

These are the notes referred to on the following official copy

Title Number SYK548027

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Please note that this is the only official copy we will issue. We will not issue a paper official copy.

- 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.

LR1. Date of lease	14 December 2007
LR2. Title number(s)	LR2.1 Landlord's title number(s) <i>Title number(s) out of which this lease is granted. Leave blank if not registered.</i> SYK272337, SYK281419, SYK281420 and SYK308744 LR2.2 Other title numbers <i>Existing title number(s) against which entries of matters referred to in LR9, LR10, LR11 and LR13 are to be made.</i>
LR3. Parties to this lease <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>	Landlord Frank Hayes and Hornbuckle Mitchell Trustees Ltd at Cotton Court, Middlewich Road, Holmes Chapel, Cheshire SW4 7ET as trustees of SMC Limited SSAS (Co Reg No. 2741578) Frank Hayes and Susan Hayes of Coach House Church Lane Aston Sheffield S26 2AX and Sheffield Motorcycle Centre (Holding) Limited of Saville Street Sheffield S4 7TQ (Co Reg No. 6420631) Tenant SMC Motorcycles Limited of 3 Saville Street Sheffield S4 7TQ (Co Reg No. 5797684) Other parties <i>Specify capacity of each party, for example "management company", "guarantor", etc.</i>
LR4. Property <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. 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>	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. The Freehold and Leasehold Property at Walker Street and Andrew Street Sheffield registered under the aforementioned Title Numbers. <i>Mr. [unclear] certifies that this is a true and correct copy of the original as submitted to the Land Registry</i>

<p>LR5. Prescribed statements etc. <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>LR5.1 Statements prescribed under rules 179 (dispositions in favour of a charity),</p> <p>180 (dispositions by a charity)</p> <p><i>or</i></p> <p>196 (leases under the Leasehold Reform, Housing and Urban Development Act 1993) of the Land Registration Rules 2003.</p>
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<p><i>In LR5.2, omit or delete those Acts which do not apply to this lease.</i></p>	<p>LR5.2 This lease is made under, or by reference to, provisions of: Housing Act 1996</p>
<p>LR6. Term for which the Property is leased <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: 15 years commencing on the 14th December 2007 at an initial rent of £50,000.00 p.a. exclusive</p>
<p>LR7. Premium <i>Specify the total premium, inclusive of any VAT where payable.</i></p>	<p>£</p>
<p>LR8. Prohibitions or restrictions on disposing of this lease <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>LR9. Rights of acquisition etc. <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>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</p> <p>LR9.2 Tenant's covenant to (or offer to) surrender this lease N/A</p> <p>LR9.3 Landlord's contractual rights to acquire this lease N/A</p>
<p>LR10. Restrictive covenants given in this lease by the Landlord in respect of land other than the Property <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>LR11. Easements <i>Refer here only to the clause, schedule or paragraph of a schedule in this lease which sets out the easements.</i></p>	<p>LR11.1 Easements granted by this lease for the benefit of the Property None</p> <p>LR11.2 Easements granted or reserved by this lease over the Property for the benefit of other property None</p>
<p>LR12. Estate rentcharge burdening the Property <i>Refer here only to the clause, schedule or paragraph of a schedule in this lease which sets out the rentcharge.</i></p>	<p>Clause 1.1.15 and Schedule 2</p>
<p>LR13. Application for standard form of restriction <i>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.</i></p> <p><i>Standard forms of restriction are set out in Schedule 4 to the Land Registration Rules 2003.</i></p>	<p>The Parties to this lease apply to enter the following standard form of restriction against the title of the Property</p> <p>N/A</p>

<p>LR14. Declaration of trust where there is more than one person comprising the Tenant</p> <p><i>If the Tenant is one person, omit or delete all the alternative statements.</i></p> <p><i>If the Tenant is more than one person, complete this clause by omitting or deleting all inapplicable alternative statements.</i></p>	
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THIS LEASE made the

10

day of January

2007

BETWEEN

FRANK HAYES AND HORNBUCKLE MITCHELL TRUSTEES LIMITED
whose registered office is at Cotton Court, Middlewich Road, Holmes Chapel,
Cheshire CW4 7ET as Trustees of the SMC Limited SSAS (Company Registered
Number 2741578) FRANK HAYES AND SUSAN HAYES of Coach House Church
Lane Aston Sheffield S26 2AX and SHEFFIELD MOTORCYCLE CENTRE
(HOLDING) LIMITED of Saville Street Sheffield S4 7TQ (Company Registered
Number 6420631) (hereinafter called "the Landlord" which expression shall include
the person time to time entitled to the reversion expectant on the term hereby
granted)

(1) SMC MOTORCYCLES LIMITED of 3 Saville Street Sheffield S4 7TQ
(Company Registered Number 5797684) (hereinafter called "the Tenant"
which expression shall include the person from time to time entitled to the term
hereby granted)

WITNESSETH as follows:-

INTERPRETATION

1. IN this Lease:-

1.1 The following expressions have unless the context otherwise requires the
following meanings:-

1.1.1 "Conducting Media" means sewers drains pipes wires cables ventilation ducts
heating ducts and other conducting media and includes any apparatus (not
being tenant's or trade fixtures) connected to any Conducting Media for



enabling use to be made of the Conducting Media or of any water gas electricity heating ventilation air conditioning or other effluvia passing through Conducting Media.

1.1.2 "Demised Premises" means the premises described in the First Schedule and all additions and alterations thereto and all Landlords fixtures from time to time annexed thereto.

