

## LEASE REPORT

Property:

**First Floor Premises, 30-32 Frederick Street, Edinburgh**

Lease:

Lease between Scooba Investments Limited and Zoombox Limited dated 31 August and 21 September, registered 24 November, all 2010 as amended by:

- (i) Licence for Works dated 31 August & 21 September, registered 24 November, all 2010;
- (ii) Minute of Variation, Licence for Works & Rent Review dated 23 May and 6 October, registered 13 October, all 2015; and
- (iii) Rent Review Memorandum 2019 (currently being registered).

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| <p>1. Tenant's name and address:</p> <p><b>Zoombox Limited (t/a Coffee House) (Registered number SC357938, Registered Office: 30(F) Frederick Street, Edinburgh, EH2 2JR)</b></p>  |
| <p>2. Commencement Date and Term:</p> <p><b>6 August 2010. 17 years to 8 March 2027. The Lease contains no current break options (there being one after the initial 3 year period).</b></p>  |
| <p>3. Rent Provisions.</p> <p>Current Rent:</p> <p><b>£22,500 per annum.</b></p> <p>Detail rent payment dates:</p> <p><b>28 February, 28 May, 28 August and 28 November in each year, payable in advance.</b></p> <p>Value Added Tax liability:</p> <p><b>The rental is exclusive of any VAT which may be payable</b></p> <p>Rent Review Dates and Cycle:</p> <p><b>6 August 2022 and 3 yearly thereafter. Upwards only to the then open market rent, being "the yearly rent which might reasonably be expected in the open market", assessed by agreement between the parties or failing agreement by an arbiter.</b></p> |

4. Service Charges:

The lease contains fairly detailed service charge provisions, to the effect that the landlord is required to provide certain "Common Services". The tenant is bound to pay "the fair and equitable proportion attributable to the Leased Subjects" (as determined reasonably from time to time by the Landlord of the Service Charge Cost. The lease provides for the tenant to pay the service cost quarterly in advance on the basis of the landlord's estimate with an accounting at year end.

5. What is the permitted use of Property in terms of Lease?:

Use as a coffee shop or for Class 3 (Hot Food) use and/or the sale of alcohol (much of this does not currently have planning consent and is therefore not active). Landlord's consent is not to be unreasonably withheld to another use within Class 3 of the Schedule to the Town & Country Planning (Use Classes) (Scotland) Order 1997.

6. Please summarise Repairing/Maintaining Obligations:

The premises are essentially internal, non-structural in nature, the structural elements being comprised within the common parts. The tenant is obliged to "repair and keep" the Property "in good and substantial repair (and whenever necessary replace, rebuild or renew), maintain and cleanse same to the reasonable satisfaction of the Landlord; and to make good to the reasonable satisfaction of the Landlord all damage caused through the bursting, overflowing or stopping up of such conducting media and apparatus as are comprised within and used for the benefit of the Property".

7. Please summarise provisions regarding alienation (i.e. right to assign, sub-let in whole/in part):

Alienation of part only of the Property is prohibited. Alienation as a whole is permitted with the consent of the Landlord, not to be unreasonably withheld in the case of a respectable and responsible party of sound financial standing. Any subletting must be at an open market rent. The lease contains related company provisions entitling the Tenant to share occupancy with a subsidiary or holding company.