

DATE:

12 October

2017

- (1) BRMCO (215) LIMITED
- (2) JAM 300 LIMITED
- (3) ANTHONY McARA KNIGHT, JOHN WORDSWORTH and MARK HOBSON

Counterpart Lease

relating to land and buildings at 48 Suffolk Road Sheffield S2 4AL

BRM Solicitors
Gray Court
99 Saltergate
Chesterfield
Derbyshire
S40 1LD

Tel: 01246 555111
Fax: 01246 554411
Email: info@brmlaw.co.uk
Web: www.brmlaw.co.uk

DX 12358 Chesterfield

Prescribed Clauses

LR1. Date of lease

12 October 2017

LR2. Title number(s)

LR2.1 Landlord's title number(s)

SYK298016, SYK441506 and SYK441510

LR2.2 Other title numbers

SYK638547, SYK33365 and SYK578073

LR3. Parties to this lease

Landlord

BRMCO (215) LIMITED

99 Saltergate Chesterfield S40 1LD

Company Registration Number: 09816265

Tenant

JAM 300 LIMITED

48 Granville Square, Suffolk Road, Sheffield S2 4AL

Company Registration Number: 5104139

Guarantor

ANTHONY McARA KNIGHT

The Old Vicarage, St Andrews Road, Sheffield S11 9AL

JOHN WORDSWORTH

14 Strelley Avenue, Sheffield S8 0BG

MARK HOBSON

14 Hibberd Place, Sheffield S6 4RF

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.

LR5.1 Statements prescribed under rules 179 (dispositions in favour of a charity), 180 (dispositions by a charity) or 196 (leases under the Leasehold Reform, Housing and Urban Development Act 1993) of the Land Registration Rules 2003.

None.

LR5.2 This lease is made under, or by reference to, provisions of:

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

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

None.

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

N/A

THIS LEASE is made the

12

day of

October

2017

BETWEEN

- (1) **BRMCO (215) LIMITED** incorporated and registered in England and Wales with company number 09816265 whose registered office is at 99 Saltergate Chesterfield S40 1LD (the "Landlord");
- (2) **JAM 300 LIMITED** incorporated and registered in England and Wales with company number 5104139 whose registered office is at 48 Granville Square Suffolk Road Sheffield S2 4AL (the "Tenant"); and
- (3) **ANTHONY McARA KNIGHT** of The Old Vicarage, St Andrews Road, Sheffield S11 9AL and **JOHN WORDSWORTH** of 14 Strelley Avenue, Sheffield S8 0BG and **MARK HOBSON** of 14 Hibberd Place, Sheffield S6 4RF (the "Guarantor").

IT IS HEREBY AGREED

1. Interpretation

The following definitions and rules of interpretation apply in this lease.

1.1 Definitions:

"Act of Insolvency"

means

- (a) 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 any guarantor;
- (b) the making of an administration order in relation to the Tenant or any guarantor;
- (c) 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 any guarantor;
- (d) the appointment of a receiver or manager or an administrative receiver in relation to any property or income of the Tenant or any guarantor;
- (e) the commencement of a voluntary winding-up in respect of the Tenant or any guarantor, except a winding-up for the purpose of amalgamation or reconstruction of a solvent company in respect of which a statutory declaration of solvency has been filed with the Registrar of Companies;
- (f) the making of a winding-up order in respect of the Tenant or any guarantor;
- (g) the striking-off of the Tenant or any guarantor from the Register of Companies or the making of an application for

the Tenant or any guarantor to be struck-off;

- (h) the Tenant or any guarantor otherwise ceasing to exist (but excluding where the Tenant or any guarantor dies); or
- (i) the making of a bankruptcy order against the Tenant or any guarantor.

The paragraphs above shall apply in relation to a partnership or limited partnership (as defined in the Partnership Act 1890 and the Limited Partnerships Act 1907 respectively) subject to the modifications referred to in the Insolvent Partnerships Order 1994 (SI 1994/2421) (as amended), and a limited liability partnership (as defined in the Limited Liability Partnerships Act 2000) subject to the modifications referred to in the Limited Liability Partnerships Regulations 2001 (SI 2001/1090) (as amended).

Act of Insolvency includes any analogous proceedings or events that may be taken pursuant to the legislation of another jurisdiction in relation to a tenant or guarantor incorporated or domiciled in such relevant jurisdiction.

"Annual Rent" means rent at an initial rate of £87,000.00 per annum and then as revised pursuant to this lease and any interim rent determined under the LTA 1954.

"CDM Regulations" means the Construction (Design and Management) Regulations 2015 (SI 2015/51).

"Compulsory Purchase Order" means a demand made by a public authority to purchase and or property.

"Contractual Term" means a term of years beginning on, and including the ~~date of~~ ^{29 September} this lease and ending on, and including ^{20 September} 2032.

"Default Interest Rate" means 4% per annum above the Interest Rate.

"Energy Assessor" means an individual who is a member of an accreditation scheme approved by the Secretary of State in accordance with regulation 22 of the Energy Performance of Buildings (England and Wales) Regulations 2012 (SI 2012/3118) or regulation 30 of the Building Regulations 2010 (SI 2010/2214).

"Energy Performance Certificate" means a certificate as defined in regulation 2(1) of the Energy Performance of Buildings (England and Wales) Regulations 2012 (SI 2012/3118).

"Insurance Rent" means the aggregate in each year of the gross cost of the premium before any discount or commission for the insurance of:

