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**DATED** 22 June 2016

**L E A S E**  
relating to  
**Former Hi Q Garage**  
**Bourges Boulevard**  
**Peterborough**  
**PE1 2AF**

Hargreaves Gilman  
512 Kingsway  
Didsbury  
Manchester  
M19 1WW

Final 14.06.2016

## INDEX

	<b>Page No.</b>
Particulars	7
Definitions	8-10
Interpretation	10-11
Demise and Rent	11-12
Tenants Covenants	12
Landlords Covenants	12
Guarantors Covenants	12
Provisos	13
Contract (Rights of Third Parties) Act 1999	13
Registration of Lease	13
Schedule 1      Part 1- The Premises	15
Part 2- Rights Granted	15
Part 3 – The Exceptions and Reservations	15-16
Schedule 2      Tenants Covenants	17-30
Schedule 3      Insurance Provisions	31-34
Schedule 4      Provisos	35-37
Schedule 5      Rent Review	38-44
Schedule 6      Guarantor Covenants	45-46

- All words in *italicised text* and *inapplicable alternative wording* in a clause may be omitted or deleted.
- Clause LR13 may be omitted or deleted.
- Clause LR14 may be omitted or deleted where the Tenant is one person.
- Otherwise, do not omit or delete any words in **bold text** unless *italicised*.
- Side-headings may appear as headings if this is preferred.
- Vertical or horizontal lines, or both, may be omitted.

<b>LR1. Date of lease</b>	22 June 2016
<b>LR2. Title number(s)</b>	<p>LR2.1 Landlord's title number(s)</p> <p>CB254555 and CB67708</p> <p><i>Title number(s) out of which this lease is granted. Leave blank if not registered.</i></p> <p>LR2.2 Other title numbers</p> <p><i>Existing title number(s) against which entries of matters referred to in LR9, LR10, LR11 and LR13 are to be made.</i></p>
<b>LR3. Parties to this lease</b>  <i>Give full names, addresses and company's registered number, if any, of each of the parties. For Scottish companies use a SC prefix and for limited liability partnerships use an OC prefix. For foreign companies give territory in which incorporated.</i>	<p>Landlord</p> <p>ROBIN MEADOWCROFT, JOHN TARIQ MARFANI and SIMON RAFIQ MARFANI as trustees of MCL SSAS of 1 Ogden Street, Didsbury, Manchester M20 6DN</p> <p>Tenant</p> <p>NATIONAL TYRE SERVICE LIMITED (company number 986754) whose registered office is at Regent House, Heaton Lane, Stockport SK4 1BS</p> <p><b>2 Other parties</b></p> <p><i>Specify capacity of each party, for example "management company", "guarantor", etc.</i></p>

<p><b>LR4. Property</b></p> <p><i>Insert a full description of the land being leased or Refer to the clause, schedule or paragraph of a schedule in this lease in which the land being leased is more fully described.</i></p> <p><i>Where there is a letting of part of a registered title, a plan must be attached to this lease and any floor levels must be specified.</i></p>	<p><b>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.</b></p> <p>Schedule 1, Part 1</p>
<p><b>LR5. Prescribed statements etc.</b></p> <p><i>If this lease includes a statement falling within LR5.1, insert under that sub-clause the relevant statement or refer to the clause, schedule or paragraph of a schedule in this lease which contains the statement.</i></p> <p><i>In LR5.2, omit or delete those Acts which do not apply to this lease.</i></p>	<p><b>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.</b></p> <p>None</p> <p><b>LR5.2 This lease is made under, or by reference to, provisions of:</b></p>
<p><b>LR6. Term for which the Property is leased</b></p> <p><i>Include only the appropriate statement (duly completed) from the three options.</i></p> <p><i>NOTE: The information you provide, or refer to, here will be used as part of the particulars to identify the lease under rule 6 of the Land Registration Rules 2003.</i></p>	<p>The term is as follows:</p> <p>Twenty years from and including the 22nd of June 2016</p>
<p><b>LR7. Premium</b></p> <p><i>Specify the total premium, inclusive of any VAT where payable.</i></p>	<p>None</p>
<p><b>LR8. Prohibitions or restrictions on disposing of this lease</b></p> <p><i>Include whichever of the two statements is appropriate.</i></p> <p><i>Do not set out here the wording of the provision.</i></p>	<p>This lease contains a provision that prohibits or restricts dispositions.</p>

<p><b>LR9. Rights of acquisition etc.</b></p> <p><i>Insert the relevant provisions in the sub-clauses or refer to the clause, schedule or paragraph of a schedule in this lease which contains the provisions.</i></p>	<p><b>LR9.1 Tenant's contractual rights to renew this lease, to acquire the reversion or another lease of the Property, or to acquire an interest in other land</b></p> <p>None</p> <p><b>LR9.2 Tenant's covenant to (or offer to) surrender this lease</b></p> <p>None</p> <p><b>LR9.3 Landlord's contractual rights to acquire this lease</b></p> <p>None</p>
<p><b>LR10. Restrictive covenants given in this lease by the Landlord in respect of land other than the Property</b></p> <p><i>Insert the relevant provisions or refer to the clause, schedule or paragraph of a schedule in this lease which contains the provisions.</i></p>	<p>None</p>
<p><b>LR11. Easements</b></p> <p><i>Refer here only to the clause, schedule or paragraph of a schedule in this lease which sets out the easements.</i></p>	<p><b>LR11.1 Easements granted by this lease for the benefit of the Property</b></p> <p>Schedule 1, Part 2</p> <p><b>LR11.2 Easements granted or reserved by this lease over the Property for the benefit of other property</b></p> <p>Schedule 1, Part 3</p>
<p><b>LR12. Estate rentcharge burdening the Property</b></p> <p><i>Refer here only to the clause, schedule or paragraph of a schedule in this lease which sets out the rentcharge.</i></p>	<p>None</p>

**LR13. Application for standard form of restriction**

*Set out the full text of the standard form of restriction and the title against which it is to be entered. If you wish to apply for more than one standard form of restriction use this clause to apply for each of them, tell us who is applying against which title and set out the full text of the restriction you are applying for.*

*Standard forms of restriction are set out in Schedule 4 to the Land Registration Rules 2003.*

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

*If the Tenant is one person, omit or delete all the alternative statements.*

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

None

Not applicable

## PARTICULARS

- |   |                           |   |
|---|---------------------------|---|
| 1 | <b>Date of this Lease</b> | 22 June 2016  |
| 2 | <b>Landlord</b>           | ROBIN MEADOWCROFT, JOHN TARIQ MARFANI and SIMON RAFIQ MARFANI as trustees of MCL SSAS of 1 Ogden Street, Didsbury, Manchester M20 6DN |
| 3 | <b>Tenant</b>             | NATIONAL TYRE SERVICE LIMITED (company number 986754) whose registered office is at Regent House, Heaton Lane, Stockport SK4 1BS      |
| 4 | <b>Guarantor (if any)</b> | NONE  |
| 5 | <b>Premises</b>           | Former Hi Q Garage, Bourges Boulevard, Peterborough PE1 2AF more particularly described in Schedule 1 part 1                          |

**This Lease** is made on the date specified in paragraph 1 of the Particulars between the Landlord stated in paragraph 2 of the Particulars and the Tenant stated in paragraph 3 of the Particulars.

