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The Client: Proplend Security Limited

Report and valuation in respect of:

**Unit 6 Henmore Trading Estate
Mayfield Road
Ashbourne
Derbyshire
DE6 1AS**

Valuation effective date: 31st August 2018

HB/NM/EH/HB0794/0451/16-181

3rd September 2018

PRIVATE & CONFIDENTIAL

Proplend Security Limited
15 Little Green
Richmond
Surrey
TW9 1QH
FAO: Mr Stewart Bruce

Tel: 01332 298000
Email: derby@salloway.com

1 New Park Place, Pride Park
Derby, DE24 8DZ

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Dear Sirs

Unit 6 Henmore Trading Estate, Mayfield Road, Ashbourne, Derbyshire DE6 1AS

Further to your written instruction received 28th August 2018 (attached at Appendix 1.0), I confirm that acting as an External Valuer I am now able to set out below my valuation report in accordance with the RICS Valuation Standards:

Client:

This report is prepared on behalf of Proplend Security Limited. It is for the use only of the party to whom it has been addressed and no responsibility is accepted to any third party for the whole or any part of its contents.

Purpose and type of Valuation:

A desktop valuation letter to confirm updated Market Value for secured lending purposes.

Disclosure of any Material Involvement:

Salloway Property Consultants have previously valued the property on behalf of Lancashire Mortgage Corporation Limited in January 2017, under our reference HB/NM/HB0248/0233/12-107. Additionally, Salloway Property Consultants then valued the property on behalf Proplend Security Limited in March 2017, under our reference HBNM/HB0290/0233/16-181. Other than these disclosed previous involvements, Salloway Property Consultants have no current or anticipated future material involvement in the property.

Subject Property:

Unit 6 Henmore Trading Estate, Mayfield Road, Ashbourne, Derbyshire DE6 1AS

Interest to be valued:

We have had sight of copies of title deeds and can confirm that the interest to be valued is freehold and free from any encumbrances or restrictions of an unusual or onerous nature.

The subject property is currently fully occupied with its three constituent elements let by two tenants. The details of the existing tenancy agreements are detailed below:-

- Unit 6 and Side Yard Area (Hand Car Wash) – Let to Robertas Stunzenas and Ignas Cerkaustas for a period of 10 years from 1st May 2016 and ending on, and including 30th April 2026 at a rent of £18,000 + VAT paid monthly in advance in equal instalments. The lease agreement provides for upward only rent reviews on both the 4th and 8th anniversary of the term. There is a Landlord option to break from the lease at any time subject to 6 months' notice (this right is personal to the Original Landlord). There is a Tenant option to terminate the lease subject to 6 months' notice that is exercisable only if the Landlord serves notice in writing that they intend to build over the property. For the Landlord to build over the property 9 months' notice must be given to the Tenant before any such building over works can commence.
- Units 6a and 6b Henmore Trading Estate – Let to CW Sellors (Gold and Silversmiths) Limited for a period of 5 years from 1st February 2015 and ending on, and including 31st January 2020 at a rent of £8,500 + VAT paid monthly in advance in equal instalments. There is a Landlord option to break from the lease at any time subject to 6 months' notice (this right is personal to the Original Landlord). There is a Tenant option to terminate the lease subject to 6 months' notice that is exercisable only if the Landlord serves notice in writing that they intend to build over the property. For the Landlord to build over the property 9 months' notice must be given to the Tenant before any such building over works can commence.

Copies of the existing tenancy agreements are attached at Appendix 2.0.

Description of property:

The property is located on Henmore Trading Estate which itself comprises 10 light industrial/workshop units that are either in owner occupation or let to a mixture of local and independent businesses which include Furniture Recycling, a Dance School, as well as Automotive based businesses.

The units on Henmore Trading Estate all share a common access point from Mayfield Road which leads into a central macadam forecourt which the units are broadly planned around. Within this central forecourt and sited parallel to the front elevation of the subject property, there is allocated parking provision for seven vehicles.

The subject property forms part of a pair of semi-detached workshop units of traditional block/brick construction with a pitched steel frame roof and translucent rooflights.

The subject property has been sub-divided into three lettable elements, two of which (Units 6a and 6b) are let to CW Sellors (Gold and Silversmiths) whilst the other (Unit 6), together with the adjacent side yard area, is currently let to a hand carwash operator.

Unit 6 is accessed by way of a roller shutter (2.6 x 2.4m), which is installed to the property's side elevation. At ground floor level, this property comprises a customer waiting area with WC facilities to

the front as well as two store areas, one positioned centrally and the other to the rear. The rear ground floor store area provides stairwell access to the first floor which itself comprises of both front and rear storage areas that are separated by a central office.

Unit 6a is also accessed by a roller shutter (2.6 x 2.4m) to the front elevation and provides workshop accommodation with WC facilities. The unit has had a mezzanine floor level installed which occupies the majority of the unit's available ground floor space.

As above, Unit 6b is also accessed by way of an identical roller shutter (2.6 x 2.4m) and accompanying personnel door, installed to the front elevation. When accessed through the personnel door there is an entrance area with WC and shower facilities. Directly behind this entrance area there is a central office leading through to a rear store. To the left of the entrance area there is a doorway through to a full length workshop that occupies the entire left hand side of the unit. This workshop section can either be accessed internally through a doorway to the left of the entrance area, or directly through the unit's roller shutter door.

We have not re-inspected the subject property and therefore, for the purpose of our updated valuation, we have assumed that the property's accommodation, configuration and condition has not been altered or has deteriorated since our original inspection in March 2017. Additionally, we have assumed that the property's measured areas remain as per our original inspection, which we note to be as follows:-

Unit 6			
Ground Floor Workshop	62.3m ²	/	670sq.ft.
First Floor	38.7m ²	/	416sq.ft.
Total	101.0m²	/	1,086sq.ft.
Land	38.7m ²	/	416sq.ft.
Unit 6a			
Ground Floor Workshop	54.7m ²	/	589sq.ft.
Mezzanine	32.0m ²	/	345sq.ft.
Total	86.7m²	/	934sq.ft.
Unit 6b			
Ground Floor Workshop	120.4m ²	/	1,296sq.ft.
Total Gross Internal Area	308.1m²	/	3,316sq.ft.

The subject premises occupy a total site area of approximately 428.7m² / 0.106 acres which equates to a site density of approximately 55%.

Basis of Valuation:

Market Value – *“The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction after proper marketing are where the parties had each acted knowledgeably, prudently and without compulsion”*

Market Rent – *“The estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”*

Effective Date(s) of Valuation:

31st August 2018

Extent of Valuer’s Investigations:

In arriving at our opinion of value, we have relied upon our superficial inspection of the subject property, and upon any verbal or written information supplied to us. We have not undertaken a structural survey of the property or any part thereof. In addition to any assumptions outlined above, in arriving at our opinion of value we have further assumed the following:-

That all required valid planning permissions and statutory approvals for the building and for its use, including any extensions or alterations, have been obtained and complied with;

That no deleterious or hazardous materials or techniques have been used, that there is no contamination in or from the ground, and it is not landfilled ground;

That the property and its value are unaffected by any matters which would be revealed by a local search, replies to the usual pre-contract enquiries, or by any statutory notice which may indicate that neither the property, nor its condition, its use, or its intended use, is or will be unlawful;

That an inspection of those parts that have not been inspected, or a survey inspection, would not reveal material defects or cause the valuer to alter the valuation materially;

That sewers, main services and the roads giving access to the property have been adopted, and that any lease provides rights of access and egress over all communal estate roadways, pathways, corridors, stairways and use of common grounds, parking areas and other facilities;

That appropriate warranties are available, either by way of an appropriate insurance policy, or by way of appropriate warranties from the designers and contractors.

Valuation Benchmark(s):

We are mindful that there is a succinct lack of similar recent, directly comparable transactions locally and therefore, our search for such information has been extended to encompass areas beyond the subject property’s immediate locality. Additionally, we have utilised our experience and knowledge in the market to assist with arriving at our opinion of market value and market rent.

In terms of an investment, as when valued previously, the combined rent roll of £26,500 per annum is predominantly attributed to the car wash element (Unit 6) which is let for £18,000 per annum and provides some 9 years term certain which, on the face of matters would be considered to be a desirable investment. However, we would argue that this rental figure is inflated due to the fact that Tenant is in essence paying a premium rent for the type and size of space that they are occupying. Therefore, we would suggest that the attractiveness of the occupational use, together with the negative market perception surrounding this and the lack of a guarantor/surety, would ultimately impact on the property's investment value with the hypothetical investor taking into consideration this risk.

With regards to the elements of the property let for industrial/storage use (Units 6a and 6b), this is more conventional space and is let to a reputable local business on what we would consider to be more conventional lease terms, albeit with just under a year and a half term certain remaining. We have compared the level of rent passing against our own opinion of Market Rent and we have consequently concluded that this is broadly let in line with that of the open market rent.

Therefore, in arriving at our valuation, subject to the existing tenancies, we have capitalised the passing rentals at appropriate investment yields which we feel best reflect the terms of tenancies, strength of covenants, and the property's inherent qualities. We have then adjusted these figures to take into consideration purchasers' costs at the usual rate.

More specifically, we have capitalised the current rent received for Unit 6 (**£18,000 per annum**) by **12%** to arrive at its Market Value of £150,000 and then capitalised the current rent received for Units 6a & 6b (**£8,500 per annum**) by 9% to arrive at a Market Value of £95,000. We have then combined these Market Values before deducting purchaser's costs to arrive at our Market Value of **£240,000**.

As part of our valuation process we have considered the current level of rental income receivable from the property and whether this is consistent with general market levels.

We would suggest that due to the quality and size of the subject property a hypothetical tenant would be prepared to pay a premium rent, further enhanced due to the relative under supply of new industrial units of this size within the local area.

In calculating our opinion of market rent for the subject we have applied a leasehold rate of **£5.00sq.ft.** to the ground floor workshop and office space, **£2.50sq.ft.** to the first floor and **£1.00sq.ft.** to the mezzanine area in order to arrive at our Market Rent for the subject property in its entirety of **£14,000 per annum**.

In terms of the freehold value subject to Vacant Possession and based on transactional data, we have applied a rate of **£75.00sq.ft.** to the subject property's ground floor accommodation and have assumed that the first floor and mezzanine areas would command a rate that is half of the ground floor due to the nature of their construction, restricted access and lower floor loading capacity. Once we have applied the above rates and then rounded, we arrive at our Market Value of **£220,000**.

Valuation:

Market Rent: **£14,000p.a.x.**
(Fourteen Thousand Pounds) per annum exclusive

Market Value subject
to vacant possession: **£220,000**
(Two Hundred and Twenty Thousand Pounds)

Market Value subject to
the existing tenancy
agreements: **£240,000**
(Two Hundred and Forty Thousand Pounds)

Reinstatement value: **£225,000**
(Two Hundred and Twenty-Five Thousand Pounds)

Publication Restrictions:

In accordance with the recommendations of the RICS, neither the whole nor any part of this valuation report, nor any reference thereto may be included in any published documents, circular or statement, nor published in any way without our written consent of the form, content or context in which it may appear.

Yours sincerely



Anwar Hussain MRICS
RICS Registered Valuer

APPENDIX 1.0

Written Instructions

Ref: Henmore Property Limited
Salloway Property Consultants Ltd
1 New Park Place
Pride Park
Derby
DE24 8DZ

Dear Sirs,

Please accept this letter as our formal instruction to your firm to carry out a valuation, for mortgage purposes, on the addresses indicated below upon which we, Proplend Security Limited shall rely. The valuation may be shown to any third parties in connection with the financing of the property albeit it cannot be relied on by those parties directly. Please notify us if there will be any delay. **Please advise us immediately if you are unable to give prompt attention to this matter.**

Borrower:	Henmore Property Limited
Contact Name:	Wayne Travers
Phone Number:	07950 214387
Email:	faraduk@aol.com
Properties:	Unit 6 Henmore Trading Estate, Mayfield Road, Ashbourne, DE6 1AS
Tenure:	Freehold
Use:	Light Industrial
Tenancies:	Two leases, as attached

Instruction

The report should be addressed to Proplend Security Limited which must clearly state that it can be relied upon for lending purposes by the parties named herein. Please ensure that the report accords with the current RICS Appraisal and Valuation Manual.

Please indicate in your report if the valuer or your firm have had any previous involvement with the property forming the subject of the valuation. If so, please indicate the nature and extent of that involvement and confirm specifically that you consider there is no conflict of interest on the part of the valuer or your firm.

The report must be signed by a partner or director of the firm who is a member of the Royal Institute of Chartered Surveyors.

Whilst your report will be addressed to Proplend Security Ltd, it will need to be viewed by its Lending members on the understanding that only Proplend Security Ltd may rely on the report for mortgage purposes. Can you please confirm within your report that this is understood and accepted?

Valuation and Report

The Market Valuation referred to below should be based on current values and should reflect market conditions prevailing at the date of the report, and changes in market conditions that you are able to predict, and should include:

1. The Market Valuation for loan security purposes of the Property in its current condition at the date of your inspection,

subject to any current tenancies in place and sold as a going concern. Please indicate the period of marketing you have assumed in arriving at your valuation.

2. A valuation of the Property on the assumption that the Property was being sold without the benefit of a going concern.
3. Please provide comparable evidence to support your assumptions on values.
4. Please provide an estimated rental value for the Subject Properties.
5. Please provide commentary on continued likely market demand for properties of this size and nature, in this location, for sale and to let.
6. Please provide an estimated reinstatement cost of the buildings for insurance purposes.
7. Please provide a full description of the Property to include its accommodation, its size, its construction, location and general state of repair. These details should be supported with photos of the Properties. Whilst you are not instructed to carry out a structural survey on each Property, please comment of any noticeable defects that might warrant further investigation and which might affect the marketability of the Property.
8. Please certify that the Property is acceptable for secured lending purposes.

Report on Title

A copy of the solicitors Report on Title will be sent to you so that you can cross check your assumptions with the facts contained within the said report and comment on specific items which may affect your valuation.

Fees

You have quoted and the Borrower has agreed to pay a fee of £125+VAT for this undertaking. Whilst a receipted invoice for this service should be supplied with your report, and addressed to this company, we ask that you seek settlement of your fee from the proposed Borrowers whose contact details are supplied above. Proplend Security Limited cannot accept any responsibility for non-payment of your fees in this regard.

Contact Details

Please contact Proplend on 0203 637 8418 if you have any queries regarding this instruction.

Please send the Valuation Report to borrower@proplend.com, with hard copy to 15 Little Green, Richmond TW9 1QH. Draft reports are not acceptable. Following provision of the Valuation Report, you should be prepared to discuss its contents with the Lender.

Yours Faithfully,



Brian Bartaby
Director

Proplend Security Limited

APPENDIX 2.0

Existing Tenancy Agreements

DATED

2nd August 2016

Counterpart LEASE

relating to

**CAR WASH & OFFICE AT HENMORE TRADING ESTATE, MAYFIELD
ROAD, ASHBOURNE, DERBYSHIRE, DE6 1AS**

between

WAYNE CYRIL TRAVERS

and

ROBERTAS STUNZENAS AND IGNAS CERKAUSTAS

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PRESCRIBED CLAUSES

LR1. Date of lease

2nd August 2016

LR2. Title number(s)

LR2.1 Landlord's title number(s)

DY433830

LR2.2 Other title numbers

LR3. Parties to this lease

Landlord

WAYNE CYRIL TRAVERS

2 Beech Drive, Ashbourne, Derbyshire, DE6 1HL

Tenant

Robertas Stunzenas and Ignas Cerkaustas

Flat 1, 25-27 Market Place, Ashbourne, Derbyshire, DE6 1EU

LR4. Property

In the case of a conflict between this clause and the remainder of this lease then, for the purposes of registration, this clause shall prevail.

See the definition of "Property" in clause 1.1 of this lease.

LR5. Prescribed statements etc.

LR5.1 Statements prescribed under rules 179 (dispositions in favour of a charity), 180 (dispositions by a charity) or 196 (leases under the Leasehold Reform, Housing and Urban Development Act 1993) of the Land Registration Rules 2003.

None.

LR5.2 This lease is made under, or by reference to, provisions of:

None.

LR6. Term for which the Property is leased

The term as specified in this lease at clause 1.1 in the definition of "Contractual Term".

LR7. Premium

None.

LR8. Prohibitions or restrictions on disposing of this lease

This lease contains a provision that prohibits or restricts dispositions.

LR9. Rights of acquisition etc.

LR9.1 Tenant's contractual rights to renew this lease, to acquire the reversion or another lease of the Property, or to acquire an interest in other land

None.

LR9.2 Tenant's covenant to (or offer to) surrender this lease

None.

LR9.3 Landlord's contractual rights to acquire this lease

None.

LR10. Restrictive covenants given in this lease by the Landlord in respect of land other than the Property

None.

LR11. Easements

LR11.1 Easements granted by this lease for the benefit of the Property

The easements as specified in clause 3 of this lease.

LR11.2 Easements granted or reserved by this lease over the Property for the benefit of other property

The easements as specified in clause 4 of this lease.