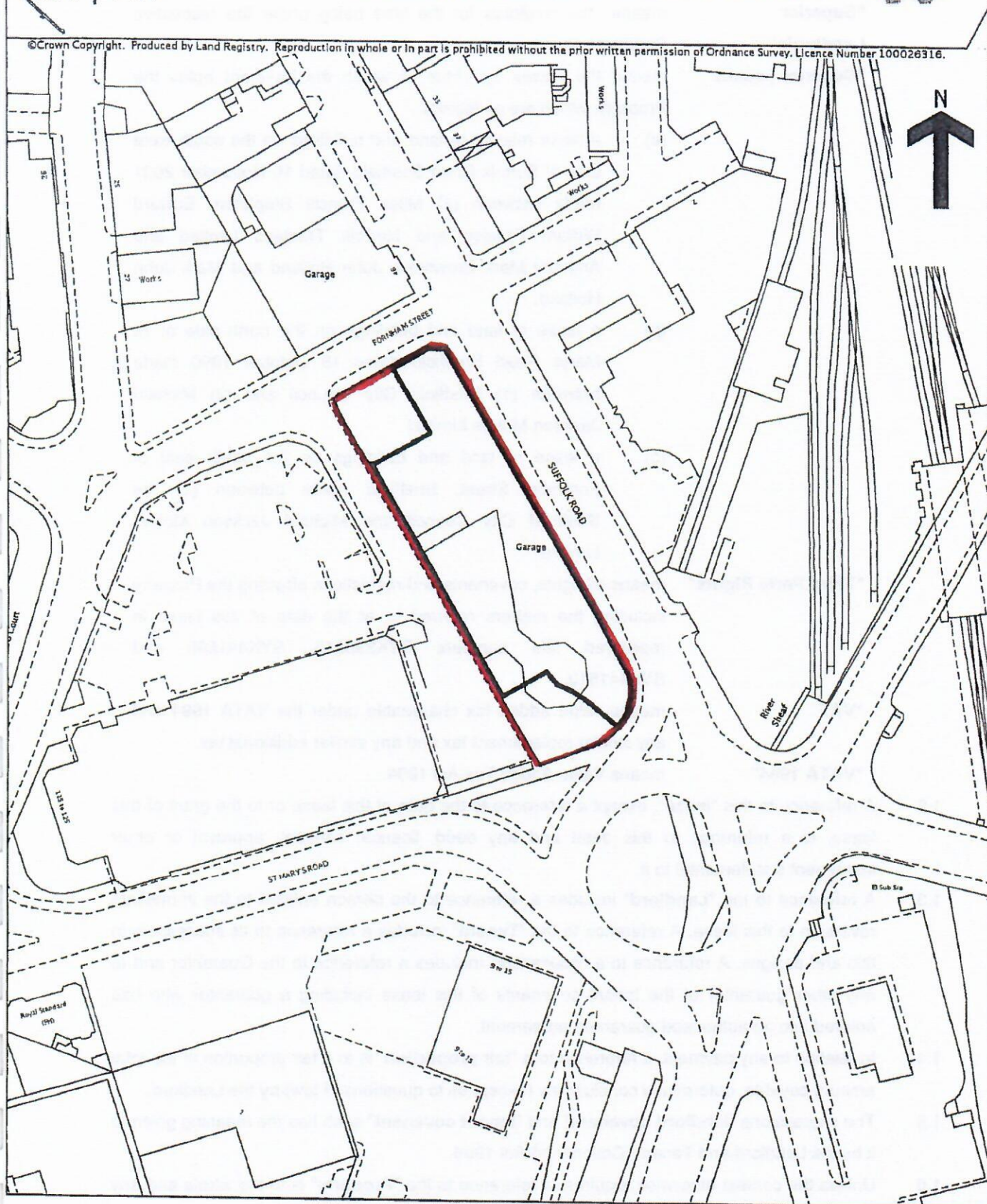
		(a) the Property, other than any plate glass, for its full reinstatement cost (taking inflation of building costs into account) against loss or damage by or in consequence of the Insured Risks, including costs of demolition, site clearance, site protection and shoring-up, professionals' and statutory fees and incidental expenses, the cost of any work which may be required under any law and VAT in respect of all those costs, fees and expenses; (b) loss of Annual Rent of the Property for three years; and (c) any insurance premium tax payable on the above.
"Insured Risks"		means fire, explosion, lightning, earthquake, storm, flood, bursting and overflowing of water tanks, apparatus or pipes, impact by aircraft and articles dropped from them, impact by vehicles, subsidence, ground slip, heave, riot, civil commotion, terrorism and any other risks against which the Landlord decides to insure against from time to time and "Insured Risk" means any one of the Insured Risks.
"Interest Rate"		means the base rate from time to time of National Westminster Bank Plc, or if that base rate stops being used or published then a comparable commercial rate reasonably determined by the Landlord.
"LTA 1954"		means Landlord and Tenant Act 1954.
"Permitted Use"		means a showroom for the sale and repair of motor vehicles, offices, commercial car parking and uses ancillary thereto.
"Previous Lease"		means a lease of the Property dated 19 August 2015 and made between (1) Kevin Sloane, Peter Simon Burrows and Mark John Holland (2) JAM 300 Limited and (3) Anthony McAra Knight, John Wordworth and Mark Hobson
"Property"		means the land and building at 48 Suffolk Road, Sheffield S2 4AL shown edged red on the attached plan.
"Recommendation Report"		means a report as defined in regulation 4 of the Energy Performance of Buildings (England and Wales) Regulations 2012 (SI 2012/3118).
"Rent Payment Dates"		means the first days of June, September, December and March in each year.
"Reservations"		means all of the rights excepted, reserved and granted to the Landlord by this lease.
"Service Media"		means all media for the supply or removal of heat, electricity, gas, water, sewage, energy, telecommunications, data and all other services and utilities and all structures, machinery and

Land Registry
Official copy of
title plan

Title number **SYK441506**
Ordnance Survey map reference **SK3586NE**
Scale **1:1250**
Administrative area **South Yorkshire : Sheffield**



©Crown Copyright. Produced by Land Registry. Reproduction in whole or in part is prohibited without the prior written permission of Ordnance Survey. Licence Number 100026316.



- equipment ancillary to those media.
- "Superior Landlords"** means the landlords for the time being under the respective Superior Leases.
- "Superior Leases"** means the leases by virtue of which the Landlord holds the Property, which are as follows: -
- (a) a lease relating to land and buildings on the south west side of Suffolk Road Sheffield dated 16 November 2001 made between (1) Miles Francis Stapleton, Edward William Fitzalen and Norfolk Trustees Limited and Anthony Mark Brownlow, John Holland and Mark John Holland.
 - (b) a lease of land and buildings on the north side of St Marys Road Sheffield dated 18 October 1990 made between (1) Sheffield City Council and (2) Michael Jackson Motors Limited
 - (c) a lease of land and buildings on the south east of Fornham Street, Sheffield made between (1) the Sheffield City Council and Michael Jackson Motors Limited
- "Third Party Rights"** means all rights, covenants and restrictions affecting the Property including the matters referred to at the date of this lease in registered title numbers SYK298016, SYK441506 and SYK441510.
- "VAT"** means value added tax chargeable under the VATA 1994 and any similar replacement tax and any similar additional tax.
- "VATA 1994"** means Value Added Tax Act 1994.
- 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. A reference to a **"guarantor"** includes a reference to the Guarantor and to any other guarantor of the tenant covenants of this lease including a guarantor who has entered into an authorised guarantee agreement.
- 1.4 In relation to any payment, a reference to a **"fair proportion"** is to a fair proportion of the total amount payable, determined conclusively (except as to questions of law) by the Landlord.
- 1.5 The expressions **"landlord covenant"** and **"tenant covenant"** each has the meaning given to it by the Landlord and Tenant (Covenants) Act 1995.
- 1.6 Unless the context otherwise requires, a reference to the **"Property"** is to the whole and any part of it.

- 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 43.5 and references to the **"approval"** of the Landlord are to the approval of the Landlord given in accordance with clause 43.6. References to any consent or approval required by the Landlord shall be construed as also including a requirement to obtain the consent or approval of the Superior Landlords, where such consent or approval is required under the terms of the Superior Leases except that nothing in this lease shall be construed as imposing on the Superior Landlords any obligation (or indication that such an obligation is imposed on the respective Superior Landlords by the terms of the respective Superior Leases) not unreasonably to refuse any such consent.
- 1.10 A **"working day"** is any day which is not a Saturday, a Sunday, a bank holiday or a public holiday in England.
- 1.11 A reference to laws in general is a reference to all local, national and directly applicable supra-national laws as amended, extended or re-enacted from time to time and shall include all subordinate laws made from time to time under them and all orders, notices, codes of practice and guidance made under them.
- 1.12 Unless otherwise specified, a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time and shall include all subordinate legislation made from time to time under that statute or statutory provision and all orders, notices, codes of practice and guidance made under it.
- 1.13 Any obligation on the Tenant not to do something includes an obligation not to allow 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, any words following the terms **"including"**, **"include"**, **in particular**, **for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- 1.15 A **"person"** includes a natural person, corporate or unincorporated body (whether or not having separate legal personality).
- 1.16 Unless the context otherwise requires, references to clauses and Schedules are to the clauses and Schedules of this lease and references to paragraphs are to paragraphs of the relevant Schedule.
- 1.17 Clause, Schedule and paragraph headings shall not affect the interpretation of this lease.
- 1.18 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.
- 1.19 Unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular.

2. Grant

- 2.1 At the request of the Guarantor, the Landlord lets with full title guarantee the Property to the Tenant for the Contractual Term.
- 2.2 The grant is made, excepting and reserving to the Landlord the rights set out in clause 4, and subject to the Third Party Rights.
- 2.3 The grant is made with the Tenant paying the following as rent to the Landlord:
 - 2.3.1 the Annual Rent and all VAT in respect of it,
 - 2.3.2 the Insurance Rent; and
 - 2.3.3 all interest payable under this lease; and
 - 2.3.4 all other sums due under this lease.

3. Ancillary Rights

- 3.1 Neither the grant of this lease nor anything in it confers any right over neighbouring property nor is to be taken to show that the Tenant may have any right over neighbouring property, and section 62 of the Law of Property Act 1925 does not apply to this lease.

4. Rights Excepted and Reserved

- 4.1 The following rights are excepted and reserved from this lease to the Landlord to the extent possible for the benefit of any neighbouring or adjoining property in which the Landlord acquires an interest during the term:
 - 4.1.1 rights of light, air, support and protection to the extent those rights are capable of being enjoyed at any time during the term;
 - 4.1.2 the right to use and to connect into Service Media at the Property which are in existence at the date of this lease or which are installed or constructed during the commencement of the Contractual Term;
 - 4.1.3 at any time during the term, the full and free right to develop the Landlord's any neighbouring or adjoining property in which the Landlord acquires an interest during the term as the Landlord may think fit;
 - 4.1.4 the right to erect temporary scaffolding at the Property and attach it to any building or structure on the Property in connection with any of the Reservations;
 - 4.1.5 the right to build on or into any boundary wall of the Property in connection with any of the Reservations; and
 - 4.1.6 the right to re-route any Service Media at or serving the Property; and

notwithstanding that the exercise of any of the Reservations or the works carried out pursuant to them result in a reduction in the flow of light or air to the Property or loss of amenity for the Property provided that they do not materially affect the use and enjoyment of the Property for the Permitted Use.