## **Definitions**

In this Lease the following words and expressions have the following meanings unless inconsistent with the context:-

**“Conducting Media”** all pipes, sewers, drains, mains supplies, ducts, conduits, gutters, watercourses, wires, cables, laser optical fibres, data or impulse transmission, communication or reception systems, channels, flues and all other conducting media including all fixings, cowls and covers serving the Premises.

**“Encumbrances”** all matters covenants restrictions and stipulations affecting the Premises shown on the official copies of the Landlord’s Title Numbers CB253555 and CB67708 (Edition dates 19.01.2016) excluding any financial charges

**“Group Company”** a Company that is in the same group of Companies (within the meaning of s.42 of the Landlord & Tenant Act 1954) as the Tenant.

**“Title Documents”** Any documents referred to in the registers of Title Numbers CB254555 and CB67708 (Edition dates 19.01.2016)

**“Initial Rent”** for the first year of the Term at the rate of £50,000 per annum;  
for the second year of the Term at the rate of £52,000 per annum;  
for the third year of the Term at the rate of £54,000; and  
for the fourth and fifth years of the Term until the first Rent Review Date at the rate of £58,000 per annum.

**“Interest”** an interest payment at the Interest Rate and payable both before and after any judgement or arbitration award.



<b>“Interest Rate”</b>	<p>the rate of 4% above the base rate of National Westminster Bank plc for the time being and from time to time.</p> <p>If another bank succeeds to the business of the said bank the name of the successor is to be substituted for it. If the named bank ceases to trade in other circumstances the Landlord may nominate any other bank which is a member of the Committee of London and Scottish Bankers to take the place of the named bank.</p>
<b>“Insurance Rent”</b>	the monies payable by the Tenant in accordance with Schedule 3
<b>“Insured Risks”</b>	<p>the risks of loss or damage by fire storm tempest earthquake lightning explosion riot civil commotion malicious damage terrorism impact by vehicles and by aircraft and articles dropped from aircraft flood damage and bursting and overflowing of water pipes and tanks subsidence landslip and heave or such other risks whether or not in the nature of the foregoing which the Landlord from time to time reasonably decides to insure against.</p>
<b>“Landlords Surveyor”</b>	<p>any suitably qualified person or firm appointed by or acting for the Landlord to carry out the functions of a surveyor for the purposes of the matters contained in this Lease.</p>
<b>“Outgoings”</b>	<p>all non-domestic rates (including rates for unoccupied hereditaments) water rates, water charges and all existing and future rates, taxes, charges, assessments, impositions and outgoings whatsoever (whether parliamentary municipal parochial or otherwise) which are now or may at any time be payable, charged or assessed on the Premises or on the owner or occupier of them, but “taxes” in this context does not include value added tax or any other tax imposed on the Landlord in respect of the yearly rent reserved by this lease or in respect of a disposal of the interest in the immediate reversion to this Lease</p>
<b>“Permitted Use”</b>	For the sale supply and fitting of automotive parts to

	include tyres exhausts batteries and ancillary products and the servicing and testing of motor vehicles (including MOTs) together with ancillary offices and storage and for any other purpose within Use Classes B1 B2 and B8 of the Town and Country Planning (Use Classes) Order 1987
<b>"Premises"</b>	the property described in paragraph 5 of the Particulars and defined in Part 1 of Schedule 1
<b>"Rent"</b>	until the first Rent Review Date "the Rent" means the Initial Rent; thereafter "the Rent" means the sum ascertained from time to time in accordance with Schedule 5
<b>"Rent Commencement Date"</b>	the date of this Lease
<b>"Rent Review Date"</b>	means the 22 <sup>nd</sup> day of June 2021 [being the date five years after the commencement of the Term] and each fifth anniversary of that date and "Rent Review Dates" shall be interpreted accordingly.
<b>"Term"</b>	the term of twenty years from and including the 22 <sup>nd</sup> day of June 2016 [being the date of this Lease]

## 1 Interpretation

- 1.1.1 The Particulars form part of this Lease and the descriptions of the Landlord Tenant and Guarantor (if any) set out in the Particulars are to be treated as defined terms in this lease
- 1.1.2 The terms "Landlord" and "Tenant" include their respective successors in title
- 1.2 Except where the context otherwise requires words denoting the singular include the plural and vice versa, words denoting any gender include all genders, words denoting persons include firms and corporations and vice

versa, and obligations undertaken by more than one person are joint and several

- 1.3 Any covenant on behalf of either party not to do an act or thing shall be construed as an obligation on that party not to permit suffer or allow such act or thing by any other party.
- 1.4 Any reference to an Act of Parliament refers to that Act as it applies on the date of this Lease and any later amendment or re-enactment of it, save in relation to the Town and Country Planning (Use Classes Order) 1987.
- 1.5 Any right given or excepted to the Landlord extends to anyone the Landlord authorises to exercise such rights.
- 1.6 The clause headings and schedule headings in this Lease are for reference only and shall not be deemed to form part of this Lease or affect the construction of this Lease
- 1.7 Any reference to "rents" contained in this Lease shall include the rents payable by the Tenant under Clause 2 of this Lease.
- 1.8 Any reference to "the Term" shall include the period of any continuation holding over or continuation thereof.
- 1.9 Such of the walls and fences which divide the Premises from other premises shall unless otherwise set out in the Title Documents be deemed to be party walls or fences and to belong in equal moieties (considered as divided vertically down the middle throughout the whole length) to the property on either side thereof.

## **2 Demise and Rent**

- 2.1 The Landlord demises to the Tenant the Premises with full title guarantee together with the rights specified in Part 2 of Schedule 1 excepting and reserving to the

Landlord the matters specified in part 3 of Schedule 1 and subject to the Encumbrances for the Term.

2.2 The Tenant paying during the Term :-

2.2.1 the Rent by equal quarterly payments in advance on the usual quarter days the first such payment (apportioned if necessary) to be made on the date hereof for the period from the Rent Commencement Date to the first day of the next succeeding quarter

2.2.2 the Insurance Rent;

2.2.3 as additional rent any Value Added Tax (if applicable) for which the Tenant shall be given a valid VAT invoice

**3 Tenants Covenants**

The Tenant covenants with the Landlord to observe and perform the obligations of the Tenant contained in Schedules 2, 3 and 5 and otherwise appearing in this Lease.

**4 Landlords Covenants**

The Landlord covenants with the Tenant

4.1 that the Tenant may enjoy the Premises peaceably during the Term without any interruption by the Landlord or any person lawfully claiming under or in trust for the Landlord and

4.2 to observe and perform the obligations of the Landlord contained in Schedule 3 and otherwise appearing in this Lease and

4.3 to take all steps necessary to procure that the Landlord is registered at the Land Registry as proprietor of the freehold titles CB254555 and CB67708 as soon as reasonably possible.