LR12. Estate rent charge burdening the Property

None.

LR13. Application for standard form of restriction

None.

LR14. Declaration of trust where there is more than one person comprising the Tenant

Not applicable

THIS LEASE is dated

2nd August 2016

PARTIES

- (1) Wayne Cyril Travers of 2 Beech Drive, Ashbourne, Derbyshire, DE6 1HL
(Landlord).
- (2) Robertas Stunzenas and Ignas Cerkaustas of Flat 1, 25-27 Market Place, Ashbourne,
Derbyshire, DE6 1EU(Tenant)

AGREED TERMS

I. INTERPRETATION

- 1.1 The definitions and rules of interpretation set out in this clause apply to this lease.

Act of Insolvency:

- (a) the taking of any step in connection with any voluntary arrangement or any other compromise or arrangement for the benefit of any creditors of the Tenant or any guarantor; or
- (b) the making of an application for an administration order or the making of an administration order in relation to the Tenant or any guarantor; or
- (c) the giving of any notice of intention to appoint an administrator, or the filing at court of the prescribed documents in connection with the appointment of an administrator, or the appointment of an administrator, in any case in relation to the Tenant or any guarantor; or
- (d) the appointment of a receiver or manager or an administrative receiver in relation to any property or income of the Tenant or any guarantor; or
- (e) the commencement of a voluntary winding-up in respect of the Tenant or any guarantor, except a winding-up for the purpose of amalgamation or reconstruction of a solvent company in respect of which a statutory declaration of solvency has been filed with the Registrar of Companies; or
- (f) the making of a petition for a winding-up order or a winding-up order in respect of the Tenant or any guarantor; or
- (g) the striking-off of the Tenant or any guarantor from the Register of Companies or the making of an application for the Tenant or any guarantor to be struck-off; or
- (h) the Tenant or any guarantor otherwise ceasing to exist (but excluding where the Tenant or any guarantor dies); or
- (i) the presentation of a petition for a bankruptcy order or the making of a bankruptcy order against the Tenant or any guarantor.

The paragraphs above shall apply in relation to a partnership or limited partnership (as defined in the Partnership Act 1890 and the Limited Partnerships Act 1907 respectively) subject to the modifications referred to in the Insolvent Partnerships Order 1994 (SI 1994/2421) (as amended), and a limited liability partnership (as defined in the Limited Liability Partnerships Act 2000) subject to the modifications referred to in the Limited Liability Partnerships Regulations 2001 (SI 2001/1090) (as amended).

Act of Insolvency includes any analogous proceedings or events that may be taken pursuant to the legislation of another jurisdiction in relation to a tenant or guarantor incorporated or domiciled in such relevant jurisdiction.

Annual Rent: rent at an initial rate of £18,000.00 per annum and then as revised pursuant to this lease and any interim rent determined under the LTA 1954.

Break Date: a break date which is at least six months after the date on which the Landlord serves the Break Notice and as specified in the Break Notice,

Break Notice: Written notice to terminate this lease in the form set out in this Schedule

Common Parts: the roads, paths, loading and bin areas, Service Media and other parts of the Estate other than the Property and the Lettable Units.

Contractual Term: a term of years beginning on the 1st May 2016 and ending on, and including the 30th April 2026.

CDM Regulations: the Construction (Design and Management) Regulations 2007.

Default Interest Rate: four percentage points above the Interest Rate.

Estate: each and every part of the adjoining and neighbouring property in which the Landlord has an interest together with other premises not owned by the Landlord but which form part of the Henmore Trading Estate shown edged in blue on Plan 2.

Henmore Management: Henmore Trading Estate Management Company Limited (CRN 06460980) which Company is the owner of the common parts of the Henmore Trading Estate

Insurance Rent: the aggregate in each year of the:

- (a) gross cost of the premium before any discount or commission for the insurance of:
 - (i) the Property, other than any plate glass, for its full reinstatement cost (taking inflation of building costs into account) against loss or damage by or in consequence of the Insured Risks, including costs of demolition, site clearance, site protection and shoring-up, professionals' and statutory fees and incidental expenses, the cost of any work which may be required under any law and VAT in respect of all those costs, fees and expenses; and
 - (ii) loss of Annual Rent from the Property for three years;

- (b) a fair proportion of the gross cost of the premium before any discount or commission for the insurance of:
- (i) the Common Parts for their full reinstatement cost (taking inflation of building costs into account) against loss or damage by or in consequence of the Insured Risks, including costs of demolition, site clearance, site protection and shoring-up, professionals' and statutory fees and incidental expenses, the cost of any work which may be required under any law and VAT in respect of all those costs, fees and expenses; and
 - (ii) public liability in relation to the Common Parts; and
- (c) any insurance premium tax payable on the above.

Insured Risks: means fire, explosion, lightning, earthquake, storm, flood, bursting and overflowing of water tanks, apparatus or pipes, impact by aircraft and articles dropped from them, impact by vehicles, riot, civil commotion and any other risks against which the Landlord decides to insure against from time to time and **Insured Risk** means any one of the Insured Risks.

Interest Rate: interest at the base lending rate from time to time of Lloyds TSB Bank Plc, or if that base lending rate stops being used or published then at a comparable commercial rate reasonably determined by the Landlord.

Lettable Unit: a building and its curtilage on the Estate, other than the Property, that is capable of being let and occupied on terms similar to those of this lease.

LTA 1954: Landlord and Tenant Act 1954.

Original Landlord: Wayne Cyril Travers

Original Tenant: Robertas Stunzenas and Ignas Cerkaustas

Permitted Use: Car Wash and ancillary office.

Plan 1: the plan attached to this lease marked "Plan 1".

Plan 2: the plan attached to this lease marked "Plan 2".

Property: the car wash and ground floor offices at Henmore Trading Estate, Mayfield Road, Ashbourne, Derbyshire, DE6 1AS shown edged red on Plan 1 but excluding any Service Media in, on, under or over that property (whether in existence at the date of this lease or installed during the perpetuity period) that are used by that unit in common with any other part of the Estate or the air or space above the said units.

Rent Commencement Date: 1st May 2016

Rent Payment Dates: monthly on the first day of each month in advance

Reservations: all of the rights excepted, reserved and granted to the Landlord by this lease.

Review Date: the last day of the term 1st May 2020,
1st May 2024 and

Service Charge: a fair proportion of the Service Costs.

Service Charge Year: is the annual accounting period relating to the Services and the Service Costs each year during the term as specified in the Transfer between Bestways Limited (1) Henmore Trading Management Company Limited (2) The Landlord (3)

Service Costs: the costs listed in clause 8.2.

Service Media: all media for the supply or removal of heat, electricity, gas, water, sewage, energy, telecommunications, data and all other services and utilities and all structures, machinery and equipment ancillary to those media.

Services: the services listed in clause 8.1.

Transfer: means a Transfer between Bestways Limited (1) Henmore Management (2) The Landlord (3)

Third Party Rights: all rights, covenants and restrictions affecting the Estate including the matters referred to at the date of this lease in the property register and the entry in the charges register of title number DY433830

VAT: value added tax chargeable under the Value Added Tax Act 1994 or any similar replacement or additional tax.

- 1.2 A reference to this **lease**, except a reference to the date of this lease or to the grant of this lease, is a reference to this deed and any deed, licence, consent, approval or other instrument supplemental to it.
- 1.3 A reference to the **Landlord** includes a reference to the person entitled to the immediate reversion to this lease. A reference to the **Tenant** includes a reference to its successors in title and assigns. A reference to a **guarantor** includes a reference to the Guarantor and to any other guarantor of the tenant covenants of this lease including a guarantor who has entered into an authorised guarantee agreement.
- 1.4 In relation to any payment, a reference to a **fair proportion** is to a fair proportion of the total amount payable, determined conclusively (except as to questions of law) by the Landlord.
- 1.5 The expressions **landlord covenant** and **tenant covenant** each has the meaning given to it by the Landlord and Tenant (Covenants) Act 1995.
- 1.6 Unless the context otherwise requires, references to the **Common Parts**, the **Estate**, a **Lettable Unit** and the **Property** are to the whole and any part of them or it.
- 1.7 The expression **neighbouring property** does not include the Estate.

- 1.8 A reference to the **term** is to the Contractual Term and statutory continuation of this lease.
- 1.9 A reference to the **end of the term** is to the end of the term however it ends.
- 1.10 References to the **consent** of the Landlord are to the consent of the Landlord given in accordance with clause 42.4 and references to the **approval** of the Landlord are to the approval of the Landlord given in accordance with clause 42.5.
- 1.11 A **working day** is any day which is not a Saturday, a Sunday, a bank holiday or a public holiday in England.
- 1.12 Unless otherwise specified, a reference to a particular law is a reference to it as it is in force for the time being, taking account of any amendment, extension, application or re-enactment and includes any subordinate laws for the time being in force made under it and all orders, notices, codes of practice and guidance made under it.
- 1.13 A reference to laws in general is to all local, national and directly applicable supra-national laws in force for the time being, taking account of any amendment, extension, application or re-enactment and includes any subordinate laws for the time being in force made under them and all orders, notices, codes of practice and guidance made under them.
- 1.14 Any obligation in this lease on the Tenant not to do something includes an obligation not to agree to or suffer that thing to be done and an obligation to use best endeavours to prevent that thing being done by another person.
- 1.15 Unless the context otherwise requires, where the words **include(s)** or **including** are used in this lease, they are deemed to have the words "without limitation" following them.
- 1.16 A **person** includes a corporate or unincorporated body.
- 1.17 References to **writing** or **written** do not include faxes or email.
- 1.18 Except where a contrary intention appears, a reference to a clause or Schedule, is a reference to a clause of, or Schedule to, this lease and a reference in a Schedule to a paragraph is to a paragraph of that Schedule.
- 1.19 Clause, Schedule and paragraph headings do not affect the interpretation of this lease.

2. GRANT

- 2.1 The Landlord lets with full title guarantee the Property to the Tenant for the Contractual Term.
- 2.2 The grant is made together with the ancillary rights set out in clause 3, excepting and reserving to the Landlord the rights set out in clause 4, and subject to the Third Party Rights.
- 2.3 The grant is made with the Tenant paying the following as rent to the Landlord:
- (a) the Annual Rent and all VAT in respect of it;
 - (b) the Service Charge and all VAT in respect of it;
 - (c) the Insurance Rent,
 - (d) all interest payable under this lease
 - (e) all other sums due under this lease

3. ANCILLARY RIGHTS

- 3.1 The Landlord grants the Tenant the following rights (the Rights):
- (a) the right to use the roads and paths shown coloured green on Plan 2 for the purposes of vehicular and pedestrian access to and egress from the Property and to and from the parts of the Common Parts referred to in clause **Error! Reference source not found.** to clause 3.1(d)
 - (b) the right to use and to connect into any Service Media at the Estate that belong to the Landlord and serve (but do not form part of) the Property which are in existence at the date of this lease or are installed or constructed during the Contractual Term;
 - (c) the right to display the name and logo of the Tenant on a sign or noticeboard in a form and manner approved by the Landlord;
 - (d) the right to enter the Common Parts so far as is reasonably necessary to carry out any works to the Property required or permitted by this lease and
- 3.2 The Rights are granted in common with the Landlord and any other person authorised by the Landlord.
- 3.3 The Rights are granted subject to the Third Party Rights insofar as the Third Party Rights affect the Common Parts and the Tenant shall not do anything that may interfere with any Third Party Right.

- 3.4 The Tenant shall exercise the Rights only in connection with its use of the Property for the Permitted Use and in accordance with any regulations made by the Landlord as mentioned in clause 32.1.
- 3.5 The Tenant shall comply with all laws relating to its use of the Common Parts pursuant to the Rights.
- 3.6 In relation to the Rights mentioned in clause 3.1, the Landlord may, at its discretion, change the route of any means of access to or egress from the Property and may change the area over which any of those Rights are exercised.
- 3.7 In relation to the Rights mentioned in clause 3.1(b), the Landlord may, at its discretion, re-route or replace any such Service Media and that Right shall then apply in relation to the Service Media as re-routed or replaced.
- 3.8 In exercising the Right mentioned in clause 3.1(d), the Tenant shall cause as little inconvenience and damage to the Common Parts and the other tenants and occupiers of the Estate as is reasonably practicable and shall promptly make good (to the satisfaction of the Landlord) any damage caused to the Common Parts by reason of the Tenant exercising that Right.
- 3.9 Except as mentioned in this clause 3, neither the grant of this lease nor anything in it confers any right over the Common Parts or any Lettable Unit or any neighbouring property nor is to be taken to show that the Tenant may have any right over the Common Parts or any Lettable Unit or any neighbouring property, and section 62 of the Law of Property Act 1925 does not apply to this lease.

4. RIGHTS EXCEPTED AND RESERVED

- 4.1 The following rights are excepted and reserved from this lease to the Landlord for the benefit of the Estate and to the extent possible for the benefit of any neighbouring or adjoining property in which the Landlord acquires an interest during the term:
- (a) rights of light, air, support and protection to the extent those rights are capable of being enjoyed at any time during the term;
 - (b) the right to use and to connect into Service Media at, but not forming part of, the Property which are in existence at the date of this lease or which are installed or constructed during the Contractual Term; the right to install and construct Service Media at the Property to serve any part of the Estate (whether or not such Service Media also serve the Property); and the right to re-route any Service Media mentioned in this paragraph;
 - (c) at any time during the term, the full and free right to develop any part of the Estate (other than the Property (subject to clause *Clause 4.1(f)*) or any part of the Common Parts over which rights are expressly granted by this deed)

including for the avoidance of doubt the right to construct a second storey on the building above the Property but so as not to restrict the tenants use of the Property and any neighbouring or adjoining property in which the Landlord acquires an interest during the term as the Landlord may think fit;

- (d) the right to erect scaffolding at the Property or on the Estate and attach it to any building on the Property in connection with any of the Reservations;
- (e) the right to build on or into any boundary wall of the Property in connection with any of the Reservations;
- (f) the right to re-route any means of access to or egress from the Property to change the areas over which the Rights mentioned in Clause 3.1 are exercised
- (g) the right to re-route and replace any Service Media over which the Rights mentioned in Clause 3.1 are exercised
- (h) the Third Party rights granted in favour of others as set out in the Transfer

notwithstanding that the exercise of any of the Reservations or the works carried out pursuant to them result in a reduction in the flow of light or air to the Property or loss of amenity for the Property

4.2 The Landlord reserves the right to enter the Property:

- (a) to repair, maintain, install, construct re-route or replace any Service Media or structure relating to any of the Reservations; and
- (b) for any other purpose mentioned in or connected with:
 - (i) this lease;
 - (ii) the Reservations; and
 - (iii) the Landlord's interest in the Property or the Estate.
 - (iv) The rights to construct a second floor above the Property

4.3 The Reservations may be exercised by the Landlord and by anyone else who is or becomes entitled to exercise them, and by anyone authorised by the Landlord.

4.4 The Tenant shall allow all those entitled to exercise any right to enter the Property, to do so with their workers, contractors, agents and professional advisors, and to enter the Property at any reasonable time (whether or not during usual business hours) and, except in the case of an emergency, after having given reasonable notice (which need not be in writing) to the Tenant.

4.5 No party exercising any of the Reservations, nor its workers, contractors, agents and professional advisors, shall be liable to the Tenant or to any undertenant or other

occupier of or person at the Property for any loss, damage, injury, nuisance or inconvenience arising by reason of its exercising any of the Reservations except for:

- (a) physical damage to the Property; or
- (b) any loss, damage, injury, nuisance or inconvenience in relation to which the law prevents the Landlord from excluding liability.

5. THIRD PARTY RIGHTS

- 5.1 The Tenant shall comply with all obligations on the Landlord relating to the Third Party Rights insofar as those obligations relate to the Property and shall not do anything (even if otherwise permitted by this lease) that may interfere with any Third Party Right.
- 5.2 The Tenant shall allow the Landlord and any other person authorised by the terms of the Third Party Right to enter the Property in accordance with its terms.

6. THE ANNUAL RENT

- 6.1 The Tenant shall pay the Annual Rent and any VAT in respect of it by twelve monthly equal instalments in advance on or before the Rent Payment Dates. The payments shall be made by banker's standing order or by any other method that the Landlord requires at any time by giving notice to the Tenant.

7. REVIEW OF THE ANNUAL RENT

- 7.1 In this clause the **President** is the President for the time being of the Royal Institution of Chartered Surveyors or a person acting on his behalf, and the **Surveyor** is the independent valuer appointed pursuant to clause 7.7.
- 7.2 The amount of Annual Rent shall be reviewed on each Review Date to equal:
 - (a) the Annual Rent payable immediately before the relevant Review Date (or which would then be payable but for any abatement or suspension of the Annual Rent or restriction on the right to collect it) or, if greater;
 - (b) the open market rent agreed or determined pursuant to this clause.
- 7.3 The open market rent may be agreed between the Landlord and the Tenant at any time before it is determined by the Surveyor.
- 7.4 If the open market rent is determined by the Surveyor, it shall be the amount that the Surveyor determines is the best annual rent (exclusive of any VAT) at which the Property could reasonably be expected to be let:
 - (a) in the open market;

- (b) at the relevant Review Date;
- (c) on the assumptions listed in clause 7.5; and
- (d) disregarding the matters listed in clause 7.6.

