LEASE

relating to

Room WW106 Wagons Way Care Home, The Avenue,

Washington, Tyne & Wear NE38 7LE

between

- (1) Qualia Care Developments Limited
- (2) Elljess Investments Ltd

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PRESCRIBED CLAUSES

LR1. Date of lease			

LR2. Title number(s)

LR2.1 Landlord's title number(s)

TY74911 & TY323283

LR2.2 Other title numbers

LR3. Parties to this lease

Landlord

Qualia Care Developments Limited (Company Registration Number 10031034) whose registered address is at North & South Suite, 2nd Floor, 4 Warehouse, Sowerby Bridge HX6

2016

2AG

Tenant

Elljess Investments Ltd (Company Registration Number 09326376) whose registered address is at Richmond House, 38 High Street, Hurstpierpoint, Hassocks, BN6 9RG acting through its Trustees Geoffrey Owen Jones and Lisa Jane Jones both of Marchants Barn, Little Park Farm, Marchants Close, Hurstpierpoint, Hassocks, BN6 9UZ

LR4. Property

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

See the definition of "Premises" in Schedule 1 Part 1 of this Lease.

LR5. Prescribed statements etc.

None

LR6. Term for which the Property is leased

The term of 125 years from 1st May 2016

LR7. Premium

£58,500

LR8. Prohibitions or restrictions on disposing of this lease

This lease contains a provision that prohibits or restricts dispositions.

LR9. Rights of acquisition etc.

LR9.1 Tenant's contractual rights to renew this lease, to acquire the reversion or another lease of the Property, or to acquire an interest in other land None

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

None.

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

None.

LR10. Restrictive covenants given in this lease by the Landlord in respect of land other than the Property None.

LR11. Easements

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

The easements as specified in Schedule 2 of this lease.

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

The easements as specified in Schedule 3 of this lease.

LR12. Estate rentcharge burdening the Property

None.

LR13. Application for standard form of restriction

The Parties to this Lease apply to enter the following standard form Restriction against the title of the Property:

"No Transfer of the registered estate by the proprietor of the registered estate is to be registered without a certificate signed by the proprietor for the time being of the estate registered under title number TY74911 & TY323283 or their Conveyancer that the provisions of clause 3.10.2 clause 3.10.3 and clause 3.11 of the Lease have been complied with or that they do not apply to the disposition."

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

[The Tenant is more than one person. They are to hold the Property on trust for themselves as joint tenants]

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

[The Tenant is more than one person. They are to hold the Property on trust (complete as necessary)]

[None]

THIS LEASE is dated

PARTIES

- (1) Qualia Care Developments Limited (Company Registration Number 10031034) whose registered address is at North & South Suite, 2nd Floor, 4 Warehouse, Sowerby Bridge HX6 2AG ('the Landlord')
- (2) Elljess Investments Ltd (Company Registration Number 09326376) whose registered address is at Richmond House, 38 High Street, Hurstpierpoint, Hassocks, BN6 9RG acting through its Trustees Geoffrey Owen Jones and Lisa Jane Jones both of Marchants Barn, Little Park Farm, Marchants Close, Hurstpierpoint, Hassocks, BN6 9UZ ('the Tenant')

and includes their respective successors in title

AGREED TERMS

1. <u>Definitions and interpretation</u>

1.1 Unless the contrary intention appears, the following definitions apply:

1995 Act The Landlord and Tenant the (Covenants) Act 1995.

Adjoining Property All parts of the Building (except the Premises) the Estate and other

property adjoining or near the Premises.

Authority Any statutory, public, local or other competent authority or a court of

competent jurisdiction.

Bedrooms Those parts of the Building (including the Premises) leased or

intended to be leased to Owners for use as Nursing and Care Rooms.

Building The building described in Schedule 1 Part 2.

Common Parts Those parts of the Building and the Estate which are designated for

use in common by the Landlord, the Tenant, the Staff and other occupiers of the Building and those properly authorised or permitted by them and includes the communal areas and the foundations, structure, loadbearing walls, beams and columns, ceiling and floor slabs and the roof of the Building and the car park but excluding the

Bedrooms.

Conduits Drains, sewers, conduits, flues, gutters, gullies, channels, ducts,

shafts, watercourses, pipes, cables, wires mains, media and ancillary apparatus capable of being used for conducting or transmitting

Utilities.

Enactment Statute, statutory instrument, statutory guidance, treaty,

regulation, directive, bylaw, code of practice, guidance note, circular, common law and any notice, order, direction or requirement given or

made pursuant to any of them for the time being in force.

End of the Term The date on which the term actually ends (however determined).

Estate The land and buildings described in Schedule 1 Part 3.

Granted Rights The rights granted to the Tenant in the Schedule 2.

Insured Risks The Insurance Risks detailed in Schedule 4

Interest at the rate of 4.5% above the base lending rate from time to

time of Lloyds Bank plc (or of such other UK clearing bank as the Landlord may designate from time to time by giving notice to the Tenant) both before and after any judgement, calculated on a daily basis from the date on which interest becomes chargeable on any payment due under this lease to the date on which such payment is made, such interest to be compounded quarterly on the usual

quarter days.

Landlord The person who is from time to time entitled to the reversion

immediately expectant on the determination of this lease.

Landlord's Consent Consent or approval in writing signed by or on behalf of the Landlord

which in all instances where such consent or approval is sought by the Tenant shall not be unreasonably withheld or delayed by the

Landlord.

Lease This lease and any document supplemental to it or entered into

pursuant.

Management

Provisions

Those provisions described in Schedule 5

Notice Written notice given by a party to any other party.

Owners The tenants of the Premises and other Bedrooms.

Party A party to this Lease and Parties means more than one Party.

Permitted Use Use as a Nursing and Care Home bedroom only.

Personnel Servants, employees, contractors, workmen, agents,

licensees and visitors.

Plan The plans numbered Plan 1 and Plan 2 attached to this Lease.

Planning Enactments All enactments relating to town and country planning.

Premises The Premises described in Schedule 1 part 1.

Premium £58,500 plus VAT (if applicable) payable thereon.

Quarter Days 25th March, 24th June, 29th September and 25th December in each

year.

Rent

£100 per annum payable in advance on 1st January each year in accordance with Clause 2.3.

Reserved Rights

The rights reserved as described in Schedule 3.

Resident

Any person other than the Tenant or Tenant's Personnel who the Landlord permits to use the Premises as a Nursing and Care Home bedroom.

Retained Parts

All parts of the Building which do not comprise Bedrooms including:

- 1. the structure, walls, foundations and roofs of the Building;
- 2. the Common Parts;
- 3. office, storage and other accommodation reserved within the Building for the Landlord's Personnel;
- parts of the Building reserved for the housing of plant, machinery and equipment for the supply of utilities and/or for the provision of the services; and
- conduits in, on, over, under or serving the Building, except any which are within and exclusively serve any Bedroom or other saleable area within the Building.

Sub-Lease

The form of sub-lease intended to be granted of the Premises by the Tenant to the Landlord.

Surveyor

A surveyor (who is a member of the Royal Institution of Chartered Surveyors) appointed by the Landlord who may be an individual or a firm or company being a member of the Royal Institution of Chartered Surveyors or a professionally qualified surveyor (being a member of the Royal Institution of Chartered Surveyors) who is an employee of the Landlord or a company which is another member of the same group of companies as the Landlord to perform the function of a surveyor for any purpose of this Lease (including an employee of the Landlord or of a company in the same group as the Landlord and any person appointed by the Landlord to collect the rents and manage the Building.

Tenant

Includes every person who is at any time the Tenant under this lease and, in the case of an individual, his personal representatives.

Tenant's Covenants

The covenants, terms, conditions, agreements, restrictions, stipulations and obligations falling to be complied with by the Tenant under this Lease.

Term

The term of 125 years from 1st May 2016 granted by this Lease and the period of any holding over or any extension or continuation of it by statute or at common law.

Utilities

Water, gas, foul and surface water drainage, electricity and telephone and such other services s as are available for the benefit of the Premises from time to time.