4.4 that it shall not enter into any mortgage or any other type of charge over its interest in the Premises until such time as the Tenant is the registered proprietor of this Lease at the Land Registry.

**5. Guarantors Covenants**

The Guarantor (if any) covenants as sole or principal debtor or covenantor with the Landlord for the time being and with all his successors in title without the need for any express assignment to observe and perform the obligations contained in Schedule 6.

**6 Provisos**

The demise shall be subject to the provisos declarations and matters set out in Schedule 4.

**7 Contracts (Rights of Third Parties) Act 1999.**

No term of this Agreement may be enforced solely by virtue of Section 1 of the Contracts (Rights of Third Parties) Act 1999.

**8 Registration of this Lease**

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

8.1 take all steps necessary to procure that the Tenant is registered at Land Registry as proprietor of the Lease as soon as reasonably possible and the Landlord undertakes to use all reasonable endeavours to assist the Tenant to comply with the provisions of this clause; and

8.2 deliver to the Landlord within ten days of registration, copy official entries of the registered title evidencing that the Tenant is the registered proprietor of this Lease.

In witness whereof this Deed has been executed by the Landlord and the Tenant on the date specified in paragraph 1 of the Particulars

EXECUTED AS A DEED by  
**ROBIN MEADOWCROFT**  
in the presence of:-

Signature of Witness .....  
Name .....  
Address .....  
Occupation .....

EXECUTED AS A DEED by  
**JOHN TARIQ MARFANI**  
in the presence of:-

Signature of Witness .....  
Name .....  
Address .....  
Occupation .....

EXECUTED AS A DEED by  
**SIMON RAFIQ MARFANI**  
in the presence of:-

Signature of Witness .....  
Name .....  
Address .....  
Occupation .....

EXECUTED AS A DEED by  
**NATIONAL TYRE SERVICE LIMITED**  
acting by a Director  
in the presence of:-

Signature of Witness .....  
Name ... **NINA KRAMSNIEMSKA** .....  
Address ... **54 WESTERN RD, FLUXTON, M41 6LF** .....  
Occupation ... **ADMINISTRATOR** .....

Signature .....  
Name of director... **JOHN TAYLOR** .....  
(block capitals)

## **SCHEDULE 1**

### **Part 1**

#### **The Premises**

All those premises known as Hi Q Garage, Bourges Boulevard,  
Peterborough PE1 2AF and registered at the Land Registry under title  
numbers CB254555 and CB67708

### **Part 2**

#### **Rights Granted**

There are granted to the Tenant in common with the Landlord and all  
others entitled to the like rights all rights granted by the Title Documents  
or other rights which currently benefit the Premises so far as they are still  
subsisting and capable of being enforced.

### **Part 3**

#### **The Exceptions and Reservations**

There are excepted and reserved to the Landlord the following rights:

- 1 Any rights reserved by the Title Documents so far as they are still  
subsisting and capable of being enforced.
- 2 The right to enter the Premises at reasonable times and upon reasonable  
prior written notice together with any appointed surveyor to value the  
Premises for rent review purposes.
- 3 The right at any time during the Term at reasonable times and upon  
reasonable prior written notice (except in the case of emergency) to enter  
(or in the case of emergency to break into and enter) the Premises  
causing as little inconvenience as possible and making good all damage  
to:-

- 3.1 Inspect, clean, connect or repair the Conducting Media;
- 3.2 Carry out work or do anything whatsoever comprised within the Landlord's obligations in this Lease whether or not the Tenant is liable to make a contribution;
- 3.3 Take schedules or inventories of the fixtures and fittings and other items to be yielded up on the expiry of the Term, and exercise any of the rights granted to the Landlord by this Lease;
- 4 The right with the Landlords Surveyor at any reasonable time upon reasonable prior written notice to enter the Premises to inspect and measure the Premises for all reasonable purposes connected with any pending or intended step under the Landlord and Tenant Act 1954 and for insurance valuation purposes.



## SCHEDULE 2

### **Tenants Covenants**

The Tenant covenants with the Landlord as follows:

#### **1 Pay sums**

- 1.1** To pay the Rent, Insurance Rent and all other sums payable by this Lease at the times and in the manner set out in this Lease (without any deduction or set-off whether legal or equitable).

#### **2 Outgoings and Contributions**

- 2.1** To pay all Outgoings in respect of the Premises.
- 2.2** To pay for all gas electricity and water consumed on the Premises and all charges for meters and all standing charges.

#### **3 Interest on late payment**

If any Rent or other sums payable by the Tenant to the Landlord under this Lease shall be due but unpaid for 14 days to pay on written demand to the Landlord Interest on such money from the due date until payment provided that this sub-paragraph shall not prejudice any other right to remedy of the Landlord in respect of such money.

#### **4 Repair and decoration**

Subject in all cases to the overriding provisos contained in paragraph 6.2

- 4.1** To keep the Premises and Conducting Media exclusively serving the Premises in good and substantial repair and condition and to keep the Premises in good decorative condition and to keep the Premises clean

and free from rubbish PROVIDED THAT the Tenant shall not be required to maintain the Premises in any better condition than that indicated in the Schedule of Condition attached to this Lease and provided further that:-

- 4.1.1 In every fifth year of the Term and in the last six months of the Term howsoever determined (but not so that the Tenant shall be obliged to decorate the Premises more than once in any 18 month period) and as regards the decoration in the last six months of the Term where the Tenant is not actively proposing an application to renew its Lease under the Landlord and Tenant Act 1954 in colours and materials first approved in writing by the Landlord such approval not to be unreasonably withheld or delayed to prepare and paint decorate or otherwise treat as appropriate all parts of the Premises that are usually painted decorated or treated.
- 4.1.2 Damage by any of the Insured Risks is excepted from the Tenant's liability under this clause 4 save to the extent that insurance money is irrecoverable by reason of any act or default of the Tenant or anyone on the Premises with the express or implied consent of the Tenant and not already reimbursed by the Tenant;
- 4.1.3 The Tenant shall make good any damage caused to the Premises by the removal of the Tenant's fixtures fittings furniture and effects;
- 4.2 To keep the Conducting Media clear and unobstructed and not to permit any oil or grease or any deleterious, dangerous, poisonous or explosive matter or substance or any matter or substance which may be harmful to the environment to be discharged into the Conducting Media.
- 4.3 To take all practicable precautions against frost damage to any Conducting Media or other water apparatus in or exclusively serving the Premises.

- 4.4 To clean the windows and any glass in the doors and skylights of the Premises as often as reasonably necessary.

