

Commercial Lease Agreement

Relating to All That Ground Floor Shop and Premises
Situate and Known As Number:
Cathedral Road, CARDIFF.

**This Commercial Lease Agreement (the 'Agreement') is made and effective this:
20th day of October 2010.**

BETWEEN: S H J A D L P A O'B (the 'Landlord'), whose office is located at: , Cyncoed Road, CARDIFF. CF23
6.

AND: Paul Steven Evans (the 'Tenant'), T/A The Bakery whose office is located at:
, Cathedral Road, CARDIFF. CF11 .

IN CONSIDERATION OF the Landlord leasing certain premises to the Tenant, the Tenant leasing those premises from the Landlord and the mutual benefits and obligations set forth in this Lease, the receipt and sufficiency of which consideration is hereby acknowledged, the parties to this Lease agree as follows:

Basic Terms

1The following basic terms are hereby approved by the parties and each reference in this Lease to any of the . basic terms will be construed to include the provisions set forth below as well as all of the additional terms and conditions of the applicable sections of this Lease where such basic terms are more fully set forth:

a. Landlord: The Landlord of:
, Cyncoed Road. CARDIFF CF23

b. Tenant: **Paul S** T/A Bakery of:
, Cathedral Road, CARDIFF. CF11

c. The Premises are comprised of: The Ground Floor Shop, yard and outbuildings and are situate at:
, Cathedral Road, CARDIFF. CF11

d. Term of Lease is for TWENTY FIVE YEARS and Ends on: 19th Day of October Two Thousand and Thirty

e. Commencement Date of Lease: 20th Day of October Two Thousand and Ten.

f. The Rentals payable Monthly shall be:

In Words

Paid by the Fourth day of each month. Rental Reviews will take place every third year anniversary.

Definitions

2. When used in this Lease, the following expressions will have the meanings indicated:

- a. Additional Rent means all amounts payable by the Tenant under this Lease except Base Rent, whether or not specifically designated as Additional Rent elsewhere in this Lease;
- b. Building means all buildings, improvements, equipment, fixtures, property and facilities from time to time located at: , as from time to time altered, expanded or reduced by the Landlord in its sole discretion;
- c. Common Areas and Facilities mean:
 - (i) those portions of the Building areas, buildings, improvements, facilities, utilities, equipment and installations in or forming part of the Building which from time to time are not designated or intended by the Landlord to be leased to tenants of the Building including, without limitation, exterior weather walls, roofs, entrances and exits, parking areas, driveways, loading docks and area, storage, mechanical and electrical rooms, areas above and below leasable premises and not included within leasable premises, security and alarm equipment, grassed and landscaped areas, retaining walls and maintenance, cleaning and operating equipment serving the Building; and
 - (ii) those lands, areas, buildings, improvements, facilities, utilities, equipment and installations which serve or are for the useful benefit of the Building, the tenants thereof or the Landlord and those having business with them, whether or not located within, adjacent to or near the Building and which are designated from time to time by the Landlord as part of the Common Areas and Facilities;
- d. Leasable Area means with respect to any rentable premises, the area expressed in square feet of all floor space including floor space of mezzanines, if any, determined, calculated and certified by the Landlord and measured from the exterior face of all exterior walls, doors and windows, including walls, doors and windows separating the rentable premises from enclosed Common Areas and Facilities, if any, and from the centre line of all interior walls separating the rentable premises from adjoining rentable premises. There will be no deduction or exclusion for any space occupied by or used for columns, ducts or other structural elements;
- e. Premises means the Shop space at 229, Cathedral Road, CARDIFF. CF11 9PP.
- f. Proportionate Share means a fraction, the numerator of which is the Leasable Area of the Premises and the denominator of which is the aggregate of the Leasable Area of all rentable premises in the Building.

Intent of Lease

3. It is the intent of this Lease and agreed to by the parties to this Lease that this Lease will be absolutely carefree triple net to the Landlord such that, all and every cost, expense, rate, tax or charge in any way related to the Premises, to the operation of the Building and to the Tenant's share of Operating Costs will be borne by the Tenant for its own account and without any variation, setoff or deduction whatsoever, save as specifically provided in this Lease to the contrary.

Leased Premises

4. The Landlord agrees to rent to the Tenant the Premises for only the permitted use (the "Permitted Use") of a **Bakery and Shop**. Neither the Premises nor any part of the Premises will be used at any time during the term of this Lease by Tenant for any purpose other than the Permitted Use.
5. The Landlord reserves the right in its reasonable discretion to alter, reconstruct, expand, withdraw from or add to the Building from time to time. In the exercise of those rights, the Landlord undertakes to use reasonable efforts to minimize any interference with the visibility of the Premises and to use reasonable efforts to ensure that direct entrance to and exit from the Premises is maintained.

6. The Landlord reserves the right for itself and for all persons authorized by it, to erect, use and maintain wiring, mains, pipes and conduits and other means of distributing services in and through the Premises, and at all reasonable times to enter upon the Premises for the purpose of installation, maintenance or repair, and such entry will not be an interference with the Tenant's possession under this Lease.
7. The Landlord reserves the right, when necessary by reason of accident or in order to make repairs, alterations or improvements relating to the Premises or to other portions of the Building to cause temporary obstruction to the Common Areas and Facilities as reasonably necessary and to interrupt or suspend the supply of electricity, water and other services to the Premises until the repairs, alterations or improvements have been completed. There will be no abatement in rent because of such obstruction, interruption or suspension provided that the repairs, alterations or improvements are made expeditiously as is reasonably possible.
8. Subject to this Lease, the Tenant and its employees, customers and invitees will have the non-exclusive right to use for their proper and intended purposes, during business hours in common with all others entitled thereto those parts of the Common Areas and Facilities from time to time permitted by the Landlord. The Common Areas and Facilities and the Building will at all times be subject to the exclusive control and management of the Landlord. The Landlord will operate and maintain the Common Areas and Facilities and the Building in such manner as the Landlord determines from time to time.

