any court or tribunal relating to the Tenant (or any director other officer or major shareholder of the Tenant) of such a nature as to be likely to affect the decision of any insurer or underwriter to grant or to continue any such insurance
- 7.8.8 if at any time the Tenant shall be entitled to the benefit of any insurance on the Premises which is not effected or maintained in pursuance of any obligation contained in this lease to apply all money received by virtue of such insurance in making good the loss or damage in respect of which money shall have been received

7.8.9 if and whenever during the Term the Premises or any part of them are damaged or destroyed by an Insured risk and the insurance money under the policy of insurance effected by the Landlord pursuant to the Landlord's obligations contained in this lease is by reason of any act or default of the Tenant or anyone for whose acts the Tenant is responsible wholly or partially irrecoverable immediately in every such case (at the option of the Landlord) either:

7.8.9.1 to rebuild and reinstate at the Tenant's own expense the Premises or the part destroyed or damaged to the reasonable satisfaction and under the supervision of the surveyor the Tenant being allowed towards the 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 policy or

7.8.9.2 to pay to the Landlord on demand with interest the amount of such insurance money so irrecoverable in which event the provisions of clauses 7.5 and 7.6 shall apply

7.8.9.3 The Tenant will insure:-

all improvements and additions to the Premises undertaken by the Tenant

7.8.9.4 The Tenant's loss of trade goodwill and disturbance

7.8.9.5 The Tenant's furniture fittings and stock in trade

7.8.9.6 Employers Liability and Third Party and Public liability

IT IS HEREBY AGREED between the Tenant and the Landlord that the Landlord shall not be responsible to the Tenant or anyone at the

Premises expressly or by implication with the Tenant's authority for any accident happening or injury suffered or for any damage to or loss of any chattel sustained in the Premises

7.9 Landlord's insurance covenants

The Landlord covenants with the Tenant in relation to the policy of insurance effected by the Landlord pursuant to the Landlord's obligations contained in clause 7.2

7.9.1 to produce to the Tenant on demand a certificate as evidence of the terms of the policy and the fact that the premium has been paid

7.9.2 to procure that the interest of the Tenant is noted or endorsed on the policy

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

8. The Guarantor's covenants

The Guarantor covenants with the Landlord and without the need for any express assignment with all the Landlord's successors in title that:

8.1 To pay observe and perform

during the Term the Tenant shall punctually pay the rents and the Additional Rent and observe and perform the covenants and other terms of this lease and if at any time during the Term the Tenant shall make any default in payment of the rents and the Additional Rent or in observing or performing any of the covenants or other terms of this lease the Guarantor will pay the rents and the Additional Rent and observe or perform the covenants or terms in respect of which the Tenant shall be in default and make good to the Landlord on demand and indemnify the Landlord against all losses damages costs and expenses arising or incurred by the Landlord as a result of such non-payment non-performance or non-observance notwithstanding:

- 8.1.1 any time or indulgence granted by the Landlord to the Tenant or any neglect or forbearance of the Landlord in enforcing the payment of the rents and the Additional Rent or the observance or performance of the covenants or other terms of this lease or any refusal by the Landlord to accept rents tendered by or on behalf of the Tenant at a time when the Landlord was entitled (or would after the service of a notice under the Law of Property Act 1925 Section 146 have been entitled) to re-enter the Premises
- 8.1.2 that the terms of this lease may have been varied by agreement between the parties
- 8.1.3 that the Tenant shall have surrendered part of the Premises in which event the liability of the Guarantor under this lease shall continue in respect of the part of the Premises not so surrendered after making any necessary apportionments under the Law of Property Act 1925 Section 140 and
- 8.1.4 any other act or thing by which but for this provision the Guarantor would have been released
- 8.2 To take lease following disclaimer
- if at any time during the Term the Tenant shall enter into liquidation and the trustee in bankruptcy or liquidator shall disclaim this lease the Guarantor shall if the Landlord shall by notice within 40 days after such disclaimer so require take from the Landlord a lease of the Premises for the residue of the Contractual Term which would have remained had there been no disclaimer paying the rents and the Additional Rent then being paid under this lease and subject to the same covenants and terms as in this lease (except that the Guarantor shall not be required to procure that any other person is made a party to that lease as guarantor) such new lease to take effect from the date

of such disclaimer and in such case the Guarantor shall pay the costs of such new lease and execute and deliver to the Landlord a counterpart of it