7.5 The assumptions are:

- (a) the Property is available to let in the open market:
 - (i) by a willing lessor to a willing lessee;
 - (ii) as a whole;
 - (iii) with vacant possession;
 - (iv) without a fine or a premium;
 - (v) for a term equal to the unexpired residue of the Contractual Term at the relevant Review Date or a term of three years commencing on the relevant Review Date, if longer; and
 - (vi) otherwise on the terms of this lease other than as to the amount of the Annual Rent but including the provisions for review of the Annual Rent
- (b) the willing lessee has had the benefit of any rent-free or other concession or contribution which would be offered in the open market at the relevant Review Date in relation to fitting out works at the Property;
- (c) the Property may lawfully be used, and is in a physical state to enable it to be lawfully used, by the willing lessee (or any potential undertenant or assignee of the willing lessee) for any purpose permitted by this lease;
- (d) the Landlord and the Tenant have fully complied with their obligations in this lease;
- (e) if the Property, or any means of access to it or any Service Media serving the Property, has been destroyed or damaged, it has been fully restored;
- (f) no work has been carried out on the Property or on the Estate that has diminished the rental value of the Property other than work carried out in compliance with clause 33
- (g) any fixtures, fittings, machinery or equipment supplied to the Property by the Landlord that have been removed by or at the request of the Tenant, or any undertenant or their respective predecessors in title (otherwise than to comply with any law) remain at the Property; and
- (h) the willing lessee and its potential assignees and undertenants shall not be disadvantaged by any actual or potential election to waive exemption from VAT in relation to the Property.

7.6 The matters to be disregarded are:

- (a) any effect on rent of the fact that the Tenant or any authorised undertenant has been in occupation of the Property;
- (b) any goodwill attached to the Property by reason of any business carried out there by the Tenant or by any authorised undertenant or by any of their predecessors in business;
- (c) any effect on rent attributable to any physical improvement to the Property carried out by or at the expense of the Tenant or any authorised undertenant with all necessary consents, approvals and authorisations and not pursuant to an obligation to the Landlord (other than an obligation to comply with any law);
- (d) any effect on rent of any obligation on the Tenant to reinstate the Property to the condition or design it was in before any alterations or improvements were carried out; and
- (e) any statutory restriction on rents or the right to recover them.

- 7.7 The Surveyor shall be an independent valuer who is a Member or Fellow of the Royal Institution of Chartered Surveyors. The Landlord and the Tenant may, by agreement, appoint the Surveyor at any time before either of them applies to the President for the Surveyor to be appointed. Any application to the President may not be made earlier than three months before the relevant Review Date.
- 7.8 The Surveyor shall act as an expert and not as an arbitrator. The Surveyor shall determine the open market rent and shall have power to determine any issue involving the interpretation of any provision of this lease, his jurisdiction to determine the matters and issues referred to him or his terms of reference. The Surveyor's decision shall be given in writing, and the Surveyor shall provide reasons for any determination. The Surveyor's written decision on the matters referred to him shall be final and binding in the absence of manifest error or fraud.
- 7.9 The Surveyor shall give the Landlord and the Tenant an opportunity to make written representations to the Surveyor and to make written counter-representations commenting on the representations of the other party to the Surveyor. The parties will provide (or procure that others provide) the Surveyor with such assistance and documents as the Surveyor reasonably requires for the purpose of reaching a decision.
- 7.10 If the Surveyor dies, or becomes unwilling or incapable of acting, or unreasonably delays in making any determination, then either the Landlord or the Tenant may apply to the President to discharge the Surveyor and clause 7.7 shall then apply in relation to the appointment of a replacement.

The fees and expenses of the Surveyor and the cost of the Surveyor's appointment and any counsel's fees, or other fees, incurred by the Surveyor shall be payable by the Landlord and the Tenant in the proportions that the Surveyor directs (or if the

Surveyor makes no direction, then equally). If the Tenant does not pay its part of the Surveyor's fees and expenses within ten working days after demand by the Surveyor, the Landlord may pay that part and the amount it pays shall be a debt of the Tenant due and payable on demand to the Landlord. The Landlord and the Tenant shall otherwise each bear their own costs in connection with the rent review

7.11 If the revised Annual Rent has not been agreed by the Landlord and the Tenant or determined by the Surveyor on or before the relevant Review Date, the Annual Rent payable from that Review Date shall continue at the rate payable immediately before that Review Date. No later than five working days after the revised Annual Rent is agreed or the Surveyor's determination is notified to the Landlord and the Tenant, the Tenant shall pay:

- (a) the shortfall (if any) between the amount that it has paid for the period from the Review Date until the Rent Payment Date following the date of agreement or notification of the revised Annual Rent and the amount that would have been payable had the revised Annual Rent been agreed or determined on or before that Review Date; and
- (b) interest at the Interest Rate on that shortfall calculated on a daily basis by reference to the Rent Payment Dates on which parts of the shortfall would have been payable if the revised Annual Rent had been agreed or determined on or before that Review Date and the date payment is received by the Landlord.

7.12 Time shall not be of the essence for the purposes of this clause.

7.13 If at any time there is a guarantor, the guarantor shall not have any right to participate in the review of the Annual Rent.

7.14 As soon as practicable after the amount of the revised Annual Rent has been agreed or determined, a memorandum recording the amount shall be signed by or on behalf of the Landlord and the Tenant and endorsed on or attached to this lease and its counterpart. The Landlord and the Tenant shall each bear their own costs in connection with the memorandum.

8. SERVICES AND SERVICE CHARGE

8.1 The Services are:

- (a) cleaning, maintaining and repairing the Common Parts including all Service Media forming part of the Common Parts
- (b) lighting the Common Parts and cleaning, maintaining, repairing and replacing lighting machinery and equipment on the Common Parts;

- (c) cleaning, maintaining, repairing and replacing refuse bins on the Common Parts;
- (d) cleaning, maintaining, repairing and replacing signage for the Common Parts;
- (e) cleaning, maintaining, repairing, operating and replacing security machinery and equipment (including closed circuit television) on the Common Parts,;
- (f) cleaning, maintaining, repairing and replacing a signboard showing the names and logos of the tenants and other occupiers
- (g) maintaining the landscaped and grassed areas of the Common Parts;
- (h) any other service or amenity that the Landlord or Henmore Management may acting in accordance with the principles of good estate management provide for the benefit of the tenants and occupiers of the Estate.

8.2 The **Service Costs** are the total of:

- (a) the whole of the costs of:
 - (i) providing the Services,;
 - (ii) the supply and removal of electricity, gas, water, sewage and other utilities to and from the Common Parts;
 - (iii) complying with the recommendations and requirements of the insurers of the Estate (insofar as those recommendations and requirements relate to the Common Parts);
 - (iv) complying with all laws relating to the Common Parts, their use and any works carried out at them, and relating to the use of all Service Media, machinery and equipment at or serving the Common Parts and to any materials kept at or disposed of from the Common Parts;
 - (v) complying with the Third Party Rights insofar as they relate to the Common Parts; and
 - (vi) taking any steps (including proceedings) that the Landlord considers necessary to prevent or remove any encroachment over the Common Parts or to prevent the acquisition of any right over the Common Parts (or the Estate as a whole) or to remove any obstruction to the flow of light or air to the Common Parts (or the Estate as a whole),
- (b) the costs, fees and disbursements (on a full indemnity basis) of:
 - (i) managing agents employed by the Landlord for the carrying out and provision of the Services or, where managing agents are not employed, a management fee for the same; and
 - (ii) accountants employed by the Landlord to prepare and audit the service charge accounts;

- (c) all rates, taxes and impositions payable in respect of the Common Parts, their use and any works carried out on them (other than any taxes payable by the Landlord in connection with any dealing with or disposition of its reversionary interest in the Estate); and
 - (d) any VAT payable by the Landlord in respect of any of the items mentioned above except to the extent that the Landlord is able to recover such VAT.
- 8.3 Subject to the Tenant paying the Service Charge, the Landlord shall use its reasonable endeavours to procure that Henmore Management repair, maintain, clean the roads, paths and parking areas on the Common Parts. The Landlord may, but shall not be obliged to procure the provision of any of the other Services. The Landlord shall not be obliged to carry out any repair where the need for that repair has arisen by reason of any damage or destruction by a risk against which the Landlord is not obliged to insure.
- 8.4 Before or as soon as practicable after the start of each Service Charge Year, the Landlord shall prepare and send the Tenant an estimate of the Service Costs for that Service Charge Year and a statement of the estimated Service Charge for that Service Charge Year.
- 8.5 The Tenant shall pay the estimated Service Charge for each Service Charge Year in monthly instalments on each of the Rent Payment Dates.
- 8.6 In relation to the Service Charge Year current at the date of this lease, the Tenant's obligations to pay the estimated Service Charge and the actual Service Charge shall be limited to an apportioned part of those amounts, such apportioned part to be calculated on a daily basis for the period from the date of this lease to the end of the Service Charge Year. The estimated Service Charge for which the Tenant is liable shall be paid in equal instalments on the remaining Rent Payment Days during the period from the date of this lease until the end of the Service Charge Year.
- 8.7 As soon as reasonably practicable after the end of each Service Charge Year, the Landlord shall prepare and send to the Tenant a certificate showing the Service Costs and the Service Charge for that Service Charge Year.
- 8.8 If any cost is omitted from the calculation of the Service Charge in any Service Charge Year, the Landlord shall be entitled to include it in the estimate and certificate of the Service Charge in any following Service Charge Year. Otherwise, and except in the case of manifest error, the Service Charge certificate shall be conclusive as to all matters of fact to which it refers.

8.9 Without prejudice to clause 9.4(f), where the Landlord provides or procures any Service by reason of the damage to or destruction of the Common Parts by an Insured Risk, the costs of that Service shall not be included within the Service Charge.

8.10 If, in respect of any Service Charge Year, the Landlord's estimate of the Service Charge is less than the Service Charge, the Tenant shall pay the difference on demand. If, in respect of any Service Charge Year, the Landlord's estimate of the Service Charge is more than the Service Charge, the Landlord shall credit the difference against the Tenant's next instalment of the estimated Service Charge and where the difference exceeds the next instalment then the balance of the difference shall be credited against each succeeding instalment until it is fully credited.

9. INSURANCE

9.1 Subject to clause 9.2, the Landlord shall keep the Property and shall procure Henmore Management to keep the Common Parts (other than any plate glass at the Property) insured against loss or damage by the Insured Risks for the sum which the Landlord considers to be its full reinstatement cost (taking inflation of building costs into account). The Landlord shall not be obliged to insure any part of the Property installed by the Tenant.

9.2 The Landlord's obligation to insure and to procure Henmore Management to insure is subject to:

- (a) any exclusions, limitations, excesses and conditions that may be imposed by the insurers; and
- (b) insurance being available in the London insurance market on reasonable terms acceptable to the Landlord.

9.3 The Tenant shall pay to the Landlord on demand:

- (a) the Insurance Rent;
- (b) any amount that is deducted or disallowed by the insurers pursuant to any excess provision in the insurance policy; and
- (c) any costs that the Landlord incurs in obtaining a valuation of the Property for insurance purposes and a fair proportion of any costs that the Landlord incurs in obtaining a valuation of the Estate for insurance purposes.

9.4 The Tenant shall:

- (a) give the Landlord notice immediately any matter occurs that any insurer or underwriter may treat as material in deciding whether or on what terms to insure or to continue to insure the Property;
- (b) not do or omit anything as a result of which any policy of insurance of the Estate or any neighbouring property may become void or voidable or

otherwise prejudiced, or the payment of any policy money may be withheld, nor (unless the Tenant has previously notified the Landlord and has paid any increased or additional premium) anything as a result of which any increased or additional insurance premium may become payable;

- (c) comply at all times with the requirements and recommendations of the insurers relating to the Property and the use by the Tenant of the Common Parts;
- (d) give the Landlord immediate notice of the occurrence of any damage or loss relating to the Property arising from an Insured Risk or of any other event that might affect any insurance policy relating to the Property;
- (e) not effect any insurance of the Property (except any plate glass at the Property), but if it becomes entitled to the benefit of any insurance proceeds in respect of the Property (other than in respect of plate glass) pay those proceeds or cause them to be paid to the Landlord; and
- (f) pay the Landlord an amount equal to any insurance money that the insurers of the Estate refuse to pay (in relation to the Estate) by reason of any act or omission of the Tenant or any undertenant, their workers, contractors or agents or any person at the Property or the Common Parts with the actual or implied authority of any of them.

9.5 The Landlord shall, subject to obtaining all necessary planning and other consents, use all insurance money received (other than for loss of rent) in connection with any damage to the Property to repair the damage for which the money has been received or (as the case may be) in rebuilding the Property. The Landlord shall not be obliged to:

- (a) provide accommodation identical in layout or design so long as accommodation reasonably equivalent to that previously at the Property is provided; or
- (b) repair or rebuild if the Tenant has failed to pay any of the Insurance Rent; or
- (c) repair or rebuild the Property after a notice has been served pursuant to clause 9.7 or clause 9.8.

9.6 If the Property is damaged or destroyed by an Insured Risk so as to be unfit for occupation and use or if the Common Parts are damaged or destroyed by an Insured Risk so as to make the Property inaccessible or unusable] then, unless the policy of insurance in relation to the Property or the Common Parts has been vitiated in whole or in part in consequence of any act or omission of the Tenant, any undertenant or their respective workers, contractors or agents or any other person on the Property or the Common Parts with the actual or implied authority of any of them, payment of the Annual Rent, or a fair proportion of it according to the nature and extent of the damage, shall be suspended until the Property has been reinstated and made fit for occupation and use or the Common Parts have been reinstated so as to make the

Property accessible or useable (as the case may be), or until the end of three years from the date of damage or destruction, if sooner.

- 9.7 If, following damage to or destruction of the Property, the Landlord considers that it is impossible or impractical to reinstate the Property, the Landlord may terminate this lease by giving notice to the Tenant. On giving notice this lease shall determine but this shall be without prejudice to any right or remedy of the Landlord in respect of any breach of the tenant covenants of this lease. Any proceeds of the insurance (other than any insurance for plate glass) shall belong to the Landlord.
- 9.8 Provided that the Tenant has complied with its obligations in this clause, the Tenant may terminate this lease by giving notice to the Landlord if, following damage or destruction of the Property or the Common Parts by an Insured Risk, the Property has not been reinstated so as to be fit for occupation and use or the Common Parts have not been reinstated so as to make the Property accessible or useable within three years after the date of damage or destruction. On giving this notice this lease shall determine but this shall be without prejudice to any right or remedy of the Landlord in respect of any breach of the tenant covenants of this lease. Any proceeds of the insurance (other than any insurance for plate glass) shall belong to the Landlord.

10. RATES AND TAXES

- 10.1 The Tenant shall pay all present and future rates, taxes and other impositions payable in respect of the Property, its use and any works carried out there, other than:
- (a) any taxes payable by the Landlord in connection with any dealing with or disposition of the reversion to this lease; or
 - (b) any taxes, other than VAT and insurance premium tax, payable by the Landlord by reason of the receipt of any of the rents due under this lease.
- 10.2 The Tenant shall not make any proposal to alter the rateable value of the Property or that value as it appears on any draft rating list, without the approval of the Landlord.
- 10.3 If, after the end of the term, the Landlord loses rating relief (or any similar relief or exemption) because it has been allowed to the Tenant, then the Tenant shall pay the Landlord an amount equal to the relief or exemption that the Landlord has lost.

11. UTILITIES

- 11.1 The Tenant shall pay all costs in connection with the supply and removal of electricity, gas, water, sewage, telecommunications, data and other services and utilities to or from the Property except that if the Tenant shall use the Property for storage only the Landlord will pay the cost of electricity, gas, water and sewage.

11.2 The Tenant shall comply with all laws and with any recommendations of the relevant suppliers relating to the use of those services and utilities.

12. COMMON ITEMS

12.1 The Tenant shall pay the Landlord on demand a fair proportion of all costs payable by the Landlord for the maintenance, repair, lighting, cleaning and renewal of all Service Media, structures and other items not on the Estate but used or capable of being used by the Estate in common with other land and the Henmore Trading common parts

12.2 The Tenant shall comply with all reasonable regulations the Landlord may make from time to time in connection with the use of any of those Service Media, structures or other items.

13. VAT

13.1 All sums payable by the Tenant are exclusive of any VAT that may be chargeable. The Tenant shall pay VAT in respect of all taxable supplies made to it in connection with this lease on the due date for making any payment or, if earlier, the date on which that supply is made for VAT purposes.

13.2 Every obligation on the Tenant, under or in connection with this lease, to pay the Landlord or any other person any sum by way of a refund or indemnity, shall include an obligation to pay an amount equal to any VAT incurred on that sum by the Landlord or other person except, to the extent that the Landlord or other person obtains credit for such VAT under the Value Added Tax Act 1994.