- 4.2 The Landlord reserves the right to enter the Property:
 - 4.2.1 to repair, maintain or replace any Service Media or structure relating to any of the Reservations; and
 - 4.2.2 for any other purpose mentioned in or connected with:
 - 4.2.2.1 this lease;
 - 4.2.2.2 the Reservations; and

4.2.2.3 the Landlord's interest in the Property.

- 4.3 The Reservations may be exercised by the Landlord and by anyone else who is or becomes entitled to exercise them, and by anyone authorised by the Landlord.
- 4.4 The Tenant shall allow all those entitled to exercise any right to enter the Property, to do so with their workers, contractors, agents and professional advisors, and to enter the Property at any reasonable time (during usual business hours) and, except in the case of an emergency, after having given reasonable notice (which need not be in writing) to the Tenant.
- 4.5 No party exercising any of the Reservations, nor its workers, contractors, agents and professional advisors, shall be liable to the Tenant or to any undertenant or other occupier of or person at the Property for any loss, damage, injury, nuisance or inconvenience arising by reason of its exercising any of those Reservations except for:
- 4.5.1 physical damage to the Property; or
- 4.5.2 any loss, damage, injury, nuisance or inconvenience in relation to which the law prevents the Landlord from excluding liability.
- 4.6 The persons exercising the Reservations shall take reasonable measures to minimise disruption to the Tenant's business during the exercise of the Reservations.

5. Third Party Rights

- 5.1 The Tenant shall comply with all obligations on the Landlord and the Superior Landlords relating to the Third Party Rights (insofar as those obligations relate to the Property) and shall not do anything (even if otherwise permitted by this lease) that may interfere with any Third Party Right.
- 5.2 The Tenant shall allow the Landlord and the Superior Landlords and any other person authorised by the terms of the Third Party Right to enter the Property in accordance with its terms.

6. The Annual Rent

- 6.1 The Tenant shall pay the Annual Rent and any VAT in respect of it by four equal instalments in advance on or before the Rent Payment Dates. The payments shall be made by banker's standing order 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 Rent and any VAT in respect of it shall be made on the date of this lease and shall be the proportion, calculated on a daily basis, in respect of the period beginning on the date of this lease and ending on the day before the next Rent Payment Date.

7. Review of the Annual Rent

- 7.1 Definitions
- 7.1.1 The terms defined in this paragraph shall for all purposes of this Clause 7 have the meanings specified:
- 7.1.2 "**Base RPI Rate**" means the Index figure for the month which is three months preceding the relevant Review Date or (in the case of the First Review Date) the

Index figure for the month which is three months preceding the date of commencement of the Contractual Term.

7.1.3 "Index" means the All Items Retail Prices Index published by the Office for National Statistics or any successor ministry or department or any such other similar index of retail prices which may replace it from time to time.

7.1.4 "Review Dates" means the [] 2022 (being the "Frist Review Date"), [] 2027 and the last day of the Contractual Term and "Review Date" shall be construed accordingly.

7.1.5 "Review Period" means the period commencing on and from any Review Date and expiring on the day prior to the next Review Date or on expiry of the Contractual Term as the case may be.

7.1.6 "Revised Rent" means the figure determined by multiplying the Annual Rent by the value of the Index for the month which is three months before the month in which the Review Date falls and dividing the product by the Base RPI Rate.

7.2 Review of Annual Rent

7.2.1 During each successive Review Period the Annual Rent shall be a rent equal to the greater of:

7.2.1.1 the Annual Rent payable immediately before the relevant Review Date; and

7.2.1.2 the Revised Rent.

7.3 Changes to Index

7.3.1 If the Index is no longer published or if there is any material change in the way it is compiled or the date from which it commences then a new arrangement for indexation or a rebasing (the "Revised Indexation") will be substituted for the calculation of the Revised Rent to reflect increases in the cost of living on a similar basis to that originally set out in this Lease.

7.3.2 If the parties are unable to agree a basis for the Revised Indexation then either of them may at any time request that the matter be determined by the Valuer.

7.4 Determination by the Valuer

In this Clause 7, the President is the President for the time being of the Royal Institution of Chartered Surveyors or a person acting on his behalf (**President**), and the Valuer is the independent valuer appointed pursuant to clause 7.4.4 (**Valuer**).

7.4.1 If any dispute or question whatever arises between the parties as to the amount of the Revised Rent for any Review Period, then:

7.4.1.1 the Revised Rent is to be determined by the Valuer; or

7.4.1.2 if it is impossible to calculate the Revised Rent for any reason whatever, the Valuer shall determine a reasonable rent for the Property at the Review Date having regard to the purposes and intent of the provisions in this Clause 7.

7.4.2 The Valuer shall determine a question, dispute or disagreement that arises between the parties in the following circumstances where any question or dispute arises between the parties as to the amount of the Annual Rent payable or as to the interpretation, application or effect of any part of this Clause 7.

7.4.3 The Valuer shall have full power to determine the question, dispute or disagreement, and shall have power to determine any issue involving the interpretation of any provision of this Lease, his jurisdiction to determine the question, dispute or disagreement referred to him or his terms of reference. When determining such a question, dispute or disagreement, the Valuer may, if he considers it appropriate, specify that an alternative mechanism for setting the Annual Rent should apply to this lease, and this includes (but is not limited to) substituting an alternative Index for the RPI.

7.4.4 The Valuer shall be an independent valuer who is a Member or Fellow of the Royal Institution of Chartered Surveyors. The Landlord and the Tenant may, by agreement, appoint the Valuer at any time before either of them applies to the President for the Valuer to be appointed.

7.4.5 The Valuer shall act as an expert and not as an arbitrator. The Valuer's decision shall be given in writing, and the Valuer shall provide reasons for any determination. The Valuer's written decision on the matters referred to him shall be final and binding in the absence of manifest error or fraud.

7.4.6 The Valuer shall give the Landlord and the Tenant an opportunity to make written representations to the Valuer and to make written counter-representations commenting on the representations of the other party to the Valuer. The parties will provide (or procure that others provide) the Valuer with such assistance and documents as the Valuer reasonably requires for the purpose of reaching a decision.

7.4.7 Either the Landlord or the Tenant may apply to the President to discharge the Valuer if the Valuer:

7.4.7.1 dies;

7.4.7.2 becomes unwilling or incapable of acting; or

7.4.7.3 unreasonably delays in making any determination.

Clause 7.4 shall then apply in relation to the appointment of a replacement.

7.4.8 The fees and expenses of the Valuer and the cost of the Valuer's appointment and any counsel's fees, or other fees incurred by the Valuer shall be payable by the Landlord and the Tenant in the proportions that the Valuer directs (or if the Valuer makes no direction, then equally). If the Tenant does not pay its part of the Valuer's fees and expenses within fifteen working days after demand by the Valuer, the Landlord may pay that part and the amount it pays shall be a debt of the Tenant due and payable on demand to the Landlord. The Landlord and the Tenant shall otherwise each bear their own costs in connection with the rent review

7.5 Rent Review Memorandum

When the Annual Rent for any Review Period shall have been ascertained in accordance with this Clause 7 memoranda recording it shall be signed by or on behalf of the parties and annexed to this lease and its counterpart and the parties shall bear their own costs in respect of this.

7.6 Interim payments

7.6.1 If the Annual Rent payable on and from any Review Date has not been ascertained by that Review Date:

7.6.1.1 the Tenant shall continue to pay at the rate previously payable (such payments being on account of the Annual Rent for that Review Period); and

7.6.1.2 upon the Annual Rent being ascertained the Tenant shall within 28 days of written demand pay to the Landlord any shortfall between the on account payments and the Annual Rent payable on and from the Review Date together with interest on the shortfall at the Interest Rate, for the period from the date when each payment of the Annual Rent fell due up to the date when the Annual Rent was in fact ascertained.

