

DATED

2016

SUB-LEASE

relating to

Room WW106 Wagons Way Care Home

The Avenue, Washington, Tyne & Wear NE38 7LE

Between

Elljess Investments Ltd

("the Landlord")

and

Qualia Care Developments Limited

("the Tenant")

PRESCRIBED CLAUSES

LR1. Date of lease

LR2. Title number(s)

LR2.1 Landlord's title number(s)

LR2.2 Other title numbers

LR3. Parties to this lease

Landlord

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 Buyer").

Tenant

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

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 "Property" in clause 1.1 of this lease.

LR5. Prescribed statements etc.

None

LR6. Term for which the Property is leased

The term as specified in this lease at clause 1.1 in the definition of "Contractual Term".

LR7. Premium

None.

LR8. Prohibitions or restrictions on disposing of this lease

None.

LR9. Rights of acquisition etc.

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

LR9.2 Tenant's covenant to (or offer to) surrender this lease None.

LR9.3 Landlord's contractual rights to acquire this lease None.

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

LR11. Easements

LR11.1 Easements granted by this lease for the benefit of the Property The easements as specified in clause 3 of this lease.

LR11.2 Easements granted or reserved by this lease over the Property for the benefit of other property The easements as specified in clause 4 of this lease.

LR12. Estate rentcharge burdening the Property None.

LR13. Application for standard form of restriction None.

LR14. Declaration of trust where there is more than one person comprising the Tenant None.

THIS SUB-LEASE is dated

2016

PARTIES

- (1) **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 (**Landlord**).
- (2) **Qualia Care Developments Limited** (Company Registration Number 10031034) whose registered address is North & South Suite, 2nd Floor, 4 Warehouse, Sowerby Bridge HX6 2AG (**Tenant**).

AGREED TERMS

1. Interpretation

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

| | |
|-----------------------------|---|
| Agreement | means the Agreement for Lease dated _____ and made between (1) Qualia Care Developments Limited and (2) Elljess Investments Ltd . |
| Ancillary Document | means the Agreement, the Lease, and the Option Agreements. |
| Annual Payment | means a sum equal to 10% of the Purchase Price per annum paid each year during the Contractual Term on the Annual Payment Dates (as set out in the Return Schedule annexed to the Agreement). |
| Annual Payment Dates | means the dates during the Contractual Term when the Tenant shall pay the Annual Payment to the Landlord. The payments shall be paid on or in relation to the anniversary dates of the date of the Agreement as set out in the Return Schedule annexed to the Agreement. |
| Building | all the building or buildings from time to time thereon or any part thereof, known as Wagons Way Care Home at The Avenue, Washington, Tyne & Wear NE38 7LE forming part of the land registered at the Land Registry under Title Number : TY74911 and more particularly described in Schedule 1 Part 2 of the Lease. |
| Common Parts | Those parts of the public areas of the Building which are designated for use in common by the Landlord, the Tenant and the Owners and other occupiers of the Building and those properly authorised or permitted by them but excluding the Bedrooms. |
| Contractual Term | a term commencing on the date of this Sub-Lease which will expire on the 25 th anniversary of the date of the Agreement. |

(_____)

| | |
|---------------------------|---|
| Estate | the site known or to be known as Wagons Way Care Home at The Avenue, Washington, Tyne & Wear NE38 7LE registered at the Land Registry under Title Number: TY74911 & TY323283 and more particularly described in Schedule 1 Part 3 of the Lease. |
| Landlord | means the Room Owner. |
| Lease | the Lease of the Property of even date and made between (1) Qualia Care Developments Limited and (2) Elljess Investments Ltd. |
| Lettable Room | a nursing and care home room of the Building other than the Property, that is capable of being let and occupied on terms similar to those of this Sub-Lease. |
| Permitted Use | use as a nursing and care home room only within Use Class C2 of the Town and Country Planning (Use Classes) Order 1987 as at the date this Sub-Lease is granted. |
| Plan | the plan attached to this Sub-Lease. |
| Property | room WW106 of the Building (as shown edged red on the Plan). |
| Purchase Price | means the premium paid by the Room Owner on the Grant of the Lease plus VAT. |
| Reservations | all of the rights excepted, reserved and granted to the Landlord by this Sub-Lease. |
| Room Owner | means the Tenant as defined in the Lease. |
| Service Media | lifts and lift machinery and equipment and all media for the supply or removal of heat electricity, gas, water, sewage, air-conditioning, energy, telecommunications, data and all other services and utilities and all structures, machinery and equipment ancillary to those media. |
| Sub-Lease | means this Sub-Lease. |
| Tenant's Covenants | all covenants and obligations contained in the Lease to be observed and performed by the Tenant in this Sub-Lease. |
| Third Party Rights | all rights, covenants and restrictions affecting the Building including the matters referred to at the date of this Sub-Lease in the registers of title numbers TY74911 & TY323283 and []. |
| VAT | value added tax chargeable under the Value Added Tax Act 1994 or any similar replacement or additional tax. |

