

**GROUND FLOOR (PART OF ONLY) 50 DUKE STREET,  
MACCLESFIELD, CHESHIRE, SK11 6UR**

**(1) PREMIER PROPERTY GROUP ASSETS LIMITED**

**AND**

**(2) DAVID OF DUKE STREET LIMITED**

# HM Land Registry Prescribed Clauses

LR1. Date of the lease	30 <sup>th</sup> January 2025
LR2. Title number(s)	LR2.1 Landlord's title number
	CH702274
	LR2.2 Other title numbers
LR3. Parties to this lease	Landlord
	PREMIER PROPERTY GROUP ASSETS LIMITED incorporated and registered in England and Wales with company number 11813914 whose registered office is at 12 Hibel Road, Macclesfield, Cheshire, SK10 2AB
	Tenant
	DAVID OF DUKE STREET LIMITED incorporated and registered in England and Wales with company number 04661101 whose registered office is at 50 Duke Street, Macclesfield, Cheshire, SK11 6UR
	Other parties
	None
LR4. Property	In the case of a conflict between this clause and the remainder of this Lease then, for the purposes of registration, this clause shall prevail.
	The property described in Part 1 of Schedule 1.
LR5. Prescribed statements etc	LR5.1 Statements prescribed under rules 179 (dispositions in favour of a charity), 180 (dispositions by a charity) or 196 (leases under the Leasehold Reform, Housing and Urban Development Act 1993) of the Land Registration Rules 2003.
	None
	LR5.2 This Lease is made under, or by reference to, provisions of:
	Not applicable.
LR6. Term for which the	9 years from and including the date of this lease

<b>Property is leased</b>	
<b>LR7. Premium</b>	None.
<b>LR8. Prohibitions or restrictions on disposing of this lease</b>	This Lease contains a provision that prohibits or restricts dispositions.
<b>LR9. Rights of acquisition etc</b>	<b>LR9.1 Tenant's contractual rights to renew this Lease, to acquire the reversion or another lease of the Property, or to acquire an interest in other land.</b>
	None
	<b>LR9.2 Tenant's covenant to (or offer to) surrender this Lease.</b>
	None
	<b>LR9.3 Landlord's contractual rights to acquire this Lease.</b>
	None
<b>LR10. Restrictive covenants given in this lease by the Landlord in respect of land other than the Property</b>	None
<b>LR11. Easements</b>	<b>LR11.1 Easements granted by this Lease for the benefit of the Property.</b>
	The easements specified in Part 2 of Schedule 1.
	<b>LR11.2 Easements granted or reserved by this Lease over the Property for the benefit of other property.</b>
	The easements specified in Part 3 of Schedule 1.
<b>LR12. Estate rentcharge burdening the Property</b>	None.
<b>LR13. Application for standard form of restriction</b>	None
<b>LR14. Declaration of trust where there is more than one person comprising the Tenant</b>	Not applicable

DATED 30<sup>th</sup> January

2025

**PARTIES**

- (1) **PREMIER PROPERTY GROUP ASSETS LIMITED** incorporated and registered in England and Wales with company number 11813914 whose registered office is at 12 Hibel Road, Macclesfield, Cheshire, SK10 2AB (Landlord)
- (2) **DAVID OF DUKE STREET LIMITED** incorporated and registered in England and Wales with company number 04661101 whose registered office is at 50 Duke Street, Macclesfield, Cheshire, SK11 6UR (Tenant)

**1 Definitions**

In this Lease, the following definitions apply:

<b>1987 Order</b>	the Town and Country Planning (Use Classes) Order 1987, SI 1987/764 in its form as at 1 <sup>st</sup> September 2020;
<b>2003 Order</b>	the Regulatory Reform (Business Tenancies) (England and Wales) Order 2003, SI 2003/3096;
<b>Adjoining Property</b>	the Building (excluding the Property) and any property adjoining or near to the Building;
<b>AGA</b>	an authorised guarantee agreement;
<b>Annual Rent</b>	£11,000.00 a year subject to review in accordance with Schedule 3;
<b>Building</b>	the whole of the land and building known as 50 DUKE STREET, MACCLESFIELD, CHESHIRE, SK11 6UR registered at the Land Registry under title Landlord's Registered Title;
<b>CDM 2015</b>	the Construction (Design and Management) Regulations 2015 and any guidance published under them;
<b>Common Parts</b>	the parts of the Building provided from time to time by the Landlord for use in common by the occupiers and users of it;
<b>Competent Authority</b>	any authority which has jurisdiction in relation to the Property, its occupation or use;



<b>Conduits</b>	any media and associated equipment for conducting energy, data or substances;
<b>Consent</b>	a written consent obtained from the Landlord;
<b>Costs</b>	are any costs, losses, damages and liabilities, whether or not resulting from claims, demands, actions or proceedings;
<b>EPB 2012</b>	the Energy Performance of Buildings (England and Wales) Regulations 2012, SI 2012/3118;
<b>EPC</b>	an energy performance certificate and any associated air conditioning and/or recommendations report, each as defined or described in EPB 2012;
<b>Excluded Tenancy</b>	a tenancy from which the provisions of sections 24 to 28 (inclusive) of LTA 1954 have lawfully been excluded;
<b>Forfeiture Event</b>	<p>(a) the instigation of any process or proceedings:</p> <ul style="list-style-type: none"> <li>(i) for the appointment of an administrative receiver, administrator, liquidator, monitor, provisional liquidator, receiver (or manager), supervisor, or trustee in bankruptcy, in relation to the Tenant or any guarantor or their respective property; or</li> <li>(ii) by way of execution or enforcement of any debt against any assets of the Tenant or any guarantor;</li> </ul> <p>(b) the Tenant or any guarantor:</p> <ul style="list-style-type: none"> <li>(i) is unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986; or</li> <li>(ii) enters into any composition or arrangement with its creditors (whether or not under Part 26A of the Companies Act 2006); or</li> <li>(iii) ceases to carry on business or disposes of all of its assets (other than as part of a solvent</li> </ul>

	re-organisation);
	(iv) is struck off the register of companies;
	(c) any Rents are unpaid more than 10 Working Days after falling due (whether formally demanded or not); or
	(d) the Tenant or any guarantor breaches this Lease;
	(and, if the Tenant or any guarantor is resident in a jurisdiction outside England or Wales, references in this definition to any process, proceedings or event are to be construed as a reference to any analogous process, proceedings or event in that jurisdiction);
<b>Group Company</b>	is as defined in section 42(1) of LTA 1954;
<b>Incumbrances</b>	the matters set out in Part 4 of Schedule 1;
<b>Insurance Rent</b>	is as defined in paragraph 1 of Schedule 2;
<b>Interest</b>	is: <ul style="list-style-type: none"> <li>(a) payable: <ul style="list-style-type: none"> <li>(i) at the Interest Rate;</li> <li>(ii) before and after judgment;</li> <li>(iii) from and including the due date until and including the date payment is received in cleared funds;</li> </ul> </li> <li>(b) calculated on a daily basis; and</li> <li>(c) compounded on the Rent Days;</li> </ul>
<b>Interest Rate</b>	4% above the base lending rate of National Westminster Bank PLC (or any other UK clearing bank the Landlord notifies to the Tenant);
<b>IPT</b>	insurance premium tax;
<b>Landlord Rights</b>	are as set out in Part 3 of Schedule 1;
<b>Landlord's Registered Title</b>	Title Number CH702274 as at 23 JUL 2024 at 16:40:21;