7.7 Time not of the essence

Time shall not be of the essence in relation to this Clause 7.

8. Insurance

8.1 Subject to clause 8.2, the Landlord shall keep the Property (other than any plate glass at the Property) insured against loss or damage by the Insured Risks for the sum equal to its full reinstatement cost (taking inflation of building costs into account). The Landlord shall not be obliged to insure any part of the Property installed by the Tenant.

8.2 The Landlord's obligation to insure is subject to:

8.2.1 any reasonable exclusions, limitations, excesses and conditions that may be imposed by the insurers; and

8.2.2 insurance being available in the London insurance market on reasonable terms acceptable to the Landlord.

8.3 The Tenant shall pay to the Landlord on demand:

8.3.1 the Insurance Rent;

8.3.2 any amount that is deducted or disallowed by the insurers pursuant to any excess provision in the insurance policy; and

8.3.3 any costs that the Landlord incurs in obtaining a valuation of the Property for insurance purposes (but not more than once in any three year period).

If the Landlord insures the Property together with other land, the amount of the Insurance Rent shall be a fair proportion of the total for the Property and the other land.

8.4 The Tenant shall:

8.4.1 not knowingly do or omit anything as a result of which any policy of insurance of the Property or any neighbouring property may become void or voidable or otherwise

- prejudiced, or the payment of any policy money may be withheld, nor (unless the Tenant has previously notified the Landlord and has paid any increased or additional premium) anything as a result of which any increased or additional insurance premium may become payable;
- 8.4.2 comply at all times with the requirements of the insurers relating to the Property;
- 8.4.3 as soon as practicable give the Landlord immediate notice of the occurrence of any damage or loss relating to the Property arising from an Insured Risk or of any other event that might affect any insurance policy relating to the Property;
- 8.4.4 not effect any insurance of the Property (except any plate glass at the Property), but if it becomes entitled to the benefit of any insurance proceeds in respect of the Property (other than in respect of plate glass) pay those proceeds or cause them to be paid to the Landlord; and
- 8.4.5 pay the Landlord an amount equal to any insurance money that the insurers of the Property refuse to pay by reason of any act or omission of the Tenant or any undertenant, their workers, contractors or agents or any person at the Property with the actual or implied authority of and under the control of any of them.
- 8.5 The Landlord shall, subject to obtaining all necessary planning and other consents, use all insurance money received (other than for loss of rent) to repair the damage for which the money has been received or (as the case may be) in rebuilding the Property. The Landlord shall not be obliged to:
- 8.5.1 provide accommodation identical in layout or design so long as accommodation reasonably equivalent to that previously at the Property is provided; or
- 8.5.2 repair or rebuild the Property after a notice has been served pursuant to clause 8.7 or clause 8.8.
- 8.6 If the Property is damaged or destroyed by Insured Risk so as to be unfit for occupation and use then, unless the policy of insurance of the Property has been vitiated in whole or in part in consequence of any act or omission of the Tenant, any undertenant or their respective workers, contractors or agents or any other person on the Property with the actual or implied authority of and under the control of any of them, payment of the Annual Rent, or a fair proportion of it according to the nature and extent of the damage, shall be suspended until the Property has been reinstated and made fit for occupation and use, or until the end of three years from the date of damage or destruction, if sooner.
- 8.7 If, following damage to or destruction of the Property, the Landlord considers that it is impossible or impractical to reinstate the Property, the Landlord may terminate this lease by giving notice to the Tenant. On giving notice this lease shall determine but this shall be without prejudice to any right or remedy of either party in respect of any breach by the other of its covenants of this lease. Any proceeds of the insurance (other than any insurance for plate glass) shall belong to the Landlord.
- 8.8 Provided that the Tenant has complied with its obligations in this clause, the Tenant may terminate this lease by giving notice to the Landlord if, following damage or destruction by an

Insured Risk, the Property has not been reinstated so as to be fit for occupation and use within three years after the date of damage or destruction. On giving this notice this lease shall determine but this shall be without prejudice to any right or remedy of either party in respect of any breach by the other of its covenants of this lease. Any proceeds of the insurance (other than any insurance for plate glass) shall belong to the Landlord.

9. Rates and Taxes

9.1 The Tenant shall pay all present and future rates, taxes and other impositions and outgoings payable in respect of the Property, its use and any works carried out there, except:

9.1.1 any taxes payable by the Landlord in connection with any dealing with or disposition of the reversion to this lease; or

9.1.2 any taxes (other than VAT and insurance premium tax) payable by the Landlord by reason of the receipt of any of the rents due under this lease.

9.2 If any rates taxes or other impositions and outgoings are payable in respect of the Property together with other property, the Tenant shall pay a fair proportion of the amount payable.

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

10. Utilities

10.1 The Tenant shall pay all costs in connection with the supply and removal of electricity, gas, water, sewage, telecommunications, data and other services and utilities to or from the Property.

10.2 If any of those costs are payable in relation to the Property together with other property, the Tenant shall pay a fair proportion of all those costs.

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

11. Common Items

11.1 The Tenant shall pay the Landlord on demand a fair proportion of all costs payable for the maintenance, repair, lighting, cleaning and renewal of all Service Media, structures and other items used or capable of being used by the Property in common with other property.

11.2 The Tenant shall comply with all reasonable regulations the Landlord may make from time to time in connection with the use of any of those Service Media, structures or other items.

12. Vat

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

12.2 Every obligation on the Tenant, under or in connection with this 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.

13. Default Interest and Interest

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

14. Costs

- 14.1 The Tenant shall pay the costs and expenses of the Landlord and those of the Superior Landlords as applicable including any solicitors' or other professionals' costs and expenses (incurred both during and after the end of the term) in connection with or in contemplation of any of the following:
- 14.1.1 the enforcement of the tenant covenants of this lease;
 - 14.1.2 serving any notice in connection with this lease under section 146 or 147 of the Law of Property Act 1925 or taking any proceedings under either of those sections, notwithstanding that forfeiture is avoided otherwise than by relief granted by the court;
 - 14.1.3 serving any notice in connection with this lease under section 17 of the Landlord and Tenant (Covenants) Act 1995;
 - 14.1.4 the preparation and service of a schedule of dilapidations within 3 months of the end of the Term in connection with this lease; or
 - 14.1.5 any consent or approval applied for under this lease, whether or not it is granted (unless the consent or approval is unreasonably withheld by the Landlord in circumstances where the Landlord is not unreasonably to withhold it) and where, as applicable, under any of the Superior Leases where the consent of the respective Superior Landlords is required under this lease, whether or not granted.
- 14.2 Where the Tenant is obliged to pay or indemnify the Landlord against any solicitors' or other professionals' costs and expenses (whether under this or any other clause of this lease) that obligation extends to those costs and expenses assessed on a full indemnity basis.

15. Set-off

The Annual Rent and all other amounts due under this lease shall be paid by the Tenant or any guarantor (as the case may be) in full without any set-off, counterclaim, deduction or withholding (other than any deduction or withholding of tax as required by law).

16. Registration of this Lease

Promptly following the grant of this lease, the Tenant shall apply to register this lease at HM Land Registry. The Tenant shall ensure that any requisitions raised by HM Land Registry in connection with that application are dealt with promptly and properly. Within one month after completion of the registration, the Tenant shall send the Landlord (and where applicable, of the Superior Landlords) official copies of its title.