Term

9. The term of the Lease commences at 12:00 noon on 20/10/2010 and ends at 12:00 noon on 19/10/2035.
10. Should the Tenant remain in possession of the Premises with the consent of the Landlord after the natural expiration of this Lease, a new tenancy from month to month will be created between the Landlord and the Tenant which will be subject to all the terms and conditions of this Lease but will be terminable upon either party giving one month notice to the other party provided a new lease has not been negotiated.

Rent

11. Subject to the provisions of this Lease, the Tenant will pay a base rent (the Base Rent) of :
_____ for the Premises.
12. The Tenant will pay the Base Rent on or before the Fourth of each and every month of the term of this Lease to the Landlord. The base rentals will be reviewed every three years subject to negotiation.
13. In the event that this Lease commences, expires or is terminated before the end of the period for which any item of Additional Rent or Base Rent would otherwise be payable or other than at the commencement or end of a calendar month, the amount thereof payable by the Tenant will be apportioned and adjusted pro rata on the basis of a thirty (30) day month in order to calculate the amount payable for such irregular period.

Operating Costs

14. In addition to the Base Rent, the Tenant will pay as Additional Rent, without setoff, abatement or deduction, its Proportionate Share of all of the Landlord's costs, charges and expenses of operating, maintaining, repairing, replacing and insuring the Building including the Common Areas and facilities from time to time and the carrying out of all obligations of the Landlord under this Lease and similar leases with respect to the Building (Operating Costs) which include without limitation or duplication, all expenses, costs and outlays relating to the following:
 - a. cleaning and janitorial services;
 - b. operating and servicing elevators;
 - c. all utilities supplied to the Common Areas and Facilities;
 - d. security;
 - e. window cleaning;
 - g. repairs and replacements to the

Building and any component thereof; **h.** accounting **i.** auditing; **j.** provision, repair, replacement and maintenance of heating, cooling, ventilation and air conditioning equipment throughout the Building; all amounts paid to employees or third parties relating to work performed in relation to the Building including in the case of employees all usual benefits, including a management fee not to exceed 5% of gross receipts from the Building; **k.** Supplies used in relation to operating and maintaining the Building; **l.** provision of a building superintendent and associated personnel employed for the Building including a reasonable rental value for office space used by those persons and related expenses including uniforms; **m.** all outdoor maintenance including landscaping and snow removal; **n.** operation and maintenance of parking areas; **o.** preventive maintenance and inspection.

15. Operating Costs will not include (except as herein otherwise provided) debt service, depreciation, costs determined by the Landlord from time to time to be fairly allocable to the correction of construction faults or initial maladjustments in operating equipment, all management costs not allocable to the actual maintenance, repair or operation of the Building (such as in connection with leasing and rental advertising), work performed in connection with the initial construction of the Building and the Premises and improvements and modernization to the Building subsequent to the date of original construction which are not in the nature of a repair or replacement of an existing component, system or part of the Building.

16. Operating Costs will also not include the following:

a. any increase in insurance premiums to the centre as a result of business activities of other Tenants; **b.** the costs of any capital replacements; **c.** the costs incurred or accrued due to the wilful act or negligence of the Landlord or anyone acting on behalf of the Landlord; **d.** structural repairs; **e.** costs for which the Landlord is reimbursed by insurers or covered by warranties; **f.** costs incurred for repairs of maintenance for the direct account of a specific Tenant or vacant space; **g.** costs recovered directly from any Tenant for separate charges such as heating, ventilating, and air conditioning relating to that Tenant's leased premises, and in respect of any act, omission, neglect or default of any Tenant of its obligations under its Lease; or **h.** any expenses incurred as a result of the Landlord generating revenues from common area facilities will be paid from those revenues generated.

17. In computing Operating Costs there will be credited as a deduction the amounts of proceeds of insurance relating to insured damage. Any expenses not directly incurred by the Landlord but which are included in Operating Costs may be estimated by the Landlord, acting reasonably if and to the extent the Landlord cannot ascertain the actual amount of such expenses from the tenants who incurred them. Any report of the Landlord's independent chartered accountant for such purpose will be conclusive as to the amount of Operating Costs for any period to which such report relates. To the extent that any component of Operating Costs should be allocated, in the reasonable opinion of the Landlord, to any group of tenants, the Landlord may, but will not be obliged to allocate the cost of that Component to Operating Costs of those tenants alone.

18. The Tenant will pay:

a. to the Landlord, the Tenant's Proportionate Share of all real property taxes, rates, duties, levies and assessments which are levied, rated, charged, imposed or assessed by any lawful taxing authority against the Building and the land or any part thereof from time to time or any taxes payable by the Landlord which are charged in lieu thereof or in addition thereto, but excluding income tax upon the income of the Landlord to the extent that such taxes are not levied in lieu of real property taxes against the Building or upon the

Landlord in respect thereof.

