

Dated

18 August

2016

latest version  
8/8/16

(1) CHRISTOPHER FRANCIS RUSSELL PURCHASE

- and -

(2) THE SUSSEX FOOD CO LIMITED

- and -

(3) NICHOLAS SUTHERLAND and TIMOTHY VAUGHAN

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## LEASE

relating to

Ground Floor 31 North Street Chichester PO19 1LY

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**GEORGE IDE** LLP  
solicitors

52 North Street  
Chichester  
West Sussex  
PO19 1NQ  
Ref: RWE/PUR1804/15

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## **PRESCRIBED CLAUSES**

The following clauses are prescribed under rule 58A of the Land Registration Rules 2003.

### **LR1. Date of lease**

18<sup>th</sup> August

2016

### **LR2. Title number(s)**

#### **LR2.1 Landlord's title number(s)**

WSX297808

#### **LR2.2 Other title numbers**

None

### **LR3. Parties to this lease**

#### **Landlord**

Christopher Francis Russell Purchase of Greytiles 40 Church Road, East Wittering, Chichester, West Sussex, PO20 8PS

#### **Tenant**

The Sussex Food Co Limited a company incorporated and registered in England and Wales with company number 09575996, whose registered office is at Sands East Bracklesham Drive Chichester West Sussex PO20 8JW

#### **Guarantor**

Nicholas Sutherland of Holly House Chestnut Avenue Chichester West Sussex PO19 5QE and Timothy Vaughan of Sands East Bracklesham Drive Chichester West Sussex PO20 8JW.

### **LR4. Property**

**In the case of a conflict between this clause and the remainder of this lease then, for the purposes of registration, this clause shall prevail.**

See the definition of "Property" in clause 1.1 of this lease.

### **LR5. Prescribed statements etc.**

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

None.

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

None.

### **LR6. Term for which the Property is leased**

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

### **LR7. Premium**

None.

**LR8. Prohibitions or restrictions on disposing of this lease**

This lease contains a provision that prohibits or restricts dispositions.

**LR9. Rights of acquisition etc.**

**LR9.1 Tenant's contractual rights to renew this lease, to acquire the reversion or another lease of the Property, or to acquire an interest in other land**

None.

**LR9.2 Tenant's covenant to (or offer to) surrender this lease**

None.

**LR9.3 Landlord's contractual rights to acquire this lease**

None.

**LR10. Restrictive covenants given in this lease by the Landlord in respect of land other than the Property**

None.

**LR11. Easements**

**LR11.1 Easements granted by this lease for the benefit of the Property**

The easements as specified in clause 3 of this lease.

**LR11.2 Easements granted or reserved by this lease over the Property for the benefit of other property**

The easements as specified in clause 4 of this lease.

**LR12. Estate rentcharge burdening the Property**

None

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

None.

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

Inapplicable

THIS LEASE is dated

2016.

## **PARTIES**

- (1) Christopher Francis Russell Purchase of Greytiles 40 Church Road, East Wittering, Chichester, West Sussex, PO20 8PS (the "**Landlord**");
- (2) The Sussex Food Co Limited a company incorporated and registered in England and Wales with company number 09575996, whose registered office is at Sands East Bracklesham Drive Chichester West Sussex PO20 8JW (the "**Tenant**"); and
- (3) Nicholas Sutherland of Holly House Chestnut Avenue Chichester West Sussex PO19 5QE and Timothy Vaughan of Sands East Bracklesham Drive Chichester West Sussex PO20 8JW (the "**Guarantor**").

## **AGREED TERMS**

### **1 Interpretation**

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

#### **1.1 Definitions**

"**Annual Rent**"; means rent at the following rates:

- (a) for the first year of the Contractual Term rent at the rate of £48,000 per annum;
- (b) for the second year of the Contractual Term rent at the rate of £49,000 per annum;
- (c) for the third, fourth and fifth years of the Contractual Term rent at the rate of £50,000 per annum;

and then as revised pursuant to this lease and any interim rent determined under the LTA 1954.

"**Break Date**"; 10 October 2018.

"**Break Notice**"; written notice to terminate this lease, given at least three months before the Break Date.

"**Building**"; 31 North Street Chichester PO19 1LY comprised in title WSX297808.

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

"**Common Parts**"; means the Building other than the Property and the Lettable Units.

"**Contractual Term**"; a term of 10 years beginning on 10 October 2016.

"**Default Interest Rate**"; 4% per annum above the Interest Rate.

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

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

"**Entrance Hall**"; the entrance hall coloured yellow on the Plan.

**"Expert"**; an independent surveyor who shall be a Member or Fellow of the RICS with five or more years' post-qualification experience in commercial property appointed to determine a dispute as an expert in accordance with clause 8.

**"Insurance Rent"**; the aggregate in each year of:

- (a) the Tenant's Proportion of the gross cost of the premium before any discount or commission for:
  - (i) the insurance of the Building, other than any plate glass, for its full reinstatement cost (taking inflation of building costs into account) against loss or damage by or in consequence of the Insured Risks, including costs of demolition, site clearance, site protection and shoring-up, professionals' and statutory fees and incidental expenses, the cost of any work which may be required under any law and VAT in respect of all those costs, fees and expenses; and
  - (ii) public liability insurance in relation to the Common Parts;
- (b) the gross cost of the premium before any discount or commission for insurance for loss of Annual Rent from the Property for three years; and
- (c) any insurance premium tax payable on the above.

**"Insured Risks"**; means fire, explosion, lightning, earthquake, storm, flood, bursting and overflowing of water tanks, apparatus or pipes, impact by aircraft and articles dropped from them, impact by vehicles, subsidence, ground slip, heave, riot, civil commotion and any other risks against which the Landlord decides to insure against from time to time and Insured Risk means any one of the Insured Risks.

**"Interest Rate"**; the base rate from time to time of Barclays Bank PLC, or if that base rate stops being used or published then a comparable commercial rate reasonably determined by the Landlord.

**"LTA 1954"**; Landlord and Tenant Act 1954.

**"Lettable Unit"**; a part of the Building other than the Property, that is capable of being let and occupied on terms similar to those of this lease.

**"Permitted Use"**; use as a restaurant, delicatessen and wine bar, or such other use within Use Classes A1, A2, A3, A4 or A5 of the Town and Country Planning (Use Classes) Order 1987 as at the date this lease is granted to which the Landlord consents in writing such consent not to be unreasonably delayed or withheld.

**"Plan"**; the plan annexed to this lease.

**"Property"**; the ground floor, basement, garden and garage forming part of the Building, shown coloured blue, green and brown on the Plan including where appropriate:

- (a) the floor and ceiling finishes;
- (b) the interior plasterwork and finishes of the walls bounding the Property or which adjoin another Lettable Unit or the Retained Parts (provided that the interior surfaces of the flank garden walls are not included in the demise);
- (c) the doors and windows within the Property or which adjoin another Lettable Unit or the Retained Parts and their frames and fittings;
- (d) all Service Media that are in or exclusively serve the Property;
- (e) one half of the thickness of the interior, non-load-bearing walls that adjoin another Lettable Unit or the Retained Parts; and

- (f) any additions or improvements to the Property and all buildings now or during the term erected on the Property;

but excluding the Retained Parts.

**"Recommendation Report"**; a report as defined in regulation 4 of the Energy Performance of Buildings (England and Wales) Regulations 2012 (SI 2012/3118).

**"Rent Payment Dates"**; the 28<sup>th</sup> (or closest Working Day after that date) of each month.

**"Reservations"**; all of the rights excepted, reserved and granted to the Landlord by this lease.

**"Retained Parts"**; the retained parts of the Building comprising;

- (a) the Common Parts;
- (b) the Entrance Hall;
- (c) the Yard Area;
- (d) the structure of the existing conservatory as at the date of this lease;
- (e) the main structure of the Building including the foundations, floor slabs, joists, roof, gutters, roof spaces, external, structural or load bearing walls, columns, beams and supports;
- (f) any Service media which do not exclusively serve the Property;
- (g) all drives, yards, bin areas, ground (apart from the garden included in the demise), parking areas, bin areas, or boundary structures separating the Building from adjoining premises, sheds or communal areas

**"Review Date"**; 10 October 2021.

**"Service Charge"**; the Tenant's Proportion of the Service Costs.

**"Service Charge Year"**; is the annual accounting period relating to the Services and the Service Costs.

**"Service Costs"**; the costs listed in clause 8.2.

**"Service Media"**; all media for the supply or removal of heat, electricity, gas, water, sewage, air conditioning, energy, telecommunications, data and all other services and utilities and all structures, machinery and equipment ancillary to those media.

**"Services"**; the services listed in clause 8.1.

**"Tenant's Proportion"**; a fair proportion.

**"Third Party Rights"**; all rights, covenants and restrictions affecting the Building including the matters referred to at the date of this lease in the property register and entry 1 of the charges register of WSX297808.

**"VAT"**; value added tax chargeable under the VATA 1994 and any similar replacement tax and any similar additional tax.

**"VATA 1994"**; the Value Added Tax Act 1994.

**"Yard Area"**; the area hatched black on the Plan (or such alternative area designated for use as the Yard Area by the Landlord from time to time pursuant to clause 3 of this lease)

- 1.2 A reference to this **lease**, except a reference to the date of this lease or to the grant of this lease, is a reference to this deed and any deed, licence, consent, approval or other instrument supplemental to it.
- 1.3 A reference to the Landlord includes a reference to the person entitled to the immediate reversion to this lease. A reference to the Tenant includes a reference to its successors in title and assigns. A reference to a **guarantor** includes a reference to the Guarantor and to any other guarantor of the tenant covenants of this lease including a guarantor who has entered into an authorised guarantee agreement.
- 1.4 Subject to the provisions of clause 8 in respect to the Service Charge, in relation to any payment, a reference to a **fair proportion** is to a fair proportion of the total amount payable, determined conclusively (except as to questions of law) by the Landlord acting reasonably.
- 1.5 The expressions **landlord covenant** and **tenant covenant** each has the meaning given to it by the Landlord and Tenant (Covenants) Act 1995.
- 1.6 Unless the context otherwise requires, references to the Building, the Retained Parts, the Common Parts, a Lettable Unit and the Property are to the whole and any part of them or it.
- 1.7 The expression **neighbouring property** does not include the Building.
- 1.8 A reference to the **term** is to the Contractual Term and any statutory continuation of this lease. A reference to the **end of the term** is to the end of the term however it ends.
- 1.9 References to the **consent** of the Landlord are to the consent of the Landlord given in accordance with clause 41.5 and references to the **approval** of the Landlord are to the approval of the Landlord given in accordance with clause 41.6.
- 1.10 A **working day** is any day which is not a Saturday, a Sunday, a bank holiday or a public holiday in England.
- 1.11 A reference to laws in general is a reference to all local, national and directly applicable supra-national laws as amended, extended or re-enacted from time to time and shall include all subordinate laws made from time to time under them and all orders, notices, codes of practice and guidance made under them.
- 1.12 Unless otherwise specified, a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time and shall include all subordinate legislation made from time to time under that statute or statutory provision and all orders, notices, codes of practice and guidance made under it.
- 1.13 Any obligation on the Tenant not to do something includes an obligation not to allow that thing to be done and an obligation to use best endeavours to prevent that thing being done by another person.
- 1.14 Unless the context otherwise requires, any words following the terms "**including**", "**include**", "**in particular**", "**for example**" or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- 1.15 A "**person**" includes a natural person, corporate or unincorporated body (whether or not having separate legal personality).
- 1.16 A reference to **writing** or **written** excludes fax but not email.
- 1.17 Unless the context otherwise requires, references to clauses and Schedules are to the clauses and Schedules of this lease and references to paragraphs are to paragraphs of the relevant Schedule. Clause, Schedule and paragraph headings shall not affect the interpretation of this lease.