17. Assignments

- 17.1 The Tenant shall not assign the whole of this lease without the consent of the Landlord, such consent not to be unreasonably withheld or delayed (and, where applicable, the consent of the respective Superior Landlords under the respective Superior Leases).
- 17.2 The Tenant shall not assign part only of this lease.
- 17.3 The Landlord and the Tenant agree that for the purposes of section 19(1A) of the Landlord and Tenant Act 1927 the Landlord may give its consent to an assignment subject to any or all of the following conditions:
- 17.3.1 a condition that the assignor enters into an authorised guarantee agreement which:
 - 17.3.1.1 is in respect of all the tenant covenants of this lease;
 - 17.3.1.2 is in respect of the period beginning with the date the assignee becomes bound by those covenants and ending on the date when the assignee is released from those covenants by virtue of section 5 of the Landlord and Tenant (Covenants) Act 1995;
 - 17.3.1.3 imposes principal debtor liability on the assignor;
 - 17.3.1.4 requires (in the event of a disclaimer of this lease) the assignor to enter into a new tenancy for a term equal to the unexpired residue of the Contractual Term; and
 - 17.3.1.5 is otherwise in a form reasonably required by the Landlord.
 - 17.3.2 a condition that a person of standing acceptable to the Landlord acting reasonably enters into a guarantee and indemnity in the form set out in the Schedule (with such amendments and additions as the Landlord may reasonably require).
- 17.4 The Landlord and the Tenant agree that for the purposes of section 19(1A) of the Landlord and Tenant Act 1927 the Landlord may refuse its consent to an assignment if any of the following circumstances exist at the date of the Tenant's application for consent to assign the lease:
- 17.4.1 the Annual Rent or any other money due under this lease is outstanding or there is a breach of covenant by the Tenant that has not been remedied;
 - 17.4.2 in the Landlord's reasonable opinion the assignee is not of sufficient financial standing to enable it to comply with the Tenant's covenants and conditions contained in this lease; or
 - 17.4.3 the assignee and the Tenant are group companies within the meaning of section 42 of the LTA 1954.

17.5 Nothing in this clause shall prevent the Landlord from giving consent subject to any other reasonable condition, nor from refusing consent to an assignment in any other circumstance where it is reasonable to do so.

18. Underlettings

The underletting of the whole or any part of the Property is not permitted by this Lease.

19. Sharing Occupation

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

20. Charging

20.1 The Tenant shall not charge the whole of this lease without the consent of the Landlord, such consent not to be unreasonably withheld or delayed.

20.2 The Tenant shall not charge part only of this lease.

21. Prohibition of Other Dealings

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

22. Registration and Notification of Dealings and Occupation

22.1 In this clause a Transaction is:

22.1.1 any dealing with this lease or the devolution or transmission of, or parting with possession of any interest in it; or

22.1.2 the creation of any underlease or other interest out of this lease, or out of any interest, underlease derived from it, and any dealing, devolution or transmission of, or parting with possession of any such interest or underlease; or

22.1.3 the making of any other arrangement for the occupation of the Property.

22.2 In respect of every Transaction that is registrable at HM Land Registry, the Tenant shall promptly following completion of the Transaction apply to register it (or procure that the relevant person so applies). The Tenant shall (or shall procure that) any requisitions raised by HM Land Registry in connection with an application to register a Transaction are dealt with promptly and properly. Within one month of completion of the registration, the Tenant shall send the Landlord official copies of its title (and where applicable of the undertenant's title).

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

22.3.1 give the Landlord's solicitors notice of the Transaction; and

22.3.2 deliver two certified copies of any document effecting the Transaction to the Landlord's solicitors; and

22.3.3 pay the Landlord's solicitors a registration fee of £50 (plus VAT together with any charges payable to the Superior Landlords in accordance with the terms of each of the Superior Leases); and

- 22.3.4 deliver to the Landlord's solicitors a copy of any Energy Performance Certificate and Recommendation Report issued as a result of the Transaction.
- 22.4 If the Landlord so requests, the Tenant shall promptly supply the Landlord with full details of the occupiers of the Property and the terms upon which they occupy it.
- 23. Closure of the Registered Title of this Lease**
- Promptly at 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.
- 24. Repairs**
- 24.1 The Tenant shall keep the Property clean and tidy and in good repair and condition and shall ensure that any Service Media within and exclusively serving the Property is kept in good working order.
- 24.2 The Tenant shall not be liable to repair the Property to the extent that any disrepair has been caused by an Insured Risk, unless and to the extent that:
- 24.2.1 the policy of insurance of the Property has been vitiated or any insurance proceeds withheld in consequence of any act or omission of the Tenant, any undertenant or their respective workers, contractors or agents or any person on the Property with the actual or implied authority and under the control of any of them; or
- 24.2.2 the insurance cover in relation to that disrepair is excluded, limited, is unavailable or has not been extended, as mentioned in clause 8.2.
- 25. Decoration**
- 25.1 The Tenant shall decorate the outside and the inside of the Property as often as is reasonably necessary and also in the last three months before the end of the term.
- 25.2 All decoration shall be carried out in a good and proper manner using good quality materials that are appropriate to the Property and the Permitted Use and shall include all appropriate preparatory work.
- 25.3 All decoration carried out in the last three months of the term shall also be carried out to the satisfaction of the Landlord and using materials, designs and colours approved by the Landlord.
- 26. Alterations**
- 26.1 The Tenant shall not make any external or structural alteration or addition to the Property and shall not make any opening in any boundary structure of the Property.
- 26.2 The Tenant shall not install any Service Media on the exterior of the Property nor alter the route of any Service Media at the Property without the consent of the Landlord, such consent not to be unreasonably withheld or delayed and where applicable, the consent of the respective Superior Landlords in accordance with the respective Superior Leases.
- 26.3 The Tenant shall not make any internal, non-structural alteration to the Property without the consent of the Landlord, such consent not to be unreasonably withheld or delayed and, where

applicable, the consent of the respective Superior Landlords in accordance with the respective Superior Leases.

- 26.4 The Tenant shall not carry out any alteration to the Property which would, or may reasonably be expected to, have an adverse effect on the asset rating in any Energy Performance Certificate commissioned in respect of the Property.

27. Signs

- 27.1 In this clause "Signs" include signs, fascia, placards, boards, posters and advertisements.
- 27.2 The Tenant shall not attach any Signs to the exterior of the Property or display any inside the Property so as to be seen from the outside except Signs of a design, size and number and in a position that are appropriate to the Property and the Permitted Use, without the consent of the Landlord, such consent not to be unreasonably withheld or delayed. For the avoidance of doubt those in situ at the date of this Lease are deemed to have the Landlord's consent.
- 27.3 Before the end of the term, the Tenant shall remove any Signs placed by it at the Property and shall make good any damage caused to the Property by that removal.
- 27.4 The Tenant shall allow the Landlord to fix to and keep at the Property any sale or (in the last six months of the Term) re-letting board as the Landlord reasonably requires provided that such boards shall not obstruct the visibility of the Tenant's Signs.

28. Returning the Property to the Landlord

- 28.1 At the end of the term the Tenant shall return the Property to the Landlord in the repair and condition required by this lease and the Previous Lease.
- 28.2 If the Landlord gives the Tenant notice, the Tenant shall remove items it has fixed to the Property, remove any alterations it has made to the Property and make good any damage caused to the Property by that removal.
- 28.3 At the end of the term, the Tenant shall remove from the Property all chattels belonging to or used by it.
- 28.4 The Tenant irrevocably appoints the Landlord to be the Tenant's agent to store or dispose of any chattels or items it has fixed to the Property and which have been left by the Tenant on the Property for more than 15 working days after the end of the term. The Landlord shall not be liable to the Tenant by reason of that storage or disposal. The Tenant shall indemnify the Landlord in respect of any claim made by a third party in relation to that storage or disposal.

29. Use

- 29.1 The Tenant shall not use the Property for any purpose other than the Permitted Use.
- 29.2 The Tenant shall not use the Property for any illegal purpose nor for any purpose or in a manner that would cause loss, damage, injury, nuisance or inconvenience to the Landlord, its other tenants, the Superior Landlords or any other owner or occupier of neighbouring property.
- 29.3 The Tenant shall not overload any structural part of the Property nor any machinery or equipment at the Property nor any Service Media at or serving the Property.