- b.** To the lawful taxing authorities, or to the Landlord, as it may direct, as and when the same become due and payable, all taxes, rates, use fees, duties, assessments and other charges that are levied, rated, charged or assessed against or in respect of all improvements, equipment and facilities of the Tenant on or in default by the Tenant and in respect of any business carried on in the Premises or in respect of the use or occupancy thereof by the Tenant and every subtenant, licensee, concessionaire or other person doing business on or from the Premises or occupying any portion thereof.
- 19.** The Tenant will deliver promptly to the Landlord a copy of any separate tax bills or separate assessment notices for the Premises and receipts evidencing the payment of all amounts payable by the Tenant directly to any taxing authority and will furnish such information in connection therewith as the Landlord may from time to time require.
- 20.** The Tenant will pay to the Landlord, forthwith upon demand, the following amounts:

 - a.** If the Tenant or any person occupying the Premises or any part thereof will make an election in respect to the Premises, any additional amount payable in respect of the Premises or the Building as a result of such election, as reasonably determined by the Landlord.
 - b.** An amount equal to any increase in the Operating Costs if such increase is directly or indirectly attributable to any installation in or upon the Premises or any activity or conduct thereon.
 - c.** In such manner as the Landlord will from time to time direct, the cost of supplying all water, fuel, electricity, telephone and any other utilities used or consumed upon or serving the Premises. If the Tenant is billed for the consumption or use of such utilities directly by the appropriate utility authority, the Tenant will pay any such billings promptly when due and payable. If separate check meters are not installed in respect of utilities consumption in, upon or serving the Premises or if the Tenant is not billed for the consumption of such utilities directly by the competent authority, the Landlord will allocate to the Tenant, on a reasonable basis, a share of the total costs of all utilities consumed within the Building.
- 21.** All amounts payable by the Tenant relating to the Operating Costs will be deemed to be rent and receivable and collectable as such notwithstanding the expiration or sooner termination of this Lease and all remedies of the Landlord for non-payment of rent will be applicable thereto.

Landlord's Estimate

- 22.** The Landlord may, in respect of all taxes and Operating Costs and any other items of Additional Rent referred to in this Lease compute bona fide estimates of the amounts which are anticipated to accrue in the next following lease year, calendar year or fiscal year, or portion thereof, as the Landlord may determine is most appropriate for each and of all items of Additional Rent, and the Landlord may provide the Tenant with written notice and a reasonable breakdown of the amount of any such estimate, and the Tenant, following receipt of such written notice of the estimated amount and breakdown will pay to the Landlord such amount, in equal consecutive monthly instalments throughout the application period with the monthly instalments of Base Rent. With respect to any item of Additional rent which the Landlord has not elected to estimate from time to time, the Tenant will pay to the Landlord the amount of such item of Additional Rent, determined pursuant to the applicable provisions of this Lease, immediately upon receipt of an invoice setting out such items of Additional Rent. Within one hundred and twenty (120) days of the conclusion of each year of the term or a portion thereof, as the case may be, calendar year or fiscal year, or portion thereof, as the case may be, for which the Landlord has estimated any item of Additional Rent, the Landlord

will compute the actual amount of such item of Additional Rent, and make available to the Tenant for examination a statement setting forth the amount of such item of Additional Rent and the calculation of the Tenant's share thereof for such year or portion thereof. If the actual amount of such items of Additional Rent, as set out in the any such statement, exceeds the aggregate amount of the instalments paid by the Tenant in respect of such item, the Tenant will pay to the Landlord the amount of excess within fifteen (15) days of receipt of any such statement. If the contrary is the case, any such statement will be accompanied by a refund to the Tenant of any such overpayment without interest, provided that the Landlord may first deduct from such refund any rent which is then in arrears.

Use and Occupation

- 23.** The Tenant will use and occupy the Premises only for the Permitted Use and for no other purpose whatsoever. The Tenant will carry on business under the name of and will not change such name without the prior written consent of the Landlord, such consent not to be unreasonably withheld. The Tenant will open the whole of the Premises for business to the public, full fixtures, stocked and staffed on the date of commencement of the term and throughout the term, will continuously occupy and utilize the entire Premises in the active conduct of its business in a reputable manner on such days and during such hours of business as may be deemed by the Tenant necessary for the conduct of his business.
- 24.** The Tenant covenants that the Tenant will carry on and conduct its business from time to time carried on upon the Premises in such manner as to comply with all statutes, bylaws, rules and regulations of any federal, provincial, municipal or other competent authority and will not do anything on or in the Premises in contravention of any of them.

Advance Rent

- 25.** On execution of this Lease, The Tenant will pay the Landlord (ONE) advance rent (the Advance Rent) to be held by the Landlord without interest and to be applied on account of the first and last instalments of Base Rent as they fall due and to be held to the extent not so applied as security for and which may be applied by the Landlord to the performance of the covenants and obligations of the Tenant under this Lease.

Quiet Enjoyment

- 26.** The Landlord covenants that on paying the Rent and performing the covenants contained in this Lease, the Tenant will peacefully and quietly have, hold, and enjoy the Premises for the agreed term.

Default

- 27.** If the Tenant is in default in the payment of any money, whether hereby expressly reserved or deemed as rent, or any part thereof, and such default continues following any specific due date on which the Tenant is to make such payment, or in the absence of such specific due date, or the day following written notice by the Landlord requiring the Tenant to pay the same then, at the option of the Landlord, this Lease may be terminated upon 30 days notice and the term will then immediately become forfeited and void, and the Landlord may without further notice or any form of legal process whatever forthwith re-enter the Premises or any part thereof and in the name of the whole repossess and enjoy the same as of its former state anything contained herein or in any statute or law to the contrary notwithstanding.
- 28.** Unless otherwise provided for in this Lease, if the Tenant does not observe, perform and keep each and every of the non-monetary covenants, agreements, stipulations, obligations, conditions and other provisions of this Lease to be observed, performed and kept by the Tenant and persists in such default, after 30 days following written notice from the Landlord requiring that the Tenant remedy, correct or comply or, in the

case of such default which would reasonably require more than 30 days to rectify, unless the Tenant will commence rectification within the said **30 days notice** period and thereafter promptly and diligently and continuously proceed with the rectification of any such defaults then, at the option of the Landlord, this Lease may be terminated upon **30 days notice** and the term will then immediately become forfeited and void, and the Landlord may without further notice or any form of legal process whatever forthwith re-enter the Premises or any part thereof and in the name of the whole repossess and enjoy the same as of its former state anything contained herein or in any statute or law to the contrary notwithstanding.