<b>Landlord's Surveyor</b>	a professionally qualified person (who may be an employee of the Landlord) appointed by the Landlord;
<b>Lease</b>	this lease and any supplemental or collateral document;
<b>Legal Requirements</b>	all present and future Legislation, notices and other requirements of a Competent Authority arising out of or relating to: <ul style="list-style-type: none"> <li>(a) the Property, its condition or use;</li> <li>(b) the exercise of the Tenant Rights;</li> </ul>
<b>Legislation</b>	all legislation in force in the United Kingdom at any time during the Term, including: <ul style="list-style-type: none"> <li>(a) Acts of Parliament;</li> <li>(b) orders, regulations, consents, licences, notices and bye laws made or granted: <ul style="list-style-type: none"> <li>(i) under any Act of Parliament;</li> <li>(ii) by a local authority or by a court of competent jurisdiction;</li> </ul> </li> <li>(c) any approved codes of practice issued by a statutory body;</li> </ul>
<b>LPA 1925</b>	Law of Property Act 1925;
<b>LP(MP)A 1994</b>	Law of Property (Miscellaneous Provisions) Act 1994;
<b>LTA 1954</b>	Landlord and Tenant Act 1954;
<b>LT(C)A 1995</b>	Landlord and Tenant (Covenants) Act 1995;
<b>Occupier</b>	the Tenant or a permitted undertenant;
<b>Permitted Use</b>	Hairdressers and/or store or such other use within Use Class E(a) and E(e) of the Schedule to the 1987 Order and ancillary storage;
<b>Plant</b>	any plant, machinery and equipment (including any heating, lighting, ventilating, air-conditioning, electrical and other systems or equipment) in, on or serving the Building during

	the Term (but excluding the Tenant's moveable office equipment);
<b>Property</b>	the property described in Part 1 of Schedule 1;
<b>Regulations</b>	the regulations in the published from time to time by the Landlord;
<b>Rent Commencement Date</b>	from the date of this lease;
<b>Rent Days</b>	1 <sup>st</sup> of each month;
<b>Rents</b>	the payments specified in clause 4.1.1;
<b>Tenant Rights</b>	are the rights specified in Part 2 of Schedule 1;
<b>Term</b>	the term specified in clause 3.1 and the period of any statutory continuation of the tenancy created by this Lease;
<b>Term Commencement Date</b>	today;
<b>Termination</b>	the end of this Lease, however it occurs;
<b>Use Class</b>	the stated class in the 1987 Order;
<b>VAT</b>	value added tax payable by virtue of VATA 1994 or any similar tax levied in addition to or by way of replacement for value added tax;
<b>VAT Option</b>	an option exercised by the Landlord, or by a company in the same VAT group as the Landlord, to tax the Building under paragraph 2(1) of Schedule 10 to VATA 1994;
<b>VATA 1994</b>	Value Added Tax Act 1994;
<b>Working Day</b>	any day other than Saturday, Sunday, or a bank or public holiday.

## **2 Interpretation**

In this Lease:

- 2.1 the schedule and clause headings are for reference only and do not affect its construction or interpretation;
- 2.2 unless stated otherwise, references to clause and schedule numbers are to the relevant numbered clause or schedule in this Lease;
- 2.3 general words introduced by the word 'other' do not have a restrictive meaning even where preceded by words indicating a particular class of acts, things or matters;
- 2.4 the words:



- 2.4.1 'in particular', 'include', 'includes' and 'including' are deemed to be followed by the words 'without limitation';
  - 2.4.2 'liability' and 'liable' include all claims, demands, proceedings, damages, costs and expenses and loss incurred or suffered by the relevant party;
  - 2.4.3 'notice', 'notify', 'nominate' or 'request' (and any expression which is cognate with any of them) require the notice, notification, nomination or request to be in writing;
- 2.5 'pay on demand' means the Tenant must make payment in cleared funds to the Landlord within five Working Days of written demand;
- 2.6 'due date' is:
  - 2.6.1 in the case of the Annual Rent, the date specified for payment in this Lease;
  - 2.6.2 in the case of sums payable on demand:
    - (a) the date which is five Working Days after the date of the demand; unless
    - (b) the Tenant is reimbursing expenditure incurred by the Landlord in accordance with clause 15.2.3, clause 22 or clause 24.2, in which case the 'due date' is the date on which that expenditure is incurred;
- 2.7 an obligation:
  - 2.7.1 to do something includes an obligation to procure that it is done;
  - 2.7.2 not to do something includes an obligation not to cause or allow that thing to be done and requires the relevant party to use all reasonable endeavours to prevent a third party from breaching the prohibition;
  - 2.7.3 owed by or to more than one person is owed by or to them jointly and severally;
- 2.8 the terms 'relevant variation' and 'authorised guarantee agreement' as defined in sections 18 and 28 respectively of LT(C)A 1995 have the same meaning;
- 2.9 an act or omission of the Tenant includes an act or omission of any permitted occupier;
- 2.10 where the Tenant or any guarantor comprises more than one person, a reference to 'the Tenant' or 'any guarantor' is to any one of those persons;
- 2.11 a reference to:
  - 2.11.1 an 'approval' or 'consent' which is required from the Landlord under this Lease means a prior written approval or consent which:
    - (a) the Landlord has absolute discretion; and
    - (b) in the case of clause 11.1 or clause 12.1 must (unless the Landlord agrees otherwise) be made and executed as a deed;
  - 2.11.2 the 'Tenant or a permitted occupier' includes employees, agents, contractors and visitors;
  - 2.11.3 the 'Guarantor' includes their personal representatives;

- 2.11.4 'guarantor' means the Guarantor and any person who guarantees the Tenant's obligations under this Lease or under an AGA;
- 2.11.5 particular Legislation is, unless otherwise stated, a reference to:
  - (a) that particular Legislation as amended, consolidated or re-enacted from time to time;
  - (b) all subordinate legislation made under it from time to time.
- 2.11.6 'Building', 'Common Parts', 'Property', 'Adjoining Property' includes all and any part of it or them;
- 2.11.7 'damage' includes destruction;
- 2.11.8 'unfit for occupation and use' includes inaccessible, where access to the Property is via property owned or controlled by the Landlord but the Property is not unfit for occupation and use if this is only because tenant's fixtures have not been reinstated;
- 2.11.9 'writing' (and any cognate expression) does not include fax or email;
- 2.11.10 'the Landlord' includes anyone who is the immediate landlord of the Tenant;
- 2.11.11 'the Tenant' includes its successors in title;
- 2.11.12 'today' is to the date of this Lease;
- 2.12 any gender includes every gender;
- 2.13 the singular includes the plural, and vice versa;
- 2.14 'person' includes a corporate or unincorporated body.

