

Short form of lease of offices with a rent deposit

THIS LEASE is made the 01st day of March 2016 BETWEEN:

- (1) **THOMAS FLEMING, DAVID SMITH AND GARY BELL** being the Trustees of the 1850 Pension Scheme of 2nd Floor Suite, 16 Kingsway, Altrincham WA14 1PJ ('the Landlord') and
- (2) **Adrian Dunleavy of Carsdun Limited**, 47A Stamford Road, Bowdon, Altrincham, Cheshire, WA14 2JN.

NOW THIS DOCUMENT WITNESSES as follows:

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this lease:

- 1.1.1 **'the Building'** means the property at 16 Kingsway, Altrincham WA14 1PJ.
- 1.1.2 **'the Interest Rate'** means the rate of 4% a year above the base lending rate of National Westminster Bank plc.
- 1.1.3 **'the Property'** means the **Second floor right corner room (named Suite 5)** of the building shown edged red on the plan attached to this lease with the rights for the Tenant set out in schedule 1 THE RIGHTS GRANTED and with the rights for the Landlord set out in schedule 2 THE RIGHTS RETAINED comprising only:
 - 1.1.3.1 the Landlord's fixtures in the Property;
 - 1.1.3.2 all internal wall, ceiling and floor surfaces; and
 - 1.1.3.3 all windows and doors and the glass within them but excluding any frames and glass on any windows on external walls of the Building.
- 1.1.4 **'the Rent'** means £350.00 a month, this does not include IT Support, Contents insurance, telephone line rental and telephone handset rental. 6 Months to be paid upfront, totalling £2,100 + VAT.
- 1.1.5 **'the Term'** means 12 months from and including 01st March 2016 together with any subsequent period when the Tenant remains in the Property.

1.2 Interpretation

- 1.2.1 Where the Landlord or the Tenant consists of two or more persons, obligations expressed or implied to be made by or with them are deemed to be made by or with those persons jointly and severally (this means that they will each be liable for all sums due under this lease and not just a proportionate part).
- 1.2.2 Words that indicate one gender include all other genders, words that indicate the singular include the plural and vice versa and words that indicate persons shall be interpreted as extending to a corporate body or a partnership and vice versa.

2 LETTING

The Landlord lets the Property to the Tenant with the rights for the Tenant set out in schedule 1 THE RIGHTS GRANTED excepting and reserving for the Landlord the rights set out in schedule 2 THE RIGHTS RETAINED for the Term at the Rent.

3 COMPLIANCE WITH LEASE

The Tenant and the Landlord agree with each other to observe their respective obligations set out in this lease.

4 RENT AND INTEREST

4.1 Rent

The Tenant must pay the Rent for 6 months upfront totalling £2,100 + VAT, then each subsequent month during the Term by equal monthly payments of £350.00 + VAT in advance to the Landlord, the first payment being made on 01st March 2016.

4.2 Interest on sums not paid

The Tenant must pay interest at the Interest Rate on any rent or other payment lawfully due under this lease that is not received by the Landlord by 14 days after the payment was due. This interest is payable from the date on which payment of the rent or other sum was due to the date of actual payment both before and after any court judgment.

5 OUTGOINGS

~~The Tenant must pay and protect the Landlord against any loss arising from the Tenant's failure to pay rates payable in respect of the Property. The Tenant must pay the rates within a reasonable period of receipt of them~~

6 STATE AND CONDITION

6.1 The Property

The Tenant must keep the Property in good repair and condition, properly maintained and decorated and reasonably clean and tidy and free from rubbish although this obligation does not extend to keeping the Property in any better state of repair and condition than it is at the date of this lease.

6.2 Service media

The Tenant must keep the service media that are contained in and only serve the Property free from obstruction and in working order.

7 ALTERATIONS

The Tenant must not damage or injure the Property, make any alteration to the Property, unite the Property with any adjoining premises or make any alteration to the Property or to the services or service media in the Property.

8 APPEARANCE OF THE PROPERTY

The Tenant must not erect any pole or mast or display any sign on the Property or install any cable or wire outside it except with the Landlord's consent.

9 RIGHTS OF ENTRY

The Tenant must allow the Landlord, with any necessary contractors and workmen, to enter the Property on reasonable notice during normal business hours, or in the event of emergency at any time without notice, causing as little inconvenience to the Tenant as reasonably practicable and making good any damage caused to the Property and the Tenant's property for the following purposes:

- 9.1 to view the state and condition of the Property;
- 9.2 to carry out any repairs to the Property that are necessary by virtue of the Landlord's responsibilities under this lease or by law or to any adjoining property that can only be carried out by having access to the Property; and
- 9.3 to inspect with interested parties during the 3 months before the anticipated date of the end of the Term with a view to proposed sale or letting and to fix and retain in a reasonable position on the Property a board advertising the Property for sale or letting.

10 DEALINGS

This lease is personal to the Tenant and the Tenant must not assign, sublet, charge or part with possession of the Property or any part of it and must not hold the Property on trust for another.

11 USE AND NUISANCE

11.1 Permitted use

The Tenant must use the Property as offices only.

11.2 Auctions, trades and immoral purposes

The Tenant must not use the Property for any auction sale, any dangerous, noxious, noisy or offensive trade, business, manufacture or occupation or any illegal or immoral act or purpose.

11.3 Residential use, sleeping and animals

The Tenant must not use the Property as sleeping accommodation or for residential purposes or keep any animal, bird or reptile on it.

11.4 Statutory obligations generally

The Tenant must comply with all the requirements of any legislation (and any other obligations imposed by law or by any byelaws) applicable to the Property or the trade or business for the time being carried on there.

11.5 Planning

- 11.5.1 The Tenant must comply with the provisions and requirements of all planning legislation affecting the Property. If the Tenant breaches any planning controls he must bear all the consequences of doing so whether they arise during the Term or after the end of it.
- 11.5.2 The Tenant must not make any application for planning permission without the consent of the Landlord.

11.6 Nuisance

The Tenant must not do anything on the Property that may be reasonably considered to be a nuisance or annoyance to the Landlord or the owners or occupiers of neighbouring property.

12 COSTS OF ENFORCEMENT

The Tenant must pay the Landlord's reasonable costs, fees, charges, disbursements and expenses properly incurred in relation to or incidental to the recovery or attempted recovery of arrears of rent or other sums due

under this lease or any other steps taken in contemplation of or in direct connection with enforcement of the obligations on the part of the Tenant under this lease.

13 NOTICES AND INFORMATION

The Tenant must give notice to the Landlord as soon as reasonably practicable of:

- 13.1 any disrepair of or damage to the Property;
- 13.2 any notice or order he receives from a local or statutory authority in respect of the Property; and
- 13.3 any act by a tenant or occupant of any neighbouring property or a third party that might adversely affect the Landlord's interest in the Property.

14 SECURITY AND KEYHOLDERS

The Tenant must keep the Property secure and must ensure that at all times the Landlord has written notice of the name, home address and home telephone number of at least 2 key holders of the Property.

15 REGULATIONS

The Tenant must observe and comply with all reasonable regulations made by the Landlord from time to time for the proper use and management of the Building.

16 COSTS OF LEASE

The Tenant must pay a £50 administration charge as a contribution towards the Landlord's costs in preparation of this lease.

17 GIVING BACK POSSESSION AT THE END OF THE TERM

17.1 Possession and condition

The Tenant must give vacant possession of the Property back to the Landlord at the end of the Term in the state of repair and condition specified in clause 6 STATE AND CONDITION, give up all keys of the Property to the Landlord and remove tenant's fixtures and fittings if requested to do so by the Landlord and all signs put up by the Tenant, immediately making good any damage caused by their removal.

17.2 Items left

The Tenant will be responsible for meeting all reasonable removal and storage charges if items of property and belongings are left in the Property at the end of the Term. The Landlord will remove and store the items for a maximum of one month. The Landlord will notify the Tenant that this has been done at the Tenant's last known address. If the items are not collected within one month, the Landlord may dispose of the items and the Tenant will be liable for the reasonable costs of disposal. The costs may be deducted from any sale proceeds and if there are any costs remaining they will remain the Tenant's liability.

18 NON-DISTURBANCE

The Landlord must permit the Tenant peaceably to hold and enjoy the Property during the tenancy created by this lease without any interruption or disturbance from or by the Landlord or any person claiming under or in trust for him.

19 INSURANCE

19.1 Landlord's obligation to insure

The Landlord must keep the Property insured against damage or destruction by fire and other usual risks for the full cost of rebuilding and reinstating the Property unless the insurance is rendered void or made invalid by any deliberate act of the Tenant or by anyone under his control.

19.2 Suspension of the Rent

If the Property or any part of it is damaged by any risk against which it is insured (or by any risk against which cover is not generally available or is only available on terms making it unreasonable to take out cover) so as to be unfit for occupation the Rent, or a fair proportion of it, shall be suspended until the Property, or the affected part, is fit for occupation. This provision does not apply where payment of any insurance money is wholly or partly refused because of any deliberate act or default of the Tenant or anyone under his control.

19.3 Reinstatement

The Landlord must if practicable reinstate the Property or any part damaged by any risk against which it is insured (or by any risk against which cover is not generally available or is only available on terms making it unreasonable to take out cover) and if he fails to do so within a reasonable time the Tenant shall be entitled to treat this lease as at an end. This provision does not apply where payment of any insurance money is wholly or partly refused because of any deliberate act or default of the Tenant or anyone under his control.

19.4 Tenant's obligations as to insurance

The Tenant must not do anything or fail to comply with any requirement as a result of which the policy of insurance taken out by the Landlord in relation to the Property may become void or voidable or invalidated or by

which the rate of premium on the policy may be increased and the Tenant must make his own arrangements to insure the contents and property in his ownership which are kept in the Property..

19.5 Landlord's further insurance obligations

The Landlord must provide the Tenant with a summary of the risks covered by the policy of insurance and of any requirements of the insurers of which the Tenant needs to be aware and the Landlord must notify the Tenant of any material change in those risks or requirements from time to time.

20 RECOVERY OF POSSESSION

If and whenever during the Term:

- 20.1 the Rent is unpaid for 14 days after becoming due, whether formally demanded or not, or
- 20.2 there is a breach by the Tenant of any obligation or other term of this lease, or
- 20.3 the Tenant, being an individual, becomes subject to a bankruptcy order or has an interim receiver appointed to his property, or
- 20.4 the Tenant, being a company, enters into liquidation whether compulsory or voluntary—but not if the liquidation is for amalgamation or reconstruction of a solvent company—or enters into administration or has a receiver appointed over all or any part of its assets, or
- 20.5 the Tenant enters into or makes a proposal to enter into any voluntary arrangement pursuant to the Insolvency Act 1986 or any other arrangement or composition for the benefit of his creditors, or
- 20.6 the Tenant has any distress, execution or other similar process levied on his goods (these are legal processes under which a person's goods can be taken and sold to meet outstanding liabilities)

the Landlord may at any time re-enter the Property at which point the tenancy created by this lease shall cease absolutely but this shall not affect any rights or remedies that may have accrued to the Landlord against the Tenant or to the Tenant against the Landlord in respect of any breach of this lease.

21 VAT

All sums due to be paid by the Tenant under this lease are expressed exclusive of VAT and the Tenant must in addition pay the full amount of any VAT or other similar tax on those sums for which the Landlord or other person entitled to the payments is from time to time accountable.

22 EXCLUSION OF THE LANDLORD AND TENANT ACT

22.1 Notice and declaration

On 14th February 2016 the Landlord served notice on the Tenant pursuant to the provisions of the Landlord and Tenant Act 1954 Section 38A(3) and on 14th February 2016 the Tenant made a statutory declaration pursuant to Schedule 2 of the Regulatory Reform (Business Tenancies) (England and Wales) Order 2003.

22.2 Agreement to exclude

Pursuant to the provisions of the Landlord and Tenant Act 1954 Section 38A(1), the parties agree that the provisions of the Landlord and Tenant Act 1954 Sections 24–28 inclusive are to be excluded in relation to the tenancy created by this lease.

23 THE DEPOSIT

23.1 Payment

The Tenant must pay £350.00 + VAT ("the Deposit") to the Landlord before the date of this document to be applied towards the satisfaction of any liability referred to in this clause 23 THE DEPOSIT.

23.2 Sums that may be retained

The Landlord may retain from the Deposit:

- 23.2.1 any Rent or other payments due from the Tenant to the Landlord under this lease;
- 23.2.2 any reasonable amount the Landlord properly incurs in remedying any failure by the Tenant to comply with his obligations under this lease; and
- 23.2.3 any interest due from the Tenant to the Landlord under this lease.

23.3 Restoration of the Deposit

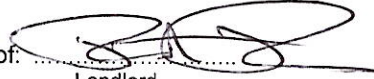
If the Landlord applies the Deposit or part of it in accordance with clause 23.2 SUMS THAT MAY BE RETAINED the Tenant must at the Landlord's written request pay the Landlord a further amount to restore the Deposit to the level referred to in clause 23.1 PAYMENT.

23.4 Refund of the Deposit

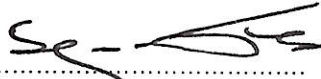
Subject to clause 23.2 SUMS THAT MAY BE RETAINED the Landlord must return the Deposit or the balance of it to the Tenant as soon as possible after the end of the Term.

IN WITNESS whereof the parties have executed this agreement as a deed and it is hereby delivered on the day and year first before written.

Signed as a deed by/on behalf of the Landlord and delivered in the presence of:


Landlord

Witness Signature.....



Witness Names.....

Selwyn W. Jones

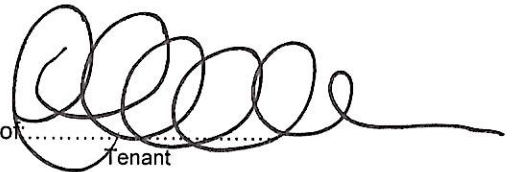
Witness's occupation.....

Finance Director

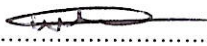
Witness's address.....

48 PAUL AVENUE
RETHERTON
BURY
CF36 3ER.

Signed as a deed by/on behalf of the Tenant and delivered in the presence of:


Tenant

Witness Signature.....



Witness Names.....

Cheryl Wharton

Witness's occupation.....

PA to Thomas Fleming

Witness's address.....

Suite 7, 16 Kingsway, Altrincham, Cheshire, WA14 1PS.

SCHEDULE 1: THE RIGHTS GRANTED

The Property is let together with the following rights:

1. Access to the Building via the side door on Post Office Street 24 hours, 7 days a week; and
2. Use of the boardroom for 4 hours free every month, further usage will be charged. All telephone calls made in the board room will be charged and invoiced at the end of each month; however, it should be noted that after 5pm at night, both locks on the door should be locked.
3. Any IT or Telephone costs associated with the office set up will be charged; and
4. Only a VOIP telephone unit that is compatible with the existing system can be used;

SCHEDULE 2: THE RIGHTS RETAINED

The Property is let subject to the following exceptions and reservations retained for the benefit of the Landlord's adjoining premises:

1. The right to free and uninterrupted passage and running of all services, supplies pipes, wires and cables from and to all parts of the Building.
2. The right to construct, install and maintain any pipes, wires, servers, mains, cables, wires (including optical fibres, data transmission communication and reception systems for the benefit of the Building or any adjoining premises of the Landlord.
3. The right to enter or in an emergency break into the Property at all reasonable times, giving notice where practically possible in line with point 9 above (except in an emergency):
 - 3.1 to inspect the condition and state of repair of the Property; and
 - 3.2 to execute any rights granted for the Landlord under this lease.