

DATED \_\_\_\_\_ 2022

GOSPORT PROPERTY LIMITED

- and -

NERO HOLDINGS LIMITED

LEASE

- of -

Part 12-13 Mardol Head, Shrewsbury SY1 1HD

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## PRESCRIBED CLAUSES

### LR1. Date of lease

### LR2. Title number(s)

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

SL149074

#### LR2.2 Other title numbers

None

### LR3. Parties to this lease

#### Landlord

**GOSPORT PROPERTY LIMITED**, Suite 203, China House, 401 Edgware Road, London NW2 6GY (Company No.11862169)

#### Tenant

**NERO HOLDINGS LIMITED** (Company No. 3288178) whose registered office is at 9-15 Neal Street, London, England, WC2H 9QL

#### Other parties

None

### LR4. Property

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

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

### LR5. Prescribed statements etc.

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

None.

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

None.

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

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

### LR7. Premium

None.

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

This lease contains a provision that prohibits or restricts dispositions.

**LR9. Rights of acquisition etc.**

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

None.

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

None.

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

None.

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

None.

**LR11. Easements**

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

The easements set out in clause 3 to this lease are granted by this lease for the benefit of the Property.

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

The easements set out in clause 4 to this lease are granted or reserved over the Property for the benefit of other property.

**LR12. Estate rentcharge burdening the Property**

None.

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

None.

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

None.

THIS LEASE is dated

2021

## PARTIES

- (1) **GOSPORT PROPERTY LIMITED** incorporated and registered in England and Wales with company number 11862169 whose registered office is at Suite 203, Second Floor, China House, 401 Edgware Road, London NW2 6GY (the **Landlord**).
- (2) **NERO HOLDINGS LIMITED** (Company No. 3288178) whose registered office is at 9-15 Neal Street, London, England, WC2H 9QL (**Tenant**)

## Agreed terms

### 1. INTERPRETATION

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

#### 1.1 Definitions:

**Access Way:** that part of the ground floor of the building shown edged green on Plan 1

**Act of Insolvency:**

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

The paragraphs above shall apply in relation to a partnership or limited partnership (as defined in the Partnership Act 1890 and the Limited Partnerships Act 1907 respectively) subject to the modifications referred to in the Insolvent Partnerships

Order 1994 (SI 1994/2421) (as amended), and a limited liability partnership (as defined in the Limited Liability Partnerships Act 2000) subject to the modifications referred to in the Limited Liability Partnerships Regulations 2001 (SI 2001/1090) (as amended).

Act of Insolvency includes any analogous proceedings or events that may be taken pursuant to the legislation of another jurisdiction in relation to a tenant or guarantor incorporated or domiciled in such relevant jurisdiction.

**Air Conditioning Units:** the air conditioning units and ancillary apparatus on the roof of the Building serving the Property at the date of this lease or any similar replacement thereof.

**Annual Rent:** £60,000 exclusive of VAT provided that (for a maximum aggregate period of 6 months during any 12 month period throughout the Contractual Term and not further) the Tenant shall only be required to pay the Annual Rent at a rate of 50% of the prevailing rate in respect of any Restricted Period

**Bin Store:** the area within the Accessway or such other reasonably equivalent area as the Landlord shall notify the Tenant provided that such area shall be of materially no less net internal area than the Bin Store at the date of this Lease and shall be in materially no less commodious position for the Tenant than the Bin Store as at the date of this Lease.

**Building:** the land and building known as 12-13 Mardol Head, Shrewsbury SY1 1HD registered at HM Land Registry under title number SL49074 shown edged red on Plan 2

**Common Parts:** Access Way and all other parts of the Building which are intended to be used by the tenants and occupiers of the Building.

**Coronavirus:** the disease known as COVID-19 and the virus known as severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2) or any subsequent variant of it as designated by the World Health Organisation.

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

**Contractual Term:** a term of five years beginning on, and including  
2022 and ending on, and including 2027.

**Default Interest Rate:** 3% per annum above the Interest Rate.

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

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

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

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

**Insured Risks:** means (except to the extent that any of the following are Uninsured Risks) fire, explosion, lightning, earthquake, tempest, storm, flood, bursting and overflowing of water tanks, apparatus or pipes, impact by aircraft and articles dropped from them, impact by vehicles, subsidence, ground slip, heave, riot, civil commotion terrorism (where available) and any other risks against which the Landlord reasonably decides to insure against from time to time and **Insured Risk** means any one of the Insured Risks.

