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DATED 5th September 1997

NX1-1
NX8-4
0381

MR C F J and MRS A P CUSHION (1)

and

CITY MOTOR HOLDINGS LIMITED (2)

L E A S E

of

Premises at Plot 19
Quarry Lane Chichester West Sussex

We certify this to be a true and complete copy of the original this 27th day of February 2002
Blake Laphorn
Blake Laphorn
solicitors
Kings Court, 21 Brunswick Place
Southampton SO15 2AQ

H.M. LAND REGISTRY
PERIOD FOR REGISTRATION EXTENDED UNDER S. 123 OF THE LAND REGISTRATION ACT, 1925
TO 21/2/2002
<i>P. Bell</i> for CHIEF LAND REGISTRAR

Thomas Eggar Verrall Bowles
5 East Pallant
Chichester
PO19 1TS
Ref: CCN/130

W:\FE\PG130\DOCUMENT\CUSHION.C01 3 September 1997

LEASE

DATED

PARTICULARS

1.1.1 the Landlord : COLIN FREDERICK JAMES CUSHION and
AUDREY PAMELA CUSHION both of 169 The
Causeway Petersfield

1.1.2 the Tenant : CITY MOTOR HOLDINGS LIMITED whose
registered office is situate at Quarry Lane Chichester
West Sussex PO19 2NT Company Number 2216072

1.1.3 the Surety : None

1.2 the Premises : All those premises known as Unit 19 Quarry Lane
Chichester West Sussex more particularly defined in the
First Schedule

1.3 Term : From (and including) 3rd September 1997 to 25th March
2054 (less the last three days)

1.4 Rent Commencement : 1st September 1997
Date

1.5 Initial Rent : Thirty Four Thousand Pounds (£34,000) per annum

1.6 Review Dates : 1 August 2000 1 August 2005 and every fifth
anniversary of that date

1.7 Interest Rate : Three per cent per annum above the base rate of

Barclays Bank PLC or such other bank which is a member of the Committee of London Clearing Banks as the Landlord may from time to time nominate in writing

1.8	Exterior Decorating Years	:	2002 and every fifth anniversary thereof
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1.9	Interior Decorating Years	:	2002 and every fifth anniversary thereof
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1.10	Permitted User	:	Any or all uses within Classes B1 B2 and/or B8 of the Schedule to the Town and Country Planning (Use Classes) Order 1987 and for the sale preparation and repair of cars and accessories parts and tyres and the fitting of parts and vehicle tyres and MOT testing and for the business of the rental of motor cars and commercial vehicles and ancillary thereto their maintenance storage upkeep and repair
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Definitions

2.1 The terms defined in this clause and in clause 1 shall for all purposes of this lease have the meanings specified unless the context requires otherwise

2.2 "Adjoining Property" means any land or property adjoining or neighbouring the Premises

2.3 "Conducting Media" means pipes sewers drains ducts conduits gutters watercourses wires cables optic fibres channels flues and other similar transmission media and installations including all ancillary apparatus equipment and structures

2.4

"Development" has the meaning given to it by the Planning Acts

2.5

"Group Company" means a company which is a member of the same group as the Landlord or the Tenant (as the case may be) within the meaning of section 42(1) of the 1954 Act

2.6

"the Headlease" means the superior lease under which the Landlord holds the Premises dated the 29th day of August 1972 made between (1) The Mayor Alderman and Citizens of the City of Chichester and (2) I C Units Limited and for a term from 29 August 1972 until 25 March 2054 and references to the Headlease shall include any documents supplemental to it whether or not expressed to be so

2.7

"Insurance Rent" means the sum which the Landlord shall from time to time incur by way of proper and reasonable premium or otherwise (inclusive of any commission to be retained by the Landlord):

- (a) in effecting the insurance of the Premises against the Insured Risks
- (b) for insuring against the loss of Rent for three years and reasonably taking into account any likely rent review during that period
- (c) including any increase in premium payable as a result of the use of the Premises or anything brought onto the Premises or any act or omission of the Tenant
- (d) for insuring in such proper and reasonable amount and on such terms as the Landlord shall reasonably consider appropriate against all liability of the Landlord to third parties arising out of or in connection with any matter involving or relating to the Premises and the Tenant's use or occupation thereof including without limitation property owner's employer's and public liability of the Landlord

- (e) for insuring against loss or damage by explosion of any engineering or electrical plant and machinery

- 2.8 "Insured Risks" means fire lightning explosion storm tempest flood aircraft or articles dropped from aircraft (other than hostile aircraft) riot civil commotion bursting and overflowing of water pipes tanks and other apparatus impact by road vehicles and such other usual commercial risks which the Landlord reasonably considers it appropriate to insure against to the extent that insurance cover against any particular risk is ordinarily available with a reputable insurer for property such as the Premises And the Landlord hereby covenants with the Tenant immediately to notify the Tenant in the event that any of the said risks is no longer covered as aforesaid in writing forthwith upon such cover ceasing
- 2.9 "Interest" means interest during the period from the date on which the payment is due to the date of payment both before and after any judgment at the Interest Rate or in the event of such rate being abolished such other reasonably comparable rate of interest as the Landlord shall nominate calculated on a daily basis
- 2.10 "Landlord's Surveyor" means any professionally qualified person or firm appointed by or acting for the Landlord (including an employee of the Landlord or a Group Company and including the person or firm appointed by the Landlord to collect the rents and manage the Premises) to determine a question of fact where this lease provides for determination in this way or to perform the function of a surveyor for any purpose of this lease
- 2.11 "Open Area" means any part of the Premises not built upon
- 2.12 "Outgoings" means all rates (including water rates) taxes assessments duties charges impositions and all outgoings whether parliamentary local or of any other description
- 2.13 "Plan" means the plan annexed to this lease

- 2.14 "Planning Acts" means the Town and Country Planning Act 1990 the Planning (Listed Buildings and Conservation Areas) Act 1990 the Planning (Hazardous Substances) Act 1990 the Planning (Consequential Provisions) Act 1990 and the Planning and Compensation Act 1991 and all subsequent statutes containing provisions relating to town and country planning from time to time in force and all statutes regulations and orders included by virtue of clause 3.14
- 2.15 "Planning Control" has the meaning given to it by the Planning Acts
- 2.16 "Rent" means the Initial Rent and the rents ascertained in accordance with the Fourth Schedule and such term does not include the Insurance Rent nor any VAT payable on the Rent but the term "rents" includes the Rent the Insurance Rent and any VAT payable on the Rent or the Insurance Rent
- 2.17 "Rent Payment Days" means the usual quarter days
- 2.18 "Utilities" means electricity gas water sewage air telephone electronic signals radiowaves telecommunications and other services and supplies of whatever nature
- 2.19 "VAT" means value added tax and any tax of a similar nature substituted for it or levied in addition to it
- 2.20 "1954 Act" means Part II of the Landlord and Tenant Act 1954 and all statutes regulations and orders included by virtue of Clause 3.14
- 2.21 "Historic Contamination" means any contamination or pollution in existence or caused prior to the date of this Lease whether the same was discovered or discoverable or not
- 2.22 "the Underlease" means a sub-underlease dated the 22nd June 1995 made between Bedford Tyre Service (Chichester) Limited (1) and N W and D B Gordon (2)

Interpretation

- 3.1 The expressions the "Landlord" and the "Tenant" wherever the context so admits include their respective successors in title and the expression the "Superior Lessor" includes any person with an interest in the Premises superior to the Landlord
- 3.2 Where the Landlord the Tenant or the Surety for the time being are two or more individuals the terms the "Landlord" the "Tenant" and the "Surety" include the plural number and obligations expressed or implied to be made by or with such party are deemed to be made by or with such individuals jointly and severally
- 3.3 Words importing one gender include all other genders and words importing the singular include the plural and vice versa
- 3.4 The expression the "Surety" includes not only the person referred to in clause 1.1.3 (if any) but also any person who enters into covenants with the Landlord pursuant to clauses 5.15.4 or 5.34.2
- 3.5 The expression the "Term" includes the Contractual Term and any period of holding-over or extension or continuance of the Contractual Term by agreement operation of law or otherwise
- 3.6 References to the "expiry of the Term" or to the "last year of the Term" are to the end of the Term and the last year of the Term however the Term comes to an end whether by effluxion of time or in any other way
- 3.7 Any right of the Landlord under or excepted and reserved in this lease shall be construed as extending to any Superior Lessor where such rights are excepted and reserved from the Headlease and to all persons properly authorised by the Landlord and (where permitted under the Headlease) any Superior Lessor (including agents professional advisers contractors workmen and others) and any person who is or who becomes entitled to exercise the right

- 3.8 References to the "Premises" in the absence of any provision to the contrary includes any part of the Premises
- 3.9 References to "consent" "approval" or "authorisation" of the Landlord or words to similar effect means a consent approval or authorisation in writing and signed by or on behalf of the Landlord and any consent or approval of the Landlord shall also include reference to obtaining the consent or approval of the Superior Landlord where that is required under the terms of the Headlease
- 3.10 The terms "the parties" or "party" shall mean the Landlord and/or the Tenant but except where there is an express indication to the contrary shall exclude the Surety
- 3.11 Any reference to a specific statute or section of a statute shall include (in the absence of any provision to the contrary in this lease) a reference to any statutory extension modification amendment consolidation or re-enactment of that statute or section and any statutory instrument direction regulations bye-laws or orders made under it and any general reference to "statute" or "statutes" includes any derivative statutory instruments regulations and orders
- 3.12 References to Conducting Media being "in" or "on" certain property include Conducting Media in under over or through that property
- 3.13 Unless the context requires otherwise references to:-
- 3.13.1 "breach" of any provision shall be construed as including any failure to observe or perform the provision in question
- 3.13.2 "this lease" means this lease and any document which is supplemental to it or which is entered into pursuant to any obligation contained herein
- 3.13.3 "losses" include all liabilities incurred by the party suffering loss all damage

and loss suffered by it all claims demands actions and proceedings made or brought against it and all costs disbursements and expenses incurred by it

