

DATED 18th September 2023

REPORT ON TITLE

UNIT 2, 25 SOMERS ROAD,

RUGBY CV22 7DG

Brindley Twist Tafft & James LLP

Lowick Gate, Siskin Drive,

Coventry CV3 4FJ

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1. Interpretation

The following terms are used in this report:

Benefits: any right, easement, restriction, stipulation, restrictive covenant, mining or mineral right, franchise or other interest that benefits the Property except for those reserved in any Letting Documents)

Contract: the agreement to be entered into between you and the Seller for the sale and purchase of the Property.

HMRC: HM Revenue & Customs.

Incumbrances: any right, easement, restriction, stipulation, restrictive covenant, mining or mineral right, franchise or other interest to which the Property is subject except for those reserved in any Letting Documents)

Letting Documents: the lease(s) to which the Property will be subject.

LTA 1954: Landlord and Tenant Act 1954.

LTCA 1995: Landlord and Tenant (Covenants) Act 1995.

Property: The property described in paragraph 5 of this report.

SDLT: Stamp duty land tax

Seller: Christopher Phillip Mason and Cathryn Mary Henderson Mason of 18 Bury Dyke, Crick, Northamptonshire, NN6 7XA

VAT: value added tax chargeable under the Value Added Tax Act 1994.

2. Scope of the review and limitation of liability

- 2.1 This report has been prepared for the sole benefit of you, Mason Family Pension Scheme (SASS), in connection with your proposed purchase of the Property from the Seller and for no other purpose.
- 2.2 The contents of this report are private and confidential. It must not be relied on by or made available to any other party without our written consent.
- 2.3 The report is based on our review of the title documents, search results, planning documents and replies to pre-contract enquiries given by the Seller.
- 2.4 Where the provisions of the Letting Documents are summarised, the wording of the provisions has been shortened. Provisions that are likely to be less important when

assessing their effect on the value of the Property have been omitted. This report should not be used as a substitute for reading the actual Letting Documents.

- 2.5 We have not inspected the Property and are unable to advise on the physical condition of the Property. We would advise you to arrange for a survey of the Property to be carried out, if this has not already been arranged. A survey should identify any physical defects in the Property and may warn of potential defects. It is important to be aware of any defects in the Property before you exchange contracts. Once you have exchanged contracts, you will not be entitled to any compensation from the Seller if you have to put right any defects.
- 2.6 We have made no enquiries of the actual occupiers of the Property and have not taken any steps to verify independently the information supplied by the Seller in replies to enquiries.
- 2.7 We express no opinion on the commerciality of the transaction. We are unable to advise on the value of the Property. We recommend that you have the Property professionally valued. You should ensure that the valuer is aware of the matters mentioned in this report, as they may affect the value.
- 2.8 We express no opinion on whether the purchase of the Property may be called-in under the National Security and Investment Act 2021.
- 2.9 At the date of this report, the matters listed in **Schedule 2** are outstanding. We will keep you informed as and when these matters are resolved.

3. Executive summary

This is a summary of the major issues that we think should be brought to your attention:

- 3.1 The Property is subject to an Occupational Tenancy that has now expired, It is the intention that you will take the property subject to the expired lease and on completion the current tenancy will be terminated and a new tenancy will be entered into.
- 3.2 There is no formal right which allows you to drive up to the end of Unit 6, turn around and park anywhere on the site. I have requested the Seller provides an absence of easement policy together with statutory declaration.

4. Purchase price and other contract terms

- 4.1 The purchase price is £260,000.00.
- 4.2 The purchase price is exclusive of VAT. This means that if VAT is payable on the purchase price, the amount of VAT will be added to the purchase price.

4.3 You will pay a deposit of £26,000 to the Seller when the Contract is exchanged. The deposit will be held by the Seller's solicitor as stakeholder. On completion of the purchase of the Property, the deposit and any interest that has accrued on the deposit will be paid to the Seller.

4.4 We would like to bring these other terms of the Contract to your attention:

The Property is currently subject to an expired Letting Document. Following Completion of the Purchase it has been agreed that the expired Letting Document will be surrendered and a New Letting Document will be entered into.

5. The Property

5.1 The Property is the freehold land and buildings known as Unit 2, 25 Somers Road, Rugby, CV22 7DG.

5.2 If your title to the Property is freehold, it means that you own the Property outright, in perpetuity

5.3 A plan showing the Property edged in red is attached as **ANNEX A**. Please check the plan carefully to ensure that it accurately reflects the extent of the land that you believe you are buying. The plan may not show the exact location of the boundaries of the Property. You should inspect the Property and let us know if there are any discrepancies between the plan and the site inspection.

5.4 The Property is registered at the Land Registry under title number WK312543. The class of title is absolute freehold title. Absolute title is the best class of title available.