VAT Value added tax as provided for in the Value Added Tax Act 1994 and

any tax similar or equivalent to value added tax.

VATA Value Added Tax Act 1994 and all subsequent amendments and

Enactments.

Working Day Any day except Saturday, Sunday and public holidays in England &

Wales.

Year A period of 12 months from 1 January until 31 December in each

year.

1.2 Where a party includes two or more persons, the covenant made by that party are made by those persons jointly and severally.

- 1.3 Words implying one gender include all other genders, words implying the singular include the plural and vice versa and words implying persons include any person or entity capable of being a legal person.
- 1.4 A covenant by the Tenant not to do any act or thing includes a covenant not to permit or suffer such act or thing to be done.
- 1.5 A reference to any right of the Landlord to access or enter the Premises extends to all persons authorised by the Landlord, including its personnel, mortgagees, professional advisers and others with or without equipment, plant or machinery.
- 1.6 A reference to any enactment (including the 1995 Act) includes all modifications, extensions, amendments and re-enactments of such statute in force for the time being and all instruments, orders, notices, regulations, directions, bylaws, permissions and plans for the time being made, issued or given under them or deriving validity from them.
- 1.7 Anything requiring the consent or approval of the Landlord is conditional also on the consent or approval of any mortgagee being given (if required under the terms of the relevant lease or mortgage and, if so, which will be required on the same basis as from the Landlord under this lease) and a consent or approval from the Landlord is not effective for the purposes of this lease unless it is in writing and signed by or on behalf of the Landlord.
- 1.8 Provisions are to be construed independently and if any provision is void or wholly or partly unenforceable, then that provision, to the extent that it is void or unenforceable, shall be deemed not to form part of this Lease, but the validity and enforceability if the remainder of the provision or of the Lease shall not be affected.
- 1.9 A reference to a numbered clause, schedule or paragraph is a reference to the relevant clause, schedule or paragraph in this Lease.
- 1.10 Heading to clauses, schedules and paragraphs are for convenience only and do not affect the meaning of this Lease.

- 1.11 The words "including" and "in particular" shall be construed as being by way of illustration or emphasis only and shall not limit the generality of the preceding words.
- 1.12 A reference to the Adjoining Property, the Building, the Estate, the Common Parts, the Premises, or the Retained Parts shall include in each case each and every part of the same.
- 1.13 Where and for so long as the Tenant has delegated observance or performance of a covenant on the part of the Tenant in this lease to the Landlord, the Landlord's remedy for breach thereof shall be to exercise its rights for the observance or performance of that covenant against the Landlord and shall not be entitled to take action against the Tenant in respect thereof.
- 1.14 The expression "rents" means all sums payable by the Tenant hereunder.

2. <u>Demise</u>

IN CONSIDERATION of the payment of the Premium paid by the Tenant to the Landlord (the receipt whereof the Landlord hereby acknowledges) and of the Rent hereinafter reserved to the Landlord and of the covenants on the part of the Tenant and conditions hereinafter contained the Landlord HEREBY DEMISES with full title guarantee unto the Tenant the Premises for the Term

- 2.1 TOGETHER with the Granted Rights;
- 2.2 EXCEPTING AND RESERVING to the Landlord and all other persons entitled thereto or authorised by the Landlord the benefit of the Reserved Rights; and
- 2.3 PAYING to the Landlord during the Term the Rent by annual payments on 1st January in each Year in advance.

3. <u>Tenant's covenants</u>

The Tenant covenants with the Landlord as follows:

3.1 Rent

To pay the Rent reserved by this Lease, free from any deductions and rights set- off, at the times and in the manner required in clause 2.3.

3.2 Interest

To pay Interest on any sum of money payable to the Landlord by the Tenant under this Lease which is not paid within 21 working days after the date when payment is due calculated from the date that such sums become due until payment is made to the Landlord.

3.3 VAT (where applicable)

- 3.3.1 To pay (against delivery of a valid Value Added Tax invoice containing the particulars prescribed in Regulation 14 of the Value Added Tax Regulations 1995 (as amended)and within 30 days of delivery of such an invoice) value added tax on all taxable supplies of goods and services made by the Landlord in under or connection with this Lease, for which the consideration is to be treated as exclusive of value added tax chargeable on the payment.
- 3.3.2 Where the Landlord is entitled under this Lease to recover from the Tenant the costs of goods and services supplied to the Landlord but in the respect of which the Landlord makes no taxable supply to the Tenant, to indemnify the Landlord against so much of the input tax on the cost for which the Landlord is not entitled to credit allowance under Section 26 of the VATA. If acting reasonably the Landlord and the Tenant cannot agree whether the Landlord makes a taxable supply for the purposes of this clause the Landlord shall prepare a written request for determination of the matter and submit the same to HM Revenue & Customs whose decision shall be final.
- 3.3.3 In the event of the Tenant at any time during the Term being required by law to charge VAT on any supply made by the Tenant in respect of the Premises the provisions of Schedule 6 shall apply.

3.4 Repair

- 3.4.1 To keep the Premises in a good substantial repair and condition (save where the Landlord reinstates any damage or destruction pursuant to Schedule 4).
- 3.4.2 The Tenant shall be liable to repair or make good damage to the Premises to the extent that any insurance has been invalidated or payment of insurance monies is refused because of any act, neglect or default of the Tenant or the Tenant's Personnel.

3.5 Landlord's rights of inspection and right of repair

- 3.5.1 To permit the Landlord and their employees or agents and personnel at all times to enter the Premises and examine their condition and also to take a schedule of fixtures and fittings in the Premises.
- 3.5.2 If any breach of covenant, defects, disrepair, removal of fixtures and fittings or unauthorised alterations or additions are found on inspection for which the Tenant is liable pursuant to clause 3.4, then, on notice from the Landlord, to execute to the reasonable satisfaction of the Landlord or its surveyor all repairs, works, replacements or removals required within two months (or sooner if necessary) after receipt of notice.
- 3.5.3 If the Tenant fails to comply with a notice under clause 3.5.2, the Landlord may itself or by its workpeople or agents enter the Premises

and execute the repairs works, replacements or removals.

3.5.4 To pay to the Landlord on demand all expenses incurred under clause 3.5.3 (the expenses and any interest on them to be recoverable as rent in arrear).

3.6 Yield up at the end of term

At the termination of this Lease or at such later time as the Landlord recovers possession of the Premises from the Tenant quietly to yield up the Premises (with all additions and improvements to the Premises and all fixtures in the Premises) in accordance with the Tenant's Covenants in this Lease.

3.7 Landlord's right of entry

- 3.7.1 To permit the Landlord, the Landlord and their respective agents, workmen, employees and personnel to enter the Premises at all times:
 - 3.7.1.1 to alter, maintain or repair the Building;
 - 3.7.1.2 to construct, alter, maintain, repair or fix anything serving the Building or the Estate and running through or on the Premises; or
 - 3.7.1.3 to comply with an obligation to any third party having legal rights over the Building or the Estate and the Premises; or
 - 3.7.1.4 in exercise of a right or to comply with an obligation or repair, maintenance or renewal under this Lease; or
 - 3.7.1.5 in connection with the development of the remainder of the Building or any adjoining or neighbouring land or premises including the right to build on or into, or extend, any boundary wall of the Premises without payment of compensation for any nuisance, annoyance, inconvenience damage or loss caused to the Tenant, subject to the Landlord (or other person entering) exercising the right in a proper manner and making good any damage caused to the Premises without unreasonable delay and taking all reasonable steps to minimise nuisance, annoyance, inconvenience and damage to the Tenant.
- 3.7.2 On becoming aware of any defects in the Building, which are "relevant defects" for the purposes of Section 4 of the Defective Premises Act 1972 to give notice of them to the Landlord.

3.8 Alterations

3.8.1 Not to alter or interfere with any part of the Building which is not included in the Premises.

- 3.8.2 Not to make any alteration or addition to the Premises.
- 3.8.3 To permit the Landlord to make any reasonably necessary desirable and/or appropriate alterations and additions to the Premises.