- 1.18 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders, and words in the singular shall include the plural and in the plural include the singular.

## **2 Grant**

- 2.1 The Landlord lets the Property with full title guarantee to the Tenant for the Contractual Term.
- 2.2 The grant is made together with the ancillary rights set out in clause 3, excepting and reserving to the Landlord the rights set out in clause 4, and subject to the Third Party Rights.
- 2.3 The grant is made with the Tenant paying the following as rent to the Landlord:
- (a) the Annual Rent and all VAT in respect of it;
  - (b) the Service Charge and all VAT in respect of it;
  - (c) the Insurance Rent;
  - (d) all interest payable under this lease; and
  - (e) all other sums due under this lease.

## **3 Ancillary rights**

- 3.1 The Landlord grants the Tenant the following rights (the "Rights"):
- (a) the right to support and protection from the Retained Parts to the extent that the Retained Parts provide support and protection to the Property at date of this lease;
  - (b) the right of way on foot only at all times when the Property is open for business:
    - (i) over and along the Entrance Hall;
    - (ii) over and along the passageway on the north side of the Building between the Yard Area and North Street; and
    - (iii) over and along the Yard Area.
  - (c) the vehicular right of way by suitable van only:
    - (i) over the Yard Area for the purpose of delivery of goods in connection with the Permitted Use;
    - (ii) in emergency only and only so far as possible and if required by law over any open areas within the Common Parts shown cross hatched black on the Plan.
  - (d) the right to park two private cars within the Yard Area in positions to be determined from time to time by the Landlord so as not to cause undue obstruction in the Yard Area and provided that no vehicles may be parked in the bin area designated from time to time by the Landlord, and no other vehicles may be parked on the Yard Area except while loading or unloading;
  - (e) the right to use four wheeled bins of a type and size to be approved by the Landlord in the bin area from time to time designated by the Landlord in the Yard Area.
  - (f) the right to use and to connect into any Service Media at the Building that belong to the Landlord and serve (but do not form part of) the Property which are in

- existence at the date of this lease or are installed or constructed during the Contractual Term;
- (g) the right to erect or place on the Building appropriate signage and menus, the size and colouring of which is to be agreed by the landlord in writing, such agreement not to be unreasonably delayed or withheld; and
  - (h) the right to enter the Common Parts or any other Lettable Unit so far as is reasonably necessary to carry out any works to the Property required or permitted by this lease.
- 3.2 The Rights are granted in common with the Landlord and any other person authorised by the Landlord.
- 3.3 The Rights are granted subject to the Third Party Rights insofar as the Third Party Rights affect the Retained Parts and the Tenant shall not do anything that may interfere with any Third Party Right.
- 3.4 The Tenant shall exercise the Rights (other than the Right mentioned in clause 3.1(a)) only in connection with its use of the Property for the Permitted Use while the Property is open for business and in accordance with any regulations made by the Landlord as mentioned in clause 29.1.
- 3.5 The Tenant shall comply with all laws relating to its use of the Retained Parts pursuant to the Rights.
- 3.6 In relation to the Rights the Landlord may vary or alter the size and layout of the Yard Area and the routes of all rights of way and the parking areas from time to time providing that such variations do not substantially and materially diminish or prevent the exercise of the Rights.
- 3.7 In relation to the Rights mentioned in clause 3.1(f), the Landlord may, at its discretion, re-route or replace over the Retained Parts any such Service Media and that Right shall then apply in relation to the Service Media as re-routed or replaced.
- 3.8 In exercising the Right mentioned in clause 3.1(h), the Tenant shall:
- (a) except in case of emergency, give reasonable notice to the Landlord and any occupiers of the relevant Lettable Unit(s) of its intention to exercise that Right;
  - (b) where reasonably required by the Landlord or the occupier of the relevant Lettable Unit(s), exercise that Right only if accompanied by a representative of the Landlord and/or the tenant and/or the occupier of the relevant Lettable Unit(s);
  - (c) cause as little damage as possible to the Retained Parts and the other Lettable Units and to any property belonging to or used by the Landlord or the tenants or occupiers of the other Lettable Units;
  - (d) cause as little inconvenience as possible to the Landlord and the tenants and occupiers of the other Lettable Units as is reasonably practicable; and
  - (e) promptly make good (to the satisfaction of the Landlord) any damage caused to the Retained Parts (or to any property belonging to or used by the Landlord) by reason of the Tenant exercising that Right.
- 3.9 Except as mentioned in this clause 3, neither the grant of this lease nor anything in it confers any right over the Common Parts or any Lettable Unit or any neighbouring property nor is to be taken to show that the Tenant may have any right over the Common Parts or any Lettable Unit or any neighbouring property, and section 62 of the Law of Property Act 1925 does not apply to this lease.

#### 4 Rights excepted and reserved

4.1 The following rights are excepted and reserved from this lease to the Landlord for the benefit of the Building and the Landlord's Neighbouring Property and to the extent possible for the benefit of any neighbouring or adjoining property in which the Landlord acquires an interest during the term:

- (a) rights of light, air, support and protection to the extent those rights are capable of being enjoyed at any time during the term;
- (b) the right to use and to connect into Service Media at, but not forming part of, the Property which are in existence at the date of this lease or which are installed or constructed during the term; the right to install and construct Service Media at the Property to serve any part of the Building (whether or not such Service Media also serve the Property); and the right to re-route any Service Media mentioned in this clause;
- (c) at any time during the term, the full and free right to develop any neighbouring or adjoining property in which the Landlord has or acquires an interest during the term as the Landlord may think fit;
- (d) the right to erect scaffolding at the Property or the Building and attach it to any part of the Property or the Building in connection with any of the Reservations;
- (e) the right to attach any structure, fixture or fitting to the boundary of the Property in connection with any of the Reservations;
- (f) the right to re-route any means of access to or egress from the Property or the Building to change the areas over which the Rights mentioned in clause 3.1 to are exercised;
- (g) the right to re-route and replace any Service Media over which the Rights mentioned in clause 3.1(f) are exercised;
- (h) the right to park a car in the Yard Area;
- (i) the right to maintain a bin and bike store on the Yard Area,

notwithstanding that the exercise of any of the Reservations or the works carried out pursuant to them result in a reduction in the flow of light or air to the Property or the Retained Parts or loss of amenity for the Property or the Retained Parts provided that in exercising the Reservations the landlord shall do as little damage as possible to the Property and make good to the reasonable satisfaction of the Tenant any damage which is caused and shall cause as little disruption to the Tenant's business as is reasonably possible.

4.2 The Landlord reserves the right to enter the Property:

- (a) to repair, maintain, install, construct re-route or replace any Service Media or structure relating to any of the Reservations;
- (b) to carry out any works to the Lettable Unit; and
- (c) for any other purpose mentioned in or connected with:
  - (i) this lease;
  - (ii) the Reservations; and
  - (iii) the interest of the Landlord in the Property or the Building.

4.3 The Reservations may be exercised by the Landlord and by anyone else who is or becomes entitled to exercise them, and by anyone authorised by the Landlord.

4.4 The Tenant shall allow all those entitled to exercise any right to enter the Property, to do so with their workers, contractors, agents and professional advisors, and to enter the Property at any reasonable time (whether or not during usual business hours) and, except in the case of an emergency, after having given reasonable notice (which need not be in writing) to the Tenant.

4.5 No party exercising any of the Reservations, nor its workers, contractors, agents and professional advisors, shall be liable to the Tenant or to any undertenant or other occupier of or person at the Property for any loss, damage, injury, nuisance or inconvenience arising by reason of its exercising any of the Reservations except for:

- (a) physical damage to the Property; or
- (b) any loss, damage, injury, nuisance or inconvenience in relation to which the law prevents the Landlord from excluding liability.

## **5 Third party rights**

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

5.2 The Tenant shall allow the Landlord and any other person authorised by the terms of the Third Party Right to enter the Property in accordance with its terms.

## **6 The Annual Rent**

6.1 The Tenant shall pay the Annual Rent and any VAT in respect of it by twelve equal instalments in advance on or before the Rent Payment Dates. The payments shall be made by direct debit or by any other method that the Landlord reasonably requires at any time by giving notice to the Tenant.

6.2 The first instalment of the Annual Rent and any VAT in respect of it shall be made on the date of this lease and shall be the proportion, calculated on a daily basis, in respect of the period beginning on the date of this lease until the day before the next Rent Payment Date.

## **7 Review of the Annual Rent**

7.1 In this lease the "**President**" is the President for the time being of the Royal Institution of Chartered Surveyors or a person acting on his behalf, and the "**Surveyor**" is the independent valuer appointed pursuant to clause 7.7.

7.2 The amount of Annual Rent shall be reviewed on the Review Date to equal:

- (a) the Annual Rent payable immediately before the Review Date (or which would then be payable but for any abatement or suspension of the Annual Rent or restriction on the right to collect it) or, if greater;
- (b) the open market rent agreed or determined pursuant to this clause.

7.3 The open market rent may be agreed between the Landlord and the Tenant at any time before it is determined by the Surveyor.

7.4 If the open market rent is determined by the Surveyor, it shall be the amount that the Surveyor determines is the best annual rent (exclusive of any VAT) at which the Property could reasonably be expected to be let:

- (a) in the open market;
- (b) at the Review Date;
- (c) on the assumptions listed in clause 7.5; and

- (d) disregarding the matters listed in clause 7.6.