29. If and whenever:

- a. the Tenant's leasehold interest hereunder, or any goods, chattels or equipment of the Tenant located in the Premises will be taken or seized in execution or attachment, or if any writ of execution will issue against the Tenant or the Tenant will become insolvent or commit an act of bankruptcy or become bankrupt or take the benefit of any legislation that may be in force for bankrupt or insolvent debtor or become involved in voluntary or involuntary winding up, dissolution or liquidation proceedings, or if a receiver will be appointed for the affairs, business, property or revenues of the Tenant; or
- b. the Tenant fails to commence, diligently pursue and complete the Tenant's work to be performed pursuant to any agreement to lease pertaining to the Premises or vacate or abandon the Premises, or fail or cease to operate or otherwise cease to conduct business from the Premises, or use or permit or suffer the use of the Premises for any purpose other than as permitted herein, or make a bulk sale of its goods and assets which has not been consented to by the Landlord, or move or commence, attempt or threaten to move its goods, chattels and equipment out of the Premises other than in the routine course of its business; or
- c. then, and in each such case, at the option of the Landlord, this Lease may be terminated without notice and the term will then immediately become forfeited and void, and the Landlord may without notice or any form of legal process whatever forthwith re-enter the Premises or any part thereof and in the name of the whole repossess and enjoy the same as of its former state anything contained herein or in any statute or law to the contrary notwithstanding.

30. In the event that the Landlord has terminated the Lease pursuant to this section, on the expiration of the time fixed in the notice, if any, this Lease and the right, title, and interest of the Tenant under this Lease will terminate in the same manner and with the same force and effect, except as to the Tenant's liability, as if the date fixed in the notice of cancellation and termination were the end of the Lease.

Distress

31. If and whenever the Tenant is in default in payment of any money, whether hereby expressly reserved or deemed as rent, or any part thereof, the Landlord may, without notice or any form of legal process whatsoever, enter upon the Premises and seize, remove and sell the Tenant's goods, chattels and equipment therefrom or seize, remove and sell any goods, chattels and equipment at any place to which the Tenant or any other person may have removed them, in the same manner as if they had remained and been dis-trained upon the Premises, all notwithstanding any rule of law or equity to the contrary.

Over-holding

32. If the Tenant continues to occupy the Premises with the written consent of the Landlord after the expiration or other termination of the term, then, without any further written agreement, the Tenant will be a month-to-month tenant at a minimum monthly rental equal to the Base Rent and subject always to all of the other provisions of this Lease insofar as the same are applicable to a month-to-month tenancy and a tenancy from

year to year will not be created by implication of law without the renewal of the said lease.

33. If the Tenant continues to occupy the Premises without the written consent of the Landlord at the expiration or other termination of the term, then the Tenant will be a tenant at will and will pay to the Landlord, as liquidated damages and not as rent, an amount equal to the Base Rent plus any Additional Rent during the period of such occupancy, accruing from day to day and adjusted pro rata accordingly.

34 Subject always to all the other provisions of this Lease insofar as they are applicable to a tenancy at will and a tenancy from month to month or from year to year will not be created by implication of law; provided that nothing herein contained will preclude the Landlord from taking action, or there being a new lease granted or gained by agreement.

Inspections

35. At all reasonable times during the term of this Lease and any renewal of this Lease, the Landlord and its agents may enter the Premises to make inspections or repairs, or to show the Premises to prospective tenants or purchasers.

Signs

36. The Tenant may erect, install and maintain a sign of a kind and size in a location, all in accordance with the Landlord's design criteria for the Building and as first approved in writing by the Landlord. All other signs, as well as the advertising practices of the Tenant, will comply with all applicable rules and regulations of the Landlord. The Tenant will not erect, install or maintain any sign other than in accordance with this section.

Tenant's Insurance

37. The Landlord will, during the whole of the term and during such other time as the Tenant occupies the Premises, take out and maintain a comprehensive insurance, at the Landlord's sole expense, in such form as may be prescribed by law.

38. Comprehensive general liability insurance against claims for bodily injury, including death, and property damage or loss arising out of the use or occupation of the Premises, or the Tenant's business on or about the Premises; such insurance to be in the joint name of the Tenant and the Landlord so as to indemnify and protect both the Tenant and the Landlord and to contain a cross liability and "severability of interest" clause so that the Landlord and the Tenant may be insured in the same manner and to the same extent as if individual policies had been issued to each, and will be for the amount of not less than £1,000,000.00 combined single limit or such other amount as may be reasonably required by the Landlord/Tenant from time to time; such comprehensive general liability insurance will for the Tenant's benefit only include contractual liability insurance in a form and of a nature broad enough to insure the obligations imposed upon the Tenant under the terms of this Lease.

39. All risks insurance upon its merchandise, stock-in-trade, furniture, fixtures and improvements and upon all other property in the Premises owned by the Tenant or for which the Tenant is legally liable.

Insurance upon all glass and plate glass in the Premises against breakage and damage from any cause, all in an amount equal to the full replacement value thereof, which amount in the event of a dispute will be determined by the decision of the Landlord. In the event the Landlord does not obtain such insurance, it is the Landlord's liability for the full costs of repair or replacement of such damage or breakage.

40. Boiler and machinery insurance on such boilers and pressure vessels as may be installed by, or under the

exclusive control of, the Tenant in the Premises.