3.9 Use

- 3.9.1 Not to use or permit the Premises to be used except for the Permitted Use.
- 3.9.2 Not to occupy the Premises or suffer or permit any other persons to occupy the Premises other than in accordance with the Management Provisions.

3.10 Alienation

- 3.10.1 Not to assign or charge or underlet part only (as opposed to the whole) of the Premises.
- 3.10.2 Not to assign this Lease without securing the consent in writing of the Landlord such consent not to be unreasonably withheld.
- 3.10.3 Not to assign this Lease unless on or before completion of the assignment the Assignee enters into a deed of covenant in the form in Schedule 7 of this Lease.
- 3.10.4 Not to underlet the whole or any part of the Premises except by the Sub-Lease or as provided for in the Management Provisions.
- 3.10.5 Not (except by assignment permitted under this clause 3.10 or legal charge or mortgage in respect of the whole of the Premises) to grant any rights over the Premises to third parties.
- 3.10.6 The Tenant has agreed with the Landlord to grant the Sub-Lease to the Landlord immediately following the grant of this lease to enable the Landlord to deal with the Building as a whole. At the end of its term, the Management Provisions in Schedule 5 to this Lease will apply.

3.11 Registration of dispositions of this lease

Within one month after any disposition of this Lease to produce the document effecting the disposition and a certified copy to the Landlord's Conveyancers and to pay to the Conveyancer the fee they reasonably require for registration of the same.

3.12 Compliance with Enactments, etc.

If the Tenant receives pursuant to any Enactment any notice, order or direction, or a proposal for one it shall forthwith produce a copy to the Landlord and if in the Landlord's opinion acting reasonably such notice, order or direction is contrary to the interests of the Landlord the Landlord may, at its own expense, make such objection or representation against it as the Landlord requires acting reasonably.

3.13 Planning

Not to make any application under the Planning Enactments to any local planning authority for permission to develop, including change of use of the Premises.

3.14 Obstruction of windows or lights and easements

- 3.14.1 Not to stop up or obstruct any windows of the Premises.
- 3.14.2 Not knowingly to permit any easements or similar rights to be made or acquired into, against or on the Premises.
- 3.14.3 Where any such easement or right is or is attempted to be acquired, immediately upon becoming aware of the fact to give notice of the circumstances to the Landlord, and at the request and cost of the Landlord to adopt such course as it may reasonably require for preventing the acquisition of the easement or right.

3.15 Encroachments, easements and third party rights

Not knowingly to permit any easement to be acquired over the Premises.

3.16 Landlord's costs

To pay within 14 days of receipt all proper and reasonable costs, fees, charges, disbursements and expenses incurred by the Landlord including those payable to conveyancers, solicitors, counsel, architects, surveyors, bailiffs and the Landlord's internal management fee in relation to or in contemplation of:

- 3.16.1 The recovery or attempted recovery of arrears of additional rents, or other sums due from the Tenant or in remedying and breach of the Tenant's Covenants (save where that breach is by the Landlord); and
- 3.16.2 Any application for consent or approval made necessary by this Lease whether or not consent or approval is granted or the application is withdrawn.

3.17 Indemnity

To indemnify and keep the Landlord fully indemnified against all actions proceedings, claims, demands, losses, costs, expenses, damages, and liabilities arising directly or indirectly out of any breach of the Tenant's Covenants or any act, default or negligence of the Tenant or the Tenant's Personnel.

4. <u>Landlord's covenants</u>

The Landlord's covenants with the Tenant as follows:

4.1 Quiet enjoyment

Subject to the paying the rents reserved by and performing the Tenant's Covenants in this Lease the Tenant may lawfully and peaceably enjoy the Premises throughout the Term.

4.2 Uniformity of leases

In respect of any grant of a Lease of a Bedroom, to grant Leases which are in all material respects on the same terms as this Lease.

4.3 Use and Facilities

To operate the Building as a Nursing and Care Homes at all times and not to use the Retained Parts (or any part of them) for any purpose other than a use ancillary to the primary use of the Building as a Nursing and Care Home.

4.4 Insurance

To insure the Building in accordance with the provisions contained in Schedule 4.

4.5 Repair

To keep the Building in good repair and condition throughout the term and, when necessary, shall ensure that any Service Media within and exclusively serving the Property is kept in good working order.

5. <u>Provisos</u>

The parties agree to the following provisos:

- 5.1 The Landlord may terminate this Lease by re-entering the Premises (or a part of them) itself or by an authorised agent if the Rent remains unpaid 21 days after becoming due for payment (whether or not formally demanded).
- 5.2 Re-entry in exercise of the rights in clause 5.1 does not affect any other right or remedy of the Landlord for breach of covenant or condition by the Tenant occurring before the termination of this Lease.
- 5.3 The Landlord (for the benefit of the holder of any mortgage or charge of which it has received written notice from the Tenant) shall not exercise or seek to exercise such rights of re-entry without having given such mortgagee or chargee notice in writing of not less that ninety (90) days.

5.4 No implied easements

Nothing contained in this Lease shall impliedly confer or grant to the Tenant any

easement, right or privilege other than those expressly granted by this Lease.

5.5 Exclusion of warranty as to use

Nothing contained in this Lease or in any consent or approval by the Landlord pursuant to the terms of this Lease shall imply or warrant that the Premises or the Building may be used under the Planning Enactments for the Permitted Use or for any other purpose authorised by the Landlord and the Tenant hereby acknowledges that the Landlord has not given or made at any time any representation or warranty that any such use is or will be or will remain a lawful use under the Planning Enactments.

6. Representations

The Tenant acknowledges that this Lease has not been entered into in reliance wholly or partly on any statement or representation made by or on behalf of the Landlord except any statements and representations expressly made in this Lease and any written replies made prior to the grant of this Lease by the Landlord's Conveyancers in reply to written questions or enquiries made by the Tenant's conveyancers in relation to the premises.

7. Covenants relating to adjoining property

Except in respect of any express right granted by this lease nothing contained in or implied by this lease shall give the Tenant the benefit of or the right to enforce or to prevent the release or modification of any covenant, agreement or condition entered into by any person in respect of any property not comprised in this Lease.

8. Power of Landlord to deal with adjoining property

The Landlord may deal as it thinks fit with other property adjoining or nearby the Building and belonging to the Landlord, and may erect or permit to be erected on such property any buildings irrespective of whether they affect or diminish the light or air which may now or at any time be enjoyed by the Tenant in respect of the Premises.

9. <u>Arbitration of disputes between Tenants</u>

If any dispute or disagreement at any time arises between the Tenant and the Tenants and occupiers of the Building or any adjoining or neighbouring property belonging to the Landlord relating to the conduits serving, or easements or rights affecting, the Premises, the Building or any adjoining or neighbouring property, the matter in dispute or disagreement is to be determined by the Landlord (acting reasonably), by which determination the Tenant shall be bound.

10. Exemption from liability in respect of services

Save where occasioned by the act, omission, negligence or default of the Landlord or its authorised agents, the Landlord shall not be liable to the Tenant for any loss, damage or inconvenience which may be caused by reason of:

10.1 Temporary interruption of services during periods of inspection maintenance, repair and renewal;

- 10.2 Temporary breakdown of or defect in any plant and machinery, services or conduits in the Premises, the building or neighbouring or adjoining property;
- 10.3 Events beyond the reasonable control of the Landlord; or
- 10.4 The temporary closure of the Premises or the Building to alter reconstruct or modify in any way such parts,

Provided that in all cases the Landlord has taken all reasonable steps to mitigate such loss, damage or inconvenience.

11. Duty of Care

The Landlord's duty of care to the Tenant's Personnel in or about the Building does not go beyond the obligations involved in the common duty of care (within the meaning of the Occupiers' Liability Act 1957) or the duties imposed by the Defective Premises Act 1972.

12. Accidents

Save where occasioned by the act, omission, negligence or default of the Landlord or its authorised agents, the Landlord shall not be responsible to the Tenant or the Tenant's Personnel nor to any other person for any:

accident, happening or injury suffered in the Premises or damage to, or loss of, any goods or property sustained in the Building.