14. DEFAULT INTEREST AND INTEREST

14.1 If any Annual Rent or any other money payable under this lease has not been paid by the date it is due, whether it has been formally demanded or not, the Tenant shall pay the Landlord interest at the Default Interest Rate (both before and after any judgment) on that amount for the period from the due date to and including the date of payment.

14.2 If the Landlord does not demand or accept any Annual Rent or other money due or tendered under this lease because the Landlord reasonably believes that the Tenant is in breach of any of the tenant covenants of this lease, then the Tenant shall, when that amount is accepted by the Landlord, also pay interest at the Interest Rate on that amount for the period from the date the amount (or each part of it) became due until the date it is accepted by the Landlord.

15. COSTS

15.1 The Tenant shall pay the costs and expenses of the Landlord including any solicitors' or other professionals' costs and expenses (incurred both during and after the end of the term) in connection with or in contemplation of any of the following:

- (a) the enforcement of the tenant covenants of this lease;
- (b) serving any notice in connection with this lease under section 146 or 147 of the Law of Property Act 1925 or taking any proceedings under either of those sections, notwithstanding that forfeiture is avoided otherwise than by relief granted by the court;
- (c) serving any notice in connection with this lease under section 17 of the Landlord and Tenant (Covenants) Act 1995;
- (d) the preparation and service of a schedule of dilapidations in connection with this lease; or
- (e) any consent or approval applied for under this lease, whether or not it is granted.

15.2 Where the Tenant is obliged to pay or indemnify the Landlord against any solicitors' or other professionals' costs and expenses (whether under this or any other clause of this lease) that obligation extends to those costs and expenses assessed on a full indemnity basis.

16. COMPENSATION ON VACATING

Any right of the Tenant or anyone deriving title under the Tenant to claim compensation from the Landlord on leaving the Property under the LTA 1954 is excluded, except to the extent that the legislation prevents that right being excluded.

17. NO DEDUCTION, COUNTERCLAIM OR SET-OFF

The Annual Rent and all other money due under this lease are to be paid by the Tenant or any guarantor (as the case may be) without deduction, counterclaim or set-off.

18. REGISTRATION OF THIS LEASE

19. ASSIGNMENTS

19.1 The Tenant shall not assign the whole of this lease without the consent of the Landlord, such consent not to be unreasonably withheld.

- 19.2 The Tenant shall not assign part only of this lease.
- 19.3 The Landlord and the Tenant agree that for the purposes of section 19(1A) of the Landlord and Tenant Act 1927 the Landlord may give its consent to an assignment subject to all or any of the following conditions:
- (a) a condition that the assignor (and any former tenant who because of section 11 of the Landlord and Tenant (Covenants) Act 1995 has not been released from the tenant covenants of this lease) enters into an authorised guarantee agreement which:
 - (i) is in respect of all the tenant covenants of this lease;
 - (ii) is in respect of the period beginning with the date the assignee becomes bound by those covenants and ending on the date when the assignee is released from those covenants by virtue of section 5 of the Landlord and Tenant (Covenants) Act 1995;
 - (iii) imposes principal debtor liability on the assignor (and any former tenant);
 - (iv) requires (in the event of a disclaimer of liability of this lease) the assignor (or former tenant as the case may be) to enter into a new tenancy for a term equal to the unexpired residue of the Contractual Term; and
 - (v) is otherwise in a form reasonably required by the Landlord;
 - (b) a condition that a person of standing acceptable to the Landlord enters into a guarantee and indemnity of the tenant covenants of this lease in the form set out in the Schedule (but with such amendments and additions as the Landlord may reasonably require).
- 19.4 The Landlord and the Tenant agree that for the purposes of section 19(1A) of the Landlord and Tenant Act 1927 the Landlord may refuse its consent to an assignment if any Annual Rent or other money due under this lease is outstanding.
- 19.5 Nothing in this clause shall prevent the Landlord from giving consent subject to any other reasonable condition, nor from refusing consent to an assignment in any other circumstance where it is reasonable to do so.
20. **UNDERLETTINGS**
- 20.1 The Tenant shall not underlet the whole of the Property
- 20.2 The Tenant shall not underlet part only of the Property.

21. SHARING OCCUPATION

The Tenant may share occupation of the Property with any company that is a member of the same group (within the meaning of section 42 of the LTA 1954) as the Tenant for as long as that company remains within that group and provided that no relationship of landlord and tenant is established by that arrangement.

22. CHARGING

22.1 The Tenant shall not charge the whole of this lease.

22.2 The Tenant shall not charge part only of this lease.

23. PROHIBITION OF OTHER DEALINGS

Except as expressly permitted by this lease, the Tenant shall not assign, underlet, charge, part with or share possession or share occupation of this lease or the Property or hold the lease on trust for any person (except pending registration of a dealing permitted by this lease at HM Land Registry or by reason only of joint legal ownership).

24. REGISTRATION AND NOTIFICATION OF DEALINGS AND OCCUPATION

24.1 In this clause a **Transaction** is:

- (a) any dealing with this lease or the devolution or transmission of, or parting with possession of any interest in it; or
- (b) the making of any other arrangement for the occupation of the Property.

24.2 No later than one month after a Transaction the Tenant shall:

- (a) give the Landlord's solicitors notice of the Transaction;
- (b) deliver two certified copies of any document effecting the Transaction to the Landlord's solicitors
- (c) pay the Landlord's solicitors a registration fee of £50 (plus VAT)].

24.3 If the Landlord so requests, the Tenant shall promptly supply the Landlord with full details of the occupiers of the Property and the terms upon which they occupy it.

25. CLOSURE OF THE REGISTERED TITLE OF THIS LEASE

26. REPAIRS

- 26.1 The Tenant shall keep the Property clean and tidy and in good repair and condition.
- 26.2 The Tenant shall not be liable to repair the Property to the extent that any disrepair has been caused by an Insured Risk, unless and to the extent that:
- (a) the policy of insurance of the Property has been vitiated or any insurance proceeds withheld in consequence of any act or omission of the Tenant, any undertenant or their respective workers, contractors or agents or any person on the Property with the actual or implied authority of any of them; or
 - (b) the insurance cover in relation to that disrepair is excluded, limited, is unavailable or has not been extended, as mentioned in clause 9.2.
- 26.3 The Tenant shall keep the external areas of the Property in a clean and tidy condition and not allow any rubbish or waste to be left there. The Tenant shall clean all windows at the Property as often as is necessary.

27. DECORATION

- 27.1 The Tenant shall decorate the outside and the inside of the Property as often as is reasonably necessary and also in the last three months before the end of the term.
- 27.2 All decoration shall be carried out in a good and proper manner using good quality materials that are appropriate to the Property and the Permitted Use and shall include all appropriate preparatory work.
- 27.3 All decoration carried out in the last three months of the term shall also be carried out to the satisfaction of the Landlord and using materials, designs and colours approved by the Landlord.

28. ALTERATIONS

- 28.1 The Tenant shall not make any external or structural alteration or addition to the Property and shall not make any opening in any boundary structure of the Property.
- 28.2 The Tenant shall not install any Service Media on the exterior of the Property nor alter the route of any Service Media at the Property.

28.3 The Tenant shall not make any internal, non-structural alteration to the Property without the consent of the Landlord, such consent not to be unreasonably withheld.

29. SIGNS

29.1 In this clause **Signs** include signs, fascia, placards, boards, posters and advertisements.

29.2 The Tenant shall not attach any Signs to the exterior of the Property or display any inside the Property so as to be seen from the outside except Signs of a design, size and number and in a position that are appropriate to the Property and the Permitted Use, without the consent of the Landlord (and when necessary Henmore Management) such consent not to be unreasonably withheld.

29.3 Before the end of the term, the Tenant shall remove any Signs placed by it at the Property and shall make good any damage caused to the Property by that removal.

30. RETURNING THE PROPERTY TO THE LANDLORD

30.1 At the end of the term the Tenant shall return the Property to the Landlord in the repair and condition required by this lease.

30.2 If the Landlord gives the Tenant notice the Tenant shall remove items it has fixed to the Property, remove any alterations it has made to the Property and make good any damage caused to the Property by that removal.

30.3 At the end of the term, the Tenant shall remove from the Property all chattels belonging to or used by it.

30.4 The Tenant irrevocably appoints the Landlord to be the Tenant's agent to store or dispose of any chattels or items it has fixed to the Property and which have been left by the Tenant on the Property for more than ten working days after the end of the term. The Landlord shall not be liable to the Tenant by reason of that storage or disposal. The Tenant shall indemnify the Landlord in respect of any claim made by a third party in relation to that storage or disposal.

30.5 If the Tenant does not comply with its obligations in this clause, then, without prejudice to any other right or remedy of the Landlord, the Tenant shall pay the Landlord an amount equal to the Annual Rent at the rate reserved immediately before the end of the term for the period that it would reasonably take to put the Property into the condition it would have been in had the Tenant performed its obligations under this clause. The amount shall be a debt due on demand from the Tenant to the Landlord.

31. USE

- 31.1 The Tenant shall not use the Property for any purpose other than the Permitted Use.
- 31.2 The Tenant shall not use the Property for any illegal purpose nor for any purpose or in a manner that would cause loss, damage, injury, nuisance or inconvenience to the Landlord, the other tenants or occupiers of the Lettable Units or any owner or occupier of neighbouring property.
- 31.3 The Tenant shall not overload any structural part of the Property nor any machinery or equipment at the Property nor any Service Media at or serving the Property.

32. MANAGEMENT OF THE ESTATE

- 32.1 The Tenant shall observe all regulations made by Henmore Management from time to time in accordance with the principles of good estate management and notified to the Tenant relating to the use of the Common Parts and the management of the Estate.
- 32.2 Nothing in this lease shall impose or be deemed to impose any restriction on the use of any other Lettable Unit or any neighbouring property.

33. COMPLIANCE WITH LAWS

- 33.1 The Tenant shall comply with all laws relating to:
- (a) the Property and the occupation and use of the Property by the Tenant;
 - (b) the use of all Service Media and machinery and equipment at or serving the Property;
 - (c) any works carried out at the Property; and
 - (d) all materials kept at or disposed from the Property.
- 33.2 Without prejudice to any obligation on the Tenant to obtain any consent or approval under this lease, the Tenant shall carry out all works that are required under any law to be carried out at the Property whether by the owner or the occupier.
- 33.3 Within five working days after receipt of any notice or other communication affecting the Property or the Estate (and whether or not served pursuant to any law) the Tenant shall:
- (a) send a copy of the relevant document to the Landlord; and
 - (b) in so far as it relates to the Property, take all steps necessary to comply with the notice or other communication and take any other action in connection with it as the Landlord may require.

- 33.4 The Tenant shall not apply for any planning permission for the Property without the Landlord's consent
- 33.5 The Tenant shall comply with its obligations under the CDM Regulations, including all requirements in relation to the provision and maintenance of a health and safety file. The Tenant shall maintain the health and safety file for the Property in accordance with the CDM Regulations and shall give it to the Landlord at the end of the term.
- 33.6 The Tenant shall supply all information to the Landlord that the Landlord reasonably requires from time to time to comply with the Landlord's obligations under the CDM Regulations.
- 33.7 As soon as the Tenant becomes aware of any defect in the Property, it shall give the Landlord notice of it. The Tenant shall indemnify the Landlord against any liability under the Defective Premises Act 1972 in relation to the Property by reason of any failure of the Tenant to comply with any of the tenant covenants in this lease.
- 33.8 The Tenant shall keep the Property equipped with all fire prevention, detection and fighting machinery and equipment and fire alarms which are required under all relevant laws or required by the insurers of the Property or reasonably recommended by them or reasonably required by the Landlord and shall keep that machinery, equipment and alarms properly maintained and available for inspection.
- 34. ENCROACHMENTS, OBSTRUCTIONS AND ACQUISITION OF RIGHTS**
- 34.1 The Tenant shall not grant any right or licence over the Property to any person.
- 34.2 If any person makes or attempts to make any encroachment over the Property or takes any action by which a right may be acquired over the Property, the Tenant shall:
- (a) immediately give notice to the Landlord; and
 - (b) take all steps (including any proceedings) the Landlord reasonably requires to prevent or license the continuation of that encroachment or action.
- 34.3 The Tenant shall not obstruct the flow of light or air to the Property or any other part of the Estate nor obstruct any means of access to the Property or the Estate.
- 34.4 The Tenant shall not make any acknowledgement that the flow of light or air to the Property or any other part of the Estate or that the means of access to the Property or the Estate is enjoyed with the consent of any third party.

- 34.5 If any person takes or threatens to take any action to obstruct the flow of light or air to the Property or obstruct the means of access to the Property the Tenant shall:
- (a) immediately notify the Landlord; and
 - (b) take all steps (including proceedings) the Landlord reasonably requires to prevent or secure the removal of the obstruction.

35. BREACH OF REPAIR AND MAINTENANCE OBLIGATIONS

- 35.1 The Landlord may enter the Property to inspect its condition and state of repair and may give the Tenant a notice of any breach of any of the tenant covenants in this lease relating to the condition or repair of the Property.
- 35.2 If the Tenant has not begun any works needed to remedy that breach within one month following that notice (or if works are required as a matter of emergency, then immediately) or if the Tenant is not carrying out the works with all due speed, then the Landlord may enter the Property and carry out the works needed.
- 35.3 The costs incurred by the Landlord in carrying out any works pursuant to this clause (and any professional fees and any VAT in respect of those costs) shall be a debt due from the Tenant to the Landlord and payable on demand.
- 35.4 Any action taken by the Landlord pursuant to this clause shall be without prejudice to the Landlord's other rights, including those under clause 39.

36. INDEMNITY

The Tenant shall keep the Landlord indemnified against all expenses, costs, claims, damage and loss (including any diminution in the value of the Landlord's interest in the Estate and loss of amenity of the Estate) arising from any breach of any tenant covenants in this lease, or any act or omission of the Tenant, any undertenant or their respective workers, contractors or agents or any other person on the Property or the Common Parts with the actual or implied authority of any of them.

37. LANDLORD'S COVENANT FOR QUIET ENJOYMENT

The Landlord covenants with the Tenant, that, so long as the Tenant pays the rents reserved by and complies with its obligations in this lease, the Tenant shall have quiet enjoyment of the Property without any interruption by the Landlord or any person claiming under the Landlord except as otherwise permitted by this lease.

38. **GUARANTEE AND INDEMNITY**

NOT APPLICABLE

39. **RE-ENTRY AND FORFEITURE**

39.1 The Landlord may re-enter the Property (or any part of the Property in the name of the whole) at any time after any of the following occurs:

- (a) any rent is unpaid 21 days after becoming payable whether it has been formally demanded or not;
- (b) any breach of any condition of, or tenant covenant, in this lease;
- (c) an Act of Insolvency.

39.2 If the Landlord re-enters the Property (or any part of the Property in the name of the whole) pursuant to this clause, this lease shall immediately end, but without prejudice to any right or remedy of the Landlord in respect of any breach of covenant by the Tenant or any guarantor.

40. **LIABILITY**

40.1 At any time when the Landlord, the Tenant or a guarantor is more than one person, then in each case those persons shall be jointly and severally liable for their respective obligations arising by virtue of this lease. The Landlord may release or compromise the liability of any one of those persons or grant any time or concession to any one of them without affecting the liability of any other of them.

40.2 The obligations of the Tenant and any guarantor arising by virtue of this lease are owed to the Landlord and the obligations of the Landlord are owed to the Tenant.

40.3 In any case where the facts are or should reasonably be known to the Tenant, the Landlord shall not be liable to the Tenant for any failure of the Landlord to perform any landlord covenant in this lease unless and until the Tenant has given the Landlord notice of the facts that give rise to the failure and the Landlord has not remedied the failure within a reasonable time.

41. **ENTIRE AGREEMENT AND EXCLUSION OF REPRESENTATIONS**

41.1 This lease constitutes the entire agreement and understanding of the parties relating to the transaction contemplated by the grant of this lease and supersedes any previous agreement between the parties relating to the transaction.

41.2 The Tenant acknowledges that in entering into this lease it has not relied on nor shall have any remedy in respect of, any statement or representation made by or on behalf of the Landlord.

41.3 Nothing in this lease constitutes or shall constitute a representation or warranty that the Property or the Common Parts may lawfully be used for any purpose allowed by this lease.

41.4 Nothing in this clause shall, however, operate to limit or exclude any liability for fraud.

42. NOTICES, CONSENTS AND APPROVALS

42.1 Except where this lease specifically states that a notice need not be in writing, or where notice is given in an emergency, any notice given pursuant to this lease shall be in writing.

42.2 A written notice shall be delivered by hand or sent by pre-paid first class post or recorded delivery. A correctly addressed notice sent by pre-paid first class post shall be deemed to have been delivered at the time at which it would have been delivered in the normal course of the post.

42.3 Section 196 of the Law of Property Act 1925 shall otherwise apply to notices given under this lease.

42.4 Where the consent of the Landlord is required under this lease, a consent shall only be valid if it is given by deed, unless:

- (a) it is given in writing and signed by a person duly authorised on behalf of the Landlord; and
- (b) it expressly states that the Landlord waives the requirement for a deed in that particular case.