41. Owned automobile insurance with respect to all motor vehicles owned by the Tenant and operated in its business.
42. The Tenant's policies of insurance hereinbefore referred to will contain the following:
 - a. provisions that the Landlord is protected notwithstanding any act, neglect or misrepresentation of the Tenant which might otherwise result in the avoidance of claim under such policies will not be affected or invalidated by any act, omission or negligence of any third party which is not within the knowledge or control of the insured(s);
 - b. provisions that such policies and the coverage evidenced thereby will be primary and non-contributing with respect to any policies carried by the Landlord and that any coverage carried by the Landlord will be excess coverage;
 - c. all insurance referred to above will provide for waiver of the insurer's rights of subrogation as against the Landlord; and
 - d. provisions that such policies of insurance will not be cancelled without the insurer providing the Landlord thirty (30) days written notice stating when such cancellation will be effective.
43. The Tenant will further during the whole of the term maintain such other insurance in such amounts and in such sums as the Landlord may reasonably agree from time to time. Evidence satisfactory to the Landlord of all such policies of insurance will be provided to the Landlord upon request.
44. The Tenant will not do, omit or permit to be done or omitted upon the Premises anything which will cause any rate of insurance upon the Building or any part thereof to be increased or cause such insurance to be cancelled. If any such rate of insurance will be increased as aforesaid, the Tenant will pay to the Landlord the amount of the increase as Additional Rent. If any insurance policy upon the Building or any part thereof is cancelled or threatened to be cancelled by reason of the use or occupancy by the Tenant or any act or omission as aforesaid, the Tenant will immediately remedy or rectify such use, occupation, act or omission upon being requested to do so by the Landlord, and if the tenant fails to so remedy or rectify, the Landlord may at its option terminate this Lease and the Tenant will immediately deliver up possession of the Premises to the Landlord.
45. The Tenant will not at any time during the term hereof use, exercise, carry on or permit or suffer to be used, exercised, carried on, in or upon the Premises or any part thereof, any noxious, noisome or offence act, trade business occupation or calling, and no act, matter or thing whatsoever will at any time during the said term be done in or upon the Premises, or any part thereof, which will or may be or grow to the annoyance, nuisance, grievance, damage or disturbance of the occupiers or owners of the Building, or adjoining lands or premises. With the exception of the first floor flat above the shop.

Landlord's Insurance

46. The Landlord will take out or cause to be taken out and keep or cause to be kept in full force and effect during the whole of the term:
 - a. extended fire and extended coverage insurance on the Building, except foundations, on a replacement cost basis, subject to such deductions and exceptions as the Landlord may determine; such insurance will be in a form or forms normally in use from time to time for buildings and improvements of a similar nature similarly situate, including, should the Landlord so elect, insurance to cover any loss of rental income which may be sustained by the Landlord;

- b.** boiler and machinery insurance of such boilers and pressure vessels as may be installed by, or under the exclusive control of, the Landlord in the Building (other than such boilers and pressure vessels to be insured by the Tenant hereunder);
 - c.** Comprehensive general liability insurance against claims for bodily injury, including death and property damage in such form and subject to such deductions and exceptions as the Landlord may determine; provided that nothing herein will prevent the Landlord from providing or maintaining such lesser, additional or broader coverage as the Landlord may elect in its discretion.
- 47.** The Landlord agrees to request its insurers, upon written request of the Tenant, to have all insurance taken out and maintained by the Landlord provide for waiver of the Landlord's insurers' rights of subrogation as against the Tenant when and to the extent permitted from time to time by its insurers.

Abandonment

- 48.** If at any time during the term of this Lease, the Tenant abandons the Premises or any part of the Premises, the Landlord may, at its option, enter the Premises by any means without being liable for any prosecution for such entering, and without becoming liable to the Tenant for damages or for any payment of any kind whatever, and may, at the Landlord's discretion, as agent for the Tenant, re-let the Premises, or any part of the Premises, for the whole or any part of the then unexpired term, and may receive and collect all rent payable by virtue of such re-letting, and, at the Landlord's option, hold the Tenant liable for any difference between the Rent that would have been payable under this Lease during the balance of the unexpired term, if this Lease had continued in force, and the net rent for such period realized by the Landlord by means of the re-letting. If the Landlord's right of re-entry is exercised following abandonment of the premises by the Tenant, then the Landlord may consider any personal property belonging to the Tenant and left on the Premises to also have been abandoned, in which case the Landlord may dispose of all such personal property in any manner the Landlord will deem proper and is relieved of all liability for doing so.

Subordination

- 49.** This Lease and the Tenant's rights hereunder will automatically be subordinate to any mortgage or mortgages, or encumbrance resulting from any other method of financing or refinancing, now or hereafter in force against the Lands or Building or any part thereof, as now or hereinafter constituted, and to all advances made or hereafter to be made upon the security thereof; and, upon the request of the Landlord, the Tenant will execute such documentation as may be required by the Landlord in order to confirm and evidence such subordination.
- 50.** The Tenant will, in the event any proceedings are brought, whether in foreclosure or by way of the exercise of the power of sale or otherwise, under any other mortgage or other method of financing or refinancing made by the Landlord in respect of the Building, or any portion thereof, at torn to the encumbrance upon any such foreclosure or sale and recognize such encumbrance as the Landlord under this Lease, but only if such encumbrance should so elect and require.
- 51.** Upon the written request of the Tenant, the Landlord agrees to request any mortgagee or encumbrance of the Lands (present or future) to enter into a non-disturbance covenant in favour of the Tenant, whereby such mortgagee or encumbrance will agree not to disturb the Tenant in its possession and enjoyment of the Premises for so long as the Tenant is not in default under this Lease.

Registration of Caveat

52. The Landlord will register this Lease, provided, however, that:

- a.** The Tenant may file a caveat respecting this Lease but will not be entitled to attach this Lease, and, in any event, will not file such caveat prior to the commencement date of the term. The caveat will not state the Base Rent or any other financial provisions contained in this Lease.