3.13.4 "damage" or "damaged" include destruction or destroyed

3.14 References to any clause sub-clause or schedule without further designation shall be construed as a reference to the clause or sub-clause of or the schedule to this lease so numbered

3.15 The headings in this lease are for reference only and shall not affect its construction or interpretation

Demise

4. The Landlord with full title guarantee DEMISES to the Tenant the Premises TOGETHER WITH the rights specified in the Second Schedule for the benefit of the Tenant any undertenants and their respective servants agents contractors employees licensees and invitees which are exercisable in common with the Landlord and all others entitled to them but EXCEPTING AND RESERVING to the Landlord the rights specified in the Third Schedule TO HOLD the Premises to the Tenant for the Term SUBJECT TO all rights affecting the Premises AND SUBJECT TO and (as the case may be) with the benefit of the Underlease YIELDING and PAYING to the Landlord:

- (a) the Rent payable without any deduction by equal quarterly payments in advance on the Rent Payment Days in every year and proportionately for any period of less than a year the first such payment being a proportionate sum in respect of the period from and including the Rent Commencement Date to and including the day before the first Rent Payment Day next after the Rent Commencement Date or if later the next Rent Payment Day after the date of this lease

(b) by way of further rent:

- (i) the Insurance Rent payable within fourteen days of demand
- (ii) any VAT on the Rent or the Insurance Rent payable on production of a valid VAT invoice addressed to the Tenant at the same time as the Rent and the Insurance Rent on which such VAT is chargeable
- (iii) within fourteen days of demand Interest and all other sums whatever payable by the Tenant to the Landlord under the provisions of this lease

Tenants Covenants

5. The Tenant covenants with the Landlord:

Rent

- 5.1.1 To pay the rents on the days and in the manner set out in clause 4 without deduction
- 5.1.2 If so required in writing by the Landlord to make such payments by banker's order or credit transfer to any bank and account in England that the Landlord may from time to time nominate

Outgoings

- 5.2 To pay and to indemnify the Landlord against Outgoings which now or during the Term are charged assessed or imposed upon the Premises or upon the owner or occupier of them excluding any payable by the Landlord occasioned by any disposition in dealing with or ownership of the reversion of this lease or the receipt of rents payable hereunder save for VAT properly chargeable on the rents

VAT

- 5.3.1 Where any rents or other payments of whatever kind are payable pursuant to the provisions of this lease by the Tenant to the Landlord in respect of supplies (within the meaning of the Value Added Tax Act 1994) to the Tenant the Tenant on production of a valid VAT invoice addressed to the Tenant shall in addition pay any VAT chargeable in respect of those supplies the Tenant acknowledging that all rents and other payments have been computed on a VAT exclusive basis
- 5.3.2 Where pursuant to the provisions of this lease the Tenant is required to pay or reimburse to the Landlord any sums incurred by the Landlord or any other person the Tenant shall in addition pay to and indemnify the Landlord against any VAT chargeable in respect of those sums where such VAT is not recoverable by the Landlord as an input

Electricity Gas and Other Services Consumed

- 5.4 To pay to the suppliers and to indemnify the Landlord against all charges for all Utilities consumed or used at or in relation to the Premises including all equipment rents and connection charges

Repair

- 5.5.1 To repair and keep in good and substantial repair decorative order and condition the Premises (except damage caused by an Insured Risk other than where and to the extent that the insurance money or any part of the insurance money is irrecoverable in consequence of any act or default of the Tenant or anyone at the Premises expressly or by implication with the Tenants authority)
- 5.5.2 To replace from time to time the Landlord's fixtures and fittings in the Premises which may be or become beyond repair at any time during or at the expiration of the Term with new fixtures and fittings of similar type and of no less quality (except as aforesaid)

5.5.3 To keep any Open Area adequately surfaced in good condition and free from weeds

5.5.4 PROVIDED THAT nothing in this lease shall make the Tenant liable to carry out:

(a) any rebuilding or renewal works (save insofar as the same constitutes repair)

(b) any works or repairs made necessary by or arising from Historic Contamination on the Premises or on any Adjoining Property

- 5.5.5 The parties hereto hereby agree and declare that nothing in this Lease shall put make or require the Tenant to put or keep in repair or maintain the Premises or any Open Area in any better state and condition than that in which the Premises or any Open Area are in at the date of this Lease as evidenced by the attached Schedule of Condition ("the Schedule of Condition")

Decoration

5.6 In each of the Exterior Decorating Years and in the last six months of the Term (but not twice in any period of 24 months) to redecorate the exterior of the Premises and in each of the Interior Decorating Years and in the last three months of the Term (but not twice in any period of 24 months) to redecorate the interior of the Premises in both instances in a good and workmanlike manner and with appropriate materials of good quality to the reasonable satisfaction of the Landlord such decoration to comprise the application of at least two coats of good quality paint to all parts which have been previously or are usually painted and the thorough cleaning of all other parts including internal papering

Alterations and Additions

5.7.1 Not without the prior written consent of the Superior Lessor (which shall be given or withheld in accordance with the terms of the Headlease) and with the prior written consent of the Landlord (which consent shall not be unreasonably withheld or

delayed) to erect or place any new or additional building or structure on the Premises including any temporary or moveable building nor unite the Premises with any Adjoining Property nor commit waste of any kind on the Premises

5.7.2 Not without the prior consent of the Superior Lessor (which shall be given or withheld as aforesaid) and with the prior written consent of the Landlord (which consent shall not be unreasonably withheld or delayed) to make any addition or alteration to the Premises or remove any part of the Premises or make any change in the existing design or appearance of the Premises apart from an alteration to the interior of the Premises which does not affect any load bearing part of the Premises or the roof foundations or exterior of the Premises

5.7.3 Not to make any alteration permitted under clauses 5.7.1 and 5.7.2 unless:

- (a) the prior consent of the Landlord has been obtained (such consent not to be unreasonably withheld) subject to such conditions as the Landlord shall reasonably require
- (b) all necessary consents of any competent authority (acting in such capacity) have been obtained and are complied with
- (c) the Tenant has entered into such proper and usual covenants as the Landlord may reasonably require as to the execution and if so reasonably required by the Landlord reinstatement of the alterations at the end of the Term if this lease is not then the subject of an application for renewal by the Tenant
- (d) ⁹ where the Landlord requires in the case of work of a substantial and structural nature adequate security has been provided in the form of a deposit of money or a bond as assurance to the Landlord sufficient to enable the Landlord to complete the works or reinstate the Premises if the Tenant commences but does not complete the works within a reasonable time

- (e) before commencing the works the Tenant has given notice to the Landlord of its intention to carry them out and pays to the Landlord any increased or extra insurance premium payable in consequence of their execution

5.7.4.1 In so far as they involve alterations or additions to the electrical installations in the Premises to carry out such permitted works in accordance with the terms and conditions laid down by the Institution of Electrical Engineers current at the time

5.7.4.2 To indemnify the Landlord against all losses arising from:-

- (a) any failure by the Tenant to obtain any statutory or other necessary consents for the works
- (b) any failure to comply with the terms of such consents or the provisions of building regulations or any statute relating to the works or the requirements of any competent authorities
- (c) the carrying out of the works

5.7.5 In the event of this lease being terminated by the Tenant under clause 10 to remove any additions or alterations made to the Premises at the expiration of the Term if reasonably requested by the Landlord so to do and to make good any part of the Premises which may be damaged by such removal so as to reinstate the Premises to their condition prior to the execution of the works

5.7.6 Not to connect with install replace alter amend or remove any Conducting Media serving³ the Premises unless the Tenant has obtained the approval of the relevant competent authority

5.7.7 PROVIDED ALWAYS that nothing in the foregoing shall prevent or restrict the Tenant erecting altering or removing nonstructural internal partitioning without first

obtaining the Landlord's consent or the consent of the Superior Lessor

Works Outside Premises

5.8 Not to carry on any trade or business on the road or other area outside the Premises

Rubbish Refuse Obstruction

5.9.1 To keep any Open Area free of litter waste and refuse (other than old tyres) and not to store or deposit any rubbish or refuse (other than old tyres) at or outside the Premises except in proper receptacles and whilst awaiting collection

5.9.2 Not to park or keep any caravans or trailers on any Open Area

Signs and Advertisements

5.10 Not without the previous consent in writing of the Landlord (such consent not to be unreasonably withheld) and the Superior Lessor to use the Premises or any part thereof or suffer the same to be used for the purpose of advertising or permit to be displayed thereon any advertisement and to remove forthwith and discontinue thereafter the use of any advertisement to which the Superior Lessor may at any time take objection notwithstanding any previous consent thereto PROVIDED ALWAYS THAT nothing herein contained shall prohibit any advertisement for or in connection with the trades or businesses of the Tenant or any undertenant or other occupier as carried on at the Premises which is exhibited or placed within the external walls and windows of the main buildings on the Premises or the exhibition or erection on the Premises in a position previously approved by the Landlord and the Superior Lessor of a fascia board the size wording and style whereof shall have been approved of by the Landlord and the Superior Lessor in writing before the exhibition or erection thereof (such approvals by the Landlord not to be unreasonably withheld or delayed) PROVIDED FURTHER THAT the Tenant shall be permitted (without obtaining any consent therefore) to erect and/or attach and/or display to or in the windows of the Premises price tickets attached to any goods

therein and a reasonable number of posters notices sale signs and advertisements and other usual trade notices (and for the purposes of this Lease a reasonable number shall mean any number which does not exceed coverage of 70% in the area of the glass in the windows and doors of the Premises)

Statutory Obligations

- 5.11.1 To comply with the requirements of any statute (existing or to be passed) or of any government department local or other authority or court of competent jurisdiction in relation to the Premises and the use or occupation of the Premises by the Tenant whether or not such requirements are imposed on the lessor lessee or the occupier or any other person PROVIDED THAT nothing in the foregoing shall make or require the Tenant to carry out any works or comply with any such requirement or be liable in any way in respect of any Historic Contamination on the Premises or on any Adjoining Property
- 5.11.2 Not to do or omit to do in or near the Premises any act or thing by reason of which the Landlord under any enactment incurs or becomes liable to any penalty damages compensation costs charges or expenses