5.5 The registered owner of the Property is the Seller.

5.6 The terms of the Letting Documents are set out in 1 to this report.

6. Matters benefiting the Property

The Property enjoys the following Benefits:

6.1 **Transfer dated 31st December 1987 and made between (1) Andrews Carvell Developments Limited ("The Transferor") and (2) Harold Herbert John Thompson and David George Salisbury ("The Transferees") ("the 1987 Transfer")**

The 1987 Transfer grants various rights which will benefit the Property. I attach herewith a copy of the Transfer at Annex B and specifically refer you to the Plan contained in the Transfer. Please note you have the benefit of the following rights:

- a) You have a right of way at all times and for all purposes over the road coloured brown on the Plan subject to a contribution of the fair proportion of the cost of maintaining the same. This only extends up to Unit 2 and there are no rights to drive beyond Unit 2. You have previously stated that all owners and occupiers of the estate drive to the end of Unit 6, turn around and part on the site. This is not authorised and I have requested the Seller provides a title indemnity policy to cover this issue.
- b) You have a right of way on foot in the case of emergency only over the land coloured mauve on the Plan.
- c) You have a right of support of all buildings on the Property from the Retained Property.
- d) You have a right to use and maintain the pipes, wires, gutters, drains now or at any time within 80 years laid or running through, under or over any parts of the Retained Property for the passage of gas, water, electricity or soil to and from the Property the person exercising the right contributed a fair proportion of the cost of cleansing, maintaining, repairing and replacing any pipe, wire, gutter or drain used in common for the benefit of the Property and the Retained Property.
- e) You have the right to enter upon any parts of the Retained Land at all reasonable times on giving at least 7 days' notice (except in the case of emergency) with or without workmen, scaffolding and appliances to inspect, maintain, repair and replace any building on the Property the person exercising the right promptly making good all damage.
- f) You have the right to erect an appropriate sign to be determined by the Transferor for the purpose of indicating the occupier of the Property on the land coloured yellow on the Plan.

Please note that the Retained Land as referred to above is the remainder of the land which originally formed part of this title and registered under WK210197.

7. Matters burdening the Property

The Property is subject to the following Incumbrances:

7.1 The Transfer dated 31st December 1987 and made between (1) Andrews Carvell Developments Limited ("The Transferor") and (2) Harold Herbert John Thompson and David George Salisbury ("The Transferees") ("the 1987 Transfer")

The 1987 Transfer reserves rights in favour of the original land owner and their successors in title. Accordingly, your Property will be subject to the rights reserved in the aforementioned Transfer. The Transfer is at Annex B and I refer you specifically to the Plan and ask you to note the following:

- a) There is a right for the Transferor and its successors in title to pass and repass with or without vehicles over the land coloured blue on the Plan.
- b) There is a right for the Transferor and its successors in title to pass and repass in the case of emergency only over the land coloured orange on the Plan.
- c) There is a right to maintain and use the pipes, wires, gutters and drains now or at any time within 80 years from now laid or running through, under or over the Property for the passage of water, gas, electricity and soil and from the Retained Property.
- d) There is a right of support of the Property and the buildings on it to the Retained Property.
- e) There is a right to enter any part of the Property which is not building upon at all reasonable times on giving at least 7 days' notice (except in the case of emergency) with or without scaffolding, appliances, laying drains, sewers, pipes and to inspect, cleanse, maintain, repair, replace the same or any building or on any other part of the Retained Property the person exercising the right promptly making good all damage occasioned.

7.2 The Property is also subject to restrictive covenants. Covenants are restrictions which affect a neighbouring or nearby Property often requiring something to be done (often involving expenditure) or preventing something from being done. The remedy for breach is either an injunction and/or damages. Action is taken against the present owner of the Property irrespective of whether or not they committed the breach. Please be aware of the following covenants, which the Property is subject to:

- a) You are not to obstruct the roadway coloured blue and brown on the Transfer Plan.
- b) You are not to deposit any rubbish on the land coloured green on the Plan and to keep the same in a neat and tidy condition.
- c) You are not to do anything on the Property that will become a nuisance or annoyance to the Transferor or the occupiers of the Retained Property or any part of it.
- d) You are not to carry out any noisy or noxious trade or business on the Property which would include uses under the Town and Country Planning (Use Classes) Order 1987 B3, B4, B5, B6 & B7 provided nothing in that clause shall prevent the use of the Property for general industrial purposes including the fabrication of metals and forging, annealing and re-heating in connection therewith.

I note that the current use of the Property is a taxi office with a MOT station. Taxi office use is sui generis use and MOT station falls generally within B2 and therefore we do

not anticipate that the current use is the breach of this covenant. We understand the Property is no longer used for Vehicle repairs but please confirm.

- e) You are not permitted to allow any deleterious or noxious effluent to drain into the drains or sewers serving the Property.
- f) You are to pay and contribute a fair proportion of the cost of maintaining and repairing the roadway coloured blue and brown on the Plan.

7.3 Transfer dated 12 March 1973 and made between (1) Rugby Corporation and (2) Byefield Building Services Limited (the 1973 Transfer)

The 1973 Transfer also contains covenants. Please therefore note the following:

- a) You are not permitted to erect on the Property any building nearer than 30 feet to Somers Road.
- b) There is a historic covenant for the original Transferee to erect a fence within 3 months of the date of completion. This covenant is now historic and your obligation will simply extend to maintaining the fence. Please confirm that a fence is in place along the south western boundary and it has been maintained.
- c) You are not permitted to use the Property for any other purpose other than commercial or industrial purposes and you are under an obligation to maintain the land in a clean and tidy condition to the satisfaction of the corporation and you will not deposit or permit to be deposited on the Property any refuse, waste, material or scrap.