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

**Lettable Unit:** any part of the Building which from time to time is, or is intended to be, let or occupied.

**LPA 1925:** Law of Property Act 1925.

**LTA 1954:** Landlord and Tenant Act 1954.

**Permitted Use:** Use as a coffee shop or other retail use within Classes E and of the Town and Country Planning (Use Classes) Order 1987 as at the date this lease is granted.

**Plan 1:** the plans attached to this lease marked Plan 1.

**Plan 2:** the plan attached to this lease marked Plan 2.

**Property:** ground and basement floor premises at the Building, the floor plans of which is edged in red on Plan 1, bounded by and including:

- (a) the shopfront, shopfront glass, canopy (if any) and fascia of the premises;
- (b) the whole of any non-structural walls and columns wholly within those premises;
- (c) one-half severed vertically of any interior non-structural walls and columns separating those premises from any adjoining Lettable Unit;
- (d) the interior plaster and other interior surface finishes on the:

- (i) all non-structural walls and columns bounding those premises;
- (ii) interior non-structural walls and columns separating those premises from any adjoining Retained Parts; and
- (e) the interior plaster and other interior surface finishes on the ceilings within those premises;
- (f) the floor screed and other interior surface finishes on the floors within those premises;
- (g) the doors, door frames and fittings within all the walls within and bounding those premises;
- (h) the windows, window frames and fittings within all the walls within and bounding those premises (except those in the exterior walls);
- (i) all Service Media and any other media, plant, machinery and equipment within and exclusively serving those premises;
- (j) all landlord's fixtures and fittings within those premises; and
- (k) all additions and improvements to those premises.

but excluding:

- (l) subject to clauses (d), (g) and (h) of this definition above, the whole of the:
  - (A) exterior non-structural walls and columns bounding those premises;
  - (B) interior non-structural walls and columns separating those premises from any adjoining Retained Parts; and
  - (C) structural walls and columns within or bounding those premises;
- (m) the windows, window frames, roof lights and fittings within the exterior walls bounding those premises (other than the shopfront glass);
- (n) subject to clauses (e) and (f) of this definition above, the structure of the floors and ceilings within those premises;
- (o) all Service Media and any other media, plant, machinery and equipment within but not exclusively serving those premises;
- (p) all structural parts of the Building (except any set out in parts (a) to (k) of this definition);
- (q) the stairwell leading to the first floor of the Building shown edged blue on Plan 1 (but including the area beneath the stairwell) and
- (r) Tenant's trade fixtures and fittings.

**Previous Lease:** a lease of the Property together with other parts of the Building dated 1 February 2007 and Made between Glenstone Property Investment Limited (1) the Tenant (2) as varied by a deed of variation dated 10 May 2007

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

**Regulations:** any Act of Parliament and any delegated law made under them by or on behalf of the United Kingdom Government to prevent or delay the spread of Coronavirus including the Health Protection (Coronavirus, Restrictions) (England) Regulations 2020 and the Health Protection (Coronavirus Restrictions) (Wales) Regulations 2020, or any subsequent statutory amendment, modification or replacement of them or any regulation or designation under the Coronavirus Act 2020.

**Rent Commencement Date:** [12 months rent free ] 2023.

**Rent Payment Dates:** the first day of each calendar month

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

**Restricted Period:** any period in which the Tenant is prevented from keeping the Premises or any part of it open for business so that it cannot allow customers to dine in due to the Regulations.

**Retained Parts:** all parts of the Building other than the Property and other areas that are not let or intended to be let including:

- (d) the main structure of the Building including the foundations, the external walls and internal load bearing walls, the structural timbers, the joists and the guttering including the roof, and roof structure;
- (e) all parts of the Building lying below the floor surfaces or above the ceilings;
- (f) all external decorative surfaces of the Building;
- (g) the Common Parts;
- (h) the Service Media at the Building which do not exclusively serve either the Property or the Commercial Premises; and
- (i) all boundary walls fences and railings of the Building.