8.3 To make payments following disclaimer

if this lease shall be disclaimed and for any reason the Landlord does not require the Guarantor to accept a new lease of the Premises in accordance with clause 8.2 the Guarantor shall pay to the Landlord on demand an amount equal to the difference between any money received by the Landlord for the use of occupation of the Premises and the rents and the Additional Rent in both cases for the period commencing with the date of such disclaimer and ending on whichever is the earlier of the following dates:

8.3.1 the date 6 months after such disclaimer and

8.3.2 the date (if any) upon which the Premises are relet

9. Provisos

9.1 Re-entry

If and whenever during the Term:

9.1.1 the rents or the Additional rent (or any part of them) under this lease are outstanding for 14 days after becoming due whether formally demanded or not or

9.1.2 there is a breach by the Tenant or the Guarantor of any covenant or other term of this lease or any document expressed to be supplemental to this lease or

9.1.3 The tenant:

9.1.3.1 enters into liquidation whether compulsory or voluntary (but not if the liquidation is for amalgamation or reconstruction of a solvent company) or

- 9.1.3.2 A Petition is presented for the Tenant to be wound up by the Court or
- 9.1.3.3 a Resolution is passed for the Tenant to be wound up or
- 9.1.3.4 has a receiver appointed or
- 9.1.3.5 A Petition is presented for an Administration Order or such Order is made in respect of the Premises or
- 9.1.3.6 suffers any person to become entitled to exercise the powers conferred on an administrative receiver or
- 9.1.4 the Tenant enters into an arrangement for the benefit of the Tenant's creditors or
- 9.1.5 the Tenant has any distress or execution levied on the Tenant's goods

the Landlord may re-enter the Premises (or any part of them in the name of the whole) at any time (and even if any previous right of re-entry has been waived) and then the Term will absolutely cease but without prejudice to any rights or remedies which may have accrued to the Landlord against the Tenant or the Guarantor or to the Tenant against the Landlord in respect of any breach of covenant or other term of this lease (including the breach in respect of which the re-entry is made)

9.2 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 Premises may lawfully be used under the Planning Act for the purpose authorised in this lease (or any purpose subsequently authorised)

9.3 Entire understanding

This lease embodies the entire understanding of the parties relating to the Premises and to all the matters dealt with by any of the provisions of this lease

9.4 Representatives

The Tenant acknowledges that this lease has not been entered into in reliance wholly or partly on any statement or representation made by or on behalf of the Landlord except any such statement or representation that is expressly set out in this lease

9.5 Licences etc under hand

Whilst the Landlord is a corporation all licences consents approvals and notices required to be given by the Landlord shall be sufficiently given if given under the hand of the surveyor

9.6 Tenant's property

If after the Tenant has vacated the Premises on the expiry of the Term any property of the Tenant remains in or on the Premises and the Tenant fails to remove it within 7 days after being requested in writing by the Landlord to do so or if after using its reasonable endeavours the Landlord is unable to make such a request to the Tenant within 14 days from the first attempt so made by the Landlord:

9.6.1 the Landlord may as the agent of the Tenant sell such property and the Tenant will indemnify the Landlord against any liability incurred by the Landlord to any third party whose property shall have been sold by the Landlord in the mistaken belief held in good faith (which shall be presumed unless the contrary be proved) that such property belonged to the Tenant

9.6.2 if the Landlord having made reasonable efforts is unable to locate the Tenant the Landlord shall be entitled to retain such proceeds of sale absolutely unless the Tenant shall claim them within 6 months of the date upon which the Tenant vacated the Premises and

9.6.3 the Tenant shall indemnify the Landlord against any damage occasioned to the Premises and any actions claims proceedings

costs expenses and demands made against the Landlord caused by or related to the presence of the property in or on the Premises

9.7 Compensation on vacating

Any statutory right of the Tenant to claim compensation from the Landlord on vacating the Premises shall be excluded to the extent that the law allows

