

Commercial Lease

THIS DOCUMENT CREATES LEGAL RIGHTS AND LEGAL OBLIGATIONS. BEFORE SIGNING IT YOU SHOULD READ IT CAREFULLY TO ENSURE THAT IT CONTAINS EVERYTHING YOU DO WANT AND NOTHING UNACCEPTABLE TO YOU.

PARTICULARS

THE LANDLORD

Nu-Scope Developments Limited
Site 4 Lomond Ind.Est Alexandria G83 0TP
196348

THE TENANT

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THE PROPERTY

The Property known as Shure Pack Scotland Ltd Unit 1 Station Rd Old Kilpatrick G60 5LP and shown outlined in red on the plan attached to this Lease.

THE TERM

For a period of 5 years from 01 March 2006 to 01 March 2011.

PERMITTED USE

For use as Manufacturer & Installation of Windows And Doors.

THE RENT

At a rent of £7,800 per annum (exclusive of value added tax if applicable) and is payable in advance by equal monthly instalments on the 1st day of each month. The first payment is due on 01 May 2006 and will be £650.

INTEREST RATE

The rate of 1.00% per annum above the Base Rate of the Bank of England from time to time in force.

RENT REVIEW DATE

The Rent may be reviewed every 5 years on the anniversary of the commencement date of the Term.

TERMS AND CONDITIONS

1 GENERAL

1.1 Where the context so admits the expressions "the Landlord" and "the Tenant" include their respective successors.

1.2 All references to the singular shall include the plural and vice versa and any obligations or liabilities of more than one person will be joint and several and an obligation on the part of a party will

include an obligation not to allow or permit the breach of that obligation.

1.3 In this Lease reference to the masculine includes the feminine.

2 THE GRANT

The Landlord agrees to let the Property to the Tenant at the Rent for the Term.

3 LANDLORD'S OBLIGATIONS

3.1 The Landlord agrees, subject to the Tenant paying the rent and observing and performing the obligations set out in this Lease, to allow the Tenant to possess and use the Property without lawful interference from the Landlord or any person deriving title under or in trust for him.

3.2 The Landlord will:

3.2.1 insure the Property (except the plate glass) with an insurer of good repute (subject to reasonable excesses and exclusions) against loss or damage by fire, explosion, storm, lightning, earthquake, landslip, subsidence, flood, burst pipes, impact, aircraft, aerial devices, riot, civil commotion and malicious damage and such other risk which the

Landlord may from time to time deem necessary and such insurance will cover full rebuilding, site clearance, professional fees, value added tax and three years' loss of rent;

3.2.2 endeavour to make good as soon as possible damage to the Property caused by insured risks except to the extent that the insurance money is not paid because of the act or default of the Tenant and subject to the Landlord obtaining any necessary planning permission and other licences, approvals and consents;

3.2.3 produce to the Tenant on demand reasonable evidence of the terms of the policy of insurance and the fact that the last premium has been paid; and the Tenant is not responsible for any damage covered by the Landlord's policy of insurance.

3.3 The Landlord undertakes to keep the Property in tenantable condition.

4 TENANT'S OBLIGATIONS

4.1 The Tenant will pay the Landlord:

4.1.1 the Rent at the times and in the manner set out in the Particulars without any deduction or set-off;

4.1.2 the amount of every premium paid by the Landlord to insure the Property, to be paid within 14 days of receipt of written notice given by the Landlord (to be paid as rent);

4.1.3 all costs and expenses (including professional fees) incurred by the Landlord in relation to:

(a) every application made by the Tenant for an approval or consent whether the same be granted or not;

(b) the enforcement or protection of any of the rights of the Landlord under this Lease including the recovery or attempted recovery or arrears of rent or other sums due from the Tenant;

(c) any steps taken in connection with the preparation and service of a Schedule of Dilapidations during or after the expiration of the Term;

4.1.4 a fair proportion of the cost of maintaining, cleaning and repairing all things used or shared with the other property, such as party walls, party structures, yards, gardens, roads, paths, gutters, drains, sewers, pipes, conduits, wires and cables;

4.1.5 the cost of any works (including professional fees) carried out by the Landlord as a result of the Tenant's default;

4.1.6 interest at the Interest Rate on any sum due under this Lease when more than 14 days overdue from the date when it was due to the date of payment.