If a waiver is given, it shall not affect the requirement for a deed for any other consent.

42.5 Where the approval of the Landlord is required under this lease, an approval shall only be valid if it is in writing and signed by or on behalf of the Landlord, unless:

- (a) the approval is being given in a case of emergency; or
- (b) this lease expressly states that the approval need not be in writing.

42.6 If the Landlord gives a consent or approval under this lease, the giving of that consent or approval shall not imply that any consent or approval required from a third party

has been obtained, nor shall it obviate the need to obtain any consent or approval from a third party.

43. GOVERNING LAW AND JURISDICTION

43.1 This lease and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales.

43.2 The parties irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this lease or its subject matter or formation (including non-contractual disputes or claims).

44. EXCLUSION OF SECTIONS 24-28 OF THE LTA 1954

NOT APPLICABLE

45. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

A person who is not a party to this lease shall not have any rights under or in connection with it by virtue of the Contracts (Rights of Third Parties) Act 1999 but this does not affect any right or remedy of a third party which exists, or is available, apart from that Act.

46. LANDLORD AND TENANT (COVENANTS) ACT 1995

This lease creates a new tenancy for the purposes of the Landlord and Tenant (Covenants) Act 1995.

47. EXERCISE OF BREAK BY LANDLORD AND BY TENANT

47.1. The Landlord may terminate this lease by serving a Break Notice on the Tenant at least six months before the Break Date

47.2. The right to serve a Break Notice is personal to the Original Landlord

47.3. The Tenant may terminate this lease upon giving the Landlord 6 months' notice if the Landlord serves on the Tenant notice in writing that the Landlord intends to exercise the right to build over the Property (the right to do so being set out in clause 4.1(c) which the Landlord must do at least 9 months before the start of the building over.

47.4. The Tenant's break notice shall be of no effect if at the break date:

- a) The Tenant has not paid any part of the Annual Rent of any VAT in respect of it which was due to have been paid and;
- b) The Tenant remains in occupation of any part of the Property or;
- c) There are any continuing sub-leases of the Property.

48. TERMINATION

- 48.1. Following service of a Break Notice this lease shall terminate on the Break Date
- 48.2 Termination of this lease on the Break Date shall not affect any other right or remedy that either party may have in relation to any earlier breach of this lease
- 48.3 If this lease terminates in accordance with clause 49.1 then within fourteen days after the Break Date the Landlord shall refund to the Tenant the proportion of the Annual Rent and any VAT paid in respect of it for the period from and excluding the Break Date up to and excluding the next Rent Payment Date calculated on a daily basis.

This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

EXECUTED AS A DEED BY WAYNE CYRIL TRAVERS
IN THE PRESENCE OF

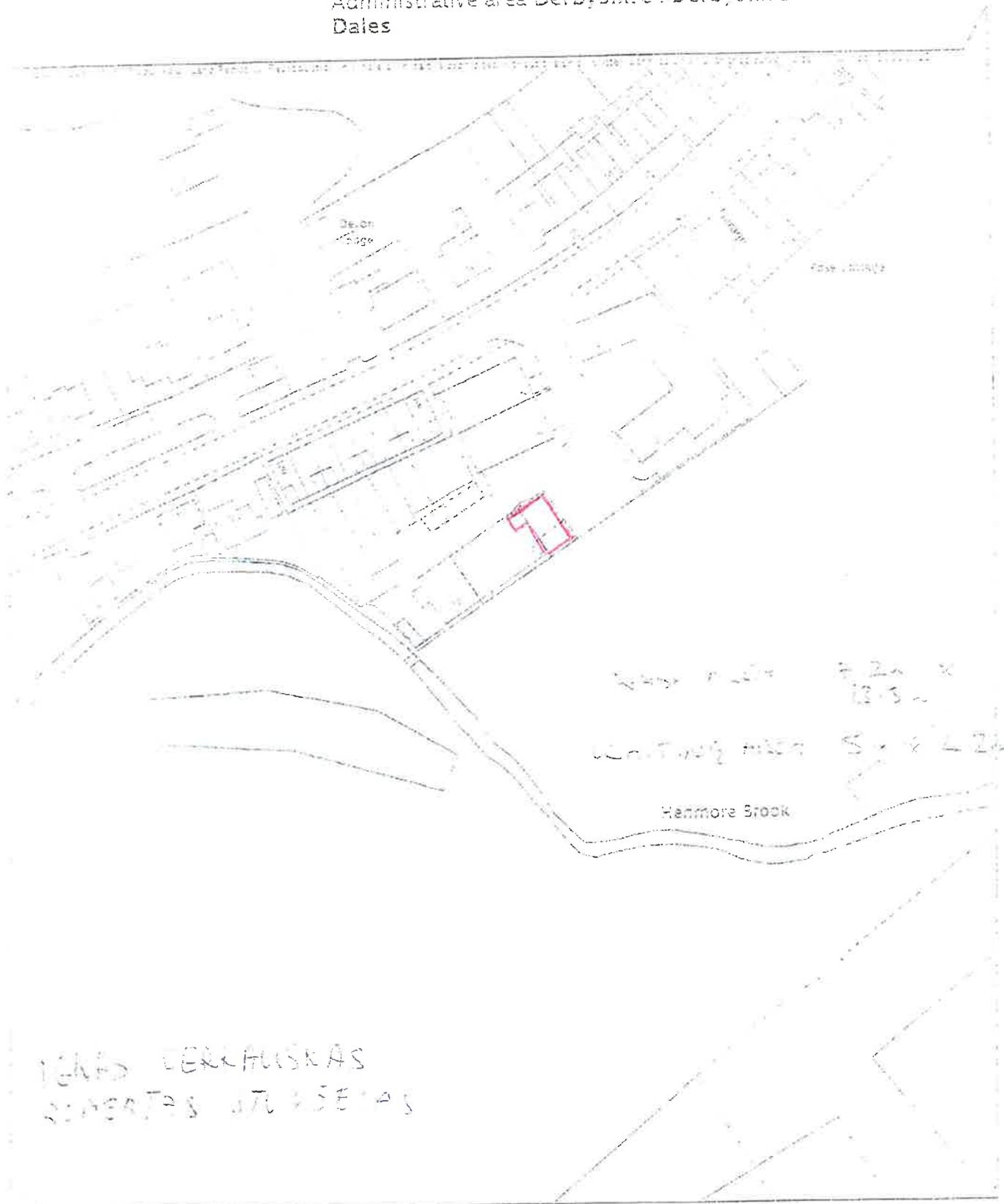
SIGNED AS A DEED BY THE SAID
ROBERTAS STUNZENAS AND IGNAS
CERKAUSTAS IN THE PRESENCE OF



Paul R Dalk
Solicitor
matlock

Land Registry

Title number DY433830
Ordnance Survey map reference SK1746SW
Scale 1:1250 enlarged from 1:2500
Administrative area Derbyshire : Derbyshire
Dales



Land Registry

Title number DY433830
Ordnance Survey map reference SK17465W
Scale 1:1250 enlarged from 1:2500
Administrative area Derbyshire : Derbyshire
Dales



DATED

23rd June 2015

LEASE

relating to

**UNITS 6A AND B HENMORE TRADING ESTATE, MAYFIELD ROAD,
ASHBOURNE, DERBYSHIRE, DE4 1AS**

between

WAYNE CYRIL TRAVERS

and

C W SELLORS (GOLD AND SILVERSMITHS) LIMITED

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PRESCRIBED CLAUSES

LR1. Date of lease
2015

23rd June

LR2. Title number(s)

LR2.1 Landlord's title number(s)

DY433830

LR2.2 Other title numbers

LR3. Parties to this lease

Landlord

WAYNE CYRIL TRAVERS

2 Beech Drive, Ashbourne, Derbyshire, DE6 1HL

Tenant

C W Sellors Limited

Company Registered Number -

Guarantor

LR4. Property

In the case of a conflict between this clause and the remainder of this lease then, for the purposes of registration, this clause shall prevail.

See the definition of "Property" in clause 1.1 of this lease.

LR5. Prescribed statements etc.

LR5.1 Statements prescribed under rules 179 (dispositions in favour of a charity), 180 (dispositions by a charity) or 196 (leases under the Leasehold Reform, Housing and Urban Development Act 1993) of the Land Registration Rules 2003.

None.

LR5.2 This lease is made under, or by reference to, provisions of:

None.

LR6. Term for which the Property is leased

The term as specified in this lease at clause 1.1 in the definition of "Contractual Term".

LR7. Premium

None.

LR8. Prohibitions or restrictions on disposing of this lease

This lease contains a provision that prohibits or restricts dispositions.

LR9. Rights of acquisition etc.

LR9.1 Tenant's contractual rights to renew this lease, to acquire the reversion or another lease of the Property, or to acquire an interest in other land

None.

LR9.2 Tenant's covenant to (or offer to) surrender this lease

None.

LR9.3 Landlord's contractual rights to acquire this lease

None.

LR10. Restrictive covenants given in this lease by the Landlord in respect of land other than the Property

None.

LR11. Easements

LR11.1 Easements granted by this lease for the benefit of the Property

The easements as specified in clause 3 of this lease.

LR11.2 Easements granted or reserved by this lease over the Property for the benefit of other property

The easements as specified in clause 4 of this lease.

LR12. Estate rent charge burdening the Property

None.

LR13. Application for standard form of restriction

None.

LR14. Declaration of trust where there is more than one person comprising the Tenant

Not applicable

red unit

Plan 1

Land Registry
Official copy of
title plan

Title number **DY433830**
Ordnance Survey map reference **SK1746SW**
Scale **1:1250 enlarged from 1:2500**
Administrative area **Derbyshire : Derbyshire**
Dales



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John Travers

purple parking

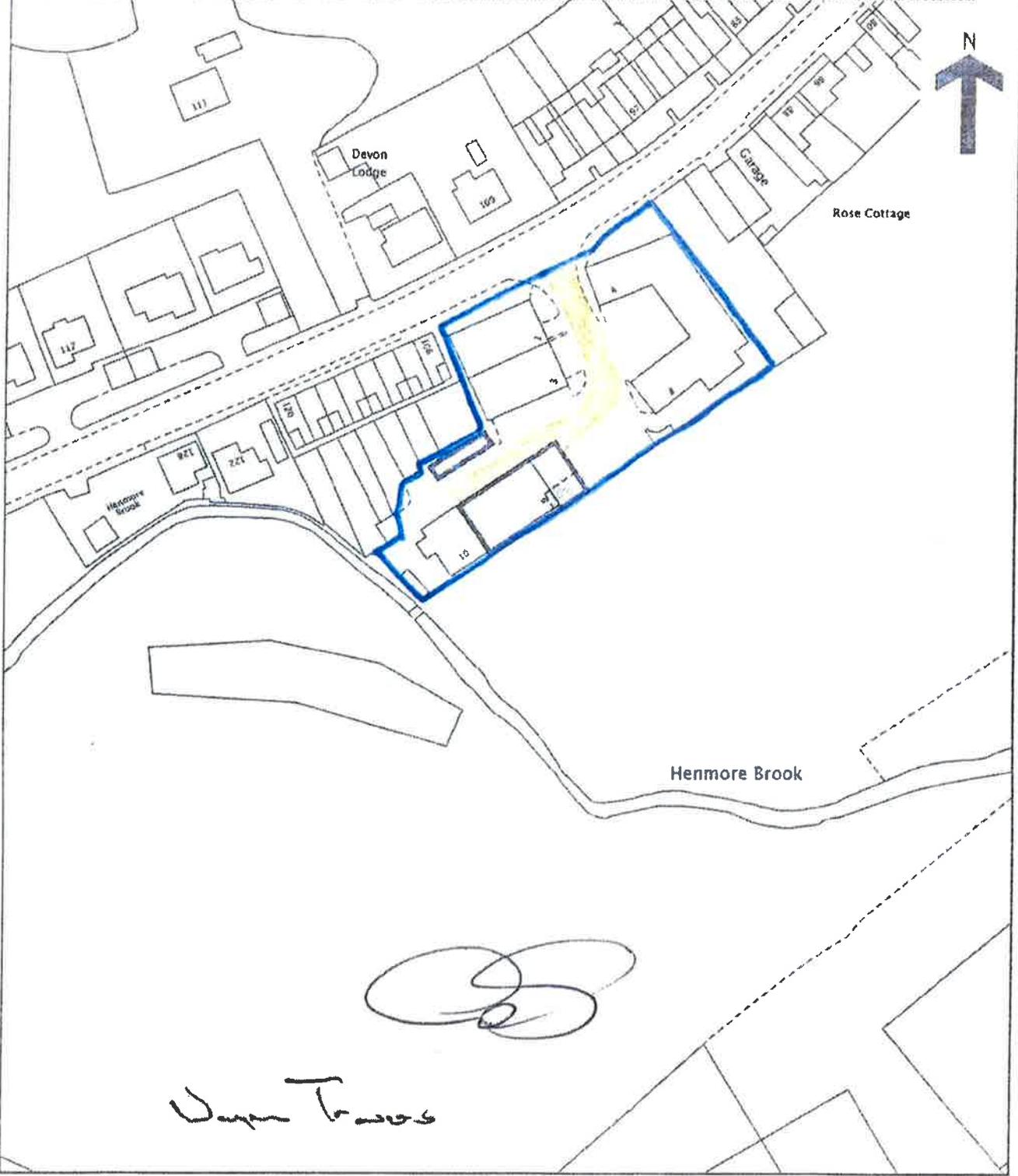
Plan 2

Land Registry
Official copy of
title plan

Title number **DY433830**
Ordnance Survey map reference **SK1746SW**
Scale **1:1250 enlarged from 1:2500**
Administrative area **Derbyshire : Derbyshire Dales**



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Handwritten scribble

Wayman Thomas

THIS LEASE is dated

23rd June 2015

PARTIES

- (1) WAYNE CYRIL TRAVERS of 2 Beech Drive, Ashbourne, Derbyshire, DE6 1HL (Landlord).
- (2) C W Sellors (Gold and Silversmiths) Limited incorporated and registered in England and Wales with company number 02284689 whose registered office is at King Street Ashbourne Derbyshire DE6 1EA(Tenant).

AGREED TERMS

1. INTERPRETATION

- 1.1 The definitions and rules of interpretation set out in this clause apply to this lease.

Act of Insolvency:

- (a) the taking of any step in connection with any voluntary arrangement or any other compromise or arrangement for the benefit of any creditors of the Tenant or any guarantor; or
- (b) the making of an application for an administration order or the making of an administration order in relation to the Tenant or any guarantor; or
- (c) the giving of any notice of intention to appoint an administrator, or the filing at court of the prescribed documents in connection with the appointment of an administrator, or the appointment of an administrator, in any case in relation to the Tenant or any guarantor; or
- (d) the appointment of a receiver or manager or an administrative receiver in relation to any property or income of the Tenant or any guarantor; or
- (e) the commencement of a voluntary winding-up in respect of the Tenant or any guarantor, except a winding-up for the purpose of amalgamation or reconstruction of a solvent company in respect of which a statutory declaration of solvency has been filed with the Registrar of Companies; or
- (f) the making of a petition for a winding-up order or a winding-up order in respect of the Tenant or any guarantor; or
- (g) the striking-off of the Tenant or any guarantor from the Register of Companies or the making of an application for the Tenant or any guarantor to be struck-off; or
- (h) the Tenant or any guarantor otherwise ceasing to exist (but excluding where the Tenant or any guarantor dies); or
- (i) the presentation of a petition for a bankruptcy order or the making of a bankruptcy order against the Tenant or any guarantor.

The paragraphs above shall apply in relation to a partnership or limited partnership (as defined in the Partnership Act 1890 and the Limited Partnerships Act 1907 respectively) subject to the modifications referred to in the Insolvent Partnerships Order 1994 (SI 1994/2421) (as amended), and a limited liability partnership (as defined in the Limited Liability Partnerships Act 2000) subject to the modifications referred to in the Limited Liability Partnerships Regulations 2001 (SI 2001/1090) (as amended).

Act of Insolvency includes any analogous proceedings or events that may be taken pursuant to the legislation of another jurisdiction in relation to a tenant or guarantor incorporated or domiciled in such relevant jurisdiction.

(| **Annual Rent:** rent at an initial rate of £8,500.00 per annum and then as revised pursuant to this lease and any interim rent determined under the LTA 1954.

(| **Break Date:** a break date which is at least six months after the date on which the Landlord serves the Break Notice and as specified in the Break Notice,

Break Notice: Written notice to terminate this lease in the form set out in this Schedule

Common Parts: the roads, paths, loading and bin areas, Service Media and other parts of the Estate other than the Property and the Lettable Units.

Contractual Term: a term of years beginning on the 1st February 2015 and ending on, and including the 31st January 2020.

CDM Regulations: the Construction (Design and Management) Regulations 2007.

Default Interest Rate: four percentage points above the Interest Rate.