9.8 Service of notice

The provisions of the Law of Property Act 1925 Section 196 together with the Recorded Delivery Service Act 1962 shall apply to the giving and service of all notices and documents under or in connection with this lease except that the Law of Property Act 1925 Section 196 shall be deemed to be amended as follows:

9.8.1 the final words of the Law of Property Act 1925 Section 196 (4) "..... and that service be delivered" shall be deleted and there shall be substituted "... and that service shall be deemed to be made on the third Working Day after the registered letter has been posted "Working Day" meaning any day from Monday to Friday (inclusive) other than Christmas Day Good Friday and any statutory bank or public holiday"

9.8.2 any notice or documents shall also be sufficiently served on a party if served on solicitors who have acted for that party in relation to this lease or the Premises at any time within the year preceding the service of the notice or document

9.8.3 any notice or document shall also be sufficiently served if sent by telex telephone facsimile transmission or any other means of electronic transmission to the party to be served (or its solicitors where clause 9.8.2 applies) and that service shall be deemed to be made on the day of transmission if

transmitted before 4.00 pm on a Working Day but otherwise on
the next following Working Day (as defined above)

and in this clause "party" includes the Guarantor

9.9 Rights easements etc

The operation of the Law of Property Act 1925 Section 62 shall be excluded from this lease and the only rights granted to the Tenant are those expressly set out in this lease and such further ancillary rights that arise under the general law or by necessary implication and the Tenant shall not by virtue of this lease be deemed to have acquired or be entitled to and the Tenant shall not during the Term acquire or become entitled by any means whatever to any easement from or over or affecting any Adjoining Property

10. For the avoidance of doubt nothing herein contained or implied shall prejudice or affect the Landlord's rights powers duties and obligations as a Local Authority and the rights powers duties and obligations of the Landlord under all public and private statutes byelaws orders and regulations may be as fully and effectively exercised in relation to the Premises as if they were not the Landlord of this lease and this lease had not been executed by then

11. If any dispute or question whatever shall arise between the parties to this lease with respect to the construction or effect of the rights duties and obligations of the parties under this lease or as to any other matter in any way arising out of or in connection with this lease (except where the same relate to forfeiture of this lease or relief from forfeiture or where the means of resolving such dispute is expressly referred to in this lease) the matter in dispute shall be determined by a single arbitrator appointed by agreement between the parties or in default of agreement within 14 days of one party giving notice to the other of its nominations or nominations appointed by the

President for the time being of the Royal Institution of Chartered Surveyors or the duly appointed deputy of the President or any person authorised by the President to make appointments on his behalf on the applications of either party in accordance with the Arbitration Acts 1950 to 1979

12. The Landlord and the Tenant hereby confirm that they do not intend to enter into partnership together and the Landlord is not liable for the Tenant's Lessee's debts or Torts

13. The Landlord and the Tenant hereby certify that there is no agreement for lease (or Tack) to which this lease (or Tack) gives effect

IN WITNESS whereof these presents have been fully executed as a deed by the parties hereto the day and year first before written

FIRST SCHEDULE

Rights Granted

1. Rights of Way

The right for the Tenant and all persons expressly or by implication authorised by the Tenant in common with the Landlord and all other persons having a like right so far as the Landlord is capable of granting such right to pass and repass to and from the Premises at all times with or without vehicles of any description for all purposes connected with the use and enjoyment of the Premises (but not otherwise) over and along the road shown coloured brown on the Plan

2. Pipes

The right to the free passage and running (subject to temporary interruption for repair alteration or replacement) of water sewage gas electricity telephone and other services or supplies to and from the Premises in and through the Pipes in on under or over the Adjoining Property that now serve the Premises (in common with the Landlord and all other persons having a like right)

PROVIDED THAT the Landlord may at its absolute discretion at any time and as often as it thinks fit substitute the rights granted by this Lease with such other rights as it thinks fit

SECOND SCHEDULE

Rights reserved

1. Use of Pipes

The right to the free and uninterrupted passage and running of water sewage gas electricity telephone and other services or supplies from and to the Adjoining Property in and through the Pipes which now are or may be during the Term in on under or over the Premises

2. Right of construct Pipes

The right to construct and to maintain in on under or over the Premises at any time during the Term any Pipes for the provision of services or supplies to the Adjoining Property