Estoppel Certificate and Acknowledgement

53. Whenever requested by the Landlord, a mortgagee or any other encumbrance holder or other third party having an interest in the Building or any part thereof, the Tenant will, within ten (30) days of the request, execute and deliver an estoppel certificate or other form of certified acknowledgement as to the Commencement Date, the status and the validity of this Lease, the state of the rental account hereunder, any incurred defaults on the part of the Landlord alleged by the Tenant, and such other information as may reasonably be required.

Sale by Landlord

54. In the event of any sale, transfer or lease by the Landlord of the Building or any interest therein or portion thereof containing the Premises or assignment by the Landlord of this Lease or any interest of the Landlord therein to the extent that the purchaser, transferee, tenant or assignee assumes the covenants and obligations of the Landlord under this Lease, the Landlord will without further written agreement be freed and relieved of liability under such covenants and obligations. This Lease may be assigned by the Landlord to any mortgagee or encumbrance of the Building as security.

Tenant's Indemnity

55. The Tenant will and does hereby indemnify and save harmless the Landlord of and from all loss and damage and all actions, claims, costs, demands, expenses, fines, liabilities and suits of any nature whatsoever for which the Landlord will or may become liable, incur or suffer by reason of a breach, violation or non-performance by the Tenant of any covenant, term or provision hereof or by reason of any builders' or other liens for any work done or materials provided or services rendered for alterations, improvements or repairs, made by or on behalf of the Tenant to the Premises, or by reason of any injury occasioned to or suffered by any person or damage to any property, or by reason of any wrongful act or omission, default or negligence on the part of the Tenant or any of its agents, concessionaires, contractors, customers, employees, invitees or licensees in or about the Building.

56. It is agreed between the Landlord and the Tenant that the Landlord will not be liable for any loss, injury, or damage to persons or property resulting from falling plaster, steam, electricity, water, rain, snow or dampness, or from any other cause, excepting damage caused by Agents/employees of the Landlord.

57. It is agreed between the Landlord and the Tenant that the Landlord will not be liable for any loss or damage caused by acts or omissions of other tenants or occupants, their employees or agents or any persons not the employees or agents of the Landlord, or for any damage caused by the construction of any public or quasi-public works, and in no event will the Landlord be liable for any consequential or indirect damages suffered by the Tenant.

58. It is agreed between the Landlord and the Tenant that the Landlord will not be liable for any loss, injury or damage caused to persons using the Common Areas and Facilities or to vehicles or their contents or any other property on them, or for any damage to property entrusted to its or their employees, or for the loss of any property by theft or otherwise, and all property kept or stored in the Premises will be at the sole risk of

the Tenant.

Liens

59. The Tenant will immediately upon demand by the Landlord remove or cause to be removed and thereafter institute and diligently prosecute any action pertinent thereto, any builders' or other lien or claim of lien noted or filed against or otherwise constituting an encumbrance on any title of the Landlord. Without limiting the foregoing obligations of the Tenant, the Landlord may cause the same to be removed, in which case the Tenant will pay to the Landlord as Additional Rent, the cost thereof including the Landlord's legal costs.

Governing Law

60. It is the intention of the parties to this Lease that the tenancy created by this Lease and the performance under this Lease, and all suits and special proceedings under this Lease, be construed in accordance with The Landlord and Tenant Act 1954 and any subsequent amendments to that Act, also The Regulatory Reform Business Tenancies Order 2003.

Severability

61. If there is a conflict between any provision of this Lease and the applicable legislation of the The Landlord and Tenant Act 1954 and subsequent amendments, (the Act) will prevail and such provisions of the Lease will be amended or deleted as necessary in order to comply with any amended Act. Further, any provisions that are required by the Act are incorporated into this Lease.

62. If there is a conflict between any provision of this Lease and any form of lease prescribed by the Act, that prescribed form will prevail and such provisions of the lease will be amended or deleted as necessary in order to comply with that prescribed form. Further, any provisions that are required by that prescribed form are incorporated into this Lease.

Amendment of Lease

63. Any amendment or modification of this Lease or additional obligation assumed by either party in connection with this Lease will only be binding if evidenced in writing signed by each party or an authorized representative of each party.

Damage to Premises

64. If the Premises, or any part of the Premises, will be partially damaged by fire or other casualty not due to the Tenant's negligence or wilful act or that of the Tenant's employee, family, agent, or visitor, the Premises will be promptly repaired by the Landlord and there will be an abatement of rent corresponding with the time during which, and the extent to which, the Premises may have been untenable. However, if the Premises should be damaged other than by the Tenant's negligence or wilful act or that of the Tenant's employee, family, agent, or visitor to the extent that the Landlord will decide not to rebuild or repair, the term of this Lease will end and the Rent will be prorated up to the time of the damage.

Eminent Domain and Expropriation

65. If during the term of this Lease, title is taken to the whole or any part of the Building by any competent authority under the power of eminent domain or by expropriation, which taking, in the reasonable opinion of the Landlord, does not leave a sufficient remainder to constitute an economically viable building, the Landlord may at its option, terminate this Lease on the date possession is taken by or on behalf of such authority. Upon such termination, the Tenant will immediately deliver up possession of the Premises, Base Rent and any Additional Rent will be payable up to the date of such termination, and the Tenant will be entitled to be repaid by the Landlord any rent paid in advance and unearned or an appropriate portion

thereof. In the event of any such taking, the Tenant will have no claim upon the Landlord for the value of its property or the unexpired portion of the term hereof, but the parties will each be entitled to separately advance their claims for compensation for the loss of their respective interests and to receive and retain such compensation as may be awarded to each respectively. If an award of compensation made to the Landlord specifically includes an award for the Tenant, the Landlord will account for that award to the Tenant and vice versa.