4.2 The Tenant will also pay:

4.2.1 all rates, taxes and outgoings (including charges for water, electricity, gas, telephone and other services consumed or used at or in relation to the Property) relating to the Property during the Term to the appropriate authorities;

4.2.2 value added tax chargeable on the Rent (if applicable) and on any other sums payable under this Lease at the same time as the sum on which it is charged.

4.3 In relation to the Property the Tenant undertakes to:

4.3.1 use the Property carefully and not damage it and maintain the Property in good condition;

4.3.2 redecorate the inside of the Property every five years and in the last six months of the Term in a good and workmanlike manner and with appropriate materials of good quality using colours and types of finish used previously;

4.3.3 insure any plate glass in the Property for its full replacement cost with an insurer of good repute and to replace any damaged plate glass as soon as reasonably practicable; but the Tenant need only make good damage caused by an insured risk to the extent that the insurance money has not been paid because of any act or default of the Tenant.

4.4 The Tenant undertakes:

4.4.1 to carry out any work to the Property required in order to comply with the requirements of any statute, local authority, other public or competent authority, or court of competent jurisdiction and this to be done at the Tenant's own expense;

4.4.2 to comply with all legislation applicable to the Tenant's use of the Property;

4.4.3 to comply with and implement all restrictions, burdens, servitudes and others of whatever nature affecting the Property save in so far as any of them may be the express responsibility of the Landlord;

4.4.4 to comply with the provisions of the Town and Country Planning (Scotland) Act 1972 whether as to the Permitted Use or otherwise, and to indemnify (both during and after the expiration of

the Term) and keep the Landlord indemnified against all liability whatsoever including costs and expenses in respect of any contravention;

4.4.5 to obtain all planning permissions and to serve all such notices as may be required for the carrying out of any operations or use on the Property which may constitute "development", as defined by Section 19 of the Town and Country Planning (Scotland) Act 1972, and this to be done at the expense of the Tenant and not without the Landlord's prior consent;

4.4.6 subject to any statutory direction to the contrary, to pay and satisfy any charge or levy imposed under the Town and Country Planning (Scotland) Act 1972 in respect of the carrying out or maintenance of any such operations, or the commencement or continuance of any such use;

4.4.7 notwithstanding any consent which may be granted by the Landlord under this Lease, not to carry out or make any alterations or additions to the Property or any change of use until:

(a) all necessary notices under the Town and Country Planning (Scotland) Act 1972 have been served and copies

produced to the Landlord;

(b) all necessary permissions under the Town and Country Planning (Scotland) Act 1972 have been obtained and

produced to the Landlord;

(c) the Landlord has acknowledged that every necessary planning permission is acceptable to him;

the Landlord being entitled to refuse to acknowledge his acceptance of a planning permission on the grounds that any condition contained in it, or anything omitted from it would be likely to be prejudicial to the Landlord's interest in the

Property or any adjoining property whether during or after the expiration of the Term;

4.4.8 unless the Landlord otherwise directs, to carry out and complete before the expiration of the Term any works

stipulated to be carried out to the Property by a date subsequent to such expiration as a condition of any planning

permission granted for any development begun before the expiration of the Term and any development begun upon the

Property in respect of which the Landlord shall or may be or become liable for any charge or levy under the Town and

Country Planning (Scotland) Act 1972.

4.5 The Tenant undertakes not to:

4.5.1 build or erect any additional building or structure on the Property;

4.5.2 make any other alterations, additions or improvements to the Property unless approved in writing by the

Landlord (which consent must not be withheld unreasonably);

4.5.3 share occupation of the Property or assign or sublet any part of it;

4.5.4 assign or sublet or grant securities over the whole of the Property without the Landlord's prior written consent

(which consent must not be withheld unreasonably) and any sublease will be on the terms contained in this Lease.