Estate: each and every part of the adjoining and neighbouring property in which the Landlord has an interest together with other premises not owned by the Landlord but which form part of the Henmore Trading Estate shown edged in blue on Plan 2.

Henmore Management: Henmore Trading Estate Management Company Limited (CRN 06460980) which Company is the owner of the common parts of the Henmore Trading Estate

Insurance Rent: the aggregate in each year of the:

- (a) gross cost of the premium before any discount or commission for the insurance of:
 - (i) the Property, other than any plate glass, for its full reinstatement cost (taking inflation of building costs into account) against loss or damage by or in consequence of the Insured Risks, including costs of demolition, site clearance, site protection and shoring-up, professionals' and statutory fees and incidental expenses, the cost of any work which may be required under any law and VAT in respect of all those costs, fees and expenses; and
 - (ii) loss of Annual Rent from the Property for three years;

- (b) a fair proportion of the gross cost of the premium before any discount or commission for the insurance of:
 - (i) the Common Parts for their full reinstatement cost (taking inflation of building costs into account) against loss or damage by or in consequence of the Insured Risks, including costs of demolition, site clearance, site protection and shoring-up, professionals' and statutory fees and incidental expenses, the cost of any work which may be required under any law and VAT in respect of all those costs, fees and expenses; and
 - (ii) public liability in relation to the Common Parts; and
- (c) any insurance premium tax payable on the above.

Insured Risks: means fire, explosion, lightning, earthquake, storm, flood, bursting and overflowing of water tanks, apparatus or pipes, impact by aircraft and articles dropped from them, impact by vehicles, riot, civil commotion and any other risks against which the Landlord decides to insure against from time to time and **Insured Risk** means any one of the Insured Risks.

Interest Rate: interest at the base lending rate from time to time of Lloyds TSB Bank Plc, or if that base lending rate stops being used or published then at a comparable commercial rate reasonably determined by the Landlord.

Lettable Unit: a building and its curtilage on the Estate, other than the Property, that is capable of being let and occupied on terms similar to those of this lease.

LTA 1954: Landlord and Tenant Act 1954.

Original Landlord: Wayne Cyril Travers

Original Tenant: C W Sellors (Gold and Silversmiths) Limited

Permitted Use: within Use Class [B1][B2][B8] of the Town and Country Planning (Use Classes) Order 1987 as at the date this lease is granted.

Plan 1: the plan attached to this lease marked "Plan 1".

Plan 2: the plan attached to this lease marked "Plan 2".

Property: the ground floor premises units 6 A and B, Henmore Trading Estate, Mayfield Road, Ashbourne, Derbyshire, DE6 1AS shown edged red on Plan 1 but excluding any Service Media in, on, under or over that unit (whether in existence at the date of this lease or installed during the perpetuity period) that are used by that unit in common with any other part of the Estate or the air or space above the said units.

Rent Commencement Date:

Rent Payment Dates: monthly on the first day of each month in advance

Reservations: all of the rights excepted, reserved and granted to the Landlord by this lease.

Review Date: the last day of the term

Service Charge: a fair proportion of the Service Costs.

Service Charge Year: is the annual accounting period relating to the Services and the Service Costs each year during the term as specified in the Transfer between Bestways Limited (1) Henmore Trading Management Company Limited (2) The Landlord (3)

Service Costs: the costs listed in clause 8.2.

Service Media: all media for the supply or removal of heat, electricity, gas, water, sewage, energy, telecommunications, data and all other services and utilities and all structures, machinery and equipment ancillary to those media.

Services: the services listed in clause 8.1.

Transfer: means a Transfer between Bestways Limited (1) Henmore Management (2) The Landlord (3)

Third Party Rights: all rights, covenants and restrictions affecting the Estate including the matters referred to at the date of this lease in the property register and the entry in the charges register of title number DY433830

VAT: value added tax chargeable under the Value Added Tax Act 1994 or any similar replacement or additional tax.

- 1.2 A reference to this **lease**, except a reference to the date of this lease or to the grant of this lease, is a reference to this deed and any deed, licence, consent, approval or other instrument supplemental to it.
- 1.3 A reference to the **Landlord** includes a reference to the person entitled to the immediate reversion to this lease. A reference to the **Tenant** includes a reference to its successors in title and assigns. A reference to a **guarantor** includes a reference to the Guarantor and to any other guarantor of the tenant covenants of this lease including a guarantor who has entered into an authorised guarantee agreement.
- 1.4 In relation to any payment, a reference to a **fair proportion** is to a fair proportion of the total amount payable, determined conclusively (except as to questions of law) by the Landlord.
- 1.5 The expressions **landlord covenant** and **tenant covenant** each has the meaning given to it by the Landlord and Tenant (Covenants) Act 1995.
- 1.6 Unless the context otherwise requires, references to the **Common Parts**, the **Estate**, a **Lettable Unit** and the **Property** are to the whole and any part of them or it.
- 1.7 The expression **neighbouring property** does not include the Estate.

- 1.8 A reference to the **term** is to the Contractual Term and statutory continuation of this lease.
- 1.9 A reference to the **end of the term** is to the end of the term however it ends.
- 1.10 References to the **consent** of the Landlord are to the consent of the Landlord given in accordance with clause 42.4 and references to the **approval** of the Landlord are to the approval of the Landlord given in accordance with clause 42.5.
- 1.11 A **working day** is any day which is not a Saturday, a Sunday, a bank holiday or a public holiday in England.
- 1.12 Unless otherwise specified, a reference to a particular law is a reference to it as it is in force for the time being, taking account of any amendment, extension, application or re-enactment and includes any subordinate laws for the time being in force made under it and all orders, notices, codes of practice and guidance made under it.
- 1.13 A reference to laws in general is to all local, national and directly applicable supra-national laws in force for the time being, taking account of any amendment, extension, application or re-enactment and includes any subordinate laws for the time being in force made under them and all orders, notices, codes of practice and guidance made under them.
- 1.14 Any obligation in this lease on the Tenant not to do something includes an obligation not to agree to or suffer that thing to be done and an obligation to use best endeavours to prevent that thing being done by another person.
- 1.15 Unless the context otherwise requires, where the words **include(s)** or **including** are used in this lease, they are deemed to have the words "without limitation" following them.
- 1.16 A **person** includes a corporate or unincorporated body.
- 1.17 References to **writing** or **written** do not include faxes or email.
- 1.18 Except where a contrary intention appears, a reference to a clause or Schedule, is a reference to a clause of, or Schedule to, this lease and a reference in a Schedule to a paragraph is to a paragraph of that Schedule.
- 1.19 Clause, Schedule and paragraph headings do not affect the interpretation of this lease.

2. GRANT

- 2.1 The Landlord lets with full title guarantee the Property to the Tenant for the Contractual Term.
- 2.2 The grant is made together with the ancillary rights set out in clause 3, excepting and reserving to the Landlord the rights set out in clause 4, and subject to the Third Party Rights.
- 2.3 The grant is made with the Tenant paying the following as rent to the Landlord:
- (a) the Annual Rent and all VAT in respect of it;
 - (b) the Service Charge and all VAT in respect of it;
 - (c) the Insurance Rent,
 - (d) all interest payable under this lease
 - (e) all other sums due under this lease

3. ANCILLARY RIGHTS

- 3.1 The Landlord grants the Tenant the following rights (the **Rights**):
- (a) the right to use the roads and paths shown coloured green on Plan 2 for the purposes of vehicular and pedestrian access to and egress from the Property and to and from the parts of the Common Parts referred to in clause 3.1(b) to clause 3.1(e)
 - (b) the right to park private cars or motorbikes belonging to the Tenant, its employees and visitors within the area edged purple on Plan 2;
 - (c) the right to use and to connect into any Service Media at the Estate that belong to the Landlord and serve (but do not form part of) the Property which are in existence at the date of this lease or are installed or constructed during the Contractual Term;
 - (d) the right to display the name and logo of the Tenant on a sign or noticeboard in a form and manner approved by the Landlord;
 - (e) the right to enter the Common Parts so far as is reasonably necessary to carry out any works to the Property required or permitted by this lease and
- 3.2 The Rights are granted in common with the Landlord and any other person authorised by the Landlord.

- 3.3 The Rights are granted subject to the Third Party Rights insofar as the Third Party Rights affect the Common Parts and the Tenant shall not do anything that may interfere with any Third Party Right.
- 3.4 The Tenant shall exercise the Rights only in connection with its use of the Property for the Permitted Use and in accordance with any regulations made by the Landlord as mentioned in clause 32.1.
- 3.5 The Tenant shall comply with all laws relating to its use of the Common Parts pursuant to the Rights.
- 3.6 In relation to the Rights mentioned in clause 3.1, the Landlord may, at its discretion, change the route of any means of access to or egress from the Property and may change the area over which any of those Rights are exercised.
- 3.7 In relation to the Rights mentioned in clause 3.1(b), the Landlord may from time to time designate the spaces in respect of which the Tenant may exercise that Right.
- 3.8 In relation to the Rights mentioned in clause 3.1(c), the Landlord may, at its discretion, re-route or replace any such Service Media and that Right shall then apply in relation to the Service Media as re-routed or replaced
- 3.9 In exercising the Right mentioned in clause 3.1(e), the Tenant shall cause as little inconvenience and damage to the Common Parts and the other tenants and occupiers of the Estate as is reasonably practicable and shall promptly make good (to the satisfaction of the Landlord) any damage caused to the Common Parts by reason of the Tenant exercising that Right.
- 3.10 Except as mentioned in this clause 3, neither the grant of this lease nor anything in it confers any right over the Common Parts or any Lettable Unit or any neighbouring property nor is to be taken to show that the Tenant may have any right over the Common Parts or any Lettable Unit or any neighbouring property, and section 62 of the Law of Property Act 1925 does not apply to this lease.

4. RIGHTS EXCEPTED AND RESERVED

- 4.1 The following rights are excepted and reserved from this lease to the Landlord for the benefit of the Estate and to the extent possible for the benefit of any neighbouring or adjoining property in which the Landlord acquires an interest during the term:
- (a) rights of light, air, support and protection to the extent those rights are capable of being enjoyed at any time during the term;
 - (b) the right to use and to connect into Service Media at, but not forming part of, the Property which are in existence at the date of this lease or which are

installed or constructed during the Contractual Term; the right to install and construct Service Media at the Property to serve any part of the Estate (whether or not such Service Media also serve the Property); and the right to re-route any Service Media mentioned in this paragraph;

- (c) at any time during the term, the full and free right to develop any part of the Estate (other than the Property (subject to clause *Clause 4.1(f)*) or any part of the Common Parts over which rights are expressly granted by this deed) including for the avoidance of doubt the right to construct a second storey on the building above the Property but so as not to restrict the tenants use of the Property and any neighbouring or adjoining property in which the Landlord acquires an interest during the term as the Landlord may think fit;
- (d) the right to erect scaffolding at the Property or on the Estate and attach it to any building on the Property in connection with any of the Reservations;
- (e) the right to build on or into any boundary wall of the Property in connection with any of the Reservations;
- (f) the right to re-route any means of access to or egress from the Property to change the areas over which the Rights mentioned in Clause 3.1 are exercised
- (g) the right to re-route and replace any Service Media over which the Rights mentioned in Clause 3.1 are exercised
- (h) the Third Party rights granted in favour of others as set out in the Transfer

notwithstanding that the exercise of any of the Reservations or the works carried out pursuant to them result in a reduction in the flow of light or air to the Property or loss of amenity for the Property

4.2 The Landlord reserves the right to enter the Property:

- (a) to repair, maintain, install, construct re-route or replace any Service Media or structure relating to any of the Reservations; and
- (b) for any other purpose mentioned in or connected with:
 - (i) this lease;
 - (ii) the Reservations; and
 - (iii) the Landlord's interest in the Property or the Estate.
 - (iv) The rights to construct a second floor above the Property

4.3 The Reservations may be exercised by the Landlord and by anyone else who is or becomes entitled to exercise them, and by anyone authorised by the Landlord.

4.4 The Tenant shall allow all those entitled to exercise any right to enter the Property, to do so with their workers, contractors, agents and professional advisors, and to enter

the Property at any reasonable time (whether or not during usual business hours) and, except in the case of an emergency, after having given reasonable notice (which need not be in writing) to the Tenant.

4.5 No party exercising any of the Reservations, nor its workers, contractors, agents and professional advisors, shall be liable to the Tenant or to any undertenant or other occupier of or person at the Property for any loss, damage, injury, nuisance or inconvenience arising by reason of its exercising any of the Reservations except for:

- (a) physical damage to the Property; or
- (b) any loss, damage, injury, nuisance or inconvenience in relation to which the law prevents the Landlord from excluding liability.

5. THIRD PARTY RIGHTS

5.1 The Tenant shall comply with all obligations on the Landlord relating to the Third Party Rights insofar as those obligations relate to the Property and shall not do anything (even if otherwise permitted by this lease) that may interfere with any Third Party Right.

5.2 The Tenant shall allow the Landlord and any other person authorised by the terms of the Third Party Right to enter the Property in accordance with its terms.

6. THE ANNUAL RENT

6.1 The Tenant shall pay the Annual Rent and any VAT in respect of it by twelve monthly equal instalments in advance on or before the Rent Payment Dates. The payments shall be made by banker's standing order or by any other method that the Landlord requires at any time by giving notice to the Tenant.

7. REVIEW OF THE ANNUAL RENT

7.1 In this clause the **President** is the President for the time being of the Royal Institution of Chartered Surveyors or a person acting on his behalf, and the **Surveyor** is the independent valuer appointed pursuant to clause 7.7.

7.2 The amount of Annual Rent shall be reviewed on each Review Date to equal:

- (a) the Annual Rent payable immediately before the relevant Review Date (or which would then be payable but for any abatement or suspension of the Annual Rent or restriction on the right to collect it) or, if greater;
- (b) the open market rent agreed or determined pursuant to this clause.

- 7.3 The open market rent may be agreed between the Landlord and the Tenant at any time before it is determined by the Surveyor.
- 7.4 If the open market rent is determined by the Surveyor, it shall be the amount that the Surveyor determines is the best annual rent (exclusive of any VAT) at which the Property could reasonably be expected to be let:
- (a) in the open market;
 - (b) at the relevant Review Date;
 - (c) on the assumptions listed in clause 7.5; and
 - (d) disregarding the matters listed in clause 7.6.
- 7.5 The assumptions are:
- (a) the Property is available to let in the open market:
 - (i) by a willing lessor to a willing lessee;
 - (ii) as a whole;
 - (iii) with vacant possession;
 - (iv) without a fine or a premium;
 - (v) for a term equal to the unexpired residue of the Contractual Term at the relevant Review Date or a term of three years commencing on the relevant Review Date, if longer; and
 - (vi) otherwise on the terms of this lease other than as to the amount of the Annual Rent but including the provisions for review of the Annual Rent
 - (b) the willing lessee has had the benefit of any rent-free or other concession or contribution which would be offered in the open market at the relevant Review Date in relation to fitting out works at the Property;
 - (c) the Property may lawfully be used, and is in a physical state to enable it to be lawfully used, by the willing lessee (or any potential undertenant or assignee of the willing lessee) for any purpose permitted by this lease;
 - (d) the Landlord and the Tenant have fully complied with their obligations in this lease;
 - (e) if the Property, or any means of access to it or any Service Media serving the Property, has been destroyed or damaged, it has been fully restored;
 - (f) no work has been carried out on the Property or on the Estate that has diminished the rental value of the Property other than work carried out in compliance with clause 33
 - (g) any fixtures, fittings, machinery or equipment supplied to the Property by the Landlord that have been removed by or at the request of the Tenant, or

any undertenant or their respective predecessors in title (otherwise than to comply with any law) remain at the Property; and

- (h) the willing lessee and its potential assignees and undertenants shall not be disadvantaged by any actual or potential election to waive exemption from VAT in relation to the Property.

7.6 The matters to be disregarded are:

- (a) any effect on rent of the fact that the Tenant or any authorised undertenant has been in occupation of the Property;
- (b) any goodwill attached to the Property by reason of any business carried out there by the Tenant or by any authorised undertenant or by any of their predecessors in business;
- (c) any effect on rent attributable to any physical improvement to the Property carried out by or at the expense of the Tenant or any authorised undertenant with all necessary consents, approvals and authorisations and not pursuant to an obligation to the Landlord (other than an obligation to comply with any law);
- (d) any effect on rent of any obligation on the Tenant to reinstate the Property to the condition or design it was in before any alterations or improvements were carried out; and
- (e) any statutory restriction on rents or the right to recover them.

7.7 The Surveyor shall be an independent valuer who is a Member or Fellow of the Royal Institution of Chartered Surveyors. The Landlord and the Tenant may, by agreement, appoint the Surveyor at any time before either of them applies to the President for the Surveyor to be appointed. Any application to the President may not be made earlier than three months before the relevant Review Date.

7.8 The Surveyor shall act as an expert and not as an arbitrator. The Surveyor shall determine the open market rent and shall have power to determine any issue involving the interpretation of any provision of this lease, his jurisdiction to determine the matters and issues referred to him or his terms of reference. The Surveyor's decision shall be given in writing, and the Surveyor shall provide reasons for any determination. The Surveyor's written decision on the matters referred to him shall be final and binding in the absence of manifest error or fraud.