1.1.3 "Election" means the election exercisable by the Landlord pursuant to paragraph 2 of the Schedule 10 to the Value Added Tax Act 1994 to cause supplies under the Lease to fall outside Group 1 of Schedule 9 to the Act and become chargeable to Value Added Tax at the standard rate if this arises.

1.1.4 "Insurance Charge" means the total costs from time to time incurred by the Landlord in insuring or procuring the insurance of the Demised Premises in accordance with the Landlord's covenant in that behalf hereinafter contained.

1.1.5 "Insured Risks" means the risk of damage or destruction by fire lightning explosion earthquake landslip subsidence heave and devices flood impact by vehicles damage damage by malicious persons or vandals terrorism unless the Landlord having used its reasonable endeavours is unable to do so and storm riot civil commotion aircraft and such other risks as the Landlord may from time to time reasonably require.

1.1.6 "Legislation" means all Acts of Parliament and all orders regulations and bye-laws made pursuant to any Act of Parliament or otherwise having the force of law.

- 1.1.7 "Permitted Use" means use for the purposes of the Class B2 and B8 of Town and Country Planning (Use Classes) Order 1987 or such other use as the Landlord may consent to (such consent not to be unreasonably withheld or delayed).
- 1.1.8 "Planning Acts" means the Legislation from time to time in force relating to Town and Country Planning.
- 1.1.9 "Prescribed Rate" means interest of a rate 4 per cent above the base rate from time to time of Barclays Bank Plc or during any time when there is no such base rate 14 per cent per annum.
- 1.1.10 "Rent Commencement Date" means the 14th day of December 2007
- 1.1.11 "Rent Restriction Legislation" means any Legislation which renders unlawful or otherwise precludes (a) any demand for or payment of or acceptance of the whole or any part of the Yearly Rent which would otherwise be for the time being payable hereunder or (b) the requiring or carrying out of any review of the Yearly Rent at the times and in the manner herein provided.
- 1.1.12 "Review Dates" means the 14th day of December 2012 and each five year anniversary thereafter to the end of the term SUBJECT to an Initial Further Rent Review upon completion of works under Planning Application to a market rent at that time
- 1.1.13 "Sureties" means the parties accepted by the Landlord as guarantors in respect of the covenants under the terms of the Lease following an assignment in accordance with the provisions of clause 3.27 hereof

1.1.14 "Yearly Rent" means from the Rent Commencement Date to the completion of the Initial Further Rent Review and from the 14th day of December 2014 and 14th December 2021 such other rent as may from time to time be substituted therefore pursuant to the provisions of the Second Schedule and such other rent as may from time to time be payable by the Tenant in respect of the tenancy (and any Value Added Tax payable under the terms of this Lease.)

1.1.15 Rent means £50,000 per annum exclusive from the Rent Commencement Date

1.1.16 "Lease Commencement Date" means 14th day of December 2007

1.2 Where two or more persons constitute a party to this Lease covenants by that party herein contained or implied shall be deemed to be made by those persons jointly and severally

1.3 References to "the tenancy" herein contained shall be deemed to be references both to the term of years hereby demised and to any extension or continuation thereof whether by the provisions of the Landlord and Tenant Act 1954 or any similar Legislation from time to time in force or otherwise which tenancy shall be deemed to have commenced on the date of commencement of the said term hereinafter stipulated.

1.4 The expression "termination" in relation to the tenancy means termination in any manner whether by effluxion of time notice forfeiture surrender or otherwise and the expression "terminating" bears a corresponding meaning.

- 1.5 Marginal notes and headings to the clauses and schedules of this Lease are inserted for ease of reference only and shall not affect the construction of this Lease

DEMISE TERM RENT

2. THE Landlord hereby demises unto the Tenant ALL THOSE the Demised Premises TO HOLD the same unto the Tenant for the term of 15 years commencing on the 14th day of December 2007 ("the Term")YIELDING AND PAYING throughout the term the Rent in respect of which Yearly Rent shall be paid by equal instalments in advance on the first day of each month save that the first instalment shall be a proportionate payment in respect of the period commencing on the date hereof to the monthly instalment day next after the date thereof and shall be paid on the execution hereof SECOND to pay the Insurance Charge THIRD to pay any Value Added Tax payable under this Lease and FOUTH any other sums which fall due under the terms of this Lease.

TENANT'S COVENANTS

3. THE Tenant hereby covenants with the Landlord:-

RENT

- 3.1 To pay:-

- 3.1.1 the rents hereby reserved on the days and in the manner aforesaid and not to exercise or seek to exercise any right or claim to withhold rent or other sums payable under this Lease or any right or claim to be entitled to any legal or equitable set off;

- 3.1.2 the Insurance Charge from time to time forthwith upon demand;

3.1.3 Value Added Tax on all supplies received by the Tenant under or in connection with this Lease whether payable as a result of the making of the Election or otherwise arising in the future;

3.1.4 to the Landlord an amount equivalent to the Value Added Tax on supplies received by the Landlord under or in connection with this Lease to the extent that Tax is not available for credit pursuant to the provisions of Section 14 of the Value Added Tax Act 1983 in the prescribed accounting period in which that Value Added Tax was incurred.

OUTGOINGS

3.1.5 To pay all rates taxes assessments impositions and outgoings whether of an existing or novel kind now or at any time hereafter during the said term levied imposed or charged exclusively in respect of the Demised Premises or any part thereof whether payable by the Landlord or the Tenant and a fair proportion (as reasonably determined by the Landlord's Surveyor) of any such rates taxes assessments impositions and outgoings levied imposed or charged on the Demised Premises in common with other premises.

