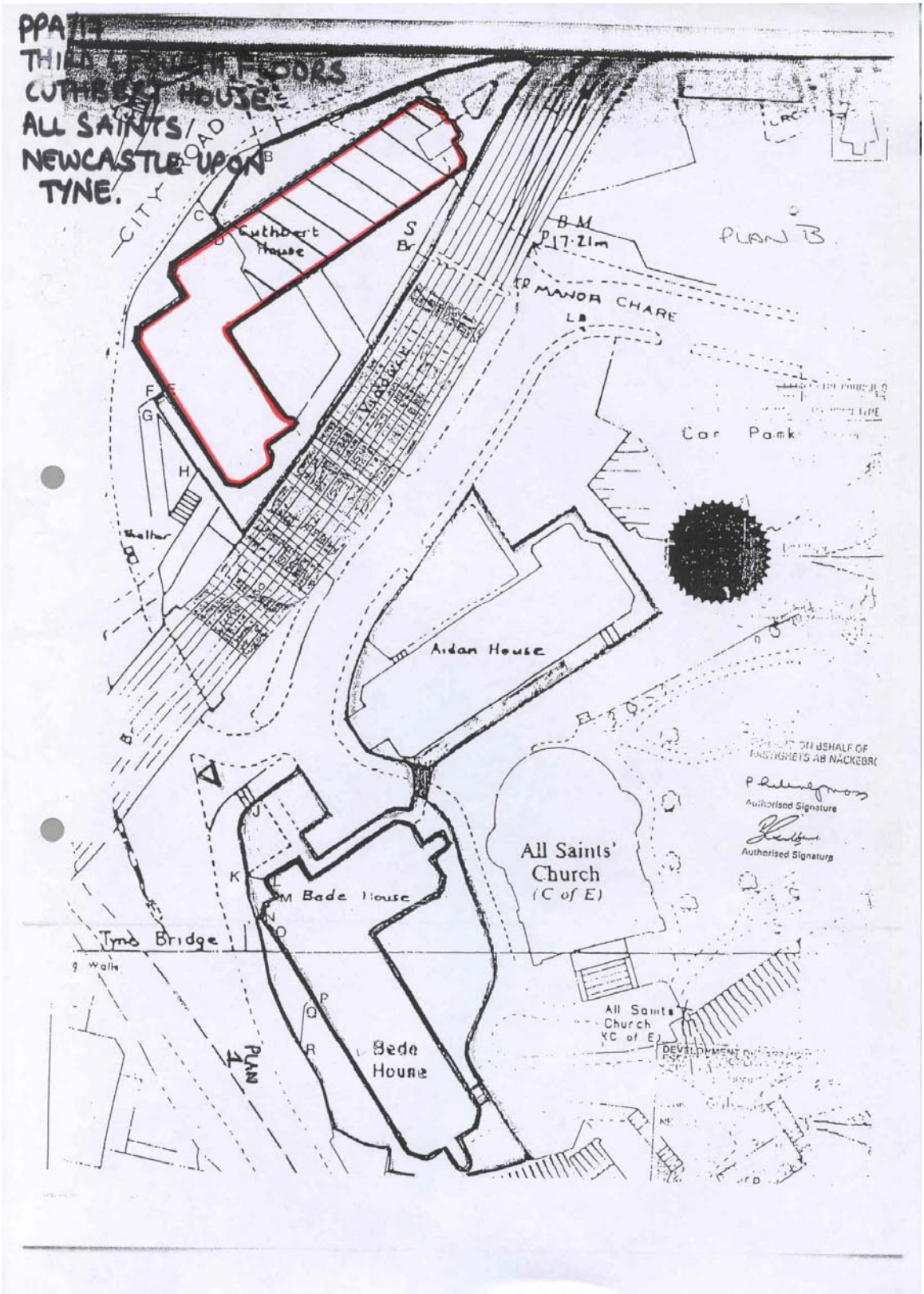
CUTHBERT HOUSE

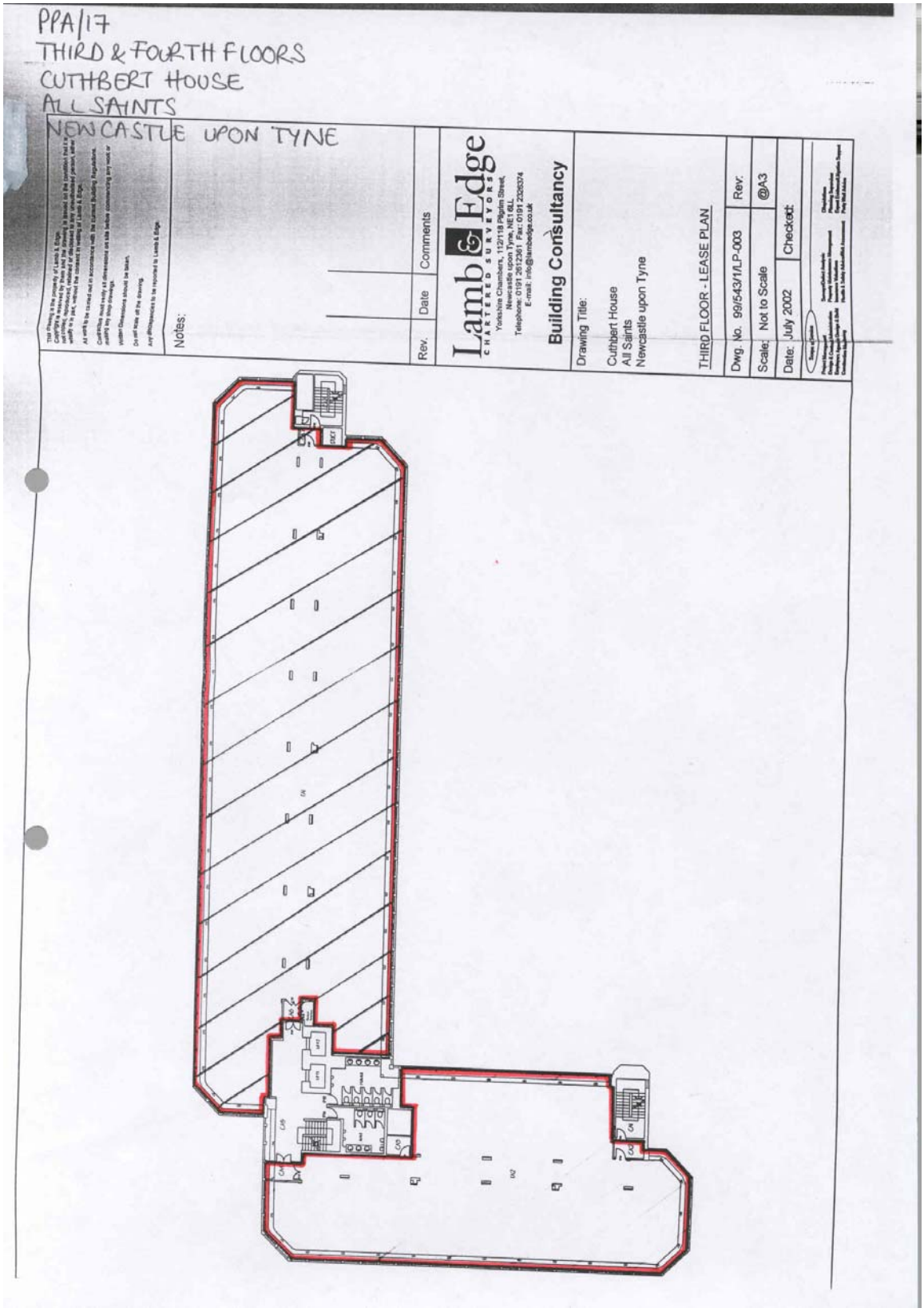
PPA Reference	PPA/17
Tenure	Leasehold (underlease)
Demised Premises	Third and Fourth Floors, Cuthbert House, All Saints, Newcastle Upon Tyne (shown edged red on the attached plans) Please note that the premises are held under two leases, one of the third and one of the fourth floor.
Date of Lease	13 August 2002
New or old lease for purposes of Landlord and Tenant (Covenants) Act 1995	New
Description	Offices
Use	Offices
Registered / Unregistered	Unregistered
Landlord	GLP Intressenter AB
Term	From 31 July 2002 to 30 July 2012


PPA
THI
CUTHBERT HOUSE
ALL SAINTS/
NEWCASTLE UPON
TYNE.
CITY ROAD
Cuthbert House
PLAN B
B M
17·21m
MANOR CHARE
Car Park
Aidan House
All Saints' Church (C of E)
Bede House
Tyne Bridge
Walls
PLAN 1
All Saints Church (C of E)
Authorised Signature
Authorised Signature

PPA/17
THIRD & FOURTH FLOORS
CUTHBERT HOUSE
ALL SAINTS
NEWCASTLE UPON TYNE

PLAN 2.