### **3 Letting**

- 3.1 The Landlord with full title guarantee lets the Property to the Tenant for a term of 9 years commencing on and including the Term Commencement Date:
  - 3.1.1 with the Tenant Rights; but
  - 3.1.2 excepting and reserving to the Landlord the Landlord Rights; and
  - 3.1.3 subject to (but with the benefit of) the Incumbrances.
- 3.2 The title guarantee given in clause 3.1 is modified as follows:
  - 3.2.1 for the purposes of section 6(2) of LP(MP)A 1994:
    - (a) all entries appearing today in any public register that is open to inspection are deemed to be within the actual knowledge of the Tenant notwithstanding section 6(3) of LP(MP)A 1994;
    - (b) any matters that would be disclosed by an inspection of the Property are deemed to be within the actual knowledge of the Tenant;
  - 3.2.2 the title guarantee does not apply to the title to tenant's fixtures;

- 3.2.3 the Tenant is responsible for the Landlord's costs incurred in complying with the covenant set out in section 2(1)(b) of LP(MP)A 1994;
- 3.3 The Tenant has only the Tenant Rights under this Lease. No easements are implied for the benefit of the Property and the operation of section 62 of LPA 1925 and/or the rule in *Wheeldon v Burrows* is excluded.
- 4 Rents, Interest and VAT**
  - 4.1 The Tenant must pay to the Landlord:
    - 4.1.1 as rent and without any deduction or set off:
      - (a) the Annual Rent;
      - (b) the Insurance Rent;
      - (c) any other sum due from the Tenant to the Landlord under this Lease; and
      - (d) any Interest or VAT payable on those amounts;
    - 4.1.2 the Annual Rent (whether demanded or not):
      - (a) by equal instalments in advance on the Rent Days, but the first payment is:
        - (i) the amount (apportioned on a daily basis) for the period from (and including) the Rent Commencement Date until (but excluding) the next Rent Day; and
        - (ii) due on the Rent Commencement Date;
      - (b) by direct debit or standing order;
    - 4.1.3 within 14 days of written demand a fair proportion of the reasonable and proper costs payable by the Landlord:-
      - (a) for the maintenance, repair, lighting, cleaning and renewing of all Conduits, items and structures forming part of the Building including (but not exclusively) those parts of the Building listed in clause 3 of Schedule 1 Part 1 or used or capable of being used by the Building in common with any other property;
      - (b) in complying with clause 26.3 of this lease
    - 4.1.4 the Insurance Rent, on demand;
    - 4.1.5 any other sum due from the Tenant to the Landlord under this Lease, on demand; and
    - 4.1.6 Interest on the unpaid amount of any of the other Rents due to the Landlord which are not received in cleared funds on the due date.
  - 4.2 If the Landlord refuses for good reason to accept a payment under this Lease, the unpaid amount bears Interest from the due date until the date on which payment is accepted.
  - 4.3 In relation to VAT:
    - 4.3.1 any payment due from, or other consideration given to, the Tenant under this Lease is exclusive of VAT, which the Tenant must pay when the payment or consideration is due; and



- 4.3.2 if the Tenant is obliged under this Lease to reimburse expenditure by the Landlord, that includes payment of VAT which is irrecoverable by the Landlord.

## **5 Rates, taxes and utilities**

### **5.1 The Tenant must pay:**

#### **5.1.1 all current and future rates, taxes and other impositions relating to the Property:**

- (a) whether required to be paid by an owner or an occupier of property; but
- (b) excluding any tax (except VAT and IPT) payable by the Landlord on the Annual Rent or any dealings with its reversion to this Lease; and

#### **5.1.2 the cost of all utilities and services provided to or consumed by the Property, including meter rents and connection and standing charges; or**

### **5.2 In relation to any rating or other assessment for the Property, the Tenant:**

#### **5.2.1 must not agree it, nor appeal against it, without Consent (which is in the Landlord's absolute discretion); and**

#### **5.2.2 must not claim or take or obtain Consent (which is in the Landlord's absolute discretion) before claiming or taking the benefit of any rating relief or exemption against it if the claim might prejudice the Landlord's own entitlement to that relief or exemption.**

## **6 Repair, decoration and cleaning**

### **6.1 The Tenant must keep the Property:**

#### **6.1.1 in good repair and condition; and**

#### **6.1.2 in good decorative condition throughout the Term, and must redecorate it to a good standard in the three months preceding Termination. Before starting the last decoration the Tenant must obtain Consent to the colour scheme and type of decoration**

#### **6.1.3 clean and tidy, and not create litter in the Common Parts;**

#### **6.1.4 secure when it is not in use, and protect it from theft or vandalism.**

### **6.2 The Tenant must:**

#### **6.2.1 keep the interior surfaces of the windows in the Property clean;**

#### **6.2.2 keep any Conduits or Plant forming part of the Property in good working order (including, if they are beyond economic repair, replacing them);**

#### **6.2.3 notify the Landlord as soon as the Tenant becomes aware of any damage or disrepair to, or defect in, the Property or the Building.**

## **7 Use**

### **7.1 The Tenant must use:**



- 7.1.1 the Property only for the Permitted Use unless it obtains Consent for some other use;
- 7.1.2 Conduits or Plant for and within their designed purpose and capacity;
- 7.1.3 only usual, light and quiet office machinery and equipment in the Property.
- 7.2 The Tenant must not use the Property:
  - 7.2.1 for any illegal purpose; nor
  - 7.2.2 in a manner which causes or may cause:
    - (a) the Landlord to incur liability under any Legislation;
    - (b) danger, damage or nuisance to the Landlord or any other person or property; nor
  - 7.2.3 as a betting office; nor
  - 7.2.4 for any sale by auction.
- 7.3 The Tenant must not:
  - 7.3.1 store anything outside the Property;
  - 7.3.2 overload the walls, floors, ceilings or structure of the Property or the Building.
- 7.4 The Tenant must not use the Property in a manner, nor do anything, that means that the Landlord's VAT Option may no longer apply to the Building.

## 8 Alterations

- 8.1 In this clause 8, '**Works**' are alterations or additions to the Property.
- 8.2 The Tenant must not carry out Works unless clause 8.3 applies.
- 8.3 Tenant may carry out internal, non-structural Works only if it obtains Consent (which shall not be unreasonably withheld or delayed), but:
  - 8.3.1 the Tenant must:
    - (a) submit detailed plans and specifications for them;
    - (b) enter into a licence for alterations in the form that the Landlord (acting reasonably) requires;
    - (c) provide any security that the Landlord reasonably requires so that it can do the Works if the Tenant fails to do so; and
    - (d) provide a certificate addressed to the Landlord from a suitably qualified person confirming that the Works will not:
      - (i) affect any EPC for the Building; nor
      - (ii) increase the amount of energy consumed by the Property;
    - (e) obtain any necessary planning permission or building regulations approval for the Works; and
  - 8.3.2 following their completion, the Works must not adversely affect:

- (a) Adjoining Property or any Conduits serving it;
- (b) Plant; nor
- (c) the energy efficiency of the Building.

## 9 Dealings: General

9.1 The Tenant must not assign, underlet, charge, part with nor share possession or occupation of the whole or any part of the Property, nor hold it on trust for or on behalf of any other person (except by way of joint legal ownership), unless permitted under:

9.1.1 clause 10;

9.1.2 clause 11; or

9.1.3 clause 12

9.2 When it applies for Consent, the Tenant must provide an unqualified solicitor's undertaking (a **'Dealings Undertaking'**) to pay on demand the reasonable professional costs (whether or not expressed as a liquidated sum, and if expressed as a liquidated sum in such amount as may be agreed from time to time) to be incurred by the Landlord in dealing with the application (including any conditions or documents relating to it), whether or not Consent is given or acted on.

## 10 Charging of whole

The Tenant may, with Consent (not to be unreasonably withheld or delayed), charge the whole of the Property

## 11 Assignment

11.1 The Tenant may, with Consent (not to be unreasonably withheld or delayed), assign the whole of the Property, and (for the purposes of section 19(1A) of the Landlord and Tenant Act 1927) the Landlord does not act unreasonably if it:

11.1.1 withholds Consent where one or more of the circumstances specified in clause 11.2 (the **'Assignment Circumstances'**) applies; or

11.1.2 imposes one or more of the conditions specified in clause 11.3 (the **'Assignment Conditions'**) on any Consent it gives.