**5 Compliance with Acts and other requirements**

- 5.1 To comply with all requirements of all statutory enactments, government departments, local or other competent authorities or Court of competent jurisdiction and do all things on or in respect of the Premises and the use to which the Premises are put which are required by the same

- 5.2 To comply with all requirements and regulations of the relevant supply authorities as to the electrical, gas or other service installations in the Premises.

- 5.3 To comply with all requirements from time to time of the appropriate authority in relation to fire precautions affecting the Premises.

- 5.4 Not to commit any breach of the terms of the Title Documents so far as they relate to the Premises and are still subsisting and capable of being enforced but excluding financial charges.

**6 Landlord's entry and remedy of breaches**

Subject in all cases to the overriding proviso contained in paragraph 6.2

- 6.1 To permit entry to the Landlord on reasonable prior written notice (save in case of emergency) and all others so entitled for the purpose of exercising the rights excepted and reserved in this Lease.

- 6.2 To permit the Landlord to give to the Tenant (or leave upon the Premises) a written notice specifying any repairs, cleansing, maintenance and painting that the Tenant has failed to execute in breach of the terms of this Lease and to request the Tenant to execute the same forthwith  
**PROVIDED ALWAYS THAT** whilst this Lease is vested in National

Tyre Service Limited or a Group Company and without prejudice to any rights of the Landlord in respect of any such breaches by the Tenant the Landlord hereby agrees not to exercise its rights under this paragraph during the Term nor during the Term shall it exercise any similar such rights under any other provision of this Lease so that during such period the Landlord shall not be entitled to make any claim against National Tyre Service Limited or a Group Company under any provision of this Lease (or in any other way howsoever arising) relating to dilapidations disrepair or other similar liability of any kind.

6.3 To repair, clean, maintain and paint the Premises as required by such notice.

6.4 To proceed diligently to complete the work identified in such notice and if such work shall not be completed within two months of the same (or such longer period as may be reasonable in the circumstances) to permit the Landlord to enter the Premises to execute any such work as may be necessary to comply with the notice and to pay to the Landlord the cost of so doing and all expenses reasonably and properly incurred by the Landlord (including legal costs and surveyors fees) within 14 days of written demand.

**7 Assignment underletting etc**

7.1 Not to assign part with possession mortgage charge or share occupation of part only of the Premises.

7.2 Unless otherwise authorised by this clause 7 not to assign underlet part with possession mortgage charge or share occupation of the whole of the Premises or underlet part of the Premises nor permit any persons deriving title from the Tenant to do so.

7.3 Not to assign the whole of the Premises without the prior consent of the Landlord and such consent (not to be unreasonably withheld or delayed) shall be by deed containing covenants by the intended

assignee direct with the Landlord throughout the Term to pay the rents and to perform and observe the Tenant's covenants (including this covenant) provided that (for the purposes of Section 19 (1A) of the Landlord and Tenant Act 1927):-

7.3.1 The Landlord shall be entitled to withhold its consent in the following circumstances :-

7.3.1.1 Where the proposed assignee can claim diplomatic or state immunity (and is not a government body)

7.3.2 The Landlord shall be entitled to withhold its consent where it is reasonable to do so unless the following conditions are fulfilled:-

7.3.2.1 The delivery to the Landlord on or before any assignment and before giving occupation to the assignee of a deed being an Authorised Guarantee Agreement within Section 16 of the Landlord and Tenant (Covenants) Act 1995 ("the 1995 Act") in a form reasonably required by the Landlord whereby the Tenant shall guarantee the performance of the proposed assignee's obligations under this Lease

7.3.2.2 Where the Landlord reasonably requires one or more guarantors reasonably acceptable to the Landlord enter into direct covenants with the Landlord to guarantee the obligations of the proposed assignee under the Lease in the form of the Guarantors covenants contained in clause 5 and Schedule 6 with the word "Assignee" substituted for the word "Tenant".

7.3.2.3 Until payment has been made to the Landlord of all Rent which has fallen due under the Lease;

7.3.2.4 At the Tenant's expense the giving of any requisite consent of any superior landlord or mortgagee and the fulfilment of any lawful conditions of such consent;

- 7.4 Not to underlet the whole or part of the Premises without the prior consent of the Landlord (such consent not to be unreasonably withheld or delayed) Provided that every permitted sublease must be granted without a fine or premium at a rent not less than the then open market rent for the premises being underlet (to be approved by the Landlord before the sublease is granted such approval not to be unreasonably withheld or delayed). Any permitted underlease to include:-
- 7.4.1 Provisions for the upwards only review of the rent reserved by it on the basis set out in Schedule 5 and on the Review Dates;
- 7.4.2 An unqualified covenant by the undertenant that the undertenant shall not assign or charge any part or parts of the Premises (as opposed to the whole) comprised in the underlease;
- 7.4.3 An unqualified covenant by the undertenant that the undertenant shall not underlet part with possession or share the occupation of the whole or any part of the Premises comprised in the underlease other than by assignment of whole
- 7.4.4 An unqualified covenant by the undertenant that the undertenant shall not assign the underlease without first obtaining the consent of the Landlord such consent not to be unreasonably withheld or delayed and to be subject to provisions identical to those set out in paragraph 7.3 of this Schedule in relation to assignment;
- 7.4.5 A covenant by the undertenant prohibiting the undertenant from doing or suffering any act or thing upon or in relation to the Premises inconsistent with or in breach of the provisions of this Lease (in so far as the same apply to the sub-let property)
- 7.4.6 A condition for re-entry on breach of any covenant by the undertenant;

- 7.4.7 A provision requiring that on each assignment of the sub-lease the assignee enters into direct covenants with the Landlord to the same effect as those contained in paragraph 7.3
- 7.5 The Tenant shall before any underlease of part only of the Premises (as opposed to the whole) is completed, or, if earlier, before the undertenant becomes contractually bound to take the underlease, procure that the underlease is validly excluded from the operation of sections 24 to 28 (inclusive) of the Landlord and Tenant Act 1954, in accordance with the provisions of section 38A of that Act and the relevant Schedules of the Regulatory Reform (Business Tenancies) (England and Wales) Order 2003 ("the Order") and the Tenant shall produce to the Landlord adequate evidence of such valid exclusion.
- 7.6 In relation to any permitted sublease, the Tenant must enforce the performance and observance by every such undertenant of the covenants provisions and conditions of the underlease and not knowingly and expressly waive any material breach of the same.
- 7.7 Not without the Landlord's prior written consent (which shall not be unreasonably withheld or delayed) to mortgage or charge the Premises as a whole.
- 7.8 To be responsible for the payment of the Landlord's reasonable legal and surveyor's fees in dealing with any request for assignment or underletting under this clause 7
- 7.9 Upon every application for consent required by the foregoing sub-paragraphs to disclose to the Landlord such information as to the terms of the proposed transaction as the Landlord shall reasonably require.
- 7.10 Within one month after its date to produce to the Landlord a certified copy of every assignment charge mortgage or document evidencing a devolution of this Lease or the Premises paying a reasonable fee of not less than £30.00 for each such registration and at the same time

to provide the Landlord with a certified copy of such assignment charge mortgage or other documents.