7.5 The assumptions are:

- (a) the Property is available to let in the open market:
  - (i) by a willing lessor to a willing lessee;
  - (ii) as a whole;
  - (iii) with vacant possession;
  - (iv) without a fine or a premium;
  - (v) for a term equal to the unexpired residue of the Contractual Term at the Review Date or a term of 10 years commencing on the Review Date, if longer; and
  - (vi) otherwise on the terms of this lease other than as to the amount of the Annual Rent but including the provisions for review of the Annual Rent;
- (b) the willing lessee has had the benefit of any rent-free or other concession or contribution which would be offered in the open market at the Review Date in relation to fitting out works at the Property;
- (c) the Property may lawfully be used, and is in a physical state to enable it to be lawfully used, by the willing lessee (or any potential undertenant or assignee of the willing lessee) for any purpose permitted by this lease;
- (d) the Landlord and the Tenant have fully complied with their obligations in this lease;
- (e) if the Property or any means of access to it or any Service Media serving the Property, has been destroyed or damaged, it has been fully restored;
- (f) no work has been carried out on the Property that has diminished its rental value;
- (g) any fixtures, fittings, machinery or equipment supplied to the Property by the Landlord that have been removed by or at the request of the Tenant, or any undertenant or their respective predecessors in title (otherwise than to comply with any law) remain at the Property; and
- (h) the willing lessee and its potential assignees and undertenants shall not be disadvantaged by any actual or potential exercise of an option to tax under Part 1 of Schedule 10 to the VATA 1994 in relation to the Property.

7.6 The matters to be disregarded are:

- (a) any effect on rent of the fact that the Tenant or any authorised undertenant has been in occupation of the Property;
- (b) any goodwill attached to the Property by reason of any business carried out there by the Tenant or by any authorised undertenant or by any of their predecessors in business;
- (c) any effect on rent attributable to any physical improvement to the Property (including the conservatory) carried out after the date of this lease, by or at the expense of the Tenant or any authorised undertenant with all necessary consents, approvals and authorisations and not pursuant to an obligation to the Landlord (other than an obligation to comply with any law);

- (d) any effect on rent of any obligation on the Tenant to reinstate the Property to the condition or design it was in before any alterations or improvements were carried out; and
  - (e) any statutory restriction on rents or the right to recover them.
- 7.7 The Surveyor shall be an independent valuer who is a Member or Fellow of the Royal Institution of Chartered Surveyors. The Landlord and the Tenant may, by agreement, appoint the Surveyor at any time before either of them applies to the President for the Surveyor to be appointed. Any application to the President may not be made earlier than three months before the Review Date.
- 7.8 The Surveyor shall act as an expert and not as an arbitrator. The Surveyor shall determine the open market rent and shall have power to determine any issue involving the interpretation of any provision of this lease, his jurisdiction to determine the matters and issues referred to him or his terms of reference. The Surveyor's decision shall be given in writing, and the Surveyor shall provide reasons for any determination. The Surveyor's written decision on the matters referred to him shall be final and binding in the absence of manifest error or fraud.
- 7.9 The Surveyor shall give the Landlord and the Tenant an opportunity to make written representations to the Surveyor and to make written counter-representations commenting on the representations of the other party to the Surveyor. The parties will provide (or procure that others provide) the Surveyor with such assistance and documents as the Surveyor reasonably requires for the purpose of reaching a decision.
- 7.10 If the Surveyor dies, or becomes unwilling or incapable of acting, or unreasonably delays in making any determination, then either the Landlord or the Tenant may apply to the President to discharge the Surveyor and clause 7.7 shall then apply in relation to the appointment of a replacement.
- 7.11 The fees and expenses of the Surveyor and the cost of the Surveyor's appointment and any counsel's fees, or other fees, incurred by the Surveyor shall be payable by the Landlord and the Tenant in the proportions that the Surveyor directs (or if the Surveyor makes no direction, then equally). If either the Landlord or the Tenant does not pay its part of the Surveyor's fees and expenses within ten working days after demand by the Surveyor then:
  - (a) the other party may pay instead; and
  - (b) the amount so paid shall be a debt of the party that should have paid due and payable on demand to the party that actually made the payment.
- The Landlord and the Tenant shall otherwise each bear their own costs in connection with the rent review.
- 7.12 If the revised Annual Rent has not been agreed by the Landlord and the Tenant or determined by the Surveyor on or before the Review Date, the Annual Rent payable from (and including) the Review Date shall continue at the rate payable immediately before the Review Date. No later than five working days after the revised Annual Rent is agreed or the Surveyor's determination is notified to the Landlord and the Tenant, the Tenant shall pay:
  - (a) the shortfall (if any) between the amount that it has paid for the period from the Review Date until the Rent Payment Date following the date of agreement or notification of the revised Annual Rent and the amount that would have been payable had the revised Annual Rent been agreed or determined on or before the Review Date; and
  - (b) interest at the Interest Rate on that shortfall calculated on a daily basis by reference to the Rent Payment Dates on which parts 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 date payment is received by the Landlord.
- 7.13 Time shall not be of the essence for the purposes of this clause.

7.14 If at any time there is a guarantor, the guarantor shall not have any right to participate in the review of the Annual Rent.

7.15 As soon as practicable after the amount of the revised Annual Rent has been agreed or determined, a memorandum recording the amount shall be signed by or on behalf of the Landlord and the Tenant and endorsed on or attached to this lease and its counterpart. The Landlord and the Tenant shall each bear their own costs in connection with the memorandum.

## **8 Services and Service Charge**

8.1 The Services are:

- (a) cleaning, maintaining, decorating, repairing and renewing those areas located on the ground floor of the Retained Parts used by the Tenant and excluding any action required as a result of or in connection with any latent or inherent defect thereon;
- (b) keeping the Entrance Hall and Yard Area, and landings and staircases clean and suitably lighted, and decorated, including cleaning, maintaining, repairing and replacing light fittings;
- (c) cleaning, maintaining, repairing and replacing refuse bins and the bin area on the Retained Parts;
- (d) cleaning, maintaining, repairing and replacing the floor coverings of the Entrance Hall; and
- (e) any other service or amenity that the Landlord may in his reasonable discretion provide for the benefit of the tenants and occupiers of the Building.

8.2 The Service Costs are the total of:

- (a) the reasonable and proper costs of:
  - (i) providing the Services in line with principles of good estate management and in an efficient and proper manner;
  - (ii) complying with the recommendations and requirements of the insurers of the Building (insofar as those recommendations and requirements relate to the Common Parts);
  - (iii) complying with all laws relating to the Common Parts, their use and any works carried out at them, and relating to the use of all Service Media, machinery and equipment at or serving the Common Parts and to any materials kept at or disposed of from the Common Parts;
  - (iv) complying with the Third Party Rights insofar as they relate to the Common Parts; and
  - (v) taking any steps (including proceedings) that the Landlord considers reasonable and necessary to prevent or remove any encroachment over the Common Parts or to prevent the acquisition of any right over the Common Parts (or the Building as a whole) or to remove any obstruction to the flow of light or air to the Common Parts (or the Building as a whole);
- (b) all rates, taxes and impositions payable in respect of the Retained Parts, their use and any works carried out on them (other than any taxes payable by the Landlord in connection with any dealing with or disposition of its reversionary interest in the Building); and

- (c) any VAT payable by the Landlord in respect of any of the items mentioned above except to the extent that the Landlord obtains credit for such VAT under the Value Added Tax Act 1994.
- 8.3 Subject to the Tenant paying the Service Charge, the Landlord shall use its reasonable endeavours to provide the Services throughout the term in line with principles of good estate management and in an efficient and proper manner and without imposing any unfair or unreasonable burden on the Tenant.
- 8.4 The Landlord shall not be obliged to carry out any works where the need for those works has arisen by reason of any damage or destruction by a risk against which the Landlord is not obliged to insure.
- 8.5 The Landlord shall not be liable for:
- (a) any interruption in, or disruption to, the provision of any of the Services for any reason that is outside the reasonable control of the Landlord; or
  - (b) any injury, loss or damage suffered by the Tenant as a result of any absence or insufficiency of any of the Services or of any breakdown or defect in any Service Media, except where due to the negligence of the Landlord.
- 8.6 The Tenant shall pay the Service Charge for each Service Charge Year on demand. If in respect of any Service Charge Year, the Service Charge shown in the budget is more than the Service Charge, the Landlord shall promptly repay to the Tenant the difference.
- 8.7 If any cost is omitted from the calculation of the Service Charge in any Service Charge Year, the Landlord shall be entitled to include it in the estimate and certificate of the Service Charge in any following Service Charge Year. Otherwise, and except in the case of error, the Service Charge certificate shall be conclusive as to all matters of fact to which it refers.
- 8.8 Without prejudice to clause 9.5(f), where the Landlord provides any Services by reason of the damage to or destruction of the Retained Parts by an Insured Risk, the costs of those Services shall not be included within the Service Charge.
- 8.9 If a dispute arises as to the fair proportion of Service Charge to be paid by the Tenant either the Landlord or the Tenant may serve notice on the other requesting that the dispute is determined by an Expert on the following terms:
- (a) The Landlord and the Tenant shall agree on the appointment of an Expert and shall agree with the Expert the terms of the Expert's appointment.
  - (b) If the Landlord and the Tenant are unable to agree on an Expert or the terms of the Expert's appointment within seven days of either party serving details of a suggested expert on the other, either party shall be entitled to request the President to appoint the Expert and to agree with the Expert the terms of the appointment.
  - (c) The Expert must prepare a written decision and give notice (including a copy) of the decision to the Landlord and the Tenant within a maximum of three months of the matter being referred to the Expert.
  - (d) If the Expert dies or becomes unwilling or incapable of acting, or does not deliver the decision within the time required by this clause then:
    - (i) the Landlord or the Tenant may apply to the President to discharge the Expert and to appoint a replacement Expert with the required expertise; and
    - (ii) this clause shall apply to the new Expert as if they were the first Expert appointed.

- (e) The Landlord and the Tenant are each entitled to make submissions to the Expert including oral submissions and will provide (or procure that others provide) the Expert with such assistance and documents as the Expert reasonably requires for the purpose of reaching a decision.
- (f) The Landlord and the Tenant shall with reasonable promptness supply each other with all information and give each other access to all documentation and personnel and/or things as they may each reasonably require to make a submission under this clause.
- (g) Any person appointed as an Expert shall determine the dispute, which may include any issue involving interpretation of this lease, or the Expert's jurisdiction or terms of reference and shall act as an expert and not as an arbitrator. The Expert's written decision on the matters referred to the Expert shall be final and binding on the parties in the absence of manifest error or fraud.
- (h) The Expert's fees and any costs properly incurred by him in arriving at his determination (including any fees and costs of any advisers appointed by the Expert) shall be borne by the parties equally or in such other proportions as the Expert shall direct.
- (i) The Landlord and the Tenant shall each act reasonably and co-operate to give effect to the provisions of this clause and otherwise do nothing to hinder or prevent the Expert from reaching a determination.