**Services:**

- (j) cleaning, maintaining, decorating, repairing and replacing the Retained Parts;

- (k) lighting the Common Parts and cleaning, maintaining, repairing and replacing lighting, machinery and equipment (if any) on the Common Parts;
- (l) cleaning the outside of the windows of the Building other than those comprised within the demise of the Commercial Premises;

that the Landlord may in its reasonable discretion (acting in accordance with the principles of good estate management) provide for the benefit of the tenants and occupiers of the Building (including the Tenant)

**Service Charge:** the Tenant's Proportion of the Service Costs.

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

**Tenant's Proportion:** a reasonable and fair proportion to be conclusively decided (save the case of manifest error, fraud, negligence or failure to act in accordance with this clause) by the Landlord acting reasonably, in accordance with good estate management and taking due consideration of any Tenant representations.

**Uninsured Risks:** any of the risks specified in the definition of Insured Risks where such risks are not insured against at the date of the relevant damage or destruction because:

- (a) of an exclusion imposed by the insurers; or
- (b) insurance for such risks was not available in the London insurance market on normal market terms and at reasonable rates of premium at the time the insurance policy was entered into;

and Uninsured Risk means any one of the Uninsured Risks.

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

**VATA 1994:** Value Added Tax Act 1994.

- 1.2 A reference to this **lease**, except a reference to the date of this lease or to the grant of this lease, is a reference to this deed and any deed, licence, consent, approval or other instrument supplemental to it.
- 1.3 A reference to the **Landlord** includes a reference to the person entitled to the immediate reversion to this lease. A reference to the **Tenant** includes a reference to its successors in title and assigns. A reference to a **guarantor** is to any guarantor of the tenant covenants of this lease including a guarantor who has entered into an authorised guarantee agreement.
- 1.4 In relation to any payment, a reference to a **fair proportion** is to a fair proportion of the total amount payable, determined conclusively (except as to questions of law and save in the case of manifest error) by the Landlord acting reasonably with due consideration of any Tenant representations.

- 1.5 The expressions **landlord covenant** and **tenant covenant** each has the meaning given to it by the Landlord and Tenant (Covenants) Act 1995.
- 1.6 Unless the context otherwise requires, a reference to the **Property** is to the whole and any part of it.
- 1.7 A reference to the **term** is to the Contractual Term and statutory continuation of this lease.
- 1.8 A reference to the **end of the term** is to the end of the term however it ends.
- 1.9 References to the **consent** of the Landlord are to the consent of the Landlord given in accordance with clause 42.1 and references to the **approval** of the Landlord are to the approval of the Landlord given in accordance with clause 42.2.
- 1.10 A **working day** is any day which is not a Saturday, a Sunday, a bank holiday or a public holiday in England.
- 1.11 A reference to laws in general is a reference to all local, national and directly applicable supra-national laws as amended, extended or re-enacted from time to time and shall include all subordinate laws made from time to time under them and all orders, notices, codes of practice and guidance made under them.
- 1.12 Unless otherwise specified, a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time and shall include all subordinate legislation made from time to time under that statute or statutory provision and all orders, notices, codes of practice and guidance made under it.
- 1.13 Any obligation on the Tenant not to do something includes an obligation not to knowingly allow that thing to be done and an obligation to use all reasonable endeavours to prevent that thing being done by another person.
- 1.14 Unless the context otherwise requires, any words following the terms **including, include, in particular, for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- 1.15 A **person** includes a natural person, corporate or unincorporated body (whether or not having separate legal personality).
- 1.16 A reference to **writing** or **written** excludes fax and email.
- 1.17 Unless the context otherwise requires, references to clauses are to the clauses of this lease.
- 1.18 Clause headings shall not affect the interpretation of this lease.
- 1.19 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.
- 1.20 Unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular.

## **2. GRANT**

- 2.1 The Landlord lets the Property to the Tenant for the Contractual Term with full title guarantee.
- 2.2 The grant is made together with the ancillary rights set out in clause 3, excepting and reserving to the Landlord the rights set out in clause 4.
- 2.3 The grant is made with the Tenant paying the following as rent to the Landlord:
- (a) the Annual Rent and all VAT in respect of it;
  - (b) the Insurance Rent;
  - (c) The Service Charge; and
  - (d) all interest payable under this lease.
- 2.4 The Annual Rent and all other amounts due under this lease shall be paid by the Tenant in full without any set-off, counterclaim, deduction or withholding (other than any deduction or withholding of tax as required by law).