Within 28 days of any assignation, heritable security or sub-lease the Tenant undertakes to produce for registration with the Landlord's solicitor the said deed or document (or an official extract from the Books of Council and Session or certified copy thereof) and to pay the Landlord's solicitor's reasonable charges for the registration of every such document.

4.6 If the Tenant fails to carry out any work required to be done under this Lease and the Landlord serves a written notice on the Tenant requiring him to do so, then if within one month of service of such notice the Tenant shall not have commenced the work or shall fail to complete the work within two months, the Landlord shall be entitled to enter the Property and execute such work as may be necessary to comply with the notice and the Tenant will pay the Landlord on demand, as a debt, all costs and expenses incurred by the Landlord.

5 USE OF PROPERTY

5.1 The Tenant will not, without the Landlord's prior written consent (which consent must not be withheld

unreasonably) use the Property for any purpose other than the Permitted Use.

5.2 The Tenant will not do or permit anything to be done which may become a nuisance, annoyance, disturbance

or inconvenience to the Landlord or to the owners or occupiers of any adjacent or neighbouring property.

5.3 The Tenant will not use the Property for a sale by auction or for any dangerous, noxious, noisy or offensive trade or business, nor for any illegal or immoral act or purpose.

5.4 The Tenant will not permit (save in the ordinary course of the Tenant's business and then only in accordance

with all relevant laws and regulations) any contaminative or hazardous substances to be on or to be discharged from

the Property and the Tenant will not otherwise cause contamination or pollution at or from the Property.

5.5 The Tenant will not display notices or advertisements in the windows of the Property or on the outside of the

building unless the Landlord consents (which consent must not be withheld unreasonably).

5.6 The Tenant will not overload the walls or floors of the Property.

5.7 The Tenant will not do anything which may invalidate any policy of insurance relating to the Property or

which may increase the premiums for that insurance.

6 ACCESS

The Tenant will allow the Landlord or any person authorised by him in writing to enter the Premises for the purposes

of ascertaining that the terms of this Lease have been observed and performed and for all other reasonable and proper

purposes, during normal working hours following seven days' written notice (except in emergency) and any damage

caused to the Premises and any goods there in exercising these rights must promptly be made good.

7 FURTHER PROVISIONS

7.1 The Tenant will immediately give the Landlord a copy of any notice relating to the Property or any neighbouring property as soon as he receives it and will also notify the Landlord as soon as reasonably practicable of any damage to the Property.

7.2 During the last six months of the Term the Tenant will allow the Landlord to display a notice for re-letting or sale of the Property in a reasonable position on the outside of the Property.

8 RENT REVIEW

8.1 The Rent will increase on each Rent Review Date to the open market rent if that is higher than the Rent in force before that date. The open market rent is the rent which a willing tenant would pay for the property on the open market, if let to him on the rent review date by a willing landlord without a premium but with vacant possession, fit for and capable of immediate occupation and use and subject to the provisions of this Lease for a period equal to the remainder of the Term provided that no work has been carried out on the Property by the Tenant or any sub-tenant during the Term which has diminished the rental value of the Property and if the Property has been destroyed or damaged it has been fully restored and that the obligations by the Landlord and the Tenant under this Lease have been fully performed and observed. Any goodwill attached to the Property by reason of the carrying on at the Property of the business of the Tenant or any sub-tenant shall be disregarded.

8.2 If the amount of the new Rent is agreed by the Landlord and the Tenant then a statement showing the new Rent should be signed by both parties and attached to this Lease.

8.3 If the amount of the new Rent is not agreed by the Landlord and the Tenant two months before the Rent Review Date then the matter is to be decided by arbitration under clause 14. In the meantime the Tenant is to continue paying the Rent in force before the Rent Review Date until the next rent day after the new Rent has been agreed, when the Tenant will pay the new Rent and any amount by which the new Rent since the Rent Review Date exceeds the Rent paid, with interest on that amount at the Interest Rate.