7.11 The preceding provisions of this paragraph 7 do not apply to any parting with possession or occupation or the sharing of occupation or sub-division of the Premises to or with any Group Company providing always:-

7.11.1 The interest in the Premises so created is and remains no more than a tenancy at will; and

7.11.2 The possession occupation or sub-division are immediately determined if the Tenant and the relevant member cease for any reason whatsoever to be members of the same group of companies.

## **8 Alterations**

8.1 Not to make any alterations or additions whatsoever to the Premises without submitting plans to the Landlord and obtaining the Landlord's written consent prior to commencing any such alterations or additions (such consent not to be unreasonably withheld or delayed) PROVIDED THAT internal non-structural alterations are permitted without the prior consent of the Landlord

8.2 The Tenant shall carry out alterations or additions in a good and workmanlike manner and complete them in accordance with the terms of the Landlord's approval (where required) and all planning and building regulations which may be required

8.3 At the termination of the Term (if reasonably required by the Landlord) to reinstate the Premises to the same condition as they were in prior to the carrying out of any alterations.



**9. Signs**

Not to display any new sign or advertisement (except that the Landlord's consent shall not be needed for the Tenant's usual signage and window display treatment and advertising) which can be seen from the outside of the Premises without the Landlord's consent such consent not to be unreasonably withheld or delayed

**10 Nuisance**

Not to do anything upon the Premises which is or may become a nuisance to the Landlord and not to install or use in or upon the Premises any machinery equipment or apparatus which causes noise (including music) or vibration which can be heard or felt outside the Premises or in adjoining premises.

**11 User**

11.1 Not to use the whole or any part of the Premises for any use other than the Permitted Use.

12.2 Not to allow any person to reside or sleep on the ground floor of the Premises.

**12 Environmental Obligations**

12.1 The Tenant shall not cause any contamination of the Premises or of any other property or of any controlled water defined in the Water Resources Act 1991 and shall indemnify the Landlord against any costs claims liabilities or acts arising from any breach caused by the Tenant during the Term of the Environmental Protection Act 1990 (as amended by the Environment Act 1995).

**13 Not to overload structure etc**

Not to overload the floors or structure of the Premises or the Conducting Media or other services in the Premises.

**14 Notices and notifications**

14.1 To supply the Landlord with a copy of any notice or order or proposal for a notice or order affecting the Premises served on the Tenant by any competent authority (or received by the Tenant from any undertenant or other person) as soon as reasonably possible after it is received by the Tenant and without delay at the request and cost of the Landlord to take all reasonable or necessary steps to comply with any such notice or order.

14.2 At the expense of the Landlord to make or join with the Landlord in making such objections or representations against or in respect of any such notice or order or proposal for the same as the Landlord shall reasonably require save where it is against the Tenant's usual commercial interests.

14.3 As soon as reasonably practical after becoming aware of the same to give full details to the Landlord of any damage to or any defect or want of repair in the Premises which may give rise to a duty or obligation on the Landlord.

**15 Planning applications**

15.1 Not at any time during the Term to apply for consent or to begin or carry out on the Premises any development which might involve the Landlord in payment of any tax levy charge or other fiscal liability as a result of such development, unless the Tenant pays such sum.

15.2 At the expense of the Tenant to obtain all planning permissions and serve all such notices as may be required for the carrying out of alterations or user of the Premises which may constitute development.

15.3 Subject only to any statutory direction to the contrary to pay and satisfy any charge or levy that may hereafter be imposed under any statutory enactment in respect of the carrying out or maintenance of any such operations or the commencement or continuance of any such user.

15.4 If reasonably required by the Landlord (and at the Landlord's expense) to appeal against any refusal of planning permission or the imposition of any conditions on a planning permission relating to the Premises following an application by the Tenant.

## **16 Preserve easements**

To preserve so far as the Tenant is able all rights of light and other easements enjoyed by the Premises and at the Landlord's expense at all times to afford to the Landlord such facilities and assistance as may enable the Landlord to prevent anyone acquiring any right of light or other easement over the Premises.

## **17 Landlord's costs and expenses**

17.1 To pay the Landlord's reasonable costs and expenses (including without limitation legal costs and architects and surveyors fees) relating to or incidental to:-

17.1.1 any notice or proceedings preparatory to forfeiture of this Lease for a breach of its terms even if forfeiture is avoided without a court order; and

17.1.2 the preparation and service of all notices and schedules relating to wants of repair to the Premises served during the last 6 months of the

Term or within 6 months after the termination of the Term (but relating in all cases to such wants of repair that accrued not later than the termination of the Term); and

- 17.1.3 all applications by the Tenant for any consent required by this Lease (whether or not such consent is granted) provided that such costs shall be reasonable and proper; and
- 17.1.4 any actionable breach by the Tenant of any of its obligations under this Lease; and
- 17.1.5 the recovery or attempted recovery of arrears of Rent or other sums due under this Lease and in arrears

## **18 Rights of Light and encroachments**

- 18.1 Not to stop up darken or obstruct any windows or light belonging to the Premises.
- 18.2 Not to permit any new window light skylight opening doorway path passage or other encroachment or easement to be made or acquired in against out of or upon the Premises and if any such window light opening path passage drain or other encroachment or easement shall be made or acquired or attempted to be made or acquired to give immediate notice to the Landlord and at the request of the Landlord and cost of the Landlord to adopt such means as may be reasonably required or deemed proper for preventing any such encroachment or the acquisition of any such easement.

## **19 Re-Letting Boards**

To permit the Landlord at any time during the last six months of the Term (save where the Tenant is actively pursuing a claim under the Landlord and Tenant Act 1954 to renew this Lease) to enter upon the Premises and affix and retain upon any part of the Premises a notice for re-letting the same PROVIDED THAT it does not materially interfere

with the Tenant's shop frontage or access to any part of the Premises and during such period to permit persons at reasonable times of the day upon prior reasonable written notice to view the Premises.

**20                    Sale of reversionary interest**

To permit at any time during the Term upon prior reasonable written notice prospective purchasers of or dealers in or agents instructed in connection with the sale of the Landlords reversion or of any interest superior to the Term to view the Premises without interruption and allow the Landlord to enter upon the Premises and affix a notice advertising the sale of the freehold reversion, provided that such notice shall not materially obstruct the Tenant's signage and fascia or access to any part of the Premises.

**21                    Defective Premises**

To give notice to the Landlord of any defect in the Premises which might give rise to an obligation on the Landlord to do or refrain from doing any act or thing in order to comply with the provisions of this Lease or the duty of care imposed on the Landlord pursuant to the Defective Premises Act 1972 or otherwise and at all times to display and maintain all notices which the Landlord may from time to time reasonably require to be displayed at the Premises.