11.2 The Assignment Circumstances are:

11.2.1 any Rents unpaid at the date of the application for Consent; or

11.2.2 the Tenant is in material breach of any of its obligations in this Lease; or

11.2.3 the Tenant has not provided a Dealings Undertaking; or

11.2.4 in the Landlord's reasonable opinion:

- (a) the proposed assignee (when considered in conjunction with any guarantee, rent deposit or other security that may be offered in support of it) is of insufficient financial standing to enable it to comply with the tenant covenants in this Lease throughout the Term; or

- (b) the proposed assignment is to a Group Company of the Tenant and would preclude the enforcement of an existing guarantee of the Tenant's obligations under this Lease.

11.3 The Assignment Conditions are:

- 11.3.1 the Tenant must (if the Landlord (acting reasonably) requires) enter into an AGA in favour of the Landlord;
- 11.3.2 any guarantor must (if the Landlord (acting reasonably) requires) guarantee in favour of the Landlord that the Tenant will comply with its obligations in that AGA;
- 11.3.3 the Tenant must (if the Landlord (acting reasonably) requires) procure that the Landlord is provided with security that the assignee will comply with its obligations under this Lease by way of either or both:
  - (a) a guarantee from a guarantor acceptable to the Landlord (acting reasonably);
  - (b) a rent deposit deed under which the deposit is equal to six months' Annual Rent (together with an amount equal to VAT on that deposit);and in any of the above cases the relevant document must be in the form that the Landlord (acting reasonably) requires; and
- 11.3.4 the Tenant must procure that the Landlord is provided with an unqualified undertaking from the solicitors acting for the proposed assignee that they will use all reasonable endeavours to procure that the assignment is completed by registration at HM Land Registry;
- 11.3.5 on the date of the assignment, there are no arrears of Rents;
- 11.3.6 if any condition imposed under clause 11.3 (other than this clause 11.3.6) or clause 11.4 is not fulfilled within one month of the date on which Consent is given, the Consent is no longer effective.

- 11.4 Neither clause 11.2 nor clause 11.3 prevents the Landlord from withholding its consent, or imposing any other condition, where it is reasonable to do so.

## 12 Underletting

### 12.1 Right to underlet

The Tenant may, with Consent (not to be unreasonably withheld or delayed), underlet the whole of the Property, in accordance with the conditions specified in clause 12.2 (the '**Underletting Conditions**').

### 12.2 Underletting Conditions

The Underletting Conditions are:

- 12.2.1 the Tenant must provide a Dealings Undertaking;
- 12.2.2 prior to the grant of any underlease, the undertenant must covenant with the Landlord (by deed and in a form the Landlord (acting reasonably) requires), that during the term of the underlease, or until release under LT(C)A 1995, it will comply with the tenant's obligations in the underlease; and



12.2.3 in addition:

- (a) the underlease must reserve the higher of the passing OR open market rent for the Property and be let on the terms of the underlease (but without payment of any premium);
- (b) neither party may pay a premium for the grant of the underlease; and
- (c) no greater financial or other inducements may be given to the undertenant than are then usual in the market;

12.2.4 the Tenant must obtain the Landlord's approval to the form of the underlease, which must be on substantially the same terms as this Lease (including the same rent review dates), except:

- (a) for:
  - (i) the amount of the Annual Rent; and
  - (ii) the length of the term;
- (b) the property demised by the underlease cannot be underlet and can only be assigned:
  - (i) as a whole; and
  - (ii) with consent from both the Tenant and the Landlord, as a condition of which the Landlord may require a covenant from the assignee similar to that referred to in clause 12.2.2;
- (c) the Landlord insures the Property, with the undertenant paying the Insurance Rent to the Tenant;
- (d) the underlease must be an Excluded Tenancy

### **12.3 Underletting: Supplemental**

In relation to any underlease, the Tenant must:

12.3.1 enforce (and not waive) the undertenant's obligations under it, but the Tenant need not forfeit the underlease;

12.3.2 not allow the annual rent to be paid other than one in advance;

12.3.3 ensure that the rent review provisions are operated at the correct times and in accordance with their terms;

12.3.4 not accept a surrender of part; and

12.3.5 not, without Consent:

- (a) vary the terms of the underlease; nor
- (b) accept a surrender of the whole; nor
- (c) agree the amount of any review of the annual rent.

### **13 Dealings: Supplemental**

13.1 Within 15 Working Days after any dealing with or devolution of the Property, the Tenant must:

13.1.1 provide the Landlord's solicitors with sufficient details of it (along with certified copies of relevant documents); and



13.1.2 pay a reasonable registration fee.

13.2 The Tenant must, on reasonable request, promptly provide the Landlord with details of, and copies of relevant documents regarding:

13.2.1 all derivative interests in the Property;

13.2.2 the identity of each occupier;

13.2.3 the terms of their occupation (including rents, rent reviews, and service and maintenance charges).

#### **14 Compliance with Legal Requirements, etc**

The Tenant must:

14.1 comply with Legal Requirements;

14.2 promptly send the Landlord a copy of any notice it receives in relation to the Property;

14.3 make or join in making any objections, representations or appeals as the Landlord (acting reasonably) requires in relation to the Property, its occupation or use;

14.4 if anything under clause 14.1 requires works to the Property which require Consent, promptly:

14.4.1 apply for Consent and any other consent, licence or permission necessary to do the works; and

14.4.2 carry out the works after obtaining them.

#### **15 Remedying Tenant default in relation to repair or works**

15.1 If the Tenant:

15.1.1 does not comply with clause 6; or

15.1.2 does not carry out any other works for which it is responsible under this Lease; or

15.1.3 carries out any unauthorised works at the Property;

the Landlord may (in addition to any other rights it has) give the Tenant a notice (a '**Default Notice**') specifying the breach.

15.2 After receiving a Default Notice, the Tenant must:

15.2.1 diligently remedy the breach; but

15.2.2 if it does not do so, allow the Landlord to enter the Property and do so; and

15.2.3 pay on demand and as a debt all Costs incurred by the Landlord under this clause 15, together with Interest on them.

#### **16 Entry by Landlord**

The Landlord may enter the Property to:

- 16.1 inspect and record its state and condition; or
- 16.2 exercise the Landlord Rights; or
- 16.3 comply with:
  - 16.3.1 the Landlord's obligations under this Lease; or
  - 16.3.2 Legal Requirements or
- 16.4 assess the energy efficiency of it; and
- 16.5 carry out works to improve the energy efficiency of it or the Building.

## **17 Signs and advertisements**

- 17.1 The Tenant must not display any sign or advertisement either on or within the Property so as (in either case) to be visible from outside the Property unless it has obtained Consent (not to be unreasonably withheld or delayed) EXCEPT THAT Consent shall not be required for:
  - 17.1.1 a shop fascia of a size and design appropriate to the nature and location of the Property and the Permitted Use; and
  - 17.1.2 display trade signs temporary promotions posters or trade related advertisements or notices on the inside of the windows of the Property which are of a temporary nature and necessary or usual for the trade or business of the Tenant carried on at the Property so long as such signs or notices do not cover more than 25% in total of the aggregate surface area of the shop front and windows of the Property.

## **18 EPCs**

- 18.1 The Tenant must not commission an EPC in respect of the Property unless required to do so by EPB 2012, in which case the Tenant must (at the Landlord's option):
  - 18.1.1 commission an EPC from an assessor approved by the Landlord; or
  - 18.1.2 pay the Landlord's costs of commissioning that EPC.
- 18.2 If the Landlord commissions an EPC for the Property or for any part of the Building which includes the Property, the Tenant must give all reasonable assistance to the Landlord, including:
  - 18.2.1 providing the Landlord (at the Landlord's expense) with copies of any information held by the Tenant that would assist in producing that EPC; and
  - 18.2.2 allowing any energy assessor appointed by the Landlord to enter the Property for the purposes of producing that EPC.
- 18.3 If either party commissions an EPC in respect of the Property (including, in the case of the Landlord, an EPC which relates to any part of the Building which includes the Property), it must give the other written details on request of the unique reference number of that EPC as soon as reasonably practicable after it has been produced.