8. Search results (Annex C)

8.1 Index map search

An index map search confirms whether a property is registered at the Land Registry (and, if so, the title number(s) under which it is registered). If a property is not registered, an index map search will show whether a property is subject to any pending applications for registration or any cautions against first registration.

The result of our index map search confirmed that the Property is registered under the title number(s) stated in paragraph 5.4 of this report.

8.2 Local land charges search

A search of the local land charges register shows matters such as compulsory purchase orders, tree preservation orders, planning enforcement notices and financial charges registered against a property. You should note that the search result provides a snapshot

of the register on the date of the search. Local land charges registered after the date of the search will still bind a property.

The local land charges search was provided by PSG on 5 September 2023. The result of the search revealed that the following local land charges are registered against the Property:

The Property is located in a smoke control area. Smokeless fuel should be burnt in the event there is a solid fuel boiler / open fire. The search has revealed two enforcement notices in relation to fencing and the unauthorised use of the premises at 25 Somers Road generally for the storage of motor vehicles. Both notices have been complied with. The Seller has confirmed and that they do not relate to the Property.

8.3 Local authority search (including any optional and additional enquiries)

A local authority search reveals important information about a property, such as planning permissions and building regulation consents, proposals for road schemes, environmental and pollution notices and whether any part of the property is registered as common land or as a town or village green. A local authority search only reveals matters that affect the property being searched against. It will not disclose matters that affect neighbouring properties. If you require information about neighbouring properties, you should let us know so that further enquiries can be made.

The local authority search was provided by PSG on 5 September 2009. The result of the search did not show any entries that adversely affect the Property and revealed the following information:

Somers Road is a highway maintainable at public expense. We note that property does not abut Somers Road but you have a right of way by virtue of the 1987 Transfer referred to above to gain access to the Property via a private road from Somers Road.

No part of the Property is registered as common land or as a town or village green. The possibility of land being common land or a town or village green is significant, as the land may be subject to third party rights and the owner's ability to use or develop the land may be restricted. Even if land is not registered as common land or a town or village green at the date of the search, it is possible for common land or new town or village greens to be registered in some circumstances. You should let us know if you are aware of anyone other than the Seller and the tenants under the Letting Documents using the Property for any purpose.

8.4 Drainage and water enquiries

The replies to drainage and water enquiries show whether a property is connected to the mains water supply and mains drainage. The replies may also show the location of public

sewers within the boundary of a property and other such matters that may restrict development.

Replies to the drainage and water enquiries were provided by Severn Trent on 7th August 2023. The replies did not show any entries that adversely affect the Property and revealed the following information:

- a) Foul water and surface water drain into a public sewer;
- b) There is a surface water charge payable;
- c) There are no public sewers, disposal mains or laterals drains within the boundaries of the Property;
- d) There are no public foul sewers within 100 metres of the Property;
- e) The Property is not at risk of internal flooding;
- f) The Property is connected to mains water;
- g) There are no waters mains, resource mains or discharge pipes within the boundaries of the Property;
- h) The Property is served by a Water Meter which is located in the external chamber;
- i) Severn Trent is responsible for water, drainage and sewerage services.

8.5 Environmental search

If a local authority determines that land is contaminated, and the party who caused or knowingly permitted the contamination cannot be found, the current owner or occupier of the land may be required to remedy the contamination. This can be an expensive process, so it is important to assess the risk of land being contaminated before committing to buy a property.

An environmental data search can be used to establish the risk of land being contaminated, by collating information from regulatory bodies, floodplain data and a review of current and historic land uses. This type of search is also known as a "desktop search". An environmental data search does not include a site visit or testing of soil or groundwater samples.

The environmental data search was provided by Groundsure on 8th August 2023. The result of the search showed that the Property is unlikely to be classed as contaminated land and revealed the risk is moderate provided the Property is not redeveloped. Please confirm it is not your intention to redevelop the Property.

The search flags that there is ground stability issues identified (which we have previously emailed you about) and energy issues identified.

Please note the Property is located where there is planned single wind turbines and proposed solar farms and existing solar farms. There is also energy infrastructure projects anticipated. The seller's solicitors have confirmed that they are not aware of any planned projects.

At your request, we requested an additional report in relation to the ground stability issues the findings of which were communicated to you under cover of our email dated 31 August 2023 timed at 14.59.

8.6 Chancel repair search

A chancel repair search shows whether the owner of a property may be liable to contribute towards the cost of repairs to the chancel of a parish church. We would advise you not to contact any parish churches directly in relation to chancel repair liability as this may limit the availability of indemnity insurance.

The chancel repair search was provided by Chancel Check on 2nd August 2023. The result of the search showed that the Property is not within the historical boundary of a parish which continues to have a potential chancel repair liability.

8.7 Land Registry official search

A Land Registry official search shows whether the register for a property has changed since the copy of the register was originally issued to the buyer's solicitor. The search also gives the applicant a "priority period". Any new entries that are registered in the priority period will not bind the applicant, as long as the Land Registry receives their application for registration within the priority period.

It is too early to carry out a Land Registry official search now, but we will carry out a search before completion of the purchase of the Property.

9. Replies to pre-contract enquiries

You should note the following information provided by the Seller in their replies to our pre-contract enquiries:

9.1 Boundaries and Extent

- a) The Seller has not provided any comment as to whether they are aware of any discrepancies between the boundary shown or referred to on the title deeds on the boundary features. They have simply stated that the boundary features belong to the occupier under the Lease and the occupier has maintained the

boundary features. I would advise you to inspect the premises and ensure the boundaries correlate with the Plan at Annex A and if there are any discrepancies, please let me know as soon as possible.