- 1.2 A reference to this lease, except a reference to the date of this lease or to the grant of this lease, is a reference to this deed and any deed, licence, consent, approval or other instrument supplemental to it.
- 1.3 A reference to the **Landlord** includes a reference to the person entitled to the immediate reversion to this lease. A reference to the **Tenant** includes a reference to its successors in title and assigns.
- 1.4 The expressions **landlord covenant** and **tenant covenant** each has the meaning given to it by the Landlord and Tenant (Covenants) Act 1995.
- 1.5 Unless the context otherwise requires, references to the **Building**, the **Common Parts**, a **Lettable Unit** and the **Property** are to the whole and any part of them or it.
- 1.6 The expression **neighbouring property** does not include the Building.
- 1.7 A reference to the **term** is to the Contractual Term.
- 1.8 A reference to the **end of the term** is to the end of the term however it ends.
- 1.9 References to the **consent** of the Landlord are to the consent of the Landlord given in accordance with clause 16.4 and references to the **approval** of the Landlord are to the approval of the Landlord given in accordance with clause 16.5.
- 1.10 A **working day** is any day which is not a Saturday, a Sunday, a bank holiday or a public holiday in England and Wales.
- 1.11 Unless otherwise specified, a reference to a particular law is a reference to it as it is in force for the time being, taking account of any amendment, extension, application or re-enactment and includes any subordinate laws for the time being in force made under it and all orders, notices, codes of practice and guidance made under it.
- 1.12 A reference to laws in general is to all local, national and directly applicable supra-national laws in force for the time being, taking account of any amendment, extension, application or re-enactment and includes any subordinate laws for the time being in force made under them and all orders, notices, codes of practice and guidance made under them.
- 1.13 Any obligation in this Sub-Lease on the Tenant not to do something includes an obligation not to agree to or suffer that thing to be done and an obligation to use best endeavours to prevent that thing being done by another person.
- 1.14 Unless the context otherwise requires, where the words **Include(s)** or **including** are used in this Sub-Lease, they are deemed to have the words "without limitation" following them.
- 1.15 A **person** includes a corporate or unincorporated body.

1.16 References to **writing** or **written** will include fax and email except for the service of any Notices.

1.17 Except where a contrary intention appears, a reference to a clause or Schedule, is a reference to a clause of, or Schedule to, this Sub-Lease and a reference in a Schedule to a paragraph is to a paragraph of that Schedule.

1.18 Clause, Schedule and paragraph headings do not affect the interpretation of this Sub-Lease.

2. Grant

2.1 The Landlord lets with full title guarantee the Property to the Tenant for the Contractual Term of this Sub-Lease.

2.2 The grant is made together with the ancillary rights set out in clause 3, excepting and reserving to the Landlord the rights set out in clause 4, and subject to the Third Party Rights.

2.3 The grant is made with the Tenant paying to the Landlord the Annual Payment in accordance with Clause 6.

3. Ancillary Rights

3.1 The Landlord grants the Tenant, its employees, workmen, contractors, licensees and any other person acting under the authority of the Tenant such rights as are granted to the Landlord pursuant to schedule 2 of the Lease ("**Rights**").

3.2 The Rights are granted subject to the Third Party Rights insofar as the Third Party Rights affect the Common Parts and the Tenant shall not do anything that may interfere with any Third Party Right.

3.3 The Tenant shall exercise the Rights only in connection with its use of the Property for the Permitted Use.

4. Rights Excepted and Reserved

The reservations set out in schedule 3 of the Lease are excepted and reserved to the Landlord.

5. Third Party Rights

The Tenant shall comply with all obligations on the Landlord relating to the Third Party Rights insofar as those obligations relate to the Property and shall not do anything (even if otherwise permitted by this Sub-Lease) that may interfere with any Third Party Right.