## **19 Planning**

The Tenant must:

- 19.1 not apply for nor implement any planning permission, unless it is a planning permission which relates only to:
  - 19.1.1 a change of use for which the Tenant has obtained Consent under clause 7.1.1; or
  - 19.1.2 alterations for which the Tenant has obtained Consent under clause 8.3;
- 19.2 if the Tenant lawfully implements a planning permission:
  - 19.2.1 comply with all the conditions attached to the permission; and
  - 19.2.2 finish all the permitted works before Termination;
- 19.3 produce all plans, documents and other evidence that the Landlord (acting reasonably) requires to demonstrate compliance with this clause.

## **20 Rights and Incumbrances affecting the Property**

The Tenant must:

- 20.1 not allow anyone except a permitted undertenant to acquire rights of any nature over the Property;
- 20.2 preserve all rights currently enjoyed by the Property and, in particular, not:
  - 20.2.1 give any acknowledgment that rights of light and air to the Property are enjoyed with consent; nor
  - 20.2.2 obstruct any window or glazed aperture in the Property;
- 20.3 not prejudice the acquisition of any rights for the benefit the Property;
- 20.4 notify the Landlord immediately if:
  - 20.4.1 any rights benefiting the Property are obstructed; or
  - 20.4.2 a person acquires or attempts to acquire a new right over the Property;
- 20.5 not obstruct the Common Parts;
- 20.6 comply with the Incumbrances, so far as they are subsisting and affect the Property or the rights granted by this Lease;
- 20.7 not enforce any rights or covenants that benefit the Property or the reversion to this Lease, which rights and covenants the Landlord may in its sole discretion enforce, waive, vary or release (but this does not affect the Tenant Rights).

## **21 Registration**

- 21.1 If this Lease is compulsorily registrable at HM Land Registry, the Tenant must promptly:



- 21.1.1 apply to register it;
  - 21.1.2 take all reasonable steps to complete that application (the Landlord providing all reasonable assistance in relation to any requisitions); and
  - 21.1.3 notify the Landlord's solicitors when the application is completed and provide an official copy of the registered title.
- 21.2 The Landlord does not consent to the Tenant registering an agreed notice in respect of this Lease.

## **22 Costs**

The Tenant must pay on demand all Costs incurred by the Landlord arising out of or incidental to:

- 22.1 enforcing or remedying any failure by the Tenant or any guarantor to comply with their respective obligations in this Lease;
- 22.2 any application for Consent (whether or not consent is refused or the application is withdrawn), unless the Landlord unlawfully withholds it; and
- 22.3 the preparation and/or service of:
  - 22.3.1 a notice under section 146 or 147 of LPA 1925 (even if forfeiture is avoided other than by relief granted by the court);
  - 22.3.2 an interim or terminal schedule of dilapidations (but any terminal schedule must be served within six months after Termination);
  - 22.3.3 notices and schedules contemplated by this Lease; and
  - 22.3.4 notices served under section 17 of LT(C)A 1995 and the preparation, negotiation and grant of an overriding lease under section 19 of that Act.

## **23 Indemnity**

The Tenant must indemnify the Landlord against any Costs it suffers or incurs which arise directly or indirectly out of:

- 23.1 the use, occupation or condition of the Property; or
- 23.2 the exercise of the Tenant Rights; or
- 23.3 a breach of the Tenant's obligations in this Lease; or
- 23.4 an act or omission of the Tenant.

## **24 Termination requirements**

- 24.1 On Termination, the Tenant must:
  - 24.1.1 deliver up the Property with vacant possession in a condition consistent with compliance with the Tenant's obligations in this Lease;



- 24.1.2 remove all signage installed by the Tenant;
- 24.1.3 unless notified to the contrary by the Landlord reinstate all alterations and additions made to the Property:
  - (a) during the Term; or
  - (b) before the start of the Term under any agreement for the grant of this Lease; or
  - (c) if reinstatement involves disconnection of Plant or Conduits:
    - (i) leave it or them in a safe condition; and
    - (ii) ensure that the disconnection will not interfere with the continued functioning or use of it or them in the Property or the Building;
- 24.1.4 cancel any registration of, or relating to, this Lease, but if it has not made the relevant application within 10 Working Days after Termination, the Landlord and its solicitors may do so at the expense of the Tenant;
- 24.1.5 give the Landlord the health and safety files, and any current EPC, relating to the Property;
- 24.1.6 remove its fixtures and chattels, but if it does not do so the Landlord may treat them as abandoned and (at the Tenant's expense) remove, destroy or dispose of them.
- 24.2 In relation to any works required by clauses 24.1.1, or 24.1.2 or 24.1.3:
  - 24.2.1 the Tenant must:
    - (a) make good any damage to the Property or the Building caused by them;
    - (b) carry them out to the Landlord's reasonable satisfaction; and
  - 24.2.2 if the Tenant fails to carry them out as required by clause 24, it must pay on demand and as a debt all Costs incurred by the Landlord in remedying the breach, together with Interest.

## **25 Regulations**

The Tenant must comply with the Regulations.

## **26 Landlord's Obligations**

### **26.1 Quiet Enjoyment**

So long as the Tenant complies with its obligations in this Lease, the Tenant may peaceably enjoy the Property during the Term without any interruption from or by the Landlord or any person claiming through, under or in trust for it, unless that interruption is authorised by the Lease.

### **26.2 Release**

The landlord covenants in this Lease are enforceable against a person only for so long as they are the Landlord under this Lease.

### **26.3 Building Repair**

Subject to the Tenant complying with clause 4.1.3 of this lease the Landlord shall use its reasonable endeavours to keep those parts of the structural and external parts of the Building that provide support and protection to the Property wind and watertight, and those Conduits, Plant and Common Parts over which the Tenant is granted rights by this lease in a reasonable state of repair.

### **27 Insurance**

Schedule 2 applies.

### **28 Review of the Annual Rent**

Schedule 3 applies.

### **29 Forfeiture**

29.1 Subject to clause 29.2, the Landlord may re-enter the Property (or any part in the name of the whole) and forfeit this Lease if a Forfeiture Event occurs. If the Landlord does so, this Lease immediately ends.

29.2 The Landlord may not exercise its rights under clause 29.1 in the case of the presentation of a winding-up petition or the service of a statutory demand if the petition is dismissed or the statutory demand is set aside within 10 Working Days after presentation or service (as the case may be).

### **30 General**

#### **30.1 Applications for Consent**

Any application for Consent must be in writing.

#### **30.2 Service of notices, applications, etc**

30.2.1 Any notice, or application for Consent, or other document contemplated by, and which must be served on a party to, this Lease must be served:

- (a) by hand; or
- (b) by pre-paid first-class post;  
in accordance with clause 30.2.2.

30.2.2 Service under clause 30.2.1 must be effected:

- (a) if the recipient is a company or limited liability partnership registered in the United Kingdom, at their registered office;
- (b) if the recipient is a person resident or incorporated in a country outside the United Kingdom:
  - (i) at their address for service in the United Kingdom as set out in this Lease; or (if no such address has been given)
  - (ii) at their last known address in the United Kingdom;
- (c) in the case of any other recipient, at their last known address in the United Kingdom.

30.2.3 Notwithstanding anything to the contrary in clause 30.2.2, the Tenant is sufficiently served by service at the Property in accordance with clause 30.2.1.