- b) The Seller has not received any notice of breach in relation to any party wall matters nor does it hold any documentation in relation to the same.

9.2 The Rights Benefitting the Property

Other than the rights disclosed in the title documentation, the Seller has indicated that they are not aware of any additional rights. We have reported to you on the rights benefitting the Property above, however if there anything additional that you are aware of which we have not reported to you on, please let us know as soon as possible.

9.3 Adverse Rights affecting the Property

The Seller has indicated that they are not aware of any adverse or third party rights affecting the Property. I would advise that you fully inspect the Property in order to make sure that there are no third party rights affecting the Property in any way. These could include rights of way over your premises which we have not previously reported to you on or any encroachment onto any other part of the land or Property.

9.4 Access to neighbouring land

The Seller confirms that the neighbouring owners have never requested entry onto the Property to carry out any works. Please note however there is a right of way allowing them to do so and you must simply bare this in mind.

The Seller has stated that they do not believe the boundary of the Property abuts a highway maintainable road at public expense. I note there is a private roadway which you have the right to use (coloured brown on the Plan at Annex B) and assume access to the roadway is obtained via Somers Road. Please confirm.

The Seller has confirmed there are no barriers to access in relation to the Property.

9.5 The Seller has not commented on whether the Property is affected in anyway by any of the following:

- a) Structural and inherent defects;
- b) Subsidence, settlement, landslip or heave;
- c) Defective conduits, fixtures, plant or equipment;
- d) Rising damp, rot or any fungal or other infection;

- e) Japanese Knotweed;
- f) Any other infestation;
- g) Any flooding.

You are advised to have a survey/ valuation carried out in respect of the Property in order to highlight any of the physical issues as outlined above. Please note that it is not our responsibility to carry out a physical inspection of the Property and you must therefore rely upon your own inspection and survey in this regard.

The Seller has confirmed that asbestos is present in the structure of the Property and I attach herewith the Asbestos Assessment at Annex D. Please note that you are under a duty under the Asbestos Regulations to manage any asbestos found at the Property and failure to carry out any assessments and management can result in fines and/ or two years imprisonment. The report contains recommendations and the Seller confirms that they are in the process of carrying out the recommended works. I await confirmation that they have been completed.

9.6 Utilities and Services

The Seller confirms that the Property is connected to gas, electric, water and telephone. Furthermore the Seller confirms the supplies are connected to mains and meters so far as it is aware. The Seller is not sure as to whether or not the services run from the highway and has confirmed the gas is currently with EDF, electricity with EON, water is with Water plus and telephone is with Midland Telecom.

The Seller has an existing contract with the gas company and a copy of the same is attached at Annex E. The contract is due to terminate at the end of September 2024.

9.7 Fire Safety and Regulations

The Seller has not provided us with any fire safety certificates and has simply stated that this is the responsibility of the occupational tenant and a fire risk assessment should be available at the Property for inspection. You should therefore make arrangements to inspect the Property as soon as possible and familiarise yourself with the current means of escape from the Property in the case of emergency.

It is a legal requirement that every owner and occupier of commercial premises that employs more than 5 people must have carried out a full and detailed fire risk assessment of the building. Failure to comply could result in fines being imposed by the fire authority. The fire of costing installing fire detection systems or fire extinguishers can be expensive so you must make sure you are aware of exactly what is required before committing

yourself to the purchase. There is an Occupational Tenant at the Property and therefore the present owners should comply with the fire safety regulations.

9.8 Statutory and other requirements

The Seller has not entered into any agreements with any planning, highway or other public authority or utilities provider. If there are such agreements in place, your Local Search shall reveal.

The Seller is not aware of any breach or alleged breach or of any claim under any statutory requirements or bylaws affecting the Property, its current use or the storage of any substance or the use of the fixtures, machinery or chattels.

The Health & Safety file is not available.

The EPC for the Property is at Annex F. You will see that the Property has a rating of E. E is the minimum standard required and I must flag to you at this stage that by 2027 it is anticipated that the government will require all commercial premises to have a minimum rating of C. Therefore it may be works will be required to be carried out to the Property to improve its Energy Efficiency and you should bear this in mind.

9.9 Environmental

The Seller has not provided us with any environmental reports. We have carried out a search on your behalf and the findings of the search are noted in paragraph 8.5 above.

9.10 Rates and Outgoings

The rateable value of the Property for year 2023 to 2024 is £7,261.00. Uniform business rates are at this level and water rates, sewerage rates and drainage rates are at £540.00.

9.12 Occupational Tenancies

There is an Occupational Tenancy in relation to the Property however the Lease has since expired..

10. Planning and building regulations

- 10.1 The use of the Property as existing taxi office and MOT testing facility is authorised by a planning permission dated 6th August 2010. I attach herewith a copy of the Planning Permission at Annex G and ask you to note the conditions attached thereto. Please note that you must comply with these conditions and should there be any breach of the same then Local Authority can take enforcement action.

There is a further planning permission dated 2 July 2009 relating to the initial change of use to a taxi base and garage facilities and erection of 12m radio mast. We will forward this on receipt.

