

# Reducing Property Specific Lending Risks Through Valuations Excellence



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## Valuation Report

**VAS**  
GROUP

PANEL

|                         |   |
|-------------------------|---|
| Property Address:       | 38-39 High Street, King's Lynn, Norfolk, PE30 1BJ     |
| Client Name:            | Proplend Security Limited                             |
| Client Address:         | 20-22 Wenlock Road, London, N1 7GU                    |
| Applicant Name:         | Cicek Investments Ltd (Ref: RR CICEK) Mr Mehmet Cicek |
| Date of Report:         | 18 August 2020  |
| Date of Inspection:     | 13 August 2020  |
| Date of Valuation:      | 13 August 2020  |
| Valuation Company:      | Russen & Turner                                       |
| Valuer Name:            | Giles Stovold BSc (Hons) MRICS FNAEA                  |
| Counter Signature Name: | Edward Weightman BSc (Hons) MRICS MFPWS               |

PROPERTY DETAILS

|                       |   |                   |                           |
|-----------------------|---|-------------------|---------------------------|
| Property Address:     | 38-39 High Street, King's Lynn, Norfolk, PE30 1BJ |                   |                           |
| Purpose of Valuation: | Loan Security                                     | Valuation Method: | Comparison/<br>Investment |



VALUATION

*(please carefully read the lenders instruction letter and make sure that valuations are provided on the required basis)*

|  |   |
|--|---|
| Market Value subject to the current lease to Vision Express                                    | £500,000 (Five Hundred Thousand Pounds).                |
| Market Value subject to the current lease to Vision Express assuming a 90 day marketing period | £460,000 (Four Hundred and Sixty Thousand Pounds).      |
| Market Value assuming full vacant possession   | £400,000 (Four Hundred Thousand Pounds).                |
| Market Rent (MR)   | £40,500 (Forty Thousand Five Hundred Pounds) per annum. |
| Insurance Reinstatement Estimate:  | £720,000 (Seven Hundred and Twenty Thousand Pounds).    |

**Important note of which the client must have regard to:**

**The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a Global Pandemic on the 11th March 2020, has impacted many aspects of daily life and the global economy – with some real estate markets experiencing significantly lower levels of transactional activity and liquidity. As at the valuation date, in the case of the subject property, there is a shortage of market evidence for comparison purposes, to inform opinions of value. Our valuation of this property is therefore reported as being subject to material valuation uncertainty as set out in VPS 3 and VPGA 10 of the RICS Valuation – Global Standards. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. For the avoidance of doubt, the inclusion of the ‘material valuation uncertainty’ declaration above does not mean that the valuation cannot be relied upon. Rather, the declaration has been included to ensure transparency of the fact that – in the current extraordinary circumstances – less certainty can be attached to the valuation than would otherwise be the case. The material uncertainty clause is to serve as a precaution and does not invalidate the valuation. Given the unknown future impact that COVID-19 might have on the real estate market and the difficulty in differentiating between short term impacts and**

**long-term structural changes, we recommend that you keep the valuations contained within this report under frequent review.**

### Special Assumption Valuation Figures

**If a special assumption valuation has been requested, on the basis of a 180 day or other specified sale period, then as per the open market valuation, which has been provided in accordance with the RICS market uncertainty clause, this special assumption valuation is also provided based on pre-11th March evidence and market conditions (unless more recent market evidence is available). This special assumption figure does not and cannot take into account any changes to market conditions due to the Covid-19 pandemic so, consequently, less certainty and a higher degree of caution should be attached to this valuation than would normally be the case.**

| VALUATION ISSUES:<br>In our opinion the property is slightly over-rented, however, given current market conditions and the fact that the lease was agreed in 2017, this is to be expected. |   | Estimated Sales period: | 6-9 months                   |
|--|---|-------------------------|------------------------------|
| LOCATION / DESCRIPTION   |   |                         |                              |
| Location Summary:  | The subject property is situated in the centre of King's Lynn, fronting directly onto the High Street in the prime retailing area of the town.  |                         |                              |
| Description Summary:   | Mid-terraced three storey building arranged to provide retail accommodation on the ground floor, ancillary storage and staff accommodation on the first floor. The second floor comprises unutilised rooms.<br><br>The subject property is currently let in its entirety to Vision Express on a 10 year lease from 28 April 2017.   |                         |                              |
| Condition Summary:   | Overall the property is in satisfactory condition for a building of this age, type and character. We understand that the tenants have recently refurbished the ground and first floors and undertaken works to the roof. The second floor would benefit from works of refurbishment, but this does not affect value. The second floor is not currently utilised but it is wind and water tight. |                         |                              |
| Floor Area:  | <u>Ground Floor:</u><br>182.31 sq m/1,962 sq.ft.<br><u>First Floor:</u><br>65.17 sq m/701 sq.ft.<br><u>Second Floor:</u><br>81.20 sq m / 874 sq.ft.<br><br>The ground floor retail accommodation has an ITZA area of 100.17 sq m/1,084 sq.ft. In addition there is an attic area accessed by two fixed stairways, this area was not measured at the time of our inspection.                     | Site Area:              | 0.056 acres / 0.023 hectares |

### TENURE / TENANCY

|               |  |              |  |
|---------------|--|--------------|--|
| Tenure:       | Freehold subject to a lease to Vision Express. | Tenancy:     | Let to King's Lynn (VE) Limited guaranteed by Vision Express (UK) Limited on a 10 year full repairing and insuring lease from 28 April 2017. There are no break options or provision for rent reviews. The lease is inside the Landlord & Tenant Act 1954. |
| Passing Rent: | £45,000 per annum                              | Market Rent: | £40,500 per annum  |

### DEVELOPMENT

|                                   |                 |  |                 |
|-----------------------------------|-----------------|--|-----------------|
| Planning:                         | Not applicable. |  |                 |
| Overall Build / Conversion Costs: | Not applicable. | Remaining Costs to Complete the Development / Conversion | Not applicable. |

### SWOT ANALYSIS

|  |  |
|--|--|
| <b>Strengths:</b> <ul style="list-style-type: none"> <li>• Prime retail location.</li> <li>• Let to Vision Express with approximately 7 years remaining on the lease and no break options.</li> <li>• Generally well presented.</li> </ul> | <b>Weaknesses:</b> <ul style="list-style-type: none"> <li>• Some potential tenants may be deterred by the size of the property, however, the large size may appeal to national retailers.</li> <li>• General weakness in the retail market.</li> </ul> |
| <b>Opportunities:</b> <ul style="list-style-type: none"> <li>• Upper floors could be converted to an alternative residential use, subject to obtaining all necessary statutory consents.</li> </ul>  | <b>Threats:</b> <ul style="list-style-type: none"> <li>• Tenant may not renew lease.</li> <li>• External factors such as Brexit and Covid-19'</li> </ul>   |

### DEFECTS & SPECIALIST REPORTS

*(Please identify any structural, legal, or environmental issues. Please confirm the status of the defect and provide further commentary below if you recommend that a specialist report is required)*

|           |   |
|-----------|---|
| Comments: | In our opinion, no specialist reports are required. |
|-----------|---|

### RECOMMENDED ACTION POINTS / SUITABILITY FOR LOAN SECURITY

|   |  |
|---|--|
| We would recommend the following action points: | <ul style="list-style-type: none"> <li>• We have been informed that an Asbestos Report has been prepared on the property. Your Legal Advisor should have sight of the Asbestos Report to confirm.</li> </ul> |
| Is the property suitable for loan security?     | YES-assuming that satisfactory answers are received to all legal enquiries and the Lender has regard to the commentary on Covid-19 and the potential effect on market conditions.                            |

Please note that this Executive Summary is merely a summary of the valuation report and should not be read in isolation to the full valuation report provided overleaf.

**Important notice to Mortgage Applicants:** This report has been prepared to allow the mortgage lender to assess the suitability of the property as security: it has not been prepared for the benefit of the Mortgage Applicant who is not entitled to rely on the report. The services have not been tested and a detailed survey has not been carried out and thus defects could exist which are not mentioned in the report. The Valuer is entitled to make certain assumptions which during subsequent legal or other investigations may prove to be inaccurate. Applicants acquiring property interests are strongly advised to obtain their own detailed advice from suitably qualified professionals before exchanging contracts.

### **Section Index**

1. Instructions and Terms of Engagement
2. The Premises (Subject of Valuation)
3. Local Authority, Statutory Issues and Environmental Issues
4. Tenure/Title
5. Additional Comments and Recommendations
6. Signature and Date of Report

### **Appendices**

- |              |                                  |
|--------------|----------------------------------|
| Appendix I   | Photographs                      |
| Appendix II  | Location and Land Registry Plans |
| Appendix III | Copy of Instruction              |
| Appendix IV  | Copy of Lease                    |

## **1. INSTRUCTIONS AND TERMS OF ENGAGEMENT**

### **1.1 INSTRUCTIONS**

This report has been prepared, following written instructions dated 6 August 2020 from VAS Panel on behalf of Proplend Security Limited and has been carried out by Giles Stovold BSc (Hons) MRICS FNAEA, an External Valuer who conforms to the requirements of the RICS Valuation - Global Standards.

This report is subject to the terms and conditions which have been attached.

### **1.2 DEFINITIONS**

#### **1.2.1 Client**

The person or corporate body to whom the Valuation Report is to be addressed and such other parties as specifically prescribed in writing who may place reliance on the Report.

#### **1.2.2 Firm**

The Valuation Company which is contractually responsible for the provision of the valuation service, is:

**Russen & Turner Ltd**

17 High Street  
King's Lynn  
Norfolk  
PE30 1BP

#### **1.2.3 RICS**

The Royal Institution of Chartered Surveyors

#### **1.2.4 RICS Red Book**

The minimum professional standards as prescribed and published by the Royal Institution of Chartered Surveyors – reference being made to current publication at the date of the instruction the current edition being the RICS Valuation - Global Standards, effective from 31 January 2020.

The Red Book sets out the professional standards as codified by the RICS under which each Valuation or similar service and the Report are required to be undertaken. The Firm will conform to the latest version of these professional standards and unless stated otherwise, will also conform to the requirements of the Mortgage Specification where relevant.

#### **1.2.5 Valuer**

The Valuer selected by the Firm will be an appropriately qualified RICS member and registered under the RICS Valuer Registration Scheme. The Valuer will be an employee of the Firm or an owner of the Firm or an employee or associate of an owner. The Valuer will have a reasonably sufficient level of skill, experience and local knowledge to undertake the instruction, and will be adequately equipped to inspect the property and to produce and sign the Report.

### 1.2.6 **Business and Investment Property**

Real estate property owned for business or investment purposes which may include residential property not intended for occupation by the owner. Unless otherwise stated, any value which may be attributable to the goodwill of a business trading at the property is excluded from the valuation.

### 1.2.7 **Advice**

The advice in respect of property submitted by the Valuer in writing in a format agreed with the client.

### 1.2.8 **Market Value or MV** (as prescribed by the RICS):

'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 and where the parties had each acted knowledgeably, prudently and without compulsion.'

### 1.2.9 **Market Rent or MR** (as prescribed by the RICS):

'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.'

### 1.2.10 **Market Value subject to Special Assumption 1 - vacant possession value of a property subject to tenancy**

If the property is subject to a tenancy or otherwise occupied (as reflected in MV above), a valuation is also required on the assumption that the property in its present condition is available with vacant possession.

### 1.2.11 **Market Value subject to Special Assumptions 2 - restricted marketing period**

Market value with vacant possession but assuming there has been a restricted period of marketing (the report will refer to the period, usually 90 days or 180 days) between the inception of marketing and exchange of contracts, taking place at the date of the valuation, which may not necessarily have been a reasonable period for proper marketing. (The assumption is that the stated marketing period, albeit inadequate, has run its course and thus the date of exchange of contracts is the date of the valuation.)

### 1.2.12 **Market Value 'After Works'**

This is a hypothetical figure which is an indication of what the current Market Value would be if specified works or conditions had been satisfactorily completed at the date of the valuation. Such works could be in respect of essential repairs or completion of construction but could be in respect of evidence being provided in respect of satisfactory title or leases or such matters as certificates/licences/consents to confirm lawful use.

### 1.2.13 **Valuation Approach and Reasoning** (as prescribed by the RICS)

The market approach will be used.

'The market approach provides an indication of value by comparing the subject asset with identical or similar assets for which price information is available.'

This method compares similar property which has changed hands in the open market and makes appropriate adjustment to enable accurate comparison.

However in the event of an investment property, the surveyor may also consider an income approach which takes account of the potential income stream on such property as Houses in Multiple Occupation (depending on the local market).

Similarly, the value of offices, shops, industrial and other commercial property is usually assessed by applying evidence as to yields, in the investment market for that type property, to the Market Rent and/or the passing rent (ie, the rent currently contractually payable) both of which will be reported.

#### **1.2.14 Reinstatement Cost for Insurance Purposes**

If the Client requests a Reinstatement Figure, this will be provided on the following basis: The reinstatement cost figure for the permanent buildings is provided for insurance purposes and is not directly related to the market value of the property. Unless the Valuer has access to particular cost information relating to the property or the locality, the reinstatement cost will be calculated by reference to the indices and guidance published by the Building Costs Information Service (BCIS). The figure stated will only include Value Added Tax on professional fees (not on building costs) and will not take into account other potential or consequential losses such as costs of alternative accommodation.

The reinstatement cost figure should be revised annually or when any significant alterations or extensions are undertaken.

Any reinstatement cost figure is provided for guidance purposes only: it will not follow a detailed elemental cost analysis. In the event of destruction and rebuilding, such figure may not necessarily be the upper limit of costs incurred. Should insurers require a definitive assessment then specialist advice should be obtained from a suitably qualified professional such as a chartered quantity surveyor.

#### **1.2.15 Report or Valuation Report**

Pursuant to the Client's instructions, the report that is prepared by the Valuer on the property being assessed. The format of the report will follow a template prescribed by the lender. However, for the avoidance of doubt, these Terms & Conditions set out in full the matters that need to be addressed within the report so that it complies with the requirements of the RICS Red Book.

#### **1.2.16 Valuation Date**

The date upon which the Valuation or Advice applies shall be the date of the inspection of the property. The property was inspected on the 13 August 2020.

### **1.3 VERBAL CONSTRUCTION**

In these conditions, the following rules apply:

- a) A reference to 'writing' or 'in writing' includes faxes and emails but excludes text messages.
- b) A reference to a party includes its successors or permitted assigns.
- c) Any phrase introduced by the terms 'including', 'include', 'in particular', 'ie', 'eg', or any similar expression, shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

#### 1.4 CURRENCY

Monetary amounts shall be reported in Pounds Sterling unless otherwise agreed in writing by the Firm.

#### 1.5 PURPOSE OF THE REPORT

The purpose for which this Valuation Report is required will be to provide an opinion of the value of the Freehold/Leasehold interest in real estate, as specified by the Client/Client's representative and the Firm in the Report.

#### 1.6 THIRD PARTY RELIANCE

- a) The Valuation provided by the Firm is for the benefit of the Client as named on the Report alone and solely for the purposes of the instruction to which it relates. The RICS Minimum Terms for Professional Indemnity Insurance permit insurers to place limitations on the cover available for claims brought by third parties even if the valuation contract permits some form of assignment. Therefore, the Valuation may not be used or relied upon without the Firm's written consent, by any third party, even if that third party pays all or part of the Firm's fees, or is permitted to see a copy of a Valuation Report.
- b) If the Firm provides written consent to a third party permitting it to rely on the Valuation, any such third party is deemed to have accepted these Conditions.
- c) The Firm may, at its absolute discretion, agree to an assignment of the benefit of the Valuation Report to a third party (whether a private individual or mortgage lender) provided the Client identifies the requested assignee to the Firm in writing within 28 days from the date of the Report.
- d) Neither the whole nor any part of the Report or any reference to it may be included in any published document, circular or statement nor published in any way without the Firm's written approval of the form and context in which it may appear.