30.2.4 Any notice served in accordance with clause 30.2.2 is deemed to have been received:

- (a) at the time of delivery, if delivered by hand; or
- (b) on the *second* Working Day after posting.

### **30.3 Rights of Light**

Any enjoyment by the Tenant of light across any Adjoining Property that is now or in the future owned by the Landlord is by consent.

### **30.4 Rights of Entry**

Where this Lease a person (the '**exercising party**') to exercise any rights (including a right to enter) in relation to the Property or any Adjoining Property:

30.4.1 those rights:

- (a) extend to anyone (with or without appropriate equipment) who is authorised by the exercising party, or who is otherwise entitled; and
- (b) in the case of the Landlord or the Tenant must be exercised at reasonable times and on reasonable notice (except in an emergency when entry may be at any time and without notice); and

30.4.2 the exercising party must ensure that anyone entering the Property or the Adjoining Property (as applicable):

- (a) causes as little damage and/or inconvenience as is reasonably practicable; and
- (b) makes good any physical damage which it causes at its own expense.

### **30.5 Exclusion of compensation**

Any right to statutory compensation payable on Termination or on leaving the Property is excluded to the extent allowed by law.

### **30.6 New tenancy**

This Lease is a new tenancy for the purposes of section 1 of LT(C)A 1995 and is granted under section 19 of that Act,

### **30.7 Third Party Rights**

Unless stated otherwise, nothing in this Lease confers any rights on any person under the Contracts (Rights of Third Parties) Act 1999.

### **30.8 Entire Agreement**

30.8.1 This Lease:

- (a) is the entire agreement between the Landlord and the Tenant as to the letting of the Property; and



- (b) supersedes any previous agreement between them; but the Tenant may rely on written statements made before today by the Landlord's solicitors in reply to written enquiries raised by the Tenant's solicitors.

30.8.2 Subject to clause 30.8.1, the Tenant:

- (a) has not entered into this Lease in reliance on any prior statement or representation made by or for the Landlord; and
- (b) has no remedy against the Landlord in relation to any statement or representation.

30.8.3 Nothing in this clause 30.8 limits or excludes liability for fraud.

### **30.9 Exclusions**

30.9.1 The Landlord does not represent or warrant that the Property may lawfully be used for the Permitted Use.

30.9.2 Unless the law prohibits exclusion, the Landlord is not liable for:

- (a) an act or omission on the part of:
  - (i) any owner or occupier of any Adjoining Property; or
  - (ii) any representative or employee of the Landlord (unless acting within the scope of the Landlord's express authority); or
- (b) the malfunction, stoppage, breakage of, leakage or overflow from any Plant or Conduit; or
- (c) any approval or inspection of any plans, specifications or works prepared or done by or on behalf of the Tenant, nor does any approval or inspection relieve the Tenant from any obligations under this Lease; or
- (d) obstruction by others of areas over which rights are granted by this Lease; or
- (e) any loss of profit or other economic or consequential loss.

### **30.10 Effect of Termination**

Termination does not affect a party's rights in relation to any prior breach.

## **31 Tenant's right to break**

31.1 In this clause, 'Break Date' means 3<sup>rd</sup> and 6<sup>th</sup> anniversary of the date of this lease.

31.2 The Tenant may terminate this Lease on the Break Date by giving not less than six months' notice (a 'Break Notice') to the Landlord.

31.3 A Break Notice is only effective if by the Break Date the Tenant has:

- 31.3.1 paid the Annual Rent (or any VAT in respect of it) which was due on or before that date;
- 31.3.2 handed back occupation of the Property to the Landlord free from the occupation of the Tenant and any third-party.



31.4 Subject to clause 31.3, following service of a Break Notice this Lease shall terminate on the Break Date but this will be without prejudice to any claim which the Landlord may have against the Tenant for any failure to comply with the terms of this Lease.

31.5 Within 10 Working Days of the Break Date, the Landlord shall refund to the Tenant the proportion of the Annual Rent, and any VAT paid in respect of it, paid in advance for the period from and excluding the Break Date.

## 32 Governing law and Jurisdiction

32.1 This Lease and any dispute or claim arising out of or in connection with it, its subject matter or its formation (including any non-contractual dispute or claim) is governed by, and must be construed in accordance with, the laws of England and Wales.


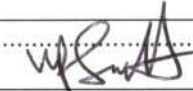
32.2 The courts of England and Wales have exclusive jurisdiction to settle any dispute or claim arising out of, or in connection with, this Lease, its subject matter or its formation (including non-contractual disputes or claims).

## 33 Landlord's Limitation of Liability

33.1 The parties agree that notwithstanding any provision to the contrary herein the liability of the landlord, here meaning a trustee in connection with a Small Self-Administered Scheme or a Self-Invested Personal Pension, arising as a result of non contractual and contractual claims, shall not be personal and shall be limited to the net value of the assets held by trustee on behalf of the specific Small Self-Administered Scheme or Self-Invested Personal Pension plan in their possession from time to time.

Executed and delivered as a deed by the parties on the date of this Lease

Executed as a deed by PREMIER PROPERTY GROUP ASSETS LIMITED acting by a director	.....
In the presence of	
Witness signature:	.....
Name:	
Address:	

Executed as a deed by DAVID OF DUKE STREET LIMITED acting by a director	
In the presence of	
Witness signature:	
Name:	KEVIN SMITH
Address:	22 TYTHERINGTON DRIVE, MACCLESFIELD SK10 2ET
Occupation:	Receptionist

**SCHEDULE 1**  
**PROPERTY, RIGHTS AND INCUMBRANCES**

---

**Part 1 — Property Description**

- 1 The property known as part of ground floor of 50 DUKE STREET, MACCLESFIELD, CHESHIRE, SK11 6UR forming part of the Building.
- 2 The Property includes:
  - 2.1 any raised floors and suspended ceilings, and also the voids between them and the slabs;
  - 2.2 any carpets, or other floor coverings or floor screeds;
  - 2.3 the decorative finishes applied to the walls, ceilings and floors bounding the interior of the Property (and also to any columns within it);
  - 2.4 doors, including their frames, glass, furniture and decorative finishes (but excluding the external decorative finishes and frames of any that divide the Property from the Common Parts));
  - 2.5 shop front and fascia board of the Property;
  - 2.6 internal windows, including their frames, glass, furniture and decorative finishes (but excluding the external decorative finishes of any windows on the external walls of the Building or dividing the Property from the Common Parts);
  - 2.7 the whole of the non-loadbearing walls and partitions wholly within the Property;
  - 2.8 a half-width of any non-loadbearing wall(s) dividing the Property from the Building;
  - 2.9 Conduits and Plant within the Property which serve it exclusively;
  - 2.10 any Landlord's fixtures in it;
  - 2.11 any additions and alterations made to it during the Term.
- 3 The Property excludes:
  - 3.1 the structure and external facades of the Building;
  - 3.2 the internal load-bearing wall and columns other than the plasterwork and doors and windows and their frames and fittings within such walls;
  - 3.3 the windows in the exterior walls and their frames and fittings; and
  - 3.4 Conduits and Plant which do not serve it exclusively.