Access of Landlord and Notice to Repair

- 5.12.1 To permit the Landlord and the Superior Lessor at reasonable times and after giving at least 24 hours prior notice to the Tenant in the case of the Superior Lessor and at least 48 hours prior written notice to the Tenant in the case of the Landlord (save in case of emergency when no such notice shall be required)
- (a) to enter the Premises to ascertain whether the provisions of this lease have been observed and performed
 - (b) to view the state of repair and condition of the Premises and
 - (c) to give to the Tenant a notice specifying any repairs cleaning maintenance

decoration or other work that the Tenant has failed to execute in breach of the terms of this lease and to request the Tenant to execute such work and remedy the breaches within a reasonable period

5.12.2 Within one month of the service of such notice to commence and thereafter diligently proceed to remedy the breaches and carry out the repairs cleaning maintenance decoration or other work to the Premises as required by such notice

5.12.3 If within one month of the service of such notice (or sooner in emergency) the Tenant has not commenced and then continued diligently with the execution of the work referred to in the notice or shall fail to complete the work within a reasonable time to permit the Landlord to enter the Premises to execute the work needed to comply with the notice and to pay to the Landlord the cost of doing so and all proper expenses incurred by the Landlord in connection with the notice and the work within seven days of a written demand together with interest at the Interest Rate from the date of demand until the date of payment by the Tenant

5.12.4 In addition to permit the Landlord at reasonable times and on giving at least two days prior written notice to the Tenant to enter the Premises:-

- (a) to comply with its obligations under this lease and any superior lease
- (b) for the purpose of valuing or disposing of any interest of the Landlord or the Superior Lessor
- (c) to do anything which is not the responsibility of the Tenant hereunder and which may be necessary to prevent a forfeiture of any superior lease
- (d) to exercise any of the rights excepted and reserved in this Lease
- (e) to take schedules of repair and inventories of fixtures and fittings plant and

machinery

- 5.12.5 The exercise of rights pursuant to clauses 5.12.1 and 5.12.4 shall be subject to the proviso that the persons exercising such rights of entry aforesaid shall do so causing as little damage nuisance and inconvenience to the Tenant and undertenants of the Premises and the Tenant's or any undertenant's business as reasonably possible and only if there is no reasonable alternative to such entry AND the Landlord shall forthwith make good all damage caused to the Premises and the Tenant's stock and fixtures and fittings to the reasonable satisfaction of the Tenant

Alienation

- 5.13.1 Unless otherwise permitted under the subsequent provisions of this clause not to:-

- (a) hold the Premises expressly or impliedly on trust for another person
- (b) part with the possession of the Premises
- (c) permit another to occupy the Premises
- (d) share possession or occupation of the Premises with another person
- (e) assign or charge part only of the Premises

- 5.13.2 Not to underlet part only of the Premises without the prior written consent of the Landlord (such consent not to be unreasonably withheld) provided only that the Tenant may not in any event underlet the Premises in more than three parts

- 5.13.3 Not to underlet the whole of the Premises without the prior consent in writing of the Landlord (such consent not to be unreasonably withheld)

- 5.13.4.1 Not to assign the whole of the Premises without first:-

- (a) obtaining the prior consent in writing of the Landlord which shall not be unreasonably withheld
- (b) satisfying the circumstances specified for the purposes of section 19(1A) of the Landlord and Tenant Act 1927 and set out in clause 5.13.4.2 below and
- (c) complying with the conditions specified for the purposes of section 19(1A) of the Landlord and Tenant Act 1927 and set out in clause 5.13.4.3 below

5.13.4.2 The circumstances referred to in clause 5.13.4.1 (b) are that:-

- (a) all sums properly due and owing from the Tenant under this lease down to the date of such application have been paid by the date of the application for the licence to assign
- (b) the assignee is a Qualifying Person

5.13.4.3 The conditions referred to in clause 5.13.4.1 (c) are that:-

- (a) upon or before any assignment and before giving occupation to the assignee the Tenant shall covenant by way of indemnity and guarantee with the Landlord in the terms set out in the Sixth Schedule
- (b) (on a permitted assignment to a corporate body) if so reasonably required by the Landlord the assignee shall upon or before any assignment and before taking occupation obtain a maximum of two persons reasonably acceptable to the Landlord to act as sureties who shall covenant by way of indemnity and guarantee (if more than one jointly and severally) with the Landlord in the terms set out in the Fifth Schedule and
- (c) the licence to assign contains a condition that if at any time prior to the

assignment the circumstances (or any of them) specified in clause 5.13.4.2 cease to exist the Landlord may revoke the licence by written notice to the Tenant

- (d) at the reasonable request of the Landlord (but not where sureties are being taken pursuant to (b) hereof) the assignee deposits with the Landlord a sum of money equal to two quarters of the Initial Rent such money to be held in accordance with the provision of a deed to be entered into between the Landlord and the assignee in the form as the Landlord shall reasonably require

5.13.4.4 'Qualifying Person' means an assignee who is in the reasonable opinion of the Landlord when considered with any surety of such assignee (as the case may be) no less substantial in financial terms than the Tenant and any guarantor of the Tenant are in aggregate at the dates on which this lease was assigned or granted to the Tenant (after taking into account the value at that date of any other security for the performance of the tenant covenants under this lease by the Tenant)

5.13.5 Prior to any permitted underletting to procure that the underlessee enters into direct covenants with the Landlord as follows:

- (a) to observe and perform all the undertenant's covenants and all other provisions of the relevant underlease
- (b) an unqualified covenant by the underlessee against all dispositions of or other dealings whatever with the Premises other than an assignment or charge or underletting of the whole or an underletting of part of the Premises
- (c) a covenant by the underlessee not to assign or underlet the whole of the Premises or underlet part of the Premises without obtaining the prior

consent of the Landlord under this lease (which consent shall not be unreasonably withheld)

PROVIDED THAT any underlease of part shall not permit further underletting of part (as distinct from the whole)

5.13.6 To ensure that each and every permitted underlease is granted without any premium at a rent no lower than the then open market rental value of the premises to be underlet or (in respect only of any underlease granted for a term of five years or longer) the Rent (whichever shall be the greater) (or the pro rata amount in the event of an underletting of part in each case) and shall contain provisions:-

- (a) for the upwards only review of the rent reserved on the basis and on the dates on which the Rent is to be reviewed in this lease
- (b) prohibiting the underlessee from doing or allowing any act or thing in relation to the underlet premises inconsistent with or in breach of the provisions of this lease
- (c) for re-entry by the underlessor on breach of any covenant by the underlessee
- (d) imposing an absolute prohibition against underletting holding on trust parting with or sharing the possession or occupation of the underlet premises and all dispositions of or other dealings with the underlet premises other than an assignment or charge or underlease of the whole or an underletting of part
- (e) prohibiting any assignment or underlease of the whole or an underletting of part of the underlet premises without the prior written consent of the Landlord under this lease (to be given or withheld in accordance with the

terms of this Lease)

- (f) imposing in relation to any permitted assignment the same provisions for direct covenants and registration with the Landlord as are contained in this lease in relation to dispositions by the Tenant

5.13.7 In relation to any permitted underlease:-

- (a) To enforce the performance and observance by every underlessee of the provisions of the underlease and not at any time either expressly or by implication to waive any breach of the conditions or covenants on the part of the underlessee nor without the prior consent of the Landlord to vary the terms or accept a surrender of any underlease (such consent not to be unreasonably withheld)
- (b) To procure that the rent is reviewed in accordance with the terms of the underlease (if any)
- (c) To incorporate such representations as may be reasonably required by the Landlord as part of the representations of the Tenant to the third party appointed to determine the reviewed rent under the underlease
- (d) To give the Landlord details of every rent review within twenty eight days of the determination of the review

5.13.8 PROVIDED ALWAYS THAT nothing in the foregoing shall prevent or restrict the Tenant parting with or sharing occupation of the Premises with a Group Company which is during the period of its occupation a member of the same group of companies as the Tenant within the meaning of Section 42 of the 1954 Act provided that the same does not transfer to or create for such member a lease or any legal estate in the Premises

Registration and production of Documents

- 5.14 Within twenty one days of any assignment charge underlease or sub-underlease or any transmission or other devolution relating to the Premises to produce for registration with the Landlord's Solicitor the said deed or document or a certified copy of it and to pay the Landlord's Solicitor's charges of £20 plus VAT for the registration of every such document

User

- 5.15.1 To use the Premises for the Permitted User only

- 5.15.2 Not to use the Premises for:

- (a) any public meeting
- (b) any harmful objectionable dangerous noisy or offensive trade or business
- (c) any illegal or immoral activity
- (d) holding any sale by auction

- 5.15.3 Not to sleep or allow any person to sleep on the Premises nor keep any animal on the Premises

- 5.15.4 To use any Open Area only for the purposes for which it was designed or specified on the Plan

Overloading

- 5.16.1 Not to overload the floors or the structure of the Premises nor to fix on to or suspend from the portal frame stanchions roof walls ceilings or structure of the Premises any excessive weight

- 5.16.2 Not to bring or permit to remain on the Premises any machinery goods or articles or do anything else which may subject the Premises to any strain beyond which the Premises are designed to bear (allowing due margin for safety) or which may damage the Premises

Nuisance Dangerous Materials and Noise

- 5.17.1 Not to do or allow to remain on the Premises anything which is or becomes or causes a nuisance injury or damage to the Landlord
- 5.17.2 Not to store or bring onto the Premises any article substance or liquid of a dangerous explosive radioactive specially combustible or inflammable or dangerous nature without the Landlord's prior consent (which consent shall not be unreasonably withheld) Provided That the insurers approve and the materials are stored in proper containers
- 5.17.3 To ensure that every furnace boiler or heater at the Premises using solid liquid or gaseous fuel is constructed and used so as substantially to consume or burn the smoke arising from it
- 5.17.4 Not to cause or permit any grit or noxious or offensive effluvia to be emitted from any engine furnace chimney or other apparatus on the Premises without using all reasonable means for preventing or counteracting such emission
- 5.17.5 To comply with the provisions of the Clean Air Acts 1956 and 1968 and the Control of Pollution Act 1974 and with the requirements of any notice of the local authority served under them Provided That nothing in the foregoing shall require the Tenant to carry out any works or comply with any provisions relating to the Historic Contamination on the Premises or on any Adjoining Property