13. Compensation for disturbance

The Tenant is not entitled to claim any compensation from the Landlord on quitting the Premises unless and to the extent that any statutory right to compensation precludes the operation of this clause.

14. Notices, consents and approvals

- 14.1 Section 196 of the Law of Property Act 1925 shall apply to all notices served under this Lease but such provisions shall be extended as follows:
 - 14.1.1 where the expression "Tenant" includes more than one person service on any one of them shall be deemed to be service on them all;
 - 14.1.2 Any notice shall be correctly within the United Kingdom served if it is sent by recorded delivery post in a stamped addressed envelope, addressed to the Landlord or to the Tenant as the case may be, at the last known place of abode or business or registered office and any notice sent shall on proof of post be deemed to have been received on the second working day after the day of posting.
 - 14.1.3 Any notice served outside the United Kingdom shall be correctly served if it is sent by reputable international courier such as DHL or Fedex in a sealed,

tracked package addressed to the Landlord or to the Tenant as the case may be, at their last known place of abode (including, in the case of a registered company or other corporate body, its registered office) or business and any notice so sent shall be deemed to have been received on the next Working Day after the courier's tracking service says it was delivered to the recipient.

- Any consent or approval required under this Lease shall be obtained before the act or event to which it applies is carried out or done and shall be effective only if it is in such form and upon such terms as the party giving it properly requires and contains the statement "this is the form of consent or approval required by the Lease pursuant to which it is granted".
- 14.3 If the Tenant shall serve a notice on an Owner under a provision of this Lease, it shall serve a copy of the notice on the Landlord.

15. <u>Information relating to the tenancy</u>

For the purposes of the Data Protection Act 1998 or otherwise, the Tenant agrees that information held by the Landlord relating to this tenancy may only be disclosed to third parties if and to the extent necessary for the management or disposal of the Premises.

16. Obligations in Schedules

The Landlord and the Tenant mutually covenant to observe and perform their respective obligations and the conditions in the Schedules.

17. <u>Covenant status of this Lease</u>

This Lease is a new tenancy within the meaning of Section 1 of the 1995 Act.

18. <u>Implied rights of enforcement by third parties excluded</u>

- 18.1 Unless the right of enforcement is expressly granted, it is not intended that a third party should have the right to enforce a provision of this Lease under the Contracts (Rights of Third Parties) Act 1999.
- The parties may rescind or vary this lease without the consent of a third party to whom an express right to enforce any of its terms has been provided.

19. Registration of Lease

If this lease should be registered at the Land Registry the Tenant will:

- 19.1 Take all steps necessary to procure that the Tenant is registered at the Land Registry as proprietor of the Lease as soon as reasonably possible; and
- 19.2 Deliver to the Landlord within five working days of registration, official copies of the registered title evidencing that the Tenant is the registered proprietor of this Lease.

20. <u>Limitation of trustees' liability</u>

In this clause, the following definition applies:

Trustees: the persons named as Tenant in this lease and any person appointed as trustee of Elljess Investments Ltd from time to time

- 20.1 Take all steps necessary to procure that the Landlord is registered at the Land Registry as proprietor of the Lease as soon as reasonably possible; and
- 20.2 Deliver to the Landlord within five working days of registration, official copies of the registered title evidencing that the Tenant is the registered proprietor of this Lease.

SCHEDULE 1 The Premises/The Building/The Estate

Part 1 The Premises

The Premises known as Room WW106 Wagons Way Care Home, The Avenue, Washington, Tyne & Wear NE38 7LE edged red on the Plan 2 and being part of the Building and including:

- 1. The internal surfaces of all walls enclosing the Premises;
- 2. All non-load bearing walls within the Premises;
- 3. All ceilings of the Premises up to the level of (but excluding) the bottom of the joists, beams or slabs above them;
- 4. All floors and floorboards of the Premises down to the level of (but excluding) the tops of the joists, beams or slabs below them;
- 5. The internal surfaces of all window frames and the glass in all windows of the Premises;
- 6. All internal and external doors and door frames belonging to the Premises;
- 7. All additions alterations and improvements to the Premises;
- 8. All fixtures and fittings from time to time in or on the Premises; and
- 9. All conduits and facilities within and exclusively serving the Premises But

not including any part of the structure or the exterior of the Building.

Part 2 The Building

All the building or buildings from time to time on it or on any part of it known as Wagons Way Care Home, The Avenue, Washington, Tyne & Wear NE38 7LE being part of the land registered at the Land Registry with title absolute under Title Number TY74911.

Part 3 The Estate

All that land and buildings known as Wagons Way Care Home, The Avenue, Washington, Tyne & Wear NE38 7LE the whole of the land and buildings comprised in Title Number TY74911 & TY323283 shown edged red on the Plan 1 attached to this Lease.

SCHEDULE 2 Rights and easements granted

The following rights and easements are granted to the Tenant for the benefit of the Premises and the Tenant's Personnel (in common with the Landlord and others having the like right), but any person exercising such rights shall cause as little damage and disturbance as possible to any Adjoining Property and its Tenants and occupiers and shall at its own expense and as quickly as possible make good all damage caused in the exercise of such rights:

- 1. The right at all times to use the Common Parts for all reasonable purposes ancillary to the reasonable use and enjoyment of the Premises for the Permitted Use, subject to compliance with any regulations reasonably specified by the Landlord in relation to the use of such Common Parts;
- In relation to the Utilities, subject always to paragraph 3 below, the free passage and running of Utilities (subject to temporary interruption for repair, alteration or replacement) to and from the Premises through the Conduits which are now or during the Term laid in, on, under, over or through other parts of the Building and for the Estate, so far as is necessary for the reasonable use and enjoyment of the Premises for the Permitted Use; and provided that the Landlord retains the right to change the location and arrangements for use by the Tenant of any of the Conduits, provided there remains available for the benefit of the Premises access to the Utilities reasonably commensurate with that granted at the date of this Lease;
- 3. The right of support and protection for the benefit of the Premises as now enjoyed from other parts of the Building and the Estate;
- 4. The right of way for the Tenant and the Tenant's Personnel on foot over all footpaths entrances hallways staircases and lifts providing access to and egress from the Premises which are situated on or within the Building and/or the Estate;
- 5. The right of way for the Tenant and the Tenant's Personnel with or without vehicles over any vehicular access roads within the Estate affording access to and egress from the Building and the Premises; and
- 6. The right for the Tenant and the Tenant's Personnel to park in any car park which may at the absolute discretion of the Landlord be provided from time to time subject to such restrictions and terms as the Landlord may at its absolute discretion from time to time impose.

SCHEDULE 3

Exceptions and reservations

The following rights and easements are excepted and reserved out of the Premises to the Landlord, the Landlord and the Tenants and occupiers of the Adjoining Property and their respective Personnel and all other persons having similar rights and easements:

- 1. The free interrupted passage and running of Utilities through the Conduits which are now or in the future in, on, under, over or through the Premises.
- 2. The right for the Landlord to enter the Premises to perform its obligations under this Lease;
- 3. The right at all reasonable times by or on behalf of the Landlord, to enter the Premises with materials and equipment in order to:
 - 3.1 View and examine the state and condition of the Premises and to take Schedules or inventories of the Landlord's fixtures;
 - 3.2 Inspect, cleanse, maintain, repair, connect, remove, lay, renew, re-lay, replace, alter or execute any works to or in connection with the Conduits or any other services, (where such works cannot be undertaken without entry to the Premises);
 - 3.3 Execute repairs, decorations, alterations and any other works and to make installations to the Adjoining Property or to do anything which the Landlord may or must do under this Lease (where such works cannot be undertaken without entry to the Premises); and
 - 3.4 Exercise any of the rights excepted and reserved by this Lease;

And for any other purpose connected with the interest of the Landlord in the Premises the Building or the Estate, including valuing or disposing of any interest of the Landlord, but any person exercising such rights shall cause as little damage and inconvenience as possible to the Tenant and the Premises and shall make good without unreasonable delay any physical damage caused to the Premises (or anything in it);

- The right to carry out any works of repair, construction, development, improvement, alteration, cleaning or otherwise to any Adjoining Property (including raising the height of any Adjoining Property or to erect new buildings of any height on any Adjoining Property); and
- 5. All rights of light, air, support, protection and shelter and all other easements and rights which belong to or are enjoyed by the Adjoining Property over the Premises as at the date of this Lease.

