

First Quench Retailing Limited (in administration) “the Company”

Answers for Landlord queries. (Updated 12 March 2010)

Please find below answers to some of the more frequently asked questions which are being received. We hope you find these answers useful and we will do our best to update these as we obtain further information.

If you cannot find the answer to your issue below please ring either of the following dedicated numbers for landlords on 01707 387576 or 01707 387479, where you will need to leave a message and your call will be returned within 48 hours, or email your query to fqrpropertyqueries@kpmg.co.uk.

We continue to appreciate your ongoing patience in these matters.

Date of appointment: 29 October 2009

What is the position on Rent?

Trading period

Where you have not already been paid rent in advance by the Company the Administrators undertake to ensure that you receive the pro-rata payment of rent due for all properties occupied by the Company for the period that the Company trades from the property since the appointment of administrators, ie. from the date of appointment until the date the administrators sell the business or otherwise cease to trade from the property (the “Trading Period”).

If you believe you are owed trading rent but have not received any correspondence in this regard, please call 01707 387401 and leave your name, telephone number and store address and a member of staff will return your call within 48 hours to gain your correct address details and will send a copy of your letter.

Pre-Administration

Any rent or other payments due by the Company for periods prior to the date of appointment of administrators will rank as an unsecured claim.

Post Trading

For stores sold as part of a sale of business rents will be collected by the Company and forwarded to the Landlord upon receipt of a valid rent invoice and signed rent acceptance letter until such time as an assignment of the Company’s leasehold interest is achieved.

Sub tenant rents

Collection of rent from sub tenants (including franchises, commercial and residential sub tenants) will continue only in certain circumstances. Rents received from sub tenants (which are for periods beyond the point to which the Company has paid rent) will be forwarded to the Landlord. Once the sub tenant rent has been collected the Landlord will be contacted providing details of the sub tenant rent received and requesting a Landlord invoice for this amount. On receipt of the invoice from the

Landlord and a signed rent acceptance letter, the sub tenant rent payment will be forwarded to the landlord.

Where collection of sub tenant rent is discontinued the Joint Administrators will write to Landlords providing contact details of the tenant. This is to enable direct discussions and agreement between the Landlord and the sub tenant.

IMPORTANT: Please note that all invoices sent for any of the abovementioned rents must be accompanied by a signed rent acceptance letter which you should have received recently. If you have not yet received your copy please call 01707 387401 and leave your name, telephone number and store address and a member of staff will return your call to gain your correct address details and will send a copy of your letter.

What about Insurance?

Properties which FQR are responsible for insuring

Under the Administrators block insurance policy, cover is in place for all those properties previously covered by First Quench Retailing Ltd. We are in compliance with the terms of this policy including for those premises which have now been vacated. The Administrators will seek to ensure this is the case until properties are offered for surrender or the date of assignment. For the avoidance of doubt, the Administrator's insurance cover will be cancelled for all properties which are offered for surrender even if surrender is not accepted by the landlord..

Properties where the Landlord insures

The Company has been unable to obtain insurance cover for these properties and therefore they remain covered under the terms of the existing Landlords insurance policy. Properties have been left secure and cleared of stock and debris. Landlords who require access to properties in order to comply with any specific vacant code of practice requirements can arrange access by emailing a request to **key.admin@firstquench.co.uk** or by calling 01707 387576 or 01707 387479 and leaving your name, telephone number and store address and a member of staff will return your call.

How do I get access to vacant properties?

Once a property has been offered for surrender, a landlord may, by accepting the surrender, immediately take back possession of the property. In this instance, keys will be returned to landlords or landlords may, if they require urgent access, change locks. Where surrenders are not accepted by landlords, keys can be issued to landlords on written request to enable landlords to deal with maintenance and insurance issues.

Alternatively, supervised access visits can be arranged for landlords but there are costs to providing this service which will need to be charged to the landlord.

Where surrenders have not been offered, landlord's requests for temporary access will be considered on a case by case basis and will attract costs which will be charged to landlords.

Landlords who require access to properties can request access by emailing **key.admin@firstquench.co.uk** or by calling 01707 387576 or 01707 387479 and leaving your name, telephone number and store address and a member of staff will return your call within 48 hours.

What about maintenance and repairs?

The Administrators will consider and may action emergency repairs, as appropriate, until properties have been offered for surrender. Once a property has been offered for surrender, landlords will have to make their own arrangements for the repair and maintenance of properties (See 'how do I get access to vacant properties?' for details of how to arrange access for carrying out any such works).

Who pays Business Rates?

The Company is responsible for Business Rates until the property is sold, assigned, or surrendered. On assignment of the lease the new operator will be responsible for paying Business Rates.

For information we can advise that according to Company records approximately 95% of the Company estate has a rateable value less than £15,000 (£21,499 in London) which would fall under the Small Business Relief threshold in England and Wales. Empty properties under this threshold are likely to be exempt from paying business rates. For more information please refer to:

http://www.voa.gov.uk/business_rates/rating-multipliers.htm .

What about the condition of the property?

For properties being assigned to new tenants or surrendered to Landlords, the property will be handed over in 'as is' condition.

Who pays the utility bills?

The utility bills in respect of supplies made for the Trading Period will be a cost of the administration. Once the Company assigns or offers a surrender of the lease these will not be met as a cost of the Administration.

Can a Landlord find themselves a new tenant?

If a landlord has accepted surrender the he can actively market the store to seek new tenants.

Any landlord whose store has not been offered for surrender should be aware that Christie & Co have an interested party and are currently working towards assignment of the lease. The landlord will be contacted by the Company's solicitors at the point of exchange with the proposed new tenant to apply for landlord's consent and provide details of the new tenant.

How will we correspond with landlords?

Stores being assigned by Christie & Co

At the point of exchange with the proposed assignee the landlord will be contacted by the Company's solicitors. This will be to apply for landlord's consent and provide details of the new tenant.

Stores forming part of a sale of business

The landlord will be contacted by the Company's solicitors seeking consent to the assignment. The Company will also be in correspondence with regard to the remittance of sub tenant rents (see "What is the position on rent?" above).

Stores offered for surrender

Where the Company has no further interest in a store, the landlord will receive a letter offering surrender (please see the link on the front webpage named "List of stores where surrender offered by the Administrators" to check if your store falls in this category).

The landlord should sign and return the letter if he is willing to accept surrender. If he is not willing to accept surrender but wishes to hold the keys to our order then there is a form attached to the surrender letter which will need to be signed and returned.

What is the position on fixtures and fittings?

Fixtures and fittings (including chillers, air conditioning units and display units etc) in stores, whether trading or closed, are not for sale.

Can the Landlord take back possession of the property?

Not at this stage unless a surrender is offered.

Following the appointment of Administrators, the Company is protected by a moratorium which prevents landlords or other creditors from taking any recovery action against the Company without either first obtaining the written consent of the Administrators or leave of the Court.

What happens to third party assets?

The Company will endeavour to hand back all third party assets within the properties. If there are third party assets remaining in your store we would ask that you cooperate with the owners of these assets in providing access once you are in receipt of the keys.