30. Compliance With Laws

- 30.1 The Tenant shall comply with all laws relating to:

- 30.1.1 the Property and the occupation and use of the Property by the Tenant;
- 30.1.2 the use or operation of all Service Media and machinery and equipment at or serving the Property whether or not used or operated, and shall, where necessary, replace or convert such Service Media within or exclusively serving the Property so that it is capable of lawful use or operation;
- 30.1.3 any works carried out at the Property by the Tenant; and
- 30.1.4 all materials kept at or disposed from the Property.
- 30.2 Without prejudice to any obligation on the Tenant to obtain any consent or approval under this lease, the Tenant shall carry out all works that are required under any law to be carried out at the Property whether by the owner or the occupier.
- 30.3 Within five working days after receipt of any notice or other communication affecting the Property (and whether or not served pursuant to any law) the Tenant shall:
 - 30.3.1 send a copy of the relevant document to the Landlord; and
 - 30.3.2 take all steps necessary to comply with the notice or other communication and take any other action in connection with it as the Landlord may require.
- 30.4 The Tenant shall not apply for any planning permission for the Property without the Landlord's consent not to be unreasonably withheld or delayed or any of the Superior Landlords, if applicable, in accordance with the terms of the Superior Leases.
- 30.5 The Tenant shall comply with its obligations under the CDM Regulations, including all requirements in relation to the provision and maintenance of a health and safety file. The Tenant shall maintain the health and safety file for the Property in accordance with the CDM Regulations and shall give it to the Landlord at the end of the term.
- 30.6 The Tenant shall supply all information to the Landlord that the Landlord reasonably requires from time to time to comply with the Landlord's obligations under the CDM Regulations.
- 30.7 As soon as the Tenant becomes aware of any defect in the Property, it shall give the Landlord notice of it. The Tenant shall indemnify the Landlord against any liability under the Defective Premises Act 1972 in relation to the Property by reason of any failure of the Tenant to comply with any of the tenant covenants in this lease.
- 30.8 The Tenant shall keep the Property equipped with all fire prevention, detection and fighting machinery and equipment and fire alarms which are required under all relevant laws or required by the insurers of the Property or reasonably required by the Landlord and shall keep that machinery, equipment and alarms properly maintained and available for inspection.
- 31. Encroachments, Obstructions and Acquisition of Rights**
- 31.1 The Tenant shall not grant any right or licence over the Property to a third party.
- 31.2 If a third party makes or attempts to make any encroachment over the Property or takes any action by which a right may be acquired over the Property, the Tenant shall:
 - 31.2.1 promptly inform the Landlord and shall give the Landlord notice of that encroachment or action; and

- 31.2.2 take all steps (including any proceedings) the Landlord reasonably requires (and at the cost of the Landlord) to prevent or license the continuation of that encroachment or action.
- 31.3 The Tenant shall not obstruct the flow of light or air to the Property nor obstruct any means of access to the Property.
- 31.4 The Tenant shall not make any acknowledgement that the flow of light or air to the Property or that the means of access to the Property is enjoyed with the consent of any third party.
- 31.5 If any person takes or threatens to take any action to obstruct the flow of light or air to the Property or obstruct the means of access to the Property, the Tenant shall:
- 31.5.1 promptly inform the Landlord and shall give the Landlord notice of that action; and
- 31.5.2 take all steps (including proceedings) the Landlord reasonably requires to prevent or secure the removal of the obstruction.
- 32. Breach of Repair and Maintenance Obligations**
- 32.1 The Landlord or any of the Superior Landlords may enter the Property to inspect its condition and state of repair and may give the Tenant a notice of any breach of any of the tenant covenants in this lease relating to the condition or repair of the Property.
- 32.2 If the Tenant has not begun any works needed to remedy that breach within two months following that notice (or if works are required as a matter of emergency, then immediately) or if the Tenant is not carrying out the works with all due speed, then the Landlord may enter the Property and carry out the works needed.
- 32.3 The reasonable and proper costs incurred by the Landlord in carrying out any works pursuant to this clause (and any professional fees and any VAT in respect of those costs) shall be a debt due from the Tenant to the Landlord and payable on demand.
- 32.4 Any action taken by the Landlord pursuant to this clause shall be without prejudice to the Landlord's other rights, including those under clause 37.
- 33. Indemnity**
- The Tenant shall keep the Landlord indemnified against all liabilities, expenses, costs (including but not limited to any solicitors' or other professionals' costs and expenses), claims, damages and losses suffered or incurred by the Landlord arising out of or in connection with any breach of any tenant covenants in this lease, or any act or omission of the Tenant, any undertenant or their respective workers, contractors or agents or any other person on the Property with the actual or implied authority of any of them.
- 34. Covenant to Comply with Covenants in each of the Superior Leases**
- The Tenant shall observe and perform the Tenant's covenants in each of the Superior Leases, except any covenants for which fall within the Landlord's covenants in this Lease and except the covenants to pay all the rents reserved by each of the Superior Leases.
- 35. Landlord's Covenant for Quiet Enjoyment**
- 35.1 The Landlord covenants with the Tenant, that, so long as the Tenant pays the rents reserved by and complies with its obligations in this lease, the Tenant shall have quiet enjoyment of the

Property without any interruption by the Landlord or any person claiming under the Landlord except as otherwise permitted by this lease.

- 35.2 The Landlord shall pay the rents reserved by each of the Superior Leases and perform the covenants on the part of the Tenant contained in each of the Superior Leases, so far as the Tenant is not liable for such performance under the terms of this Lease.

36. Guarantee and Indemnity

- 36.1 The provisions of the Schedule apply.
- 36.2 If an Act of Insolvency occurs in relation to a guarantor, or if any guarantor (being an individual) dies or becomes incapable of managing his affairs the Tenant shall, if the Landlord requests, procure that a person of standing acceptable to the Landlord, within 28 days of that request, enters into a replacement or additional guarantee and indemnity of the tenant covenants of this lease in the same form as that entered into by the former guarantor.
- 36.3 Clause 36.2 shall not apply in the case of a person who is guarantor by reason of having entered into an authorised guarantee agreement.
- 36.4 For so long as any guarantor remains liable to the Landlord, the Tenant shall, if the Landlord requests, procure that that guarantor joins in any consent or approval required under this lease and consents to any variation of the tenant covenants of this lease.

37. Re-entry and Forfeiture

- 37.1 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:
- 37.1.1 any rent is unpaid 28 days after becoming payable whether it has been formally demanded or not;
- 37.1.2 any breach of any condition of, or tenant covenant in, this lease;
- 37.1.3 an Act of Insolvency.
- 37.2 If the Landlord re-enters the Property (or any part of the Property in the name of the whole) pursuant to this clause, this lease shall immediately end, but without prejudice to any right or remedy of either party in respect of any breach of covenant by any other party.

38. Joint and Several Liability

- 38.1 Where the Tenant comprises more than one person, those persons shall be jointly and severally liable for the obligations and liabilities of the Tenant arising under this lease. The Landlord may take action against, or release or compromise the liability of, or grant time or other indulgence to, any one of those persons without affecting the liability of any other of them.
- 38.2 Where a guarantor comprises more than one person, those persons shall be jointly and severally liable for the obligations and liabilities of a guarantor arising under this lease. The Landlord may take action against, or release or compromise the liability of, or grant time or other indulgence to, any one of those persons without affecting the liability of any other of them.
- 38.3 The obligations of the Tenant and any guarantor arising by virtue of this lease are owed to the Landlord and the obligations of the Landlord are owed to the Tenant.

- 38.4 The Landlord shall not be liable to the Tenant for any failure of the Landlord to perform any landlord covenant in this lease, unless and until the Tenant has given the Landlord notice of the failure and the Landlord has not remedied the failure within a reasonable time of service of that notice

39. Previous Lease

- 39.1 The Landlord and the Tenant hereby confirm and agree that it is their intention that on completion of this lease the Previous Lease will be surrendered by operation of law and the Landlord, the Guarantor and the Tenant each release the others from its covenants in the Previous Lease.

- 39.2 This lease is granted without prejudice to the provisions of any licence for alterations or works granted pursuant to the Previous Lease which shall (so far as remaining to be performed and observed) be read and construed as if contained in a licence supplemental to this lease and as if any reference to the term granted by the Previous Lease were a reference to the Contractual Term.

40. Landlord's Break Clause

- 40.1 In this clause 40. The following definitions apply:

Landlord's Break Date: A date which is at least two years after service of the Landlord's Break Notice.

Landlord's Break Notice: Written notice to terminate this lease specifying the Landlord's Break Date.

- 40.2 The Landlord may terminate this lease by serving a Landlord's Break Notice at any time on Tenant.