PPA/17
THIRD & FOURTH FLOORS
CUTHBERT HOUSE
ALL SAINTS
NEWCASTLE UPON TYNE



Break Clause	In accordance with the Heads of Terms, the Leases contain a tenant's right to determine on 31 July 2007 on serving not less than nine months' notice. If at that time the relevant Lease is vested in a Government Department (defined in the Lease as any ministerial department of the Government which appears on the list published from time to time by the Minister for the Civil Service pursuant to Section 17 of The Crown Proceedings Act 1947 as amended or any other Crown body) then the right to break is conditional upon having paid the rent up to the determination date and yielding up the demised premises with vacant possession on the determination date. However, if the relevant Lease is not vested in a Government Department at that time the right to break is conditional upon having paid all rent and other sums payable under the Lease and having observed and materially performed the tenant's covenants. The premium for determination is £61,687.50 inclusive of VAT for each Lease. The premium is payable on the date of service of the notice to determine. If the Tenant does not exercise its option to determine then there shall be a rent free period from 1 May 2007 to 30 July 2007 inclusive. The Leases provide that if the Lease is no longer vested in a Government Department prior to the determination date, then the option to determine will become mutual.
User	Class B1(a) Offices
Rent	Third Floor : £118,150 per annum from 1 December 2002 to 24 March 2003. £121,750 per annum from 25 March 2003 to 30 July 2005. £133,325 per annum from 31 July 2005 to 30 July 2006. £150,688 per annum from 31 July 2006 to 30 July 2007. Thereafter according to rent review. Fourth Floor : £79,110 per annum from 1 December 2002 to 24 March 2003. £121,750 per annum from 25 March 2003 to 30 July 2005. £133,325 per annum from 31 July 2005 to 30 July 2006. £150,688 per annum from

	31 July 2006 to 30 July 2007. Thereafter according to rent review.
Rent review	Rent review date : 31 July 2007. The revised rent will be the higher of £12.50 per square foot or the open market rent. Open market rent to be determined with the usual assumptions and disregards. Method of review : Landlord to give to Tenant notice during the 9 months before or at any time after the review date. The Landlord and Tenant should then try to agree the new open market rent as at the review date. If they cannot agree either may by notice to the other require the open market rent to be determined by a surveyor acting as an arbitrator.
Interest on late payment	4% above base rate of Royal Bank of Scotland Plc, payable on rent not paid by the due date and on all other sums not paid by the later of the due date and 14 days after demand.
Service charge	Tenant is to pay a due proportion of the total service charge incurred by the Landlord. Due proportion means a fair proportion as determined by the ratio of the floor area of the premises during the relevant account period to the total floor area of all lettable areas.
Insurance	Landlord to insure the building against the usual risks and recover the cost from the Tenant.
Repair	The Tenant shall put and keep the premises at all times in good and substantial repair and condition. Tenant not responsible for heating, cooling or ventilation systems, fitted carpets, fixtures and fittings except tenant's or trade fixtures. The Tenant must also keep all Plant within the premises in good working order (e.g. fire prevention equipment). The Tenant must regularly clean the premises including interiors of all the windows and maintain the premises in a clean and tidy condition.
Decoration	The Tenant must decorate and keep the premises decorated to a high standard at least once every five years. Also, to the Landlord's reasonable specification in the last 6 months of the term.
Alterations	The Tenant shall not make any alterations (save for the installation of internal demountable partitioning so long as it does not interfere with the operation of the Plant and the Landlord is provided with details beforehand) without the consent of the Landlord, such