## **3. ANCILLARY RIGHTS**

- 3.1 The Landlord grants to the Tenant the following rights:
- (a) the right of support and protection from those parts of the Building that afford support and protection for the Property at the date of this lease and to the extent that such support and protection exists at the date of this lease;
  - (b) the right to use and to connect into any Service Media at the Building that belong to the Landlord and serve (but do not form part of) the Property which are in existence at the date of this lease or are installed or constructed during the term; and
  - (c) Subject to being permitted to so under the terms of any lease of any Lettable Unit the right of access into the Adjoining Property at reasonable times during normal business hours after giving reasonable prior written notice to the Landlord and also the occupier of the Adjoining Property for the purposes of carrying out its obligations hereunder subject to the obligation that:-
    - (i) entry into the Adjoining Property shall only be effected where the works or other matters or things to be done may not reasonably be done without such entry;
    - (ii) the Tenant shall cause as little damage or disturbance or inconvenience to the owner or occupier for the time being of the Adjoining Property as is reasonably practicable in the circumstances;
    - (iii) the Tenant shall make good without delay any damage cause as a result of such entry to the reasonable satisfaction of the Landlord and also the owner or occupier of the Adjoining Property

- (d) The right to place and use six standard size wheelee refuse bins in the Bin Store.
  - (e) The right to use the Accessway for the purpose only of emergency escape and access to and from the Bin Store.
- 3.2 Except as mentioned in clause 3, neither the grant of this lease nor anything in it confers any right over neighbouring property nor is to be taken to show that the Tenant may have any right over neighbouring property, and section 62 of the LPA 1925 does not apply to this lease.

#### **4. RIGHTS EXCEPTED AND RESERVED**

- 4.1 The following rights are excepted and reserved from this lease to the Landlord for the benefit of the Building and the Landlord's Neighbouring Property:
- (a) rights of light, air, support and protection to the extent those rights are capable of being enjoyed at any time during the term;
  - (b) the right to use and to connect into Service Media at, but not forming part of, the Property at its own expense which are in existence at the date of this lease or which are installed or constructed during the term; the right to install and construct Service Media at the Property to serve any part of the Building (whether or not such Service Media also serve the Property); and the right to re-route any Service Media mentioned in this clause provided that such re-routed Service Media are not materially less commodious to the Property than those as at the date of this Lease;
  - (c) at any time during the Term, the full and free right to develop any part of the Building (other than the Property) as the Landlord may think fit; notwithstanding any interference with the access to light and air to the Property provided that the use and occupation of the Property is not materially adversely affected thereby;
  - (d) Subject to complying with clause 39, the right on reasonable prior written notice save in case of emergency and where such works cannot reasonably or commercially be carried out to other parts of the Building without erecting such scaffolding to erect and retain temporary scaffolding at the Property or the Building and attach it to any part of the Property or the Building in connection with any of the Reservations provided that access to the main entrance on the frontage of the Property shall not be prevented or materially obstructed and the Landlord shall use all reasonable endeavours to keep disruption to the Tenant and the Tenant's business to a minimum and make good any damage caused to the Building or the Property as a result;
  - (a) the right of access onto the Property at reasonable times after giving reasonable prior written notice to the Tenant (which the Tenant my stipulate is outside its usual business hours) for the purposes of works to the remainder of the Building subject to the obligation that:-

- (i) entry into the Property shall only be effected where the works or other matters or things to be done may not reasonably be done without such entry;
  - (ii) the person exercising such right shall cause as little damage or disturbance or inconvenience to the Tenant as is reasonably practicable in the circumstances;
  - (iii) the Landlord shall procure that the person exercising such right shall make good without delay any damage cause as a result of such entry to the reasonable satisfaction of the Tenant. and
- (e) the right to re-route and replace any Service Media over which the Rights mentioned in clause 3.1(b) are exercised subject to the proviso to clause 31 (b),

notwithstanding that the exercise of any of the Reservations or the works carried out pursuant to them result in a reduction in the flow of light or air to the Property or material loss of amenity for the Property provided that they do not materially adversely affect the use and enjoyment of or principal means of access to the Property off Mardol Head for the Permitted Use.

4.2 Subject to clause 4.3, the Landlord reserves the right to enter the Property:

- (a) to repair, maintain or replace any Service Media or structure relating to any of the Reservations; and
- (b) for any other reasonable purpose mentioned in or connected with:
  - (i) this lease; and
  - (ii) the Landlord's interest in the Property;

4.3 The Reservations may be exercised by the Landlord and by anyone else who is or becomes entitled to exercise them, and by anyone authorised by the Landlord provided that in exercising any such right of entry the Landlord must:

- (a) except in case of emergency, give reasonable prior written notice of its intention to exercise that right to the Tenant;
- (b) where reasonably required by the Tenant, exercise that right only if accompanied by a representative of the Tenant;
- (c) cause as little damage as possible to the Property and to any property belonging to or used by the Tenant;
- (d) cause as little inconvenience as reasonably possible to the Tenant; and
- (e) promptly make good any physical damage caused to the Property or to the Tenant's fixtures fittings or chattels therein by reason of the Landlord exercising that right.