**22                    Yield Up**

At the termination of the Term (howsoever determined) to yield up the Premises and the fixtures and fittings and any Tenant's fixtures and fittings (which the Landlord has prior to the termination of the Term permitted the Tenant in writing to leave) duly repaired and decorated in accordance with the provisions of this Lease and clean and tidy and clear of any furniture or goods.

In the event of the death during the Term of any guarantor or such person becoming bankrupt or having a receiving order made against him or having a receiver appointed under the Mental Health Act 1983 or in the case of a company guarantor passing a resolution to wind up or enter into liquidation or having a receiver appointed to give notice of this to the Landlord as soon as reasonably practicable and if reasonably required within thirty five days at the expense of the Tenant to procure some other person reasonably acceptable to the Landlord to execute a guarantee in respect of the Tenants obligations contained in this Lease in the form set out in clause 5 and Schedule 6.

24.1 Subject to the proviso to Clause 2.2.3 hereof to pay to the Landlord such amount of Value Added Tax as shall be applicable thereto at the rate for the time being in force in respect of any Rent or other monies payable by the Tenant pursuant to this Lease and in every case where the Tenant is obliged to pay an amount of money such amount shall be regarded as being exclusive of all Value Added Tax which may be payable thereon for which the Tenant shall receive a valid Value Added Tax invoice.

24.2 In every case where the Tenant has agreed to reimburse the Landlord in respect of any payment made by the Landlord under the terms of or in connection with this Lease the Tenant shall also reimburse any Value Added Tax paid by the Landlord on such payment (save where the Landlord shall be able to recover such Value Added Tax).

## SCHEDULE 3

### Insurance Provisions

#### **1 Insurance by the Landlord**

The Landlord shall insure the Premises (which for the avoidance of doubt does not include plate glass or Tenant's and trade fixtures or any fittings and alterations to the Premises which have been carried out without consent) in its name in a sum equal to the full replacement cost including professional fees and incidental expenses against the occurrence of any of the Insured Risks and loss of Rent, taking account of any rent review that may be due, for three years or such other longer period as the Landlord reasonably requires and to pay and discharge all premiums due and payable thereon unless the insurance is vitiated by any act of the Tenant or anyone at the Premises expressly or by implication with his authority.

#### **2 Tenant's Obligations**

2.1 The Tenant shall not (by act or omission) do anything which may invalidate any insurance policy effected by the Landlord in respect of the Premises or increase the premium for it unless the Tenant shall pay such sum.

2.2 Subject to the proviso to paragraph one of this Schedule the Tenant shall pay to the Landlord within fourteen days of written demand a sum equivalent to the actual sum or sums chargeable by way of premium for the insurance taken out by the Landlord under its obligation in paragraph 1 or, if the Premises are insured together with other property, a fair and proper proportion attributable to the Premises of the cost of such insurance such proportion to be determined by the Landlord or the Landlord's Surveyor acting reasonably.

2.3 Without prejudice to the rights of the Landlord in respect of any breach of sub-paragraph 2.1 the Tenant shall repay to the Landlord on written demand all sums paid by way of increased premiums and all losses or damages suffered by the Landlord by reason of any breach by the Tenant of the said sub-paragraph 2.1 or any other obligation in this Lease.

2.4 To the extent that the Premises or any part thereof or any other part of the Premises are damaged or destroyed by any of the Insured Risks and the insurance money under any insurance against the same effected thereon by the Landlord being wholly or partly irrecoverable by reason solely or in part of any act or default of the Tenant or anyone at the Premises expressly or by implication with his authority then and in every such case the Tenant shall forthwith pay to the Landlord the whole or (as the case may require) a fair proportion of the cost of the irrecoverable sum.

### **3 Rent suspension**

If the Premises are destroyed or damaged by any of the Insured Risks so as to be rendered unfit for occupation (unless the insurance money is irrecoverable by reason of any act or default of the Tenant or anyone at the Premises expressly or by implication with his authority and the Tenant has not paid such irrecoverable sum) the Rent or a fair proportion of it according to the nature and extent of the damage shall be suspended until the Premises are again fit for use provided that any dispute concerning this sub-clause shall be referred to the Landlords Surveyor whose decision shall be final.

### **4 Reinstatement in the case of damage**

4.1 In the case of damage or destruction of the Premises or any part thereof by the occurrence of any of the Insured Risks then (unless such insurance has been vitiated by reason of any act default of the Tenant or anyone at the Premises expressly or by implication with his authority and the Tenant has not paid such irrecoverable sum) the Landlord shall



subject to his being able to satisfy the requirements of all competent authorities (which the Landlord shall use reasonable endeavours to do) and to the terms of paragraph 5 of this Schedule and only upon receipt of any insurance proceeds properly payable rebuild or reinstate the same as soon as reasonably practical making up any shortfall.

**5 Termination in the event of destruction or damage**

5.1 If the whole or a substantial part of the Premises shall be destroyed or damaged by any of the Insured Risks so as to be rendered unfit for use then:

5.1.1 If such destruction or damage shall not have been reinstated by the date upon which the period during which the Premises are insured for loss of rent expires following the date of such destruction or damage either the Landlord or Tenant may terminate this Lease by service of notice in writing to the other whereupon this Lease shall determine.

5.2 Any determination of this Lease pursuant to sub-paragraph 5.1 shall be without prejudice to any right or remedy of either party against the other in respect of any antecedent breach by the other of its obligations contained in this Lease and in the case of such determination all insurance monies shall (for the avoidance of doubt) belong to and be paid to the Landlord absolutely.

**6 Damage or destruction by uninsured risks**

If during the Term the Premises or a substantial part of them shall otherwise than by reason of any act or default of the Tenant or anyone at the Premises expressly or by implication with his authority be damaged or destroyed by an uninsured risk (being any risk against which the Landlord has not or cannot insure) so as to make the Premises or a substantial part of them unfit for occupation or use or inaccessible:

6.1.1 the rents reserved by this Lease or a fair proportion of them according to the nature and extent of the damage sustained will not be payable until the earlier of the date on which:

- a) the Premises shall again be fit for occupation and use excluding fitting out and replacement of contents and made accessible; or
- b) this Lease shall be terminated in accordance with paragraph 6.2 or 6.3; and

6.1.2 the Landlord may within six months of the date of such damage or destruction serve notice on the Tenant confirming that it will reinstate the Premises ("a Reinstatement Notice") so that the Premises shall be fit for occupation and use and made accessible.

6.2 If the Landlord shall have served a Reinstatement Notice and such reinstatement has not been completed by the date two years and three months from the date of the Reinstatement Notice at any time after that date the Tenant may terminate this Lease by serving not less than three months' notice on the Landlord stating that it terminates this Lease.

6.3 In the event that the Landlord shall serve notice on the Tenant that it does not intend to rebuild and reinstate the Premises or the Property or in the event that the Landlord does not serve a Reinstatement Notice within the period of six months of such damage or destruction then the Landlord or the Tenant may at any time thereafter determine this Lease whereupon the Term shall absolutely cease but without prejudice to any rights or remedies which have accrued in respect of any breach of covenant or other term of this Lease.