Condemnation

66. A condemnation of the Building or any portion of the Premises will result in termination of this Lease. The Landlord will receive the total of any consequential damages awarded as a result of the condemnation proceedings. All future rent instalments to be paid by the Tenant under this Lease will be terminated.

Tenant's Repairs and Alterations

67. The Tenant covenants with the Landlord to occupy the Premises in a tenant-like manner and not to permit waste. The Tenant will at all times and at its sole expense, subject to the Landlord's repair, maintain and keep the Premises, reasonable wear and tear, damage by fire, lightning, tempest, structural repairs, and repairs necessitated from hazards and perils against which the Landlord is required to insure excepted. Without limiting the generality of the foregoing, the Tenant will keep, repair, replace and maintain all glass, wiring, pipes and mechanical apparatus in, upon or serving the Premises in good and tenantable repair at its sole expense. When it becomes (or, acting reasonably, should have become) aware of same, the Tenant will notify the Landlord of any damage to or deficiency or defect in any part of the Premises or the Building. The Tenant will not use or keep any device which might overload the capacity of any floor, wall, utility, electrical or mechanical facility or service in the Premises or the Building.

68. The Tenant covenants with the Landlord that the Landlord, its servants, agents and workmen may enter and view the state of repair of the Premises and that the Tenant will repair the Premises according to notice in writing received from the Landlord, subject to the Landlord's repair obligations. If the Tenant refuses or neglects to repair as soon as reasonably possible after written demand, the Landlord may, but will not be obligated to, undertake such repairs without liability to the Tenant for any loss or damage that may occur to the Tenant's merchandise, fixtures or other property or to the Tenant's business by reason thereof, and upon completion thereof, the Tenant will pay, upon demand, as Additional Rent, the Landlord's cost of making such repairs plus fifteen per cent (15%) thereof for overhead and supervision.

69. The Tenant will not make or have others make alterations, additions or improvements or erect or have others erect any partitions or install or have others install any trade fixtures, exterior signs, floor covering, interior or exterior lighting, plumbing fixtures, shades, awnings, exterior decorations or make any changes to the Premises or otherwise without first obtaining the Landlord's written approval thereto, such written approval not to be unreasonably withheld in the case of alterations, additions or improvements to the interior of the Premises.

70. The Tenant will not install in or for the Premises any special locks, safes or apparatus for air-conditioning, cooling, heating, illuminating, refrigerating or ventilating the Premises without first obtaining the Landlord's written approval thereto. Locks may not be added or changed without the prior written agreement of both the Landlord and the Tenant.

71. When seeking any approval of the Landlord for Tenant repairs as required in this Lease, the Tenant will present to the Landlord plans and specifications of the proposed work which will be subject to the prior

approval of the Landlord, not to be unreasonably withheld or delayed.

72. The Tenant will promptly pay all contractors, material suppliers and workmen so as to minimize the possibility of a lien attaching to the Premises or the Building. Should any claim of lien be made or filed the Tenant will promptly cause the same to be discharged.
73. The Tenant will be responsible at its own expense to replace all electric light bulbs, tubes, ballasts or fixtures serving the Premises.

Landlord's Repairs

74. The Landlord covenants and agrees to effect at its expense repairs of a structural nature to the structural elements of the roof, foundation and outside walls of the Building, whether occasioned or necessitated by faulty workmanship, materials, improper installation, construction defects or settling, or otherwise, unless such repair is necessitated by the negligence of the Tenant, its servants, agents, employees or invitees, in which event the cost of such repairs will be paid by the Tenant together with an administration fee of fifteen per cent (15%) for the Landlord's overhead and supervision.

Care and Use of Premises

75. The Tenant will promptly notify the Landlord of any damage, or of any situation that may significantly interfere with the normal use of the Premises or to any furnishings supplied by the Landlord.
76. The Tenant will not make (or allow to be made) any noise or nuisance which, in the reasonable opinion of the Landlord, disturbs the comfort or convenience of other tenants. excepting the first floor flat above.
77. The Tenant will dispose of its trash in a timely, tidy, proper and sanitary manner.
78. The Tenant will not engage in any illegal trade or activity on or about the Premises.
79. The Landlord and Tenant will comply with standards of health, sanitation, fire, housing and safety as required by law.
80. The hallways, passages and stairs of the building in which the Premises are situated will be used for no purpose other than going to and from the Premises and the Tenant will not in any way encumber those areas with boxes, furniture or other material or place or leave rubbish in those areas and other areas used in common with any other tenant.

Surrender of Premises

81. The Tenant covenants to surrender the Premises, at the expiration of the tenancy created in this Lease, in the same condition as the Premises were in upon delivery of possession under this Lease, reasonable wear and tear, damage by fire or the elements, and unavoidable casualty excepted, and agrees to surrender all keys for the Premises to the Landlord at the place then fixed for payment of rent and will inform the Landlord of all combinations to locks, safes and vaults, if any. All alterations, additions and improvements constructed or installed in the Premises and attached in any manner to the floor, walls or ceiling, including any leasehold improvements, equipment, floor covering or fixtures (including trade fixtures), will remain upon and be surrendered with the Premises and will become the absolute property of the Landlord except to the extent that the Landlord requires removal thereof. Should the Tenant abandon the Premises or should this Lease be terminated before the proper expiration of the term due to a default on the part of the Tenant then, in such event, as of the moment of default of the Tenant all trade fixtures and furnishings of the Tenant (whether or not attached in any manner to the Premises) will, except to the extent the Landlord requires the removal thereof become and be deemed to be the property of the Landlord without indemnity to the Tenant and as liquidated damages in respect of such default but without prejudice to any other

righter remedy of the Landlord. Notwithstanding that any trade fixtures, furnishings, alterations, additions, improvements or fixtures are or may become the property of the Landlord, the Tenant will forthwith remove all or part of the same and will make good any damage caused to the Premises resulting from the installation or removal thereof, all at the Tenant's expense, should the Landlord so require by notice to the Tenant. If the Tenant, after receipt of such notice from the Landlord, fails to promptly remove any trade fixtures, furnishings, alterations, improvements and fixtures in accordance with such notice, the Landlord may enter into the Premises and remove therefrom all or part of such trade fixtures, furnishings, alterations, additions, improvements and fixtures without any liability and at the expense of the Tenant, which expense will forthwith be paid by the Tenant to the Landlord. The Tenant's obligation to observe or perform the covenants contained herein will survive the expiration or other termination of the term of this Lease.