Conducting Media

- 5.18 Not to discharge from the Premises into any Conducting Media serving the

Premises:-

- (a) any poisonous explosive radioactive or other deleterious matter or substance and to take all proper measures to ensure that any effluent discharged will not be corrosive or otherwise harmful to the Conducting Media
- (b) any substance which causes an obstruction or becomes a source of damage or injury to the Conducting Media
- (c) any fluid of a poisonous or noxious nature or a kind which will contaminate or pollute any watercourse

Occupation

5.19 Not to leave the Premises continuously unoccupied for more than one month without:

- (a) notifying the Landlord and
- (b) providing such caretaking or security arrangements as the insurers shall require in order to protect the Premises from vandalism damage or unlawful occupation

Keyholders

5.20 To ensure that at all times the Landlord has written notice of the name home address and home telephone number of at least two keyholders of the Premises

Planning Acts

5.21.1 Not to commit any breach of Planning Control and to observe and comply with the provisions and requirements of the Planning Acts in relation to the Premises

5.21.2 Not to make any application under the Planning Acts in relation to the Premises

without the prior consent of the Landlord and then only in a form previously approved by the Landlord (which consent and approval shall not be unreasonably withheld) Provided That no such consent or approval shall be required at all in respect of any such application where the subject matter of such application has already been approved under other terms of this Lease or where no such approval is required hereunder

- 5.21.3 At the expense of the Tenant to obtain and if appropriate renew all planning permissions and other consents required under the Planning Acts for the Tenants use or occupation of the Premises or the Tenant's works or alterations to the Premises
- 5.21.4 The Tenant shall indemnify the Landlord against any charges payable in respect of any application made by the Tenant for planning permission
- 5.21.5 The Tenant shall indemnify the Landlord against any sum payable in consequence of any planning permission granted to the Tenant involving the change of use of the Premises
- 5.21.6 To supply to the Landlord copies of all applications notices decisions and other formal communications under the Planning Acts which relate in any way to the Premises as soon as practicable following receipt by the Tenant
- 5.21.7 Subject only to any statutory direction to the contrary to pay and satisfy any charge that may be imposed under the Planning Acts in respect of the carrying out or maintenance by the Tenant of any Development at the Premises
- 5.21.8 Not to carry out any operations or change of use on the Premises until:
 - (a) all necessary notices under the Planning Acts have been served and copies produced to the Landlord

- (b) all necessary permissions and approvals under the Planning Acts have been obtained and produced to the Landlord
- (c) the Landlord has given its consent to the implementation of every necessary permission or approval such consent not to be unreasonably withheld
Provided That the Landlord may withhold consent if in the Landlord's reasonable opinion the interest of the Landlord or any Group Company of the Landlord may on the balance of probabilities be prejudiced by the implementation of such permission or approval

5.21.9 Unless the Landlord shall otherwise direct to carry out and complete before the expiry of the Term:

- (a) any works stipulated to be carried out to the Premises by a date after the expiry of the Term in an agreement with or undertaking to the planning authority entered into by the Tenant as a pre-condition to obtaining any planning permission or in a condition to any planning permission obtained by the Tenant where the planning permission was granted for any Development begun by the Tenant before the expiry of the Contractual Term
- (b) any Development begun by the Tenant on the Premises

5.21.10 If the Tenant receives any compensation in respect of its interest in the Premises because of any restriction placed upon the use of the Premises pursuant to the Planning Acts or other legislation then if and when its interest in this lease is determined by assignment or forfeiture the Tenant shall make such provision as is just and equitable for the Landlord to receive its due benefit from the compensation

Landlord's Costs

5.22 To pay to the Landlord all proper and reasonable costs fees charges disbursements

and expenses properly incurred by the Landlord in connection with:

- (a) every application made by the Tenant for a consent or approval required or made necessary by the provisions of this lease whether it is granted lawfully refused offered subject to lawful qualifications or the application is withdrawn
- (b) the preparation and service of a notice under the provisions of this lease or under Section 146 of the Law of Property Act 1925 or proceedings under sections 146 or 147 of that Act even if forfeiture is avoided otherwise than by relief granted by the court
- (c) the recovery or attempted recovery of arrears of Rent or other sums due from the Tenant
- (d) the enforcement of any covenant or obligation of the Tenant under this lease
- (e) abating or properly contemplating abating a nuisance which the Tenant fails to abate
- (f) the preparation and service (or properly contemplating the same) of a schedule of dilapidations to be served during or within one month after the expiration of the Term

Notices

- 5.23.1 To produce to the Landlord a copy of any notice direction order or proposal given or issued to the Tenant or served on the Premises by any government department local or other authority or court of competent jurisdiction as soon as practicable following receipt by the Tenant and if so required to produce the original document to the Landlord

- 5.23.2 Without delay to take all necessary steps to comply with the notice direction or order (unless required by the Landlord not to do so) Provided That nothing in the foregoing shall require the Tenant to take any steps or carry out any works relating to or arising from Historic Contamination on the Premises or on any Adjoining Property
- 5.23.3 At the request of the Landlord to make or join with the Landlord in making any reasonable objection to or representations against the notice direction order or proposal as the Landlord reasonably requires

Defective Premises

- 5.24.1 As soon as the Tenant becomes aware to give notice to the Landlord of any defect in the Premises which gives rise to an obligation on the Landlord to do or refrain from doing any act or thing in order to comply with the provisions of this lease or duty on or the duty of care imposed on the Landlord pursuant to the Defective Premises Act 1972 or otherwise
- 5.24.2 At all times to display and maintain all statutory notices which the Landlord may from time to time reasonably require to be displayed at the Premises

Indemnities

- 5.25 To be responsible for and to keep the Landlord fully indemnified against all losses arising directly or indirectly out of or otherwise connected with:-
- (a) the state of repair and condition of the Premises
 - (b) any act omission or negligence of the Tenant or any persons at the Premises expressly or impliedly with the Tenant's authority
 - (c) any breach or non observance by the Tenant of the covenants conditions or other provisions of this lease and on the Tenant's part to be observed or

performed

Re-letting Boards

- 5.26 To permit the Landlord if the Tenant has not then applied for a renewal of this lease at any time during the last six months of the Term and at any time after the expiry of the Term to fix and retain upon any reasonable part of the Premises (but not to obstruct or interfere with any of the Tenant's signs or the access of light or air thereto) a notice for re-letting the same and during such period to permit persons with written authority of the Landlord or its agent to view the Premises on them making a prior appointment with the Tenant

Sale of Reversion etc

- 5.27 Subject to the Landlord having first complied with its obligations under a Deed of Pre-emption dated with even date herewith and made between (1) the Landlord and (2) the Tenant to permit on reasonable notice at any time during the Term prospective purchasers of or agents instructed in connection with the sale of the Landlords reversion or of any interest superior to the Term to view the Premises without unreasonable interruption providing they are authorised by the Landlord or its agents and to permit the Landlord to affix and retain upon any reasonable part of the Premises as aforesaid a notice advertising the sale of the Premises

Rights of Light and Encroachments

- 5.28.1 Not to stop-up darken or obstruct any windows or lights of the Premises
- 5.28.2 Not to knowingly permit and take all measures to prevent any new easement or encroachment being made or acquired over or against the Premises
- 5.28.3 To give notice to the Landlord as soon as practicable following the Tenant becoming aware of the same if any easement or encroachment is attempted to be made or acquired against the Premises and at the request and cost of the Landlord to adopt

such means as shall be reasonably required to prevent the acquisition of any such easement or such encroachment

Yield Up

5.29.1 At the expiry of the Term:-

- (a) to yield up the Premises decorated repaired and otherwise in accordance with the terms of this lease
- (b) unless the Tenant shall have applied for a renewal of this Lease to give up all keys of the Premises to the Landlord
- (c) unless as aforesaid to remove all the Tenant's fixtures and fittings at the Premises (if requested so to do by the Landlord) and all lettering and signs erected by the Tenant in upon or near the Premises and promptly to make good any damage caused by the removal

5.29.2 If at the expiry of the Term the Premises are not in the state of repair and decoration in which they should be having regard to the Tenant's covenants and conditions contained in this lease the Tenant shall if the Premises are not then to be redeveloped (if so required by the Landlord) pay to the Landlord within fourteen days of demand by way of liquidated damages such sum as shall be certified by the Landlord's Surveyor to represent in his reasonable opinion:-

- (a) the cost of putting the Premises into the state of repair and decoration in which they should have been had the Tenant complied with the terms of this lease and
- (b) the Rent at the rate prevailing at the expiry of the Term that would have been payable under this lease if the Term had been extended for such period as is reasonably necessary to put the Premises into the state of repair and

decoration in which they should have been

Interest on Arrears

- 5.30.1 Without prejudice to any other remedies of the Landlord if the Tenant fails to pay the rents or any other sum due under this lease within fourteen days of the due date whether formally demanded or not the Tenant shall pay to the Landlord on demand Interest on the rents or other sum from the date when it was due to the date on which it is paid and such Interest shall be deemed to be rent due to the Landlord
- 5.30.2 Nothing in this clause shall entitle the Tenant to withhold or delay any payment of the rents or any other sum due under this lease after the date upon which it falls due or in any way prejudice the rights of the Landlord in relation to the non-payment
- 5.30.3 If the Landlord shall decline to accept any Rent or other rents so as not to waive any existing breach of covenant the Tenant shall pay Interest to the Landlord from and including the date on which payment of such rent was due to the date it is accepted by the Landlord and such Interest shall be deemed to be rent due to the Landlord