INSURANCE CHARGE

3.2 To pay the Insurance Charge in accordance with the following provisions:-

3.2.1 The Tenant shall pay to the Landlord on demand the gross premiums and other expenses reasonably required to effect or maintain insurance of the Demised Premises in accordance with the Landlord's covenant in that behalf

hereinafter contained credit being given to the Tenant for any payments on account paid by the Tenant under the following paragraph.

3.2.2 If so required by the Landlord the Tenant shall on account of the amounts payable under the preceding paragraph pay to the Landlord on the quarter day preceding the date on which the Landlord proposes effecting or renewing any such insurance the Landlord's reasonable estimate of the gross premiums and other expenses and other expenses require for effecting or renewing the same.

3.2.3 The Landlord may retain for the Landlord's own benefit any commissions or discounts received or obtained by the Landlord on or based on the gross premiums and other expenses which would otherwise be paid or incurred or suffered by the Landlord in effecting or maintaining such insurance

REPAIR

3.4.1 To keep in a good and substantial repair and if necessary from time to time to reinstate or rebuild the whole of the Demised Premises and to repay to the Landlord on demand all expenses from time to time incurred by the Landlord in repairing or reinstating any Conducting Media not comprised in the Demised Premises but which serve only the Demised Premises and provided also that there shall be excluded from this obligation damage as a result of any Insured Risk

3.4.2 To permit the Landlord and those authorised by it to enter upon the Demised Premises or any part thereof at reasonable times and after giving reasonable notice (except in the case of emergency) for any of the following purposes:-

3.4.2.1 inspecting the Demised Premises and taking schedules of the condition thereof and of the Landlords fixtures therein

3.4.2.2 doing anything which the Landlord considers necessary or desirable for the performance by the Landlord of the covenants on its part hereinafter contained;

PROVIDED that the person so entering shall cause as little inconvenience as reasonably possible to the Tenant and shall make good as soon as reasonably possible to the reasonable satisfaction of the Tenant any damage to the Demised Premises which that person causes.

3.4.3.1 to comply with any Schedule of Dilapidations served by the Landlord attributable to non-compliance by the Tenant of its obligations comprised in this Lease but if served after the Lease Period only in respect of wants of repair occurring during the Lease Period and where served within 3 months after the expiration of the Lease Period

3.4.3.2 if (subject to the provisions of clause 3.4.3.1 within a period of 6 weeks of the service of the Schedule of Dilapidations the Tenant has not started to execute the work referred to or is not proceeding diligently with it the Landlord may do so and may enter the Demised Premises and carry out works for that purpose and the cost of these works will be a debt payable by the Tenant to the Landlord on demand

PAINTING

3.5.1 In every third year of the term and in the last three months of the tenancy howsoever terminating in a workmanlike manner to prepare and paint with at least

two coats of good quality paint of a colour approved by the Landlord all parts of the exterior of the Demised Premises previously or usually painted and clean and whether appropriate repoint and treat with the like protective and decorative finishes as shall have previously been applied or otherwise which such protective and decorative finishes approved by the Landlord as are necessary for their proper maintenance all other parts of the exterior of the Demised Premises

3.5.2 In the last three months of the tenancy however terminating in a workmanlike manner to prepare and paint with at least two coats of good quality paint all parts of the interior of the Demised Premises previously or usually painted and clean and where appropriate treat with the like protective and decorative finishes as shall have previously been applied or otherwise with such protective and decorative finishes as are necessary for their proper maintenance all other parts of the interior of the Demised Premises Provided that the painting and treatment to be carried out in the last three months of the tenancy shall be in colours and with finishes previously approved by the Landlord

3.5.3 During the last week of the tenancy (howsoever determined) thoroughly to cleanse and scour the interior of the Demised Premises and of any additions thereto and to leave the same so cleansed and scoured in every respect on the last day of the tenancy.

EXTERIOR

3.6 To keep all gardens yards roads car parks and pathways included in the Demised Premises in good order and in a clean and tidy condition free from weed or

rubbish and to keep all grass hedges trees and shrubs regularly tended cut and trimmed.

CLEANING OF WINDOWS

- 3.7 To clean the glass of all windows comprised in the Demised Premises both inside and out as and when necessary

CLEANING OF PREMISES

- 3.8 To keep the Demised Premises in a clean and tidy condition and regularly to remove therefrom all waste or offensive materials and articles.
- 3.9 To comply in all respects with all requirements (whether placed on the Landlord or the Tenant of all present and future Legislation and of all competent authorities as to the condition of the Demised Premises and the user thereof and the activities carried on thereat and any works or alterations executed or required to be executed thereon or in respect thereof or in any other way affecting the Demised Premises and to keep the Landlord indemnified against all actions proceedings claims or demands which may be brought or made by reason of any such requirements not having been duly complied with and if as a result of any such requirements the Landlord shall carry out any works or alterations to the Demised Premises the Tenant shall repay to the Landlord on demand the reasonable expenses thereby incurred by the Landlord or a fair proportion thereof as reasonably determined by the Landlord's Surveyor whose decision shall be final.