## 9 Insurance

- 9.1 Subject to clause 9.3, the Landlord shall keep the Building (other than any plate glass) insured with a reputable insurance company against loss or damage by the Insured Risks for its full reinstatement cost (taking inflation of building costs, loss of rent, all professional fees and incidental expenses into account).
- 9.2 The Landlord shall provide the Tenant with a copy of the insurance policy and promptly notify the Tenant of all material variations as and when they are imposed by the insurance company.
- 9.3 The obligation of the Landlord to insure is subject to:
  - (a) any exclusions, limitations, excesses and conditions that may be imposed by the insurers; and
  - (b) insurance being available in the insurance market on reasonable terms acceptable to the Landlord.
- 9.4 The Tenant shall pay to the Landlord on demand:
  - (a) the Insurance Rent;
  - (b) any amount that is deducted or disallowed by the insurers pursuant to any excess provision in the insurance policy; and
  - (c) the Tenant's Proportion of any costs that the Landlord incurs in obtaining a valuation of the Building for insurance purposes, such valuation to be obtained no more frequently than every 12 months.
- 9.5 The Tenant shall:
  - (a) immediately inform the Landlord if any matter occurs that any insurer or underwriter may treat as material in deciding whether or on what terms to insure or to continue to insure the Building and shall give the Landlord notice of that matter;
  - (b) not do or omit anything as a result of which any policy of insurance of the Building or any neighbouring property may become void or voidable or otherwise

- prejudiced, or the payment of any policy money may be withheld, nor (unless the Tenant has previously notified the Landlord and has paid any increased or additional premium) anything as a result of which any increased or additional insurance premium may become payable;
- (c) comply at all times with the requirements and recommendations of the insurers relating to the Property and the use by the Tenant of the Common Parts;
  - (d) give the Landlord immediate notice of the occurrence of any damage or loss relating to the Property arising from an Insured Risk;
  - (e) not effect any insurance of the Property (except any plate glass) at the Property, but if it becomes entitled to the benefit of any insurance proceeds in respect of the Property (other than in respect of plate glass) pay those proceeds or cause them to be paid to the Landlord; and
  - (f) pay the Landlord an amount equal to any insurance money that the insurers of the Building refuse to pay (in relation to the Building) by reason of any act or omission of the Tenant or any undertenant, their workers, contractors or agents or any person at the Property or the Common Parts with the actual authority of any of them.
- 9.6 The Landlord shall, subject to obtaining all necessary planning and other consents, use all insurance money received (other than for loss of rent) in connection with any damage to the Building to repair the damage for which the money has been received or (as the case may be) in rebuilding the Building. The Landlord shall not be obliged to:
- (a) provide accommodation or facilities identical in layout or design so long as accommodation reasonably equivalent to that previously at the Property and its access, services and amenities is provided; or
  - (b) repair or rebuild if the Tenant has failed to pay any of the Insurance Rent that has been demanded more than 14 days previously; or
  - (c) repair or rebuild the Building after a notice has been served pursuant to clause 9.8 or clause 9.9.
- 9.7 If the Property is damaged or destroyed by an Insured Risk so as to be unfit for occupation, inaccessible or unusable or if the Common Parts are damaged or destroyed by an Insured Risk so as to make the Property unfit for occupation, inaccessible or unusable, then, unless the policy of insurance in relation to the Property or the Common Parts has been vitiated in whole or in part in consequence of any act or omission of the Tenant, any undertenant or their respective workers, contractors or agents or any other person on the Property or the Common Parts with the actual authority of any of them, payment of the Annual Rent, or a fair proportion of it according to the nature and extent of the damage, shall be suspended until the Property has been reinstated so as to make the Property fit for occupation, accessible and useable, or the Common Parts have been reinstated so as to make the Property fit for occupation, accessible and useable (as the case may be), or until the end of three years from the date of damage or destruction, if sooner.
- 9.8 If, following damage to or destruction of the Building, the Landlord considers that it is impossible or impractical to reinstate the Building, the Landlord may terminate this lease by giving notice to the Tenant. On giving notice this lease shall determine but this shall be without prejudice to any right or remedy of either party in respect of any breach of this lease. Any proceeds of the insurance (other than any insurance for plate glass) shall belong to the Landlord and any overpaid Insurance Rent shall be returned to the Tenant.
- 9.9 Provided that the Tenant has complied with its obligations in this clause 9, the Tenant may terminate this lease by giving notice to the Landlord if, following damage or destruction of the Property or the Common Parts, the Building has not been reinstated so as to be fully fit for occupation, accessible and useable or the Common Parts have not been reinstated so as to make the Property fit for occupation, accessible and useable within three years after the date of damage or destruction. On giving this notice this lease shall determine but this

shall be without prejudice to any right or remedy of either party in respect of any breach of this lease. Any proceeds of the insurance shall belong to the Landlord and any overpaid Insurance Rent shall be returned to the Tenant.

## **10 Rates and taxes**

- 10.1 The Tenant shall pay all present and future rates, taxes and other impositions and outgoings payable in respect of the Property, its use and any works carried out there, except:
- (a) any taxes payable by the Landlord in connection with any dealing with or disposition of the reversion to this lease; or
  - (b) any taxes (other than VAT and insurance premium tax) payable by the Landlord by reason of the receipt of any of the rents due under this lease.
- 10.2 If any such rates taxes or other impositions and outgoings are payable in respect of the Property together with other land (including any other part of the Building), the Tenant shall pay a fair proportion of the total.
- 10.3 The Tenant shall not make any proposal to alter the rateable value of the Property or that value as it appears on any draft rating list, without the approval of the Landlord.
- 10.4 If, after the end of the term, the Landlord loses rating relief (or any similar relief or exemption) because it has been allowed to the Tenant, then the Tenant shall pay the Landlord an amount equal to the relief or exemption that the Landlord has lost.

## **11 Utilities**

- 11.1 The Tenant shall pay all costs in connection with the supply and removal of heat, air conditioning, electricity, gas, water, sewage, telecommunications, data and other services and utilities to or from the Property.
- 11.2 The Tenant shall comply with all laws and with any recommendations of the relevant suppliers relating to the use of those services and utilities.
- 11.3 Where the Tenant has paid any costs for and on behalf of a tenant or occupier of a Lettable Unit and the repayment has not been forthcoming within a reasonable time the Landlord will make good any shortfall to the Tenant within 10 working days of the Tenant's request.

## **12 Common Items**

- 12.1 The Tenant shall pay the Landlord on demand the Tenant's Proportion of all reasonably and properly incurred costs payable by the Landlord for the maintenance, repair, lighting, cleaning and renewal of all Service Media, structures and other items not on the Building but used or capable of being used by the Building in common with other land.
- 12.2 The Tenant shall comply with all reasonable regulations the Landlord may make from time to time in connection with the use of any of those Service Media, structures or other items.

## **13 VAT**

- 13.1 All sums payable by the Tenant are exclusive of any VAT that may be chargeable. The Tenant shall pay VAT in respect of all taxable supplies made to it in connection with this lease on the due date for making any payment or, if earlier, the date on which that supply is made for VAT purposes.
- 13.2 Every obligation on the Tenant, under or in connection with this lease, to pay the Landlord or any other person any sum by way of a refund or indemnity, shall include an obligation to pay an amount equal to any VAT incurred on that sum by the Landlord or other person except, to the extent that the Landlord or other person obtains credit for such VAT under the Value Added Tax Act 1994.

**14 Default interest and interest**

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

**15 Costs**

- 15.1 The Tenant shall pay the reasonable costs and expenses properly incurred by the Landlord including any solicitors' or other professionals' costs and expenses (incurred during the term) in connection with or in contemplation of any of the following:
- 15.2 the enforcement of the tenant covenants of this lease; or
- 15.3 serving any notice in connection with this lease under section 146 or 147 of the Law of Property Act 1925 or taking any proceedings under either of those sections, notwithstanding that forfeiture is avoided otherwise than by relief granted by the court; or
- 15.4 serving any notice in connection with this lease under section 17 of the Landlord and Tenant (Covenants) Act 1995; or
- 15.5 the preparation and service of a schedule of dilapidations in connection with this lease; or
- 15.6 any consent or approval applied for under this lease, whether or not it is granted (unless the consent or approval is unreasonably withheld or delayed by the Landlord in circumstances where the Landlord is not unreasonably to withhold or delay it).

Where the Tenant is obliged to pay or indemnify the Landlord against any solicitors' or other professionals' costs and expenses (whether under this or any other clause of this lease) that obligation extends to those reasonable costs and expenses properly incurred.

**16 Compensation on vacating**

Any right of the Tenant or anyone deriving title under the Tenant to claim compensation from the Landlord on leaving the Property under the LTA 1954 is excluded, except to the extent that the legislation prevents that right being excluded.

**17 Set-off**

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

**18 Assignments**

- 18.1 The Tenant shall not assign the whole of this lease without the consent of the Landlord, such consent not to be unreasonably withheld or delayed.
- 18.2 The Tenant shall not assign part only of this lease.
- 18.3 The Landlord and the Tenant agree that for the purposes of section 19(1A) of the Landlord and Tenant Act 1927 the Landlord may give its consent to an assignment subject to all or any of the following conditions:

- (a) a condition that the assignor enters into an authorised guarantee agreement which:
    - i. is in respect of all the tenant covenants of this lease;
    - ii. is in respect of the period beginning with the date the assignee becomes bound by those covenants and ending on the date when the assignee is released from those covenants by virtue of section 5 of the Landlord and Tenant (Covenants) Act 1995;
    - iii. imposes principal debtor liability on the assignor;
    - iv. requires (in the event of a disclaimer of liability of this lease) the assignor (or former tenant as the case may be) to enter into a new tenancy for a term equal to the unexpired residue of the Contractual Term; and
    - v. is otherwise in a form reasonably required by the Landlord; and
  - (b) a condition that a person of standing acceptable to the Landlord enters into a guarantee and indemnity of the tenant covenants of this lease in the form set out in Schedule 1 (but with such amendments and additions as the Landlord may reasonably require).
- 18.4 The Landlord and the Tenant agree that for the purposes of section 19(1A) of the Landlord and Tenant Act 1927 the Landlord may refuse its consent to an assignment if any of the following circumstances exist at the date of the application of the Tenant for consent to assign the lease:
- (a) the Annual Rent or any other money due and demanded under this lease is outstanding or there is a material breach of covenant by the Tenant that has not been remedied; or
  - (b) in the reasonable opinion of the Landlord the assignee is not of sufficient financial standing to enable it to comply with the covenants of the Tenant and conditions contained in this lease; or
  - (c) the assignee and the Tenant are group companies within the meaning of section 42 of the LTA 1954.
- 18.5 Nothing in this clause 18 shall prevent the Landlord from giving consent subject to any other reasonable condition, nor from refusing consent to an assignment in any other circumstance where it is reasonable to do so.
- 19 Underlettings**
- 19.1 The Tenant shall not underlet the whole of the Property except in accordance with this clause 19 nor without the consent of the Landlord, such consent not to be unreasonably withheld or delayed.
- 19.2 The Tenant shall not underlet part only of the Property.
- 19.3 The Tenant shall not underlet the Property:
- (a) together with any property or any right over property that is not included within this lease;
  - (b) at a fine or premium or reverse premium; and
  - (c) allowing any rent free period to the undertenant that exceeds the period as is then usual in the open market in respect of such a letting.
- 19.4 The Tenant shall not underlet the Property unless, before the underlease is granted, the Tenant has given the Landlord:

- (a) a certified copy of the notice served on the undertenant, as required by section 38A(3)(a) of the LTA 1954, applying to the tenancy to be created by the underlease; and
- (b) a certified copy of the declaration or statutory declaration made by the undertenant in accordance with the requirements of section 38A(3)(b) of the LTA 1954.