New Surety

- 5.31.1 To give notice to the Landlord within fourteen days of the Tenant becoming aware of the same if the Surety (or any party included in the definition of the Surety) dies has a receiver appointed under the Mental Health Act 1983 or becomes Insolvent as defined by clause 9.1.2
- 5.31.2 If so required by the Landlord within twenty eight days of service of the notice under this clause to use its reasonable endeavours to procure some other person reasonably acceptable to the Landlord executes a guarantee in respect of the Tenant's obligations contained in this lease in the form set out in the Fifth Schedule

Landlord's Rights

- 5.32 To permit the Landlord at all times during the Term to exercise without interruption or interference any of the rights granted to the Landlord by virtue of the provisions of this lease

Taxation

- 5.33 Not to do on or in relation to the Premises any act or thing (other than the payment of the rents) which shall render the Landlord liable for any tax levy charge or other fiscal imposition of whatever nature

Covenants Affecting Reversion

- 5.34.1 To observe and perform all obligations covenants restrictions stipulations and agreements referred to in the deeds and documents listed in the Sixth Schedule so far as the same are still subsisting and relate to the Premises and are capable of being enforced and keep the Landlord indemnified against all losses in any way relating to any breach by the Tenant of the foregoing
- 5.34.2 To observe and perform the covenants and conditions on the part of the lessee contained in the Headlease except clause 2 of the Second Schedule thereof and except insofar as the Landlord expressly covenants in this lease to observe and perform the same and to indemnify the Landlord from and against any actions proceedings claims damages costs expenses or losses arising from any breach non-observance or non-performance of such covenants and conditions

Landlord's Covenant

- 6.1 THE LANDLORD COVENANTS with the Tenant to permit the Tenant to hold the Premises peaceably and without any interruption or disturbance from or by the Landlord or any person claiming under or in trust for the Landlord or by title paramount
- 6.2 To pay all of the rents reserved by the Headlease promptly on the due date and to perform and observe so far as the Tenant is not liable for such performance under

the terms of this underlease the covenants and conditions on the part of the lessee contained in the Headlease.

Insurance

Landlord's Insurance Covenants

7.1 Subject to the Tenant paying the Insurance Rent the Landlord covenants with the Tenant:-

7.1.1 To insure the Premises excluding any tenant's fixed equipment or machinery fixtures or fittings installed by the Tenant (the "Tenant's Installations") but only in so far as such insurance shall not be vitiated by any act of the Tenant or by anyone at the Premises expressly or by implication with the Tenant's authority against damage or destruction by the Insured Risks but subject to such excesses exclusions limitations and conditions as the insurer may impose or the Landlord may properly negotiate (and subject to the Landlord's entitlement to retain for its own benefit claims sums or discounts received or obtained by or allowed to it on or based upon the gross premiums and other expenses which would otherwise be paid or incurred by the Landlord in effecting or maintaining the insurances):-

- (a) with a reputable insurance office or underwriters and through such reputable agency as the Landlord may from time to time decide and notify in writing to the Tenant
- (b) for the full cost of reinstatement (including all professional fees and fees payable on applications for planning permission or other consents that may be required for the reinstatement the cost of shoring up site clearance demolition debris removal and other ancillary costs and all applicable VAT) together with an appropriate allowance for inflation
- (c) in the joint name of the Landlord and the Superior Lessor (if the Superior Lessor so requires)

- 7.1.2 To produce to the Tenant on request but not more than once in every year of the Term evidence of the terms of the policy of insurance effected by the Landlord and the fact that it is still in force
- 7.1.3 To use reasonable endeavours to procure that the interest of the Tenant any undertenants and their respective mortgagees shall be noted on such policy or policies of insurance by the insurers and to procure that the insurers shall give a waiver of subrogation rights in favour of the Tenant
- 7.1.4 To pay to the insurers all premiums necessary for the above purposes immediately upon the same becoming payable

Tenant's Insurance Covenants

7.2 The Tenant covenants with the Landlord:-

- 7.2.1 To pay the Insurance Rent on the execution of this lease for the period from the commencement of the Contractual Term to the day before the next policy renewal date and subsequently to pay the Insurance Rent within fourteen days of demand on production of a renewal invoice
- 7.2.2 To comply with all the requirements and recommendations of the insurers of the Premises and the fire authority including without limitation the fire certificate for the Premises
- 7.2.3 Not to do or omit to do anything that causes any policy of insurance on the Premises to become void or voidable in whole or in part nor (unless the Tenant has previously notified the Landlord and obtained the approval of the insurers) any thing which increases the premium payable under such policy and then to pay to the Landlord within fourteen days of demand the whole of such increase
- 7.2.4 To keep the Premises supplied with such fire fighting equipment and alarm and

warning systems as the insurers and the fire authority may require and to maintain such equipment and systems in good working order

- 7.2.5 Not to obstruct the access to any fire equipment or the means of escape from the Premises
- 7.2.6 To give notice to the Landlord as soon as practicable following the Tenant becoming aware of the same of any event which would affect any insurance policy relating to the Premises of which the Tenant is aware or which would give rise to or affect a claim under such a policy
- 7.2.7 To inform the Landlord in writing as soon as practicable following the Tenant becoming aware of any event or matter reasonably likely to affect the decision of any insurer to grant or to continue the insurance of the Premises
- 7.2.8 Not to effect any insurance in duplication in whole or in part with the insurance which the Landlord covenants to maintain in this lease but if the Tenant does effect any such insurance to pay to the Landlord all monies received or payable under such insurance
- 7.2.9 To insure in the name of the Tenant with a reputable insurance company or underwriter for the full cost of reinstatement (including all ancillary costs and VAT) with an appropriate allowance for inflation against loss or damage by such of the Insured Risks or the Tenant considers reasonably appropriate:-
- (a) the Tenant's Installations at the Premises
 - (b) any plate glass in the Premises

and when requested to do so (but not more frequently than once a year) shall produce to the Landlord evidence of such insurance

7.2.10 To reinstate any of the Tenant's Installations or plate glass which are damaged with Installations or plate glass (as appropriate) of a similar quality and capacity

7.2.11 To pay to the Landlord within fourteen days of demand all expenses incurred by the Landlord from time to time (but not more frequently than once in every twelve months) in obtaining any reinstatement valuation of the Premises

7.2.12 To pay to the Landlord within fourteen days of demand an amount equal to any insurance monies rendered irrecoverable on damage or destruction by an Insured Risk by reason of:-

- (a) any act default or omission of the Tenant or anyone at the Premises with the Tenant's authority
- (b) a condition of the policy which the Tenant has previously agreed (such agreement to be unreasonably withheld)
- (c) any excess or other obligation in the policy whereby the insured bears part of an insured loss and of which the Tenant was previously notified

Suspension of Rent

7.3 If and whenever the Premises or any part thereof are damaged or destroyed by any of the Insured Risks so that the Premises are wholly or partially unfit for occupation or use then save to the extent that the payment of the insurance monies are refused in whole or in part by reason of any act or default of the Tenant or anyone at the Premises with the Tenant's express or implied authority the Rent or a fair proportion of the Rent according to the nature or the extent of the damage sustained shall cease to be payable until the Premises (or the affected part) shall have been rebuilt or reinstated so that the Premises or the affected part are again made fit for occupation and use or until the expiry of three years from the date of such damage or destruction whichever is the shorter and the amount of such proportion and the

duration of such cesser of Rent shall in the event of dispute be determined by an Arbitrator in accordance with the Arbitration Act 1996

Reinstatement

7.4.1 In the event of any damage or destruction to the Premises or any part thereof by any of the Insured Risks then save to the extent that the payment of the insurance monies is refused wholly or in part by reason of any act or default of the Tenant or any person at the Premises with the Tenant's express or implied authority the Landlord shall use all reasonable endeavours forthwith to obtain all planning permissions and other consents or licences that may be required to enable the Landlord to rebuild or reinstate the Premises (the "Permissions")

7.4.2 Subject to the following provisions of this clause the Landlord shall as soon as all Permissions have been obtained (or immediately where no Permissions are required) apply all monies received by the Landlord in respect of the insurance of the Premises (except sums for loss of Rent) in making good the loss or damage and will reinstate the Premises and the Tenant will do nothing to prevent or hinder that making good and the Landlord shall make good any deficiency in the insurance monies out of its own monies

7.4.3 In rebuilding or reinstating the Premises the Landlord may make any modifications which are:

- (a) reasonably necessary to comply with the Permissions
- (b) reasonably necessary to reflect contemporary building practice

but so that the reinstated Premises provides the Tenant with similar facilities and accommodation at least as convenient and spacious as that which existed immediately before the damage or loss

7.4.4 In this clause a "Supervening Event" shall mean any of the following:

- (a) failure by the Landlord to obtain the Permissions despite using all reasonable endeavours
- (b) grant of the Permissions subject to some lawful condition with which it would be unreasonable to expect the Landlord to comply on economic grounds
- (c) the Landlord being requested as a pre-condition to obtaining a Permission to enter an agreement which would contain conditions with which it would be unreasonable to expect the Landlord to comply on economic grounds
- (d) some defect in the site upon which the reinstatement is to take place so that it could not be undertaken or only undertaken at a cost which is unreasonable in all the circumstances
- (e) inability of the Landlord despite using all reasonable endeavours to obtain access to the site to reinstate
- (f) prevention of the reinstatement by act of God war government action strike or lockout beyond the control of the Landlord or any person under its control
- (g) any other circumstance that prevents reinstatement and that is beyond the control of the Landlord or any person under its control

7.4.5 The Landlord need not reinstate or rebuild the Premises while prevented by a Supervening Event

7.4.6 If the Premises have not been reinstated or rebuilt within eighteen months from the

date of the damage so that the Premises are again fit for occupation and use the Tenant may determine this lease by giving at least one month's notice in writing to the Landlord served at any time after the expiry of such eighteen month period

7.4.7 If the premises shall not have been reinstated or rebuilt within thirty six months from the date of the damage so that the Premises are again fit for occupation and use the Landlord may determine this lease by giving at least one month's notice to the Tenant in writing served at any time after the expiry of such thirty six month period