SCHEDULE 4 Insurance provisions

Insured Risks and other definitions

- Insured Risks means the risks and other contingencies against which the Premises and the Building are required to be or which may be insured under this Lease but subject to any exclusions limitations and conditions in the policy of insurance Insured Risks include (without limitation):
- 1.1 Fire, lightning, explosion, storm, tempest, flood, bursting and overflowing of water tanks, apparatus or pipes, earthquake, aircraft (but not hostile aircraft) and devices dropped from aircraft, riot and civil commotion, malicious damage, terrorism (if cover is available on reasonable terms) subsidence, heave, landslip and such other risks as the Landlord may consider it prudent to insure; and
- 1.2 Employers', third party and public liability risks.
- If a risk or contingency itemised, or otherwise included, as an Insured Risk, can no longer be insured in the London Insurance Market, the risk or contingency shall cease to be treated as an Insured Risk from the time that cover is withdrawn until cover again becomes available in the London Insurance Market.
- 3. In this Schedule:
- 3.1 References to the Building and the Premises include alterations, additions and improvements only if made by or at the expense of the Landlord or which the Landlord and the Tenant agree to treat as Landlords' fixtures and fittings.
- 3.2 Full cost of reinstatement means the full cost of reinstating the Building at the time when such reinstatement is likely to take place having regard to any possible increase in building costs including:
 - 3.2.1 Such professional fees as may be incurred in connection with rebuilding or reinstatement of the Building;
 - 3.2.2 The cost of demolition, shoring up and site clearance works;
 - 3.2.3 Value Added Tax on such items; and
 - 3.2.4 Tax charged on the premiums for these insurances.
- 3.3 References to "vitiation by the Tenant" include any event occurring by the act or default of the Tenant as a result of which the insurance monies otherwise payable under the policy of insurance of the Landlord become wholly or

- partially irrecoverable, and "vitiate" and "vitiated" have corresponding meanings.
- 3.4 References to damage or destruction of the Premises and the Building include the essential means of access to and egress from the Premises in the ownership of the Landlord.

Insurance Premiums

- 4. The Landlord will pay the insurance premiums.
- 5. Insurance premiums are to include all monies expended, or required to be expended by the Landlord in effecting and maintaining cover against damage by the Insured Risks for the full cost of reinstatement of the Building.

Landlord's obligation to insure and reinstate

- 6. The Landlord will keep the Building insured with an insurer of repute against Insured Risks for the full cost of reinstatement, subject to such uninsured excess as the insurer may reasonably and properly apply.
- 7. Following damage to or destruction of the Building (or any part of it or access to it) by an Insured Risk the Landlord will diligently apply, or procure the application of, the proceeds of the insurance in reinstatement and rebuilding the Building and the Premises and will make good any deficiency in the proceeds of the insurance out of its own resources.
- 8. The obligations of the Landlord in paragraph 7 do not apply:
- 8.1 If the Landlord is unable, after using its reasonable endeavours to do so, to obtain any requisite planning permission or other consents for the reinstatement or rebuilding of the Building or of a building of similar size, character and amenity; or
- 8.2 If the Landlord's insurance is vitiated by the Tenant.
- 9. Where the Building is substantially damaged or destroyed, the Tenant may not object to the reinstatement or rebuilding of the Building in a form which is not identical to the Building immediately before the damage or destruction occurred, if the Building and the Premises as reinstated or rebuilt is of at least an equivalent or similar standard, and affords amenities which are not inferior to or deficient from those enjoyed by the Tenant before the damage or destruction.

Tenant's obligations in relation to insurance cover

- 10. The Tenant shall not insure the Premises in such manner as to permit the Landlord's insurers to cancel the Landlord's insurance cover.
- 11. The Tenant will notify the Landlord immediately of the occurrence of damage to the Premises by any of the Insured Risks.
- 12. The Tenant's obligations to repair, and yield up in repair, the Premises do not apply in respect of damage to the Premises by an Insured Risk.

Landlord's obligations in relation to insurance

- 13. The Landlord will use its reasonable endeavours to procure that its insurers waive entitlement to rights of subrogation against the Tenant.
- 14. The Landlord will notify its insurers of the Tenant's interest in the Premises and the interest of any lender to the Tenant and will use its reasonable endeavours to procure that the Tenant and any such lender is noted on the policy.
- 15. The Landlord shall provide the Tenant with a copy of its insurance policies (or other evidence of the conditions of insurance) on the Building and (at the request of the Tenant) with a receipt for the payment of the last premium or other evidence of renewal and up-to-date detail of the amount of cover.
- 16. The Landlord shall promptly notify the Tenant of any changes in its insurance cover or of the terms on which cover has been effected.
- 17. The Landlord will not do anything which may render void or voidable the insurance on the Building.

Suspension of rent

- 18. Paragraph 19 applies if the Building or any part of it at any time during the Term so damaged by an Insured Risk as to render the Building or the Premises or any part of them unfit for occupation, use, enjoyment or inaccessible, except in the circumstances and to the extent that insurance cover is vitiated by the Tenant.
- 19. The Rent reserved by this Lease, or a fair proportion of it according to the nature and extent of the damage sustained, shall be suspended and cease to be payable until the Premises (excluding fitting-out works and replacement of contents) have been reinstated and made fit for occupation, use, enjoyment and accessible.
- 20. A dispute as to the amount of the abatement of the rent or the duration of the period of abatement is to be submitted to a single arbitrator, by whose decision the parties are to be bound, who is to be appointed by the parties jointly or, if they do not agree on the appointment, by the President for the time being of the Royal Institution of Chartered Surveyors (at the request of either party) and the arbitration is to be conducted under the Arbitration Act 1996.

Option to Determine

- 21. If the Building is damaged or destroyed by an Insured Risk such that the Building or the Premises is rendered unfit for occupation, use, enjoyment or inaccessible and the Landlord does not commence the rebuilding or reinstatement of the Building within two (2) years of the damage by an Insured Risk, the Tenant may terminate this Lease by giving to the Landlord at least six (6) months' notice in writing to that effect and this Lease shall terminate on the expiry of the notice, without prejudice to any antecedent breach or claim.
- 22. On the termination of this Lease pursuant to paragraph 21 the proceeds of insurance shall be shared between the Landlord, Tenant and any other parties having a legal interest and having regard to each of their respective interests in the Building.

Uninsured Risks

- 23. If the Building is substantially destroyed or substantially damaged by risk which is not an Insured Risk such that the Building or the Premises is rendered unfit for occupation, use, enjoyment or inaccessible, the Landlord may elect within the period of twelve (12) months following the date of such damage or destruction (the "Election Period") by notice in writing to the Tenant (the "Election Notice") to reinstate the Building.
- 24. During the Election Period the Landlord will use all reasonable endeavours to take such reasonable and proper steps to enable it to decide as soon as reasonably practicable following the date of damage or destruction whether or not it will serve an Election Notice.
- 25. If the Landlord serves an Election Notice then:
- 25.1 the Landlord shall reinstate the Building at the Landlord's cost;
- 25.2 the provisions of paragraphs 7, 8, 9, 13, 17, 18, 19, 20, 21 and 22 of this Schedule will apply as if the damage or destruction had been caused by an Insured Risk.

SCHEDULE 5

Management Provisions

These provisions are intended to apply in the event that the Sub-Lease of the Premises, which is to be granted on the date of this lease by the Tenant to the Landlord for a period ending 25 years after the date of the Agreement, has been determined for whatever reason.