6. The Annual Payment

6.1 The Tenant will pay the Annual Payment to the Landlord on or before the Annual Payment Dates. The payments shall be paid by bank transfer or by any other method that the Landlord requires at any time by giving notice to the Tenant.

6.2 The first instalment of the Annual Payment under the terms of this Sub-Lease (and therefore replacing the payments under the terms of the Agreement) shall be made on the first of the Annual Payment Dates after the date of this lease and shall be the proportion, calculated on a daily basis, in respect of the period from the date of this lease until the day before the Annual Payment Date.

7. VAT

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

7.2 Every obligation on the Tenant, under or in connection with this Sub-Lease, to pay the Landlord or any other person any sum by way of a refund or indemnity, shall include an obligation to pay an amount equal to any VAT incurred on that sum by the Landlord or other person, except to the extent that the Landlord or other person obtains credit for such VAT under the Value Added Tax Act 1994.

8. Lease

The Tenant (as defined in this Sub-Lease) shall observe and perform the Tenant's Covenants (as defined in the Lease) and shall indemnify and keep indemnified the Landlord (as defined in this Sub-Lease) in relation to any breach.

9. Registration of this Lease

Promptly following the grant of this Sub-Lease, the Tenant shall apply to register this Sub-Lease at the Land Registry. The Tenant shall ensure that any requisitions raised by the Land Registry in connection with that application are dealt with promptly and properly.

10. Returning the Property to the Landlord

10.1 At the end of the term the Tenant shall return the Property to the Landlord in the repair and condition required by the Lease.

10.2 Immediately after the end of the term (and notwithstanding that the term has ended), the Tenant shall make an application to close the registered title of this lease and shall ensure that any requisitions raised by HM Land Registry in connection with that application are dealt with promptly and properly. The Tenant shall keep the Landlord informed of the progress and completion of its application.

11. Encroachments, obstructions and acquisition of rights

The Tenant shall not grant any right or licence over the Property to any person nor permit any person to make any encroachment over the Property.

12. Landlord's Covenants

12.1 The Landlord covenants with the Tenant that, so long as the Tenant pays the Annual Payment reserved by and complies with its obligations in this Sub-Lease, the Tenant shall have quiet enjoyment of the Property without any lawful interruption by the Landlord or any person claiming under the Landlord.

12.2 The Landlord further covenants with the Tenant that it shall not enter the Property or any part thereof during the term except that the Landlord or the Landlord's agent(s) shall have the right to enter the Property not more than once a year on giving the Tenant at least 7 days' prior written notice to inspect its state and condition.

13. Condition for re-entry

13.1 The Landlord may re-enter the Property (or any part of the Property in the name of the whole) at any time after any of the following occurs:

- a. The Annual Payment is unpaid 21 days after becoming payable whether it has been formally demanded or not;
- b. any material breach of any condition of, or tenant covenant, in this Sub-Lease;
- c. where the Tenant is a corporation:
 - i. the taking of any step in connection with any voluntary arrangement or any other compromise or arrangement for the benefit of any creditors of the Tenant; or
 - ii. the making of an application for an administration order or the making of an administration order in relation to the Tenant; or
 - iii. the giving of any notice of intention to appoint an administrator, or the filing at court of the prescribed documents in connection with the appointment of an administrator, or the appointment of an administrator, in any case in relation to the tenant; or
 - iv. the appointment of a receiver or manager or an administrative receiver in relation to any property or income of the Tenant; or
 - v. the commencement of a voluntary winding-up in respect of the Tenant, except a winding-up for the purpose of amalgamation or reconstruction of a solvent company in respect of which a statutory declaration of solvency has been filed with the Registrar of Companies; or
 - vi. the making of a petition for a winding-up order or a winding-up order in respect of the Tenant; or
 - vii. the striking-off of the Tenant from the Register of Companies or the making of an application for the Tenant to be struck-off; or
 - viii. the Tenant otherwise ceasing to exist;

d. where the Tenant is an individual:

- i. the taking of any step in connection with any voluntary arrangement or any other compromise or arrangement for the benefit of any creditors of the Tenant; or
- ii. the presentation of a petition for a bankruptcy order or the making of a bankruptcy order against the Tenant.