## SCHEDULE 4

### Provisos

It is hereby agreed and declared as follows:

#### **1 Forfeiture**

1.1 This Lease is made on the express condition that if:

1.1.1 any of the rents hereby reserved shall be in arrear and unpaid for 21 days next after the same shall become due (whether legally demanded or not in the case of Rent);

1.1.2 there shall be a breach or non-performance or non-observance of any of the covenants or agreements on the part of the Tenant or conditions herein contained;

1.1.3 the Tenant (being a company) shall go into liquidation (other than a voluntary liquidation for the purpose of amalgamation or reconstruction not involving the return of capital) or have a winding-up order made against it or have a receiving order made against it or shall have a receiver or administrator of it or any of its assets appointed or;

1.1.4 the Tenant (being an individual) be adjudicated as bankrupt or commit an act of bankruptcy;

1.1.5 the Tenant shall make any composition arrangement or assignment for the benefit of creditors.

1.1.6 then and in any such case the Landlord or its agents may forthwith (or at any time thereafter) notwithstanding the waiver or implied waiver of any previous right of re-entry arising under this Lease re-enter upon the Premises or any part thereof in the name of the whole whereupon the

Term shall absolutely determine but without prejudice to any rights or remedies which may have then accrued to the Landlord in respect of arrears of rent or other subsisting breach of any condition or covenant or agreement on the part of the Tenant herein contained.

**2 Tenant's property at the end of the Term**

2.1 If at the end of the Term after the Tenant shall have ceased trading from and have vacated the same any furniture or effects belonging to the Tenant are left in the Premises for more than 28 days the Landlord shall subject to giving not less than 10 working days prior written notice of such intention have power to sell the same as agent for and on behalf of the Tenant and the Landlord shall pay or account to the Tenant for the proceeds of sale (but not any interest thereon) less any costs of storage and sale reasonably incurred by the Landlord and any other sums still remaining due to the Landlord under the terms of this Lease.

2.2 The Tenant shall indemnify the Landlord against any liability incurred by it to any third party whose property shall have been sold by the Landlord in the bona fide mistaken belief (which shall be presumed unless the contrary be proved) that such property belonged to the Tenant.

**3 Exclusion of Use**

Nothing in this Lease or in any consent granted by the Landlord under this Lease shall imply that the Premises may lawfully be used for the Permitted Use under any statutory enactment.

**4 Effect of Waiver**

Notwithstanding that the Landlord may have waived or temporarily released any covenant in this Lease each of the Tenant's covenants shall remain in full force and effect in law and equity.

**5                    Representations**

The Tenant acknowledges that it has not entered into this Lease on reliance wholly or partly on any statement or representation made by or on behalf of the Landlord other than in relation to written replies to enquiries from the Landlord's solicitors and this Lease incorporates the entire agreement between the parties relating to the Premises.

**6                    Notices**

The provisions of Section 196 Law of Property Act 1925 as amended by the Recorded Delivery Service Act 1962 shall apply to all notices served under this Lease.

## SCHEDULE 5

### Rent Review

#### 1 The Review Dates

The yearly rent payable under this Lease is to be reviewed on each Rent Review Date and with effect on and from each Rent Review Date the Rent shall be the reviewed rent determined in accordance with this Schedule until the next Rent Review Date (if applicable).

#### 2 Upward Only Rent Reviews

The reviewed rent is to be the highest of:

2.1 the Rent immediately preceding the relevant Review Date; and

2.2 the rent at the relevant Review Date calculated in accordance with Part 1 of this Schedule; and

2.3 the market rent of the Premises at the relevant Review Date calculated in accordance with Part 2 of this Schedule.

#### 3 Memorandum of Rent Review

The parties will cause a memorandum of the reviewed rent duly signed by the Landlord and the Tenant to be endorsed on or securely annexed to this Lease and the counterpart of this Lease.

### Part 1

#### 1 Definitions

For all purposes of this Part 1 the terms defined in this paragraph have the meanings specified.

#### 1.1 "The Base Figure"

"The Base Figure" means the Index figure for the month in which the commencement date of the Term takes place

**1.2            “The Base Rent”**

The Base Rent means £58,000 per annum (*being the Initial Rent on the day preceding the first Rent Review Date*)

**1.3            “The Increase”**

“The Increase” means the amount, if any, by which as a percentage the Index for the month preceding the relevant Rent Review Date exceeds the Base Figure PROVIDED ALWAYS THAT the Increase for any given Review Period shall not exceed 20% nor be less than 5%

**1.4            “The Index”**

“The Index” means the “all items” index figure of the Index of Retail Prices published by the appropriate department for the time being of HM Government

**1.5            “A Review Period”**

References to “a Review Period” mean a period beginning on any Rent Review Date and ending on the day before the next Rent Review Date and qualified uses of the term are to be construed accordingly

**2.             Ascertaining the Rent**

**2.1            The Rent**

Until the first Rent Review Date the Rent is to be the Initial Rent and thereafter during each successive Review Period the Rent is to be a sum equal to the revised rent that is ascertained in accordance with this Part 1

**2.2            The revised rent**

The Rent for any Review Period is to be the Base Rent plus the amount that bears the same proportion to the Base Rent as the Increase bears to the Base Figure

### **2.3**

#### **Changes in the Index**

If the reference base used to compile the Index changes after the date of this Lease the figure taken to be shown in the Index after the change is to be the figure that would have been shown in the Index if the reference base current at the date of this Lease had been retained.

### **2.4**

#### **Arbitration of problems**

If it becomes impossible to calculate the Rent for any Review Period by reference to the Index because of any change in the methods used to compile the Index after the date of this Lease or for any other reason whatever, or if any dispute or question whatever arises between the parties as to the amount of the Rent for any Review Period or the construction or effect of this Part 1, then the Rent for that Review Period or the disputed matter is to be determined by an Arbitrator to be appointed either by agreement between the parties or, in the absence of agreement, by the President for the time being of the Royal Institution of Chartered Surveyors or any person authorised by him to make appointments on his behalf, on the application of either the Landlord or the Tenant. This is to be deemed to be a submission to arbitration within the meaning of the Arbitration Act 1996. The Arbitrator is to have full power to determine, on such dates as he considers appropriate, what the increase in the Index would have been had it continued on the basis assumed for the operation of this rent review and in view of the information assumed to be available for it. If that determination is also impossible the arbitrator must determine a reasonable rent for the Premises on such dates as he considers appropriate, having regard to the purposes and intent of the provisions in this Lease for the review of the Rent.