YIELDING UP

3.10 At the termination of the tenancy to yield up the Demised Premises and all fixtures therein in such repair and condition as is required by the covenants on the part of the Tenant herein contained **PROVIDED THAT:-**

3.10.1 the Tenant may before such termination remove all tenant's or trade fixtures but shall make good any damage thereby caused to the Demised Premises to the Landlord's reasonable satisfaction;

3.10.2 if after the termination of the tenancy there shall be left on the Demised Premises any tenant's or trade fixtures or any chattels or refuse the Landlord may treat the same as having been abandoned by the Tenant and may arrange for the removal and destruction or disposal thereof as the Landlord thinks fit and the Tenant shall pay to the Landlord on demand the cost of such removal and destruction or disposal and shall indemnify the Landlord against any liability resulting therefrom; and

3.10.3 if the Tenant shall fail to yield up the Demised Premises in such repair and condition as aforesaid the Landlord may if it thinks fit effect any repairs decorations and other works which ought to have been carried out by the Tenant pursuant to the covenants on the part of the Tenant herein contained and the Tenant shall pay to the Landlord on demand the cost of such repairs decorations and other works effected by the Landlord together with mesne profits at a rate equal to the rack rental value of the Demised Premises at the date of such termination for the period reasonably required for the carrying out of such work

ENTRY BY LANDLORD

3.11.1 To permit the Landlord and those authorised by it to enter upon the Demised Premises in order to carry out any works to which this sub-clause applies and which the Tenant has failed to commence to carry out within two months after service upon the Tenant of a notice requiring the same to be carried out.

3.11.2 The works (hereinafter referred to as "the Prescribed Works") to which this sub-clause applies are:-

3.11.2.1 the removal of any alterations additions or other works carried out or commenced on the Demised Premises without all necessary licences consents permissions and approvals of the Landlord the Local Planning Authority and any other authority or person having been obtained; and

3.11.2.2 the removal or (at the Landlord's option) the completion in a good and workmanlike manner in accordance with the terms of this Lease and of such licences consents permissions and approvals of any alterations additions or other works which have not been so completed

EXPENSE OF MAKING GOOD DILAPIDATIONS AND SERVING NOTICES

3.12 To pay to the Landlord on demand all proper and reasonable expenses (including Solicitors' Surveyors' and other professional fees) reasonably incurred by the Landlord in or in connection with:-

3.12.1 carrying out any of the Prescribed Works;

3.12.2 the preparation and service of any notice under Section 146 or Section 147 of the Law of Property Act 1925 notwithstanding that forfeiture is avoided otherwise than by relief granted by the Court

3.12.3 the preparation and service at any time during or within one month after the termination of the tenancy of any schedule of dilapidations; or

3.12.4 the cost of collection of any arrears of rent including bailiffs fees

COST OF PARTY WORKS

3.13 To pay on demand to the Landlord or to whomsoever it may direct a fair proportion (to be assessed by the Landlord's Surveyor who decision shall be final) of the costs (including Surveyors' Managing Agents' and other professional fees) of repairing maintaining and replacing all party walls fences and gutters and other party structures and all Conducting Media which serve the Demised Premises in common with other premises of the Landlord

ALTERATIONS

3.14 Not to make any alteration or addition to or in any way injure the Demised Premises or any part thereof or the internal arrangement thereof or the Conducting Media comprised in or serving the Demised Premises save that the Tenant may make internal non-structural alterations to the Demised Premises which do not affect the structure thereof subject to the Tenant:-

3.14.1 complying with all legislation in carrying out such alterations

3.14.2 providing the Landlord with as -built drawings on completion of the alterations

3.14.3 (if so requested by the Landlord) at the expiration or sooner determination of the Term removing and alterations and reinstating the Demised Premises to the state and conditions in which the Demised Premises were in prior to the alterations being carried out

OBSTRUCTION OF CONDUCTING MEDIA

3.15 Not to interfere with or obstruct any Conducting Media and in so far as heating ventilation or air conditioning may be provided through such Conducting Media to ensure that the internal arrangement of the Demised Premises does not interfere with the efficient operation of such heating ventilation or air conditions

SIGNS

3.16 Not without the consent of the Landlord to display upon the exterior of the Demised Premises or upon the interior thereof so as to be visible outside the Demised Premises any lettering advertisement sign notice placard flag or similar device provided that such consent shall not be unreasonably withheld or delayed to a sign displaying the name and business of the Tenant and of any permitted sub-tenant

NUISANCE OVERLOADING ETC

3.17 Not to use or permit to be used the Demised Premises or any part thereof for any illegal or immoral purpose or in a manner which in the reasonable opinion of the Landlord will or may depreciate the value of the Landlord's interest in the Demised Premises or become a nuisance annoyance or disturbance to the

Landlord or the owner or occupier of any neighbouring premises and not to permit any person to reside or sleep at the Demised premises and not to bring upon the Demised Premises anything of an explosive or inflammable nature or which may overload any part of the Demised Premises

USE OF ADDRESS OF PREMISES

3.18 Not to use or permit to be used the address of the Demised Premises in any advertisement or in any other manner which in the reasonable opinion of the Landlord is or may be detrimental to the reputation of the Demised Premises

NAME OF PREMISES

3.19 Not for any purpose whatsoever to use or permit others to use as the name of the Demised Premises any name other than that given to the Demised Premises by the Landlord

USE OF PREMISES

3.20 Not to use the Demised Premises or any part thereof for any purpose other than the Permitted Use except with the written consent of the Landlord which cannot be unreasonably withheld or delayed

PLANNING ACTS

3.21 In relating to the Planning Acts:-

3.21.1 Not to make any application under the Planning Acts for permission to carry out any development (as defined by the Planning Acts) or for the approval of anything in connection therewith unless the Tenant shall previously have

obtained all consents licences and approvals of the Landlord required under this Lease for the carrying out of such development

3.21.2 Not to make any subject application except in such form and for such duration whether limited or unlimited as the Landlord may approve which approval shall not be unreasonably withheld or unreasonably delayed