Under these provisions it is provided that the Landlord shall let the Premises for the Tenant to a Resident and in return, for the Management of the Premises to Residents (either directly or through an appropriately appointed Management Company), the Tenant shall receive 50% of the Room Income (as defined below) and that the Landlord shall receive the remaining 50% of Room Income together with the whole of the cost of the Nursing General and Care Services provided by the Landlord to the Resident.

1. **DEFINITIONS**

In this Schedule the following definitions apply

1.1 Landlord Services

1.1.1 Accommodation Services

The supply of the following services to a Resident:

- 1.1.1.1 use of the Common Parts and all facilities available within the Building and/or the Estate for Residents generally to enjoy
- 1.1.1.2 keeping the Premises and all tenant's fixtures in good and substantial repair and condition and, when necessary, renew or replace them
- 1.1.1.3 keeping the Premises regularly and properly cleaned internally with the internal and external surfaces of all windows being cleaned at least once a month;
- 1.1.1.4 renewing and replace any landlord's fixtures and conduits forming part of the Premises which become incapable of repair or cease to operate correctly with fixtures and conduits of equivalent modern specification and quality as those which they replace;

1.1.2 Nursing, General and Care Services

The supply of the following services to a Resident:

- 1.1.2.1 Provision of food and drink
- 1.1.2.2 Laundry and cleaning
- 1.1.2.3 Free to air television reception and internet connection
- 1.1.2.4 Reception, security and mobility assistance within the Building and Estate
- 1.1.2.5 Nursing or other forms of care in accordance with the Resident's needs
- 1.1.2.6 Heat and light in the Premises and in the Building and the Estate
- 1.1.2.7 Payment of any Council Tax or Business Rates charges on the Premises, the Building or the Estate.
- 1.1.2.8 The payment of insurance as defined in Schedule 4.

And such other services and facilities as the Landlord may from time to time in its

reasonable discretion provide or as the Residents may reasonably require.

1.1.3 Letting Services

The supply of the following services to the Tenant:

- 1.1.3.2 Marketing, sales, booking and reserving the Premises as a Nursing and Care Bedroom and collecting the fees payable by Residents for the use of the Premises:
- 1.1.3.3 Repair, replacement and renewal of the furniture in the Premises;
- 1.1.3.4 Such other services as may be reasonably required for the proper and effective operation of a Nursing and Care Home in the Building

1.2 **Tenant Services**

Provision of the Premises for occupation by a Resident

1.3 Cost of Nursing General and Care Services

The cost determined by the Landlord of the Nursing General and Care Services provided by the Landlord to the Resident.

1.4 Management Fee

50% of Room Income

1.5 Room Income

The total sum paid by a Resident during his or her period of occupation of the Premises excluding VAT (if any) for Tenant Services and Landlord Services less the Cost of Nursing General and Care Services.

1.6 Resident

Any person other than the Tenant or the Tenant's Personnel who uses the Premises as a Nursing and Care Bedroom

1.7 Tenants' Bank Account

The bank account opened by the Landlord on behalf of the Tenant and the tenants of the other Bedrooms

1.8 Tenant's VAT

Value Added Tax chargeable by the Tenant on any taxable supplies made by the Tenant under this agreement (if applicable)

1.9 Nursing and Care Home Fee

The amount paid by a Resident for the provision of Landlord Services and Tenant Services

2 LANDLORD'S COVENANTS

The Landlord covenants with the Tenant and with all the other tenants of the Bedrooms as follows:

- 2.1 to act as agent for the Tenant and to perform the obligations and responsibilities described herein as an undisclosed agent in respect of the Premises;
- 2.2 at all times to exercise a reasonable level of skill and care in relation to the performance of its obligations under this Lease;
- 2.3 Not to do any act or thing or omit to do any act or thing which may place the Tenant in breach of the terms of this Lease;
- 2.4 to provide the Accommodation Services and the Nursing and Care Services to Residents;
- 2.5 to provide the Letting Services to the Tenant;
- 2.6 to pay the cost of the provision for the Utilities and the Outgoings for the Premises;
- 2.7 When supplying the Premises to a Resident to:
 - 2.7.1 Act as the Tenant's undisclosed agent and make all arrangements and to do all such things as may be necessary for this purpose;
 - 2.7.2 Collect the Room Income from each Resident acting as agent for the Tenant and pay such sums into the Tenants' Bank Account where it shall be held on the Tenant's behalf by the Landlord as trustee;
 - 2.7.3 Prepare statements on receipt of Room Income and keep proper accounts and records of all Room Income received for the Tenant. Such accounts and records shall be distinguishable from those maintained by the Landlord acting either on its own account or as agent for any other person and copies of such accounts and records shall, if requested by the Tenant, be provided to the Tenant upon reasonable notice.

3 TENANT'S COVENANTS AND OBLIGATIONS

The Tenant covenants with the Landlord to observe and perform the following provisions:-

- 3.1 the Tenant shall make the Premises available to the Landlord as the Tenant's undisclosed agent for use as a Nursing and Care Bedroom for a Resident;
- 3.2 For so long as this Lease shall remain in force the Tenant shall not advertise, market or instruct an agent to rent out the Premises and shall not let out or grant any occupation rights in respect of the Premises save as expressly permitted by this Lease and save by way of a transfer of this Lease;
- 3.3 The Tenant permits the Management Company to enter and remain upon the Premises at all times to enable the Management Company to perform its obligations under this Lease;

- 3.4 The Tenant shall provide vacant possession of the Premises;
- 3.5 The Tenant shall not:
 - 3.5.1 Change the décor or redecorate the Premises:
 - 3.5.2 Remove any item of the furniture from the Premises; or
 - 3.5.3 Install any other items or keep any chattels in the Premises
- 3.6 Each Tenant shall:
 - 3.6.1 Co-operate with the Landlord to enable the Landlord to carry out its obligations under this Lease
 - 3.6.2 Pay to the Landlord the Management Fee in accordance with Paragraph 7, below.

4 MANAGEMENT OF THE CARE HOME

4.1 Use of the Premises

The Landlord shall be entitled, acting as the Tenant's undisclosed agent and on the Tenant's behalf, to supply the Premises as a Nursing and Care Bedroom to Residents on such terms as the Landlord acting reasonably may consider appropriate without further consent or approval from the Tenant but on the basis that a consistent and logical pricing policy is adopted for the Premises.

4.2 <u>Tenant's Income and VAT</u>

- 4.2.1 From the date hereof the Tenant has the right to receive the Room Income and subject to such deductions as may be required by the provisions of this Lease.
- 4.2.2 The Tenant authorises the Landlord to use the Tenants' Bank Account to pay the Landlord the Management Fee out of the Room Income at the times set out in this Lease provided that in the event that the Room Income is insufficient to pay the Rent and the Management Fee the Tenant will be liable to pay the balance of the Rent and the Management Fee directly to the Landlord within a reasonable period of written demand.
- 4.2.3 The Landlord will collect and hold the Room Income on trust for the Tenant and the Tenant shall be beneficially entitled to all sums which it is entitled to receive pursuant to the terms of this Lease.
- 4.2.4 The Landlord shall pay to the Tenant the balance of the Room Income (after the deduction of the Rent and the Management Fee and any amounts of tax required by law to be withheld or deducted at source and any further deductions in accordance with this clause or any other provision of this Lease) annually in arrears.
- 4.2.5 The Landlord shall keep proper accounts and records of Room Income received for the Premises. Such accounts and records shall be distinguishable from those

maintained by the Landlord acting either on its own account or as agent for any other person and copies of such accounts and records shall, if required by the Tenant, be provided to the Tenant upon reasonable notice.

4.3 Landlord's Income

The Landlord will collect and receive from a Resident the Nursing and Care Home Fee and shall be entitled to deduct the Nursing General and Care Costs and the Management Fee before paying to the Tenant his 50% share of the Room Income.

5 DATA PROTECTION

The Tenant agrees that the Landlord may pass information about the Tenant to the other Owners to assist the Landlord and/or other Owners in carrying out the obligations under this Lease.