10.2 Building Regulations Consent was required for the mezzanine floor. Please see the same attached at Annex H.

10.3 The Property is in an area where a Community Infrastructure Levy (CIL) charging schedule has been adopted.

CIL is a charge on new buildings, above a certain size, that local planning authorities (LPA) may choose to set and which is designed to help fund local and sub-regional infrastructure identified in their development plans. CIL will be paid primarily by owners or developers of land that is developed and is based on a formula that relates the size and character of the development to the amount charged.

Unless the LPA has adopted the charging schedule by the time a planning permission is granted, there will be no liability to pay CIL. However, if a charging schedule is in place when planning permission is granted, a liability to pay CIL may arise when the development commences.

11. Insurance

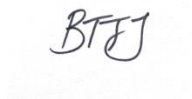
The Seller will retain the risk in the Property until completion. The Contract requires the Seller to maintain insurance of the Property until completion. You should arrange insurance of the Property from the date of completion.

12. SDLT

The purchase of the Property will not be subject to SDLT .at a rate of £2,500.00. SDLT is a mandatory tax for which you are liable. You will need to provide us with the sum of £2,500.00, in cleared funds, immediately prior to completion so that we can pay the SDLT to HMRC within 14 days of completion.

13. Conclusion

Subject to the matters referred to in this report and to any issues arising out of the outstanding matters listed in **Schedule 2**, we are of the opinion that upon completion of the purchase of the Property and registration at the Land Registry you will obtain a good and marketable title to the Property.

A handwritten signature in dark ink, consisting of the letters 'BTFJ' in a cursive, stylized font.

Signed **BRINDLEY TWIST TAFFT & JAMES LLP**

Dated: 18th September 2023

Schedule 1 Terms of the Letting Documents

Part 1 Letting Document 1

Premises demised by the Letting Document:	Unit 2, rear of 25 Somers Road, Rugby, Warwickshire, CV22 7DG and shown edged red on the Property Plan including one half severed vertically of any party fence walls separating those premises from any adjoining premises.
Date:	To be confirmed
Original parties:	Philip Christopher Mason and Cathryn Mary Henderson Mason as Trustees of the Mason Family Pension Scheme
Name and address of current landlord:	The Seller.18 Bury Dyke, Crick, Northamptonshire NN6 7XA
Name and address of current tenant:	Peoples Express Taxi's Limited (CRN: 04981859) of Unit 2, rear of 25 Somers Road, Rugby, CV22 7DG
Length of the term, commencement date and expiry date:	The Letting Document will be for a term of 10 years commencing on the date of completion.
Is the Letting Document a new tenancy for the purposes of the LTCA 1995?	The Letting Document is a new tenancy for the purposes of the LTCA 1995. In the event that the Tenant wishes to assign the lease to someone else, they are bound to enter into an Authorised Guarantee Agreement ("AGA"). The AGA guarantees the performance of the Lease by the new incoming Tenant. Should the new Tenant to the Lease default then you can call upon the previous Tenant to rectify any breach.
Is the Letting Document contracted out of the LTA 1954?	The Letting Document is contracted out of the LTA 1954. This means that the Tenant will not be entitled to remain in occupation at the end of the term and seek a Lease renewal at market rent. The renewal is entirely at your discretion and on terms that you wish to propose.
Rights granted to the tenant:	None
Rights reserved to the landlord:	Please refer to Schedule 2 of the Letting Document which details the rights reserved for the benefit of the Landlord. I do not propose to set out the

	reservations in full however simply draw your attention to the same. Again, when considering the reservations, please have regard to the Plan. If there are any additional rights you require as a Landlord, please let me know. The rights reserved are of a standard nature.
Initial rent and any rent-free periods:	The initial rent is £15,600.00 per annum and then revised pursuant to Schedule 5 of the Lease. There are no rent-free periods.
Current rent and rent payment dates:	The current rent is £15,600.00 per annum and rent is payable quarterly in advance on 25 th March, 24 th June, 29 th September and 25 th December in each year.
Rent review dates and date of last review:	Please refer to Schedule 5 of the Lease. The Rent Review dates will be on the 3 rd , 6 th , 9 th anniversary of the term.
Rent review provisions:	<p>The Rent Review clause has been drafted so that rent will be reviewed on an Open Market basis having regard to the assumptions detailed at Part 2 of Schedule 5 and the disregards detailed at Part 3 of Schedule 5. The Annual Rent shall be reviewed on the Review Date to equal:</p> <ul style="list-style-type: none"> a) The amount agreed between the Landlord & Tenant at any time (whether or not that amount is the Open Market Rent); or b) In the absence of such agreement, the greater of; <ul style="list-style-type: none"> i) The Annual Rent payable immediately before the Review Date (or which would have been payable but for the abatement suspension, concession or reduction of the Annual Rent or the restriction on the right to collect it); and ii) The Open Market Rent agreed or determined pursuant to Schedule 5. If the Annual Rent is determined in accordance with Schedule 5, a surveyor will need to be appointed and the assumptions and determined will need to be taken into