3.21.3 Not to implement any planning permission or approval unless the same has been submitted to and approved in writing by the Landlord whose approval shall not be unreasonably withheld or unreasonably delayed

3.21.4 In the event of the tenant carrying out any works in implementation of any planning permission or approval so approved to carry out and complete all works required to implement the same in a good and workmanlike manner in accordance with the terms of such permission or approval

3.21.5 To make or secure to the satisfaction of the Secretary of State or other authority appointed for the purpose any payment that may be required for any planning permission or approval which may be granted and to do for the full term of the permission or approval and similarly to make or secure any payment that may be required in respect of any development or the continuance or retention of any development being a permission or approval implemented or development carried out or continued or retained at any time during the currency of the tenancy

3.21.6 Unless the Landlord otherwise directs to carry out before the termination of the tenancy or such earlier dates as may be nominated by the Landlord any works required to be carried out to the Demised Premises by a date

subsequent to the termination of the tenancy by any limitation or condition to which any planning permission or approval implemented by or under or for the benefit of the Tenant is subject

3.21.7 To produce to the Landlord or the Landlord's agents when required all such drawings documents and other evidence that the provisions of this sub-clause 3.22 have been complied with as they may reasonably require

3.21.8 For the avoidance of doubt the Landlord's approval of any application permission or approval under this sub-clause may be refused on the ground inter alia that the period thereof or anything contained therein or omitted therefrom would in the reasonable opinion of the Landlord's Surveyors be likely to be prejudicial to the interests of the Landlord whether in relation to the Demised Premises or any neighbouring premises or otherwise and whether during the currency of the tenancy or thereafter

PRODUCTION OF NOTICES

3.22 Within fourteen working days of the receipt of the same by the Tenant to give full particulars to the Landlord or the Landlord's Surveyors of any notice or order or proposal for a notice or order given issued or made to or on the Tenant by any competent authority pursuant to Legislation and if so required by the Landlord or the Landlord's Surveyor to produce such notice order or proposal to them and without delay to take all necessary steps to comply with any such notice or order or proposal and at the request of the Landlord or the Landlord's Surveyor but at the cost of the Tenant to make or join with the

Landlord in making such objections or representations against or in respect of any such notice order or proposal as they or any of them shall deem expedient

ENCROACHMENTS

- 3.23 Not knowingly to permit any person to encroach upon or to acquire any right of light air way water or drainage or other easement over the Demised Premises but forthwith to inform the Landlord of any such encroachment or of any act or thing which might result in the acquisition of any right or easement over the Demised Premises and to do all acts and things which may be necessary or expedient to prevent such encroachment or the acquisition of any such right or easement provided that if the Tenant shall fail to do such acts and things as aforesaid the Landlord shall have power to enter upon the Demised Premises for the purpose of doing the same and any expenses which the Landlord thereby incurs shall be paid by the Tenant to the Landlord on demand

INVALIDATION OF INSURANCE

- 3.24 Not to do or omit or cause any act or thing which might invalidate or prejudicial affect any insurance of the Demised Premises or any adjoining premises or render the insurance monies in whole or part irrecoverable

INCREASED COST OF INSURANCE

- 3.25 In the event of premiums payable for the insurance of any neighbouring premises being increased by reason of any act or default of the Tenant to pay on demand to the Landlord or to whomsoever the Landlord shall direct the amount of such increase

DISPOSAL BY TENANT

3.26 not to mortgage charge or grant any security interest over the whole or any part of the Demised Premises

3.26.1 Not to assign underlet share or part with possession or occupation any part of the Demised Premises (as opposed to the whole)

3.26.2 not to underlet share or part with possession or occupation of the whole of the Demised Premises except by way of assignment or underletting of the whole

3.26.3.1 not to assign the whole of the Demised Premises without the consent of the Landlord such consent not to be unreasonably withheld or delayed provided that the Landlord may withhold its consent to the assignment if the Tenant shall fail to provide to the Landlord such information and references as the Landlord shall reasonably require

3.26.3.2 conditions subject to which any Licence to Assign shall be given:

- (a) that any intended assignee shall covenant with the Landlord to pay the rent reserved by and observe and perform the covenants and conditions on the part of the Tenant contained in this Lease
- (b) that such persons as the Landlord may reasonably require shall act as guarantors for the intended assignee in such form as the Landlord may reasonably require
- (c) that the Tenant shall enter into an Authorised Guarantee Agreement in accordance with the Third Schedule

NOTIFICATION OF DISPOSALS

3.27.1 To procure that every assignee chargee underlessee licensee or other person in whose favour any disposition (whether affecting the Demised Premises or any part thereof or any derivative interest therein) is effected or upon whom the Demised Premises or any part thereof or any such derivative interest shall devolve by operation of law shall (without any demand in that behalf) within 28 days after such disposition or devolution occurs leave a certified copy of the instrument effecting the disposition or notice of the devolution together with any instrument evidencing the same with the Landlord for registration

3.27.2 To procure that upon every registration of each instrument or notice under the foregoing provisions the person leaving the same pays to the Landlord its reasonable registration fee together with any Value Added Tax payable thereon provided that if the Yearly Rent payable hereunder shall be increased above that payable at the Rent Commencement Date the said fee shall be increased in the same proportion

NOTICES THAT PREMISES ARE FOR SALE OR TO LET

3.28 To permit the Landlord during the last six months of the term hereby granted and the remainder of the tenancy thereafter (in the case of a proposed letting) to display upon some part of the exterior of the Demised Premises in such a position as not to interfere with the light or air enjoyed by the Demised Premises or the Tenant's user thereof a notice advertising that the same are for sale or to let and to permit prospective purchasers mortgagees chargees or lessees to inspect the Demised Premises at reasonable times by prior appointment