7.9 The Surveyor shall give the Landlord and the Tenant an opportunity to make written representations to the Surveyor and to make written counter-representations commenting on the representations of the other party to the Surveyor. The parties will provide (or procure that others provide) the Surveyor with such assistance and documents as the Surveyor reasonably requires for the purpose of reaching a decision.

- 7.10 If the Surveyor dies, or becomes unwilling or incapable of acting, or unreasonably delays in making any determination, then either the Landlord or the Tenant may apply to the President to discharge the Surveyor and clause 7.7 shall then apply in relation to the appointment of a replacement.

The fees and expenses of the Surveyor and the cost of the Surveyor's appointment and any counsel's fees, or other fees, incurred by the Surveyor shall be payable by the Landlord and the Tenant in the proportions that the Surveyor directs (or if the Surveyor makes no direction, then equally). If the Tenant does not pay its part of the Surveyor's fees and expenses within ten working days after demand by the Surveyor, the Landlord may pay that part and the amount it pays shall be a debt of the Tenant due and payable on demand to the Landlord. The Landlord and the Tenant shall otherwise each bear their own costs in connection with the rent review

- 7.11 If the revised Annual Rent has not been agreed by the Landlord and the Tenant or determined by the Surveyor on or before the relevant Review Date, the Annual Rent payable from that Review Date shall continue at the rate payable immediately before that Review Date. No later than five working days after the revised Annual Rent is agreed or the Surveyor's determination is notified to the Landlord and the Tenant, the Tenant shall pay:

- (a) the shortfall (if any) between the amount that it has paid for the period from the Review Date until the Rent Payment Date following the date of agreement or notification of the revised Annual Rent and the amount that would have been payable had the revised Annual Rent been agreed or determined on or before that Review Date; and
- (b) interest at the Interest Rate on that shortfall calculated on a daily basis by reference to the Rent Payment Dates on which parts of the shortfall would have been payable if the revised Annual Rent had been agreed or determined on or before that Review Date and the date payment is received by the Landlord.

- 7.12 Time shall not be of the essence for the purposes of this clause.
- 7.13 If at any time there is a guarantor, the guarantor shall not have any right to participate in the review of the Annual Rent.
- 7.14 As soon as practicable after the amount of the revised Annual Rent has been agreed or determined, a memorandum recording the amount shall be signed by or on behalf of the Landlord and the Tenant and endorsed on or attached to this lease and its counterpart. The Landlord and the Tenant shall each bear their own costs in connection with the memorandum.

8. SERVICES AND SERVICE CHARGE

8.1 The Services are:

- (a) cleaning, maintaining and repairing the Common Parts including all Service Media forming part of the Common Parts
- (b) lighting the Common Parts and cleaning, maintaining, repairing and replacing lighting machinery and equipment on the Common Parts;
- (c) cleaning, maintaining, repairing and replacing refuse bins on the Common Parts;
- (d) cleaning, maintaining, repairing and replacing signage for the Common Parts;
- (e) cleaning, maintaining, repairing, operating and replacing security machinery and equipment (including closed circuit television) on the Common Parts,;
- (f) cleaning, maintaining, repairing and replacing a signboard showing the names and logos of the tenants and other occupiers
- (g) maintaining the landscaped and grassed areas of the Common Parts;
- (h) any other service or amenity that the Landlord or Henmore Management may acting in accordance with the principles of good estate management provide for the benefit of the tenants and occupiers of the Estate.

8.2 The Service Costs are the total of:

- (a) the whole of the costs of:
 - (i) providing the Services,;
 - (ii) the supply and removal of electricity, gas, water, sewage and other utilities to and from the Common Parts;
 - (iii) complying with the recommendations and requirements of the insurers of the Estate (insofar as those recommendations and requirements relate to the Common Parts);
 - (iv) complying with all laws relating to the Common Parts, their use and any works carried out at them, and relating to the use of all Service Media, machinery and equipment at or serving the Common Parts and to any materials kept at or disposed of from the Common Parts;
 - (v) complying with the Third Party Rights insofar as they relate to the Common Parts; and
 - (vi) taking any steps (including proceedings) that the Landlord considers necessary to prevent or remove any encroachment over the Common Parts or to prevent the acquisition of any right over the Common Parts (or the Estate as a whole) or to remove any obstruction to the flow of light or air to the Common Parts (or the Estate as a whole),

- (b) the costs, fees and disbursements (on a full indemnity basis) of:
 - (i) managing agents employed by the Landlord for the carrying out and provision of the Services or, where managing agents are not employed, a management fee for the same; and
 - (ii) accountants employed by the Landlord to prepare and audit the service charge accounts;
- (c) all rates, taxes and impositions payable in respect of the Common Parts, their use and any works carried out on them (other than any taxes payable by the Landlord in connection with any dealing with or disposition of its reversionary interest in the Estate); and
- (d) any VAT payable by the Landlord in respect of any of the items mentioned above except to the extent that the Landlord is able to recover such VAT.

8.3 Subject to the Tenant paying the Service Charge, the Landlord shall use its reasonable endeavours to procure that Henmore Management repair, maintain, clean the roads, paths and parking areas on the Common Parts. The Landlord may, but shall not be obliged to procure the provision of any of the other Services. The Landlord shall not be obliged to carry out any repair where the need for that repair has arisen by reason of any damage or destruction by a risk against which the Landlord is not obliged to insure.

8.4 Before or as soon as practicable after the start of each Service Charge Year, the Landlord shall prepare and send the Tenant an estimate of the Service Costs for that Service Charge Year and a statement of the estimated Service Charge for that Service Charge Year.

8.5 The Tenant shall pay the estimated Service Charge for each Service Charge Year in monthly instalments on each of the Rent Payment Dates.

8.6 In relation to the Service Charge Year current at the date of this lease, the Tenant's obligations to pay the estimated Service Charge and the actual Service Charge shall be limited to an apportioned part of those amounts, such apportioned part to be calculated on a daily basis for the period from the date of this lease to the end of the Service Charge Year. The estimated Service Charge for which the Tenant is liable shall be paid in equal instalments on the remaining Rent Payment Days during the period from the date of this lease until the end of the Service Charge Year.

8.7 As soon as reasonably practicable after the end of each Service Charge Year, the Landlord shall prepare and send to the Tenant a certificate showing the Service Costs and the Service Charge for that Service Charge Year.

- 8.8 If any cost is omitted from the calculation of the Service Charge in any Service Charge Year, the Landlord shall be entitled to include it in the estimate and certificate of the Service Charge in any following Service Charge Year. Otherwise, and except in the case of manifest error, the Service Charge certificate shall be conclusive as to all matters of fact to which it refers.
- 8.9 Without prejudice to clause 9.4(f), where the Landlord provides or procures any Service by reason of the damage to or destruction of the Common Parts by an Insured Risk, the costs of that Service shall not be included within the Service Charge.
- 8.10 If, in respect of any Service Charge Year, the Landlord's estimate of the Service Charge is less than the Service Charge, the Tenant shall pay the difference on demand. If, in respect of any Service Charge Year, the Landlord's estimate of the Service Charge is more than the Service Charge, the Landlord shall credit the difference against the Tenant's next instalment of the estimated Service Charge and where the difference exceeds the next instalment then the balance of the difference shall be credited against each succeeding instalment until it is fully credited.

9. INSURANCE

- 9.1 Subject to clause 9.2, the Landlord shall keep the Property and shall procure Henmore Management to keep the Common Parts (other than any plate glass at the Property) insured against loss or damage by the Insured Risks for the sum which the Landlord considers to be its full reinstatement cost (taking inflation of building costs into account). The Landlord shall not be obliged to insure any part of the Property installed by the Tenant.
- 9.2 The Landlord's obligation to insure and to procure Henmore Management to insure is subject to:
- (a) any exclusions, limitations, excesses and conditions that may be imposed by the insurers; and
 - (b) insurance being available in the London insurance market on reasonable terms acceptable to the Landlord.
- 9.3 The Tenant shall pay to the Landlord on demand:
- (a) the Insurance Rent;
 - (b) any amount that is deducted or disallowed by the insurers pursuant to any excess provision in the insurance policy; and
 - (c) any costs that the Landlord incurs in obtaining a valuation of the Property for insurance purposes and a fair proportion of any costs that the Landlord incurs in obtaining a valuation of the Estate for insurance purposes.

9.4 The Tenant shall:

- (a) give the Landlord notice immediately any matter occurs that any insurer or underwriter may treat as material in deciding whether or on what terms to insure or to continue to insure the Property;
- (b) not do or omit anything as a result of which any policy of insurance of the Estate or any neighbouring property may become void or voidable or otherwise prejudiced, or the payment of any policy money may be withheld, nor (unless the Tenant has previously notified the Landlord and has paid any increased or additional premium) anything as a result of which any increased or additional insurance premium may become payable;
- (c) comply at all times with the requirements and recommendations of the insurers relating to the Property and the use by the Tenant of the Common Parts;
- (d) give the Landlord immediate notice of the occurrence of any damage or loss relating to the Property arising from an Insured Risk or of any other event that might affect any insurance policy relating to the Property;
- (e) not effect any insurance of the Property (except any plate glass at the Property), but if it becomes entitled to the benefit of any insurance proceeds in respect of the Property (other than in respect of plate glass) pay those proceeds or cause them to be paid to the Landlord; and
- (f) pay the Landlord an amount equal to any insurance money that the insurers of the Estate refuse to pay (in relation to the Estate) by reason of any act or omission of the Tenant or any undertenant, their workers, contractors or agents or any person at the Property or the Common Parts with the actual or implied authority of any of them.

9.5 The Landlord shall, subject to obtaining all necessary planning and other consents, use all insurance money received (other than for loss of rent) in connection with any damage to the Property to repair the damage for which the money has been received or (as the case may be) in rebuilding the Property. The Landlord shall not be obliged to:

- (a) provide accommodation identical in layout or design so long as accommodation reasonably equivalent to that previously at the Property is provided; or
- (b) repair or rebuild if the Tenant has failed to pay any of the Insurance Rent; or
- (c) repair or rebuild the Property after a notice has been served pursuant to clause 9.7 or clause 9.8.

9.6 If the Property is damaged or destroyed by an Insured Risk so as to be unfit for occupation and use or if the Common Parts are damaged or destroyed by an Insured Risk so as to make the Property inaccessible or unusable] then, unless the policy of insurance in relation to the Property or the Common Parts has been vitiated in whole

or in part in consequence of any act or omission of the Tenant, any undertenant or their respective workers, contractors or agents or any other person on the Property or the Common Parts with the actual or implied authority of any of them, payment of the Annual Rent, or a fair proportion of it according to the nature and extent of the damage, shall be suspended until the Property has been reinstated and made fit for occupation and use or the Common Parts have been reinstated so as to make the Property accessible or useable (as the case may be), or until the end of three years from the date of damage or destruction, if sooner.

9.7 If, following damage to or destruction of the Property, the Landlord considers that it is impossible or impractical to reinstate the Property, the Landlord may terminate this lease by giving notice to the Tenant. On giving notice this lease shall determine but this shall be without prejudice to any right or remedy of the Landlord in respect of any breach of the tenant covenants of this lease. Any proceeds of the insurance (other than any insurance for plate glass) shall belong to the Landlord.

9.8 Provided that the Tenant has complied with its obligations in this clause, the Tenant may terminate this lease by giving notice to the Landlord if, following damage or destruction of the Property or the Common Parts by an Insured Risk, the Property has not been reinstated so as to be fit for occupation and use or the Common Parts have not been reinstated so as to make the Property accessible or useable within three years after the date of damage or destruction. On giving this notice this lease shall determine but this shall be without prejudice to any right or remedy of the Landlord in respect of any breach of the tenant covenants of this lease. Any proceeds of the insurance (other than any insurance for plate glass) shall belong to the Landlord.

10. RATES AND TAXES

10.1 The Tenant shall pay all present and future rates, taxes and other impositions payable in respect of the Property, its use and any works carried out there, other than:

- (a) any taxes payable by the Landlord in connection with any dealing with or disposition of the reversion to this lease; or
- (b) any taxes, other than VAT and insurance premium tax, payable by the Landlord by reason of the receipt of any of the rents due under this lease.

10.2 The Tenant shall not make any proposal to alter the rateable value of the Property or that value as it appears on any draft rating list, without the approval of the Landlord.

10.3 If, after the end of the term, the Landlord loses rating relief (or any similar relief or exemption) because it has been allowed to the Tenant, then the Tenant shall pay the Landlord an amount equal to the relief or exemption that the Landlord has lost.

11. UTILITIES

- 11.1 The Tenant shall pay all costs in connection with the supply and removal of electricity, gas, water, sewage, telecommunications, data and other services and utilities to or from the Property except that if the Tenant shall use the Property for storage only the Landlord will pay the cost of electricity, gas, water and sewage.
- 11.2 The Tenant shall comply with all laws and with any recommendations of the relevant suppliers relating to the use of those services and utilities.

12. COMMON ITEMS

- 12.1 The Tenant shall pay the Landlord on demand a fair proportion of all costs payable by the Landlord for the maintenance, repair, lighting, cleaning and renewal of all Service Media, structures and other items not on the Estate but used or capable of being used by the Estate in common with other land and the Henmore Trading common parts
- 12.2 The Tenant shall comply with all reasonable regulations the Landlord may make from time to time in connection with the use of any of those Service Media, structures or other items.

13. VAT

- 13.1 All sums payable by the Tenant are exclusive of any VAT that may be chargeable. The Tenant shall pay VAT in respect of all taxable supplies made to it in connection with this lease on the due date for making any payment or, if earlier, the date on which that supply is made for VAT purposes.
- 13.2 Every obligation on the Tenant, under or in connection with this lease, to pay the Landlord or any other person any sum by way of a refund or indemnity, shall include an obligation to pay an amount equal to any VAT incurred on that sum by the Landlord or other person except, to the extent that the Landlord or other person obtains credit for such VAT under the Value Added Tax Act 1994.

14. DEFAULT INTEREST AND INTEREST

- 14.1 If any Annual Rent or any other money payable under this lease has not been paid by the date it is due, whether it has been formally demanded or not, the Tenant shall pay the Landlord interest at the Default Interest Rate (both before and after any judgment) on that amount for the period from the due date to and including the date of payment.
- 14.2 If the Landlord does not demand or accept any Annual Rent or other money due or tendered under this lease because the Landlord reasonably believes that the Tenant is in breach of any of the tenant covenants of this lease, then the Tenant shall, when that

amount is accepted by the Landlord, also pay interest at the Interest Rate on that amount for the period from the date the amount (or each part of it) became due until the date it is accepted by the Landlord.

15. COSTS

15.1 The Tenant shall pay the costs and expenses of the Landlord including any solicitors' or other professionals' costs and expenses (incurred both during and after the end of the term) in connection with or in contemplation of any of the following:

- (a) the enforcement of the tenant covenants of this lease;
- (b) serving any notice in connection with this lease under section 146 or 147 of the Law of Property Act 1925 or taking any proceedings under either of those sections, notwithstanding that forfeiture is avoided otherwise than by relief granted by the court;
- (c) serving any notice in connection with this lease under section 17 of the Landlord and Tenant (Covenants) Act 1995;
- (d) the preparation and service of a schedule of dilapidations in connection with this lease; or
- (e) any consent or approval applied for under this lease, whether or not it is granted [(unless the consent or approval is unreasonably withheld by the Landlord in circumstances where the Landlord is not unreasonably to withhold it)].

15.2 Where the Tenant is obliged to pay or indemnify the Landlord against any solicitors' or other professionals' costs and expenses (whether under this or any other clause of this lease) that obligation extends to those costs and expenses assessed on a full indemnity basis.

16. COMPENSATION ON VACATING

Any right of the Tenant or anyone deriving title under the Tenant to claim compensation from the Landlord on leaving the Property under the LTA 1954 is excluded, except to the extent that the legislation prevents that right being excluded.

17. NO DEDUCTION, COUNTERCLAIM OR SET-OFF

The Annual Rent and all other money due under this lease are to be paid by the Tenant or any guarantor (as the case may be) without deduction, counterclaim or set-off.

18. REGISTRATION OF THIS LEASE

NOT APPLICABLE

19. ASSIGNMENTS

19.1 The Tenant shall not assign the whole of this lease without the consent of the Landlord, such consent not to be unreasonably withheld.

19.2 The Tenant shall not assign part only of this lease.

19.3 The Landlord and the Tenant agree that for the purposes of section 19(1A) of the Landlord and Tenant Act 1927 the Landlord may give its consent to an assignment subject to all or any of the following conditions:

(a) a condition that the assignor (and any former tenant who because of section 11 of the Landlord and Tenant (Covenants) Act 1995 has not been released from the tenant covenants of this lease) enters into an authorised guarantee agreement which:

- (i) is in respect of all the tenant covenants of this lease;
- (ii) is in respect of the period beginning with the date the assignee becomes bound by those covenants and ending on the date when the assignee is released from those covenants by virtue of section 5 of the Landlord and Tenant (Covenants) Act 1995;
- (iii) imposes principal debtor liability on the assignor (and any former tenant);
- (iv) requires (in the event of a disclaimer of liability of this lease) the assignor (or former tenant as the case may be) to enter into a new tenancy for a term equal to the unexpired residue of the Contractual Term; and
- (v) is otherwise in a form reasonably required by the Landlord;

(b) a condition that a person of standing acceptable to the Landlord enters into a guarantee and indemnity of the tenant covenants of this lease in the form set out in the Schedule (but with such amendments and additions as the Landlord may reasonably require).