3. Access

3.1 The right at any time during the Term at reasonable times and upon reasonable notice except in cases of emergency to enter (or in cases of emergency to break and enter) the Premises

3.1.1 to inspect the condition and state of repair of the Premises

3.1.2 to inspect cleanse connect repair remove replace with others alter or execute any works whatever to or in connection with the Pipes easements services or supplies referred to in paragraphs 1 and 2 of this Schedule

3.1.3 to carry out work of any kind to the Adjoining Property which cannot conveniently be carried out without access to the Premises

3.1.4 to take schedules or inventories of fixtures and other items to be yielded up on the expiry of the Term and

3.1.5 to exercise any of the rights granted to the Landlord elsewhere
in this lease

3.2 The right with the Surveyor at any time or convenient hours and on
reasonable prior notice to enter and inspect and measure the Premises
for all purposes connected with any pending or intended step under the
1954 Act

4. Light

Full right and liberty at any time after the date of this lease to erect any
new building of any height on the Adjoining Property in such manner as the
Landlord shall think fit notwithstanding the fact that this may obstruct
affect or interfere with the amenity of or the access to the Premises or the
passage of light and air to the Premises and PROVIDED that this shall not
materially affect the Premises or the use and occupation of the Premises

THIRD SCHEDULE

Rent and rent review

1. Definitions

1.1 The terms defined in this paragraph shall for all purposes of this
schedule have the meanings specified

1.2 "Review Period" means for the first Review the period between
commencement of the Contractual Term and First Review Date and
thereafter the period between any Review Date and the day prior to the
next Review Date (inclusive) or between the last Review Date and the
expiry of the Term (inclusive)

1.3 "the Base Figure" shall be for the First Review Date the initial Rent
and for each subsequent Review Date the Rent payable during the
immediately preceding review period

1.4 "the Index" means the "all items" index figure of the Index of Retail
Prices published by the Department of Employment or any successor
Ministry or Department

1.5 "the Assumptions" means the following assumptions at the relevant

Review Date:

1.5.1 that if the Premises have been destroyed or damaged they have been fully restored

1.5.2 that the covenants contained in this lease on the part of the Landlord and the Tenant have been fully performed and observed

1.5.3 that the Premises are available to let by a willing landlord to a willing tenant by one lease without a premium being paid by either party and with vacant possession

1.5.4 that the Premises are ready for and adapted and equipped for immediate occupation and use for the purpose or purposes required by the willing tenant referred to in paragraph 1.5.3 and that all services required for such occupation and use are connected to the Premises

1.5.5 that the lease referred to in paragraph 1.5.3 contains the same terms as this lease except the amount of the Initial Rent but including the provisions for rent review on the Review Dates and at similar intervals after the last Review Date

1.5.6 that the term of the lease referred to in paragraph 1.5.3 is equal in length to the Contractual Term and that such terms begins on the relevant Review Date [and that the rent shall commence to be payable from that date and that the years during which the Tenant covenants to decorate the Premises are at similar intervals after the beginning of the term of such lease as those specified in clause 5.4]

1.6 "the Disregarded Matters" means:

1.6.1 any goodwill attached to the Premises by reason of the carrying on at the Premises of the Permitted User by the Tenant its sub-Tenants or their predecessors in title

1.6.2 any increase in rental value of the Premises attributable to the existence at the relevant Review Date of any improvement to the Premises carried out with consent where required otherwise than in pursuance of an obligation (except an obligation contained in clause 5.7.1) to the Landlord or its predecessors in title by the Tenant its sub-Tenants or their respective predecessors in title or by any lawful occupiers during the Term or during any period of occupation prior to the Term arising out of an agreement to grant it

1.7 "the President" means the President for the time being of the Royal Institution of Chartered Surveyors the duly appointed deputy of the President or any person authorised by the President to make appointments on his behalf

1.8 "the Arbitrator" means a person appointed by agreement between the parties or in the absence of agreement within 14 days of one party giving notice to the other of its nomination or nominations nominated by the President on the application of either party made not earlier than 6 months before the relevant Review Date or at any time afterwards

2. Ascertaining the Rent

2.1 The Rent shall be:

2.1.1 until the first Review Date the Initial Rent and

2.1.2 during each successive Review Period a rent equal to the greater of:

2.1.2.1 the Rent payable immediately prior to the relevant Review Date or if payment of Rent has been suspended pursuant to clause 7.5 the Rent which would have been payable had there been no such suspension

or

2.1.2.2 A rent equal to the Base figure plus a percentage which is the percentage increase in the index between the Review dates

2.2 Such revised Rent for any Review Period may be agreed in writing at any time between the parties or (in the absence of agreement) shall be determined not earlier than the relevant Review Date by the Arbitrator

2.3 The arbitration shall be conducted in accordance with the Arbitration Acts 1950-1979 or any statutory modification or re-enactment thereof for the time being in force except that if the Arbitrator nominated pursuant to paragraph 1.6 shall die or decline to act the President may on the application of either party discharge the Arbitrator and appoint another in his place

2.4 Whenever the Rent shall have been ascertained in accordance with this schedule memoranda to this effect shall be signed by or on behalf of the parties and annexed to this lease and its counterpart and the parties shall bear their own costs in this respect

2.5 In the event that the Rent is ascertained by reference to the Index the Landlord shall give written notice to the Tenant of the amount of the revised Rent within 21 days of such ascertainment

2.6 If the reference base used to compile the Index shall change after today's date 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 current at today's date had been retained

2.7 If it becomes impossible by reason of any change after today's date in the methods used to compile the Index or for any other reason whatever to calculate the revised 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 revised Rent or the construction or effect of the provisions relating to calculation of the revised Rent by

reference to the Index the determination of the revised Rent or other matter in difference shall be determined by the Arbitrator in accordance with the provisions set out hereto

3. Arrangements pending ascertainment of revised Rent

3.1 If the revised Rent payable during any Review Period has not been ascertained by the relevant Review Date Rent shall continue to be payable at the rate previously payable such payments being on account of the Rent for that Review Period

3.2 IF one party shall upon publication of the Arbitrator's award pay all the Arbitrator's fees and expenses such party shall be entitled to recover (in default of payment within 21 days of a demand to that effect in the case of the Landlord as Rent in arrears or in the case of the Tenant by deduction from Rent) such portion of them (if any) as the Arbitrator shall award against the other party

4. Payment of revised Rent

4.1 If the revised Rent shall be ascertained on or before the relevant Review Date and that date is not a quarter day the Tenant shall on that Review Date pay to the Landlord the amount by which one quarter's Rent at the rate payable on the immediately preceding quarter day is less than one quarter's Rent at the rate of the revised Rent apportioned on a daily basis for that part of the quarter during which the revised Rent is payable

4.2 If the revised Rent payable during any Review Period has not been ascertained by the relevant Review Date then immediately after the date when the same has been agreed between the parties or the date upon which the Arbitrator's award shall be received by one party the Tenant shall pay to the Landlord:

4.2.1 any shortfall between the Rent which would have been paid on the Review Date and on any subsequent quarter days had the

revised Rent been ascertained on or before the relevant Review Date and the payments made by the Tenant on account and

4.2.2 interest at the base lending rate of the bank referred to in or nominated pursuant to clause 1.9 prevailing on the day upon which the shortfall is paid in respect of each instalment of Rent due on or after the Review Date on the amount by which the instalment of revised Rent which would have been paid on the relevant Review Date or such quarter day exceeds the amount paid on account and such interest shall be payable for the period from the date upon which the instalment was due up to the date of payment of the shortfall

5. Arrangements when increasing Rent prevented etc

5.1 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 Rent in accordance with this Lease and/or to recover any increase in the Rent the Landlord shall when such restriction or modification is removed relaxed or modified be entitled (but without prejudice to the Landlord's rights (if any) to recover any Rent the payment of which has only been deferred by law) on giving not less than one month's nor more than 3 month's notice in writing to the Tenant at any time within 6 months (time being of the essence of the contract) of the restriction or modification being removed relaxed or modified to invoke the provisions of paragraph 5.2

5.2 Upon the service of a notice pursuant to paragraph 5.1 the Landlord shall be entitled:

5.2.1 to proceed with any review of the Rent which may have been prevented or further to review the Rent in respect of any review where the Landlord's right was restricted or modified and the date of expiry of such notice shall be deemed for the

purposes of this lease to be a Review Date PROVIDED that without prejudice to the operation of this paragraph nothing in this paragraph shall be construed as varying any subsequent Review Dates and