This does not affect the Tenant's statutory rights under the Data Protection Act 1998 and the Management Company warrants that it shall comply with the provisions of the Data Protection Act 1998

6 LIMITATION OF LIABILITY

- 6.1 Save where occasioned by the act, omission, negligence or default of the Landlord (or its personnel) the Landlord shall not be liable to the Tenant for:-
 - 6.1.1 Failure to provide the Management Services to the extent that the Landlord is prevented from doing so by damage or destruction to the Building by an Insured Risk
 - 6.1.2 Any loss, damage or inconvenience which may be caused by reason of:
 - 6.1.2.1 The failure of any appliances, equipment or systems on the Premises or in the Building which may be managed by the Landlord due to any software or operating system malfunction;
 - 6.1.2.2 Temporary interruption of services during periods of inspection, maintenance, repair and renewal;
 - 6.1.2.3 Breakdown of or defect in any plant and machinery, services or conduits in any of the Premises, the Building or neighbouring or adjoining property;
 - 6.1.2.4 Events beyond the reasonable control of the Landlord:
 - 6.1.2.5 The temporary closure of the Premises or the Building to alter, reconstruct or modify in any way such parts;

Provided that in all cases the Landlord has taken all reasonable steps to mitigate such loss, damage or inconvenience

6.1.3 Any liability of the Landlord shall be limited to the professional indemnity insurance in force at that time, which the Landlord shall maintain for the duration of this agreement for a minimum amount of £5m

6.2 Accidents

Save where occasioned by the act, omission, negligence or default of the Landlord (or its

personnel), the Landlord shall not be responsible to the Tenant or the Tenant's Personnel nor to any other person for any:

- 6.2.1 Accident, happening or injury suffered in the Premises and/or the Building; or
- 6.2.2 Damage to, or loss of, any goods or property sustained in the Premises and/or the Building

7 FEES

- 7.1 The Landlord shall be entitled to receive the Management Fee from the Tenant and each Tenant shall pay to the Landlord the Management Fee.
- 7.2 The Landlord shall if it is required by law to do so issue a valid VAT invoice to the Tenant in respect of the Management Fee.

8 MARKETING

The Tenant agrees that the Landlord may use photographs of the Premises for marketing purposes and may advertise and market the Premises as a Nursing and Care Bedroom in such manner as the Landlord in its discretion decides.

9 PERMISSIONS REQUIRED

The Tenant warrants that the terms of its mortgage (if any) allow the Premises to be supplied as provided in this Agreement and permission has been obtained from the mortgage company prior to the grant or the assignment of the Tenant's Lease.

10 FORCE MAJEURE

The Landlord shall not be held liable for any failure or delay in performing its obligations under these this Lease and conditions where such failure or delay is caused by events beyond its reasonable control and not arising directly or indirectly from the Landlord's act, neglect, omission or default.

SCHEDULE 6 VAT Provisions

- 1. The Landlord (either directly or through an appropriately appointed Management Company and hereafter in this Schedule 6 referred to as "Management Company") shall provide and prepare all accounting and tax records for the Tenant to enable the Tenant to account to HM Revenue & Customs for any amounts or VAT due in respect of the Gross Room Income as a result of the Management of the Premises
- 2. If the Tenant is (a) resident in the United Kingdom; and (b) does not make any taxable supplies otherwise than in accordance with this Lease the Landlord shall at its sole discretion (unless any Tenant shall give written notice to the Landlord under clause 3 within ten working days of the date of this Lease or such later date as the Landlord at its sole discretion shall agree):
- 2.1 Act on behalf of the Tenant for any of the purposes of the VATA, or any other Enactment or subordinate legislation relating to VAT, in relation to the Management of the Premises, provided always that the Landlord shall not act or be taken to act as the VAT representative of the Tenant;
- 2.2 Prepare or procure the preparation of all accounting and tax records to enable the Tenant to account to HM Revenue & Customs for any amounts of VAT chargeable in respect of the Gross Rental Income;
- 2.3 Submit or procure the submission to HM Revenue & Customs on behalf of the Tenant all necessary returns in respect of such VAT within the applicable time limits and the Tenant will authorise the Landlord to make all such returns on behalf of the Tenant without further recourse to the Tenant;
- 2.4 Pay or procure the payment to HM Revenue & Customs on behalf of the Tenant all amounts of VAT chargeable in respect of the Gross Rental Income from time to time and the Tenant authorises the Management Company to make all such payments on behalf of the Tenant without further recourse to the Tenant; and
- 2.5 Retain or procure the retention on trust for the Tenant (or such other person as the Tenant shall direct) of all such records as are within the control of the Landlord and are required to be kept by the Tenant under Paragraph 6 Schedule 11 VATA 1994, supplying copies of such records to the Tenant at the cost of the Tenant
- 3. If the Tenant shall give written notice to the Management Company in accordance with clause 2
- 3.1 The Landlord shall be authorised to pay from the VAT element of the Tenant's Gross Rental Income held in the Tenants' Bank Account all VAT payable by that Tenant which is due and payable to HM Revenue & Customs;

- 3.2 The Tenant shall give all such assistance as may reasonably be required by the Landlord to comply with clause 2
- 3.3 The Landlord shall not, save in the case of the negligence of the Landlord, be personally liable for any VAT, interest, penalties or surcharges arising in respect of any taxable supplies of the Tenant or for any failure of the Tenant to make any return or otherwise comply with the Tenant's obligations under the VATA or any regulations made there under:
- 3.4 The Tenant shall, save in the case of the negligence of the Landlord, indemnify the Landlord for any VAT, interest, penalties or surcharges arising in respect of any taxable supplies of the Tenant or for any failure of the Tenant to make any return or otherwise comply with the Tenant's obligations under the VATA or any regulations made there under;
- 3.5 The Landlord shall not be required to pay any VAT, interest, penalties or surcharges arising in respect of any taxable supplies of the Tenant out of the Management Fee, or out of the Landlord's own account; and
- 3.6 Clause 3.5 of this schedule shall immediately cease to have effect where either the Landlord or the Tenant delivers written notice to that effect to the other where upon the Landlord shall deliver to the Tenant as soon as reasonably practicable all such records as are within its control and are required to be kept by the Tenant under Paragraph 6 Schedule 11 VATA.
- 4. Each quarter day the Landlord shall (in its capacity as undisclosed agent for the Tenant) prepare a statement for the Tenant setting out all income received in relation to the Premises, for the previous quarter. The Tenant shall be entitled to have the statement audited by the Landlord's auditors at the Tenant's cost within 30 days of receipt of the statement and the Landlord shall, on reasonable written notice from the Tenant, provide the auditors with access to all relevant information in relation to the Premises only to allow them to carry out an audit. Any overpayments or underpayments shall be reimbursed by the Tenant or the Landlord to each other as appropriate within 30 days of the relevant overpayments or underpayments being identified to ensure that the correct amounts have been paid.

TAX and VAT

- 5. All sums made payable by this Lease are exclusive of VAT.
- 6. An obligation to pay out an amount or to give any other consideration for the supply of goods and services pursuant to this agreement shall be increased by an amount equal to any VAT properly chargeable in respect of that supply against presentation to the recipient of the supply of a valid VAT invoice.
- 7. The room rate quoted by the Landlord to a Nursing and Care Home Resident will be inclusive of VAT which is chargeable thereon but will exclude all costs and expenses for ancillary services for which the Nursing and Care Home Resident will be invoiced separately for any such services received by them.
- 8. The Fee and the room rate charged to the Nursing and Care Home Resident and any other payments or supplies of goods or services made pursuant to this Lease will be subject to value added tax where applicable at the appropriate rate.