19.4 The Landlord and the Tenant agree that for the purposes of section 19(1A) of the Landlord and Tenant Act 1927 the Landlord may refuse its consent to an assignment if any Annual Rent or other money due under this lease is outstanding.

19.5 Nothing in this clause shall prevent the Landlord from giving consent subject to any other reasonable condition, nor from refusing consent to an assignment in any other circumstance where it is reasonable to do so.

20. UNDERLETTINGS

20.1 The Tenant shall not underlet the whole of the Property

20.2 The Tenant shall not underlet part only of the Property.

21. SHARING OCCUPATION

The Tenant may share occupation of the Property with any company that is a member of the same group (within the meaning of section 42 of the LTA 1954) as the Tenant for as long as that company remains within that group and provided that no relationship of landlord and tenant is established by that arrangement.

22. CHARGING

22.1 The Tenant shall not charge the whole of this lease.

22.2 The Tenant shall not charge part only of this lease.

23. PROHIBITION OF OTHER DEALINGS

Except as expressly permitted by this lease, the Tenant shall not assign, underlet, charge, part with or share possession or share occupation of this lease or the Property or hold the lease on trust for any person (except pending registration of a dealing permitted by this lease at HM Land Registry or by reason only of joint legal ownership).

24. REGISTRATION AND NOTIFICATION OF DEALINGS AND OCCUPATION

24.1 In this clause a **Transaction** is:

- (a) any dealing with this lease or the devolution or transmission of, or parting with possession of any interest in it; or
- (b) the making of any other arrangement for the occupation of the Property.

24.2 No later than one month after a Transaction the Tenant shall:

- (a) give the Landlord's solicitors notice of the Transaction;
- (b) deliver two certified copies of any document effecting the Transaction to the Landlord's solicitors
- (c) pay the Landlord's solicitors a registration fee of £50 (plus VAT)].

24.3 If the Landlord so requests, the Tenant shall promptly supply the Landlord with full details of the occupiers of the Property and the terms upon which they occupy it.

25. CLOSURE OF THE REGISTERED TITLE OF THIS LEASE

NOT APPLICABLE

26. REPAIRS

26.1 The Tenant shall keep the Property clean and tidy and in good repair and condition.

26.2 The Tenant shall not be liable to repair the Property to the extent that any disrepair has been caused by an Insured Risk, unless and to the extent that:

- (a) the policy of insurance of the Property has been vitiated or any insurance proceeds withheld in consequence of any act or omission of the Tenant, any undertenant or their respective workers, contractors or agents or any person on the Property with the actual or implied authority of any of them; or
- (b) the insurance cover in relation to that disrepair is excluded, limited, is unavailable or has not been extended, as mentioned in clause 9.2.

26.3 The Tenant shall keep the external areas of the Property in a clean and tidy condition and not allow any rubbish or waste to be left there. The Tenant shall clean all windows at the Property as often as is necessary.

27. DECORATION

27.1 The Tenant shall decorate the outside and the inside of the Property as often as is reasonably necessary and also in the last three months before the end of the term.

27.2 All decoration shall be carried out in a good and proper manner using good quality materials that are appropriate to the Property and the Permitted Use and shall include all appropriate preparatory work.

27.3 All decoration carried out in the last three months of the term shall also be carried out to the satisfaction of the Landlord and using materials, designs and colours approved by the Landlord.

28. ALTERATIONS

28.1 The Tenant shall not make any external or structural alteration or addition to the Property and shall not make any opening in any boundary structure of the Property.

28.2 The Tenant shall not install any Service Media on the exterior of the Property nor alter the route of any Service Media at the Property.

28.3 The Tenant shall not make any internal, non-structural alteration to the Property without the consent of the Landlord, such consent not to be unreasonably withheld.

29. SIGNS

29.1 In this clause **Signs** include signs, fascia, placards, boards, posters and advertisements.

29.2 The Tenant shall not attach any Signs to the exterior of the Property or display any inside the Property so as to be seen from the outside except Signs of a design, size and number and in a position that are appropriate to the Property and the Permitted Use, without the consent of the Landlord (and when necessary Henmore Management) such consent not to be unreasonably withheld.

29.3 Before the end of the term, the Tenant shall remove any Signs placed by it at the Property and shall make good any damage caused to the Property by that removal.

30. RETURNING THE PROPERTY TO THE LANDLORD

30.1 At the end of the term the Tenant shall return the Property to the Landlord in the repair and condition required by this lease.

30.2 If the Landlord gives the Tenant notice the Tenant shall remove items it has fixed to the Property, remove any alterations it has made to the Property and make good any damage caused to the Property by that removal.

30.3 At the end of the term, the Tenant shall remove from the Property all chattels belonging to or used by it.

30.4 The Tenant irrevocably appoints the Landlord to be the Tenant's agent to store or dispose of any chattels or items it has fixed to the Property and which have been left by the Tenant on the Property for more than ten working days after the end of the term. The Landlord shall not be liable to the Tenant by reason of that storage or disposal. The Tenant shall indemnify the Landlord in respect of any claim made by a third party in relation to that storage or disposal.

30.5 If the Tenant does not comply with its obligations in this clause, then, without prejudice to any other right or remedy of the Landlord, the Tenant shall pay the Landlord an amount equal to the Annual Rent at the rate reserved immediately before the end of the term for the period that it would reasonably take to put the Property into the condition it would have been in had the Tenant performed its obligations under this clause. The amount shall be a debt due on demand from the Tenant to the Landlord.

31. USE

- 31.1 The Tenant shall not use the Property for any purpose other than the Permitted Use.
- 31.2 The Tenant shall not use the Property for any illegal purpose nor for any purpose or in a manner that would cause loss, damage, injury, nuisance or inconvenience to the Landlord, the other tenants or occupiers of the Lettable Units or any owner or occupier of neighbouring property.
- 31.3 The Tenant shall not overload any structural part of the Property nor any machinery or equipment at the Property nor any Service Media at or serving the Property.

32. MANAGEMENT OF THE ESTATE

- 32.1 The Tenant shall observe all regulations made by Henmore Management from time to time in accordance with the principles of good estate management and notified to the Tenant relating to the use of the Common Parts and the management of the Estate.
- 32.2 Nothing in this lease shall impose or be deemed to impose any restriction on the use of any other Lettable Unit or any neighbouring property.

33. COMPLIANCE WITH LAWS

- 33.1 The Tenant shall comply with all laws relating to:
- (a) the Property and the occupation and use of the Property by the Tenant;
 - (b) the use of all Service Media and machinery and equipment at or serving the Property;
 - (c) any works carried out at the Property; and
 - (d) all materials kept at or disposed from the Property.
- 33.2 Without prejudice to any obligation on the Tenant to obtain any consent or approval under this lease, the Tenant shall carry out all works that are required under any law to be carried out at the Property whether by the owner or the occupier.
- 33.3 Within five working days after receipt of any notice or other communication affecting the Property or the Estate (and whether or not served pursuant to any law) the Tenant shall:
- (a) send a copy of the relevant document to the Landlord; and
 - (b) in so far as it relates to the Property, take all steps necessary to comply with the notice or other communication and take any other action in connection with it as the Landlord may require.

- 33.4 The Tenant shall not apply for any planning permission for the Property without the Landlord's consent
- 33.5 The Tenant shall comply with its obligations under the CDM Regulations, including all requirements in relation to the provision and maintenance of a health and safety file. The Tenant shall maintain the health and safety file for the Property in accordance with the CDM Regulations and shall give it to the Landlord at the end of the term.
- 33.6 The Tenant shall supply all information to the Landlord that the Landlord reasonably requires from time to time to comply with the Landlord's obligations under the CDM Regulations.
- 33.7 As soon as the Tenant becomes aware of any defect in the Property, it shall give the Landlord notice of it. The Tenant shall indemnify the Landlord against any liability under the Defective Premises Act 1972 in relation to the Property by reason of any failure of the Tenant to comply with any of the tenant covenants in this lease.
- 33.8 The Tenant shall keep the Property equipped with all fire prevention, detection and fighting machinery and equipment and fire alarms which are required under all relevant laws or required by the insurers of the Property or reasonably recommended by them or reasonably required by the Landlord and shall keep that machinery, equipment and alarms properly maintained and available for inspection.

34. ENCROACHMENTS, OBSTRUCTIONS AND ACQUISITION OF RIGHTS

- 34.1 The Tenant shall not grant any right or licence over the Property to any person.
- 34.2 If any person makes or attempts to make any encroachment over the Property or takes any action by which a right may be acquired over the Property, the Tenant shall:
- (a) immediately give notice to the Landlord; and
 - (b) take all steps (including any proceedings) the Landlord reasonably requires to prevent or license the continuation of that encroachment or action.
- 34.3 The Tenant shall not obstruct the flow of light or air to the Property or any other part of the Estate nor obstruct any means of access to the Property or the Estate.
- 34.4 The Tenant shall not make any acknowledgement that the flow of light or air to the Property or any other part of the Estate or that the means of access to the Property or the Estate is enjoyed with the consent of any third party.

- 34.5 If any person takes or threatens to take any action to obstruct the flow of light or air to the Property or obstruct the means of access to the Property the Tenant shall:
- (a) immediately notify the Landlord; and
 - (b) take all steps (including proceedings) the Landlord reasonably requires to prevent or secure the removal of the obstruction.

35. BREACH OF REPAIR AND MAINTENANCE OBLIGATIONS

- 35.1 The Landlord may enter the Property to inspect its condition and state of repair and may give the Tenant a notice of any breach of any of the tenant covenants in this lease relating to the condition or repair of the Property.
- 35.2 If the Tenant has not begun any works needed to remedy that breach within one month following that notice (or if works are required as a matter of emergency, then immediately) or if the Tenant is not carrying out the works with all due speed, then the Landlord may enter the Property and carry out the works needed.
- 35.3 The costs incurred by the Landlord in carrying out any works pursuant to this clause (and any professional fees and any VAT in respect of those costs) shall be a debt due from the Tenant to the Landlord and payable on demand.
- 35.4 Any action taken by the Landlord pursuant to this clause shall be without prejudice to the Landlord's other rights, including those under clause 39.

36. INDEMNITY

The Tenant shall keep the Landlord indemnified against all expenses, costs, claims, damage and loss (including any diminution in the value of the Landlord's interest in the Estate and loss of amenity of the Estate) arising from any breach of any tenant covenants in this lease, or any act or omission of the Tenant, any undertenant or their respective workers, contractors or agents or any other person on the Property or the Common Parts with the actual or implied authority of any of them.

37. LANDLORD'S COVENANT FOR QUIET ENJOYMENT

The Landlord covenants with the Tenant, that, so long as the Tenant pays the rents reserved by and complies with its obligations in this lease, the Tenant shall have quiet enjoyment of the Property without any interruption by the Landlord or any person claiming under the Landlord except as otherwise permitted by this lease.

38. GUARANTEE AND INDEMNITY

NOT APPLICABLE

39. RE-ENTRY AND FORFEITURE

39.1 The Landlord may re-enter the Property (or any part of the Property in the name of the whole) at any time after any of the following occurs:

- (a) any rent is unpaid 21 days after becoming payable whether it has been formally demanded or not;
- (b) any breach of any condition of, or tenant covenant, in this lease;
- (c) an Act of Insolvency.

39.2 If the Landlord re-enters the Property (or any part of the Property in the name of the whole) pursuant to this clause, this lease shall immediately end, but without prejudice to any right or remedy of the Landlord in respect of any breach of covenant by the Tenant or any guarantor.

40. LIABILITY

40.1 At any time when the Landlord, the Tenant or a guarantor is more than one person, then in each case those persons shall be jointly and severally liable for their respective obligations arising by virtue of this lease. The Landlord may release or compromise the liability of any one of those persons or grant any time or concession to any one of them without affecting the liability of any other of them.

40.2 The obligations of the Tenant and any guarantor arising by virtue of this lease are owed to the Landlord and the obligations of the Landlord are owed to the Tenant.

40.3 In any case where the facts are or should reasonably be known to the Tenant, the Landlord shall not be liable to the Tenant for any failure of the Landlord to perform any landlord covenant in this lease unless and until the Tenant has given the Landlord notice of the facts that give rise to the failure and the Landlord has not remedied the failure within a reasonable time.

41. ENTIRE AGREEMENT AND EXCLUSION OF REPRESENTATIONS

41.1 This lease constitutes the entire agreement and understanding of the parties relating to the transaction contemplated by the grant of this lease and supersedes any previous agreement between the parties relating to the transaction.

41.2 The Tenant acknowledges that in entering into this lease it has not relied on nor shall have any remedy in respect of, any statement or representation made by or on behalf of the Landlord.

41.3 Nothing in this lease constitutes or shall constitute a representation or warranty that the Property or the Common Parts may lawfully be used for any purpose allowed by this lease.

41.4 Nothing in this clause shall, however, operate to limit or exclude any liability for fraud.

42. NOTICES, CONSENTS AND APPROVALS

42.1 Except where this lease specifically states that a notice need not be in writing, or where notice is given in an emergency, any notice given pursuant to this lease shall be in writing.

42.2 A written notice shall be delivered by hand or sent by pre-paid first class post or recorded delivery. A correctly addressed notice sent by pre-paid first class post shall be deemed to have been delivered at the time at which it would have been delivered in the normal course of the post.

42.3 Section 196 of the Law of Property Act 1925 shall otherwise apply to notices given under this lease.

42.4 Where the consent of the Landlord is required under this lease, a consent shall only be valid if it is given by deed, unless:

- (a) it is given in writing and signed by a person duly authorised on behalf of the Landlord; and
- (b) it expressly states that the Landlord waives the requirement for a deed in that particular case.

If a waiver is given, it shall not affect the requirement for a deed for any other consent.

42.5 Where the approval of the Landlord is required under this lease, an approval shall only be valid if it is in writing and signed by or on behalf of the Landlord, unless:

- (a) the approval is being given in a case of emergency; or
- (b) this lease expressly states that the approval need not be in writing.

42.6 If the Landlord gives a consent or approval under this lease, the giving of that consent or approval shall not imply that any consent or approval required from a third party

has been obtained, nor shall it obviate the need to obtain any consent or approval from a third party.

43. GOVERNING LAW AND JURISDICTION

43.1 This lease and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales.

43.2 The parties irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this lease or its subject matter or formation (including non-contractual disputes or claims).

44. EXCLUSION OF SECTIONS 24-28 OF THE LTA 1954

NOT APPLICABLE

45. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

A person who is not a party to this lease shall not have any rights under or in connection with it by virtue of the Contracts (Rights of Third Parties) Act 1999 but this does not affect any right or remedy of a third party which exists, or is available, apart from that Act.

46. LANDLORD AND TENANT (COVENANTS) ACT 1995

This lease creates a new tenancy for the purposes of the Landlord and Tenant (Covenants) Act 1995.

47. EXERCISE OF BREAK BY LANDLORD AND BY TENANT

47.1. The Landlord may terminate this lease by serving a Break Notice on the Tenant at least six months before the Break Date

47.2. The right to serve a Break Notice is personal to the Original Landlord

47.3. The Tenant may terminate this lease upon giving the Landlord 6 months' notice if the Landlord serves on the Tenant notice in writing that the Landlord intends to exercise the right to build over the Property (the right to do so being set out in clause 4.1(c) which the Landlord must do at least 9 months before the start of the building over.

47.4. The Tenant's break notice shall be of no effect if at the break date:

- a) The Tenant has not paid any part of the Annual Rent of any VAT in respect of it which was due to have been paid and;
- b) The Tenant remains in occupation of any part of the Property or;
- c) There are any continuing sub-leases of the Property.

48. TERMINATION

- 48.1. Following service of a Break Notice this lease shall terminate on the Break Date
- 48.2 Termination of this lease on the Break Date shall not affect any other right or remedy that either party may have in relation to any earlier breach of this lease
- 48.3 If this lease terminates in accordance with clause 49.1 then within fourteen days after the Break Date the Landlord shall refund to the Tenant the proportion of the Annual Rent and any VAT paid in respect of it for the period from and excluding the Break Date up to and excluding the next Rent Payment Date calculated on a daily basis.

This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

EXECUTED AS A DEED BY C W SELLORS (Gold and Silversmiths)LIMITED
ACTING BY

DIRECTOR



DIRECTOR/SECRETARY

D W Sellors.

SIGNED AS A DEED BY THE SAID
WAYNE CYRIL TRAVERS IN THE
PRESENCE OF



Paul R Dalt
Solicitor
M. H. Coet