5.2.2 to recover any increase in Rent with effect from the earliest date permitted by law

FOURTH SCHEDULE

1. "Additional Rent" means the aggregate of the following sums:
 - 1.1 5 per centum per annum of all Gate Receipts received by the Club and
 - 1.2 25 per centum per annum of the Net Profit
2. "Gate Receipts" are that figure shown in the Income Column of the Income and Expenditure Accounts for any football club playing at the Premises during the Tenant's Financial Year such accounts having been duly certified by a professionally qualified accountant
3. "Net Profit" means the figure shown in the balanced Income and Expenditure accounts of the Club such accounts having been duly certified by a professionally qualified accountant.
4. Within three months after the end of the Tenant's Financial Year the Tenant shall deliver to the Landlord a full set of the Club's annual accounts along with a certificate signed by a professionally qualified accountant appointed by the Tenant certifying that the records are a true and correct record of the Club's accounts and also certifying the amount of Net Profit and "Gate Receipts" during the Tenant's Financial Year.
5. "Tenant's Financial Year" means each period of one year commencing on the day of 199
6. If the Tenant fails to supply the items detailed in clause 3 of this schedule or any dispute arises between the parties as to the amount of

Gate Receipts or Net Profit then the Gate Receipts and Net Profit shall be determined by a member of the Institute of Chartered Accountants in England and Wales appointed by the President of such Institute acting as an expert and not as an arbitrator whose decision shall be binding on both parties

7. Inspection of Accounts etc.

The Tenant shall make available for inspection at all reasonable times by the Landlord or its agent duly authorised for that purpose in writing the Tenant's books documents and records which are or in the opinion of the Landlord ought to be kept by the Tenant for the purpose of ascertaining and verifying the Net Profit and Gate Receipts or which in the opinion of the Landlord are or may be relevant for such purpose and the Tenant shall bear the cost of such inspection if any material discrepancy is discovered

8. The Additional Rent shall be payable without deduction three months after the end of the Tenant's Financial Year.

9. If the Additional Rent has not been determined for the Tenant's Financial Year, three months after the end of the said year, then the Tenant shall pay to the Landlord within 14 days of the end of that period a sum on account of the Additional Rent equal to the amount of Rent payable for one quarter as detailed in clause 4.3a of this Lease (Sum on Account)

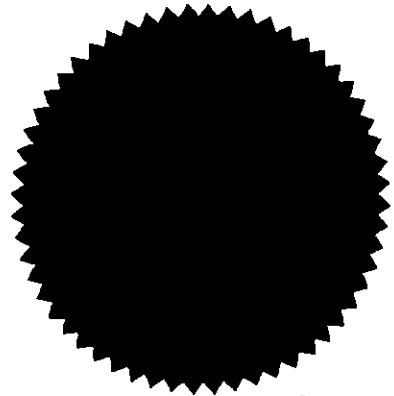
10. Upon determination of the Additional Rent there shall be payable upon the next quarter day the difference between the Sum on Account and that that would have been payable had the Additional Rent have been determined on time (Actual Additional Rent)

11. Where the Sum on Account exceeds the Actual Additional Rent the Tenant shall be entitled to deduct the difference from the Rent due on the next quarter day

10. Where the Sum on Account exceeds the Actual Additional Rent the Tenant shall be entitled to deduct the difference from the Rent due on the next quarter day

11. If the Additional Rent is determined in accordance with paragraph 5 of this schedule and if the Actual Sum exceeds the Sum on Account the Tenant shall pay interest on the difference between those sums, such interest being payable on the next quarter day at the rate specified in clause 1.9 of this Lease

THE COMMON SEAL of TAMESIDE)
METROPOLITAN BOROUGH COUNCIL)
was hereunto affixed in the)
presence of:-)



67404

[Handwritten Signature]
Borough Solicitor

THE COMMON SEAL of HYDE UNITED)
ASSOCIATION FOOTBALL CLUB LIMITED)
was hereunto affixed in the)
presence of:-)

Director

Secretary