- 9. If the Tenant is resident outside the United Kingdom, or his usual place of abode is outside the United Kingdom:
- 9.1 The Landlord shall deduct basic rate tax from the Gross Rental Income paid to the Tenant and account to the Inland Revenue for the same unless the Tenant has applied for and been granted non-Resident Landlord clearance for such payment to be received gross of any UK withholding tax deducted at source, in which case the Tenant may be paid the Gross Rental Income gross;
- 9.2 The Tenant must still account to the Inland Revenue each tax year in respect of Gross Rental Income received:
- 9.3 If the Tenant is not granted non-Resident Landlord clearance the Tenant will apply to the Inland Revenue for a refund of any excess tax deducted at source once the Tenant's accounts are up to date;
- 9.4 The Landlord will in such a case be required to complete quarterly returns to submit to the Inland Revenue and to the Tenant;
- 9.5 For the additional work involved where the Tenant does not obtain Inland Revenue approval to receive Gross Rental Income gross, the Landlord will be entitled to make a charge (plus VAT) to the Tenant which the Tenant will be obliged to pay;
- 9.6 The Management Company shall be entitled to deduct such amounts on account of tax from the Tenant's Gross Rental Income which the Landlord is required by law to deduct and the Landlord shall be entitled to pay the same to the Inland Revenue.
- 10. If the Tenant informs the Landlord that the Tenant is UK Resident or has his usual place of abode in the United Kingdom for tax purposes when, in fact, the Tenant is non-UK Resident and the Landlord becomes liable to account to the Inland Revenue for past tax due on Gross Rental Income received by the Tenant and/or any interest and/or any penalties and/or costs, the Tenant shall indemnify the Landlord in respect of all tax, interest or penalties due to the Inland Revenue, and the Landlord shall have (without prejudice to any other remedy) a lien over any Gross Rental Income which it is holding or which it receives on the Tenant's behalf. The Landlord shall be entitled to apply this Gross Rental Income to cover all such past tax, interest penalties and costs incurred by the Landlord.
- 11. The Landlord shall provide to the Tenant reasonable information relating to the supplying of the Premises as a Nursing and Care Bedroom for inclusion in the Tenant's yearly tax return.

VAT - Self-Billing

- 12. The Tenant and the Management Company intend that the supply of the Premises made by the Landlord on behalf of and as undisclosed agent for the Tenant be treated for the purposes of VAT as both a supply of the Premises to the Landlord ("Tenant Supply") and as a supply by the Landlord in accordance with Section 47(3) of the VATA, and both parties agree to use all reasonable endeavours to ensure that the supply of the Premises is so treated.
- 13. In accordance with Regulation 13(3b) of the Value Added Tax Regulations 1995 (SI 1995/2518) the Tenant authorises the Landlord to provide a self-billed invoice in respect of each Tenant Supply made or treated as made under this agreement in

- accordance with Paragraph 2b Schedule 11 VATA (a "Self Billed Invoice") for so long as this Lease shall remain in force.
- 14. The Tenant agrees that it shall not issue any VAT invoice in respect of any Tenant Supply made or treated as made under this Lease.
- 15. The Tenant agrees that it will accept any Self Billed Invoice issued by the Landlord in respect of any Tenant Supply made or treated as made under this Lease.
- 16. If the Tenant is registered for the purposes of VAT it will immediately give the Landlord it VAT Registration Number and will notify the Landlord if either:
- 16.1 The Tenant's VAT registration number is changed; or
- 16.2 The Tenant ceases to be a taxable person for the purposes for VAT; and
- 16.3 The Tenant and the Landlord agree to take all such reasonable steps as maybe necessary to comply with any conditions imposed by HM Revenue & Customs to enable the Landlord to issue a Self-Billed Invoice.

VAT Arrangements

- 17. If:
- 17.1 as a result of a change in UK tax law or practice or the receipt by the Tenant or the Landlord of a written direction from HM Customs & Excise it is necessary to make alternative arrangements for the purpose of accounting for VAT on any supply by the Tenant or the Landlord under or in connection with this Lease,
- 17.2 Acting reasonably, the Landlord wishes to make alternative arrangements for the purpose of accounting for VAT on any supply by the Tenant or the Landlord under or in connection with this Lease, such alternative arrangements having been notified to the Tenant in advance

The Tenant shall if required by and at the direction of the Management Company enter into a supplemental agreement in such form as the Landlord may reasonably require giving effect to any arrangements which may be necessary for the purpose of VAT.

SCHEDULE 7 DEED OF COVENANT

This Deed of Covenant is made the

day of

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Qualia	Care Developments Limited (Company Registration Number 10031034) ("the Landlord") (1)
and	
[] ("the Assignee") (2)
1.1	In this Deed the following terms shall have the following meanings:- "The
Propert	ty" means
)
"The Le	ase" means the Lease of the Property dated [] and made between the Landlord (1) and
1.2	In this Deed where the context so admits as required:
(a)	Where the expression "the Assignee" includes two or more persons the obligations on the Assignee herein contained shall be deemed to be joint and several
(b)	Words importing the singular number only include the plural number and words importing masculine gender only include the feminine gender
(c)	The expression "the Landlord" and "the Assignee" shall include their respective successors in title
(d)	"Common Parts" "Rent" and "Management Fee" shall have the meanings afforded to them in the Lease
2.	The Assignee has agreed to take an Assignment of the Lease
3.	The Assignee has agreed to enter into this Deed in the manner appearing below



EXECUTED as a DEED by **Geoffrey Owen Jones** in the presence of:

Witness Signature:

Full Name:

DAWN HUTCHINGS

Address:

14 Furzeland way Bayers Common BNB 9JB

EXECUTED as a DEED by

Lisa Jane Jones

in the presence of:

Witness Signature: Full Name:

Address:

DAWN HUTCHINGS #14 FUZZEland-Way Sayes Common BNB 978



This Deed of Covenant is made the

day of

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BETWE	EEN	
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The Assignee has agreed to take an Assignment of the Lease

The Assignee has agreed to enter into this Deed in the manner appearing below



- The Assignee covenants that he will:-
- 4.1 Pay to the Landlord on the date or dates specified in the Lease the Rent and the Fee
- 4.2 Observe and perform all the covenants on the part of the Tenant contained in the Lease
- 4.3 Not transfer the Property to any person or persons or company without first procuring that any Assignee has first entered into a Deed of Covenant with the Landlord in the form hereof
- 5. The Landlord hereby covenants with the Assignee to observe and perform the covenants on the part of the Landlord contained in the Lease

EXECUTED as a DEED by **Qualia Care Developments Limited**

Director

acting by a director in the presence of:

Witness Signature:

Full Name:

EXECUTED as a DEED by **Geoffrey Owen Jones** in the presence of:

Witness Signature: 1010000

Full Name:

Address:

DAWN HUTCHINGS

14 Furzeland way Bayers Common BNB 9JB

EXECUTED as a DEED by

Lisa Jane Jones

in the presence of:

Witness Signature:

Fuil Name:

Address:

DAWN HUTCHINGS # 14 FUZELand-Way Sayes Common BNB 978

SCHEDULE 7 DEED OF COVENANT

This Deed of Covenant is made the

day of

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(a)	Where the expression "the Assignee" includes two or more persons the obligations on the Assignee herein contained shall be deemed to be joint and several
(b)	Words importing the singular number only include the plural number and words importing masculine gender only include the feminine gender
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(d)	"Common Parts" "Rent" and "Management Fee" shall have the meanings afforded to them in the Lease
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EXECUTED as a DEED by Qualia Care Developments Limited acting by a director in the presence of:	Director
Witness Signature :	/ isalones
Full Name :	
Address:	\wedge
EXECUTED as a DEED by [Co Jours
Witness Signature:	
Full Name: DAWN HUTC	HINGS
Address: 14 Furzelan Sayers Com BN6 9JB	d Way
Eayers Com	unon'
BD6 9JB	

<u>IN WITNESS</u> whereof the parties hereto have executed this Lease as a Deed the day and year first before written

EXECUTED as a DEED by Qualia Care Developments Limited acting by, a director, in the presence of:	Director
Witness Signature :	
Full Name :	
Address :	

EXECUTED as a DEED by

Geoffrey Owen Jones
in the presence of:

Witness Signature: JOHNN HUTCHINGS

Address: 14 FUZELAND BND 9TB

EXECUTED as a DEED by
Lisa Jane Jones
in the presence of:

Witness Signature: JOHNN HUTCHINGS

Address: ## 14 FUZELAND WAY

Sayes Common BND 9TB