19.5 Any underletting by the Tenant shall be by deed and shall include:

- (a) an agreement between the Tenant and the undertenant that the provisions of sections 24 to 28 of the LTA 1954 are excluded from applying to the tenancy created by the underlease;
- (b) the reservation of a rent which is not less than the full open market rental value of the Property at the date the Property is underlet and which is payable at the same times as the Annual Rent under this lease (but this shall not prevent an underlease providing for a rent-free period of a length permitted by clause 19.3(c));
- (c) provisions for the review of rent at the same dates and on the same basis as the review of rent in this lease, unless the term of the underlease does not extend beyond the next Review Date;
- (d) a covenant by the undertenant, enforceable by and expressed to be enforceable by the Landlord (as superior landlord at the date of grant) and its successors in title in their own right, to observe and perform the tenant covenants in the underlease and any document that is supplemental or collateral to it and the tenant covenants in this lease, except the covenants to pay the rents reserved by this lease; and
- (e) provisions requiring the consent of the Landlord to be obtained in respect of any matter for which the consent of the Landlord is required under this lease,

and shall otherwise be consistent with and include tenant covenants no less onerous (other than as to the Annual Rent) than those in this lease and in a form approved by the Landlord, such approval not to be unreasonably withheld or delayed.

19.6 In relation to any underlease granted by the Tenant, the Tenant shall:

- (a) not vary the terms of the underlease nor accept a surrender of the underlease without the consent of the Landlord, such consent not to be unreasonably withheld or delayed;
- (b) enforce the tenant covenants in the underlease and not waive any of them nor allow any reduction in the rent payable under the underlease; and
- (c) ensure that in relation to any rent review the revised rent is not agreed without the approval of the Landlord, such approval not to be unreasonably withheld or delayed.

## 20 Sharing occupation

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

## 21 Charging

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

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

**22 Prohibition of other dealings**

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

**23 Registration and notification of dealings and occupation**

**23.1 In this clause a Transaction is:**

- (a) any dealing with this lease or the devolution or transmission of, or parting with possession of any interest in it; or
- (b) the creation of any underlease or other interest out of this lease, or out of any interest, underlease derived from it, and any dealing, devolution or transmission of, or parting with possession of any such interest or underlease; or
- (c) the making of any other arrangement for the occupation of the Property.

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

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

- (a) give the Landlord's solicitors notice of the Transaction;
- (b) deliver two certified copies of any document effecting the Transaction to the Landlord's solicitors;
- (c) pay the Landlord's solicitors a registration fee of £75 (plus VAT); and
- (d) deliver to the Landlord's solicitors a copy of any Energy Performance Certificate and Recommendation Report issued as a result of the Transaction.

**23.4 If the Landlord so requests, the Tenant shall promptly supply the Landlord with full details of the occupiers of the Property and the terms upon which they occupy it.**

**24 Repairs**

**24.1 The Tenant shall keep the Property clean and tidy and in good and substantial repair and condition in accordance with the schedule of condition annexed to this lease and shall ensure that any Service Media within and exclusively serving the Property is kept in good working order to the same standard as at the date of this lease.**

**24.2 The Tenant shall keep the garden area well-tended and free of weeds.**

**24.3 The Tenant shall keep the shared areas of the Retained Parts that it uses, including the bin area, clean and free of weeds and rubbish.**

**24.4 The Tenant shall keep the internal and external windows, including the frames, clean at all times.**

**24.5 The Tenant shall not be liable to repair the Property to the extent that any disrepair has been caused by an Insured Risk, unless and to the extent that:**

- (a) the policy of insurance of the Property has been vitiated or any insurance proceeds withheld in consequence of any act or omission of the Tenant, any undertenant or their respective workers, contractors or agents or any person on the Property with the actual authority of any of them; or
- (b) the insurance cover in relation to that disrepair is excluded, limited, is unavailable or has not been extended, as mentioned in clause 9.3.

## **25 Decoration**

- 25.1 The Tenant shall decorate the Property as often as is reasonably necessary and also in the last three months before the end of the term.
- 25.2 The tenant shall decorate the outside and the inside of the garage and the window frames and conservatory structure in the third year of the Contractual Term if necessary and in the last year of the Contractual Term
- 25.3 All decoration shall be carried out in a good and proper manner using good quality materials that are appropriate to the Property and the Permitted Use and shall include all appropriate preparatory work.
- 25.4 All decoration shall be carried out to the satisfaction of the Landlord and using materials, designs and colours approved by the Landlord.
- 25.5 The Tenant shall replace all glass in the Property as and when it is broken or damaged with glass of the same colour and specification in conformity so far as is possible with the glass fitted in the remainder of the Building.

## **26 Alterations and signs**

- 26.1 Subject to clauses 26.2 and 26.3, the Tenant shall not make any alteration to the Property, or erect any building on the Property, without the consent of the Landlord, such consent not to be unreasonably withheld or delayed.
- 26.2 The Tenant shall not install nor alter the route of any Service Media at the Property without the consent of the Landlord, such consent not to be unreasonably withheld or delayed.
- 26.3 The Tenant shall not attach any sign, fascia, placard, board, poster or advertisement to the Property so as to be seen from the outside of the Building without the consent of the Landlord, such consent not to be unreasonably withheld or delayed.

## **27 Returning the Property to the Landlord**

- 27.1 At the end of the term the Tenant shall return the Property to the Landlord in the repair and condition required by this lease.
- 27.2 At the end of the term, the Tenant shall remove from the Property all chattels belonging to or used by it.
- 27.3 The Tenant irrevocably appoints the Landlord to be the agent for the Tenant to store or dispose of any chattels or items it has fixed to the Property and which have been left by the Tenant on the Property for more than 10 working days after the end of the term. The Landlord shall not be liable to the Tenant by reason of that storage or disposal. The Tenant shall indemnify the Landlord in respect of any claim made by a third party in relation to that storage or disposal.
- 27.4 If the Tenant does not comply with its obligations in this clause, then, without prejudice to any other right or remedy of the Landlord, the Tenant shall pay the Landlord an amount equal to the Annual Rent at the rate reserved immediately before the end of the term for the period that it would reasonably take to put the Property into the condition it would have been in had the Tenant performed its obligations under this clause. The amount shall be a debt due on demand from the Tenant to the Landlord.

## **28 Use**

- 28.1 The Tenant shall not use the Property for any purpose other than the Permitted Use.
- 28.2 The Tenant shall not use the Property for any illegal purpose nor for any purpose or in a manner that would cause loss, damage, injury, nuisance or inconvenience to the Landlord, the other tenants or occupiers of the Lettable Units or any owner or occupier of neighbouring property.
- 28.3 The Tenant shall not overload any structural part of the Building nor any Service Media at or serving the Property.
- 28.4 The Tenant shall not play music or allow musical performances in the Property after 2300 hours nor play music or allow musical performances so as to be audible in the remainder of the Building so as to be considered a nuisance.
- 28.5 The Tenant shall not use any part of the Building or outside of the Building apart from the Premises for the purpose of the Tenant's business save that the Landlord shall not object to the Tenant placing tables and chairs for business in North Street provided that they do not obstruct the access to the Building or obscure the windows of the Building and provided further that the Tenant at his expense obtains and maintains all appropriate consents required under the planning acts or otherwise.
- 28.6 The Tenant shall not obstruct the Entrance Hall or steps or doors to the Building in any way and (save as expressly authorised by this lease) not at any time to park or allow parking on the Yard Area.

## **29 Management of the Building**

- 29.1 The Tenant shall observe all reasonable and proper regulations made by the Landlord from time to time in accordance with the principles of good building management and notified to the Tenant relating to the use of the Common Parts and the management of the Building.
- 29.2 Nothing in this lease shall impose or be deemed to impose any restriction on the use of any other Lettable Unit or any neighbouring property.

## **30 Compliance with laws**

- 30.1 The Tenant shall comply with all laws relating to:
- (a) the Property and the occupation and use of the Property by the Tenant;
  - (b) the use or operation of all Service Media and machinery and equipment at or serving the Property whether or not used or operated and shall where necessary replace or convert such Service Media within or exclusively serving the Property so that it is capable of lawful use or operation;
  - (c) any works carried out at the Property; and
  - (d) all materials kept at or disposed from the Property.
- 30.2 Without prejudice to any obligation on the Tenant to obtain any consent or approval under this lease, the Tenant shall carry out all works that are required under any law to be carried out at the Property whether by the owner or the occupier.
- 30.3 Within five working days after receipt of any notice or other communication affecting the Property or the Building (and whether or not served pursuant to any law) the Tenant shall:
- (a) send a copy of the relevant document to the Landlord; and
  - (b) in so far as it relates to the Property, take all steps necessary to comply with the notice or other communication and take any other action in connection with it as the Landlord may require.

- 30.4 The Tenant may with the prior consent of the Landlord (not to be unreasonably delayed or withheld), apply for any planning permission for the Property.
- 30.5 The Tenant shall comply with its obligations under the CDM Regulations, including all requirements in relation to the provision and maintenance of a health and safety file.
- 30.6 The Tenant shall supply all information to the Landlord that the Landlord reasonably requires from time to time to comply with the obligations of the Landlord under the CDM Regulations.
- 30.7 As soon as the Tenant becomes aware of any defect in the Property, it shall give the Landlord notice of it. The Tenant shall indemnify the Landlord against any liability under the Defective Premises Act 1972 in relation to the Property by reason of any failure of the Tenant to comply with any of the tenant covenants in this lease.
- 30.8 The Tenant shall keep the Property equipped with all fire prevention, detection and fighting machinery and equipment and fire alarms which are required under all relevant laws or required by the insurers of the Property or reasonably recommended by them or reasonably required by the Landlord and shall keep that machinery, equipment and alarms properly maintained and available for inspection.