13.2 If the Landlord re-enters the Property (or any part of the Property in the name of the whole) pursuant to this clause, this Sub-Lease shall immediately end, but without prejudice to any right or remedy of the Landlord in respect of any breach of covenant by the Tenant or any guarantor.

14. Liability

14.1 At any time when the Landlord, or the Tenant is more than one person, then in each case those persons shall be jointly and severally liable for their respective obligations arising by virtue of this Sub-Lease. The Landlord may release or compromise the liability of any one of those persons or grant any time or concession to any one of them without affecting the liability of any other of them.

14.2 The obligations of the Tenant arising by virtue of this Sub-Lease are owed to the Landlord and the obligations of the Landlord are owed to the Tenant.

15. Entire agreement and exclusion of representations

15.1 This Sub-Lease together with the Ancillary Documents constitutes the entire agreement and understanding of the parties relating to the transaction contemplated by the grant of this Sub-Lease and supersedes any previous agreement between the parties relating to the transaction.

15.2 Nothing in this clause shall, however, operate to limit or exclude any liability for fraud.

16. Notices, consents and approvals

16.1 Except where this Sub-Lease specifically states that a notice need not be in writing, or where notice is given in an emergency, any notice given pursuant to this Sub-Lease shall be in writing.

16.2 A written notice shall be delivered by hand or sent by recorded or special delivery or if outside the United Kingdom by a reputable tracked courier service such as Fedex or DHL. A correctly addressed notice sent recorded or special delivery post or tracked courier service shall be deemed to have been delivered at the time at which it would have been delivered in the normal course of the post or when the tracking service records that delivery has taken place.

16.3 Section 196 of the Law of Property Act 1925 shall otherwise apply to notices given under this Sub-Lease.

- 16.4 Where the consent of the Landlord is required under this Sub-Lease it shall not be unreasonable withheld or delayed and shall only be valid if it is given by deed, unless:
- (a) it is given in writing and signed by a person duly authorised on behalf of the Landlord; and
 - (b) it expressly states that the Landlord waives the requirement for a deed in that particular case.

If a waiver is given, it shall not affect the requirement for a deed for any other consent.

- 16.5 Where the approval of the Landlord is required under this Sub-Lease it shall not be unreasonable withheld or delayed and shall only be valid if it is in writing and signed by or on behalf of the Landlord, unless:
- (a) the approval is being given in a case of emergency; or
 - (b) this Sub-Lease expressly states that the approval need not be in writing.

- 16.6 If the Landlord gives a consent or approval under this Sub-Lease, the giving of that consent or approval shall not imply that any consent or approval required from a third party has been obtained, nor shall it obviate the need to obtain any consent or approval from a third party.

17 Governing law and jurisdiction

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

18 Contracts (Rights of Third Parties) Act 1999

No term of this Sub-Lease shall be enforceable under the Contracts (Rights of Third Parties) Act 1999 by a third party but this does not affect any right or remedy of a third party which exists or is available apart from under that Act.

19 Landlord and Tenant (Covenants) Act 1995

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

20. Limitation of trustees' liability

In this clause, the following definition applies:

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

- 20.1** Any liability of the Trustees arising out of this lease or matters connected with it shall be limited to the value of the assets of Elljess Investments Ltd in their possession from time to time.
- 20.2** Clause 20.1 will not apply to any liabilities resulting from any wilful or reckless breach of duty or trust by the Trustees.

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

EXECUTED as a deed by
Qualia Care Developments Limited acting by
_____ a director in
the presence of:

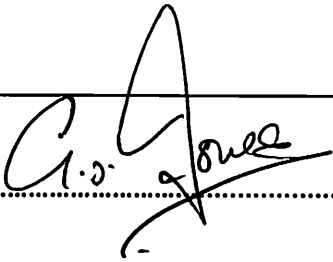
.....
Director

Witness Signature :

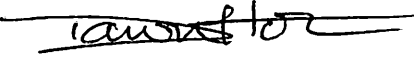
Full Name :

Address :

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


.....

Witness Signature :



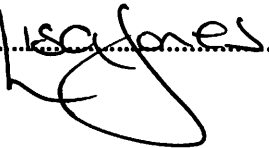
Full Name :

DAWN HUTCHINGS

Address :

14 Furzeland Way
Sayers Common
BN6 9JB

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


.....

Witness Signature :



Full Name :

DAWN HUTCHINGS

Address :

14 Furzeland Way
Sayers Common
BN6 9JB