7.4.8 Upon service of any notice to determine this lease in accordance with either clause 7.4.6 or 7.4.7

(a) the Term will come to an end but without prejudice to any right that either party may have against the other including without limitation any right that the Tenant may have for breach by the Landlord of the provisions of this clause

(b) all insurance monies shall in such case be apportioned between the Landlord and the Tenant in accordance with their respective interests in the Premises at the time of such damage or destruction such apportionment and amounts to be determined in the event of any dispute by an Arbitrator appointed in accordance with the Arbitration Act 1996

Surety's Covenants

8. THE Surety hereby covenants by way of primary obligation (and not merely liability as a guarantor or merely collateral to that of the Tenant) with the person named as the Landlord in clause 1.1.1 and as a separate covenant with each and every person in whom from time to time the reversion immediately expectant on the determination of the Term is vested without the need for any express assignment to observe and perform the covenants set out in the Fifth Schedule

9. **Provisos**

Re-entry

9.1.1 If at any time during the Term:-

- (a) the rents (or any of them or any part of them) shall be in arrear and unpaid for twenty eight days after becoming payable (whether formally demanded or not)
- (b) there shall be any breach non-performance or non-observance by the Tenant of any of the covenants and conditions contained in this lease
- (c) the Tenant suffers any execution or distress to be levied on any goods at the Premises
- (d) the Tenant (or any party included within the definition of the Tenant) becomes Insolvent (as defined in clause 9.1.2)

the Landlord may at any time re-enter the Premises or any part of them in the name of the whole and then the Term shall absolutely cease but without prejudice to any rights or remedies which may then have accrued to the Landlord against the Tenant in respect of any antecedent breach (including the breach in relation to which re-entry is made) of any of the covenants and conditions contained in this lease

9.1.2 "Insolvent" means for the purposes of this clause:

- (a) in relation to a Company:
 - (i) the Company is deemed unable to pay its debts as defined in Section 123 of the Insolvency Act 1986 (the "1986 Act")
 - (ii) a proposal is made for a voluntary arrangement relating to the

Company under Section 1 of the 1986 Act

- (iii) the Company enters into any arrangement scheme or composition with its creditors or any of them whether under the 1986 Act or otherwise
 - (iv) a petition for an administration order is presented against the Company
 - (v) a receiver manager administrative receiver or provisional liquidator is appointed in respect of the Premises or the whole or any part of the property assets or undertaking of the Company
 - (vi) a winding up petition is presented against the Company
 - (vii) the Company goes into liquidation or is otherwise wound up (other than a members voluntary winding up solely for the purposes of amalgamation or reconstruction while solvent not involving any reduction in capital) whether in England or elsewhere
- (b) in relation to an individual:
- (i) the individual appears unable to pay his debts within the meaning of Section 268 of the 1986 Act
 - (ii) an application is made for an interim order against the individual
 - (iii) a proposal is made for a voluntary arrangement relating to the individual as defined in Section 253 of the 1986 Act
 - (iv) a bankruptcy petition is presented against the individual

- (v) the individual is adjudged bankrupt whether in England or elsewhere
- (vi) the individual enters into any arrangement scheme or composition with his creditors whether under the 1986 Act or otherwise

Effect of Waiver

- 9.2 Each of the Tenant's covenants shall remain in full force both at law and in equity notwithstanding that the Landlord shall have waived or released temporarily any such covenant or waived or released temporarily or permanently revocably or irrevocably a similar covenant or similar covenants affecting any Adjoining Property

Rights Easements etc

- 9.3 The operation of Section 62 of the Law of Property Act 1925 and the rule of implied grant known as the rule in *Wheeldon v Burrows* and any other rule of similar effect shall be excluded from this lease and the only rights granted to the Tenant are those expressly set out in this lease and the Tenant shall not by virtue of this lease be deemed to have acquired or be entitled to and the Tenant shall not during the Term acquire or become entitled by any means whatsoever to any easement from or over or affecting any other land or premises now or at any time hereafter belonging to the Landlord and not comprised in this lease

Exclusion of Use Warranty

- 9.4 Nothing in this lease nor in any consent granted by the Landlord under this lease shall imply or warrant that the Premises may be used for the purpose herein authorised (or any purpose subsequently authorised) under the Planning Acts or otherwise for use for any specific purpose

Accidents

- 9.5 Save to the extent that the same is covered by any policy of insurance maintained from time to time by the Landlord the Landlord shall not be responsible to the

Tenant or to anyone at the Premises expressly or by implication with the Tenant's authority for any accident happening or injury suffered or for any damage to or loss of any chattel sustained in the Premises unless caused by the deliberate act omission or gross negligence of the Landlord or any person under its control (expressly or by implication)

Representations

- 9.6 The Tenant acknowledges that this lease has not been entered into in reliance wholly or partly on any statement or representation made by or on behalf of the Landlord except any such statement or representation that is expressly set out in this lease or contained in the Landlord's (or his solicitors) written replies to enquiries raised by the Tenant (or its solicitors) prior to the grant hereof

Tenant's Property

- 9.7 If after the Tenant has vacated the Premises on the expiry of the Term any property of the Tenant remains in or on the Premises and the Tenant fails to remove it within fourteen days after being requested in writing by the Landlord to do so or if after using all reasonable endeavours the Landlord is unable to make such a request to the Tenant within twenty one days from the first attempt so made by the Landlord:

- (a) the Landlord may as the agent of the Tenant (and the Landlord is irrevocably appointed by the Tenant to act as such) sell such property without liability for loss or damage and hold the proceeds of sale (after deducting any moneys due or owing to the Landlord from the Tenant and the cost and expense of removal storage and sale including a reasonable charge if such property is stored in the premises of the Landlord pending sale) to the order of the Tenant without liability for interest thereon
- (b) the Tenant will indemnify the Landlord against any liability incurred by it to any third party whose property shall have been sold by the Landlord in the bona fide mistaken belief (which shall be presumed unless the contrary

be proved) that such property belonged to the Tenant

- (c) if the Landlord having made reasonable efforts is unable to locate the Tenant the Landlord shall be entitled to retain the said proceeds of sale absolutely unless the Tenant shall claim the same within six months of the date upon which the Tenant vacated the Premises
- (d) the Tenant shall indemnify the Landlord against any damage occasioned to the Premises or any Adjoining Property and any actions claims proceedings costs expenses and demands made against the Landlord caused by or related to the presence of the property in or on the Premises

Service of Notices

9.8 The provisions of Section 196 Law of Property Act 1925 as amended by the Recorded Delivery Service Act 1962 shall apply to the giving and service of all notices and documents under or in connection with this lease except that Section 196 shall be deemed to be amended as follows:-

the final words of Section 196 (4) "... and that service ... be delivered" shall be deleted and there shall be substituted "... and that service shall be deemed to be made on the third Working Day after the registered letter has been posted "Working Day" meaning any day from Monday to Friday (inclusive) other than Christmas Day Good Friday or any statutory public holiday"

Arbitration

9.9.1 If any dispute or difference arises between the parties as to the construction of this lease the rights duties or obligations of the parties under this lease or as to any other matters in any way arising out of or connected with this lease (except where the same relate to forfeiture of this lease or relief from forfeiture or matters related thereto or where the means of resolving such dispute is expressly referred to in this lease) it shall be referred to an arbitrator and the arbitration shall be conducted in

accordance with the Arbitration Act 1996

- 9.9.2 If and wherever in this Lease there is provision for reference to an arbitrator or in the event of any dispute arising between the Landlord and the Tenant or in respect of any of the terms of this Lease then the matter shall be referred to an arbitrator in accordance with the Arbitration Act 1996 who shall be a single arbitrator to be agreed upon by the parties or failing agreement within 14 days of one party giving notice to the other of its nomination or nominations to be appointed on the application of either party by the President for the time being of the Royal Institution of Chartered Surveyors or the duly appointed deputy of such President or any person authorised by such President to make appointments on his behalf and the costs of his appointment and such arbitration are to be met as determined by the arbitrator or failing such determination to be borne equally

Tenant's right to renew

- 10.1 The Landlord may at their discretion apply to the Superior Lessor for an extension of the term granted to the Landlord under the Headlease ("the Extended Term") either by way of a Deed of Variation or a grant of a new lease on similar terms as the Headlease or such other terms as the Landlord shall agree and as the Tenant may approve (such approval not to be unreasonably withheld)
- 10.2 The Landlord covenants to keep the Tenant fully informed of all progress made and the negotiations for such extension referred to in clause 10.1 and to immediately notify the Tenant of the completion of such extension and to provide to the Tenant a certified copy of the Deed effecting the same ("the Deed")
- 10.3 If the Tenant wishes to take a further lease of the Premises from the end of the Term hereby granted and expiring on a date three days prior to the expiry of the Extended Term at a commencing annual exclusive rent equal to the annual exclusive rent payable under this Lease at the expiry of the Term but subject to a review of such rent at the end of the first month of such new term and thereafter at the same

intervals and in any event on the same terms as are contained in this Lease and otherwise on the same terms and conditions as this Lease (but excluding this clause 10) and the Tenant gives the Landlord notice of that wish at any time not less than six months prior to the expiry of the Term hereby granted then (subject to obtaining the Superior Lessor's consent which the Landlord hereby covenants to use reasonable endeavours to obtain) the Landlord must grant to the Tenant a further lease of the Premises for such term and on the terms and conditions hereinbefore specified such lease to be prepared by the Landlord and completed as soon as possible in all of the circumstances after the giving of such notice by the Tenant and the parties shall bear their own costs in respect of the grant of such lease and the Landlord shall at their own cost use all reasonable endeavours to obtain the consent of the Superior Lessor thereto

Tenant's Right to Break

11. The Tenant may bring this Lease to an end on either the 1st day of August 2018 ("the First Determination Date") or the 1st day of August 2039 ("the Second Determination Date") by giving not less than twelve months written notice of termination to the Landlord prior to the relevant Determination Date and in the event of such notice being given this Lease and the Term hereby granted shall cease and determine absolutely on the First Determination Date or the Second Determination Date (as the case may be) but without prejudice to any rights of either party then accrued in respect of any antecedent breach of covenant