**Part 2 — Rights granted to the Tenant**

- 4 The right in common with the Landlord, and all others authorised by it or otherwise entitled, for the Tenant and any permitted occupier of the Property to:



- 4.1 use all Conduits and Plant serving the Property, but the Landlord may re-route Conduits and alter Plant (after notifying the Tenant of what it intends to do and causing as little inconvenience as reasonably practicable in so doing), but the result must not be materially less convenient for the Tenant;
- 4.2 with Consent, use the appropriate service ducts in the Building to make connections to Conduits and Plant exclusively serving the Property (provided there is sufficient capacity having regard to the existing and future use of the Adjoining Property);
- 4.3 the right to enter any part of the Building that adjoins the Property so far as is reasonably necessary to carry out any works to the Property required or permitted by this lease;
- 4.4 have support and protection for the Property from the remainder of the Building;
- 4.5 to access the fuse box for the Property at all reasonable times and having provided the Landlord with reasonable prior notice (except in emergencies).
- 5 The Tenant may only exercise these rights if it complies with any relevant Regulations.

### **Part 3 — Landlord Rights (Exceptions and Reservations)**

- 6 The Landlord may (whether on its own account or by permitting others to do so):
  - 6.1 carry out works on, or use, any Adjoining Property in any way it chooses or allows, even if the availability of light and air to the Property, or any other amenity enjoyed by it, is affected in any way;
  - 6.2 use any Conduits or Plant in the Property;
  - 6.3 enter the Property in order to:
    - 6.3.1 install, carry out any works to, or replace Plant; or
    - 6.3.2 lay, connect to, re-route or do anything else in relation to Conduits whether serving the Property or Adjoining Property; or
    - 6.3.3 inspect, clean, alter, repair, maintain, renew, demolish or rebuild any Adjoining Property; or
    - 6.3.4 achieve any other purpose referred to in this Lease;
  - 6.4 erect scaffolding outside the Building; and
  - 6.5 have support and protection for the Building from the Property.
- 7 The Landlord may exercise these rights without liability to pay compensation.

### **Part 4 — Incumbrances**

- 8 Any matters contained or referred to in the property, proprietorship and charges registers of the Landlord's Registered Title.

- 9 . Any easement, right, privilege or interest in the nature of an incumbrance currently existing and affecting the Property (whether or not disclosed in replies to enquiries raised by the Tenant's solicitors).

## SCHEDULE 2 INSURANCE

---

### 1 Definitions

In this Schedule, the following additional definitions apply:

<b>Date of Damage</b>	the date on which Insured Damage occurs;
<b>Insurance Exclusion</b>	any exclusion or limitation imposed by the Landlord's insurers (but not any excess or deductible) under the insurance policy;
<b>Insurance Rent</b>	<p>is:</p> <ul style="list-style-type: none"><li>(a) a fair proportion as certified by the Landlord of:<ul style="list-style-type: none"><li>(i) the amount the Landlord incurs in complying with paragraph 3.1 of this Schedule (but any commission belongs to the Landlord);</li><li>(ii) the professional fees the Landlord incurs in relation to insurance (including insurance valuations of reinstatement cost carried out at reasonable intervals); and</li></ul></li><li>(b) the whole of any additional premiums and loadings on any insurance policy payable as a result of any act or omission of the Tenant;</li></ul>
<b>Insured Damage</b>	<p>damage to the Building by an Insured Risk, but excluding:</p> <ul style="list-style-type: none"><li>(a) damage in relation to which the Landlord's insurance is vitiated by the Tenant, unless the Tenant pays the Vitiating Amount to the Landlord on demand; or</li><li>(b) damage by an Insured Risk for which insurance is not available, either at all or at economic rates, in the London insurance market;</li></ul>
<b>Insured Risks</b>	<ul style="list-style-type: none"><li>(c) fire, storm, tempest, lightning,</li></ul>



explosion, riot, civil commotion, strikes, labour and political disturbances, malicious damage, aircraft and aerial devices (but not hostile aircraft and devices) and articles accidentally dropped from them, flood, bursting or overflowing of water tanks and pipes, impact, earthquake, accidental damage to underground Conduits; and

- (d) any other risks against which:
  - (i) the Landlord (acting reasonably) decides to insure; or
  - (ii) the Tenant (acting reasonably) asks the Landlord to insure at the Tenant's expense;

**Loss of Rent**

includes:

- (a) at least three years' loss of Annual Rent taking account of potential increases in it; and
- (b) any VAT which is irrecoverable by the Landlord in relation to it;

**Reinstatement Date**

the third anniversary of the Date of Damage except where paragraph 4.1.5 applies, in which case it is the third anniversary of the date when the Tenant pays the amounts due under that paragraph

;

**Vitiated Amount**

a sum equal to the amount that the insurers refuse to pay because the Landlord's insurance has been vitiated by the Tenant.

**2 Interpretation**

In this Schedule:

- 2.1 'reinstate' (and any cognate expression) means reinstating the Building materially to the same size and quality, but not necessarily identically, and so that the Tenant can exercise substantially the same rights;
- 2.2 'vitiated by the Tenant' (and any cognate expression) means any act or omission of the Tenant which results in the Landlord's insurers withholding insurance monies which would otherwise be payable.

### **3 Landlord's insurance obligations**

3.1 Subject to paragraph 3.2, the Landlord must insure with reputable insurers:

3.1.1 the Building (but not the Tenant's trade fixtures and against loss or damage by the Insured Risks to its full reinstatement cost, including:

- (a) demolition, shoring up and site clearance;
- (b) professional fees and incidental expenses in connection with reinstatement; and
- (c) irrecoverable VAT;

3.1.2 Loss of Rent; and

3.1.3 the Landlord's public liability in relation to:

- (a) the Building; and
- (b) anything done there; and
- (c) (if the Landlord so chooses) Plant, against sudden or unforeseen breakdown, and statutory inspection.

3.2 Paragraph 3.1 does not apply where:

3.2.1 insurance is not available at all, or at economic rates, in the London insurance market; or

3.2.2 an Insurance Exclusion applies.

3.3 The Landlord must:

3.3.1 on reasonable request, supply the Tenant with reasonable details of the insurances and evidence that they are in force;

3.3.2 inform the Tenant of any material change in the insurance cover applying to the Building;

3.4 If Insured Damage occurs the Landlord must:

3.4.1 take reasonable steps to obtain the necessary permissions and consents for reinstatement; and

3.4.2 if they are obtained, and subject to payment under paragraph 4.1.5, reinstate the Building as soon as reasonably practicable.

### **4 Tenant's insurance obligations**

4.1 The Tenant must:

4.1.1 comply with the insurers' requirements and recommendations;

4.1.2 provide and maintain in good working order, and keep unobstructed, appropriate fire-fighting equipment and fire notices on the Property;

4.1.3 notify the Landlord immediately of any circumstance which ought to be brought to the attention of the insurers;

- 4.1.4 provide a professional insurance valuation for reinstatement purposes to the Landlord immediately after the Tenant has made any alteration or addition to the Property which the Landlord is required to insure;
- 4.1.5 pay on demand:
  - (a) a sum equivalent to all, or a fair proportion of, the excesses and deductibles the Landlord will spend in complying with paragraph 3.4; and
  - (b) the Vitiated Amount;
- 4.1.6 insure the Tenant's property owner's liability in relation to the Property:
  - (a) with a reputable insurer; and
  - (b) in a sufficient sum.
- 4.2 The Tenant must not:
  - 4.2.1 do, or omit to do, anything which may vitiate an insurance policy of which the Tenant has been notified;
  - 4.2.2 insure the Property so that the Landlord's insurers may average the proceeds of insurance or cancel insurance cover.
- 4.3 If the Tenant insures in breach of paragraph 4.2.2, it must apply all insurance money received in reinstating the damage in respect of which that money was paid.