COSTS OF LICENCES

3.29 To pay the reasonable costs and disbursements (including stamp duties) of the Landlord's Solicitors Surveyors Architects and other professional advisers and the Landlord's reasonable administration fee in connection with any Deed or other thing hereby required to be executed or done at the Tenant's expense or any licence consent or approval applied for by the Tenant or by the Sureties relating to the Demised Premises or the provisions of this Lease whether or not the same shall be executed done or given together with any Value Added Tax payable thereon in so far as the same cannot be claimed as an input by the Landlord

INTEREST

3.30 If so require by the Landlord to pay interest at the Prescribed Rate both before and after judgement upon:-

3.30.1 any instalment of the Yearly Rent or any sum due as part of or on account of the Service Charge or the Insurance Charge which shall not have been paid to the landlord after the same became due for the period from the date on which the same became due to the date on which the same was paid; and

3.30.2 any expenditure by the Landlord not included in the Service Charge or the Insurance Charge but for which the Tenant is obliged to reimburse the Landlord for the period from the date of 28 days after the Landlord demands the same from the Tenant to the date on which such reimbursement was made

REPLACEMENT OF SURETIES

3.31 That if and as often as any of the persons comprising the Sureties being an individual shall die or become bankrupt or enter into any composition with his

creditors or being a corporation shall enter into liquidation or otherwise cease to exist or have a receiver appointed of its undertaking or assets or any part thereof then the Tenant shall if the Landlord so requests procure at the Tenant's expense that some other person reasonably acceptable to the Landlord executes and deliver to the Landlord a Deed in such form as the Landlord's Solicitors reasonably require whereby such other person

shall covenant with the Landlord in like terms to the covenant by the Sureties hereinafter contained and references in this Lease to the Sureties shall thereafter be construed for all purposes as including references to that other person

SOLICITORS COSTS

3.32 To pay a contribution of £500 plus VAT towards the Landlords Solicitors costs for the preparation of this Lease together with Stamp Duty on this Lease and Courtpart

LANDLORD'S COVENANTS

4 THE Landlord hereby covenants with the Tenant as follows:-

4.1 The Landlord will insure and keep insured the Demised Premises with substantial insurers against damage or destruction by the Insurance Risks in an amount equal to the full reinstatement value of the Demised Premises plus the estimated costs of clearing debris and of Architects' Surveyors' and other professional fees in connection with reinstatement plus loss of three years rent of the Demised Premises and will upon written demand by the Tenant produce satisfactory evidence from insurers of the terms of the policy and that the same is subsisting and still in effect and will in the

event of the Demised Premises being destroyed or damaged by any of the Insured Risks with all practicable speed and subject to all necessary licences consents permissions and approvals being obtainable lay out the money received in respect of such insurance (other than in respect of loss of rent) in reinstating the damage in respect of which the same shall have been paid

4.2 That the Tenant paying the rents hereby reserved and observing and performing the covenants on its part and the conditions herein contained shall peaceably hold and enjoy the Demised Premises throughout the said terms without any lawful interruption by the Landlord or any person lawfully claiming under through or in trust for the Landlord

5 PROVIDED ALWAYS AND IT IS EXPRESSLY AGREED as follows:-

FORFEITURE

5.1 If the rents hereby reserved or any part thereof shall be in arrear for 28 days after the same shall have become due (whether legally demanded or not) and for the purposes of this clause any rents paid by the tenant by bankers standing order or credit transfer shall be deemed for all purposes hereof not to have been received by the Landlord until the same shall have been received by the Landlord's bank or in the event of any breach of any of the Tenant's covenants herein contained or if the Tenant or any Surety for the tenant (being a company) shall enter into liquidation (other than a voluntary members liquidation when solvent for the purpose of reconstruction or amalgamation forthwith carried into effect) whether voluntarily or compulsorily or if the Tenant or any Surety shall for any reason be removed from the register of companies or be unable to pay its debts within the meaning of Section 123 of the Insolvency Act

1986 or if a petition shall be deemed presented for the appointment of an administrator or a receiver (whether or not an administrative receiver) or manager shall be appointed for the whole or any part of its or their respective undertakings or an administration order shall be made or if there

shall be convened a meeting of credits or members to consider voluntary arrangement or any other scheme or composition with the Tenant's creditors or if the Tenant or such Surety (not being a company) shall become bankrupt have a bankruptcy order made against it or them or a petition for such order shall be presented or if an interim receiver is appointed of the property of the Tenant or such Surety or if the tenant or such Surety (whether or not a company) shall enter into any arrangement or composition for the benefit of its or their respective creditors shall suffer any distress or execution to be levied on their respective goods then in any of the said cases it shall be lawful for the Landlord or any person on its behalf at any time thereafter to re-enter upon the Demised Premises or any part thereof in the name of the whole and thenceforth peaceably to hold any enjoy the same as if this Lease had not been made and thereupon this demise shall absolutely determine but without prejudice to any right of action of the Landlord in respect of any breach of the Tenant's covenants herein contained

SUSPENSION OF RENT

5.2 That if the Demised Premises or any part thereof shall be so destroyed or damaged by any of the Insured Risks as to be unfit for occupation and use by the tenant then (unless any of the insurance money in respect of loss of rent shall have been rendered irrecoverable by the act of default of the Tenant or any other person deriving

title from the Tenant or any licensee or invitee of the Tenant or any such other person)
the rent hereby reserved or a fair proportion
thereof according to the extent of the damage shall be suspended and cease to be
payable until the Demised Premises shall be reinstated and fit for occupation and use

FORM OF LICENCES ETC

5.3 Any consent permission licence or approval purporting to be given by the Landlord to
the tenant in relation to this Lease or the Demised Premises whether or not the same
be required to be obtained by the Tenant by any of the covenants or conditions herein
contained shall in effective unless the same be give either:-

5.3.1 by Deed; or

5.3.2 by writing under the hand of the landlord or some duly authorised officer or agent
of the Landlord expressly stating that the Landlord does not require the same to
be by Deed

WAIVER OF RIGHT TO FORFEIT

5.4 That no demand for or acceptance or receipt of any part of the Yearly rent or the
Service Charge or any payment on account thereof shall operate as a waiver by the
Landlord of any right which the Landlord may have to forfeit this Lease by reason of
any breach of covenant or condition by the Tenant notwithstanding that the Landlord
my know or be deemed to know of such breach at the date of such demand
acceptance or receipt

IMPLIED EASEMENTS

5.5 Nothing herein contained shall operate to grant by implication or otherwise any estate
right or easement not hereby expressly granted by the Landlord

SERVICE OF NOTICES

5.6 The Provisions of Section 196 of the Law of Property Act 1925 as amended by the Recorded Delivery Service Act 1962 shall apply to any notices served pursuant to or in connection with this Lease as if such notices were notices required or authorised under the said Acts

VAT

5.7 All references in this Lease to amounts (including rent) if payable by the Tenant to the Landlord shall be construed as references to such amounts exclusive of Value Added Tax and the Tenant shall pay to the Landlord in addition to any such amount any Value Added Tax payable on that amount

5.8 If it becomes necessary the Landlord may issue a yearly invoice in accordance with Regulation 19 of the Value Added Tax (General) Regulations 1985 (S.I. 1985/886)

6 IT is hereby certified that there is no Agreement for Lease to which this Lease gives effect

IN WITNESS whereof the parties have executed this Lease the day and year first above written

THE FIRST SCHEDULE

Part I

Description of the Demised Premises

The Freehold and Leasehold property at Walker Street and Andrew Street Sheffield and registered at HM Land Registry with title absolute and title good leasehold under title

numbers SYK272337 freehold in respect of which this is a Lease, SYK281419, SYK281420 and SYK308744 leasehold in respect of which this is an Underlease.

THE SECOND SCHEDULE

Provisions as to Rent Review

1. At each of the Review Dates and the Initial Future Review the Yearly Rent shall be reviewed and on and from the day following the relevant Review Date shall be the higher of (i) the Yearly Rent payable on such Review Date and (ii) the rack rental value of the Demised Premises at such Review Date
2. If during any period whilst rent Restriction Legislation is in force the Landlord shall be precluded by such Legislation from requiring the Tenant to pay the full amount of the Yearly Rent payable immediately before the commencement of such period or of the Yearly Rent payable as from the day following any Review Date occurring during that period or if no review of rent shall for any reason whatsoever be carried out in respect of a Review Date falling within that period the Landlord may on each occasion during such period when such Legislation makes it lawful for the Landlord to require the Tenant to pay an increased amount of rent and also on the occasion when such period comes to an end require a supplementary review of the Yearly Rent by a Review Notice given to the Tenant before or not later than six months after the relevant occasion in which event the Yearly Rent payable immediately before such occasion (ii) the rack rental value of the Demised Premises at such occasion and (iii) the greatest amount of yearly rent it

would have been lawful to charge for the Demised Premises pursuant to the terms of such Legislation and for the purpose of the remaining provisions of this Schedule each such occasion shall be deemed a Review Date

3. Rack rental value of the Demised Premises means such rent as may be agreed or determined as hereinafter provided to be the best yearly rent at which the demised Premises could reasonably be expected to let (whether as a whole or in parts) with vacant possession in the open market by a willing landlord to a willing tenant for a term ("the hypothetical term") commencing on the day following the relevant Review Date equal to the term hereby granted by means of a lease containing the same provisions (including provisions for the review of the Yearly Rent) as are herein contained on the following assumptions:-

- 3.1 that Demised Premises are in such condition as they would have been in had the Tenant's covenants herein contained been fully complied with at that date;
- 3.2 that if the Demised Premises have been destroyed or damaged (whether by any of the Insured Risks or otherwise) they have been completely reinstated;
- 3.3 that the Demised Premises are fit in all respects for immediate occupation and use for the Permitted Use; and
- 3.4 that there is disregarded any effect on rent of:-
 - 3.4.1 the tenant being in occupation of the Demised Premises
 - 3.4.2 goodwill attaching to the Demised Premises solely by virtue of any business carried on thereat by the Tenant; and
 - 3.4.3 any improvement carried out to the Demised Premises in conformity with

the covenants herein contained by the Tenant or any person deriving title from the Tenant at its own expense not being an improvement carried out in pursuance of an obligation to the Landlord;

3.4.4 Rent Registration Legislation

3.5 that the amount of the Yearly Rent payable on or at any time before the relevant Review Date is disregarded

3.6 that the Review Dates are:-

3.6.1 such of the review Dates herein before stipulated as will occur during the hypothetical term; and

3.7 the dates of expiry of the second year of the hypothetical term calculated from the last of the Review Dates referred to in the preceding sub-clause 3.6.1

4. The Landlord and the Tenant agree to use their respective best endeavours to see that the determination of the rack rental value of the Demised Premises is proceeded with as expeditiously as possible

5.1 If the Landlord and the Tenant fail to agree upon the rack rental value of the demised Premises the same shall be determined by an independent surveyor (hereinafter called "the Surveyor") agreed upon by the Landlord and the Tenant or failing agreement appointed on the application of either of them by the President for the time being of the Royal Institution of Chartered Surveyors and no delay however long in making such application shall prejudice the right of the Landlord or the Tenant to

require the rack rental value to be determined as aforesaid

- 5.2 The Surveyor shall act as an arbitrator and not as an expert in accordance with the Arbitration Acts 1950 and 1979
6. If the rent payable as from any review Date shall not have been agreed or determined by that Review Date the Tenant shall continue to pay rent at the rate payable immediately before the Review Date but immediately upon the rent payable as from that Review Date being agreed or determined shall pay to the Landlord on demand the balance (if any) due from the Tenant in respect of the period from that Review Date to the Quarter Day next after the rent payable as from that review Date shall have been agreed or determined together with interest on such balance at 4% below the Prescribed Rate calculated on a day to day basis for the period from that review Date to the date of payment of such balance
- 7 The Tenant and the Sureties shall at the Tenant's expense when required by the Landlord execute and deliver to the Landlord a Memorandum in such form as the Landlord's Solicitors shall reasonably require recording the amount of the Yearly rent payable from any Review Date

THE THIRD SCHEDULE

Authorised Guarantee Agreement

The Tenants covenants with the Landlord that

1. (a) the Assignee will pay the rents reserved and observe and perform its covenants and conditions in this Lease and the Tenant will indemnify the Landlord on demand against all losses damages costs and expenses arising out of any default by the Assignee
- (b) if for any reason the Term shall be prematurely determined or

liquidated or a trustee in bankruptcy of the Assignee disclaims this Lease or if this Lease shall otherwise be disclaimed in circumstances releasing the estate of the Assignee from liability or if this Lease is determined by forfeiture or re-entry and if within 3 months of any such event the Landlord shall by notice in writing so require the Tenant will enter into a new Lease of the premises at the cost of the Tenant on the same terms for the residue of the term which would have remained had there been no such determination disclaimer forfeiture or re-entry

(c) if the Landlord does not require the Tenant to take a new Lease pursuant to sub-clause (b) above the Tenant will pay to the Landlord on demand a sum equal to the rents and other monies that would have been payable under this Lease but for such determination disclaimer forfeiture or re-entry until the expiration of 3 months therefrom or until the premises should have been relet whichever shall first occur

2. The liability of the Tenant hereunder shall not be affected by any neglect of forbearance of the Landlord in enforcing the payments of the Rents or the observance or performance of the said covenants and conditions or any refusal by the Landlord to accept rent at a time when the Landlord was entitled (or would after service of a notice under section 146 of the Law of Property Act 1925 have been entitled) to re-enter the premises or any variation of the terms of this Lease or any change in the constitution structure or powers of the Tenant the Assignee or the Landlord or any act

which is beyond the powers of the Assignee or the surrender of part of the premises

- 3. As between the Landlord and the Tenant shall be deemed to be a principal debtor
- 4. The Tenant shall not be entitled to participate in any security held by the Landlord in respect of the Assignee's obligations or stand in the Landlord's place in respect of such security
- 5. Where the Tenant is more than one person the release of one or more of them shall not release the others

The liability of Hornbuckle Mitchell Trustees Limited shall not be personal but shall be limited to the extent of the assets of the Trust but without prejudice to the full personal joint and several liability of the other parties to the account.

Subscribed for the **FRANK HAYES AND HORNBUCKLE MITCHELL TRUSTEES LIMITED** of Cotton Court Middlewick Road Holmes Chapel Cheshire on its behalf by:

Signature.....

Full Name.....
Authorised Attorney for and on behalf of
Hornbuckle Mitchell Trustees Limited

Signed as a Deed by the said
FRANK HAYES AND SUSAN HAYES
in the presence of:-

SIGNED AS A DEED BY SHEFFIELD MOTORCYCLE CENTRE (HOLDING) LIMITED

Director

Director/Secretary

SIGNED AS A DEED BY SMC MOTORCYCLES LIMITED
Director

Director/Secretary

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5. Where the Tenant is more than one person the release of one or more of them shall not release the others

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Subscribed for the **FRANK HAYES AND HORNBUCKLE MITCHELL TRUSTEES LIMITED** of Cotton Court, Middlewick Road, Holmes Chapel, Cheshire on its behalf by:

Signature.....

Full Name.....

Authorised Attorney for and on behalf of Hornbuckle Mitchell Trustees Limited

Signed as a Deed by the said **FRANK HAYES AND SUSAN HAYES**

in the presence of:

SIGNED AS A DEED BY SHEFFIELD MOTORCYCLE CENTRE (HOLDING) LIMITED

Director

Director/Secretary

SIGNED AS A DEED BY SMC MOTORCYCLES LIMITED

Director

Director/Secretary

Dated this 10

day of January

2007

FRANK HAYES AND HORNBUCKLE MITCHELL TRUSTEES LIMITED as Trustees
of SMC Limited SSAS

AND

FRANK HAYES AND SUSAN HAYES

AND

SHEFFIELD MOTORCYCLE CENTRE (HOLDING) LIMITED

TO

SMC MOTORCYCLES LIMITED

LEASE OF

Freehold and Leasehold Property at Walker Street and
Andrew Street Sheffield and registered at HM Land Registry with title absolute
And title good leasehold under title numbers SYK272337, SYK281419, SYK281240
and SYK308744

Messrs Anderson Partnership
Solicitors
71 Saltergate
Chesterfield
Derbyshire
S40 1JS