New Tenancy

12. This lease is a new tenancy for the purposes of the Landlord and Tenant (Covenants) Act 1995

Certificate

13. The parties hereby certify that there is no Agreement for lease or tack to which the grant of this Lease gives effect

I N W I T N E S S of which this document has been executed as a deed and delivered unconditionally on the first date before written

THE FIRST SCHEDULE

The Premises

"The Premises" means all that property shortly described in Clause 1.2 containing 0.28 acres or thereabouts and with the abutments thereof as the same is more particularly described in the Headlease and delineated and shown as the plan annexed thereto and thereon coloured pink **TOGETHER** with the buildings erected thereon and including without limitation:

- (a) all additions and improvements to the Premises (other than tenants or trade fixtures and fittings)
- (b) all the Landlord's fixtures and fittings and all fittings plant machinery apparatus equipment of every kind which shall from time to time be in or upon the Premises whether originally affixed or fastened to or upon the same except any tenants or trade fixtures or fittings
- (c) all Conducting Media that are within and exclusively serve and belong to the Premises
- (d) all boundary walls fences and hedges belonging to the Premises
- (e) the structure of the building including the roofs foundations external walls structural frames internal load-bearing walls columns beams joists girders stanchions floor slabs cladding and all glass in it

THE SECOND SCHEDULE

Rights Granted

The rights granted contained or referred to in the Headlease.

THE THIRD SCHEDULE

Rights Reserved

Access

1. The right at any time during the Term at reasonable times and upon giving at least seven days prior written notice to the Tenant except in cases of emergency to enter (or in case of emergency to break and enter) the Premises to:-
 - (a) view the state and condition of and repair of the Premises
 - (b) properly to carry out work or do anything whatsoever comprised within the Landlord's obligations in this lease whether or not the Tenant is liable to make a contribution
 - (c) take schedules or inventories of fixtures and other items to be yielded up on the expiry of the Contractual Term
 - (d) the proper exercise of any of the rights granted to the Landlord by this lease
- 2.2 The right with the Landlord's Surveyor and any person appointed to determine the revised rent under the Fourth Schedule at any proper time after giving at least seven days prior written notice to the Tenant to enter and to inspect and measure the Premises for all purposes properly connected with any pending or intended step under the 1954 Act or the implementation of the provisions of the Fourth Schedule

PROVIDED ALWAYS the persons exercising such rights of entry aforesaid shall do so causing as little damage nuisance and inconvenience to the Tenant and undertenants of the Premises and the Tenant's or any undertenant's business as reasonably possible and only if

there is no reasonable alternative to such entry AND the Landlord shall forthwith make good all damage caused to the Premises and the Tenant's stock and fixtures and fittings to the reasonable satisfaction of the Tenant

Support Light Shelter

3. The rights excepted and reserved by the Headlease insofar as the same may remain relevant

THE FOURTH SCHEDULE

Rent Review

- 1.1 The terms defined in this paragraph shall for all purposes of this Schedule have the meanings specified
- 1.2 "Review Period" means the period between any Review Date and the day prior to the next Review Date (inclusive) or between the last Review Date and the expiry of the Term
- 1.3 "The President" means the President for the time being of the Royal Institution of Chartered Surveyors the duly appointed deputy of the President or any person authorised by the President to make appointments on his behalf
- 1.4 The "Open Market Rent" means the yearly rent at which the Premises might reasonably be expected to be let in the open market with vacant possession at the relevant Review Date by a willing landlord to a willing tenant and without premium or any other consideration after the expiry of a rent free period or period of rent abatement of such length as would be negotiated in the open market between a willing landlord and a willing tenant to compensate the willing tenant for any fitting out works only for a term equal to the unexpired residue of the Contractual Term or ten years (which ever is the greater) commencing on the relevant Review Date (the "hypothetical lease") varied as below but otherwise containing the same provisions

as this lease (except the amount of the Initial Rent) but including the provisions for review of rent on the Review Dates and at similar intervals

Assuming that:-

- (a) the Premises are fit for occupation and use by the incoming tenant and are in the state and condition detailed in the Schedule of Condition and that the Premises under the hypothetical lease may (whether the same be the case or not) be used only for all or any uses within classes B1 B2 and/or B8 of the Schedule to the Town and Country Planning (Use Classes) order 1987 and for the storage and sale of vehicle tyres and MOT testing and not (for the avoidance of doubt) for any other use whether the same be permitted under this Lease or not
- (b) no work has been carried out on the Premises by the Tenant its sub-tenants or their predecessors in title which has diminished the rental value of the Premises
- (c) if the Premises have been destroyed or damaged they have been restored in accordance with the terms of this Lease
- (d) the covenants contained in this lease on the part of the Tenant have been fully performed and observed
- (e) the Premises may be used under the hypothetical lease for any of the uses specified in (a) hereof and each such use is permitted under the Planning Act³
- (f) any rent free period or concessionary rent or other inducement which may be offered as compensation for or inducement in respect of fitting out works only in the case of a new letting in the open market at the relevant Review

Date shall have been given or allowed prior to the date of grant of the hypothetical lease under an agreement for lease where the tenant was given a period of occupation

- (g) the lessee to the hypothetical lease is and tenants in the market generally and all those who at any time might be prospective assignees are registered for the purposes of VAT and will be able to set off in full by way of input tax any VAT payable in respect of any payment of rent and any other payment against output tax payable by such losses

But disregarding:

- (a) any effect on rent of the fact that the Tenant its sub-tenants or their respective predecessors in title have been in occupation of the Premises
- (b) any goodwill attached to the Premises by reason of the carrying on at the Premises of the business of the Tenant its sub-tenants or their predecessors in title in their respective businesses
- (c) any effect on rent of any improvements or alterations to the Premises carried out by the Tenant or any underlessee or their respective predecessors in title either during the Term or any period prior to the Term otherwise than in pursuance of an obligation to the Landlord (save for any improvements or alterations carried out by such persons aforesaid in order to comply with any statutory Local Authority or other relevant Authority requirement order or direction)
- (d) any uses (other than those specified in assumption (a)) to which the Premises actually are then being put or to which they could be put under any planning permission the terms of this lease or otherwise

2. The Rent shall be:

- (a) until the first Review Date the Initial Rent
- (b) during each successive Review Period a rent equal to the greater of:
 - (i) the Rent payable immediately prior to the relevant Review Date or if payment has been suspended or abated pursuant to the proviso to that effect contained in this lease the Rent which would have been payable had there been no such suspension or abatement or if there is in force any restriction or qualification of the Landlord's right to recover the full amount of the Rent in accordance with this lease the Rent which would have been payable had there been no such restriction or qualification or
 - (ii) the Open Market Rent ascertained in accordance with this Schedule

3. The Open Market Rent at any Review Date may be agreed in writing at any time between the parties or (in the absence of agreement) determined not earlier than the relevant Review Date by an independent valuer (acting as an expert not as an arbitrator) such valuer to be appointed by agreement between the parties or (in the absence of agreement within fourteen days of one party giving notice to the other of its nomination or nominations) nominated by the President on the application of either party made not earlier than six months before the relevant Review Date

4. In respect of the valuer:

- (a) the fees and expenses of the valuer including the cost of his nomination shall be borne equally by the parties who shall otherwise bear their own costs

- (b) the valuer shall afford the parties an opportunity to make written representation and counter representations to him within such time limits as he may fix in his discretion
 - (c) if the valuer dies declines to act delays or becomes unwilling or unfit or incapable of acting the President may on the application of either party discharge the valuer and appoint another in his place
- 5. When the Rent shall have been ascertained in accordance with this Schedule memoranda thereof shall be signed by or on behalf of the parties and annexed to this lease and its counterpart and each party shall bear its own costs of preparing the memoranda
- 6. If the Open Market Rent is ascertained before the relevant Rent Review Date and that Rent Review Date is not a Rent Payment Day the Tenant must on that Rent Review Date pay to the Landlord the difference between the Rent at the revised rate apportioned on a daily basis and the Rent actually paid
- 7. If the Open Market Rent payable on and from any Review Date has not been ascertained by that Review Date:
 - (a) Rent shall continue to be payable at the rate previously payable (such payments being on account of the Rent for that Review Period)
 - (b) on the Open Market Rent being ascertained (that is to say the date when the same has been agreed between the parties or the date of the notification to the Tenant of the valuer's determination) the Tenant shall pay to the Landlord:-
 - (i) any shortfall between what would have been paid on the Review Date and on any subsequent Rent Payment Days had the revised

Rent been determined and the payments actually made by the Tenant on account of the Rent

- (ii) Interest at 3% per annum less than the Interest Rate on the difference between what would have been paid on each Rent Payment Date had the revised Rent been determined by the relevant Review Date and the amounts paid on account on each Rent Payment Date for the period from the date upon which each instalment of Rent was due up to the date of payment of the shortfall

8. If at any of the Review Dates there shall be in force a statute which shall prevent restrict or modify the Landlord's right to review the Rent in accordance with this lease and/or to recover any increase in the Rent the Landlord shall when such restriction or modification is removed relaxed or modified be entitled (but without prejudice to its rights if any to recover any Rent the payment of which has only been deferred by law) on giving not less than one month's notice in writing to the Tenant to proceed with any review of the Rent which may have been prevented or further to review the Rent in respect of any review where the Landlord's right was restricted or modified and the date specified in the said notice shall be deemed for the purposes hereof to be a Review Date (providing that nothing herein shall be construed as varying any subsequent Review Dates except any Review Dates where such a statute shall be in force in which event the provisions of this paragraph shall apply) Provided That there shall not be more than one such Review Date under this paragraph 8 between any two of the Review Dates specified in clause 1.6 hereof and the Landlord shall be entitled to recover any resulting increase in Rent with effect from the earliest date as shall be permitted by law