	consent not to be unreasonably withheld.
Alienation	Each Lease prohibits all dealings save for assignments of the whole (being a whole floor), underlettings of the whole or underletting one whole wing. Such dealings may take place with the Landlord's prior consent, such consent not to be unreasonably withheld or delayed. Further, the Tenant may charge the whole or share occupation with a group company without consent provided that notice of sharing is given within 21 days. 1. Assignments : The Landlord may withhold its consent to assignment of the whole if there is a substantial breach of a covenant by the Tenant, if the proposed assignee is a member of the same group of companies as the Tenant or the proposed assignee is not of sufficient financial standing in the reasonable opinion of the Landlord. The Landlord may grant consent subject to conditions such as : (a) two individuals acceptable to the Landlord or a company acceptable to the Landlord act as guarantor(s); (b) the assignee has deposited a sum by way of rent with the Landlord as security for performance of its obligations under the lease; (c) the Tenant has entered into an authorised guarantee agreement; (d) the Tenant has procured that any surety for it under the lease has entered into an authorised guarantee agreement. 2. Underlettings : The proposed undertenant must covenant by deed with the Landlord to observe and perform all the provisions of the underlease. If the proposed undertenant is a corporate body, the Landlord can require that two individuals or a company acceptable to the Landlord must first enter into a covenant by deed to act as surety for the undertenant. Permitted underleases are : (a) at the best rent which it is reasonably obtainable in the open market; (b) have no fine or premium; (c) have rent review at the same time and on the same basis as in the lease; (d) in substantially the same form as the lease

	except that further subletting will be prohibited; (e) are excluded from the security of tenure provisions; (f) contain a provision requiring the undertenant to obtain the Landlord's consent (not to be unreasonably withheld) to any proposed assignment of the premises comprised in the underlease. The proposed assignee is to covenant by deed with the Landlord to observe and perform all provisions of the underlease.
Tenant's Covenants	1. To pay and indemnify the Landlord against all liability, costs, fees, charges, disbursements and expenses connected with applications for the Landlord's consent, schedule of dilapidations, notices pursuant to provisions of the lease or under ss 146-7 Law of Property Act 1925, recovery of arrears of rent, enforcement of covenants, abating nuisances which the tenant has failed to abate and complying with a legal obligation if the tenant does not. 2. To pay and indemnify the Landlord against all outgoings, VAT and all claims, demands, actions or proceedings made or brought and all losses, damages, costs, expenses, liabilities incurred as a result of : i) the Tenant's use and occupation of the premises; ii) the state of repair and condition of the premises (except where caused by act of default of the Landord); iii) any act, default, omission or negligence of the Tenant or of any other person with the Tenant's express or implied authority or anyone deriving title through the tenant; iv) any breach of covenant or other lease provision. 3. Not to display any flashing or moving signs visible from outside the premises. The Tenant is not to affix anything outside the premises except for signs to indicate the name and business of the Tenant provided it has first been approved by the Landlord (such approval not to be unreasonably withheld). 4. Not to use the premises otherwise than for the permitted user without the prior consent of the Landlord (not to be unreasonably withheld). 5. Not to use the premises in a manner which may

	cause a nuisance, disturbance or injury to the Landlord or anyone else. To take all necessary action to abate a nuisance if it does occur. 6. Not to reside or sleep on the premises. 7. Not to use the premises for any offensive, immoral, illegal, dangerous or noisy activity. 8. Not to use the conduits beyond their capacities nor in a manner which may block or damage them. The Tenant must not permit oil, grease or other deleterious matter to enter any drain or sewer. 9. Upon request from the Landlord, the Tenant shall provide all information requested under Sections 40(1)(a)&(b) of the Landlord and Tenant Act 1954. 10. Within 28 days of any assignment charge or underlease of the premises, to notify the Landlord and produce the original or certified copies of the documents for registration. The Tenant is also to pay reasonable registration fee to the Landlord's solicitors. 11. To comply with all legal obligations and give the Landlord a copy of any formal notice from an Authority. To make any objection or representation against the Authority which the Landlord requires. If a legal obligation requires the Tenant to carry out works, to comply with the provisions of this lease as far as legally permitted. To carry out the works in good and workmanlike manner with good quality materials to the reasonable satisfaction of the Landlord. 12. To carry out any legal obligations. If the legal obligation affects both the Tenant's premises and the retained property, the Landlord has the right to carry out the works and the Tenant must reimburse the Landlord's costs which are attributable to the premises. 13. Not to do or omit to do anything which causes the Landlord to incur liability for costs, penalty, damages, compensation or otherwise and to repay the Landlord's costs upon demand if the Landlord takes action to comply with legal obligations or abate a nuisance when the Tenant has failed to do so. 14. Not to commit a breach of planning control. To comply with all Planning Acts. To obtain the Landlord's prior consent (not to be unreasonably withheld or delayed) to apply for planning permission. To give the Landlord copies of all applications, notices and decisions. To take any

