

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

Answers for Landlord queries. (Updated 24 June 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 email your query to fqrpropertyqueries@kpmg.co.uk.

We continue to appreciate your ongoing patience in these matters.

Please be advised that we are now in the process of winding down the affairs of the administration.

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”).

All trading rents relating to properties occupied by the Company have been remitted to landlords. If you believe you are owed trading rent but have not received any correspondence in this regard, please email fqrpropertyqueries@kpmg.co.uk detailing your name, telephone number and store address. A member of staff will aim to contact you within 48 hours.

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 have now all been passed to the landlords for the period the new companies occupied to the date of assignment/surrender.

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 email fqrpropertyqueries@kpmg.co.uk detailing your name, telephone number and store address. A member of staff will aim to contact you within 48 hours.

All rents collected from sub tenants have been remitted to landlords. If you believe you are owed sub tenant rent but have not received any correspondence in this regard, please email fqrpropertyqueries@kpmg.co.uk detailing your name, telephone number and store address. A member of staff will aim to contact you within 48 hours.

What about Insurance?

Properties which FQR were responsible for insuring

All properties have now been offered for surrender, surrendered or assigned. Therefore Administrator's building insurance cover has been cancelled for all properties, however the Administrators' public liability remains in place.

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.

How do I get access to vacant properties?

On 28 June 2010 we sent to landlords all keys that have not previously been requested so they may retain the keys for access purposes. From this date the Joint Administrators will not be able to guarantee access.

What about maintenance and repairs?

Now all properties have been offered for surrender or assigned, landlords will have to make their own arrangements for the repair and maintenance of properties.

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. Utility bills for the period between the completion of the trading period and assignment or accepted surrender of the lease will rank as an unsecured claim. **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.

How will we correspond with landlords?

Stores being assigned by Christie & Co

Any properties that were due to be assigned have now completed. If the assignment has not taken place you should now have received an offer for surrender. If you have not and would like one, please email fqrpropertyqueries@kpmg.co.uk

Stores forming part of a sale of business

This process has also now completed. If the assignment has not taken place you should now have received an offer for surrender. If you have not and would like one, please email fqrpropertyqueries@kpmg.co.uk

Stores offered for surrender

The landlord should have received a letter offering surrender. The landlord should sign and return the letter if he is willing to accept surrender. If he is not willing to accept surrender the store will remain vacant and uninsured until the Company goes into liquidation; at which point the lease will be disclaimed.

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?

Now we have offered surrender, all a landlord needs to do is sign the offer of surrender letter and return to the Joint Administrators. If you require a copy of your branch specific letter, please email fqrpropertyqueries@kpmg.co.uk

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 co-operate with the owners of these assets in providing access once you are in receipt of the keys.