## 5 Consequences of Insured Damage

- 5.1 If Insured Damage occurs, then to the extent that the damage:
  - 5.1.1 is to the Property, clause 6.1 does not apply to it;
  - 5.1.2 renders the Property unfit for occupation and use, the Annual Rent is not payable by the Tenant for the period (the '**Non-Payment Period**') from the Date of Damage) until the earlier of:
    - (a) the date when the Property is fit for substantial occupation and use and is ready to receive the Tenant's fit-out works; and
    - (b) the Reinstatement Date.
- 5.2 Paragraph 5.1 does not apply to the extent that any loss of rent insurance is ineffective, or payment of it is refused by the insurers, because of any act or omission by the Tenant and the Tenant has not paid the Vitiated Amount.

## 6 Tenant's right to terminate after Insured Damage

- 6.1 This Lease terminates on the date specified in the notice referred to in paragraph 6.1.3 if all the following conditions are satisfied:
  - 6.1.1 Insured Damage makes the a substantial part of the Property unfit for occupation and use; and
  - 6.1.2 the Landlord has not reinstated that damage under paragraph 3.4.2 by the date of the notice referred to in paragraph 6.1.3; and



- 6.1.3 the Tenant gives notice of termination to the Landlord specifying a termination date (the '**Termination Date**') which is on or after the Reinstatement Date; and
  - 6.1.4 that notice is served at least six months before the Termination Date specified in it; and
  - 6.1.5 the reinstatement is not completed by the Termination Date.
- 6.2 If the insurance has been vitiated by the Tenant, it may only terminate this Lease under paragraph 6.1 if it has previously paid the amounts due under paragraph 4.1.5.

## **7 Landlord's right to terminate after Insured Damage**

Where Insured Damage occurs, the Landlord may, notwithstanding paragraph 3.4 of this Schedule, terminate this Lease if all the following conditions are satisfied:

- 7.1 the Property is unfit for occupation and use;
- 7.2 judged within six months after the Date of Damages the Landlord (acting reasonably) considers that the Property is unlikely to be capable of reinstatement within six months after the Date of Damage; and
- 7.3 the Landlord gives notice of termination to the Tenant at any time after the end of that period, and
- 7.4 reinstatement has not been completed by the date of that notice;

## **8 Retention of insurance proceeds**

Following termination under paragraphs 6 or 7, the insurance proceeds belong to the Landlord.

**SCHEDULE 3**  
**REVIEW OF ANNUAL RENT**

---

**1. Definitions**

In this Schedule, the following additional definitions apply:

**Assumptions**

are:

- (a) a letting on the same terms as this Lease, but:
  - (i) the term is 3 years beginning on the Review Date with a rent review on the terms of this Schedule; and
  - (ii) ignoring:
    - (A) the amount of Annual Rent actually payable;
    - (B) any rent-free period, rent concession or other inducement received by the Tenant in relation to the grant of this Lease;
- (b) the Property is available to be let:
  - (i) in the open market;
  - (ii) as a whole;
  - (iii) with vacant possession;
  - (iv) by a willing landlord to a willing tenant;
  - (v) without payment of a premium;
- (c) both parties have complied with their obligations in this Lease;
- (d) the Property is fit and available for immediate occupation and use;
- (e) no work has been carried out to the Property or the Building which diminishes the rental value of the Property;
- (f) if the Property, or any access or essential

service to it, has been damaged or destroyed, it has been fully reinstated and restored;

- (g) the Property complies with all Legal Requirements and may lawfully be used for the Permitted Use and any other purpose within the same Use Class as the Permitted Use; and
- (h) the willing tenant is not, or would not be, disadvantaged by an actual or potential option to tax under Schedule 10 to VATA 1994;
- (i) the asset rating of the Property is the higher of:
  - (i) its actual rating; or
  - (ii) the minimum rating at which the Property could lawfully be let as stipulated in the Energy Act 2011; and
- (j) the Property is capable of being let notwithstanding any rule of law to the contrary;

#### **Disregards**

are:

- (a) occupation by an Occupier;
- (b) goodwill attached to the Property as a result of any business carried on there;
- (c) any increase in rent attributable to an Improvement;

#### **Improvement**

an improvement to the Property that:

- (a) was made:
  - (i) by and at the expense of an Occupier; and
  - (ii) lawfully, and with any required Consent; and
  - (iii) during:
    - (A) the Term; or
    - (B) any period of occupation



immediately before the start of the Term under a licence or agreement for lease;

**Independent Surveyor**

the person described in paragraph 4.2 of this Schedule;

**Open Market Rent**

the open market rental value of the Property on the relevant Review Date:

- (a) after the Tenant has had the benefit of any rent-free period, rent concession or other inducement normally granted to an incoming tenant for its fitting-out works; and
- (b) making the Assumptions; but
- (c) applying the Disregards;

**Review Date**

every 3<sup>rd</sup> & 6<sup>th</sup> anniversary of the date of this lease.

**2 Right of review**

The Annual Rent must be reviewed on each Review Date in accordance with this Schedule.

**3 Annual Rent after review**

After being reviewed, the Annual Rent is the higher of:

- 3.1 the Annual Rent payable immediately before the relevant Review Date (ignoring any rent suspension or restriction on the right to collect all or any part of it); and
- 3.2 the Open Market Rent on that date.

**4 Determination of Open Market Rent**

- 4.1 The Landlord and the Tenant may agree the Open Market Rent in writing at any time before a decision by the Independent Surveyor. If there is no agreement by the date which is three months before the relevant Review Date, either the Landlord or the Tenant may require the Independent Surveyor to determine the Open Market Rent.

- 4.2 The Independent Surveyor:

4.2.1 is to be:

- (a) agreed between the parties at least one month before the relevant Review Date; or failing such agreement
- (b) nominated by the President of the Royal Institution of Chartered Surveyors, or their deputy, at either party's request; and

4.2.2 must be:

- (a) at least 5 years qualified; and
  - (b) experienced in valuing and letting property comparable to the Property;
- 4.2.3 acts as an arbitrator under the Arbitration Act 1996.
- 4.3 The Independent Surveyor's:
  - 4.3.1 determination is conclusive save for manifest error.
  - 4.3.2 fees and expenses (including any VAT) are:
    - (a) payable:
      - (i) as the Independent Surveyor directs; but otherwise
      - (ii) equally;
    - (b) recoverable (if one party pays the other's share of them) from the other party as to the amount of that share:
      - (i) as a debt;
      - (ii) with Interest;
- 4.4 The parties otherwise bear their own costs.
- 4.5 If the Independent Surveyor dies or is at any time unwilling or unable to act, the parties must repeat the appointment procedure in paragraph 4.1.

## 5 **Payment of Annual Rent pending review and Balancing Amount**

If the Open Market Rent is agreed or determined after the relevant Review Date, the Tenant must:

- 5.1 from that date continue to pay the Annual Rent at the rate prevailing immediately before that date; and
- 5.2 within 10 Working Days after agreement or determination, pay:
  - 5.2.1 the difference (the **Balancing Amount**) between:
    - (a) the amount the Tenant has continued to pay under paragraph 5.1; and
    - (b) the amount which would have been payable had agreement or determination of the Annual Rent occurred on or before the relevant Review Date; and
  - 5.2.2 interest on the Balancing Amount at 4% below the Interest Rate for the period from and including the relevant Review Date until and including the date which is the earlier of:
    - (a) the date on which the Balancing Amount is paid; or
    - (b) the last day of the period specified in paragraph 5.2 (which, for the avoidance of doubt, is the 'due date' for payment of the sums due under this paragraph).

## 6 **Miscellaneous**

- 6.1 The parties must:
  - 6.1.1 record the reviewed Annual Rent in a memorandum within 20 Working Days after it is agreed or determined; and

• 6.1.2 bear their own costs of doing so.

\* 6.2 Time is not of the essence in this Schedule.

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