	action reasonably required by the Landlord to protect the Landlord's interests. Not to implement a planning permission until the Landlord has given consent. To comply with all conditions of any planning permission and finish the works before the end of the term. 15. To promptly notify the Landlord of any defect in the premises for which the Landlord may have liability or a duty of care under the lease or the Defective Premises Act (1972) or any other legal obligation. 16. Not to stop-up, darken or obstruct any window or light at the premises nor to allow any new window light opening doorway, pathway, conduit or other encroachment or easement to be made or acquired in or out of the premises. 17. To permit the Landlord or any Superior Landlord or persons authorised by any of them to enter the premises at all reasonable times to inspect the premises, make surveys, show the premises to prospective tenants or purchasers, to affix signboards to the premises or for any other reasonable purpose. The Landlord is to give 2 working days notice except in an emergency. 18. To allow the Landlord, any Superior Landlord or any other person authorised by them, to enter the premises to abate a nuisance if the Tenant does not abate it, to comply with legal obligations if the Tenant does not comply with the obligation, to take schedules or inventories, to inspect or execute works or repair, maintenance, decoration, construction, alteration, improvement, or to provide services. Where the works are going to have an impact on the Tenant's use and enjoyment of the premises, the Landlord shall use reasonable endeavours to enter the premises outside normal working hours. 19. To permit the Landlord, any Superior Landlord or other authorised persons to carry out any works of repair construction, development, improvement etc to the building or other property. To allow erection of scaffolding notwithstanding interference with access of light or air to the premises or any temporary interference. So far as practicable, pedestrian access to the premises and service supplies to be maintained during normal business hours. 20. To allow suitable signs to be affixed to parts of the premises to advertise re-letting during the last six

	months of the term, or at any time to advertise the sale of any reversionary interest. Such signs to be of a reasonable size and not to materially obstruct the access of light to the premises. 21. At the end of the term, to reinstate the premises (removing any alterations if the Landlord requires) making good any damage caused. The Tenant is to yield up the premises in a state and condition consistent with compliance with the Tenant's covenants. 22. To pay a fair proportion of the Landlord's insurance premiums and all of the premium against loss of rent for the premises. 23. Not to do or omit to do anything which will make the insurance policy void or voidable or increase the insurance premium. If the premium does increase for this reason, the Tenant is to reimburse the Landlord the whole of the increase. 24. To notify the Landlord of any loss damage or destruction which may give rise to a claim under the insurance policy. 25. To reimburse the Landlord the amount of any insurance money which the Landlord is unable to recover as a result of an act, default or omission by the Tenant.
Landlord's covenants	Please refer to the Schedule of Leasehold Assumptions
Rights Granted	1. Access to and egress from the premises on foot through the common parts and to use the common parts for the purposes for which they are intended. 2. The right to connect into and use conduits for the supply of services and for drainage and such other conduits available from time to time for connection to individual lettable areas. 3. The right to connect into and use Plant from time to time available for connection into individual lettable areas. 4. The right of shelter, support and protection of the premises from the remainder of the building. 5. The right to park four private motor vehicles and one commercial van or five private motor vehicles at all times (providing the commercial van fits within a single car parking space) in the car park situated at the building in the spaces allocated by the Landlord from time to time in its absolute discretion. This right is dependent upon the tenant complying with the landlord's reasonable regulations to manage the car park, not carrying out maintenance work to any vehicle in the car

	park nor bringing oil, diesel or flammable liquid on the car park, not causing any nuisance to any other party licensed to use the car park, nor to impede or interfere with the landlord's right of possession and control over the car park.
Rights Reserved	1. All rights of shelter, support and protection afforded by the premises. 2. The right to free and uninterrupted passage and running of services through service media forming part of the retained property although passing through the premises. 3. The right to enter the premises to inspect, clean, maintain, repair, renew, remove, divert or make connections with any conduit or facility or to install any new conduit or facility.
Forfeiture	The Landlord may forfeit the Lease by proceedings or by re-entering the premises if : a) any rent remains unpaid 21 days after it is due; b) if any covenant or stipulation of the Lease is not performed by the Tenant; c) if the Tenant permits any execution or distress to be levied on any goods in the premises; or d) if the Tenant or any guarantor for the Tenant becomes insolvent.