- 40.3 Following service of a Landlord's Break Notice this lease shall terminate on the Landlord's Break Date.

- 40.4 Termination of this lease on the Landlord's Break Date shall not affect any other right or remedy that either party may have in relation to any earlier breach of this lease.

- 40.5 Subject to provisions of clause 40.6, where the Landlord has served a Landlord's Break Notice then within 28 days of the Landlord's Break Date the Landlord shall pay to the Tenant compensation on the following basis: -

40.5.1 If the Landlord's Break Date falls within the first ten years of the Contractual Term, the sum of £800,000.00 (inclusive of VAT); or

40.5.2 If the Landlord's Break Date falls within the final five years of the Contractual Term, the sum of £500,000.00 (inclusive of VAT).

- 40.6 The Landlord and the Tenant hereby agree that: -

40.6.1 If at the Landlord's Break Date there is any moneys outstanding as due from the Tenant to the Landlord under this lease (including any VAT on such sum) then such amount can be deducted from the amount payable by the Landlord under clause 40.5; and

40.6.2 No compensation shall be payable by the Landlord pursuant to Clause 40.5 of this lease where the whole or part the Property is subject to a Compulsory Purchase

Order and for the avoidance of doubt this applies even where such Compulsory Purchase Order is made in respect of the Property after the service of the Landlord's Break Notice, but before the Landlord's Break Date; and

40.6.3 No compensation shall be payable by the Landlord to the Tenant pursuant to clause 40.5 where vacant possession of the whole of the Property is not given by the Tenant on the Landlord's Break Date.

41. Tenant' Break Clause

41.1 In this clause 41 the following definitions apply:

Tenant's Break Date: mean [] 2027

Tenant's Break Notice: notice to terminate this lease

41.2 Subject to clause 41.3, the Tenant may terminate this lease on the Tenant's Break Date by serving the Tenant's Break Notice on the Landlord at least two years before the Tenant's Break Date

41.3 The Tenant's Break Notice shall have no effect if:

41.3.1 at the Tenant's Break Date:

41.3.1.1 the Tenant has not paid any part of the Annual Rent, or any VAT in respect of it, which was due to have been paid;

41.3.1.2 vacant possession of the whole of the Property is not given;

41.3.2 the Tenant's Break Notice does not comply with the requirements of this clause; or

41.3.3 the Tenant's Break Notice is served otherwise than in accordance with this clause.

41.4 The Tenant's Break Notice shall not purport to terminate the lease in relation to any part as opposed to the whole of the Property.

41.5 The Tenant's Break Notice shall be signed by the Tenant or by a person who is expressed to sign on behalf of and with the authority of the Tenant.

41.6 Time shall be of the essence in respect of all time periods and limits in this clause 41.

41.7 Subject to clause 41.3, following service of the Tenant's Break Notice, this lease shall terminate on the Tenant's Break Date.

41.8 Termination of this lease pursuant to this clause shall be without prejudice to any right or remedy that either party may have in respect of any antecedent breach of this lease by the other.

41.9 If the Tenant serves a Tenant's Break Notice, it shall take all necessary steps to terminate, before the Tenant's Break Date, all underleases (if any) deriving from this lease.

42. Entire Agreement

42.1 This lease constitutes the whole agreement between the parties and supersedes all previous discussions, correspondence, negotiations, arrangements, understandings and agreements between them relating to its subject matter.

42.2 Each party acknowledges that in entering into this lease it does not rely on, and shall have no remedies in respect of, any representation or warranty (whether made innocently or negligently).

- 42.3 Nothing in this lease constitutes or shall constitute a representation or warranty that the Property may lawfully be used for any purpose allowed by this lease.
- 42.4 Nothing in this clause shall limit or exclude any liability for fraud.

43. Notices, Consents and Approvals

- 43.1 Except where this lease specifically states that a notice need not be in writing, any notice given under or in connection with this lease shall be:
- 43.1.1 in writing and for the purposes of this clause an email is not in writing; and
- 43.1.2 given by hand or by pre-paid first-class post or other next working day delivery service at the party's registered office address (if the party is a company) or (in any other case) at the party's principal place of business;
- 43.2 If a notice complies with the criteria in clause 43.1, whether or not this lease requires that notice to be in writing, it shall be deemed to have been received:
- 43.2.1 if delivered by hand, at the time the notice is left at the proper address; or
- 43.2.2 if sent by pre-paid first-class post or other next working day delivery service, on the second working day after posting
- 43.3 This clause does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.
- 43.4 Section 196 of the Law of Property Act 1925 shall otherwise apply to notices given under this lease.
- 43.5 Where the consent of the Landlord is required under this lease, a consent shall only be valid if it is given by deed, unless:
- 43.5.1 it is given in writing and signed by the Landlord or a person duly authorised on its behalf; and
- 43.5.2 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.

- 43.6 Where the approval of the Landlord is required under this lease, an approval shall only be valid if it is in writing and signed by or on behalf of the Landlord, unless:
- 43.6.1 the approval is being given in a case of emergency; or
- 43.6.2 this lease expressly states that the approval need not be in writing.
- 43.7 If the Landlord gives a consent or approval under this 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.
- 43.8 Where the consent or approval of any of the Superior Landlords is required under this Lease,, a consent or approval shall only be valid if it would valid as a comment or approval (as the case may be) given under the respective Superior Lease where applicable.
- 43.9 Where the Tenant requires the consent or approval of any of the Superior Landlords to any act or omission then, subject to the provisions of clause 1.9 of this Lease, the Landlord shall at the cost of the Tenant use reasonable endeavours to obtain that consent or approval.

44. Governing Law

This lease and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales.

45. Jurisdiction

Each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with this lease or its subject matter or formation (including non-contractual disputes or claims).

46. Exclusion of Sections 24-28 of the LTA 1954

46.1 The parties confirm that:

46.1.1 the Landlord served a notice on the Tenant, as required by section 38A(3)(a) of the LTA 1954, applying to the tenancy created by this lease, before this lease was entered into a certified copy of which notice is annexed to this lease;

46.1.2 NAME OF DECLARANT who was duly authorised by the Tenant to do so made a statutory declaration dated 7 September 2017 in accordance with the requirements of section 38A(3)(b) of the LTA 1954 a certified copy of which statutory declaration is annexed to this lease; and

46.1.3 there is no agreement for lease to which this lease gives effect.

46.2 The parties agree that the provisions of sections 24 to 28 of the LTA 1954 are excluded in relation to the tenancy created by this lease.

46.3 The parties confirm that:

46.3.1 the Landlord served a notice on Anthony McAra Knight, as required by section 38A(3)(a) of the LTA 1954, applying to the tenancy to be entered into by Anthony McAra Knight pursuant to paragraph 4 of the Schedule, before this lease was entered into (a certified copy of which notice is annexed to this lease); and

46.3.2 Anthony McAra Knight made a statutory declaration dated 7 September 2017 in accordance with the requirements of section 38A(3)(b) of the LTA 1954 (a certified copy of which statutory declaration is annexed to this lease).

46.3.3 the Landlord served a notice on John Wordworth, as required by section 38A(3)(a) of the LTA 1954, applying to the tenancy to be entered into by John Wordworth pursuant to paragraph 4 of the Schedule, before this lease was entered into (a certified copy of which notice is annexed to this lease); and

46.3.4 John Wordworth made a statutory declaration dated 7 September 2017 in accordance with the requirements of section 38A(3)(b) of the LTA 1954 (a certified copy of which statutory declaration is annexed to this lease).

46.3.5 the Landlord served a notice on the Mark Hobson, as required by section 38A(3)(a) of the LTA 1954, applying to the tenancy to be entered into by Mark Hobson pursuant to paragraph 4 of the Schedule, before this lease was entered into (a certified copy of which notice is annexed to this lease); and

46.3.6 Mark Hobson made a statutory declaration dated ^{7 September} 12 2017 in accordance with the requirements of section 38A(3)(b) of the LTA 1954 (a certified copy of which statutory declaration is annexed to this lease).

47. Contracts (Rights of Third Parties) Act 1999

A person who is not a party to this lease shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this lease. This does not affect any right or remedy of a third party which exists, or is available, apart from that Act.