Hazardous Materials

82. The Tenant will not keep or have on the Premises any article or thing of a dangerous, flammable, or explosive character that might unreasonably increase the danger of fire on the Premises or that might be considered hazardous by any responsible insurance company.

83. Rules and Regulations

84. The Tenant will obey all rules and regulations posted by the Landlord regarding the use and care of the Building, parking lot, laundry room and other common facilities that are provided for the use of the Tenant in and around the Building on the Premises.

Address for Notice

85. For any matter relating to this tenancy, whether during or after this tenancy has been terminated:

- a)** the address of the Tenant is the Premises during this tenancy, and 229, Cathedral Road, CARDIFF. CF11 9PP this tenancy is terminated, and
- b)** the address of the Landlord is 148, Cyncoed Road, CARDIFF. CF23 6BN, both during this tenancy and after it is terminated.

The Landlord or the Tenant may, on written notice to each other, change their respective addresses for notice under this Lease.

Right to Show Premises

86. The Tenant acknowledged that the Landlord or its agent will have the right to enter the Premises at all reasonable times to show them to prospective purchasers, encumbrances, lessees or assignees, and may also during the ninety days preceding the termination of the terms of this Lease, place upon the Premises the usual type of notice to the effect that the Premises are for rent, which notice the Tenant will permit to remain on them.

No Waiver

87. No provision of this Lease will be deemed to have been waived by the Landlord unless a written waiver from the Landlord has first been obtained and, without limiting the generality of the foregoing, no acceptance of rent subsequent to any default and no condoning, excusing or overlooking by the Landlord on previous occasions of any default nor any earlier written waiver will be taken to operate as a waiver by the Landlord or in any way to defeat or affect the rights and remedies of the Landlord.

Landlord's Performance

88. Notwithstanding anything to the contrary contained in this Lease, if the Landlord is delayed or hindered or prevented from the performance of any term, covenant or act required under this Lease by reason of strikes,

labor troubles, inability to procure materials or services, power failure, restrictive governmental laws or regulations, riots, insurrection, sabotage, rebellion, war, act of God or other reason, whether of a like nature or not, which is not the fault of the Landlord, then performance of such term, covenant or act will be excused for the period of the delay and the Landlord will be entitled to perform such term, covenant or act within the appropriate time period after the expiration of the period of such delay.

Remedies Cumulative

89. No reference to or exercise of any specific right or remedy by the Landlord will prejudice or preclude the Landlord from any other remedy whether allowed at law or in equity or expressly provided for in this Lease. No such remedy will be exclusive or dependent upon any other such remedy, but the Landlord may from time to time exercise any one or more of such remedies independently or in combination.

Landlord May Perform

90. If the Tenant fails to observe, perform or keep any of the provisions of this Lease to be observed, performed or kept by it and such failure is not rectified within the time limits specified in this Lease, the Landlord may, but will not be obliged to, at its discretion and without prejudice, rectify the default of the Tenant. The Landlord will have the right to enter the Premises for the purpose of correcting or remedying any default of the Tenant and to remain until the default has been corrected or remedied. However, any expenditure by the Landlord incurred in any correction of a default of the Tenant will not be deemed to waive or release the Tenant's default or the Landlord's right to take any action as may be otherwise permissible under this Lease in the case of any default.

General Provisions

- 91.** This Lease will extend to and be binding upon and inure to the benefit of the respective heirs, executors, administrators, successors and assigns, as the case may be, of each party to this Lease. All covenants are to be construed as conditions of this Lease.
- 92.** All sums payable by the Tenant to the Landlord pursuant to any provision of this Lease will be deemed to be Additional Rent and will be recovered by the Landlord as rental arrears.
- 93.** Where there is more than one Tenant executing this Lease, all Tenants are jointly and severally liable for each other's acts, omissions and liabilities pursuant to this Lease.
- 94.** The Tenant will be charged an additional amount of £25.00 for each N.S.F. cheque or cheque returned by the Tenant's financial institution.
- 95.** All schedules to this Lease are incorporated into and form an integral part of this Lease.
- 96.** Headings are inserted for the convenience of the parties only and are not to be considered when interpreting this Lease. Words in the singular mean and include the plural and vice versa. Words in the masculine mean and include the feminine and vice versa.
- 97.** This Lease may be executed in counterparts.
- 98.** Time is of the essence in this Lease.
- 99.** This Lease will constitute the entire agreement between the Landlord and the Tenant. Any prior understanding or representation of any kind preceding the date of this Lease will not be binding on either party except to the extent incorporated in this Lease. In particular, no warranties of the Landlord not expressed in this Lease are to be implied.

IN WITNESS WHEREOF

have duly affixed their signatures as duly authorized officers under seal on this 20th day of October 2010.

Signed this day Twentieth Day of October in the Year two Thousand and Ten.

LANDLORD

TENANT

On Behalf of :

Signed Sealed and Delivered in the Presence of:

Witness.

Drafted and Provided by: David Evans circa Sept 2010.

david-evans1@live.co.uk