## **Part 2**

### **1 The Market Rent**

For the purposes of this Lease, the expression 'market rent' means the yearly rent at which the Premises might reasonably be expected to be let in the open market by a willing landlord to a willing tenant:

- 1.1 with vacant possession;
- 1.2 for a term of years from the Rent Review Date equal to the Term;
- 1.3 without the payment of a premium by the willing tenant;
- 1.4 subject to the provisions of this Lease, other than the length of the term and the amount of rent, but including these provisions for rent review; but on the assumption, if not the fact, that at the relevant Rent Review Date:
  - 1.4.1 the Premises have been fitted out and are ready for immediate occupation and use for the willing tenant's business so that the willing tenant would not require a rent or other allowance at the Review Date for that purpose;
  - 1.4.2 in case the Premises have been destroyed or damaged by an Insured Risk they have been fully reinstated;
  - 1.4.3 the covenants of the Tenant hereunder have been fully observed and performed;
  - 1.4.4 there is not in operation any statute order or instrument regulation or direction which has the effect of regulating or restricting the amount of rent of the Premises which might otherwise be payable;
  - 1.4.5 the Premises may be lawfully used for its current use;
  - 1.4.6 no work has been carried out on the Premises during the Term by the Tenant, his sub-tenants or their predecessors in title or any occupiers that has diminished the rental value of the Premises;

## **2**

### **Matters to be Disregarded**

In agreeing or determining the market rent the effect upon it of the following matters are to be disregarded:

- 2.1 the occupation of the Premises by the Tenant or any other lawful occupier;
- 2.2 any goodwill attached to the Premises by reason of the carrying on at the Premises of the business of the Tenant or any other lawful occupier;
- 2.3 any works carried out by the Tenant which have improved or diminished the market rent.
- 2.4 any temporary disturbance to the Tenant's use and enjoyment of the Premises as a result of works on any neighbouring or nearby property.

## **3**

### **Procedure for Determination of Market Rent**

- 3.1 The Landlord and the Tenant are to endeavour to agree the market rent at any time not being earlier than twelve months before the Rent Review Date, but if they have not agreed the market rent three months before the Rent Review Date either party may require the amount of the market rent to be determined by reference to the determination of an independent expert.
- 3.2 The expert is to be nominated by the Landlord and the Tenant jointly, but, if they cannot or do not do so, then he is to be nominated by the President for the time being of the Royal Institution of Chartered Surveyors ("the President") on the application either of the Landlord or of the Tenant.
- 3.3 The expert nominated must be a chartered surveyor having not less than ten years' experience of leasehold valuation of property being put to the same or similar use as the Premises and of property in the same region in which the Premises are situated.

**4 Time Limits**

Time is not of the essence in agreeing or determining the reviewed rent or of appointing an expert in respect of any Rent Review Date.

**5 Rental Adjustments**

5.1 If the market rent has not been agreed or determined in accordance with the provisions of this Schedule before the Rent Review Date, then, until the market rent has been so agreed or determined, the Rent will continue to be payable on account at the rate payable immediately before the Rent Review Date.

5.2 The Tenant will pay to the Landlord within seven days after the time that the market rent has been agreed or determined any shortfall between the reviewed rent and the payments made by the Tenant on account, with interest equal to the Interest Rate less 4% on each of the instalments of the shortfall from the time that it would have become due if the market rent had then been agreed or determined until the date payment becomes due by the Tenant to the Landlord under this paragraph 5.2.

**6 Review Restricted**

If there is any legislation in force at the relevant Rent Review Date which restricts the Landlord's right to review the Rent in accordance with this Schedule, or to receive any increase in the Rent following a review, then the date on which the legislation is repealed or amended to allow a review of or increase in the Rent, will be a further Rent Review Date and the Landlord will be entitled to require a review of the Rent in accordance with this Schedule.

**7 Fees and Expenses**

The fees and expenses of any expert, including the cost of his appointment, are to be borne in accordance with the directions of the expert

8

### **Representations**

An expert must afford each of the parties an opportunity to make written representations to him and also an opportunity to make counter-representations on any representations made to him by the other party, but is not to be in any way limited or fettered by such representations or counter-representations.

9

### **Replacement of an Expert**

If an expert dies or refuses to act or becomes incapable of acting or if he fails to publish his determination within four months of the date of his appointment either party may apply to the President to discharge him and appoint another in his place.

## SCHEDULE 6

### **Guarantors Covenants**

- 1 If at any time during the Term whilst the Tenant is bound by the tenant's covenants in this Lease or is bound by the provisions of an Authorised Guarantee Agreement under Section 16 of the Landlord and Tenant (Covenants) Act 1995 ("the 1995 Act") the Tenant shall make any default in payment of the Rent reserved by or any other sums payable under this Lease or in observing or performing any of the covenants conditions or other terms of this Lease the Guarantor will pay the Rent or other sums and observe or perform the covenants conditions or terms in respect of which the Tenant shall be in default and make good to the Landlord on written demand and indemnify the Landlord against all losses resulting from the non-payment, non-performance or non-observance.
- 2 The above paragraph 1 shall remain in full force notwithstanding the happening of any of the following events :-
  - 2.1 any waiver or release of the obligations and covenants contained in this lease granted by the Landlord to the Tenant;
  - 2.2 any refusal by the Landlord to accept rent tendered by or on behalf of the Tenant at a time when the Landlord was entitled (or would be entitled after the service of a notice under s 146 of the Law of Property Act 1925) to re-enter the Premises; and
  - 2.3 that the terms of the lease may have been varied by agreement between the Landlord and the Tenant provided that if the variation imposes more onerous obligations on the Tenant the Guarantor's consent is obtained (not to be unreasonably withheld or delayed); and

- 2.4 that the Tenant shall have surrendered part of the premises (in which event the liability of the Guarantor under this lease shall continue in respect of the part of the Premises not so surrendered after making any necessary apportionments under s 140 Law of Property Act 1925);
- 3 If at any time during the Term the Tenant (being an individual) shall become bankrupt or (being a Company) shall enter into liquidation and the trustee in bankruptcy or liquidator shall disclaim this lease and providing the Landlord shall by notice within ninety days after the Landlord's becoming aware of such disclaimer so require the Guarantor will take from the Landlord a lease of the Premises for the residue of the Term which would have remained had there been no disclaimer at the Rent then being paid under this Lease and subject to the same covenants and conditions as in this Lease except that the Guarantor need not ensure that any other person is made a party to that lease as guarantor, such new lease to take effect from the date of the disclaimer and in such case the Guarantor shall pay reasonable and proper costs of such new lease and execute and deliver to the Landlord a counterpart of it.
- 4 If this Lease is disclaimed and the Landlord does not require the Guarantor to accept a new lease of the Premises in accordance with paragraph 3, the Guarantor will pay to the Landlord on written demand an amount equal to the Rent and any other sums payable under this Lease for the period commencing with the date of disclaimer and ending on whichever is the earlier of the date three months after the disclaimer and the date, if any, upon which the Premises are re-let and the end of the Term.
- 5.1 Any provision of this Schedule rendered void by virtue of Section 25 of the 1995 Act is to be severed from all remaining provisions, and the remaining provisions are to be preserved.
- 5.2 If any provision of this Schedule extends beyond the limits permitted by Section 25 of the 1995 Act that provision is to be varied so as not to extend beyond those limits.