IN WITNESS WHEREOF this document has been executed as a deed and delivered on the date first stated above.

SCHEDULE 1
GUARANTEE AND INDEMNITY

1. Guarantee and Indemnity
 - 1.1 The Guarantor guarantees to the Landlord that the Tenant shall pay the rents reserved by this lease and observe and perform the tenant covenants of this lease and that if the Tenant fails to pay any of those rents or to observe or perform any of those tenant covenants, the Guarantor shall pay or observe and perform them.
 - 1.2 The Guarantor covenants with the Landlord as principal obligor and as a separate and independent obligation and liability from its obligations and liabilities under paragraph 1.1 to indemnify and keep indemnified the Landlord against any failure by the Tenant to pay any of the rents reserved by this lease or any failure to observe or perform any of the tenant covenants of this lease.
2. Guarantor's Liability
 - 2.1 The liability of the Guarantor under paragraph 1.1 and paragraph 1.2 shall continue until the end of the term, or until the Tenant is released from the tenant covenants of this lease by virtue of the Landlord and Tenant (Covenants) Act 1995, if earlier.
 - 2.2 The liability of the Guarantor shall not be reduced, discharged or otherwise adversely affected by:
 - 2.2.1 any time or indulgence granted by the Landlord to the Tenant; or
 - 2.2.2 any delay or forbearance by the Landlord in enforcing the payment of any of the rents or the observance or performance of any of the tenant covenants of this lease or in making any demand in respect of any of them; or
 - 2.2.3 any refusal by the Landlord to accept any rent or other payment due under this lease where the Landlord believes that the acceptance of such rent or payment may prejudice its ability to re-enter the Property; or
 - 2.2.4 the Landlord exercising any right or remedy against the Tenant for any failure to pay the rents reserved by this lease or to observe or perform the tenant covenants of this lease; or
 - 2.2.5 the Landlord taking any action or refraining from taking any action in connection with any other security held by the Landlord in respect of the Tenant's liability to pay the rents reserved by this lease or observe and perform the tenant covenants of the lease including the release of any such security; or
 - 2.2.6 a release or compromise of the liability of any one of the persons who is the Guarantor, or the grant of any time or concession to any one of them; or
 - 2.2.7 any legal limitation or disability on the Tenant or any invalidity or irregularity of any of the tenant covenants of the lease or any unenforceability of any of them against the Tenant; or
 - 2.2.8 the Tenant being dissolved, or being struck off the register of companies or otherwise ceasing to exist, or, if the Tenant is an individual, by the Tenant dying or becoming incapable of managing its affairs; or

- 2.2.9 without prejudice to paragraph 4, the disclaimer of the Tenant's liability under this lease or the forfeiture of this lease; or
 - 2.2.10 the surrender of the lease in respect of part only of the Property, except that the Guarantor shall not be under any liability in relation to the surrendered part in respect of any period after the surrender; or
- by any other act or omission except an express written release of the Guarantor by the Landlord.
- 2.3 The liability of each of the persons making up the Guarantor is joint and several.
 - 2.4 Any sum payable by the Guarantor shall be paid without any deduction, set-off or counter-claim against the Landlord or the Tenant.
3. Variations and Supplemental Documents
- 3.1 The Guarantor shall, at the request of the Landlord, join in and give its consent to the terms of any consent, approval, variation or other document that may be entered into by the Tenant in connection with this lease.
 - 3.2 The Guarantor shall not be released by any variation of the rents reserved by, or the tenant covenants in, this Lease whether or not:
 - 3.2.1 the variation is material or prejudicial to the Guarantor; or
 - 3.2.2 the variation is made in any document; or
 - 3.2.3 the Guarantor has consented, in writing or otherwise, to the variation.
 - 3.3 The liability of the Guarantor shall apply to the rents reserved by and the tenant covenants in this lease as varied except to the extent that the liability of the Guarantor is affected by section 18 of the Landlord and Tenant (Covenants) Act 1995.
4. Guarantor to Take a New Lease or Make Payment
- 4.1 If this lease is forfeited or the liability of the Tenant under this lease is disclaimed and the Landlord gives the Guarantor notice not later than six months after the forfeiture or the Landlord having received notice of the disclaimer, the Guarantor shall enter into a new lease of the Property on the terms set out in paragraph 4.2.
 - 4.2 The rights and obligations under the new lease shall take effect beginning on the date of the forfeiture or disclaimer and the new lease shall:
 - 4.2.1 be granted subject to the right of any person to have this lease vested in them by the court and to the terms on which any such order may be made and subject to the rights of any third party existing at the date of the grant;
 - 4.2.2 be for a term that expires at the same date as the end of the Contractual Term of this lease had there been no forfeiture or disclaimer;
 - 4.2.3 reserve as an initial annual rent an amount equal to the Annual Rent payable under this lease at the date of the forfeiture or disclaimer or which would be payable but for any abatement or suspension of the Annual Rent or restriction on the right to collect it (subject to paragraph 5) and which is subject to review on the same terms and dates provided by this lease; and
 - 4.2.4 be excluded from sections 24 to 28 of the LTA 1954; and

- 4.2.5 otherwise be on the same terms as this lease (as varied if there has been any variation).
- 4.3 The Guarantor shall pay the Landlord's solicitors' costs and disbursements and any VAT as properly incurred in respect of them in relation to the new lease and shall execute and deliver to the Landlord a counterpart of the new lease within one month after service of the Landlord's notice.
- 4.4 The grant of a new lease and its acceptance by the Guarantor shall be without prejudice to any other rights which the Landlord may have against the Guarantor or against any other person or in respect of any other security that the Landlord may have in connection with this lease.
- 4.5 The Landlord may, instead of giving the Guarantor notice pursuant to paragraph 4.1 but in the same circumstances and within the same time limit, require the Guarantor to pay an amount equal to six months Annual Rent and the Guarantor shall pay that amount on demand.
5. Rent at the Date of Forfeiture or Disclaimer
- 5.1 If at the date of the forfeiture or disclaimer there is a rent review pending under this lease, then the initial annual rent to be reserved by the new lease shall be the greater of:
- 5.1.1 the Annual Rent previously payable (or which would have been payable but for any abatement or suspension of the Annual Rent or restriction on the right to collect it) under the lease prior to forfeiture or disclaimer; and
- 5.1.2 the open market rent of the Property at the relevant Review Date, as determined by the Landlord before the grant of the new lease.
6. Payments in Gross and Restrictions on the Guarantor
- 6.1 Any payment or dividend that the Landlord receives from the Tenant (or its estate) or any other person in connection with any insolvency proceedings or arrangement involving the Tenant shall be taken and applied as a payment in gross and shall not prejudice the right of the Landlord to recover from the Guarantor to the full extent of the obligations that are the subject of this guarantee and indemnity.
- 6.2 The Guarantor shall not claim in competition with the Landlord in any insolvency proceedings or arrangement of the Tenant in respect of any payment made by the Guarantor pursuant to this guarantee and indemnity. If it otherwise receives any money in such proceedings or arrangement, it shall hold that money on trust for the Landlord to the extent of its liability to the Landlord.
- 6.3 The Guarantor shall not, without the consent of the Landlord, exercise any right or remedy that it may have (whether against the Tenant or any other person) in respect of any amount paid or other obligation performed by the Guarantor under this guarantee and indemnity unless and until all the obligations of the Guarantor under this guarantee and indemnity have been fully performed.

7. Other Securities

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

EXECUTED as a Deed by
JAM 300 LIMITED
acting by a director in the presence of:-

Witness signature 
Witness name **ALARIK BIRCH**
Witness address **Commercial House
Sheffield**
Witness occupation **Solitor**



SIGNED as a Deed by
ANTHONY McARA KNIGHT
in the presence of:-

Witness signature 
Witness name **ALARIK BIRCH**
Witness address **as above**



Witness occupation

SIGNED as a Deed by
JOHN WORDSWORTH
in the presence of:-

Witness signature 
Witness name **ALARIK BIRCH**
Witness address **as above**



Witness occupation

SIGNED as a Deed by
MARK HOBSON
in the presence of:-

Witness signature 
Witness name **ALARIK BIRCH**
Witness address **as above**



Witness occupation