#### 1.7 INSTRUCTION, INSPECTION AND REPORTING ASSUMPTIONS

##### 1.7.1 In advance of proceeding with the valuation, the Valuer will:

- a) Agree and confirm in writing the purpose of the valuation.
- b) Notify the Client of any conflict of interest in relation to the Firm, its employees or its associates (especially the Valuer) or the property. Acceptance by the Client of any conflict or potential conflict shall be recorded in writing.
- c) Agree with the Client details of the scope of the valuation, including treatment of fixtures, fittings, plant and machinery and details relating to tenure (Freehold/Leasehold) and any tenancies/adverse rights.
- d) Agree and confirm in writing the definition of the basis/bases of valuation, other than MV and MR, as required by the Client. For example, Special Assumptions are not defined by the RICS and thus an agreement of definition, including marketing time period, is required.

1.7.2 Before the report is issued, the Valuer shall agree any special assumptions which are necessary and confirm same in writing to the Client.

1.7.3 The Valuer will carry out such inspections as are, in the Valuer's professional judgment, appropriate and possible in the particular circumstances, subject to 2.7.5 and 2.7.6 below.

1.7.4 The Valuer will rely upon information provided by the Client and/or Client's legal or other professional advisers relating to tenure, tenancies, and other relevant matters. It is the responsibility of the Lender/Client to ensure this information is accurate and to advise the Valuer if it is not.

- 1.7.5 It is stressed that the Client has required the Firm to provide a 'valuation only' service. Thus, the Valuer will have regard to the apparent state of repair and condition of the property but will not carry out a building survey nor inspect those parts of the property which are covered, unexposed or inaccessible. Such parts will be assumed to be in good repair and condition.

The Valuer is not an expert in other disciplines and therefore will not be able to provide advice which should be relied upon in respect of environmental inspection, Equality Act (disability discrimination) auditing, or Fire Risk Safety Assessment and Asbestos surveying. The Valuer will not be under a duty to arrange for the testing of electrical, heating, plant or other services.

- 1.7.6 In reporting, the Valuer will meet the relevant requirement of the current edition of the RICS Red Book and will make the following assumptions:

- a) no harmful or hazardous material, such as asbestos, has been used in the construction of the property or has since been incorporated. Asbestos becomes a particular health hazard when its fibres are released into the air. Therefore it should not be disturbed, drilled, cut, sanded ready for decorating, etc and should only be removed by experts.
- b) there is no contamination in or from the ground, and is not landfilled ground or affected by mineral extraction. In the event of there being significant visual evidence of contamination and a completed Contamination/ Environmental Observation Checklist being included with the report, it is emphasized that this is a non-specialist checklist to help a specialist Environmental Surveyor to consider the next step to be taken.
- c) no high alumina cement concrete or calcium chloride additive or other potentially deleterious material was used in the construction of the property or has since been incorporated;
- d) the property is not vulnerable to radon gas pollution;
- e) inspection of those parts which have not been inspected would neither reveal defects nor cause the Valuer to alter the valuation materially;
- f) good title can be shown and that the property is not subject to any unusual or especially onerous restrictions, encumbrances or outgoing;
- g) the property and its value are unaffected by any matters which would be revealed by local or environmental searches and replies to the local enquiries, or by any statutory notice, and that neither the property, nor its condition, nor its use, nor its intended use, is or will be unlawful;
- h) unless otherwise stated, roads, sewers and services outside the curtilage of the property are the responsibility of the Local Authority or other statutory body and are available under normal terms;
- i) further investigation into Planning Permission, Building Regulation, hazardous materials, onerous restrictions etc, will not reveal anything sufficiently adverse as to materially affect the Valuation;
- j) any other assumptions will be stated clearly in the Report.

The Valuer will be under no duty to verify these assumptions.

## 1.8 EXTERNAL PANELS

Many modern commercial buildings, new and existing residential tower blocks have been constructed/refurbished with composite external panels which sandwich insulating material between inner and outer plastic-coated aluminium/steel sheeting. Some of these panels have been shown to increase the risk of fire spreading whilst giving off toxic black smoke and there are concerns around the outer sheeting. Similar panels containing polyurethane type products (PUR and PIR) sometimes do not perform well either.

Because of the health risk to fire-fighters, some insurers state that these structures are more vulnerable to serious damage. Consequently, some insurance underwriters require high insurance premiums. A high insurance premium, or an insurer's requirement to make

alterations or improvements will impact on the value of the property. In any event, if the cladding is not found to be of a suitable fire-retardant grade then it is likely that large scale remedial works will be required. In all cases we would recommend that the type of cladding used in the construction/refurbishment be tested and confirmed. No loan should be advanced until testing has been satisfactorily completed in accordance with Ministry of Housing, Communities and Local Government Guidance.

#### 1.9 BOUNDARIES, GROUNDS AND OUTBUILDINGS PARTICULARLY RELATING TO RESIDENTIAL PROPERTY AND NORMAL DOMESTIC GARDENS

- a) Whilst the inspection will include such boundaries, grounds and permanent outbuildings, it will not include constructions or equipment with a specific leisure purpose including, without limit, swimming pools or tennis courts.
- b) The surveyor will include the immediate gardens that go with the property, but the inspection specifically excludes any additional land such as pasture or amenity land and the client is recommended to seek separate advice in respect of this additional land to ascertain (among other things) the extent and condition of boundaries, the presence of any invasive species, quality of the land, possible land contamination, flood risk or any other liabilities in respect of river bank maintenance, culverts and ditches and any other specific concerns, to the client's satisfaction.

For the avoidance of doubt, the valuation figure will include the full extent of the title. This will assume that no material issues exist on those parts of the grounds not inspected.

#### 1.10 SUSTAINABILITY

- a) If we have not been provided, or cannot obtain, an up to date EPC rating for this property our valuation will be based on the assumption that the subject property will meet the minimum requirements laid down by legislation and that there will be no adverse impact on value and marketability. It is advisable to obtain an expert's opinion to advise whether an EPC should be commissioned and if the building is likely to meet with the legislative requirements.
- b) If the EPC certificate that has been provided indicates that the subject property will fall within the acceptable energy performance range for the purposes of the Energy Act 2011, the method of assessment may have changed since the EPC certificate was issued. Although the legislation is not expected to be reviewed again until 2020, it is advisable to obtain an expert's opinion on whether the building would still comply with the minimum standard if the building were re-certified under the current methodology.
- c) If the EPC certificate that has been provided indicates that this property does not meet the minimum acceptable energy performance standard for the purposes of the Act, unless the property qualifies as exempt, capital expenditure may be required to upgrade the property to an acceptable EPC rating standard. Failure to do this may result in it being unlawful to rent the property, with an associated impact on marketability and value. It is therefore advisable to obtain an expert's opinion on the status of the property. Our valuation will be based on the assumption that the property is not exempt and will reflect the fact that improvement will be required in order to bring the property up to the minimum acceptable energy performance standard.

1.11 It is confirmed that the Valuer shall, to the reasonable knowledge of the Firm, have no known interest in the property or any other conflict that will prevent the valuation from being undertaken in an objective and unbiased way. The Valuer chosen to undertake this work has reasonable knowledge of this area and the appropriate expertise for the type of valuation required. If the Client has provided additional information or advised the Valuer to contact a third party for further information, it is specifically acknowledged that the Firm may safely rely on that information.

## 1.12 **LIMITATION OF LIABILITY - The Client's Attention is Drawn Particularly to this Clause**

1.12.1 Nothing in these conditions shall limit or exclude the Firm's liability for:

- a) Death or personal injury caused by its negligence, or the negligence of its employees, agents or subcontractors;
- b) Fraud or fraudulent misrepresentation; or
- c) Breach of the terms implied by Section 2 of the Supply of Goods and Services Act 1982 (Title and Quiet Possession).

1.12.2 Subject to Clause 2.12.1:

- a) The Firm shall under no circumstances whatsoever be liable to the Client, whether in contract, tort (including negligence), breach of statutory duty, or otherwise, for any loss of profit or any indirect or consequential loss arising under or in connection with the Contract; and
- b) The Firm's total liability to the Client in respect of all other losses arising under or in connection with the Contract, whether in contract, tort (including negligence), breach of statutory duty, or otherwise, shall in no circumstances exceed the Market Value as stated in the Firm's Valuation Report for the property or £3,000,000 (three million pounds), whichever is the lower.
- c) The Firm will cease to carry any liabilities for any alleged loss unless the Client has notified the Firm in writing within six years of the date of the Valuation.
- d) The Client hereby accepts that it is the Firm which is the contracting party and thus none of the Firm's employees which, for the purpose of this clause, means its directors, servants, partners, affiliates or consultants, has a contract with the Client or has personal liability in owing the Client or the prospective purchaser or any other party a duty of care. Therefore, the Client agrees (on behalf of itself and any permitted assignees) not to bring any claim against any such individuals personally in connection with the services provided.
- e) Whilst the Firm's employees are protected by this clause under the Contracts (Rights of Third Parties) Act 1999, it is agreed between the Client and the Firm that these terms and conditions (including this clause) may be varied by mutual consent at any time without the need for the Firm to seek leave or permission from its employees.
- f) These Terms of Engagement do not include any warranties, conditions and other terms except as stated herein and as required by law. The valuation figure(s) will be provided after diligent consideration and research but property values are subject to fluctuation and the valuation process is inexact and thus the Surveyor's opinion is subject to a degree of tolerance depending on the property and the availability of comparable evidence. Valuations for mortgage purposes are provided to assist the Client in making a prudent lending decision: they are not provided as some form of guarantee of value.
- g) Where loss is suffered by the Client for which the Firm and a third party or any other party are jointly responsible, any recoverable loss by the Client from the Firm will be proportionate to the Firm's relative contribution to the loss suffered.
- h) Where the Client comprises more than one entity, then the Client's liability will be joint and several with such other entity or entities.

1.12.3 The terms implied by Sections 3 to 5 of the Supply of Goods and Services Act 1982 are, to the fullest extent permitted by law, excluded from the Contract.

1.12.4 This Clause 5 shall survive termination of the Contract.

1.12.5 Failure to follow the requirements set down by these conditions will invalidate the Report and the Valuation.

## 1.13 FEES

- a) The Client shall pay the Firm in respect of the Valuation and any other services provided under the Contract a fee to be agreed in advance between the Client and the Firm. In addition, the Client will reimburse the Firm the cost of all reasonable out-of-pocket expenses which may be incurred and pay the amount of any Value Added Tax on the fee and expenses.
- b) Unless credit terms have been separately agreed in writing with the Firm's Accounts Department, the fee will be paid in advance. No interest will be paid on fees in advance and they will not be held in a Client Money Account. Consequently they will not be subject to the protection of the RICS Money Protection Scheme.
- c) If the Client has agreed to accept reimbursement of the fee paid, or the Firm's fee account has not been settled within three months of the date of the invoice, then it is agreed that the Client has placed no reliance on the Report and thus the Client or any permitted assignees will not be entitled to pursue any action for alleged negligence, breach of contract or breach of duty. This does not limit the Firm's entitlement to the agreed fee.

## 1.14 GENERAL TERMS

### 1.14.1 Severance

- a) If a court or any other competent authority finds that any provision of the Contract (or part of any provision) is invalid, illegal or unenforceable, that provision or part-provision shall, to the extent required, be deemed deleted, and the validity and enforceability of the other provisions of the Contract shall not be affected.
- b) If any invalid, unenforceable or illegal provision of the Contract would be valid, enforceable and legal if some part of it were deleted, the provision shall apply with the minimum modification necessary to make it legal, valid and enforceable.

### 1.14.2 Variation

Except as set out in these conditions, any variation, including the introduction of any additional terms and conditions to the Contract, shall only be binding when agreed in writing and signed by the Firm.

### 1.14.3 No waiver

- a) A waiver of any right under the Contract is only effective if it is in writing and shall not be deemed to be a waiver of any subsequent breach or default. No failure or delay by a party in exercising any right or remedy under the Contract or by law shall constitute a waiver of that or any other right or remedy, nor preclude or restrict its further exercise. No single or partial exercise of such right or remedy shall preclude or restrict the further exercise of that or any other right or remedy.
- b) Unless specifically provided otherwise, rights arising under the Contract are cumulative and do not exclude rights provided by law.

### 1.14.4 Force Majeure

- a) For the purposes of the Contract, a Force Majeure Event means an event beyond the reasonable control of the Firm including but not limited to strikes, lock-outs or other industrial disputes (whether involving the workforce of the Firm or any other party), failure of a utility service or transport network, act of God, war, riot, civil commotion, malicious damage, compliance with any law or governmental order, rule, regulation or

direction, accident, breakdown of plant or machinery, fire, flood, storm or default of suppliers or subcontractors.

- b) The Firm shall not be liable to the Client as a result of any delay or failure to perform its obligations under the Contract as a result of a Force Majeure Event. If the Force Majeure Event prevents the Firm from providing any of its obligations for more than one month, the Firm shall, without limiting its other rights or remedies, have the right to terminate the Contract immediately by giving written notice to the Client.

#### **1.14.5 Complaints**

If the Client has any dissatisfaction with the service provided, the Firm has a Complaints Procedure in accordance with the requirements of the RICS. A copy of this will be provided to the Client on request.

#### **1.14.6 Governing Law and Jurisdiction**

The Contract, 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, English law, and the parties irrevocably submit to the exclusive jurisdiction of the courts of England and Wales.

#### **1.14.7 Data Protection**

The Firm takes its responsibility under the General Data Protection Regulation seriously at the highest management level and throughout the organisation. Our Privacy Policy details how we collect, use, maintain and disclose personal data.

#### **1.14.8 RICS Regulation**

The Firm is regulated by the RICS and it is advised that the RICS may, as part of its Regulatory function, check the Report for compliance with the current version of the RICS Red Book.

- 1.14.9 The Report will be made available in either hard copy or electronic format, depending on the client's instructions.

## **2. THE PREMISES (SUBJECT OF VALUATION)**

### **2.1 LOCATION**

The subject property is situated in the market town of King's Lynn. King's Lynn is the regional centre for West Norfolk and has a wide range of local facilities including both shops and schools. Road communications serving the town include the A10, A17, A47 and A149 main roads. King's Lynn also has the benefit of a main line rail link into London Kings Cross.

The subject property fronts directly onto the High Street in the prime pedestrianised retailing area of the town. Neighbouring occupiers are predominantly national retailers and include Primark; Barclays Bank; Greggs and Boots. The rear of the property is accessed by the Oldsunway service road.

### **2.2 DESCRIPTION (and Existing Use)**

The subject property comprises a mid-terraced three storey building arranged to provide retail accommodation on the ground floor with ancillary and staff accommodation on the first floor, the second floor is currently unutilised. The ground floor retail section of the property has been extended to the rear. The property is let in its entirety to Vision Express, the tenants name on the lease is King's Lynn (VE) Limited with a guarantee from Vision Express (UK) Limited. The lease is on full repairing and insuring terms for a period of 10 years from the 28 April 2017. There are no break options or rent reviews within the lease.

### **2.3 CONSTRUCTION**

The original three storey section of the building is of brick construction underneath clay tile and slate covered roofs. The later extension to the rear is of brick construction underneath a flat felt roof. Windows are timber single glazed units. Internal finishes to the ground and first floors include vinyl sheet and carpet covered floors, plastered and painted walls, and plastered and painted and suspended ceilings. The unutilised accommodation on the second floor has exposed floor boards and plastered and painted walls and ceilings.

### **2.4 AGE**

The original three storey section of the building is circa 1800. We are of the opinion that the single storey rear extension was constructed in the 1970's.

### **2.5 SITE**

The site is slightly irregular in shape. The footprint of the building occupies the whole of the site, as such site boundaries are defined by means of the party and external walls of the existing building. According to measurements taken at the time of our inspection, the site has an area of approximately 0.023 hectares or 0.056 acres. The site is level. The property valued is outlined in red on the Land Registry Plan contained in the appendices to the rear of this report. The property valued is Land Registry Title Number NK86292.

## 2.6 ACCOMMODATION

The accommodation is as follows:

| Accommodation  | Net Internal Area (m <sup>2</sup> ) |
|--|-------------------------------------|
| <u>Ground Floor</u>  |                                     |
| Retail area  | 169.78                              |
| Staff room   | 12.53                               |
| Toilet and lobby   | -                                   |
| Toilet and lobby   | -                                   |
| Total ground floor area (m <sup>2</sup> )                    | <u>182.31</u>                       |
| <u>First Floor</u>   |                                     |
| Stock room   | 22.63                               |
| Stock area   | 4.40                                |
| Lab area   | 15.88                               |
| Staff room   | 17.78                               |
| Stock room   | 4.48                                |
| Total first floor area (m <sup>2</sup> )                     | <u>65.17</u>                        |
| <u>Second Floor</u>  |                                     |
| Room   | 15.31                               |
| Cupboard   | 0.74                                |
| Cupboard   | 0.24                                |
| Room   | 20.62                               |
| Cupboard   | 0.47                                |
| Cupboard   | 0.51                                |
| Landing  | -                                   |
| Room   | 30.75                               |
| Room   | 12.56                               |
| Total second floor area (m <sup>2</sup> )                    | <u>81.20</u>                        |
| Total net internal area (m <sup>2</sup> ) of entire building | <b><u>328.68</u></b>                |

We have calculated that the ground floor has an ITZA area 100.71m<sup>2</sup> (1,084 sq.ft.)

In addition there is an attic area with a fixed form of access, this area was not measured at the time of our inspection.

## 2.7 SERVICES

Indications are that mains services of electricity, drainage and water are connected to the subject property. Space heating is by means of air conditioning/comfort cooling unit.

### 3. LOCAL AUTHORITY AND STATUTORY ISSUES

Local Authority: King's Lynn & West Norfolk Borough Council.

#### 3.1 RATING ASSESSMENT

We have checked the Valuation Office Agency website (for which we can accept no responsibility for accuracy) and this indicates the property is included within the Rating List 2017 being described as 'Shop and Premises' with a Rateable Value of £52,000. The actual liability may be subject to relief or phasing in respect of which regulations are made from time to time. A change in use of the premises could also affect the assessment or the amount payable. We have not investigated the amount actually payable in respect of the subject property.

#### 3.2 TOWN PLANNING

We have undertaken a brief planning history search on the Local Authority website. There are 16 planning applications relating to the subject property, the most recent and relevant are as follows:

Planning reference 18/01910/LB 'Listed building application: proposal to replace existing fascia and projecting signage with current branding and repaint existing store front like for like. Internal refit consists of new partitions, furniture, floor and wall finishes and new LED lighting throughout', permission granted 4 June 2019.

Planning reference 18/01911/A 'Advertisement application: 1 x non illuminated fascia sign and 1 x externally illuminated hanging sign', permission granted 20 December 2018.

Planning reference 15/01337/LB 'Listed building application to replace existing shop front doors and 4 no windows to rear store/wc', permission granted 30 October 2015.

Planning reference 15/01336/F 'Replace existing shop front doors and 4 no windows to rear store/wc', permission granted 30 October 2015.

Planning reference 08/01315/LB 'Listed building consent – internal alterations and external signs', permission granted 9 July 2008.

Planning reference 05/00351/LB 'Replacement non-illuminated fascia and hanging signs', permission granted 23 March 2005.

As such we have assumed that the property has planning consent for its current use and that there are no adverse conditions attached to the consent.

We understand the property is Grade II listed as a building of architectural or historic interest and is situated in a Conservation Area.

In arriving at our valuation it has been assumed that each and every building enjoys permanent planning consent for their existing use or enjoys, or would be entitled to enjoy, the benefit of a "Lawful Development" Certificate under the Town & Country Planning Acts, or where it is reasonable to make such an assumption with continuing user rights for their existing use purposes, subject to specific comments.

### 3.3 DEVELOPMENT/CHANGE OF USE

We are not aware of any potential development or change of use of the property or properties in the locality which would materially affect our valuation.

### 3.4 HIGHWAYS AND RIGHTS OF ACCESS

We believe that the High Street is an adopted highway maintainable at public expense but we have not made enquiries.

### 3.5 LICENCES and HMOs

Not applicable for the purposes of this report.

### 3.6 THE FIRE REGULATORY REFORM (FIRE SAFETY) ORDER 2005

This came into effect on 1<sup>st</sup> October 2006 and replaces most fire safety legislation. Fire authorities no longer issue Fire Certificates and those previously in force now have no legal status. Under this legislation, the 'responsible person' must now carry out a 'Fire Risk Assessment' (or more particularly ensure one is carried out by a suitably qualified person). Unlike the old Fire Certificates, the Fire Risk Assessment is in respect of the way the premises are used and thus this is not something which runs with property or is transferred to a new occupier. Lenders are advised to ensure that occupiers are required to obtain Fire Risk Safety Assessment which should be kept under review.

The valuer was informed by the occupiers that a Fire Risk Safety Assessment has been undertaken.

### 3.7 HEALTH AND SAFETY

All occupiers should be aware that Health and Safety requirements differ greatly according to how the premises are used. We have not made enquiries to ascertain the appropriateness of the premises for their current/proposed use or to confirm compliance with regulations.

### 3.8 CONTROL OF ASBESTOS REGULATIONS 2012

These Regulations require every 'duty holder' of non-domestic premises to assess whether asbestos is, or is liable to be, present; to prepare and implement a plan for managing any risks arising; and to review and revise the plan as necessary. A 'duty holder' is any person with any extent of responsibility for the maintenance or control of the whole or part of the premises.

We have made verbal enquiries on site during the course of our inspection and have been informed an assessment for asbestos in accordance with the Control of Asbestos Regulations 2012 has been carried out. It is beyond the scope of this report to advise whether this meets the requirements and therefore the client should be advised to make their own enquiries as to whether this is satisfactory and that the subsequent asbestos management programme meets their individual requirements.

### 3.9 EQUALITY ACT 2010 (DISABILITY DISCRIMINATION ACTS 1995 and 2005)

This legislation (which embraces the provisions of the Disability Discrimination Acts) imposes obligations on service providers and employers to make reasonable provision for disabled people. We have not carried out an access audit and therefore we do not speculate as to whether any alterations/adaptations would be required by a service provider or employer.

This legislation particularly applies where fifteen or more people are employed or where customers or service users may require access to business premises. The applicant should consider the extent to which this is relevant to his business and, if in any doubt, should commission advice from a suitably qualified insured individual or company. Landlords of residential properties may be required to consent to alterations of common parts, for example to facilitate access for disabled occupiers. Costly alterations/adaptations to physical features of the building, car parking, grounds etc. may be necessary as a result and this could impact on the value of the property.

### 3.10 MORTGAGE REGULATION

Lenders are required to ensure the mortgage contract will be regulated if more than 40% of the land to be given as security is (or should be) in residential use.

As the property is entirely commercial, the mortgage contract does not have to be regulated.

## ENVIRONMENTAL ISSUES

### 3.11 CONTAMINATION

We have considered the question of whether the property could be affected by contamination. However, we are not environmental auditors, we have not made any detailed enquiries as to historic land use and any contamination arising there from and our inspection has been for valuation purposes and we have not made any contamination investigations, invasive or otherwise.

From our enquiries and from what we noted when we attended at the property, we are not aware of any significant contamination affecting the property or neighbouring property which would affect our valuation. However, should it be established subsequently that contamination exists at the property or on any neighbouring land or the premises have been or are being put to any contaminative use, this might reduce the values now reported.

### 3.12 FLOODING

We have not made specific enquiries but we have checked the Environment Agency website ([www.environment-agency.gov.uk](http://www.environment-agency.gov.uk)) which indicates that the property is not situated on a flood plain.

Please note the Environment Agency website is not definitive and does not offer any form of guarantee as to accuracy. If it transpires that the property is more at risk of flooding than the Environment Agency website indicates, we should be informed as this may affect our valuation.

To the best of our knowledge, recent flooding affecting the property has not occurred.

### 3.13 ARCHAEOLOGICAL REMAINS

We saw no evidence of such remains but we have not made enquiries. Sometimes, however, protection or investigation of such remains is required by relevant authorities and this can result in major expenditure, inconvenience and delay as well as having a detrimental effect to the value of the property.

Our opinion of value assumes no such remains exist but if you are concerned and your further prudent enquiries reveal new information, then this should be referred to us as the value could be affected.

### 3.14 INVASIVE VEGETATION (e.g. Japanese Knotweed) and TREES

We did not identify any Japanese Knotweed or other particularly prevalent invasive species at the property.

We did not note the presence of trees in close enough proximity to structures to pose a threat in the short term in our opinion.

### 3.15 RADON

The property is not in a part of the country where there is an increased likelihood of Radon potentially posing a risk to health. Radon is a naturally occurring radioactive gas and is linked to increased incidences of lung cancer. The Ionising Radiations Regulations impose a duty on employers to protect workers from exposure to Radon. Further information may be obtained from Public Health England. In the event of the level of Radon at the property being discovered to be sufficiently high to require remedial works, significant costs could be incurred. For the purpose of our valuation, we have assumed that no such works are necessary.

### 3.16 ENERGY PERFORMANCE CERTIFICATE

We have checked the Department for Communities and Local Government website for EPCs and note from Certificate Reference Number: 0092-9894-0830-7090-4103 that the property has an Energy Performance Asset Rating of C-63.

Under the UK Energy Act 2011, Minimum Energy Efficiency Standards (MEES), it is unlawful for properties with F or G Energy Performance Certificates to be let, without implementing cost effective energy efficiency improvements or meeting an exemption criterion. This affects new leases and lease renewals/extensions where there is an EPC already. For all existing leases, MEES comes into effect on 1 April, 2023. Generally 'cost effective improvements' should meet the Green Deal's golden rule that expected savings must be greater than the cost or a simple payback will be achieved over a seven-year period. Thus unheated storage sheds, for example, would produce no savings for the cost of unnecessary insulation and would thus be considered exempt. Once premises are required to be heated, however, achieving the MEES will be likely to be necessary.

#### 4. TENURE/TITLE

Unless otherwise stated we have assumed the title is free from encumbrances and that Conveyancers' local searches and usual enquiries would not reveal the existence of statutory notices or other matters which would materially affect our valuation.

We are unaware of any rights of way, easements or restrictive covenants which affect the property, however we would recommend that the Conveyancers investigate the title in order to ensure this is correct.

We have not had sight of a copy of the title deeds, however, we have been advised that the property is freehold and is subject to a lease.

We have been provided with a copy lease dated 28 April 2017 and would advise that the property is held on the following terms:

- |      |                        |   |
|------|------------------------|---|
| 4.1  | Tenant:                | King's Lynn (VE) Limited.   |
| 4.2  | Term:                  | 10 years from the 28 April 2017.  |
| 4.3  | Rent:                  | £45,000 per annum.  |
| 4.4  | Rent reviews:          | No provision for rent review within the lease.  |
| 4.5  | Repairing obligations: | Tenant full repairing.  |
| 4.6  | Insurance:             | Landlord to insure and recover the premium from the tenant.   |
| 4.7  | Permitted use:         | A1.   |
| 4.8  | Alienation:            | Tenant can assign subject to an authorised guarantee agreement.   |
| 4.9  | Sureties:              | The rent is guaranteed by Vision Express (UK) Limited.  |
| 4.10 | Other Matters:         | The lease is inside the provisions of the Landlord & Tenant Act 1954.   |
| 4.11 | Lease Commentary:      | The subject property is let on a conventional full repairing and insuring lease with no break options. The lease is slightly unusual in that there are no rent review provisions.   |
| 4.12 | Strength of Covenant:  | The value of investment property is particularly sensitive for the perceived or actual financial strength/prestige of the lessee. Lenders need to be ensured that the rental income under the lease is reasonably well secured. For the year ending 31 December 2018 Vision Express (UK) Limited reported a turnover of £324,319,000 and an operating loss of £16,043,000 with net assets of £92,655,000, however, Vision Express have acquired the Tesco Optician chain of stores and are re-branding. |

NB: All aspects of tenure/title should be checked by the client's legal representatives prior to exchange of contract and insofar as any assumption made within the body of this report is proved to be incorrect then the matter should be referred back to the valuer in order to ensure the valuation is not adversely affected.

## **5. ADDITIONAL COMMENTS AND RECOMMENDATIONS**

### **5.1 GENERAL STATE OF REPAIR**

We have not carried out a building survey or tested services, nor have we inspected those parts of the property which are covered, unexposed or inaccessible and such parts have been assumed to be in good repair and condition. We cannot express an opinion about or advise upon the condition of uninspected parts and this report should not be taken as making any implied representation or statement about such parts.

Old structural movement was noted at the time of our inspection, no evidence of any significant, continuing, recent movement noted at the time of our inspection.

Overall the property is in satisfactory condition for a building of this age, type and character. We understand that the tenants have relatively recently undertaken improvement works to the building. The second floor would benefit from modernisation but reflecting the fact that they are unused, the fact that they require modernisation has no adverse impact on value.

The electrical and mechanical components and fittings within the property would appear to be in satisfactory condition. However, these have not been tested by a specialist contractor and we are therefore unable to confirm whether they are in safe working order. Our valuation assumes only general maintenance works would be required for such components and fittings to be useable.

### **5.2 ECONOMIC LIFE**

In our opinion, the property has a functional and economic life of at least 25 years providing that general maintenance and repair works continue to be undertaken. Therefore, the marketability of the property should be sustainable during this period.

### **5.3 MARRIAGE/SPECIAL PURCHASER VALUE**

As far as we are aware, there is no hope, synergistic/marriage or special purchaser value attributable to the property now, or likely to arise in the near future and no allowance has been made for such enhancement in value.

### **5.4 MARKET CONDITIONS**

We are of the opinion that current demand from purchasers is considered to be fair for the market sector. Demand from tenants is considered to be fair/poor. The property is well located and within the prime retail area of the town, however, it is relatively large, however, conversely this may appeal to national retailers. We would envisage a letting period for the property of approximately 9-12 months and potentially a tenant rent free period in the region of 6 months. It must be stated that investors/purchasers appetite for retail properties in market town locations has contracted significantly in recent years, leading to a decline in rental values for this type of property. Further market conditions are impossible to predict, but given the general sentiment towards retail properties, coupled with the changing face of retail and shopping habits and the demise of many well-known High Street brands, rents and subsequently values of retail properties may continue to decline further. This trend has been further exacerbated by the Covid-19 pandemic and recent lockdown.

#### **Important note of which the client must have regard to:**

**The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a Global Pandemic on the 11th March 2020, has impacted many aspects of daily life and the global economy – with some real estate markets experiencing significantly lower levels of transactional activity and liquidity. As at the valuation date, in the case of the subject property, there is a shortage of market**

evidence for comparison purposes, to inform opinions of value. Our valuation of this property is therefore reported as being subject to material valuation uncertainty as set out in VPS 3 and VPGA 10 of the RICS Valuation – Global Standards. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. For the avoidance of doubt, the inclusion of the ‘material valuation uncertainty’ declaration above does not mean that the valuation cannot be relied upon. Rather, the declaration has been included to ensure transparency of the fact that – in the current extraordinary circumstances – less certainty can be attached to the valuation than would otherwise be the case. The material uncertainty clause is to serve as a precaution and does not invalidate the valuation. Given the unknown future impact that COVID-19 might have on the real estate market and the difficulty in differentiating between short term impacts and long-term structural changes, we recommend that you keep the valuations contained within this report under frequent review.

### Special Assumption Valuation Figures

If a special assumption valuation has been requested, on the basis of a 180 day or other specified sale period, then as per the open market valuation, which has been provided in accordance with the RICS market uncertainty clause, this special assumption valuation is also provided based on pre-11th March evidence and market conditions (unless more recent market evidence is available). This special assumption figure does not and cannot take into account any changes to market conditions due to the Covid-19 pandemic so, consequently, less certainty and a higher degree of caution should be attached to this valuation than would normally be the case.

## 5.5 ANALYSIS

The subject property comprises a 3 storey mid-terraced Grade II Listed building situated in the prime retail area of King's Lynn. The subject property is let in its entirety to Vision Express on a 10 year lease from 28 April 2017, thus having approximately 7 years remaining on the lease. There are no break options in the lease. The property is slightly over-rented in our opinion, however, this is to be expected in light of the fact that the lease was agreed in 2017.

We are of the opinion that the property provides suitable security for secured lending purposes assuming that satisfactory answers are received to all legal enquiries and the Bank has regard to the commentary on Covid-19 and Brexit and the potential effect on market conditions.

## 5.6 METHODOLOGY AND RATIONALE

| VALUATION  |   |
|--|---|
| <i>(please carefully read the lenders instruction letter and make sure that valuations are provided on the required basis)</i> |   |
| Market Value subject to the current lease to Vision Express  | £500,000 (Five Hundred Thousand Pounds).                |
| Market Value subject to the current lease to Vision Express assuming a 90 day marketing period                                 | £460,000 (Four Hundred and Sixty Thousand Pounds).      |
| Market Value assuming full vacant possession   | £400,000 (Four Hundred Thousand Pounds).                |
| Market Rent (MR)   | £40,500 (Forty Thousand Five Hundred Pounds) per annum. |
| Insurance Reinstatement Estimate:  | £720,000 (Seven Hundred and                             |

**Important note of which the client must have regard to:**

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a Global Pandemic on the 11th March 2020, has impacted many aspects of daily life and the global economy – with some real estate markets experiencing significantly lower levels of transactional activity and liquidity. As at the valuation date, in the case of the subject property, there is a shortage of market evidence for comparison purposes, to inform opinions of value. Our valuation of this property is therefore reported as being subject to material valuation uncertainty as set out in VPS 3 and VPGA 10 of the RICS Valuation – Global Standards. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. For the avoidance of doubt, the inclusion of the ‘material valuation uncertainty’ declaration above does not mean that the valuation cannot be relied upon. Rather, the declaration has been included to ensure transparency of the fact that – in the current extraordinary circumstances – less certainty can be attached to the valuation than would otherwise be the case. The material uncertainty clause is to serve as a precaution and does not invalidate the valuation. Given the unknown future impact that COVID-19 might have on the real estate market and the difficulty in differentiating between short term impacts and long-term structural changes, we recommend that you keep the valuations contained within this report under frequent review.

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In arriving at our opinion of value for the subject property, we have had regard to the following comparable transactions:

90 High Street, King's Lynn. Former Thorntons premises. Letting agreed on a 5 year full repairing and insuring lease. Rent for year 1 £21,000 per annum, rising to £22,500 per annum for the remaining 4 years of the lease. Equates to an average rent of £22,200 per annum. From floor areas taken from the Valuation Office Agency website we have calculated that the property has an ITZA area of 627 sq.ft. At the average rent of £22,200 this equates to a Zone A rent of £35.40 per sq.ft.

24-25 High Street, King's Lynn. Let to Rymans Stationery. Lease renewal September 2019. Five year FRI lease at a rent of £24,000 per annum. Equates to a Zone A rent of £22.99 per sq.ft. The subject property is in a poorer retailing location on the High Street.

45 High Street, King's Lynn. Former Game premises let to VPZ (a vape shop). Let at £24,000 per annum from June 2019. ITZA area of 695 sq.ft. Equates to a Zone A rent of £34.53 per sq.ft.

69 High Street, King's Lynn. Let on a 5 year lease from August 2019. Rent for the first year £15,000 per annum. Rent for the remaining 4 years £16,000 per annum. Equates to an average rent of £15,800 per annum. According to the Valuation Office Agency website the property has an ITZA area of 449 sq.ft. Equates to a Zone A rent of £35.19 per sq.ft. Slightly poorer location than the subject property.

24-25 High Street, King's Lynn. The Rymans premises as described above. Sold for £290,000 in November 2019. Equates to a yield of 8.27%. Different tenant and poorer location within the town, but sets a tone for investment yields.

58 High Street, Ashford, Kent. Retail property let to Vision Express (UK) Limited on a 5 year FRI lease from January 2019 at a rent of £30,000 per annum. Sold for £370,000 May 2019. Equates to a yield of 8.1%.

17 New Street and 2 King Street, Huddersfield, West Yorkshire. Long leasehold property let to Vision Express (UK) Limited. Let at a rent of £51,300 per annum. Sold for £425,000 July 2020. Equates to a yield of approximately 12%, however, we understand that the property required works of refurbishment and also the property is currently over-rented. The property was let on a 10 year lease from 2014. Using valuer judgement we have discounted this rent by 30% which would give a market rent in the region of £35,910, assuming that this rent is broadly at market level, equates to a yield of approximately 8.4%.

In our opinion, the best Zone A retail comparable is the former Thorntons unit at 90 High Street. This is in close proximity to the subject property on the opposite side of the High Street. The letting has been agreed at an average rent of £22,200 per annum and the letting is a post 'lockdown' letting and equates to a Zone A rent of £35.40 per sq.ft. This is broadly in line with the other pre-lockdown rental evidence. The former Thorntons unit is smaller than the subject property, however, in our opinion we feel that the size of the subject property coupled with its proximity to Primark would make it attractive to national occupiers. As such we are attributing a Zone A market rent to the subject property of £35 per sq.ft. This also accounts for the fact that the property is well presented and has had remedial works undertaken in the last few years.

The tone of yield evidence ranges from 7.9% up to approximately 12%. The sale of the Rymans building on the High Street appears to indicate a tone for investment yields in King's Lynn in the region of 8%, however, it must be borne in mind that this is a different tenant. The recent sale of the Vision Express unit in Huddersfield was for a long leasehold unit. Speaking to the Auctioneer involved, potential purchasers were deterred by the size of the property and the fact that there were some structural issues. The property was sold to a cash buyer known to the vendor. Speaking to the Auctioneer the property was also over-rented as the lease was agreed in 2014. Adjusting the passing rent downwards by 30% would lead to a yield of approximately 8.5%. As such for valuation purposes, reflecting the lease to Vision Express we are of the opinion that a yield of 8.5% is suitable.

Our calculations in arriving at our opinions of market rent and market value are set out below.

#### Market Rent

|                                |                 |                    |                      |
|--------------------------------|-----------------|--------------------|----------------------|
| Ground floor ITZA retail area: | 1,084 sq.ft.    | x £35 per sq.ft.   | = £37,940            |
| Ground floor staff room:       | 135 sq.ft. A/10 | x £3.50 per sq.ft. | = £472               |
| First floor:                   | 701 sq.ft. A/20 | x £1.75 per sq.ft. | = £1,227             |
| Second floor:                  | 874 sq.ft. A/30 | x £1.16 per sq.ft. | = £1,014             |
| Total rent:                    |                 |                    | = £40,653            |
| Say:                           |                 |                    | = £40,500 per annum. |

As such we are reporting a market rent of £40,500 assuming a five year full repairing and insuring lease.

In arriving at our opinion of market value subject to the current lease and reflecting the fact that the property is slightly over-rented in our opinion we have utilised a top slice and bottom slice approach, therefore our valuation is as follows:

Market rent: £40,500 per annum x YP per 8.5% (11.7647) = £476,470

Top slice: £4,500 per annum x YP 7 years @ 9% 5.0330 = £22,648

Total: £499,118

Say: £500,000.

As such we re reporting a market value for the subject property subject to the lease to Vision Express of £500,000.

We have made suitable adjustments for valuations on the assumption of a 90 day sale period and on the assumption of vacant possession.

## 6. SIGNATURE AND DATE OF REPORT

The property was inspected on 13 August 2020 by, and the report prepared by, Giles Stovold BSc (Hons) MRICS FNAEA, who has the relevant experience and knowledge of valuing this type of property.

We confirm that neither the firm nor the valuer has any conflict of interest in this matter.

The undersigned has not previously had any professional involvement in connection with the property.

Signed



RICS Registered Valuer No. 1177949

Giles Stovold BSc (Hons) MRICS FNAEA

Countersigned



RICS Registered Valuer No. 0100480

Edward Weightman BSc (Hons) MRICS MFPWS



CHARTERED SURVEYORS,  
17 High Street  
King's Lynn  
Norfolk  
PE30 1BP

Date of Report: 18 August 2020 which is the date of the Valuation unless stated otherwise.

## APPENDIX I Photographs

### Street Scenes



38-39 High Street, King's Lynn, Norfolk, PE30 1BJ

Front Elevation



Rear Elevation



### Internal Photographs



38-39 High Street, King's Lynn, Norfolk, PE30 1BJ



38-39 High Street, King's Lynn, Norfolk, PE30 1BJ







## APPENDIX II

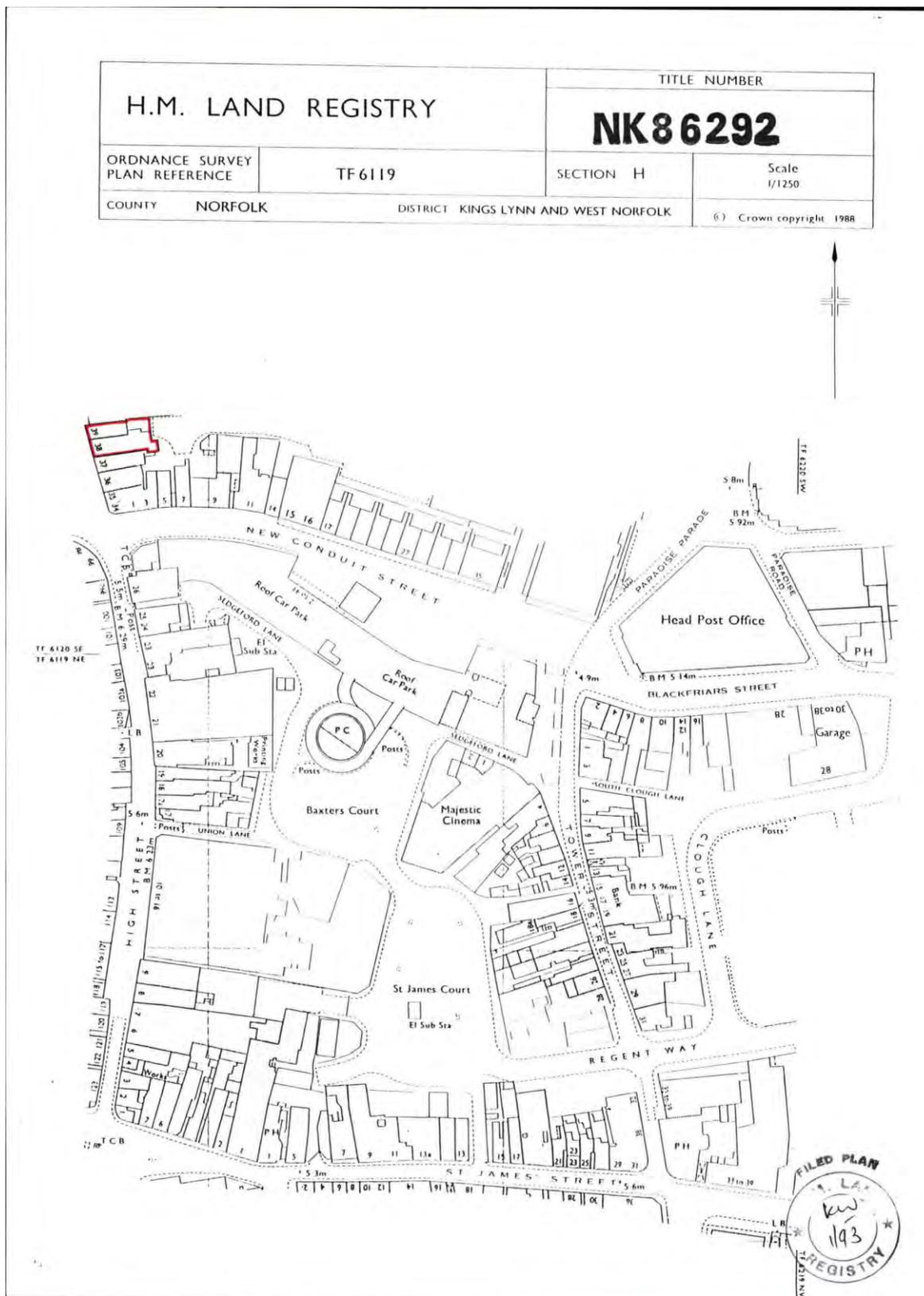
### Location and Land Registry Plans



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**Promap v2**  
LANDMARK INFORMATION

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## APPENDIX III Copy of Instruction



01642 26 22 17  
info@vas-group.co.uk  
vas-group.co.uk  
The Palace Hub, 28-29 Esplanade,  
Redcar, TS10 3AE

**Date Sent:** Thursday 6th August 2020

**Time:** 11:57

**Our Ref:** VP#23843

**\*\*PLEASE SEND ALL REPORTS TO VAS PANEL\*\***

Following our recent communications, please take this as our formal instruction to carry out a valuation of the property detailed below on behalf of:

**Proplend Security Limited**

Please note that our client's requirements are attached. Please make sure all Lender requirements are adhered to, including their basis of valuation.

**\*IMPORTANT\* - Please append the VAS Executive Summary to the front of your Valuation Report (Not as a separate document as this will be rejected at Audit Stage) – As agreed in our Panel Agreement**

**Please ensure that a minimum of 10 photographs of the property - including internal photographs are taken at the time of the inspection**

The Service Level Agreement (SLA) for this instruction is: **7 days** from date of inspection

Should there be any reason that the SLA cannot be adhered to, VAS Panel should be notified immediately in order to keep our client informed of the delay in issuing the Report.

Your Report should be submitted electronically to [info@vas-group.co.uk](mailto:info@vas-group.co.uk) no later than 12pm on the Report return date.

**THE INSPECTION DATE MUST BE COMMUNICATED TO VAS PANEL WITHIN 24 HOURS OF INSTRUCTION**

**Property Address:**

38-39 High Street  
King's Lynn  
Norfolk  
PE30 1BJ

**Estimated Value:**

£535,000

**Property Description:**

vas-group.co.uk



01642 26 22 17  
info@vas-group.co.uk  
vas-group.co.uk  
The Palace Hub, 28-29 Esplanade,  
Redcar, TS10 3AE

The property will be purchased at auction, however, understand the value to be in the region of £535,000 and currently utilised as an opticians. 10 year lease to Vision Express until 27/04/2027 at a rent of £45,000 per annum

**Property Type:**

Commercial

**Type of Report Requested:**

Red Book & VAS Panel Executive Summary

**Valuation Requirements:**

AS IS

**Additional Information:**

N/A

**Report to be carried out on behalf of:**

Proplend Security Limited  
20-22 Wenlock Road, London, N1 7GU

**Applicant Name:**

Cicek Investments Ltd (REF: RR CICEK)  
Mr Mehmet Cicek

**Access Arranged Through:**

Mr Ian Kitson

**Access Contact Details:**

07881 378 122

**NB: Copies of the Report are NOT to be distributed to any third party, including Brokers or the Applicant, without full consent of VAS Panel. Valuation figures are also not to be disclosed to those parties stated without written consent from VAS Panel, failure to acquire consent may result in exclusion from the panel.**

Please note: Valuation reports are subject to an internal quality control (QC) check. The emphasis of this is to check that all points outlined in the Clients specific valuation instruction letter have been adhered to, provision of rental / sales comparables with full valuation methodology / justification to support your valuation.

We might require you to discuss various aspects of your report and we require the primary valuer to provide a prompt response to any queries raised.

vas-group.co.uk



- 📞 01642 26 22 17
- ✉️ info@vas-group.co.uk
- 🌐 vas-group.co.uk
- 📍 The Palace Hub, 28-29 Esplanade, Redcar, TS10 3AE

We trust the above is self-explanatory, however; should you require any further information or assistance please do not hesitate to contact us.

Kind Regards,

*Team VAS*

vas-group.co.uk

38-39 High Street, King's Lynn, Norfolk, PE30 1BJ



Proplend Security Limited  
20-22 Wentlock Road  
London  
N1 7GU

Attn: Russen and Turner  
c/o: VAS Panel  
The Palace Hub  
28-29 Esplanade  
Redcar  
TS10 3AE

Ref: RR (Cicek)

Dear VAS,

Please accept this letter as our formal instruction to your firm to carry out a valuation, for mortgage purposes, on the address(es) indicated below ("Property"), which is being used as security by a Borrower for certain loans from lenders on the Proplend peer-to-peer lending platform.

The valuation shall be addressed to Proplend Security Limited which will rely on the valuation as trustee on behalf of the lenders. The valuation is paid for by the Borrower and made available to the lenders by the Borrower in support of the Borrower's loan request for lenders as part of the information they are able to review in the course of deciding whether or not to make an offer to lend to that Borrower.

The valuation is also used by Proplend Ltd to create certain loan tranches and determine whether the ratio of the amount of the loan to the value of the Property (LTV) exceeds the applicable LTV limit.

|                    |   |
|--------------------|---|
| Borrower:          | Cicek Investments Ltd   |
| Properties:        | 38/39 High St, Kings Lynn, PE30 1BJ   |
| Tenure:            | Freehold  |
| Use:               | Retail  |
| Tenancies:         | 10 year lease to Vision Express until 27/04/2027 at a rent of £45,000 per annum |
| Applicant Details: | Mehmet Cicek / 07861 801 752 / mehmetcicek@hotmail.co.uk                        |

#### Instruction

The report containing your valuation (Valuation Report) should be addressed to Proplend Security Limited which must clearly state that it can be relied upon for the purposes described in this instruction letter by the parties named herein. Please ensure that the Valuation Report accords with the current RICS Appraisal and Valuation Manual.

Please indicate in your Valuation 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 Valuation Report must be signed by a partner or director of the firm who is a member of the Royal Institute of Chartered Surveyors.

#### 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 Valuation Report, and changes in market conditions that you are able to predict, and should include:

1. The Open 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.
2. The Open Market Valuation for loan security purposes of the Property in its current condition within 90 days of the date of your inspection, subject to any current tenancies in place and sold as a going concern.



Proplend Security Limited  
20-22 Wentlock Road  
London  
N1 7GU

3. A valuation of the Property on the assumption of Vacant Possession.
4. Please provide comparable evidence to support your assumptions on values.
5. Please provide an estimated rental value for the subject Property(s).
6. Please provide commentary on continued likely market demand for properties of this size and nature, in this location, for sale and to let.
7. Please provide an estimated reinstatement cost of the buildings for insurance purposes.
8. 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.
9. Please certify that the Property is acceptable for secured lending purposes.

Please provide as appendices:

1. Sufficient colour photographs of the street scene, exterior (front and rear) and interior of the Property.
2. A general location map and a more detailed plan showing boundaries you have assumed for the Property.
3. Land registry extract.

#### 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 Valuation Report and comment on specific items which may affect your valuation, with a response required within 24-hours of receipt of the Report on Title.

#### Fees

Please Invoice VAS.

Draft reports are not acceptable. Following provision of the Valuation Report, you should be prepared to discuss its contents with the Borrower and Proplend Security Limited (as trustee on behalf of the lenders). By sending the Valuation Report you signify your acceptance of the terms of this letter of instruction, which shall be governed by and construed in accordance with English law.

A handwritten signature in black ink, appearing to read 'B Bartaby', with a horizontal line extending to the right.

Brian Bartaby  
Director  
Proplend Security Ltd

**APPENDIX IV**  
Copy of Lease

DATED 28 April 2017

**GLENSTONE PROPERTY PLC**

and

**KING'S LYNN (VE) LTD**

and

**VISION EXPRESS (UK) LIMITED**

**COUNTERPART LEASE**

relating to

**38 AND 39 HIGH STREET, KINGS LYNN, PE30 1DA**



Spearing Waite LLP  
Solicitors  
34 Pocklington's Walk  
Leicester LE1 6BU  
DX: 10837 Leicester 1  
Tel: 0116 262 4225  
Fax: 0116 262 0607  
Ref: TB01/GH02/GLE22/7812947121

**PRESCRIBED CLAUSES**

**LR1. Date of lease**

28 April 2017

**LR2. Title number(s)**

**LR2.1 Landlord's title number(s)**

NK86292

**LR2.2 Other title numbers**

None

**LR3. Parties to this lease**

**Landlord**

**GLENSTONE PROPERTY PLC** (Company Registration Number 00986343) whose registered office is at Parkway House, Sheen Lane, London, SW14 8LS

**Tenant**

**KING'S LYNN (V.E.) LIMITED** (Company Registration Number 03575133) whose registered office is at Mere Way, Ruddington Fields Business Park, Nottingham, Nottinghamshire, NG11 6NZ

**Other parties**

None

**Guarantor**

**VISION EXPRESS (UK) LIMITED** (Company Registration Number 02189907) whose registered office is at Mere Way, Ruddington Fields Business Park, Nottingham, Nottinghamshire, NG11 6NZ

**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 "Premises" in Clause 1.1.2 of this lease.

**LR5. Prescribed statements etc.**

None.

**LR6. Term for which the Property is leased**

The term as specified in this lease at Clause 3.

**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 2.2 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 2.3 of this lease.

**LR12. Estate rentcharge 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**

None

THIS LEASE is dated

28 April

2017

- (1) **LANDLORD: GLENSTONE PROPERTY PLC** (Company Registration Number 00986343) whose registered office is at Parkway House, Sheen Lane, London, SW14 8LS
- (2) **TENANT: KING'S LYNN (V.E.) LIMITED** (Company Registration Number 03575133) whose registered office is at Mere Way, Ruddington Fields Business Park, Nottingham, Nottinghamshire, NG11 6NZ ; and
- (3) **GUARANTOR: VISION EXPRESS (UK) LIMITED** (Company Registration Number 02189907) whose registered office is at Mere Way, Ruddington Fields Business Park, Nottingham, Nottinghamshire, NG11 6NZ.

## 1. DEFINITIONS AND INTERPRETATION

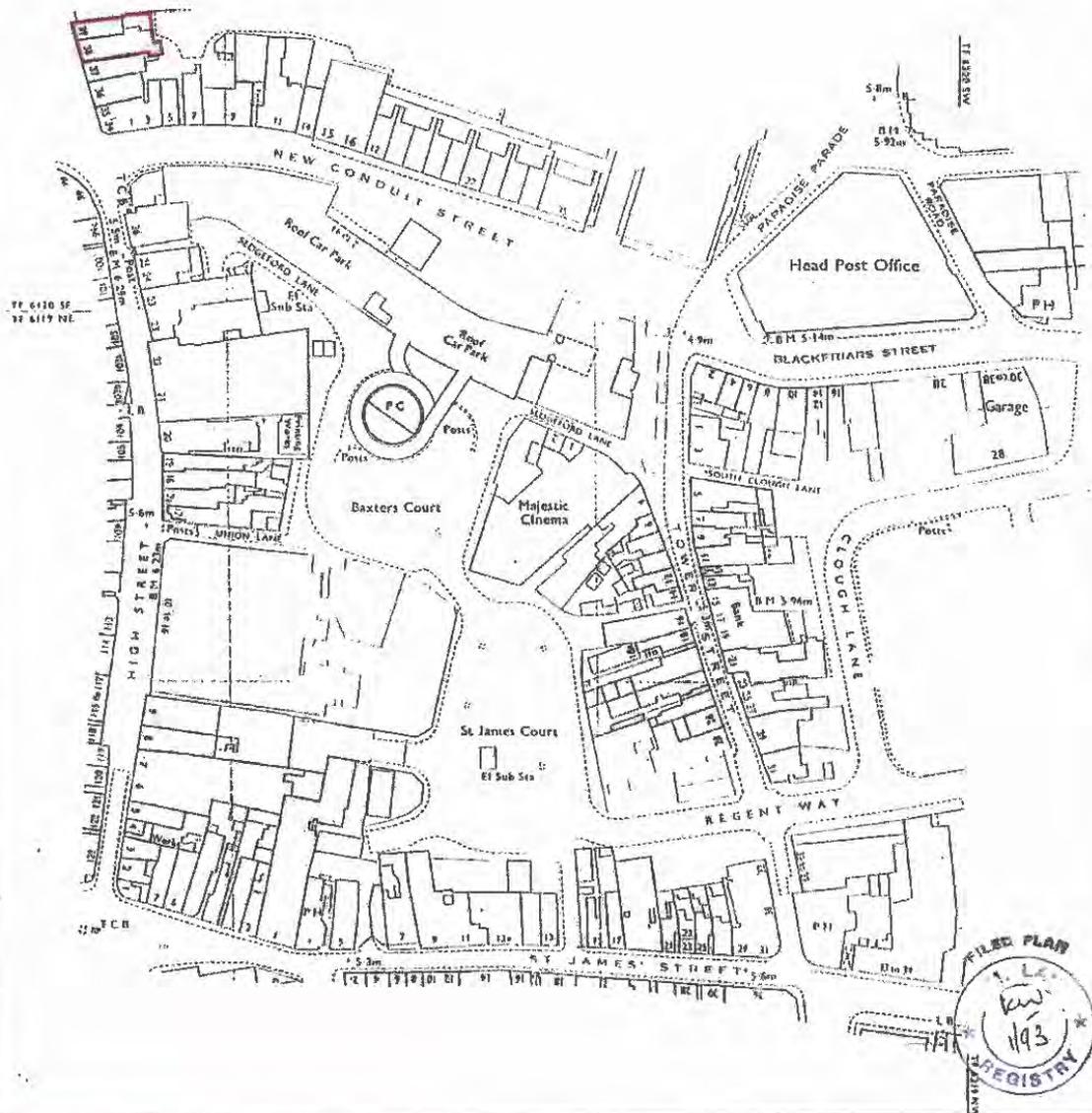
### 1.1. Definitions

In this clause and in this lease the following expressions shall bear the following meanings respectively:-

- 1.1.1. **"Conduits"** Conduits, pipes, sewers, drains, soakaways, channels, culverts, gutters, flues, watercourses, ducts, wires, cables, aerials, optic fibres or other media for the passage or transmission of water, soil, gas, air, smoke, electricity, light, information or other matters and all ancillary structures and equipment or any of them;
- 1.1.2. **"the Demised Premises"** 38 and 39 High Street Kings Lynn the freehold reversion to which is registered at HM Land Registry under title number NK86292 and for identification purposes only delineated by red edging on the Plan which shall include (inter alia where the context so admits) any additions, improvements, landlord's fixtures and fittings, window, frames, glass, window furniture, sash cords all doors, door frames, and door furniture, the shop front and fascia and sanitary apparatus, foundations, roofs, gutters, walls, fences, Conduits, stairs, passages and halls;
- 1.1.3. **"Group Company"** a company that is a member of the same group (within the meaning of section 42 of the Landlord and Tenant Act 1954) as the Tenant
- 1.1.4. **"the Insured Risks"** fire, lightning, aircraft, explosion, riot and civil commotion, terrorism, malicious damage, storm, tempest, flood, bursting or overflowing of water tanks, apparatus or pipes, impact, impact by own vehicles, sprinkler leakage, subsidence and accidental damage and such other usual commercial risks as the Landlord in its reasonably exercised discretion insures against from time to time and in respect of which the Landlord shall have given written notice to the Tenant of its intention to insure;

- 1.1.5. **"Interest"** interest at the rate of three percentage points above the base rate from time to time of National Westminster Bank Plc during the period from the date on which the expenditure is incurred or from which the interest is expressed to run to the date of payment as well before as after any judgment and if such base rate shall for any reason cease to be used or published then interest calculated by reference to such other comparable commercial rate as the parties may agree or in default of agreement as may be determined by an independent person to be nominated in the absence of agreement by or on behalf of the President for the time being of the Royal Institution of Chartered Surveyors on the application of the Landlord (and the fees of such person including the cost of his appointment to be borne equally by the Landlord and the Tenant);
- 1.1.6. **"the Landlord's Surveyor"** any person (being an associate or fellow of the Royal Institution of Chartered Surveyors) or firm (one at least of whose members shall be so qualified) (whether or not an employee of the Landlord) appointed by or acting for the Landlord to perform the function of a surveyor for any purpose of this lease;
- 1.1.7. **"Legal Requirements"** all statutes, regulations and orders and all requirements, directions, codes of practice, circulars and guidance notes of or issued by any competent authority exercising powers under statute or Royal Charter and all directly applicable EC law and case law;
- 1.1.8. **"the Liability Period"** in the case of:-
- 1.1.8.1. the Guarantor named as party (3) to the Lease or any guarantor required pursuant to clause 5.11.3.3 the period during which the Tenant for the time being is bound by the tenant covenants of this lease together with any additional period during which the Tenant is liable under an authorised guarantee agreement; or
- 1.1.8.2. any guarantor under an authorised guarantee agreement the period during which the tenant for the time being is bound by the tenant covenants of this lease;"
- 1.1.9. **"the Plan"** the plan attached to this lease;
- 1.1.10. **"the Planning Acts"** the Town and Country Planning Acts 1990, The Planning (Listed Buildings and Conservation Areas) Act 1990, The Planning (Hazardous Substances) Act 1990, The Planning (Consequential Provisions) Act 1990, and all statutes referred to therein to the extent that they remain in force and all statutes regulation and orders included by clause 1.2.6;
- 1.1.11. **"the Rent"** Forty Five Thousand Pounds (£45,000) per annum exclusive of VAT (if applicable)

|                                   |                                      |                |                        |
|-----------------------------------|--------------------------------------|----------------|------------------------|
| H.M. LAND REGISTRY                |                                      | TITLE NUMBER   |                        |
|                                   |                                      | <b>NK86292</b> |                        |
| ORDNANCE SURVEY<br>PLAN REFERENCE | TF6119                               | SECTION H      | Scale<br>1/1250        |
| COUNTY NORFOLK                    | DISTRICT KINGS LYNN AND WEST NORFOLK |                | © Crown copyright 1988 |



This official copy is incomplete without the preceding notes page.

- 1.1.12. **"the Registered Entries"** all matters referred to in the property and charges registers to title number NK86292;
- 1.1.13. **"VAT"** Value Added Tax chargeable under the Value Added Tax Act 1994 or under the Sixth Council Directive of the Council of the European Communities (77/388/EC) or under any rule regulation order or instrument authorised to be made by that Act or by that Directive or any identical or substantially similar tax which may replace such Value Added Tax.
- 1.1.14. **"Uninsured Risks"** a risk or an Insured Risk against which insurance cover is not generally available or ceases to be available for properties such as the Demised Premises or is available only on terms or subject to conditions making it unreasonable in normal circumstances to effect insurance against that risk and Uninsured Risk means any one of the Uninsured Risks.

1.2. Interpretation

- 1.2.1. Wherever the context so admits, references in this lease to the Landlord include the immediate reversioner for the time being and references in this lease to the Tenant include the successors in title of the Tenant.
- 1.2.2. At any time when the Landlord the Tenant or the Guarantor (if any) comprise two or more persons such expressions shall include all or either or any such persons and obligations expressed or implied to be made by or with any of them shall be deemed to be made by or with such persons jointly and severally.
- 1.2.3. References to any right exercisable by the Landlord shall where the context so admits include the exercise of such right by any superior lessor and all persons authorised by the Landlord or any superior lessor.
- 1.2.4. Any right in this lease to have access to or entry upon the Demised Premises shall be construed as extending to all persons authorised by the Landlord including agents, professional advisers, contractors, workmen and others.
- 1.2.5. In any case in which the consent or approval of the Landlord is required under this lease the giving of such consent shall be conditional upon the consent of any superior lessor being obtained so far as may be required and the Landlord shall at the request and cost of the Tenant use all reasonable endeavours to obtain any such consents or approvals whenever they may be required.
- 1.2.6. Any reference in this Lease to a statute order or other Legal Requirement shall include from time to time throughout the term any statutory extension, modification or re-enactment or amendment of such statute order or Legal Requirement and any regulations and orders made under them, but if this lease defines the permitted use of the Demised Premises by reference to the Town and Country Planning (Use Classes) Order 1987 the reference shall be to that order in the form in which it is in force on the date when this lease is entered.

- 1.2.7. Any covenant in this lease by the Tenant not to do an act or thing shall be deemed to include an obligation not to agree or suffer such act or thing to be done and to use all reasonable endeavours to prevent such act or thing being done by another person.
- 1.2.8. Any reference in this lease to development shall have the meaning given by section 55 of the Town and Country Planning Act 1990.
- 1.2.9. Any reference in this lease to parting with possession shall be deemed to include sharing possession or parting with or sharing occupation or holding the Demised Premises on trust for another.
- 1.2.10. Wherever the context so admits or requires references in this lease to the Demised Premises shall include any part of the Demised Premises.
- 1.2.11. Headings of paragraphs and of schedules (if any) and the front cover and contents section of this lease shall be deemed not to form part of this lease and shall not be taken into account in the construction or interpretation of this lease.
- 1.2.12. References in this lease to any clause, subclause or schedule without further designation shall be construed as references to the clause or subclause of or schedule to this lease so numbered.
- 1.2.13. References in this lease to this lease shall (except in the case of references to the date of this lease or the date of entry into this lease) be construed as a reference to this lease and any deed, licence, consent or other instrument supplemental to this lease.

## **2. DEMISE AND PREMISES**

### **2.1. The demise**

The Landlord demises to the Tenant the Demised Premises with full title guarantee.

### **2.2. Ancillary rights**

The Landlord grants to the Tenant (in common with the Landlord and all others entitled and insofar only as the Landlord is entitled to grant) rights

- 2.2.1. to the free passage of water, soil, gas, electricity and telecommunications to and from the Demised Premises through such of the Conduits as are now or may at any time in the future be in, upon or under any other part of any neighbouring premises of the Landlord all such rights to be so far as necessary for the enjoyment of the Demised Premises; and

- 2.2.2. enjoyed by the Demised Premises at the date hereof.

2.3. Excepted and reserved rights

There are excepted and reserved from the demise, in favour of the Landlord and all others now entitled or who may become entitled, rights to enter the Demised Premises for any reasonable purposes and in the manner mentioned in this lease.

2.4. Subjections and Benefits

The demise is made subject to or (as the case may be) with the benefit of:-

2.4.1. all easements and similar rights and privileges to which the Demised Premises are or may be subject;

2.4.2. the Registered Entries.

**3. TERM**

The term granted by this lease is ten years commencing on the date of this Lease and ending on *27 April* 2027.

**4. RENT**

4.1. Reserved rents

The rents reserved by this lease are:-

4.1.1. the Rent ;

4.1.2. the insurance expense referred to in clause 5.4; and

4.1.3. any VAT and/or other tax chargeable on any of the rents reserved by the preceding provisions of this clause 4.

**5. TENANTS COVENANTS**

The Tenant covenants with the Landlord throughout the term in the terms set out in this clause 5.

5.1. Rent payment

5.1.1. To pay the Rent without deduction or set off save as may be required by statute by equal payments in advance on or before the first day of each month by (unless the Landlord shall from time to time express a contrary requirement to the Tenant in writing) bankers standing order or BACS the first payment made on the date of this lease being an appropriate proportion from the date of this lease to the last day of the current month.

5.1.2. If and for so long as the amount of the Rent which the Tenant is liable to pay shall be restricted by law, the Tenant shall instead of the Rent pay the maximum amount of rent which such restriction may from time to time allow.

5.2. Outgoings

To indemnify the Landlord against all existing and future rates, taxes and outgoings payable for the Demised Premises and such proportion shall (so far as concerns matters of fact) be determined by the Landlord's Surveyor of those payable for the Demised Premises together with other premises **PROVIDED THAT** the Tenant shall not be liable for any such sums as arise from or relate to any dealing with any reversionary interest in the Demised Premises or the receipt of any rents and other monies payable hereunder.

5.3. Items of common use and benefit

To contribute and pay within 14 days of demand to the Landlord a fair proportion (to be fairly and reasonably determined by the Landlord's Surveyor) so far as concerns matters of fact of all expenses properly incurred in connection with the maintenance, repair, cleaning, renewal, remaking resurfacing reconstructing and rebuilding of all roads, ways, passages, pavements, Conduits, party walls, party structures and other conveniences, easements and amenities whatsoever which may belong to or be used by or for the Demised Premises in common with other premises.

5.4. Insurance

5.4.1. To repay to the Landlord on demand without deduction or set-off save as may be required by statute:-

5.4.1.1. the proper expense which the Landlord shall from time to time incur in the insurance of the Demised Premises in the full reinstatement cost thereof against loss or damage by or in consequence of the Insured Risks including cover for consequential loss arising from the Insured Risks and for demolition, site clearance, hoarding, propping and incidental expenses, architects', consulting engineer's, legal, surveyors' and statutory fees (and VAT thereon), the cost of any work which may be required by or by virtue of any statute, property owner's liability and such other fees and cover as the Landlord may reasonably consider necessary;

5.4.1.2. any amount which may be deducted or disallowed by the insurers pursuant to any normal and commercial excess provision in the insurance policy upon settlement of any claim by the Landlord; and

5.4.1.3. any reasonable expense which the Landlord may incur in obtaining a valuation of the Demised Premises but not more frequently than once in any three year period.

- 5.4.2. To repay to the Landlord on demand the whole of the premiums properly paid by the Landlord for insuring three years' loss of actual or anticipated rent and service charge of the Demised Premises.
  - 5.4.3. The Tenant shall whenever the whole or any part of the fixed glass in the Demised Premises is broken or damaged reinstate as quickly as possible with new glass of the same quality and thickness.
  - 5.4.4. To notify the Landlord as soon as reasonably practicable if any event or thing happens in or relating to the Demised Premises against which the Demised Premises are insured under the terms of this lease (where such terms are known to the Tenant).
  - 5.4.5. Not to do or omit anything whereby any policy of insurance on the Demised Premises the terms of which are known to the Tenant may become void or voidable or otherwise prejudiced nor (unless the Tenant shall have previously notified the Landlord and have paid the increased premium) anything whereby abnormal or loaded insurance premiums may become payable.
  - 5.4.6. To comply at all times with the reasonable requirements of the insurers relating to the Demised Premises as shall be notified in writing to the Tenant.
  - 5.4.7. Not to effect any insurance of or relating to the Demised Premises except that provided for or referred to in this lease save that the Tenant may effect insurance of loss of profit, tenant's fixtures, fittings, stock and any shop front and other traders comprehensive risks.
- 5.5. Waste and alterations
- 5.5.1. Not to commit any waste in respect of the Demised Premises.
  - 5.5.2. The Tenant shall be permitted to make internal non-structural alterations without Landlord's consent.
  - 5.5.3. The Tenant shall be permitted to make internal structural alterations and non-structural alterations to the shop-front and fascia with the Landlord's prior written consent (such consent not to be unreasonably withheld or delayed), subject to the Tenant:
    - 5.5.3.1. obtaining and complying with all necessary consents of any competent authority;
    - 5.5.3.2. paying all charges of any such authority in respect of those consents;
    - 5.5.3.3. making an application to the Landlord supported by drawings and where appropriate other details in duplicate;

- 5.5.3.4. Serving a notice on the Landlord at least two months prior to at the expiry or sooner determination of the term, if and to the extent reasonably required by the Landlord by serving notice on the Tenant no later than 1 month from the date of receipt of the Tenant's notice the Tenant will reinstate the Demised Premises to the same condition as they were in at the grant of this lease PROVIDED THAT if the Tenant fails to serve such notice the Landlord can request reinstatement of the Property at any time;
  - 5.5.3.5. entering into such other covenants as the Landlord may reasonably require as to the execution insurance and reinstatement of the works; and
  - 5.5.3.6. in no manner interfering with the exercise of any right of any third party.
- 5.5.4. Any other alterations to the Demised Premises shall be absolutely prohibited Provided That whilst the lease is vested in King's Lynn (V.E.) Limited or a Group Company as tenant alterations to the shopfront and fascia shall be permitted without the prior consent of the Landlord provided such alterations are in line with the corporate branding of Vision Express (UK) Limited.
- 5.5.5. Not save in accordance with the terms and conditions laid down by the Institution of Electrical Engineers and the regulations of the electricity supply authority to make any alteration or addition to the electrical installation in the Demised Premises and not to connect any apparatus thereto which might endanger or overload such installation or any part thereof.
- 5.6. Repairs
- 5.6.1. To keep the whole of the Demised Premises clean and tidy and clear of rubbish and in good and substantial repair (and where necessary to renew and rebuild by way of repair) the Demised Premises (damage by any of the Insured Risks and Uninsured Risk excepted save in the case of damage by an Insured Risk to the extent that the policy of insurance effected by the Landlord pursuant to this lease shall have been vitiated in consequence of any act, neglect or default of the Tenant or its servants or agents).
  - 5.6.2. To keep all windows and glass of the Demised Premises clean both inside and outside and unobstructed subject to the provisions of 5.10.1.
  - 5.6.3. To keep in good and safe repair all Conduits exclusively serving the Demised Premises in so far as the Tenant has the legal right to do so.
  - 5.6.4. To keep all rubbish and waste enclosed in suitable receptacles and to empty such receptacles when reasonably required.

5.7. Decoration

- 5.7.1. In this clause 5.7 decorate shall mean carry out such works of decoration as may be reasonably required to keep the Demised Premises in good decorative order, all decoration being carried out well and substantially with good quality materials.
- 5.7.2. To decorate the outside of the Demised Premises in the third year of the Term and the inside of the Demised Premises in the fifth year of the Term and both the outside and the inside in the last three months of the term whenever determined provided that no such decoration shall be required more than once in any one calendar year.

5.8. Yielding up

At the expiry or sooner determination of the term to deliver up the Demised Premises clean and in repair and decorated in accordance with this lease and having made good any damage resulting from the removal of any tenant's fixtures, fittings, fascia or signs.

5.9. Use

5.9.1. Not to use:

- 5.9.1.1. the Demised Premises other than for any use within the meaning of class A1 of the Town and Country Planning (Use Classes) Order 1987;
- 5.9.1.2. in relation to any part of the Demised Premises capable of being let as a self-contained unit with access other than through the retail part of the Demised Premise except as ancillary to the uses hereinbefore referred to; or
- 5.9.1.3. in respect of any of the foregoing for such other use as the Landlord may approve in writing, such approval not to be unreasonably withheld or delayed.

5.9.2. Not to do on the Demised Premises anything which may be a nuisance or annoyance or cause danger, injury or damage to the Landlord or its tenants or any neighbouring owner or occupier.

5.9.3. Save where now authorised pursuant to a Subsisting Underlease not to use the Demised Premises for any noxious, noisy, offensive or dangerous trade, business or pursuit nor for any illegal or immoral act or purpose nor as a club, betting shop or for any purpose which is declared unlawful or requires a Licence under the Betting Gaming and Lotteries Act 1963 or for the collection of football pools' coupons, sex shop, amusement arcade or leisure centre nor for any public exhibition, show or political meeting nor in respect of the ground floor of the Demised Premises as a restaurant, snack bar or for catering of any

description and not to hold any sales by auction nor keep any animals or birds on the Demised Premises and not to allow on the Demised Premises any Hazardous Materials (except for usual shop or office waste generated by the use of the Demised Premises permitted by this Lease and stores in accordance with all applicable Legal Requirements) or anything which is or may become dangerous or offensive.

- 5.9.4. Not so far as concerns the building or buildings situate from time to time upon the Demised Premises to cause any obstruction outside.
  - 5.9.5. Not to use on the Demised Premises:-
    - 5.9.5.1. any machine other than normal shop and office machines and computer equipment without in suitable cases causing the same to be mounted so as to minimise noise and vibration; or
    - 5.9.5.2. any machinery or sound reproduction amplifying equipment which shall cause a nuisance or disturbance to the Landlord or the owners or occupiers of adjoining or neighbouring premises.
  - 5.9.6. Not to do anything which imposes an excessive load or strain on the Demised Premises or which might reasonably be expected to cause structural damage.
  - 5.9.7. Not to obstruct others lawfully using those areas (if any) which the Tenant is entitled to use in common and to use the same in a reasonable manner.
  - 5.9.8. Not to reside or sleep on the Demised Premises.
  - 5.9.9. Not to discharge anything into the Conduits serving the Demised Premises which will or may be corrosive or harmful or which may cause any obstruction or deposit therein.
  - 5.9.10. If the Demised Premises are continuously unoccupied for more than one month to provide the Demised Premises with reasonable protection from vandalism, theft or unlawful occupation and if the insurance premiums payable in respect of any adjoining or neighbouring Premises of the Landlord are increased by reason of the Demised Premises being unoccupied to pay to the Landlord on demand all such increased premiums.
- 5.10. Advertisements and aerals, etc.
- 5.10.1. Not without the Landlord's written consent to exhibit any advertisement, notice or sign outside the Demised Premises or inside the Demised Premises so as to be seen from the outside save (after obtaining the written consent of the Landlord, which shall not be unreasonably withheld or delayed) for a fascia or other sign displaying the Tenant's or occupier's trading name and business the size, position and nature of which has been first approved by the Landlord in writing, such approval not to be unreasonably withheld or delayed (which if so

required by the Landlord shall be removed at the expiry or sooner determination of the term and any damage thereby occasioned made good by the Tenant) and save that this covenant shall not preclude the display of trade and merchandising notices in or affixed to the inside surface of the shop windows or elsewhere within the Demised Premises provided that not more than 25% of the glazed surface is obscured by such notices.

- 5.10.2. Not to install any flag pole nor any outside television or radio aerial or window box on the Demised Premises without the Landlord's written consent which shall not be unreasonably withheld or delayed.
- 5.11. Assignments, underletting etc.
  - 5.11.1. Not to assign nor to charge part only of the Demised Premises.
  - 5.11.2. Not to charge the whole of the Demised Premises without the written consent of the Landlord which shall not be unreasonably withheld or delayed provided always that this clause shall not prevent the creation of a floating charge over all the assets of the Tenant for the purposes of his normal banking arrangements and the existence of any charge created by it for such purposes over acquired property at the date on which his interest in the Demised Premises arose does not constitute a breach of this clause.
  - 5.11.3.
    - 5.11.3.1. Subject to clauses 5.11.3.2 and 5.11.3.3, not to assign the whole of the Demised Premises without first obtaining the written licence of the Landlord which shall not be unreasonably withheld or delayed and which shall be valid for a period of not less than three months .
    - 5.11.3.2. If any of the following circumstances (which are specified for the purposes of section 19(1A) of the Landlord and Tenant Act 1927) shall apply either at the date when application for the licence to assign is made, or after that date but before such licence is given, the Landlord may withhold licence for the assignment:
      - 5.11.3.2.1. the Rent and the sums payable reserved to clause 5.4.1 (and in this case of the sum payable under clause 5.4.1 other than Rent which have been demanded at least 21 days before the proposed date of the assignment properly due and payable from the Tenant under this Lease remains unpaid;
      - 5.11.3.2.2. (subject to clause 5.11.3.2.3) in the Landlord's reasonable opinion the assignee is not a person who is likely to be able both to comply with the tenant covenants of this Lease and to continue to be such a person following the assignment;

- 5.11.3.2.3. in the case of an assignment to a company which is in the same group (within the meaning of section 42 of the Landlord and Tenant Act 1954) as the Tenant, in the Landlord's reasonable opinion the assignee is a person who is, or may become, less likely to be able to comply with the tenant covenants of this Lease than the Tenant making the application for the licence to assign (which likelihood is adjudged by reference in particular to the financial strength of that Tenant aggregated with that of any guarantor and the value of any other security for the performance of the tenant covenants of the Lease when assessed at the date of the grant or assignment of the Lease to that Tenant)';
  - 5.11.3.2.4. the assignee or any guarantor for the assignee (other than any guarantor under an authorised guarantee agreement) has the benefit of state or diplomatic immunity; and
  - 5.11.3.2.5. the assignee or any guarantor for the assignee (other than any guarantor under an authorised guarantee agreement) is a corporation registered in (or, otherwise, is resident in) a jurisdiction in which the order of a court obtained in England and Wales will not necessarily be enforced against the assignee or guarantor without any consideration of the merits of the case.
- 5.11.3.3. The Landlord may impose the following condition (which is specified for the purposes of Section 19(1 A) of the Landlord and Tenant Act 1927) on giving any licence for an assignment by the Tenant and any such licence shall be treated as being subject to the following condition:-
- 5.11.3.3.1. if so reasonably required by the Landlord the assignee shall upon or before any assignment and before taking occupation procure a guarantor reasonably acceptable to the Landlord who shall covenant (if more than one jointly and severally) with the Landlord in the terms set out in clause 9.
  - 5.11.3.3.2. That the Tenant enters into an authorised guarantee agreement in respect of the assignee in a form reasonably required by the Landlord.

- 5.11.4. Not (save for an underletting in accordance with the provisions of clause 5.11.5 and 5.11.6) to underlet or part with the possession of the whole or any part of the Demised Premises.
- 5.11.5. Not to underlet:-
- 5.11.5.1. the whole of the Demised Premises except after obtaining the written consent of the Landlord which shall not be unreasonably withheld or delayed; and
- 5.11.5.2. part only of the Demised Premises except a part (a "permitted part") (after first obtaining the written consent of the Landlord which shall not be unreasonably withheld or delayed) such permitted part comprising:-
- 5.11.5.2.1. the whole of each of those parts of the Demised Premises designed or intended to be let separately **PROVIDED THAT** the ground floor retail part of the Demised Premises if capable of being so underlet shall not be underlet without the Tenant ensuring that the underlease is excluded from the sections 24 – 28 of the Landlord and Tenant Act 1954 and providing the Landlord in advance of the grant of the underlease:
- 5.11.5.2.1.1. a certified copy of the notice served on the undertenant, as required by section 38A(3)(a) of the Landlord and Tenant Act 1954, applying to the tenancy to be created by the underlease; and
- 5.11.5.2.1.2. a certified copy of the declaration or statutory declaration made by the undertenant in accordance with the requirements of section 38A(3)(b) of the Landlord and Tenant Act 1954
- 5.11.5.2.2. any combination of those parts of the Demised Premises referred to in the foregoing sub-clauses.
- 5.11.6. Notwithstanding the foregoing provisions of this clause 5.11 not to grant an underlease of the Demised Premises (whether mediate or immediate) unless:-
- 5.11.6.1. the rent reserved by that underlease shall be at a rent which at the date of the grant of that underlease is equal to or greater than the current open market rent for the premises so underlet;
- 5.11.6.2. that underlease is granted on or subject to terms which do not provide for the taking from the Underlessee of a premium or the

granting by the relevant underlessor of any rent free period in excess of six months; and

5.11.6.3. on or before the grant of that underlease the relevant underlessee shall deliver to the Landlord a covenant by the relevant underlessee with the Landlord to observe and perform the tenant's covenants and conditions contained in:

5.11.6.3.1. this lease (except the covenant to pay the rent reserved by this lease and in the case of an underlease of a permitted part except insofar as inappropriate to an underlease of that permitted part); and

5.11.6.3.2. that underlease;

5.11.6.4. on or before the grant of that underlease (if the Landlord shall reasonably require) one or more guarantors reasonably acceptable to the Landlord shall covenant by way of indemnity and guarantee (if more than one jointly and severally) with the Tenant and the Landlord as provided for in clause 9 **PROVIDED THAT** the Landlord shall not be entitled to call for guarantors if the underlease is to be (and is) excluded from the security of tenure provisions of the Landlord and Tenant Act 1954;

5.11.6.5. that underlease imposes upon the relevant underlessee covenants conditions and provisions (which the Tenant covenants with the Landlord to operate and enforce):-

5.11.6.5.1. for re-entry by the relevant underlessor on breach of any covenant by the relevant underlessee;

5.11.6.5.2. no less onerous than those imposed upon the Tenant by or pursuant to this lease (except the covenant to pay the rent reserved by this lease and in the case of an underlease of a permitted part except insofar as inappropriate to an underlease of that permitted part);

5.11.6.5.3. prohibiting the relevant underlessee from doing or allowing any act or thing on or in relation to the Demised Premises inconsistent with or in breach of the covenants and conditions imposed upon the Tenant by or pursuant to this lease;

5.11.6.5.4. restricting (in the case of any underletting of the whole) assignment, underletting and parting with possession in terms similar to those contained in this lease and upon the basis that the Landlord as well as the relevant underlessor shall have the right to approve of

permissible dealings and to require direct covenants and guarantees;

5.11.6.5.5. the property to be underlet falls wholly within the Demised Premises as comprised within this lease and does not include any property or any right over any property which is not demised by this lease; and

5.11.6.5.6. that underlease if an underlease of a permitted part provides for a division of rights and responsibilities as between the prospective underlessee, adjoining occupiers and reversioner as shall be approved in writing to the Landlord such approval not to be unreasonably withheld or delayed;

5.11.7. Not to vary the terms of any underlease except after obtaining the written consent of the Landlord which shall not be unreasonably withheld or delayed.

5.11.8. To ensure that: -

5.11.8.1. the rent reserved by any underlease is not payable further in advance than provided for by that underlease.

5.11.8.2. the rent reserved by any underlease is reviewed in accordance with its terms;

5.11.9. Nothing contained in this Clause 5.11 shall prevent the Tenant from allowing into occupation of the Demised Premises or any part thereof as licensee only any limited company which is a Group Company or any concessionaire or any franchisee **PROVIDED THAT** no relationship of Landlord and Tenant shall thereby be created and no legal estate is created or transferred and that such licence shall in the case of occupation by a Group Company endure only so long as both companies remain members of the same group of companies and **PROVIDED FURTHER** that concessions or franchisee do not occupy more than 30% of the net internal floor area of that part of the Demised Premises as is used for retail purposes.

5.12. Registration and information

5.12.1. Within one month after any assignment, charge, underlease, sub-underlease, parting with possession or any transmission or other devolution of an interest in the Demised Premises or any part of the Demised Premises to leave with the Landlord's solicitors two certified copies of the document effecting such transaction or (if the Landlord shall so accept in the alternative) a memorandum giving full details of the terms of such transaction and to pay to the Landlord's solicitors a fee of £20 or such larger sum as the Landlord's solicitors shall reasonably require.

5.12.2. At the request of the Landlord from time to time to supply full details of:-

5.12.2.1. the character of the use of the Demised Premises; and

5.12.2.2. any occupiers of the Demised Premises and of the terms of any such occupations including any rents or payments in the nature of rent currently payable by any such occupiers and any provisions for the review of such rent.

5.13. Inspection

5.13.1. To permit the Landlord after reasonable prior written notice of at least three days (except in emergency) to inspect the Demised Premises at reasonable times during weekdays only for the purpose of ensuring that the Tenant's covenants have been performed.

5.13.2. To make good any wants of repair constituting breaches of the Tenant's covenants herein contained notified to the Tenant in writing by the Landlord following such inspection to the reasonable satisfaction of the Landlord within a reasonable time.

5.13.3. If the Tenant does not carry out the repairs in accordance with clause 5.13.2 and without prejudice to any other remedy of the Landlord to permit the Landlord to have access to the Demised Premises to carry out the repairs and to pay to the Landlord on demand the costs incurred in so doing.

5.14. Entry for repairs, etc.

To permit the Landlord after reasonable written notice of at least seven days given by the Landlord to the Tenant (or at any time in an emergency) to enter where reasonably necessary the Demised Premises at reasonable times subject to the person exercising such right acting in a reasonable manner and causing as little damage disruption and inconvenience as is reasonably possible and making good any damage caused to the Demised Premises and to the Tenant's effects without unreasonable delay and to the reasonable satisfaction of the Tenant:-

5.14.1. in connection with the maintenance, repair or alteration of Conduits to, the remainder of any neighbouring premises or anything serving or running through the Demised Premises or any neighbouring premises;

5.14.2. to exercise a right, or to comply with an obligation of repair, maintenance or renewal under this lease; or

5.14.3. to comply with any requirements of any competent authority or any third party having legal rights over the Demised Premises or any neighbouring premises.

PROVIDED ALWAYS THAT in the exercise of the above rights and any other rights of entry to the Demised Premises contained in this Lease the Landlord shall:

- (a) where possible (except in the case of an emergency) make such entry outside normal business hours;
- (b) ensure that the Tenant's reasonable requirements are complied with as to temporary signage and a display of the Tenant's name and business

5.15. On re-letting or sale of reversion

To allow the Landlord upon prior written appointment to enter the Demised Premises during the last six months of the term (save where the Tenant is actively pursuing its right to renew this lease) or at any time when the Landlord wishes to sell the reversion in order to fix upon the Demised Premises a noticeboard for the reletting or the sale of the Demised Premises which shall not be removed or obscured but which shall not be fixed in such a position as to interfere with the Tenant's business and which in respect of a sale of the reversion states that the business carried on therein is not thereby affected.

5.16. Compliance with statutes, etc.

5.16.1. To comply in all respects with the provisions of all Legal Requirements for the time being in force relating to the Demised Premises.

5.16.2. Not to do or omit on or about the Demised Premises any act or thing by reason of which the Landlord may under any Legal Requirements incur or have imposed upon it or become liable to pay any levy, penalty, damages, compensation, costs, charges or expenses and so far as the law allows to indemnify the Landlord against all such liability and in particular (but without prejudice to the generality of the foregoing) against any liability under the Factories Act 1961, the Offices Shops and Railway Premises Act 1963, the Fire Precautions Act 1971 and the Health and Safety at Work etc. Act 1974, the Control of Pollution Act 1974 and the Environmental Protection Act 1990 relating to the Demised Premises.

5.17. Expenses and rent loss

5.17.1. To pay to the Landlord or (as the case may be) any superior lessor, any mortgagee or their or the Landlord's respective professional advisers, as a debt due, all reasonable and proper costs and expenses incurred by them in connection with:

5.17.1.1. any breach of covenant by the Tenant;

5.17.1.2. any notice requiring the Tenant to remedy a breach of any of the Tenant's covenants;

5.17.1.3. the preparation and service of a schedule of dilapidations during or within three months after the end of the term;

5.17.1.4. any consent applied for under this lease; and

5.17.1.5. any request by the Tenant relating to the Demised Premises (including where appropriate the approval of plans and specifications, the inspection of works and the issue of any certificate in respect thereof) save where the Landlord (or other party as aforesaid) unreasonably withholds or delays consent or approval in breach of an obligation not to do so or is offered subject to any unlawful or unreasonable condition.

5.18. Town planning

5.18.1. Not to apply for planning permission for the Demised Premises without notifying the Landlord.

5.18.2. At all times during the term to comply with the provisions and requirements of the Planning Acts and of any planning permissions (and the conditions thereof) relating to or affecting the Demised Premises.

5.18.3. Subject to clause 5.18.1 as often as necessary at the Tenant's expense to obtain and if appropriate renew all necessary planning permissions and serve all necessary notices required for the carrying out by the Tenant of any operations or the commencement or continuance by the Tenant of any use on the Demised Premises constituting development.

5.18.4. To pay and satisfy any charge imposed under the Planning Acts for any development by the Tenant at the Demised Premises.

5.18.5. Not to implement any planning permission before it has been produced to and acknowledged by the Landlord as satisfactory (not to be unreasonably withheld or delayed) the Landlord reserving the right to refuse to express such satisfaction if the period of such permission or anything contained in or omitted from it in the Landlord's or the Landlord's Surveyor's reasonable opinion would prejudice the Landlord's interest in the Demised Premises either during or after the term.

5.18.6. If reasonably required by the Landlord to carry out and complete before the expiry or sooner determination of the term:-

5.18.6.1. any work required to be carried out at the Demised Premises as a condition of any planning permission implemented by the Tenant or any subtenant or other occupier or predecessor in title of the Tenant whether or not the date by which the planning permission requires such works to be carried out is within the term; and

5.18.6.2. any development begun by the Tenant or any subtenant or other occupier or predecessor in title of the Tenant at the Demised

Premises in respect of which the Landlord shall or may be or become liable for any charge or levy.

5.18.7. If called on to produce to the Landlord and the Landlord's Surveyor all plans, documents and other evidence reasonably required by the Landlord to satisfy itself that this clause 5.18 has been complied with.

5.18.8. Subject always to compliance with clause 5.23 as soon as reasonably practicable to notify the Landlord of any order direction proposal or notice under the Planning Acts served on or received by the Tenant or coming to the Tenant's notice which affects the Demised Premises and to produce to the Landlord if required any such order, direction, proposal or notice in the Tenant's possession and not to take any action in respect of such order, direction, proposal or notice without the Landlord's approval (such approval not to be unreasonably withheld or delayed).

5.19. Taxes on development

Notwithstanding anything in this lease to the contrary not to do to or at the Demised Premises anything which imposes on the Landlord, any liability to pay tax under any statute imposing a levy upon profits derived from the disposal or development of land and so far as the law allows to indemnify the Landlord against all liability for any such tax and any loss or damage arising from any development by or for the Tenant or any person claiming through or under the Tenant at the Demised Premises during the term.

5.20. Value Added Tax

5.20.1. To pay (upon provision of a relevant invoice) without deduction or set off all VAT chargeable on all taxable supplies received by the Tenant under or in connection with this lease.

5.20.2. To reimburse to the Landlord without deduction or set off all VAT on supplies received by the Landlord where the Tenant is obliged under or in connection with this Lease to reimburse the Landlord for such supplies and the Landlord is unable to recover such VAT as input tax.

5.21. Easements and encroachments

Not to obstruct any window, light or way belonging to the Demised Premises nor acknowledge that any light is enjoyed by consent of any other person nor grant to third parties rights over the Demised Premises and to give notice to the Landlord as soon as reasonably practicable after becoming aware thereof if any easement, right or encroachment affecting the Demised Premises shall be made or attempted and at the Landlord's reasonable request and cost to adopt such means as the Landlord reasonably requires to prevent or license such easement, right or encroachment.

5.22. Interest

If and whenever the Tenant shall fail to pay the rent or any other monies due under this lease within 14 days of the due date (whether formally demanded or not) the Tenant shall pay to the Landlord Interest on such rent or other monies calculated from the due date until the date of payment.

5.23. Notices, etc. received

As soon as reasonably practicable on receipt from any public authority of any consent, notice, order, communication or proposal of any nature affecting the Demised Premises to send a copy of the relevant document to the Landlord and at the Landlord's reasonable request and cost to make or join the Landlord in making such objections or representations against or in respect of any such notice, order, communication or proposal as the Landlord reasonably deems expedient **PROVIDED THAT** the same are not against the business interest of the Tenant or any permitted occupier.

5.24. Indemnity

To keep the Landlord indemnified from and against all expenses, demands, costs, loss and claims arising from:-

5.24.1. any breach of any of the Tenant's covenants contained in this lease; and

5.24.2. any act, neglect or default by the Tenant, any subtenant or their respective servants or agents or any person on the Demised Premises with the actual or implied authority of any of them.

5.25. Covenants relating to reversion

To perform and observe all obligations imposed upon the Landlord by the Registered Entries.

5.26. Guarantee substitution

To give the Landlord notice, and if the Landlord reasonably so requires, at the Tenant's expense to procure that some other person reasonably acceptable to the Landlord executes a guarantee (in the form of the covenant contained in clause 9) within twenty-eight days of:-

5.26.1. the death during the term of any person who has or shall have guaranteed to the Landlord the payment of the rent and the observance and performance of the Tenant's covenants under this lease; or

5.26.2. such person (being a corporation) entering into liquidation whether compulsory or voluntary (except in the case of the liquidation of a solvent company where a declaration of solvency has been filed with the Registrar of Companies for the purpose of amalgamation or reconstruction) or suffering an administrative

receiver to be appointed or entering into a voluntary arrangement as defined in Section 1 of the Insolvency Act 1986 or doing or suffering anything which would entitle a receiver or other encumbrancer to take possession of any of its assets or being unable to pay a debt or having no reasonable prospect of being able to pay a debt within the meaning of section 123 of the Insolvency Act 1986 or doing or suffering anything which would entitle any person to present a petition for winding up or apply for an administration order or convening a meeting or taking any steps for the purpose of making or proposing to enter into or make any arrangement or composition for the benefit of its creditors or ceasing to exist or being dissolved; or

- 5.26.3. such person (being an individual) being unable to pay a debt or having no reasonable prospect of being able to pay a debt within the meaning of section 268 of the Insolvency Act 1986 or making an application to the court for an interim order under section 253 of the Insolvency Act 1986 or doing anything which would entitle a petition for a bankruptcy order to be made or making any assignment for the benefit of, or convening a meeting or taking any steps for the purpose of making or proposing to enter into or make any arrangement or composition for the benefit of his creditors.

5.27. Fire fighting

- 5.27.1. To keep the Demised Premises supplied and equipped with all fire fighting and extinguishing appliances and fire detection equipment from time to time:-

- 5.27.1.1. required by law;

- 5.27.1.2. required by the insurers of the Demised Premises.

- 5.27.2. To ensure that such appliances and equipment are kept open for inspection and properly maintained and not to obstruct the access to or means of working such appliances or equipment or the means of escape from the Demised Premises in case of fire.

- 5.27.3. To take expeditiously all requisite steps to comply with fire regulations and other fire safety legislation in force from time to time.

**6. PROVISOS**

6.1. Proviso for re-entry

- 6.1.1. At any time after any of the following events shall happen the Landlord may re-enter upon all or any part of the Demised Premises if:

- 6.1.1.1. the whole or any part of the rent shall be unpaid for 21 days after becoming payable whether formally demanded or not; or

- 6.1.1.2. there shall be any breach of any of the Tenant's covenants; or

6.1.1.3. the Tenant (being a corporation) shall enter into liquidation whether compulsory or voluntary (except in the case of the liquidation of a solvent company where a declaration of solvency has been filed with the Registrar of Companies for the purpose of amalgamation or reconstruction) or suffers an administrative receiver to be appointed or enters into a voluntary arrangement as defined in section 1 of the Insolvency Act 1986 or does or suffers anything which would entitle a receiver to take possession of any of its assets or does or suffers anything which would entitle any person to present a petition for winding up or apply for an administration order;

6.1.1.4. the Tenant (being an individual) shall be unable to pay a debt or have no reasonable prospect of being able to pay a debt within the meaning of section 268 of the Insolvency Act 1986 or makes an application to the court for an interim order under section 253 of the Insolvency Act 1986 or does anything which would entitle a petition for a bankruptcy order to be made or makes any assignment for the benefit of his creditors; or

6.1.1.5. the Tenant which is a corporation with unlimited liability shall apply to limit its liability.

6.1.2. If the Landlord shall re-enter in accordance with clause 6.1.1 then this demise shall thereupon terminate but without prejudice to any right of action or remedy of the Landlord in respect of any breach of covenant by the Tenant.

## 6.2. Service of notices

Any notice served or given under this lease shall comply with the provisions of the Law of Property Act 1925 section 196 save that if it is sent by post and would in the ordinary course be delivered on a Saturday, Sunday, Christmas Day, Good Friday, statutory bank holiday or other public holiday (none of which is a working day for the purpose of this clause) it shall be deemed to be served on the next following working day Provided that whilst this Lease is vested in King's Lynn (V.E.) Limited or a Group Company notices served on the Tenant shall be served on its registered office.

## 6.3. Rent abatement and mutual option to determine

If the Demised Premises or any part of the Demised Premises shall be destroyed or so damaged by any of the Insured Risks or an Uninsured Risk so as to be unfit for occupation or use then to the extent in the case of damage by an Insured Risk that the policy or policies of insurance of the Demised Premises shall not have been vitiated in whole or in part in consequence of any act, neglect, default or omission of the Tenant or its servants or agents then payment of the yearly rent stated in or ascertained in accordance with clause 4 or a fair proportion thereof according to the nature and extent of the damage sustained (the amount of such proportion in default of agreement to be

determined by arbitration pursuant to the Arbitration Act 1996) shall be suspended until the Demised Premises or the damaged or destroyed portion of the Demised Premises shall have been reinstated or made fit for occupation or use Provided that if upon the expiry of the period two years and nine months from the date of the damage or destruction the rebuilding or reinstatement shall not have been completed and the Demised Premises rendered fit for the Tenant's occupation and use and accessible then either party may by notice served at any time thereafter on the other party terminate this Lease and upon service of a notice to terminate following a failure to reinstate the Term is to cease absolutely but without prejudice to any rights or remedies that may have accrued to either party against the other and all money received in respect of the insurance effected by the Landlord pursuant to this Lease is to belong to the Landlord absolutely.

6.4. Rent demands

6.4.1. The demand for or the acceptance of rent or any other moneys due under this lease by the Landlord or its agents shall not waive:-

6.4.1.1. any breach of the Tenant's covenants or the conditions contained in this lease (which breach shall for all purposes of this lease constitute a continuing breach); or

6.4.1.2. any liability attached to the non-performance of such covenants and conditions.

6.4.2. If the Landlord shall refrain from demanding or accepting rent or any other moneys due under this lease then Interest shall be payable by the Tenant upon such rent or moneys for the period during which the Landlord shall so refrain if the reason for the Landlord so refraining is that the Tenant is in breach of any of the provisions of this lease and the Landlord has served notice to that effect.

6.5. Performance impossible

Nothing in this lease shall render the Landlord or the Tenant liable in respect of any breach by them of the covenants conditions or provisions of this lease if their performance and observance becomes impossible or illegal under the Planning Acts or any other enactment but subject as above the term of this lease and the rent payable shall not determine by reason only of a change, modification or restriction of the use of the Demised Premises or obligations or requirements made or imposed after the date of this lease under or by virtue of any enactment.

6.6. Value Added Tax

6.6.1. All sums payable by the Tenant under or in connection with this lease are exclusive of any VAT which may be chargeable.

6.6.2. The Landlord shall not be obliged to exercise any election to waive exemption from VAT in relation to the Demised Premises.

6.6.3. Every obligation on the Tenant under or in connection with this lease to indemnify the Landlord or any other person against any liability includes an obligation to indemnify against any VAT chargeable in respect of that liability.

## **7. TENANT'S EFFECTS**

The Tenant irrevocably appoints the Landlord to be the Tenant's agent to store or dispose of any effects left by the Tenant on the Demised Premises for more than twenty eight days after the later of expiry or sooner determination of the term and written notice by the Landlord to the Tenant requiring removal of same subject to any conditions which the Landlord reasonably thinks fit and without the Landlord being liable to the Tenant save to account for the net proceeds of sale less the reasonable cost of storage (if any) and any other expenses reasonably incurred by the Landlord.

## **8. LANDLORD'S COVENANTS**

The Landlord covenants with the Tenant in the terms set out in this clause 8.

### **8.1. Quiet enjoyment**

That the Tenant shall have quiet enjoyment of the Demised Premises against the Landlord and all persons claiming title through the Landlord.

### **8.2. Insurance**

To keep the Demised Premises other than the fixed glass of the Demised Premises insured against loss or damage by the Insured Risks (so long as the same are insurable on normal terms on the London Insurance Market) in such sum as the Landlord or the Landlord's Surveyor shall properly consider to be the full reinstatement cost (taking inflation of building costs into account) and provided that the insurance may if required by the Landlord be in the joint names of the Landlord and any mortgagee or other third party and subject to obtaining all necessary planning consents and all other necessary licences, approvals and consents (which the Landlord covenants to use all reasonable endeavours to obtain as quickly as possible), to cause all insurance moneys received (other than for loss of rent) to be applied without undue delay in making good the damage for which the money has been received or (as the case may be) in rebuilding the Demised Premises and to make up any deficiency in the insurance monies out of its own monies (but not in any case so as to provide accommodation identical in layout if it would not be reasonably practicable so to do) save that the Landlord shall not be obliged to lay out or procure the laying out of the proceeds of such insurance if:

8.2.1. such rebuilding, repairing or reinstating of the whole or any part of the Demised Premises is rendered impossible by external causes beyond the control of the Landlord and in that event it is hereby agreed and declared that the whole of such proceeds shall then belong to the Landlord; or

8.2.2. but only to the extent that payment of any insurance moneys shall be properly refused by reason of any act or default of the Tenant or if the Tenant shall have failed to pay the insurance expense referred to in clause 5.4;

8.3. On request but not more than once in every consecutive period of 12 months to produce to the Tenant details of the Landlord's insurance effected in accordance with clause 8.2 and to notify the Tenant in writing of any variations thereof as soon as reasonably practicable.

8.4. The Landlord shall procure that whenever the same shall be permitted under the terms of the policies of insurance maintained pursuant to clause 8.2 the interest of the Tenant shall be noted upon such policies either specifically or generically and shall use its reasonable endeavours to procure from such insurers waiver of any rights of subrogation against the Tenant.

8.5. Superior Lease

To indemnify the Tenant against any failure by the Landlord to observe and perform the lessee's covenants contained in the Superior Lease save insofar as the obligations of the Superior Lease are imposed on the Tenant by this lease.

## **9. GUARANTEE**

The Guarantor covenants with the Landlord by way of indemnity and guarantee as follows

9.1. that if the Tenant shall make any default at any time during the Liability Period in payment of rent, or in observing or performing any of the covenants or restrictions contained in this lease the Guarantor will pay the rent and observe and perform the covenants or restrictions in respect of which the Tenant shall be in default, and indemnify the Landlord against all claims, demands, loss, damages, liability, costs and expenses sustained by the Landlord by reason of or arising in any way out of that default notwithstanding any time or indulgence granted by the Landlord to the Tenant or that this lease may have been assigned or that the Tenant may have ceased to exist;

9.2. that if at any time during the Liability Period this lease shall be disclaimed, or the Tenant (being a corporation) shall be dissolved or cease to exist, the Guarantor will, if the Landlord shall by notice in writing within two months after receiving notice of such disclaimer dissolution or cesser so require, take from the Landlord a new lease of the Demised Premises for the" residue of the term which would have remained had there been no disclaimer of this lease or dissolution or cesser (as the case may be) at the rent reserved by this lease on the date of such disclaimer dissolution or cesser (or, if required by the Landlord, such higher rent as would have been reserved by this lease on the date on which the new lease is granted if this lease had continued in force and the rent had been reviewed in accordance with the terms of this lease) subject to review on the same terms and dates as provided by this lease and subject to the same covenants and conditions as in this lease with the exception of the guarantee covenants contained in this clause 9 such new lease to take effect from the date of such disclaimer or dissolution

or cesser (as the case may be) and in such case the Guarantor shall pay the costs of such new lease and execute and deliver to the Landlord a counterpart of such new lease; and

9.3. that if at any time during the Liability Period this lease shall be disclaimed, or the Tenant (being a corporation) shall be dissolved or cease to exist, and for any reason the Landlord does not require the Guarantor to accept a new lease of the Demised Premises as is mentioned in the foregoing subclause then the Guarantor shall pay to the Landlord on demand an amount equal to the rent reserved by this lease for the period commencing with the date of such disclaimer or dissolution or cesser (as the case may be) and ending on whichever is the earlier of the following dates:-

9.3.1. the date six months after such disclaimer or dissolution or cesser (as the case may be);

9.3.2. the date (if any) upon which the Demised Premises are re- let; and

9.3.3. the end of the contractual term granted by the Lease.

Executed as a Deed by  
**KING'S LYNN (V.E.) LTD**  
acting by a director in the presence of:



Witness Name: *Nicholas Paul Schofield*

Witness Signature: *N Schofield*

Witness Address: *Ruddington Fields Business Park, Mere Way,  
Ruddington, Nottingham NG11 6NZ*

Witness Occupation: *Head of Property*

Executed as a Deed by  
**VISION EXPRESS (UK) LIMITED**  
acting by a director in the presence of:



Witness Name: *Nicholas Paul Schofield*

Witness Signature: *N Schofield*

Witness Address: *Ruddington Fields Business Park, Mere Way,  
Ruddington, Nottingham NG11 6NZ*

Witness Occupation: *Head of Property*