THE FIFTH SCHEDULE

Covenants by Surety

1. During the period that the Term is vested in the Tenant ("the Guarantee Period") the Tenant shall punctually pay the arrears and observe and perform the covenants conditions and provisions in this lease as well before as after any disclaimer by any trustee in bankruptcy or liquidator
2. In the case of default by the Tenant during the Guarantee Period in the payment of rents or in observing or performing the covenants conditions or provisions of this lease the Surety will pay the rents and observe or perform the such covenants conditions or provisions in respect of which the Tenant shall be in default
3. The Surety (by way of indemnity and not only by way of guarantee) will make good to the Landlord within fourteen days of demand all losses costs damages and expenses occasioned to the Landlord by reason of such non-payment or non-performance or non-observance by the Tenant of the provisions of this lease
4. The liability of the Surety hereunder shall not be released modified or affected by:-
 - (a) any time or indulgence given to the Tenant and/or the Surety by the Landlord
 - (b) any neglect or forbearance of the Landlord in enforcing the payment of rents or the observance or performance of the covenants and conditions of this lease
 - (c) any valid refusal by the Landlord to accept rents tendered by or on behalf of the Tenant following a proven breach of covenant by the Tenant
 - (d) the variation of the terms of this lease or any licence or consent granted by the Landlord to the Tenant
 - (e) the surrender of part of the Premises in which event the liability of the

Surety hereunder shall continue in respect of the part of the Premises not so surrendered

- (f) the death of the Tenant (if an individual) or the dissolution of the Tenant (if a company)
- (g) any failure by the Landlord to pursue any other remedy which may be available to it before proceeding against the Surety
- (h) any other act or thing (other than the provisions of the 1995 Landlord and Tenant (Covenants) Act or any similar provision) whereby but for this provision the Surety would have been released

5. If at any time during the Guarantee Period the Tenant (being an individual) shall become bankrupt or (being a company) shall enter into liquidation and the trustee in bankruptcy or liquidator shall disclaim this lease the Surety in addition to the obligations set out in paragraphs 1 and 2 of this Schedule:-

- (a) will pay to the Landlord within fourteen days of demand an amount equal to the Rent and other sums of a recurring nature that would have been payable under the lease or the Authorised Guarantee Agreement for the period beginning on the disclaimer or other relevant event and ending on the earlier of:-
 - (i) four months from the date of the disclaimer or other relevant event
 - (ii) the date upon which the Premises are relet or
 - (iii) the expiry of the Contractual Term
- (b) will if the Landlord shall by notice within sixty days after such disclaimer

or other relevant event so require take and accept from the Landlord a lease of the Premises for the residue of the Contractual Term which would have remained had there been no disclaimer as at the date of the disclaimer at the Rent then being paid hereunder and subject to the same covenants and conditions as in this lease such new lease to take effect from the date of the said disclaimer and will execute and deliver to the Landlord the counterpart of the lease

- (c) will pay to the Landlord the costs of the Landlord properly incurred in relation to the grant of the new lease to the Surety

6. Whilst any liabilities of the Tenant to the Landlord under this lease remain outstanding the Surety shall:-

- (a) not claim in any liquidation bankruptcy composition or arrangement with the Tenant in competition with the Landlord
- (b) hold for the benefit of the Landlord all security and rights which the Surety may have over the Tenant's assets
- (c) not be entitled to participate in any security held by the Landlord in respect of the Tenant's obligations to the Landlord under this Lease or to stand in the place of the Landlord in respect of such security

THE SIXTH SCHEDULE

Authorised Guarantee Agreement

1. Particulars

1.1 "the Landlord" means [] of []

- 1.2 "the Assignor" means [] of []
- 1.3 "the Assignee" means [] of []
- 1.4 "the Lease" means the Lease dated [] day of [] 199 made between [] (1) and [] (2) relating to the Premises (which expression shall include any documents supplemental to the Lease whether or not expressed to be so)
- 1.5 "the Premises" means the Premises more particularly described in the Lease
- 1.6 "the Term" means the Term of the Lease as more particularly defined in the Lease
- 1.7 "the Guarantee Period" means the period that the Term is vested in the Assignee
2. Interpretation
- 2.1 The expression the "Landlord" wherever the context so admits include its respective successors in title
- 2.2 Where the Landlord or the Assignor for the time being are two or more individuals the terms the "Landlord" and "Assignor" include the plural number and obligations expressed or implied to be made by or with such party are deemed to be made by or with such individuals jointly and severally
- 2.3 Words importing one gender include all other genders and words importing the singular include the plural and vice versa
- 2.4 Any reference to a specific statute or section of a statute shall include (in the absence of any provision to the contrary in this lease) a reference to any statutory extension modification amendment consolidation or re-enactment of that statute or section and

any statutory instrument direction regulations bye-laws or orders made under it and any general reference to "statute" or "statutes" includes any derivative statutory instruments regulations and orders

2.5 References to:-

2.5:1 "losses" include all liabilities properly incurred by the Landlord all damage and loss properly suffered by it all claims demands actions and proceedings properly and successfully made or brought against it and all proper and reasonable costs disbursements and expenses incurred by it

2.5:2 "breach" of any provision shall be construed as including any failure to observe or perform the provision in question

2.6 References to any clause sub-clause or schedule without further designation shall be construed as a reference to the clause or sub-clause of or the schedule to this deed so numbered

2.7 The clause headings in this deed are for reference only and shall not affect is construction or interpretation

2.8 The definitions and interpretations contained or referred to in the Lease shall have the same meanings in this deed save in the case of conflict when the provisions of this deed shall prevail

3. Assignor Covenants

The Assignor hereby covenants by way of primary obligation (and not merely liability as a guarantor or merely collateral to that of the Tenant of the Lease) with the person named as the Landlord in clause 1.1 and as a separate covenant with each and every person in whom from time to time the reversion immediately expectant on the determination of the Term of the Lease

is vested without the need for any express assignment throughout the Guarantee Period to observe and perform the covenants set out in the Schedule

I N W I T N E S S whereof this document has been executed as a deed and delivered unconditionally on the first date before written

THE SCHEDULE above referred to

1. During the Guarantee Period the Assignee shall punctually pay the rents and observe and perform the covenants conditions and provisions in the Lease as well before as after any disclaimer by any trustee in bankruptcy or liquidator
2. In the case of default by the Assignee during the Guarantee Period in the payment of rents or in observing or performing the covenants conditions or provisions of the Lease the Assignor will pay the rents and observe or perform the provisions covenants or conditions in the Lease in respect of which the Assignee shall be in default
3. The Assignor (by way of indemnity and not only by way of guarantee) will make good to the Landlord within fourteen days of demand all proper and reasonable losses costs damages and expenses occasioned to the Landlord by reason of such non-payment or non-performance or non-observance by the Assignee of the provisions of the Lease
4. The liability of the Assignor under this deed shall not be released modified or affected by:
 - (a) any time or indulgence given to the Assignee or any surety of the Assignee by the Landlord

- (b) any neglect or forbearance of the Landlord in enforcing the payment of rents or the observance or performance of the covenants and conditions of the Lease
- (c) any refusal by the Landlord to accept rents tendered by or on behalf of the Assignee following a breach of covenant by the Assignee
- (d) the variation of the terms of the Lease or any licence or consent granted by the Landlord to the Assignee
- (e) the surrender of part of the Premises in which event the liability of the Assignee hereunder shall continue in respect of the part of the Premises not so surrendered
- (f) the death of the Assignee (if an individual) or the dissolution of the Assignee (if a company)
- (g) any failure by the Landlord to pursue any other remedy which may be available to it before proceeding against the Assignor
- (h) any other act or thing (other than the provisions of the 1995 Landlord and Tenant (Covenants) Act or any similar provision) whereby but for this provision the Assignor would have been released

5. If at any time during the Guarantee Period the Assignee (being an individual) shall become bankrupt or (being a company) shall enter into liquidation and the trustee in bankruptcy or liquidator shall disclaim this lease the Assignor in addition to the obligations set out in paragraphs 1 and 2 of this Schedule:-

- (a) will pay to the Landlord within fourteen days of demand an amount equal to the Rent and other sums of a recurring nature that would have been

payable under the Lease for the period beginning on the disclaimer or other relevant event and ending on the earlier of:-

- (i) four months from the date of the disclaimer or other relevant event
 - (ii) the date upon which the Premises are relet or
 - (iii) the expiry of the Contractual Term
- (b) will if the Landlord shall by notice within sixty days after such disclaimer or other relevant event so require take and accept from the Landlord a lease of the Premises for the residue of the Contractual Term which would have remained had there been no disclaimer as at the date of the disclaimer at the Rent then being paid hereunder and subject to the same covenants and conditions as in the Lease such new lease to take effect from the date of the said disclaimer and will execute and deliver to the Landlord the counterpart of the lease
- (c) will pay to the Landlord the costs of the Landlord properly incurred in relation to the grant of the new lease to the Assignor

6. Whilst any liabilities of the Assignee to the Landlord under the Lease remain outstanding the Assignor shall:-

- (a) not claim in any liquidation bankruptcy composition or arrangement of the Assignee in competition with the Landlord
- (b) hold for the benefit of the Landlord all security and rights which the Assignor may have over the Assignee's assets
- (c) not be entitled to participate in any security held by the Landlord in respect

of the Assignee's obligations to the Landlord under the Lease or to stand in the place of the Landlord in respect of such security

Executed as a Deed by COLIN)
FREDERICK JAMES CUSHION)
in the presence of:)



P.J. Cushion
5 East Pallant
Churches West Sussex
Gosport

EXECUTED as a Deed by AUDREY)
PAMELA CUSHION)
in the presence of:-)



P.J. Cushion
5 East Pallant
Churches West Sussex
Gosport





PLAN







PLAN



PLAN



PLAN

E ASSOCIATES

Wansford Road,
Hants. PO5 1SB
Portsmouth 754483

Bedford Tyres Ltd., Quarry Lane,
Chichester, W.Sussex.

Site Location Plan. 1:1250.

Sheet No.	001.
Project No.	260.
Date	Oct. 1988.