	<p>consideration when calculating the Annual Rent.</p> <p>In circumstances where the Annual Rent has not been agreed or determined on or before the Review Date the Tenant must:</p> <ul style="list-style-type: none"> a) Continue to pay the Annual Rent at the rate payable before the Review Date; and b) On or before the Shortfall Payment Date pay; <ul style="list-style-type: none"> i) the shortfall (if any) between the amount of Annual Rent but the Tenant has paid from the period from and including that Review Date and the amount of Annual Rent for the period that would have been payable had the revised Annual Rent agreed or determined on or before the Review Date; and ii) interest at the Interest Rate on that shortfall. Interest shall be calculated on a daily basis by reference to the Rent Payment Date on which part of the shortfall would have been payable if the revised Annual Rent had been agreed or determined on or before the Review Date and the Shortfall Payment Date.
VAT position:	The Property is not Opted to Tax
Permitted use and any restrictions on use:	<p>The Permitted Use in the Lease is a Taxi base office and MOT Service Station.</p> <p>I draw your attention to Clause 23 of the Lease which details further restrictions on use. I do not propose to set out the whole of Clause 23 in full, however simply draw your attention to the same. Any concerns or queries, or any further amendments that are required, please let me know.</p>
Repair and decoration provisions, including obligations when the Letting Document ends:	<p><u>Repair</u></p> <p>Please refer to Clause 18 of the Lease. The Tenant is under an obligation to keep the Property in good and substantial repair and condition, and ensure</p>

	<p>that any Service Media forming parting of the Property is kept in good working order. The Tenant is further obliged to keep the Property clean, tidy and clear of rubbish and replace as soon as possible any glass of a similar appearance and of a similar or better quality any glass forming part of the Property that becomes cracked or broken.</p> <p>The Tenant shall not be liable to repair the Property to the extent that any disrepair has been caused by an Insured Risk and unless until the extent that the Tenant has vitiated the policy of insurance or insurance proceeds are withheld in consequence of any act or omission of the Tenant or the insurance cover in relation to that disrepair is limited. The Tenant shall not be liable to repair any Exclude Insurance Items. Furthermore, the Tenant shall not be responsible for repairing any Property damage caused by Uninsured Risk unless such damage has been occasioned by any act or omission of the Tenant or any Authorised Person.</p> <p><u>Decoration</u></p> <p>Please refer to Clause 29 of the Lease. The Tenant must:</p> <ul style="list-style-type: none"> a) Decorate the exterior and interior of the Property as often as is reasonably necessary and also within the last three months of the term before the Termination Date; b) Carry out all decoration (including all appropriate proprietary work) in a good and proper manner using good quality materials which are appropriate to the Property; and c) Carry out: <ul style="list-style-type: none"> i) Any decoration to the exterior of the Property required at any time during the term (including the last three months before the Termination Date); and
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	<p>ii) The decoration of the interior of the Property required in the last three months before the Termination Date.</p> <p>To the reasonable satisfaction of the Landlord using materials, designs and colours approved by the Landlord.</p> <p><u>Obligations at the end of the term</u></p> <p>Please see Clause 22 of the Lease. The Tenant must return the Property to the Landlord on the Termination Date with vacant possession with the repair and condition required by the Lease. The Tenant must by the Termination Date:</p> <ul style="list-style-type: none"> a) Remove; <ul style="list-style-type: none"> i) any Tenant's fixtures from the Property; ii) any alternations to the Property undertaken by or for any Tenant, any Under Tenant or occupier during occupation of the Lease; and iii) any signs erected by the Tenant at the Property; and b) Make good any damage caused to the Property caused by the removal of those items. <p>On or before the Termination Date the Tenant must remove from the Property all chattels belonging to it or used by it.</p> <p>The Tenant irrevocably appoints the Landlord to be the Tenant's agent to store or dispose of any chattels or items fixed to the Property left by the Tenant for more than 10 working days after the Termination Date and must indemnify the Landlord in respect of any claim made by a third party in relation to that storage or disposal.</p> <p>The Landlord shall not be liable to the Tenant by reason of that storage or disposal.</p>
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<p>Insured risks:</p>	<p>Please see the definition at Page 9 of the Lease. Except to the extent that any of the following are Uninsured Risks:</p> <p>Fire, explosion, lightening, earthquake, tempest, storm, flooding, bursting or overflowing of water tanks, apparatus or pipes, damage to underground water, oil or gas pipes or electricity, wire or cables, impact by aircraft and aerial devices and articles dropped from them, impact by vehicles, terrorism, substance, ground slip, heave, riot, civil commotion, strikes, labour or political disturbances, malicious damage and or other risk against which the Landlord decides to insure from time to time. Uninsured Risk means any one of those risk.</p> <p>Uninsured Risks are defined in the Lease as any of the risks which are specified in the definition of Insured Risks where such risks are not insured against the date of the relevant damage or destruction because of an exclusion imposed by the insurers or insurance for such risk which is not available in the London insurance market on reasonable terms acceptable to the Landlord at the time the insurance policy was entered into to an Uninsured Risk which means any one of the Insured Risks.</p>
<p>Insurance provisions:</p>	<p>Please refer to Schedule 6 of the Lease.</p> <p>The Landlord must insure and keep insured:</p> <ul style="list-style-type: none"> a) The Property on the normal market terms against loss or damage by the Insured Risk for the Reinstatement Costs; and b) For the loss of annual rent for the Property for three years. <p>The Landlord shall not be obliged to insure:</p> <ul style="list-style-type: none"> a) The Excluded Insurance Items (see definition of the Lease) or repair any damage or destruction of the Excluded Insurance Items; b) Any alterations to the Property which form part of the Property unless:

	<p>i) Those alternations are permitted or required under the Lease;</p> <p>ii) Those alternations have been completed in accordance with the Lease (where applicable) in accordance with the term of any consent or approval given under the Lease; and</p> <p>iii) The Tenant has notified the Landlord of the amount for which those alternations should be insured and provided evidence of that amount which is satisfactory to the Landlord (acting reasonably); or</p> <p>c) The Property when the insurance is vitiated by any act of the Tenant or any Authorised Person.</p> <p>Clause 2 of Schedule 6 sets out the Landlord's obligations to provide insurance information to the Tenant.</p> <p>Clause 3 of Schedule 6 details the Tenant's obligations. The Tenant must pay to the Landlord on written demand:</p> <p>a) The Insurance Rent;</p> <p>b) Any amount that is deducted or disallowed by the insurers pursuant to any excess provision in the insurance policy; and</p> <p>c) Any cost that the Landlord incurs in obtaining a valuation of the Property for insurance purposes provided that the Tenant shall not be obliged to contribute towards the cost of any such valuation carried out more frequently than once every two years.</p> <p>The Tenant is under an obligation to notify the Landlord immediately of any matter that could have an affect on which any insurance underwriter may</p>
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	<p>treat as material when deciding whether or not to insure the Property.</p> <p>The Tenant must not do anything as a result of any insurance policy for the Property may become void or voidable, or otherwise prejudiced; the payment of any policy may be withheld, or any increase of any insurance premium becomes payable.</p> <p>The Tenant is also under an obligation to comply with all requirements and recommendations of the insurers and given the Landlord immediate notice of any occurrence of any damage or loss related to the Property and rising from an Insured Risk or any Uninsured Risk or any other event that might affect any insurance policy relation to the Property.</p> <p>The Tenant must not affect any insurance of the Property (other than the Excluded Insurance Items) but if the Tenant becomes entitled to the benefit of any building's insurance proceeds, they must pay the proceeds or causing to be paid to the Landlord.</p> <p>The Tenant is further required to pay to the Landlord the amount equal to any insurance money that the insurers of the Property refuse to pay in relation to the Property by reason of any actual omission or any Authorised Person. Furthermore, the Tenant must insure and keep insured against Public Liability of the Tenant in relation to the Property in such an amount as the Landlord shall consider appropriate and request to the Landlord, supply the Landlord with:</p> <ul style="list-style-type: none"> a) Full details of the insurance policy; and b) Payment of the current year's premium. <p>Clause 4 of Schedule 6 details with the Rent Suspension provisions. If any Property and damage is occasioned by an Insured Risk or an Uninsured Risk, payment of the Annual Rent (or a fair proportion of it according to the nature and extent of the Property Damage) shall be suspended to the earlier of:</p>
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	<p>a) The date of which the Property has been reinstated so that it is fit for occupation and use; and</p> <p>b) The date which is three years from and including the date which the Property Damage occurred.</p> <p>The Annual Rent shall not be suspended if the Property Damage is caused by:</p> <p>a) An Insured Risk and;</p> <p>i) the policy of insurance relating to the Property has been vitiated in whole or part as a result of any act or omission of the Tenant or any Authorised Person;</p> <p>ii) the Tenant has not complied with its obligation within paragraph 3 of Schedule 6.</p> <p>b) An Uninsured Risk and Property Damage was Tenant Damage.</p> <p>Clause 5 of Schedule 6 deals with the Landlord's obligations to reinstate the following damage or destruction by Insured Risk.</p> <p>Following any damage or destruction of the Property by an Insured Risk the Landlord must:</p> <p>a) Use reasonable endeavours to obtain all necessary planning and other consents to enable the Landlord to reinstate the Property; and</p> <p>b) Reinstatement the Property except that the Landlord shall not be obliged to:</p> <p>i) Reinstatement all necessary planning and other consents are obtained; and</p> <p>ii) Reinstatement unless the Tenant has paid the sums due under this Schedule 6;</p> <p>iii) Provide accommodation or facilities identical in layout or design, so long as the accommodation is reasonably prevalent to</p>
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	<p>that previously at the Property is provided; OR</p> <p>iv) Reinstate after a Notice to Terminate has been served.</p> <p>If the Landlord is obliged to reinstate the Property the Landlord must:</p> <ul style="list-style-type: none"> a) Use all insurance money received and all sums received from the Tenant for the purposes of that reinstatement; and b) Make up any shortfalls out of its own funds. <p>If the Landlord does consider it impossible to reinstate the premises following damage by an Insured Risk the Landlord may terminate the Lease by giving six months written notice to the Tenant.</p> <p>Clause 7 of Schedule 6 deals with the Property Damage occasioned by an Uninsured Risk.</p> <p>If the Annual Rent (or a fair proportion of it is suspended due to Property Damage by an Uninsured Risk then within twelve months from and including the date of which the Property Damage occurred, the Landlord must:</p> <ul style="list-style-type: none"> a) Terminate the Lease; or b) Notify the Tenant that the Landlord intends to reinstate the Property at its own costs. <p>The Landlord notifies the Tenant that it intends to reinstate the Property, then the Landlord must use:</p> <ul style="list-style-type: none"> a) Reasonable endeavours to obtain all necessary planning and other consents to enable the Landlord to reinstate the Property; and b) Its own monies to reinstate to the Property but the Landlord shall not be obliged to: <ul style="list-style-type: none"> i) Reinstate unless all necessary planning and other consents are obtained;
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	<p>ii) Provide accommodation facilities which are identical in layout or design so long as the accommodation is reasonably equivalent to that previously at the Property; OR</p> <p>iii) Reinstate after a Notice to Terminate has been served.</p> <p>If Property Damage has been occasioned by an Uninsured Risk and the Landlord has not served a notice to the Tenant by a date which is 12 months from and including the date of the relevant Property Damage, the Tenant may at any time thereafter terminate the Lease by giving the Landlord notice provided that such notice is served before the Property is made fit for occupation and use.</p> <p>If Property Damage by an Insured Risk or Uninsured Risk (where the Landlord elected to reinstate the Property) occurs and the Property has not been reinstated to make it fit for occupation and use by the date which is three years after the date of which the Property Damage has occurred, either party may at any time thereafter terminate the Lease by giving notice to the other provided that:</p> <ul style="list-style-type: none"> a) Such notice is served before the Property is reinstated so as to make it fit for occupation and use; and b) Where the Tenant serves the Notice the failure to reinstate so that the Property is fit for occupation and use is not caused by any breach of the Tenants covenants under Clause 18 (repair) or Schedule 6. <p>If the other party gives to notice to terminate the Lease in accordance with Schedule 6:</p> <ul style="list-style-type: none"> a) The Lease will terminate with immediate effect from the date of the notice being none of the parties shall have any further rights; or
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	<p>b) Obligations under the Lease except for those rights of any party in respect of any earlier breach of the Lease; or</p> <p>c) Any proceeds of insurance shall belong to the Landlord.</p>
Alterations provisions:	<p>Please refer to Clause 20 of the Lease.</p> <p>The Tenant must not make any alterations or addition to the Property or opening any boundary of the Property. The Tenant may make internal non-structural alterations to the Property with the consent of the Landlord, such consent not to be unreasonably withheld or delayed.</p> <p>The Tenant may carry out minor alterations that consist of minor perforations of any boundary of the Property or any structural element of the Property provided that:</p> <ul style="list-style-type: none"> a) Those alterations are reasonably required in connection with any works permitted by the Landlord; b) Any alterations do not adversely affect the structural integrity of the Property; c) The Tenant obtains the consent of the Landlord which cannot be unreasonably withheld or delayed. <p>With the consent of the Landlord (such consent not to be unreasonably withheld or delayed) the Tenant may:</p> <ul style="list-style-type: none"> a) Install any Service Media at the Property; b) Alter the route of any Service Media at the Property. <p>The Tenant must not carry out any alteration which would or may be reasonably expected to have an adverse effect on the asset rating of any Energy Performance Certificate.</p>
Alienation provisions:	<u>Assignments</u>

	<p>Please see Clause 13 of the Lease. The Tenant may assign the whole of the Lease with the consent of the Landlord (such consent not to be unreasonably withheld or delayed). The Tenant is not permitted to assign part of the Lease. Any assignments are subject to the conditions contained at Clause 13.2 and 13.3</p> <p><u>Underletting</u></p> <p>The Tenant may Underlet the Property in accordance with Clause 14 and with the consent of the Landlord which cannot be unreasonably withheld or delayed. Any Underletting is subject to the conditions contained in Clause 14.2 and 14.3 of the Lease.</p> <p><u>Sharing Occupation</u></p> <p>The Tenant may share occupation of the Property with a Group Company for as long as the Company remains a Group Company and provided that no relationship of Landlord or Tenant is established by the arrangement.</p> <p><u>Charging</u></p> <p>Please see Clause 16 of the Lease. The Tenant may charge the whole of the Lease with the consent of the Landlord which cannot be unreasonably withheld or delayed.</p>
Compliance with Laws	<p>The Tenant is under an obligation to comply with all laws affecting the Property and all statutory regulations affecting the Property.</p>
Re-entry and Forfeiture	<p>Please see Clause 44 of the Lease. The Landlord may re-enter the Property (or any part of the Property in the name of the whole) at any time if any of the following occurs:</p> <ul style="list-style-type: none"> a) The whole or any part of the Rent is unpaid 21 days after becoming payable (whether formally demanded or not); b) The breach of any condition or Tenant covenant of the Lease; c) Any insolvency?

	<p>If the Landlord re-enters the Property (or any part of the Property in the name of the whole) pursuant to Clause 44, the Lease shall immediately end up without prejudice to any right or remedy of the Landlord in respect of any breach of covenant by the Tenant or any Guarantor.</p>
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Schedule 2 Outstanding matters

1. Confirmation Asbestos remediation works have taken place.
2. Absence of easement policy and statutory declaration re: access up to the end of Unit 6 and the ability to park.
3. Confirmation Asbestos remediation works have taken place.
4. PP ref E2E/R09/APP.

ANNEX A Plan of the Property

ANNEX B 1987 Transfer

ANNEX C Searches

ANNEX D Asbestos Report

ANNEX E Copy of Gas Contract with EDF Energy

ANNEX F Copy of EPC

ANNEX G Planning Permission dated 6th August 2010

ANNEX H Building Regulations Approval

ANNEX I New form Lease