### **31 Energy Performance Certificate**

31.1 The Tenant shall:

- (a) cooperate with the Landlord so far as is reasonably necessary to allow the Landlord to obtain an Energy Performance Certificate and Recommendation Report for the Property or the Building including providing the Landlord with copies of any plans or other information held by the Tenant that would assist in obtaining an Energy Performance Certificate; and
- (b) allow such access to any Energy Assessor appointed by the Landlord as is reasonably necessary to inspect the Property for the purposes of preparing an Energy Performance Certificate and/or Recommendation Report for the Property or the Building.

31.2 The Tenant shall not commission an Energy Performance Certificate for the Property without the consent of the Landlord, such consent not to be unreasonably withheld or delayed.

### **32 Encroachments, obstructions and acquisition of rights**

32.1 The Tenant shall not grant any right or licence over the Property to a third party.

32.2 If a third party makes or attempts to make any encroachment over the Property or takes any action by which a right may be acquired over the Property, the Tenant shall upon knowledge of the same:

- (a) immediately inform the Landlord and shall give the Landlord notice of that encroachment or action; and
- (b) take all reasonable steps (including any proceedings) the Landlord reasonably requires to prevent or license the continuation of that encroachment or action.

32.3 The Tenant shall not obstruct the flow of light or air to the Property or any other part of the Building nor obstruct any means of access to the Property or any other part of the Building.

32.4 The Tenant shall not make any acknowledgement that the flow of light or air to the Property or any other part of the Building or that the means of access to the Property or any other part of the Building is enjoyed with the consent of any third party.

32.5 If any person takes or threatens to take any action to obstruct the flow of light or air to the Property or obstruct the means of access to the Property, the Tenant shall:

- (a) immediately inform the Landlord and shall give the Landlord notice of that action; and
- (b) take all reasonable steps (including proceedings) the Landlord reasonably requires to prevent or secure the removal of the obstruction.

### **33 Breach of repair and maintenance obligations**

- 33.1 The Landlord may enter the Property to inspect its condition and state of repair and may give the Tenant a notice of any breach of any of the tenant covenants in this lease relating to the condition or repair of the Property.
- 33.2 If the Tenant has not begun any works needed to remedy that breach within two months following that notice (or if works are required as a matter of emergency, then immediately) or if the Tenant is not carrying out the works with all due speed, then the Landlord may enter the Property and carry out the works needed and making good any damage caused as soon as possible.
- 33.3 The costs reasonably and properly incurred by the Landlord in carrying out any works pursuant to this clause (and any reasonable and proper professional fees and any VAT in respect of those costs) shall be a debt due from the Tenant to the Landlord and payable on demand.
- 33.4 Any action taken by the Landlord pursuant to this clause shall be without prejudice to the other rights of the Landlord, including those under clause 37.

### **34 Indemnity**

The Tenant shall keep the Landlord indemnified against all liabilities, expenses, costs (including but not limited to any solicitors' or other professionals' costs and expenses), claims, damages and losses (including but not limited to any diminution in the value of the Landlord's interest in the Building and loss of amenity of the Building) suffered or incurred by the Landlord arising out of or in connection with any breach of any tenant covenants in this lease, or any act or omission of the Tenant, any undertenant or their respective workers, contractors or agents or any other person on the Property or the Common Parts with the actual authority of any of them.

### **35 Covenant for quiet enjoyment for the Landlord**

The Landlord covenants with the Tenant, that, so long as the Tenant pays the rents reserved by and complies with its obligations in this lease, the Tenant shall have quiet enjoyment of the Property without any interruption by the Landlord or any person claiming under the Landlord except as otherwise permitted by this lease.

### **36 Guarantee and indemnity**

- 36.1 The provisions of Schedule 1 apply.
- 36.2 If an Act of Insolvency (as defined in clause 36 of this lease) occurs in relation to a guarantor or if any guarantor (being an individual) dies or becomes incapable of managing his affairs the Tenant shall, if the Landlord requests, procure that a person of standing acceptable to the Landlord, within 30 days of that request, enters into a replacement or additional guarantee and indemnity of the tenant covenants of this lease in the same form as that entered into by the former guarantor.
- 36.3 Clause 36.2 shall not apply in the case of a person who is guarantor by reason of having entered into an authorised guarantee agreement.
- 36.4 For so long as any guarantor remains liable to the Landlord, the Tenant shall, if the Landlord requests, procure that that guarantor joins in any consent or approval required under this lease and consents to any variation of the tenant covenants of this lease.

**37 Re-entry and forfeiture**

37.1 In this lease "**Act of Insolvency**" means:

- (a) the taking of any step in connection with any voluntary arrangement or any other compromise or arrangement for the benefit of any creditors of the Tenant or any guarantor; or
- (b) the making of an application for an administration order or the making of an administration order in relation to the Tenant or any guarantor; or
- (c) the giving of any notice of intention to appoint an administrator, or the filing at court of the prescribed documents in connection with the appointment of an administrator, or the appointment of an administrator, in any case in relation to the Tenant or any guarantor; or
- (d) the appointment of a receiver or manager or an administrative receiver in relation to any property or income of the Tenant or any guarantor; or
- (e) the commencement of a voluntary winding-up in respect of the Tenant or any guarantor, except a winding-up for the purpose of amalgamation or reconstruction of a solvent company in respect of which a statutory declaration of solvency has been filed with the Registrar of Companies; or
- (f) the making of a petition for a winding-up order or a winding-up order in respect of the Tenant or any guarantor; or
- (g) the striking-off of the Tenant or any guarantor from the Register of Companies or the making of an application for the Tenant or any guarantor to be struck-off; or
- (h) the Tenant or any guarantor otherwise ceasing to exist (but excluding where the Tenant or any guarantor dies); or
- (i) the presentation of a petition for a bankruptcy order or the making of a bankruptcy order against the Tenant or any guarantor.

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

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

- (a) any rent is unpaid 21 days after becoming payable whether it has been formally demanded or not;
- (b) any breach of any condition of, or tenant covenant, in this lease;
- (c) an Act of Insolvency.

37.3 If the Landlord re-enters the Property (or any part of the Property in the name of the whole) pursuant to this clause 37, this lease shall immediately end, but without prejudice to any right or remedy of the Landlord in respect of any breach of covenant by the Tenant or any guarantor.

**38 Break Clause**

38.1 Subject to clause 38.2 below the Tenant may terminate this lease on the Break Date by serving a Break Notice on the Landlord.

- 38.2 A Break Notice served by the Tenant shall be of no effect if, at the Break Date:
- (a) the Tenant has not paid in cleared funds any part of the Annual Rent or Service Charge, or any VAT in respect of them, which was due to have been paid; or
  - (b) the Tenant does not give vacant possession of the whole of the Property.
- 38.3 Subject to clause 38.2, following service of a Break Notice this lease shall terminate on the Break Date.
- 38.4 Termination of this lease on the Break Date shall not affect any other right or remedy that either party may have in relation to any earlier breach of this lease.
- 38.5 If this lease terminates in accordance with clause 38.3 then, within 28 days after the Break Date, the Landlord shall refund to the Tenant the proportion of the Annual Rent and Service Charge, and any VAT paid in respect of them, for the period from and excluding the Break Date up to and excluding the next Rent Payment Date, calculated on a daily basis.

#### **39 Joint and several liability**

- 39.1 Where the Tenant comprises more than one person, those persons shall be jointly and severally liable for the obligations and liabilities of the Tenant arising under this lease. The Landlord may take action against, or release or compromise the liability of, or grant time or other indulgence to, any one of those persons without affecting the liability of any other of them.
- 39.2 Where a guarantor comprises more than one person, those persons shall be jointly and severally liable for the obligations and liabilities of a guarantor arising under this lease. The Landlord may take action against, or release or compromise the liability of, or grant time or other indulgence to, any one of those persons without affecting the liability of any other of them.
- 39.3 The obligations of the Tenant and any guarantor arising by virtue of this lease are owed to the Landlord and the obligations of the Landlord are owed to the Tenant.
- 39.4 The Landlord shall not be liable to the Tenant for any failure of the Landlord to perform any landlord covenant in this lease, unless the Landlord knows it has failed to perform the covenant, or reasonably should know this, and has not remedied that failure within a reasonable time.

#### **40 Entire agreement**

- 40.1 This lease and any documents annexed to it constitute the whole agreement between the parties and supersede all previous discussions, correspondence, negotiations, arrangements, understandings and agreements between them relating to their subject matter.
- 40.2 Each party acknowledges that in entering into this lease they do not rely on, and shall have no remedies in respect of, any representation or warranty (whether made innocently or negligently) other than those contained in any written replies that the Landlord's legal advisers have given to any written enquiries raised by Tenant's legal advisers before the date of this lease.
- 40.3 Nothing in this lease constitutes or shall constitute a representation or warranty that the Property may lawfully be used for any purpose allowed by this lease.

#### **41 Notices, consents and approvals**

- 41.1 Except where this lease specifically states that a notice need not be in writing, any notice given under or in connection with this lease shall be:
- (a) in writing and for the purposes of this clause an email is not in writing; or

- (b) given by hand or by pre-paid first-class post or other next working day delivery service at the party's registered office address (if the party is a company) or (in any other case) at the party's principal place of business.
- 41.2 If a notice complies with the criteria in clause 41.1, whether or not this lease requires that notice to be in writing, it shall be deemed to have been received:
- (a) if delivered by hand, at the time the notice is left at the proper address; or
  - (b) if sent by pre-paid first-class post or other next working day delivery service, on the second working day after posting..
- 41.3 This clause does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.
- 41.4 Section 196 of the Law of Property Act 1925 shall otherwise apply to notices given under this lease.
- 41.5 Where the consent of the Landlord is required under this lease, a consent shall only be valid if it is given by deed, unless:
- (a) it is given in writing and signed by the Landlord or a person duly authorised its behalf; and
  - (b) it expressly states that the Landlord waives the requirement for a deed in that particular case,
- If a waiver is given, it shall not affect the requirement for a deed for any other consent.
- 41.6 Where the approval of the Landlord is required under this lease, an approval shall only be valid if it is in writing and signed by or on behalf of the Landlord, unless:
- (a) the approval is being given in a case of emergency; or
  - (b) this lease expressly states that the approval need not be in writing.
- 41.7 If the Landlord gives a consent or approval under this lease, the giving of that consent or approval shall not imply that any consent or approval required from a third party has been obtained, nor shall it obviate the need to obtain any consent or approval from a third party.
- 42 Governing law**
- This lease and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales.
- 43 Jurisdiction**
- Each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with this agreement or its subject matter or formation (including non-contractual disputes or claims).
- 44 Contracts (Rights of Third Parties) Act 1999**
- A person who is not party to this lease shall not have any rights under or in connection with this lease by virtue of the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this lease. This does not affect any right or remedy of a third party which exists, or is available, apart from that Act.

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

## Schedule 1 - Guarantee and indemnity

### 1 Guarantee and indemnity

1.1 The Guarantor guarantees to the Landlord that the Tenant shall:

- (a) pay the rents reserved by this lease and observe and perform the tenant covenants of this lease and that if the Tenant fails to pay any of those rents or to observe or perform any of those tenant covenants, the Guarantor shall pay or observe and perform them; and
- (b) observe and perform any obligations the Tenant enters into in an authorised guarantee agreement made in respect of this lease (the "**Authorised Guarantee Agreement**") and that if the Tenant fails to do so, the Guarantor shall observe and perform those obligations.

1.2 The Guarantor covenants with the Landlord as principal obligor and as a separate and independent obligation and liability from its obligations and liabilities under paragraph 1.1 to indemnify and keep indemnified the Landlord against any failure by the Tenant:

- (a) to pay any of the rents reserved by this lease or any failure to observe or perform any of the tenant covenants of this lease; or
- (b) to observe or perform any of the obligations the Tenant enters into in the Authorised Guarantee Agreement.

### 2 Liability of the Guarantor

2.1 The liability of the Guarantor under paragraph 1.1(a) and paragraph 1.1(b) shall continue until the end of the term, or until the Tenant is released from the tenant covenants of this lease by virtue of the Landlord and Tenant (Covenants) Act 1995, if earlier.

2.2 The liability of the Guarantor shall not be reduced, discharged or otherwise adversely affected by:

- (a) any time or indulgence granted by the Landlord to the Tenant; or
- (b) any delay or forbearance by the Landlord in enforcing the payment of any of the rents or the observance or performance of any of the tenant covenants of this lease (or the obligations of the Tenant under the Authorised Guarantee Agreement) or in making any demand in respect of any of them; or
- (c) any refusal by the Landlord to accept any rent or other payment due under this lease where the Landlord believes that the acceptance of such rent or payment may prejudice its ability to re-enter the Property; or
- (d) the Landlord exercising any right or remedy against the Tenant for any failure to pay the rents reserved by this lease or to observe or perform the tenant covenants of this lease (or the obligations of the Tenant under the Authorised Guarantee Agreement); or
- (e) the Landlord taking any action or refraining from taking any action in connection with any other security held by the Landlord in respect of the liability of the Tenant to pay the rents reserved by this lease or observe and perform the tenant covenants of the lease (or the obligations of the Tenant under the Authorised Guarantee Agreement) including the release of any such security; or
- (f) a release or compromise of the liability of any one of the persons who is the Guarantor, or the grant of any time or concession to any one of them; or

- (g) any legal limitation or disability on the Tenant or any invalidity or irregularity of any of the tenant covenants of the lease (or the obligations of the Tenant under the Authorised Guarantee Agreement) or any unenforceability of any of them against the Tenant; or
- (h) the Tenant being dissolved, or being struck off the register of companies or otherwise ceasing to exist; or
- (i) without prejudice to paragraph 4, the disclaimer of the liability of the Tenant under this lease or the forfeiture of this lease; or
- (j) the surrender of the lease in respect of part only of the Property, except that the Guarantor shall not be under any liability in relation to the surrendered part in respect of any period after the surrender,

by any other act or omission except an express written release by deed of the Guarantor by the Landlord.

2.3 The liability of each of the persons making up the Guarantor is joint and several.

2.4 Any sum payable by the Guarantor shall be paid without any deduction, set-off or counter-claim against the Landlord or the Tenant.

### **3 Variations and supplemental documents**

3.1 The Guarantor shall, at the request of the Landlord, join in and give its consent to the terms of any consent, approval, variation or other document that may be entered into by the Tenant in connection with this lease (or the Authorised Guarantee Agreement).

3.2 The Guarantor shall not be released by any variation of the rents reserved by, or the tenant covenants in, this lease (or the obligation of the Tenant obligations under the Authorised Guarantee Agreement) whether or not:

- (a) the variation is material or prejudicial to the Guarantor; or
- (b) the variation is made in any document; or
- (c) the Guarantor has consented, in writing or otherwise, to the variation.

3.3 The liability of the Guarantor shall apply to the rents reserved by and the tenant covenants in this lease (and the obligations of the Tenant under the Authorised Guarantee Agreement) as varied except to the extent that the liability of the Guarantor is affected by section 18 of the Landlord and Tenant (Covenants) Act 1995.

### **4 the Guarantor to take a new lease or make payment**

4.1 If this lease is forfeited or the liability of the Tenant under this lease is disclaimed and the Landlord gives the Guarantor notice not later than six months after the forfeiture or the Landlord having received notice of the disclaimer, the Guarantor shall enter into a new lease of the Property on the terms set out in paragraph 4.2.

4.2 The rights and obligations under the new lease shall take effect from the date of the forfeiture or disclaimer and the new lease shall:

- (a) be granted subject to the right of any person to have this lease vested in them by the court and to the terms on which any such order may be made and subject to the rights of any third party existing at the date of the grant;
- (b) be for a term that expires at the same date as the end of the Contractual Term of this lease had there been no forfeiture or disclaimer;
- (c) reserve as an initial annual rent an amount equal to the Annual Rent payable under this lease at the date of the forfeiture or disclaimer or which

- ✓ would be payable but for any abatement or suspension of the Annual Rent or restriction on the right to collect it and which is subject to review on the same terms and dates provided by this lease; and
- (d) otherwise be on the same terms as this lease (as varied if there has been any variation).
- 4.3 The Guarantor shall pay the Landlord solicitors' costs and disbursements (on a full indemnity basis) and any VAT in respect of them in relation to the new lease and shall execute and deliver to the Landlord a counterpart of the new lease within one month after service of the notice of the Landlord.
- 4.4 The grant of a new lease and its acceptance by the Guarantor shall be without prejudice to any other rights which the Landlord may have against the Guarantor or against any other person or in respect of any other security that the Landlord may have in connection with this lease.
- 4.5 The Landlord may, instead of giving the Guarantor notice pursuant to paragraph 4.1 but in the same circumstances and within the same time limit, require the Guarantor to pay an amount equal to six months Annual Rent and the Guarantor shall pay that amount on demand.
- 5 Payments in gross and restrictions on the Guarantor**
- 5.1 Any payment or dividend that the Landlord receives from the Tenant (or its estate) or any other person in connection with any insolvency proceedings or arrangement involving the Tenant shall be taken and applied as a payment in gross and shall not prejudice the right of the Landlord to recover from the Guarantor to the full extent of the obligations that are the subject of this guarantee and indemnity.
- 5.2 The Guarantor shall not claim in competition with the Landlord in any insolvency proceedings or arrangement of the Tenant in respect of any payment made by the Guarantor pursuant to this guarantee and indemnity. If it otherwise receives any money in such proceedings or arrangement, it shall hold that money on trust for the Landlord to the extent of its liability to the Landlord.
- 5.3 The Guarantor shall not, without the consent of the Landlord, exercise any right or remedy that it may have (whether against the Tenant or any other person) in respect of any amount paid or other obligation performed by the Guarantor under this guarantee and indemnity unless and until all the obligations of the Guarantor under this guarantee and indemnity have been fully performed.
- 6 Other securities**
- 6.1 The Guarantor warrants that it has not taken and covenants that it shall not take any security from or over the assets of the Tenant in respect of any liability of the Tenant to the Landlord. If it does take or hold any such security it shall hold it for the benefit of the Landlord.
- 6.2 This guarantee and indemnity is in addition to and independent of any other security that the Landlord may from time to time hold from the Guarantor or the Tenant or any other person in respect of the liability of the Tenant to pay the rents reserved by this lease and to observe and perform the tenant covenants of this lease. It shall not merge in or be affected by any other security.
- 6.3 The Guarantor shall not be entitled to claim or participate in any other security held by the Landlord in respect of the liability of the Tenant to pay the rents reserved by this lease or to observe and perform the tenant covenants of this lease.

Signed as a deed by Christopher  
Francis Russell Purchase

.....

Christopher Francis Russell  
Purchase

in the presence of:

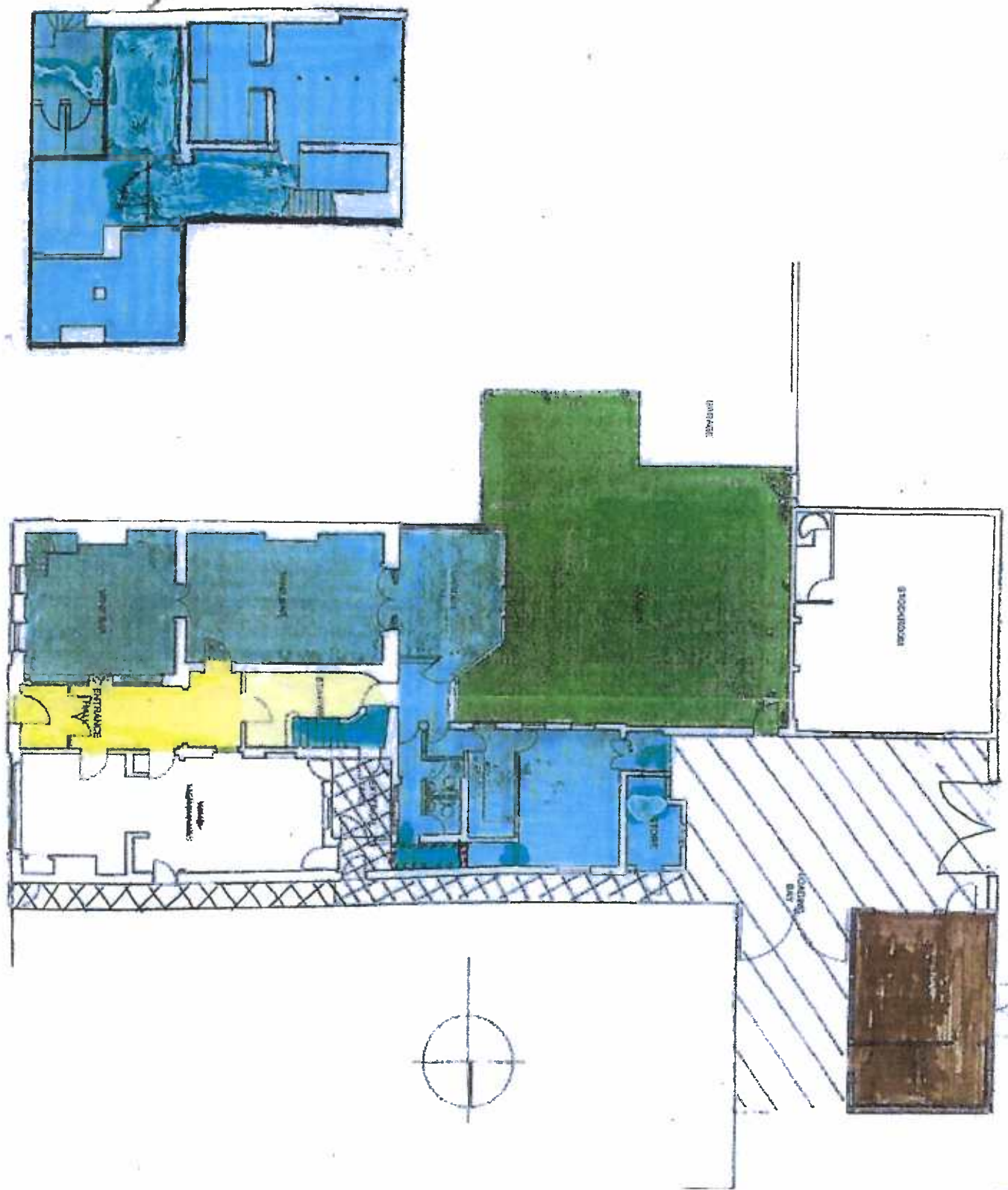
.....

Witness's signature

Name:

Address:

Plot M 1/24/16



GROUND FLOOR AND  
BASEMENT  
1:100

# Schedule of Condition

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## In respect of

**31 North Street, Chichester, West Sussex, PO19 1LY**

Prepared by

Alex Medhurst BSc(Hons), MRICS

Medhursts Commercial Surveyors

July 2016

## 1. Instructions

Instructions have been provided in an email from Nick Sutherland of The Sussex Food Company [the tenant] dated 18 July 2016 to provide a Schedule of Condition in respect of the property at 31, North Street, Chichester, PO19 1LY.

This Schedule will be attached to a new lease between Christopher Russell Francis Purchase [the landlord] and the tenant in relation to the "Property" [see definition below] which forms part of the "Building".

The purpose of this schedule is to limit the new tenant's liability to the repairs and maintenance of the "Property" and the "Building", either directly or by way of a service charge, that are considered necessary during the life of the lease only, and were not in existence or required prior to the tenant's occupation.

## 2. The Property

The Building is a Grade II\* Listed period 3 storey property with a basement. It is currently sub-divided internally into 3 lettable units. This being the subject Property comprising the ground floor left hand side (viewed from North Street) which includes the entire basement. The second part is the ground floor right hand side and first floor- currently occupied by Strutt & Parker. The third part is a residential flat on the second floor.

There are parts of the Building referred to as Common Parts, Retained Parts, Lettable Units, Entrance Hall and Yard where the definitions are copied below for the sake of clarity.

## 3. Lease definitions:

The draft lease provided by George Ide under Ref: RWE/PUR1804/15 defines the parts of the building and relevant matters as follows:

**"Building"**; 31 North Street Chichester PO19 1LY comprised in title WSX297808.

**"Common Parts"**; means the Building other than the Property and the Lettable Units.

**"Entrance Hall"**; the entrance hall coloured yellow on the Plan.

**"Lettable Unit"**; a part of the Building other than the Property, that is capable of being let and occupied on terms similar to those of this lease.

**"Plan"**; the plan annexed to this lease.

**"Property"**; the ground floor, basement, garden and garage forming part of the Building, shown coloured blue, green and brown on the Plan including where appropriate:

- (a) the floor and ceiling finishes;
- (b) the interior plasterwork and finishes of the walls bounding the Property or which adjoin another Lettable Unit or the Retained Parts (provided that the interior surfaces of the flank garden walls are not included in the demise);

(c) the doors and windows within the Property or which adjoin another Lettable Unit or the Retained Parts and their frames and fittings;

(d) all Service Media that are in or exclusively serve the Property;

(e) one half of the thickness of the interior, non-load-bearing walls that adjoin another Lettable Unit or the Retained Parts; and

(f) any additions or improvements to the Property and all buildings now or during the term erected on the Property;

but excluding the Retained Parts.

**"Retained Parts";** the retained parts of the Building comprising;

(a) the Common Parts;

(b) the Entrance Hall;

(c) the Yard Area;

(d) the structure of the existing conservatory as at the date of this lease;

(e) the main structure of the Building including the foundations, floor slabs, joists, roof, gutters, roof spaces, external, structural or load bearing walls, columns, beams and supports;

(f) any Service media which do not exclusively serve the Property;

(g) all drives, yards, bin areas, ground (apart from the garden included in the demise), parking areas, bin areas, or boundary structures separating the Building from adjoining premises, sheds or communal areas

**"Service Charge";** the Tenant's Proportion of the Service Costs.

**"Service Costs";** the costs listed in clause 8.2.

**"Services";** the services listed in clause 8.1.

**"Tenant's Proportion";** a fair proportion.

**"Yard Area";** the area hatched black on the Plan (or such alternative area designated for use as the Yard Area by the Landlord from time to time pursuant to clause 3 of this lease).

#### **4. Tenants Repairing obligations**

The lease obliges the tenant as follows:

24.1 The Tenant shall keep the Property clean and tidy and in good and substantial repair and condition in accordance with the schedule of condition annexed to this lease and shall ensure that any Service Media within and exclusively serving the Property is kept in good working order to the same standard as at the date of this lease.

24.2 The Tenant shall keep the garden area well-tended and free of weeds.

24.3 The Tenant shall keep the shared areas of the Retained Parts that it uses, including the bin area, clean and free of weeds and rubbish.

24.4 The Tenant shall keep the internal and external windows, including the frames, clean at all times.

24.5 The Tenant shall not be liable to repair the Property to the extent that any disrepair has been caused by an Insured Risk, unless and to the extent that:

(a) the policy of insurance of the Property has been vitiated or any insurance proceeds withheld in consequence of any act or omission of the Tenant, any undertenant or their respective workers, contractors or agents or any person on the Property with the actual authority of any of them; or

(b) the insurance cover in relation to that disrepair is excluded, limited, is unavailable or has not been extended, as mentioned in clause 9.3.

## **5. Service Charge**

The service charge provisions are as follows:

8.1 The Services are:

(a) cleaning, maintaining, decorating, repairing and renewing those areas located on the ground floor of the Retained Parts used by the Tenant and excluding any action required as a result of or in connection with any latent or inherent defect thereon;

(b) keeping the Entrance Hall and Yard Area, and landings and staircases clean and suitably lighted, and decorated, including cleaning, maintaining, repairing and replacing light fittings;

(c) cleaning, maintaining, repairing and replacing refuse bins and the bin area on the Retained Parts;

(d) cleaning, maintaining, repairing and replacing the floor coverings of the Entrance Hall; and

(e) any other service or amenity that the Landlord may in his reasonable discretion provide for the benefit of the tenants and occupiers of the Building.

8.2 **The Service Costs** are the total of:

(a) the reasonable and proper costs of:

(i) providing the Services in line with principles of good estate management and in an efficient and proper manner;

(ii) complying with the recommendations and requirements of the insurers of the Building (insofar as those recommendations and requirements relate to the Common Parts);

(iii) complying with all laws relating to the Common Parts, their use and any works carried out at them, and relating to the use of all Service Media, machinery and equipment at

or serving the Common Parts and to any materials kept at or disposed of from the Common Parts;

(iv) complying with the Third Party Rights insofar as they relate to the Common Parts; and

(v) taking any steps (including proceedings) that the Landlord considers reasonable and necessary to prevent or remove any encroachment over the Common Parts or to prevent the acquisition of any right over the Common Parts (or the Building as a whole) or to remove any obstruction to the flow of light or air to the Common Parts (or the Building as a whole);

## 6. Inspection

The property was inspected on the 22<sup>nd</sup> July and 26<sup>th</sup> July 2016 to record the condition of the property. The weather conditions were warm and dry.

The interior of the roof voids was inspected through the 3 access hatches within the second floor flat. The roof covering was only inspected from the ground floor level.

A series of 168 photos have been taken at the time of the inspection to record the overall condition of the interior and exterior surfaces of the Building. Where specific items warranted recording in more detail close-up photographs were taken.

The photographs record the historic nature of the property and the consequent age of some parts of the structure.

## 7. Schedule of Condition

The purpose of this Schedule of Condition is to record the condition of the whole Building for which the tenant may be partially liable.

Under the terms of the lease that is about to be entered into, at Clause 24.1 the tenant is required to keep the Property clean and tidy and in good and substantial repair and condition in accordance with this schedule of condition.

Furthermore, the tenant is required at Clause 8.1 (a) to contribute a reasonable proportion of the cost of the cleaning, maintaining, decorating, repairing and renewing those areas located on the ground floor of the Retained Parts used by the tenant and excluding any action required as a result of or in connection with any latent or inherent defect thereon.

This Schedule is not to be considered as a Building Survey and makes no attempt to record all wants of repair.

A Compact Disc is attached which contains 168 photos which are numbered and dated with annotations highlighting matters where appropriate.

Signed:  .....

Name: Alex Medhurst BSc(Hons) MRICS

Date: 8/8/16 .....

Executed as a deed by The Sussex  
Food Co Limited acting by:



Director



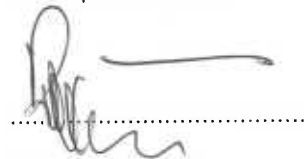
Director/Secretary

Signed as a deed by Nicholas  
Sutherland

.....  
Nicholas Sutherland



in the presence of:



Witness's signature

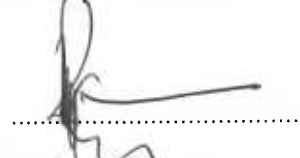
Name: **SMR SOLICITORS**  
**50 WESTGATE**  
Address: **CHICHESTER**  
**WEST SUSSEX PO19 3HE**

Signed as a deed by Timothy Vaughan



.....  
Timothy Vaughan

in the presence of:



Witness's signature **SMR SOLICITORS**  
**50 WESTGATE**  
Name: **CHICHESTER**  
Address: **WEST SUSSEX PO19 3HE**