8.4 Where applicable, it is assumed that the Tenant is in a position fully to recover any value added tax on the Rent.

9 DAMAGE

9.1 If the Property is damaged or destroyed by any of the risks insured under clause 3.2 making the Property unfit

for the use allowed:

9.1.1 the whole or an appropriate proportion of the Rent will cease to be payable for three years or until the Property is fully restored, if sooner;

9.1.2 if it is likely to take more than three years to fully restore the Property either the Landlord or the Tenant may

terminate this Lease by giving one month's notice to the other, in which case this Lease will immediately end and the

Landlord's obligation to make good damage under clause 3.2 ceases and the insurance money belongs to the Landlord.

9.2 Any dispute under this clause is to be decided by arbitration under clause 14.

10 IRRITANCY

The Landlord shall be entitled to terminate this Lease forthwith (subject always to the provisions of Sections 4 or 5 of

the Law Reform (Miscellaneous Provisions) (Scotland) Act 1985 and without prejudice to any right of action or

remedy of the Landlord in respect of the premature termination of this Lease or of any antecedent breach by the

Tenant of any of the conditions contained in this Lease) by entering the Property, which the Landlord is entitled to do

if:

10.1 any Rent or other sums due under this Lease are unpaid for 14 days after becoming payable;

10.2 any of the terms of this Lease are not complied with by the Tenant;

10.3 the Tenant (being an individual and if more than one, any of them) becomes insolvent within the meaning of

the Bankruptcy (Scotland) Act 1985 or grants a trust deed for creditors;

10.4 the Tenant (being a company and if more than one, any of them) goes into liquidation (unless for the purpose

of amalgamation or reconstruction when solvent), or has a receiver or administrator appointed or makes a proposal for

a voluntary arrangement within the meaning of the Insolvency Act 1986.

11 GUARANTEE

Where a Guarantor has been named in the Particulars the Guarantor undertakes to the Landlord that he is bound and

obliged as cautioner, co-obligant and full debtor for and along with the Tenant in the whole of the obligations

whatsoever (present and future) undertaken by or incumbent upon the Tenant directly or indirectly under or by virtue

of this Lease. If the Tenant is insolvent and this Lease ends because it is disclaimed, the Guarantor agrees to accept a

new lease, if the Landlord so requires, in the same form but at the rent then payable.

Even if the Landlord gives the

Tenant extra time to comply with an obligation, or does not insist on strict compliance with terms of this Lease, the

Guarantor's obligation remains fully effective.

12 END OF LEASE

When this Lease comes to an end the Tenant will give vacant possession of the Property to the Landlord in the condition in which this Lease requires the Tenant to keep it and will remove anything the Tenant fixed to the Property and make good any damage which that causes.

13 NOTICES

Any notice to be given under this Lease shall be in writing and shall be sufficiently served if sent by registered post or recorded delivery to or left addressed to the party concerned (if a body incorporated in the United Kingdom) at its registered office or (if an individual or partnership) at his last known address in the United Kingdom and any notice sent by registered post or recorded delivery shall be deemed to have been duly served at the expiration of 48 hours after the time of posting.

14 ARBITRATION

Where any matter requires to be decided by arbitration under this Lease it is to be referred to a single arbiter to be appointed by agreement between the parties or in default of agreement by the Chairman for the time being of the Scottish Branch of the Royal Institution of Chartered Surveyors.

15 CONSENT TO REGISTRATION

The parties hereto consent to the registration hereof for preservation and execution.

IN WITNESS WHEREOF these presents are executed as follows:

SIGNED by/on behalf of the Landlord:

On this date:

Before this witness:

Witness signature:

Witness name:

Witness address:

SIGNED by/on behalf of the Tenant:

On this date:

Before this witness:

Witness signature:

Witness name:

Witness address: