

Dated

14 November 2015

Relating to

Unit 11, Falcon Business Park, Finchampstead, Berkshire

B E T W E E N

**JOHN RAYMOND STEPHENSON, ROSEMARY HELEN STEPHENSON and
PERSONAL PENSION TRUSTEES LIMITED**

AND

GOODBURN ENGINEERING LIMITED

LR1. Date of the lease

LR2. Title number(s)

LR2.1 Landlord's title numbers

Title number(s) out of which this lease is granted

Leave blank if not registered

BK266692

LR2.2 Other title numbers

Existing title number(s) against which entries of matters referred to in LR9, LR10, LR11 and LR13 are to be made
Landlord

LR3. Parties to the lease

Give full names, addressed and company's registered number, if any, of each of the parties. For Scottish companies use a SC prefix and for limited liability partnerships, use an OC prefix. For foreign companies give territory in which incorporated

JOHN RAYMOND STEPHENSON and
ROSEMARY HELEN STEPHENSON
and PERSONAL PENSION TRUSTEES
LIMITED of 37 Frimley Grove Gardens
Frimley Camberley Surrey GU16 7JY

Tenant GOODBURN ENGINEERING
LIMITED (Co. No.00931740)whose
registered office is situate at 11 Falcon
Business Park Hogwood Lane
Finchampstead Berkshire RG40 4QQ

Other parties

Specify capacity of each party for example "management company", "guarantor" etc.

LR4. Property

Insert a description of the land being leased

Or

Refer to the clause, schedule or paragraph of a schedule in this lease in which the land being leased is more fully described

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.

The Particulars

Where there is a letting of part of a registered title, a plan must be attached to this lease and any floor levels must be specified

LR5. Prescribed statements

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<p>If this lease includes a statement falling within LR5.1, insert under that sub-clause the relevant statement or refer to the clause, schedule or paragraph of a schedule in this lease which contains the statement</p>	<ul style="list-style-type: none"> • N/A • • LR5.2 This Lease is made under, or by reference to, provisions of: • • Leasehold Reform Act 1867 • Housing Act 1985 • Housing Act 1988 • Housing Act 1996 • • From and including • • To and including • • OR • • The term as specified in the Particulars • • OR • • The term is as follows: •
<p>In LR5.2, omit or delete those Acts which do not apply to this lease</p>	
<p>LR6. Term for which the Property is leased</p>	
<p>Include only the appropriate statement (duly completed) from the three options.</p>	
<p>NOTE: The information you provide, or refer to here, will be used as part of the particulars to identify the lease under rule 6 of the Land Registration Rules 2003</p>	
<p>LR7. Premium</p>	
<p><i>Specify the total premium, inclusive of any VAT where payable</i></p>	<p>N/A</p>
<p>LR8. Prohibitions or restrictions on disposing of the lease</p>	<p>This lease does not contain a provision that prohibits or restricts disposition</p>
<p><i>Include whichever of the two statements is appropriate</i></p>	<p>OR</p> <p>This lease contains a provision that prohibits or restricts dispositions</p>
<p>LR9. Rights of acquisition etc.</p>	<p>LR9.1</p>
<p><i>Insert the relevant provisions in the sub-clauses or refer to the clause, schedule or paragraph of a schedule in this lease which contains the provisions</i></p>	<p>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</p>
	<p>N/A</p>
	<p>LR9.2 Tenant's covenant to (or offer to) surrender this lease</p>
	<p>N/A</p>
	<p>LR9.3 Landlord's contractual rights to acquire this lease</p>

	N/A
LR10. Restrictive covenants given in this lease by the Landlord in respect of land other than the Property	N/A
<i>Insert the relevant provisions or refer to the clause, schedule or paragraph of a schedule in this lease which contains the provisions</i>	
LR11. Easements	LR11.1 Easements granted by this lease for the benefit of the Property
<i>Refer here only to the clause, schedule or paragraph of a schedule in this lease which sets out the easements</i>	Second Schedule
	LR11.2 Easements granted or reserved by this lease over the Property for the benefit of other property
	Third Schedule
LR12. Estate rentcharge burdening the Property	N/A
<i>Refer here only to the clause schedule f paragraph of a schedule in this lease which sets out a rentcharge</i>	
LR13 Application for standard form of restriction	N/A
<i>Set out the full text of the standard form of restriction and the title against which it is to be entered. If you wish to apply for more than one standard form of restriction use this clause to apply for each of them, tell us who is applying against which title and set out the full text of the restriction you are applying for.</i>	
<i>Standard forms of restriction are set out in Schedule 4 to the Land Registration Rules 2003</i>	
LR14. Declaration of trust where there is more than one person compromising the Tenant	The Tenant is more than one person. They are to hold the Property on trust for themselves as joint tenants
If the tenant is one person, omit or delete	OR

or delete all the alternative statements .

*If the tenant is more than one person,
complete this clause by omitting or
deleting all inapplicable alternative
statements*

~~The Tenant is more than one person.
They are to hold the Property on trust for
themselves as tenants in common in
equal shares~~

OR

~~The Tenant is more than one person.
They are to hold the Property on trust.
Complete as necessary~~

THIS LEASE is dated

19 June 2015

HM Land Registry

Title Number:

BK266692

Administrative area:

Berkshire – Wokingham

PARTIES

- (1) **JOHN RAYMOND STEPHENSON and ROSEMARY HELEN STEPHENSON** both of 37 Frimley Grove Gardens Frimley Camberley, Surrey, GU16 7JY and **PERSONAL PENSION TRUSTEES LIMITED** incorporated and registered in England and Wales with company number 01895689 whose registered office is at the St Botolph Building 138 Houndsditch London EC3A 7AW all as Trustees for the time being of the Premier SIPP - J R Stephenson and Premier SIPP – Mrs R H Stephenson pension scheme (**Landlord**);
- (2) **GOODBURN ENGINEERING LIMITED** incorporated and registered in England and Wales with company number 00931740 whose registered office is at 11 Falcon Business Park Hogwood Lane Finchampstead Berkshire RG40 4QQ (**Tenant**);

AGREED TERMS

1. INTERPRETATION

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

Adjoining Property: each and every part of the land neighbouring or adjoining the Property in which the Landlord has an interest or estate or in which during the Contractual Term the Landlord shall have acquired an interest or estate.

Annual Rent: the rent of FIFTEEN THOUSAND POUNDS (£15,000.00) per annum.

Commencement Date:
10th August 2015

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

SCALE 1:1000

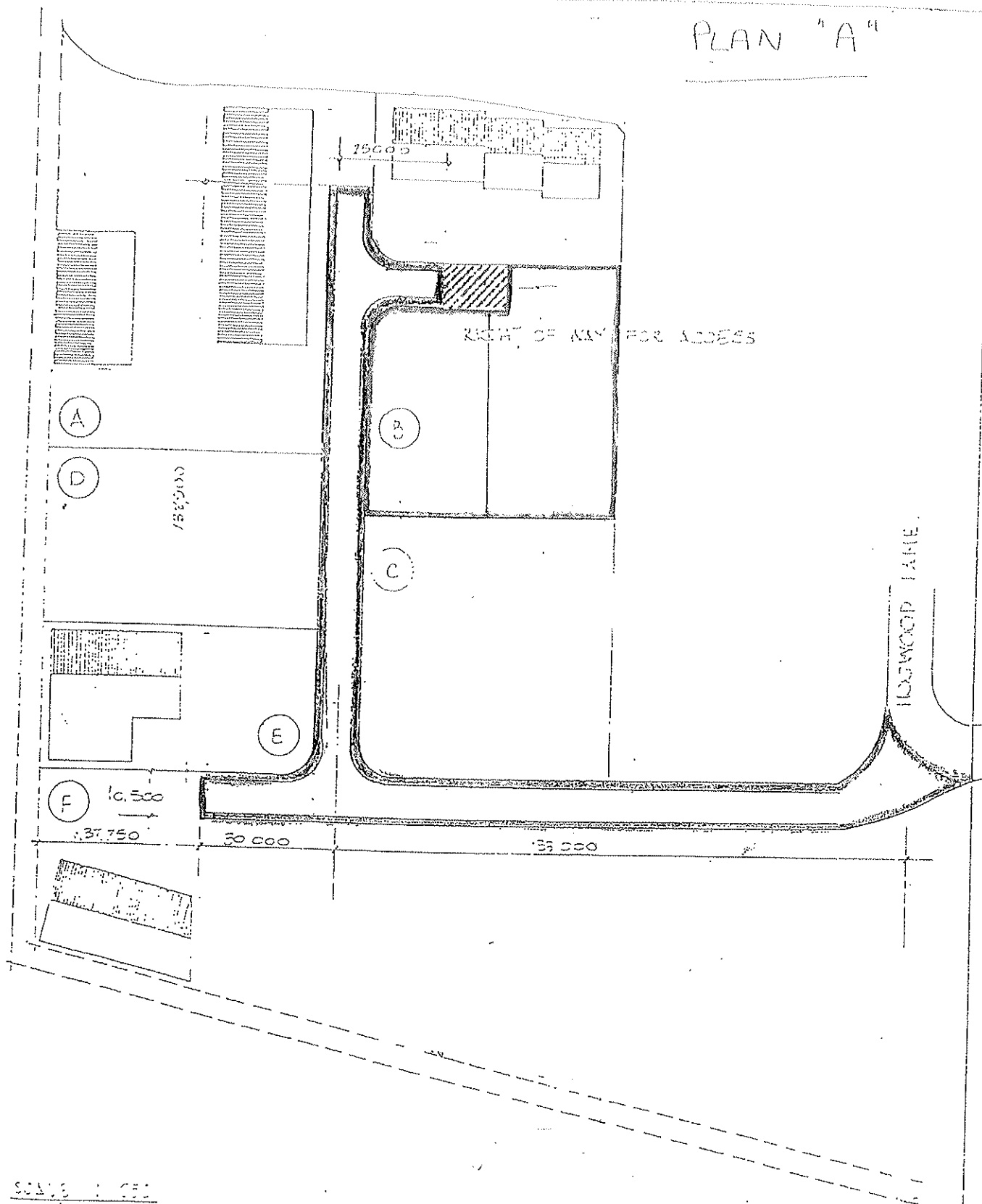
NW Construction Company (Engineers) Ltd.

CONTRACT —

Sheet No. 100/211

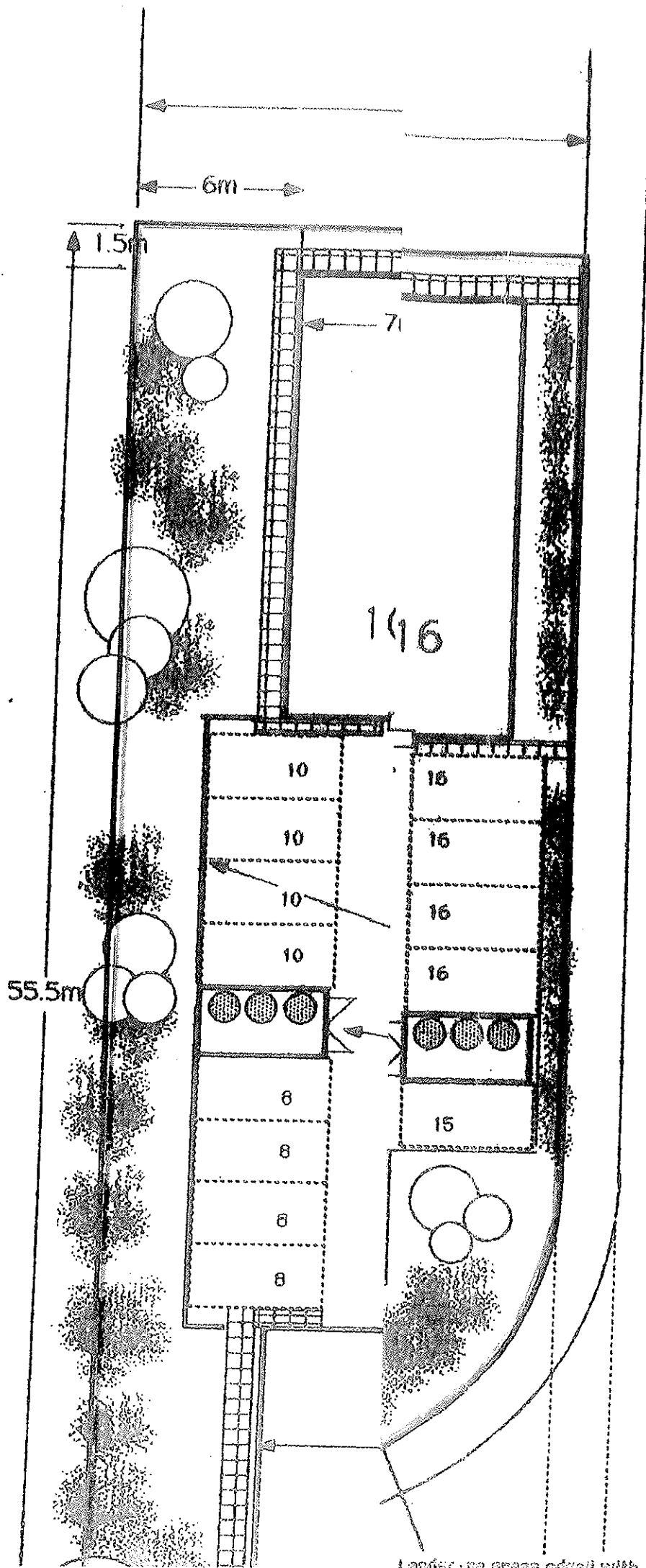
Ref. No.

PLAN "A"



SCALE 1:1000

SITE LAYOUT - HOOKWOOD INDUSTRIAL ESTATE
HOOKWOOD LANE - F. HOLLANDS



Contractual Term: a term of five years commencing on and including the Commencement Date.

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

Estate: the Hogwood Lane Industrial Estate, Finchampstead, Wokingham shown edged in blue on Plan A and Plan B.

Headlease: the superior lease under which the landlord holds the Property dated 27th June 1988 and made between Claude Fenton Limited (1) ("the Superior Landlord") and John Cyril Prudence and Roy William Evans (2) for a term of 999 years from the First day of December 1986.

Insurance Rent: the aggregate in each year of the :

- (a) gross cost of the premium before any discount or commission for the insurance of:
 - (i) the Property, other than any plate glass, for its full reinstatement cost (taking inflation of building costs into account) against loss or damage by or in consequence of the Insured Risks, including costs of demolition, site clearance, site protection and shoring-up, professionals' and statutory fees and incidental expenses, the cost of any work which may be required under any law and VAT in respect of all those costs, fees and expenses, and
 - (ii) loss of Annual Rent from the Property for three years
- (b) a fair proportion of the gross cost of the premium before any discount or commission for the insurance of:
 - (i) the Common Parts for their full reinstatement cost (taking inflation of building costs into account) against loss or damage by or in consequence of the Insured Risks, including costs of demolition, site clearance, site protection and shoring-up, professionals' and statutory fees and incidental expenses, the cost of any work which may be required under any law and VAT in respect of all those costs, fees and expenses, and
 - (ii) public liability in relation to the Common Parts
- (c) a fair proportion of the insurance premiums paid from time to time by the Landlord pursuant to the terms of the Headlease, and
- (d) any insurance premium tax payable on the above.

Insured Risks: means fire, explosion, lightning, earthquake, storm, flood, bursting landslip, heave subsidence and overflowing of water tanks, apparatus or pipes, impact by aircraft and articles dropped from them, impact by vehicles, riot, civil commotion terrorism and any other risks against which the Landlord decides to insure against from time to time or which the tenant may reasonably require the Landlord to insure against (at the Tenant's expense) from time to time.

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

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

The Permitted Part: The entirety of the first or second floors of the property

Permitted Use: light industrial or warehousing purposes within Use Class B1 or B8 of the Town and Country Planning (Use Classes) Order 1987 as at the date this Lease is granted.

Plan A: the plan attached to this Lease marked 'Plan A'.

Plan B: the plan attached to this Lease marked 'Plan B'.

Property: Unit 11, Falcon Business Park, Finchampstead, Berkshire, shown edged red on Plan B but excluding any Service Media in, on, under or over that unit (whether in existence at the date of this Lease or installed during the perpetuity period) that are used by that unit in common with any other part of the Estate.

Rent Commencement Date: 10TH August 2015.

Rent Payment Date: 25 March, 24 June, 29 September and 25 December

Service Charge: a fair and reasonable proportion of the Service Costs.

Service Charge Year: is the annual accounting period relating to the Services and the Service Costs beginning on 1st December 2009 and each subsequent year during the term.

Service Costs: the costs listed in clause 7.2.

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

Services: the services listed in clause 7.1.

Third Party Rights: all rights, covenants and restrictions affecting the Estate or any part thereof including the matters referred to at the date of this Lease in the charges register of title number BK266692 so far as they relate to the Property and do not remain to be performed by the Superior Landlord or the Landlord and those contained in the headlease save to the extent that they are expressly assumed by the Landlord in this Lease.

VAT: value added tax chargeable under the Value Added Tax Act 1994 or any similar replacement or additional tax and unless otherwise stated all references to rents or other sums payable by the tenant are exclusive of VAT.

- 1.2 A reference to this **Lease**, except a reference to the date of this Lease or to the grant of this Lease, is a reference to this deed and any deed, licence, consent, approval or other instrument supplemental to it.
- 1.3 A reference to the **Landlord** includes a reference to the person entitled to the immediate reversion to this Lease. A reference to the **Tenant** and **Superior Landlord** includes a reference to its successors in title and assigns. A reference to a **guarantor** is a reference to any guarantor of the tenant covenants of this Lease including a guarantor who has entered into an authorized guarantee agreement.
- 1.4 Reference to any right exercisable by the **Landlord**, or any right exercisable by the **Tenant** in common with the **Landlord**, is to be construed as including where appropriate reference to the exercise of the right by the **Superior Landlord** and all persons authorized by him in common with all other persons having like right.
- 1.5 In relation to any payment, a reference to a **fair proportion** is to a fair and reasonable proportion of the total amount payable, determined, provided the Landlord does so correctly, fairly and reasonably, conclusively (except as to questions of law and manifest error) by the Landlord.
- 1.6 The expressions **landlord covenant** and **tenant covenant** or **authorized guarantee agreement** each has the meaning given to it by the Landlord and Tenant (Covenants) Act 1995.
- 1.7 Unless the context otherwise requires, references to the **Common Parts**, the **Estate**, a **Lettable Unit** and the **Property** are to the whole and any part of them or it.
- 1.8 The expression the **Property** includes:-
- (a) all buildings, erections, structures at the Property;
 - (b) All additions, alterations and improvements carried out during the Contractual Term unless otherwise agreed by the parties;
 - (c) All the Landlord's fixtures and fittings and appurtenances on the Property from time to time;
 - (d) The inner half severed medially of the boundary walls and fences that divide the Property from any neighboring property or Adjoining Property.
- 1.9 The expression **neighbouring property** does not include the Estate.
- 1.10 A reference to the **term** is to the Contractual Term and any agreed or statutory continuation of this Lease.
- 1.11 A reference to the **end of the term** is to the end of the term however it ends.
- 1.12 Reference to the **perpetuity period** are to the period of 80 years from the commencement of the term and that period is the perpetuity period for the purposes of section 1 of the Perpetuities and Accumulations Act 1964.

- 1.13 References to the **consent** of the Landlord are to the consent of the Landlord given in accordance with clause 39.3(a) and references to the **approval** of the Landlord are to the approval of the Landlord given in accordance with clause 39.4.
- 1.14 Where any party to this Lease for the time being comprises two or more persons, obligations expressed or implied to be made by or with that party are deemed to be made by or with the persons comprising that party jointly and severally.
- 1.15 A **working day** is any day which is not a Saturday, a Sunday, a bank holiday or a public holiday in England and Wales.
- 1.16 Unless otherwise specified, a reference to a particular law is a reference to is as it is in force for the time being, taking account of any amendment, extension, application or re-enactment and includes any subordinate laws for the time being in force made under it and all orders, notices, codes of practice and guidance made under it.
- 1.17 A reference to laws in general is to all local, national and directly applicable supra-national laws in force for the time being, taking account of any amendment, extension, application or re-enactment and includes any subordinate laws for the time being in force made under them and all orders, notices, codes of practice and guidance made under them.
- 1.18 Any obligation in this Lease on the Tenant not to do something includes an obligation not to voluntarily agree to or suffer that thing to be done and an obligation to use reasonable endeavours to prevent that thing being done by another person.
- 1.19 Unless the context otherwise requires, where the words **include(s)** or **including** are used in this Lease, they are deemed to have the words 'without limitation' following them.
- 1.20 A **person** includes a corporate or unincorporated body.
- 1.21 References to **writing** or **written** do not include email.
- 1.22 Except where a contrary intention appears, a reference to a clause or Schedule, is a reference to a clause of, or Schedule to, this Lease and a reference in a Schedule to a paragraph is to a paragraph of that Schedule.
- 1.23 Clause, Schedule and paragraph headings do not affect the interpretation of this Lease.

2. GRANT

- 2.1 The Landlord lets with full title guarantee the Property to the Tenant for the Contractual Term.
- 2.2 The grant is made together with the ancillary rights set out in clause 3, excepting and reserving to the Landlord the rights set out in clause 4, and subject to the Third Party Rights.

2.3 The grant is made with the Tenant paying the following as rent to the Landlord:

- (a) the Annual Rent and all VAT in respect of it,
- (b) the Service Charge and all VAT in respect of it.
- (c) the Insurance Rent,
- (d) all interest payable under this Lease, and
- (e) all other sums due under this Lease and a fair proportion of all amounts (other than rent) paid from time to time by the Landlord to the Superior Landlord pursuant to the terms of Headlease.

3. ANCILLARY RIGHTS

3.1 The Landlord grants the Tenant the following rights (the **Rights**):

- (a) the right to use the roads and paths shown edged brown on Plan A and the accessway hatched black and shown coloured yellow for the purposes of vehicular and pedestrian access to and egress from the Property and to and from the parts of the Common Parts referred to in clause 3.1(b) to clause 3.1(c), to the public highway
- (b) the right to park not more than four vehicles belonging to the Tenant, its employees and visitors in the allocated parking spaces numbered 11 on Plan B,
- (c) the right to maintain and keep a bin for the disposal of rubbish in the area allocated for this purpose on the Estate and shown on Plan B,
- (d) the right to use and to connect into any Service Media at the Estate that belong to the Landlord and serve (but do not form part of) the Property which are in existence at the date of this Lease or are installed during the perpetuity period,
- (e) the right of support and protection of the Property as is now enjoyed from all other parts of the Estate, and
- (f) the right to enter the Common Parts so far as is reasonably necessary to carry out any works to the Property required or permitted by this Lease.

3.2 The rights are granted in common with the Landlord and any other person authorized by the Landlord.

3.3 The Rights are granted subject to the Third Party Rights and the Tenant shall not do anything that may interfere with any Third Party Right.

3.4 The Tenant shall exercise the Rights only in connection with its use of the Property for the Permitted Use and in accordance with any regulations made by the Landlord as mentioned in clause 29.1.

- 3.5 The Tenant shall comply with all laws relating to its use of the Common Parts of which they have received written notification pursuant to the Rights.
- 3.6 In relation to the Rights mentioned in clause 3.1(d), the Landlord may, with the agreement of the Tenant (such agreement not to be unreasonably withheld or delayed), re-route or replace any such Service Media and that Right will then apply in relation to the Service Media as re-routed or replaced.
- 3.7 In exercising the Right mentioned in clause 3.1(f), the Tenant shall cause as little inconvenience and damage to the Common Parts and the other tenants and occupiers of the Estate as is reasonably practicable and shall promptly make good (to the satisfaction of the Landlord) any damage caused to the Common Parts by reason of the Tenant exercising that Right.
- 3.8 Except as mentioned in this clause 3, neither the grant of this Lease nor anything in it confers any right over the Common Parts or any Lettable Unit or any neighbouring property nor is to be taken to show that the Tenant may have any right over the Common Parts or any Lettable Unit or any neighbouring property, and Section 62 of the Law of Property Act 1925 does not apply to this Lease.

4. RIGHTS EXCEPTED AND RESERVED

- 4.1 The following rights are excepted and reserved from this Lease to the Landlord (the **Reservations**):
- (a) rights of light, air, support and protection as those rights are capable of being enjoyed at any time during the term,
 - (b) the right to use and to connect into Service Media at, but not forming part of or which are required for use by, the Property; the right to install and construct Service Media at the Property to serve any part of the Estate or any neighbouring property (whether or not such Service Media also serve the Property); and the right to re-route any Service Media mentioned in this paragraph,
 - (c) the right to develop any Adjacent Property or neighbouring property (other than the Property or any part of the Common Parts over which rights are expressly granted by this Deed) or any neighbouring property (whether or not belonging to the Landlord),
 - (d) the right to build on or into any boundary of the Property provided the use of the Property by the Tenant is not hereby materially impeded,
 - (e) subject to clause 3.6, the right to re-route and replace any Service Media over which the Rights mentioned in clause 3.1(d) are exercised,
 - (f) the right upon prior consultation with the Tenant as to timing and position to temporarily erect scaffolding at the Property or otherwise on the Estate and attach it to any building on the Property in connection with any of the other Reservations provided the use of the Property by the Tenant is not thereby materially impeded and the Landlord shall remove such scaffolding at the earliest opportunity making good any damage pursuant to the provisions of clause 4.6

- (g) the right to contract and to maintain in upon through under or over the Property at any time during the Contractual Term any easements, quasi easements or services for the benefit of any part of any Adjoining Property or neighbouring property which exist at the date hereof but not to create any new ones without the written agreement of the Tenant,
 - (h) the right to enter the Property at reasonable times and by appointment with the Tenant (except in the case of emergency):
 - (i) to inspect, repair, maintain, install, construct, re-route or replace any Service Media or structure relevant to any of the other Reservations, or
 - (ii) in connection with any of the Services or,
 - (iii) for any other purpose mentioned in this Lease, or
 - (iv) for any other purpose connection with this Lease or with the Landlord's interest in the Property, the Estate or any neighbouring property.
- 4.2 The Reservations may be exercised by the Landlord and by anyone else who is or becomes entitled to exercise them and by anyone authorised by the Landlord.
- 4.3 The Reservations mentioned in clause 4.1(b) apply to Service Media in existence at the date of this Lease.
- 4.4 The Tenant shall allow all those entitled to exercise any right to enter the Property, to do so with their workers, contractors, agents and professional advisors, and to enter the Property at any reasonable time (whether or not during usual business hours) and, except in the case of an emergency, after having given reasonable notice (which need not be in writing) to the Tenant and subject to compliance with the reasonable security requirements of the Tenant which are notified to the Landlord and, except in the case of an emergency, provided they are accompanied at all times by the Tenant or his Agent.
- 4.5 No one exercising any of the Reservations, nor its workers, contractors, agents and professional advisors, will be liable to the Tenant or to any undertenant or other occupier of or person at the Property for any loss, damage, injury, nuisance or inconvenience arising by reason of its exercising any of the Reservations except for:
- (a) physical damage to the Property, or
 - (b) any loss, damage, injury, nuisance or inconvenience in relation to which the law prevents the Landlord excluding liability.
- 4.6 All persons exercising the Reservations, shall cause as little inconvenience and damage to the Tenant and its business and the Property as is reasonably practicable and shall promptly make good (to the satisfaction of the Tenant)

any damage caused to the Property by reason of the Landlord or any persons on its behalf exercising the Reservations.

5. THIRD PARTY RIGHTS

- 5.1 The Tenant shall comply with all obligations on the Landlord relating to the Third Party Rights insofar as those obligations relate to the Property and shall not do anything (even if otherwise permitted by this Lease) that may interfere with or breach any Third Party Right Provided that the Tenant has received previous written notice of the Third Party Rights
- 5.2 The Tenant shall allow the Landlord and any other person authorised by the terms of the Third Party Right to enter the Property in accordance with its terms. Provided that the Tenant has received previous written notice of the Third Party Rights and Provided further that the Landlord and any such other authorized person shall comply with clause 4.6
- 5.3 The Tenant shall indemnify and keep indemnified the Landlord against all actual damages losses costs expenses actions demands proceedings claims and liabilities properly made against or suffered or incurred by the Landlord arising directly out of any breach by the Tenant in complying with the obligations in clauses 5.1 and 5.2

6. THE ANNUAL RENT

- 6.1 The Tenant shall pay the Annual Rent and any VAT in respect of it by four equal instalments in advance on or before the Rent Payment Dates. The payments must be made by banker's standing order or by any other usual banking method that the Landlord reasonably requires at any time by giving written notice to the Tenant.
- 6.2 The first instalment of the Annual Rent and any VAT in respect of it shall be made on the Rent Commencement Date and will be the proportion, calculated on a daily basis, in respect of the period from the Rent Commencement Date until the day before the next Rent Payment Date.

7. SERVICES AND SERVICE CHARGES

- 7.1 The **Services** are:
- (a) cleaning, maintaining and repairing the Common Parts including all Service Media forming part of the Common Parts (and remedying any inherent defect),
 - (b) lighting the Common Parts and cleaning, maintaining, repairing and replacing lighting machinery and equipment on the Common Parts,
 - (c) cleaning, maintaining, repairing and replacing (where beyond economic repair) signage for the Common Parts,
 - (d) cleaning, maintaining, repairing, operating and replacing (where beyond economic repair) security machinery and equipment (including closed circuit television) on the Common Parts,

- (e) cleaning, maintaining, repairing, operating and replacing (where beyond economic repair) fire prevention, detection and fighting machinery and equipment and fire alarms on the Common Parts,
- (f) cleaning, maintaining, repairing and replacing (where beyond economic repair) a signboard showing the names and logos of the tenants and other occupiers [at the entrance to the Estate],
- (g) maintaining the landscaped and grassed areas of the Common Parts, and
- (h) any other service or amenity that the Landlord may in its reasonable discretion provide for the benefit of the tenants and occupiers of the Estate in the interest of good estate management or which the Tenant may reasonably require to be provided.

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

- (a) the whole of the cost of:
 - (i) providing the Services,
 - (ii) the supply and removal of utilities to and from the Common Parts,
 - (iii) complying with the reasonable and proper requirements of the insurers of the Estate (insofar as those requirements relate to the Common Parts),
 - (iv) complying with all laws relating to the Common Parts, their use and any works carried out at them, and relating to the use of all Service Media, machinery and equipment at or serving the Common Parts and to any materials kept at or disposed of from the Common Parts,
 - (v) complying with the Third Party Rights insofar as they relate to the Common Parts, and
 - (vi) the expenses incurred by the Superior Lessor from time to time in maintaining, repairing, rebuilding and cleansing the Estate road and accessway servicing the Estate and car park and pipes and Service Media and all other parts of the Estate including grassed and planted areas and all part walls, fences, sewers, drains, channels, pipes and wires and other things the use of which is common to the Property and the other Lettable Units and the cost of insuring the same against liability of the Superior Lessor to third parties.
- (b) The reasonable costs, fees and disbursements of:
 - (i) managing agents employed by the Landlord for the carrying out and provision of the Services or, where managing agents are not employed, a management fee for the same, and

- (ii) accountants employed by the Landlord to prepare and audit the service charge accounts.
 - (c) All rates, taxes and impositions payable in respect of the Common Parts, their use and any works carried out on them (other than any taxes payable by the Landlord in connection with any dealing with or disposition of its reversionary interest in the Estate), and
 - (d) any VAT payable by the Landlord in respect of any of the items mentioned above except to the extent that the Landlord is able to recover and should recover such VAT.
- 7.3 Subject to the Tenant paying the Service Charge, the Landlord shall use its reasonable endeavours to procure that the Superior Landlord shall repair, maintain and clean the Common Parts. The Landlord may, but will not be obliged to, provide any of the other Services.
- 7.4 As soon as practicable after the start of each Service Charge Year, the Landlord will prepare and send the Tenant an estimate of the Service Costs for that Service Charge Year and a statement of the estimate Service Charge for that Service Charge Year.
- 7.5 The Tenant shall pay within 14 days of written demand the estimated Service Charge for each Service Charge Year in four equal instalments on each of the Rent Payment Dates and the Landlord shall hold the same on trust for the Tenant until it has been expended on the provision of the Services and for the avoidance of doubt the Tenant shall not be liable for any Service Charge sums incurred prior to the date of the Lease.
- 7.6 In relation to the Service Charge Year current at the date of this Lease, the Tenant's obligations to pay the estimated Service Charge and the actual Service Charge will be limited to an apportioned part of those amounts, such apportioned part to be calculated on a daily basis for the period from the date of this Lease to the end of the Service Charge Year and shall not include any major expense which should have been paid for before the Tenant's occupation. The estimated Service Charge for which the Tenant is liable will be paid in equal instalments on the date of this Lease and the remaining Rent Payment Days during the period from the date of this Lease until the end of the Service Charge Year.
- 7.7 As soon as reasonably practicable after the end of each Service Charge Year, the Landlord will prepare and send to the Tenant a certificate showing the Service Costs and the Service Charge for that Service Charge Year.
- 7.8 If any cost is omitted from the calculation of the Service Charge in any Service Charge Year, the Landlord will be entitled to include it in the estimate and certificate of the Service Charge in any following Service Charge Year. Otherwise, and except in the case of manifest error, the Service Charge certificate will be conclusive as to all matters of fact to which it refers.
- 7.9 Without prejudice to Clause 8.5(f), where the Landlord provides any Service by reason of the damage to or destruction of the Common Parts by a risk against which the Landlord is obliged to insure, the costs of that Service will not be included within the Service Charge.

- 7.10 If, in respect of any Service Charge Year, the Landlord's estimate of the Service Charge is less than the Service Charge, the Tenant shall pay the difference on demand. If, in respect of any Service Charge Year, the Landlord's estimate of the Service Charge is more than the Service Charge, the Landlord will credit the difference against the Tenant's next instalment of the estimated Service Charge and where the difference exceeds the next instalment then the balance of the difference will be refunded to the Tenant on demand.

8. INSURANCE

- 8.1 Subject to Clause 8.2, the Landlord shall keep the Property (other than any plate glass at the Property) and any other adjoining property that he may for the time being own insured with a reputable insurance company against loss or damage by the Insured Risks for its full reinstatement cost (taking inflation of building costs into account). The Landlord will not be obliged to insure any part of the Property installed by the Tenant.
- 8.2 The Landlord's obligation to insure is subject to:
- (a) any exclusions, limitations, excesses and conditions that may be imposed by the insurers which are competitive for the industry's requirements
 - (b) insurance being available in the London insurance market, and
 - (c) without prejudice to the generality of paragraph (b), and in relation to Insured Risks resulting from an act of terrorism, the Landlord having (from time to time) extended its insurance cover to damage resulting from any such act.
- 8.3 The Landlord shall:
- 8.3.1 produce to the Tenant when reasonably requested a copy of the policy and the current premium renewal receipt or reasonable evidence of the terms of the policy and the payment of the current premium;
 - 8.3.2 request the insurer to procure that the interest of the Tenant and any permitted under Tenant is noted and endorsed on the said policy;
 - 8.3.3 notify the Tenant in writing of any material change in risks covered by the said policy from time to time.
- 8.4 The Tenant shall pay to the Landlord within 14 days of written demand the Insurance Rent.
- 8.5 The Tenant shall:
- (a) give the Landlord notice as soon as is practical immediately any matter occurs that any insurer or underwriter is likely to treat as material in deciding whether or on what terms to insure or to continue to insure the Property,

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

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

- (a) provide accommodation or facilities identical in layout or design so long as accommodation reasonably equivalent to that previously at the Property is provided, or
- (b) repair or rebuild if the Tenant has failed to pay any of the Insurance Rent, or
- (c) repair or rebuild the Property:-
 - (i) after a notice has been served pursuant to Clause 8.8 or Clause 8.9
 - (ii) if the Landlord despite using his best endeavours cannot obtain the necessary permission;
 - (iii) because any permission is granted subject to a lawful condition with which in all the circumstances it is unreasonable to expect the Landlord to comply;

- (iv) because there is some defect or deficiency in the site on which the rebuilding or reinstatement is to be take place that means it can only be undertaken at a cost that is unreasonable in all the circumstances;
- (v) if the Landlord is unable to obtain access to the site;
- (vi) because the Landlord is prevented by war, act of God, government action, strike or lock-out;
- (vii) because of the occurrence of any other circumstance beyond the Landlord's control.

8.7 If the Property or any part of the Common Parts or Service Media preventing access to or use of the Premises is damaged or destroyed by a risk against which the Landlord is obliged to insure so as to be unfit for reasonably convenient occupation and use or so as to make the Property inaccessible or unusable then, unless the policy of insurance in relation to the Property has been vitiated in whole or in part in consequence of any act or omission of the Tenant, any undertenant or their respective workers, contractors or agents or any other person on the Property or the Common Parts with the actual or implied authority of any of them, payment of the Annual Rent, Insurance and Service Charge or a fair proportion of it according to the nature and extent of the damage, will be suspended until the Property has been reinstated and made fit for occupation and use, or until the end of three years from the date of damage or destruction, if sooner.

8.8 If, following damage to or destruction of the Property, the Landlord because the residue of the term hereby granted is too short at that time considers that it is impossible or impractical to reinstate the Property, the Landlord may terminate this Lease by giving notice to the Tenant. On giving notice this Lease will determine but this will be without prejudice to any right or remedy of the Landlord or the Tenant in respect of any breach of the tenant covenants of this Lease. Subject thereto, any proceeds of the insurance (other than any insurance for plate glass) will belong to the Landlord.

8.9 Provided that the Tenant has complied with its obligations in this clause, the Tenant may terminate this Lease by giving notice to the Landlord, if following damage or destruction of the Property by an Insured Risk, the Property has not been reinstated so as to be fit for occupation and use within 6 months after the date of damage or destruction or by the expiry of the term of the Lease (whichever is the shorter). On giving this notice this Lease will determine but this will be without prejudice to any right or remedy of the Landlord or the Tenant in respect of any breach of the tenant covenants of this Lease. Subject thereto, any proceeds of the insurance (other than any insurance for plate glass) will belong to the Landlord. In case the monies received in respect of the said insurance shall be insufficient or the amount paid by the insurance company or the level of insurance cover taken out in respect of the Insured Risks shall be insufficient

then, without prejudice to any other rights or claims the Tenant may have, the Tenant shall be entitled to terminate this Lease by giving the Landlord not less than one month's written notice.

9. RATES AND TAXES

9.1 The Tenant shall pay all present (but not any incurred prior to the date of the lease) and future rates, taxes and other impositions payable in respect of the Property, its use and any works carried out there, other than:

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

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

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

10. UTILITIES

10.1 The Tenant shall pay all costs in connection with the supply and removal of electricity, gas, water, sewerage, telecommunications, data and other services and utilities to or from the Property which are not included in the Services.

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

11. VAT

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

11.2 Every obligation on the Tenant under or in connection with this Lease to pay, refund or to indemnify the Landlord or any other person any money or against any liability includes an obligation to pay, refund or indemnify against any VAT, or an amount equal to any VAT, chargeable in respect of it.

11.3 The Tenant shall only be liable to pay VAT in respect of a correct VAT invoice.

12. DEFAULT INTEREST AND INTEREST

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

13. COSTS

- 13.1 The Tenant shall pay the reasonable costs and properly incurred expenses of the Landlord including any reasonable solicitors' or other professionals' costs and expenses (incurred both during and after the end of the term) in connection with or in contemplation of:
- (a) the enforcement of the tenant covenants of this Lease where the Tenant is in breach,
 - (b) serving any notice in connection with this Lease under section 146 or 147 of the Law of Property Act 1925 or taking any proceedings under either of those sections, notwithstanding that forfeiture is avoided otherwise than by relief granted by the court,
 - (c) serving any notice in connection with this Lease under section 17 of the Landlord and Tenant (Covenants) Act 1995,
 - (d) the preparation and service of a Schedule of Dilapidations in connection with this Lease where it is necessary for the reversionary interest to prepare such a Schedule, and
 - (e) any consent or approval applied for under this Lease, whether or not it is granted (unless the consent or approval is unreasonably withheld by the Landlord in circumstances where the Landlord is not unreasonably to withhold it).

14. COMPENSATION ON VACATING

Any right of the Tenant or anyone deriving title under the Tenant to claim compensation from the Landlord on leaving the Property under the Landlord and Tenant Act 1927 or the Landlord and Tenant Act 1954 is excluded, except to the extent that the legislation prevents that right being excluded.

15. NO DEDUCTION, COUNTERCLAIM OR SET-OFF

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

16. ASSIGNMENTS

- 16.1 The Tenant shall not assign the whole of this Lease without the consent of the Landlord, such consent not to be unreasonably withheld.
- 16.2 The Tenant shall not assign part only of this Lease.
- 16.3 The Landlord and the Tenant agree that for the purposes of section 19(1A) of the Landlord and Tenant Act 1927 the Landlord may give its consent to an assignment subject to all or any of the following conditions:
- (a) if reasonably required a condition that the assignor (and any former tenant who because of Section 11 of the Landlord and Tenant (Covenants) Act 1995 has not been released from the tenant covenants of this Lease) enters into an authorised guarantee agreement which:
 - (i) is in respect of all the tenant covenants of this Lease,
 - (ii) is in respect of the period beginning with the date the assignee becomes bound by those covenants and ending on the date when the assignee is released from those covenants by virtue of Section 5 of the Landlord and Tenant (Covenants) Act 1995,
 - (iii) imposes principal debtor liability on the assignor (and any former tenant),
 - (iv) requires (in the event of a disclaimer of liability of this Lease) the assignor (or former tenant as the case may be) to enter into a new tenancy for a term equal to the unexpired residue of the Contractual Term, and
 - (v) is otherwise in a form reasonably required by the Landlord,
 - (b) a condition that a person of standing acceptable to the Landlord enters into a guarantee and indemnity of the tenant covenants of this Lease in the form set out in the Schedule (but with such amendments and additions as the Landlord may reasonably require).
- 16.4 The Landlord and the Tenant agree that for the purposes of Section 19(1A) of the Landlord and Tenant Act 1927 the Landlord may refuse its consent to an assignment if any Annual Rent or other money due under this Lease is outstanding.
- 16.5 Nothing in this clause will prevent the Landlord from giving consent subject to any other reasonable condition, nor from refusing consent to an assignment in any other circumstance where it is reasonable to do so.

17. UNDERLETTINGS

- 17.1 The Tenant shall not underlet the whole of the Property except in accordance with this clause nor without the consent of the Landlord, such consent not to be unreasonably withheld or delayed.

- 17.2 The Tenant shall not underlet part only of the Property otherwise than by means of a sub-lease of the Permitted Part and with the consent of the landlord whose consent shall not be unreasonably withheld or delayed
- 17.3 The Tenant shall not underlet the Property or the Permitted Part:
- (a) together with any property or any right over property that is not included within this Lease,
 - (b) at a fine or premium or reverse premium, nor
 - (c) allowing any rent free period to the undertenant that exceeds the period as is then usual in the open market in respect of such a letting.
- 17.4 The Tenant shall not underlet the Property unless, before the underlease is granted, an effective agreement has been made to exclude the operation of Sections 24-28 of the Landlord and Tenant Act 1954 pursuant to Section 38A of the said Act
- 17.5 Any underletting by the Tenant must be by Deed and must include:
- (a) a valid agreement between the Tenant and the undertenant, excluding sections 24 to 28 of the Landlord and Tenant Act 1954 from applying to the tenancy created by the underlease,
 - (b) the reservation of a rent which is not less than the full open market rental value of the Property at the date the Property is underlet and which is payable at the same times as the Annual Rent under this Lease
 - (c) a covenant by the undertenant, enforceable by and expressed to be enforceable by the Landlord (as superior landlord at the date of grant) and its successors in title in their own right, to observe and perform the tenant covenants in the underlease and any document that is supplemental or collateral to it and the tenant covenants in this Lease, except the covenant to pay the rents reserved by this Lease, and
 - (d) provisions requiring the consent of the Landlord to be obtained in respect of any matter for which the consent of the Landlord is required under this Lease,
- and must otherwise be consistent with and include tenant covenants no less onerous (other than as to the Annual Rent) than those in this Lease and in a form approved by the Landlord, such approval not to be unreasonably withheld.
- 17.6 In relation to any underlease granted by the Tenant, the Tenant shall:
- (a) not vary the terms of the underlease nor accept a surrender of the underlease without the consent of the Landlord, such consent not to be unreasonably withheld,
 - (b) enforce the tenant covenants in the underlease and not waive any of them nor without the consent of the Landlord, such consent not to be

unreasonably withheld, allow any reduction in the rent payable under the underlease.

- 17.7 Every permitted sub-lease of the permitted part shall not demise any part of the structure or common parts of the property and must be granted (without a fine or premium) at a rent not less than whichever is the greater of the open market rent payable in respect of the permitted part, be approved by the Landlord before the sub-lease is granted and to be determined by the surveyor (acting as an expert and not as an arbitrator) and a fair proportion reasonably attributable to the permitted part to be determined by the surveyor acting as an expert and not as an arbitrator of the rent to be payable in advance on the days on which the rent is payable under this lease.

18. SHARING OCCUPATION

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

19. CHARGING

- 19.1 The Tenant shall not charge the whole of this Lease without the consent of the Landlord, such consent not to be unreasonably withheld.

- 19.2 The Tenant shall not charge part only of this Lease.

20. PROHIBITION OF OTHER DEALINGS

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

21. REGISTRATION AND NOTIFICATION OF DEALINGS AND OCCUPATION

- 21.1 In this clause a **Transaction** is:

- (a) any dealing with this Lease or the devolution or transmission of, or parting with possession of any interest in it, or
- (b) the creation of any underlease or other interest out of this Lease, or out of any interest, underlease derived from it, and any dealing, devolution or transmission of, or parting with possession of any such interest or underlease, or
- (c) the making of any other arrangement for the occupation of the Property.

- 21.2 In respect of every Transaction that is registerable at HM Land Registry, the Tenant shall promptly following completion of the Transaction apply to register it (or procure that the relevant person so applies). The Tenant shall (or shall procure that) any requisitions raised by HM Land Registry in

connection with an application to register a Transaction are dealt with promptly and properly. Within one month of completion of the registration, the Tenant shall send the Landlord official copies of its title (and where applicable of the undertenant's title).

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

- (a) give the Landlord's solicitors notice of the Transaction, and
- (b) deliver two certified copies of any document effecting the Transaction to the Landlord's solicitors, and
- (c) pay the Landlord's solicitors a registration fee of £30 (plus VAT).

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

22. REPAIRS

22.1 The Tenant must keep the Premises in good condition and repair except for damage caused by one or more of the insured risks save to the extent that the insurance money is irrecoverable due to any act or default of the Tenant or any one at the Premises expressly or by implication with his authority

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

22.3 The Tenant shall carry out such repairs to the roof of the building as are necessary

22.4 Notwithstanding the sub-clauses 22.1, 22.2 and 22.3 the Tenant shall be under no obligation to yield up or reinstate the Property in any better state of repair or condition than as evidenced by the photographic schedule of condition attached hereto.

23. DECORATION

23.1 The Tenant shall decorate the inside of the Property as often as is reasonably necessary.

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

23.3 All decoration carried out in the last three months of the term must also be carried out to the reasonable satisfaction of the Landlord and using materials, designs and colours approved by the Landlord such approval not to be unreasonably withheld or delayed.

24. ALTERATIONS

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

Property except for extract exhaust and air conditioning unit and as provided in clause 25.

24.2 The Tenant shall not install any Service Media on the exterior of the Property nor alter the route of any Service Media at the Property without the consent of the Landlord, such consent not to be unreasonably withheld.

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

25. SIGNS

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

25.2 The Tenant shall not attach any Signs other than the company name and logo at the front of the building to the exterior of the Property or display any inside the Property so as to be seen from the outside.

26. RETURNING THE PROPERTY TO THE LANDLORD

26.1 At the end of the term the Tenant shall return the Property to the Landlord in the condition required by this Lease.

26.2 At the end of the Term the Tenant shall, if reasonably required in writing at least 6 months prior to the end of the Term to do so by the Landlord, remove items it has fixed to the Property and remove any alterations it has made to the Property.

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

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

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

27. USE

27.1 The Tenant shall not use the Property for any purpose other than the Permitted Use.

27.2 The Tenant shall not use the Property for any illegal purpose nor for any purpose or in a manner that would cause loss, damage, injury, nuisance or inconvenience to the Landlord, the other tenants or occupiers of the Lettable Units or any owner or occupier of neighbouring property.

27.3 The Tenant shall not overload any structural part of the Property nor any machinery or equipment at the Property nor any Service Media at or serving the Property.

28. MANAGEMENT OF THE ESTATE

28.1 The Tenant shall observe all reasonable and proper regulations made by the Landlord from time to time in accordance with the principles of good estate management and notified to the Tenant in writing relating to the use of the Common Parts and the management of the Estate.

28.2 Nothing in this Lease will impose or be deemed to impose any restriction on the use of any other Lettable Unit or any neighbouring property.

29. COMPLIANCE WITH LAWS

29.1 The Tenant shall comply with all laws relating to:

- (a) the Property and the occupation and use of the Property by the Tenant,
- (b) the use of all Service Media and machinery and equipment at or serving the Property,
- (c) any works carried out at the Property, and
- (d) all materials kept at or disposed from the Property.

29.2 Without prejudice to any obligation on the Tenant to obtain any consent or approval under this Lease, the Tenant shall carry out all works that are required under any law to be carried out at the Property whether by the owner or the occupier.

29.3 Within five working days after receipt of any notice or other communication affecting the Property or the Estate (and whether or not served pursuant to any law) the Tenant shall:

- (a) send a copy of the relevant document to the Landlord, and
- (b) in so far as it relates to the Property, take all steps reasonably necessary to comply with the notice or other communication and take any other action in connection with it as the Landlord may reasonably require.

29.4 The Tenant shall not apply for planning permission for the Property without the Landlord's consent.

29.5 The Tenant shall not carry out any works at the Property in respect of which the Construction (Design and Management) Regulations 1994 apply without the consent of the Landlord. Such consent is not to be unreasonably withheld

in the case of works in respect of which the Landlord is not otherwise to withhold its consent unreasonably or which the Tenant is obliged to carry out under the terms of this Lease.

- 29.6 The Tenant shall maintain the health and safety file for the Property in accordance with the Construction (Design and Management) Regulations 1994 and shall give it to the Landlord at the end of the term.
- 29.7 As soon as the Tenant become aware of any defect in the Property, it shall give the Landlord notice of it. The Tenant shall indemnify the Landlord against any liability under the Defective Premises Act 1972 in relation to the Property by reason of any failure of the Tenant to comply with any of the tenant covenants in this Lease. The Landlord shall indemnify the Tenant against any liability under the Defective Premises Act 1972 in relation to the Property by reason of any failure of the Landlord to comply with any of the Landlord's covenants in this Lease.
- 29.8 The Tenant shall keep the Property equipped with all fire prevention, detection and fighting machinery and equipment and fire alarms which are required under all relevant laws or required by the insurers of the Property or reasonably recommended by them or reasonably required by the Landlord and shall keep that machinery, equipment and alarms property maintained and available for inspection.

30. ENCROACHMENTS, OBSTRUCTIONS AN ACQUISITION OF RIGHTS

- 30.1 The Tenant shall not grant any right or licence over the Property to any person.
- 30.2 If any person makes or attempts to make any encroachment over the Property or takes any action by which a right may be acquired over the Property, the Tenant shall:
- (a) as soon as the Tenant becomes aware give notice to the Landlord, and
 - (b) take all steps (including any proceedings) the Landlord reasonably requires at the Landlord's cost save where the Tenant is in breach to prevent or license the continuation of that encroachment or action.
- 30.3 The Tenant shall not obstruct the flow of light or air to the Property or any other part of the Estate nor obstruct any means of access to the Property or the Estate.
- 30.4 The Tenant shall not make any acknowledgement that the flow of light or air to the Property or any other part of the Estate or that the means of access to the Property or the Estate is enjoyed with the consent of any third party.
- 30.5 If any person takes or threatens to take any action to obstruct the flow of light or air to the Property or obstruct the mans of access to the Property the Tenant shall on becoming aware of the same:
- (a) immediately notify the Landlord, and

(b) take all steps (including proceedings) the Landlord reasonably requires at the Landlord's cost to prevent or secure the removal of the obstruction.

31. REMEDY BREACHES

- 31.1 The Landlord may on reasonable notice and during the Tenant's normal business hours enter the Property to inspect its condition and state of repair and may give the Tenant a notice of any breach of any of the tenant covenants in this Lease relating to the condition or repair of the Property.
- 31.2 If the Tenant has not begun any works needed to remedy that breach within two months following that notice (or if works are required as a matter of emergency, then immediately) or if the Tenant is not carrying out the works with all due speed required for such works taking into account the nature of those works, then the Landlord may enter the Property and carry out the works needed.
- 31.3 The costs incurred by the Landlord in carrying out any works pursuant to this clause (and any professional fees and any VAT in respect of those costs) will be a debt due from the Tenant to the Landlord and payable on demand.
- 31.4 Any action taken by the Landlord pursuant to this clause will be without prejudice to the Landlord's other rights, including those under clause 36.

32. INDEMNITY

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

33. LANDLORD'S COVENANT

- 33.1 The Landlord covenants with the Tenant, that, so long as the Tenant pays the rents reserved by and complies with its obligations in this Lease:-
- 33.1.1 the Tenant will have quiet enjoyment of the Property without any lawful interruption by the Landlord or any person claiming under the Landlord and
- 33.1.2 the Landlord will keep the external parts and the structure of the Demised Premises in good repair
- 33.2 The Landlord covenants with the Tenant to pay the rent reserved by the Headlease and to comply with the terms of the Headlease save in so far as the obligations are contained within the lease and to indemnify and keep indemnified the Tenant against all actions claims proceedings costs expenses and demands if any relating to the non-payment of rent in respect thereof.

- 33.3 On the request of the Tenant the Landlord must take all reasonable steps to enforce the covenants on the part of the Superior Landlord contained in the Headlease subject to the Tenant indemnifying the Landlord's costs.

34. GUARANTEE AND INDEMNITY

- 34.1 The provisions of the Schedule apply.
- 34.2 If any of the events mentioned in clause 36.1.(c) occurs in relation to a guarantor that is a corporation, or if any of the events mentioned in clause 35.1(d) occurs in relation to one or more individuals that is a guarantor or if one or more of those individuals dies or becomes incapable of managing its affairs the Tenant will, if the Landlord requests, procure that a person of standing acceptable to the Landlord enters into a replacement or additional guarantee and indemnity of the tenant covenants of this Lease in the same form as that entered into by the former guarantor.
- 34.3 Clause 34.2 will not apply in the case of a person who is guarantor by reason of having entered into an authorised guarantee agreement.
- 34.4 For so long as any guarantor remains liable to the Landlord, the Tenant will, if the Landlord requests, procure that the guarantor joins in any consent or approval required under this Lease and consents to any variation of the tenant covenants of this Lease.

35. CONDITION FOR RE-ENTRY

- 35.1 The Landlord may re-enter the Property at any time after any of the following occurs:
- (a) any rent is unpaid 21 days after becoming payable whether it has been formally demanded or not,
 - (b) any breach of any condition of, or tenant covenant, in this Lease,
 - (c) where the Tenant or any guarantor is a corporation,
 - (i) the taking of any step in connection with any voluntary arrangement or any other compromise or arrangement for the benefit of any creditors of the Tenant or guarantor, or
 - (ii) the making of an application for an administration order or the making of an administration order in relation to the Tenant or guarantor, or
 - (iii) the giving of any notice of intention to appoint an administrator, or the filing at court of the prescribed documents in connection with the appointment of an administrator, or the appointment of an administrator, in any case in relation to the tenant or the guarantor, or
 - (iv) the appointment of a receiver or manager or an administrative receiver in relation to any property or income of the Tenant or guarantor, or

- (v) the commencement of a voluntary winding-up in respect of the Tenant or guarantor, except a winding-up for the purpose of amalgamation or reconstruction of a solvent company in respect of which a statutory declaration of solvency has been filed with the Registrar of Companies, or
- (vi) the making of a petition for a winding-up order or a winding-up order in respect of the Tenant or guarantor; or
- (vii) the striking-off of the Tenant or guarantor from the Register of Companies or the making of an application for the Tenant or the guarantor to be struck-off; or
- (viii) the Tenant or guarantor otherwise ceasing to exist,
- (d) where the Tenant or any guarantor is an individual:
 - (i) the taking of any step in connection with any voluntary arrangement or any other compromise or arrangement for the benefit of any creditors of the Tenant or guarantor, or
 - (ii) the presentation of a petition for a bankruptcy order or the making of a bankruptcy order against the Tenant or guarantor.

35.2 If the Landlord re-enters the Property pursuant to this clause, this Lease will immediately end, but without prejudice to any right or remedy of the Landlord in respect of any breach of covenant by the Tenant or any guarantor.

36. LIABILITY

- 36.1 At any time when the Landlord, the Tenant or a guarantor is more than one person, then in each case those persons will be jointly and severally liable for their respective obligations arising by virtue of this Lease. The Landlord may release or compromise the liability of any one of those persons or grant any time or concession to any one of them without affecting the liability of any other of them.
- 36.2 The obligations of the Tenant and any guarantor arising by virtue of this Lease are owed to the Landlord and the obligations of the Landlord are owed to the Tenant.
- 36.3 In any case where the facts are or should reasonably be known to the Tenant, the Landlord will not be liable to the Tenant for any failure of the Landlord to perform any landlord covenant in this Lease unless and until the Tenant has given the Landlord notice of the facts that give rise to the failure and the Landlord has not remedied the failure within a reasonable time.
- 36.4 In view of the fact that John Raymond Stephenson, Rosemary Helen Stephenson and Personal Pension Trustees Limited (Company No. 01895689) are acting as independent trustees of the Premier SIPP – J R Stephenson and Premier SIPP – Mrs R H Stephenson pension schemes, the parties agree that the financial extent of their liability hereunder shall not extend beyond the value of the assets of those schemes.

37. ENTIRE AGREEMENT AND EXCLUSION OF REPRESENTATIONS

- 37.1 This deed constitutes the entire agreement and understanding of the parties relating to the transaction contemplated by the grant of this deed and supersedes any other previous agreement between the parties relating to the transaction.
- 37.2 Nothing in this Lease constitutes or will constitute a representation or warranty that the Property or the Common Parts may lawfully be used for any purpose allowed by this Lease.
- 37.3 Nothing in this clause shall, however, operate to limit or exclude any liability for fraud or misrepresentation.

38. NOTICES, CONSENTS AND APPROVALS

- 38.1 Except where this Lease specifically states that a notice need not be in writing, or where notice is given in an emergency, any notice given pursuant to this Lease must be in writing.
- 38.2 A written notice must be delivered by hand or sent by pre-paid first class post or registered post. A correctly addressed notice sent by pre-paid first class post will be deemed to have been delivered at the time at which it would have been delivered in the normal course of the post.
- 38.3 Section 196 of the Law of Property Act 1925 will otherwise apply to notices given under this Lease.
- (a) Where the consent of the Landlord is required under this Lease, a consent will only be valid if it is given in writing.
- 38.4 Where the approval of the Landlord is required under this Lease, an approval will only be valid if it is in writing and signed by or on behalf of the Landlord, unless:
- (a) the approval is being given in a case of emergency, or
- (b) this Lease expressly states that the approval need not be in writing.
- 38.5 If the Landlord gives a consent or approval under this Lease, the giving of that consent or approval will not imply that any consent or approval required from a third party has been obtained, nor will it obviate the need to obtain any consent or approval from a third party.

39. GOVERNING LAW AND JURISDICTION

- 39.1 This Lease shall be governed by and construed in accordance with the law of England.
- 39.2 The Landlord, the Tenant, and any guarantor irrevocably agree to submit to the exclusive jurisdiction of the courts of England over any claim or matter arising under or in connection with this Lease or the legal relationships established by it.

40. EXCLUSION OF SECTIONS 24-28 OF THE LANDLORD AND TENANT ACT 1954

40.1 (a) On the 12 day of 06/03/2015 the Landlord served notice on the Tenant pursuant to the provisions of the Landlord and Tenant Act 1954 Section 38A(3) as inserted by the Regulatory Reform (Business Tenancies) (England and Wales) Order 2003 and on 13 day of 06/03/2015 the Tenant made a ~~simple~~ statutory declaration pursuant to Schedule 2 of the Regulatory Reform (Business Tenancies) (England and Wales) Order 2003

40.1 (b) Pursuant to the provisions of the Landlord and Tenant Act 1954 Section 38A(1) as inserted by the Regulatory Reform (Business Tenancies) (England and Wales) Order 2003 the parties agree that Sections 24 -28 of the said Act inclusive are excluded in relation to the tenancy created by this Lease

40.2 The Parties agree that the provisions of Sections 24 – 28 of the 1954 Act are excluded in relation to the tenancy created by this lease.

41. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

A person who is not a party to this Lease will not have any rights under or in connection with this Lease by virtue of the Contracts (Rights of Third Parties) Act 1999.

42. LANDLORD AND TENANT (COVENANTS) ACT 1995

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

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

GUARANTORS LIABILITY

1. GUARANTOR'S LIABILITY

- 1.1 The liability of the Guarantor under paragraphs 1.1(a) and 1.2(a) will continue until the end of the term, or until the Tenant is released from the tenant covenants of this Lease by virtue of the Landlord and Tenant (Covenants) Act 1995, if earlier.
- 1.2 The liability of the Guarantor will not be affected by:
- (a) any time or indulgence granted by the Landlord to the Tenant, or
 - (b) any delay or forbearance by the Landlord in enforcing the payment of any of the rents or the observance or performance of any of the tenant covenants of this Lease (or the Tenant's obligations under the Authorised Guarantee Agreement) or in making any demand in respect of any of them, or
 - (c) any refusal by the Landlord to accept any rent or payment due under this Lease where the Landlord believes that the acceptance of such rent or payment may prejudice its ability to re-enter the Property, or
 - (d) the Landlord exercising any right or remedy against the Tenant for any failure to pay the rents reserved by this Lease or to observe or perform the tenant covenants of this Lease (or the Tenant's obligations under the Authorised Guarantee Agreement), or
 - (e) the Landlord taking any action or refraining from taking any action in connection with any other security held by the Landlord in respect of the Tenant's liability to pay the rents reserved by this Lease or observe and perform the tenant covenants of the Lease (or the Tenant's obligations under the Authorised Guarantee Agreement) including the release of any such security, or
 - (f) a release or compromise of the liability of any one of the persons who is the Guarantor, or the grant of any time or concession to any one of them, or
 - (g) any legal limitation or disability on the Tenant or any invalidity or the irregularity of any of the tenant covenants of the Lease (or the Tenant's obligations under the Authorised Guarantee Agreement) or any unenforceability of any of them against the Tenant, or
 - (h) the Tenant being dissolved, or being struck off the register of companies or otherwise ceasing to exist, or, if the Tenant is an individual, by the Tenant dying or becoming incapable of managing its affairs, or
 - (i) without prejudice to paragraph 4, the disclaimer of the Tenant's liability under this Lease or the forfeiture of this Lease, or
 - (j) the surrender of part of the Property, except that the Guarantor will not be under any liability in relation to the surrendered part in respect of any period after the surrender, or

- 1.3 by any other act or omission except an express written release of the Guarantor by the Landlord.
- 1.4 The liability of each of the persons making up the Guarantor is joint and several.
- 1.5 Any sum payable by the Guarantor will be paid without any deduction, set-off or counter-claim against the Landlord or the Tenant.

2. VARIATIONS AND SUPPLEMENTAL DOCUMENTS

- 2.1 The Guarantor will, at the request of the Landlord, join in and give its consent to the terms of any consent, approval, variation or other document that may be entered into by the Tenant in connection with this Lease (or the Authorised Guarantee Agreement).
- 2.2 Whether or not the Landlord has requested that the Guarantor join in any such document and whether or not the Guarantor has done so, the Guarantor will not be released by any variation of the rents reserved by, or the tenant covenants of, this Lease (or the Tenant's obligations under the Authorised Guarantee Agreement), whether or not the variation is material or prejudicial to the Guarantor and whether or not it is made in any document.
- 2.3 The liability of the Guarantor will apply to the rents reserved by and the tenant covenants of this Lease (and the Tenant's obligations under the Authorised Guarantee Agreement) as varied whether or not:
 - (a) the variation is material or prejudicial to the Guarantor, or
 - (b) the variation is made in any document, or
 - (c) the Guarantor has consented to the variation (except to the extent that the liability of the Guarantor is affected by Section 18 of the Landlord and Tenant (Covenants) Act 1995).

3. GUARANTOR TO TAKE A NEW LEASE OR MAKE PAYMENT

- 3.1 If this Lease is forfeited or the liability of the Tenant under this Lease is disclaimed and the Landlord gives the Guarantor notice not later than three months after the forfeiture or the Landlord having received notice of the disclaimer, the Guarantor will, subject to the grant of a Court Order (or other steps having been taken) as mentioned in paragraph 4.2, enter into a new lease of the Property on the terms set out in paragraph 4.3.
- 3.2 The Landlord and the Guarantor will, as soon as practical after the Landlord has given notice under paragraph 4.1 make an application, in a form approved by the Landlord, for an order pursuant to Section 38(4) of the Landlord and Tenant Act 1954 authorising an agreement to be contained in the new Lease excluding Sections 24 to 28 of the Landlord and Tenant Act 1954 from applying to the tenancy to be created by the new Lease (or will take such other steps as may be required by law to authorise such agreement).

3.3 The rights and obligations under the new Lease will take effect from the date of the forfeiture or disclaimer and the new Lease will:

- (a) be granted subject to the right of any person to have this Lease vested in them by the Court and to the terms on which any such order may be made and subject to the rights of any third part existing at the date of the grant,
- (b) be for a term that expires at the same date as the end of the Contractual Term of this Lease had there been no forfeiture or disclaimer
- (c) reserve as an initial annual rent an amount equal to the Annual Rent on the date of the forfeiture or disclaimer (subject to paragraph 5) and which is subject to review on the same terms and dates provided by this Lease, and
- (d) otherwise be on the same terms as this Lease (as varied if there has been any variation).

3.4 The Guarantor will pay the Landlord's solicitors' costs and disbursements (on a full indemnity basis) and any VAT in respect of them in relation to the new Lease and those of the Court application (or other steps) and will execute and deliver to the Landlord a counterpart of the new Lease within one month after service of the Landlord's notice or ten working days after the grant of the Court Order (or all relevant steps having been taken), if later.

3.5 The grant of a new lease and its acceptance by the Guarantor will be without prejudice to any other rights which the Landlord may have against the Guarantor or against any other person or in respect of any other security that the Landlord may have in connection with this Lease.

3.6 The Landlord may, instead of giving the Guarantor notice pursuant to paragraph 4.1 but in the same circumstances and within the same time limit, require the Guarantor to pay an amount equal to [six] months Annual Rent and the Guarantor will pay that amount on demand.

4. RENT AT THE DATE OF FORFEITURE OR DISCLAIMER

If at the date of the forfeiture or disclaimer there is a rent review pending under this Lease, then the initial annual rent to be reserved by the new lease will be the open market rent of the Property at the relevant Review Date, as determined by the Landlord before the grant of the new lease.

5. PAYMENTS IN GROSS AND RESTRICTIONS ON THE GUARANTOR

5.1 Any payment or dividend that the Landlord receives from the Tenant (or its estate) or any other person in connection with any insolvency proceedings or arrangement involving the Tenant will be taken and applied as a payment in gross and will not prejudice the rights of the Landlord to recover from the Guarantor to the full extent of the obligations that are the subject of this guarantee and indemnity.

5.2 The Guarantor shall not claim in competition with the Landlord in any insolvency proceedings or arrangement of the Tenant in respect of any

payment made by the Guarantor pursuant to this guarantee and indemnity. If it otherwise receives any money in such proceedings or arrangement, it will hold that money on trust for the Landlord to the extent of its liability to the Landlord.

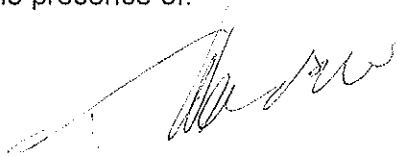
- 5.3 The Guarantor shall not, without the consent of the Landlord, exercise any right or remedy that it may have (whether against the Tenant or any other person) in respect of any amount paid or other obligation performed by the Guarantor under this guarantee and indemnity unless and until all the obligations of the Guarantor under this guarantee and indemnity have been fully performed.

6. OTHER SECURITIES

- 6.1 The Guarantor warrants that it has not taken and covenants that it will not take any security from or over the assets of the Tenant in respect of any liability of the Tenant to the Guarantor. If it does take or hold any such security it will hold it for the benefit of the Landlord.
- 6.2 This guarantee and indemnity is in addition to any other security that the Landlord may at any time hold from the Guarantor or the Tenant or any other person in respect of the liability of the Tenant to pay the rents reserved by this Lease and to observe and perform the tenant covenants of this Lease. It will not merge in or be affected by any other security.
- 6.3 The Guarantor shall not be entitled to claim or participate in any other security held by the Landlord in respect of the liability of the Tenant to pay the rents reserved by this Lease or to observe and perform the tenant covenants of this Lease.

Signed as a Deed by the
Said JOHN RAYMOND
STEPHENSON
In the presence of:

J R Stephenson



Signed as a Deed by the
Said ROSEMARY HELEN
STEPHENSON
In the presence of:

R.H. Stephenson



Signed as a Deed by

A Corsi

APCORSE

As Attorney for PERSONAL

PENSION TRUSTEES LIMITED *under Powers of Attorney Dated 21 March 2015*

As Trustees of the Premier SIPP – RH Stephenson

And Premier SIPP – J R Stephenson

In the presence of:

Signature: *Devendra Vanshi*

Print Name: *Devendra Vanshi*

Address: *40* **Fitzalan House**
Fitzalan Court

Fitzalan Road

Cardiff

CF24 0EL

Occupation: *Senior Pension Technician*