4.4 The Tenant shall allow all those entitled to exercise any right to enter the Property, to do so with their workers, contractors, agents and professional advisors, and to enter the Property at any reasonable time (where practicable outside the usual business

hours of the Tenant) and, except in the case of an emergency, after having given reasonable prior notice to the Tenant.

## **5. THE ANNUAL RENT**

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

5.2 The first instalment of the Annual Rent and any VAT in respect of it shall be made on the Rent Commencement Date and shall be the proportion, calculated on a daily basis, in respect of the period beginning on the Rent Commencement Date and ending on the day before the next Rent Payment Date.

## **6. AIR CONDITIONING UNITS**

6.1 The Tenant shall have the following right in relation to the Air Conditioning Units:-

- (a) the right to retain maintain repair replace or remove the Air Conditioning Units on the roof of the Building;
- (b) the right of way on foot to and from the Air Conditioning Units by such route as may be reasonably designated by the Landlord in order to repair maintain replace or remove and inspect the Air Conditioning Units
- (c) the right to run such pipes wires and cables as may be necessary to operate the Air Conditioning Units from the Property to the Air Conditioning Units through the Building by such route as may be reasonably designated by the Landlord.

6.2 The Tenant shall maintain the Air Conditioning Units in good working order and shall not allow any noise, fumes or chemicals to emanate therefrom so as to cause a nuisance material annoyance or disturbance to the Landlord or any other owners, tenants or occupiers of any other part of the Building

6.3 The Tenant shall regularly inspect the Air Conditioning Units and shall procure that all of the Air Conditioning Units comply with all statutory requirements from time to time

6.4 Unless otherwise requested by the Landlord not less than three months before the end of the Contractual Term remove the Air Conditioning Units and all ancillary pipes, wires and other items from the Building at the expiry or sooner determination of the term

6.5 The Landlord may at its own expense and on reasonable prior written notice require the relocation of the Air Conditioning Units and any associated pipes wires and cables provided that such relocation shall be to a place which shall not be materially less commodious to the Tenant than the existing Air Conditioning Units.

## **7. INSURANCE**

7.1 Subject to clause 7.2, the Landlord shall keep the Building (other than any plate glass

at the Property) insured with reputable insurers on normal market terms against loss or damage by the Insured Risks for the full reinstatement cost (taking inflation of building costs into account). The Landlord shall not be obliged to insure any part of the Property installed by the Tenant.

- 7.2 The Landlord's obligation to insure is subject to:
- (a) any exclusions, limitations, excesses and conditions that may be imposed by the insurers.; and
  - (b) insurance being available in the London insurance market on reasonable terms acceptable to the Landlord (acting reasonably).
- 7.3 The Tenant shall pay to the Landlord within ten working days of written demand:
- (a) the Insurance Rent;
  - (b) any amount that is deducted or disallowed by the insurers pursuant to any excess provision in the insurance policy; and
  - (c) a fair proportion of any costs that the Landlord reasonably incurs in obtaining a valuation of the Building (but not more than once a year).
- 7.4 If the Landlord insures the Building together with other land, the amount of the Insurance Rent shall be a fair proportion of the total for the Property and the other land.
- 7.5 In relation to the insurance, the Landlord must:
- (a) procure the Tenant's interest in the Property is noted either specifically or generally on the policy;
  - (b) take reasonable steps to procure that the insurers waive any rights of subrogation they might have against the Tenant (either specifically or generally) except where the damage or the risk arises out of a criminal fraudulent or malicious act on the part of the Tenant or any undertenant or any other person on the Property with the actual or implied authority of any of them;
  - (c) provide the Tenant with a summary of its main terms upon the Tenant's written request.
- 7.6 The Tenant shall:
- (a) promptly inform the Landlord if the Tenant becomes aware of the occurrence of any matter that any insurer or underwriter may treat as material in deciding whether or on what terms to insure or to continue to insure the Property and shall give the Landlord notice of that matter;
  - (b) not do or omit anything as a result of which any policy of insurance of the Property or any neighbouring property may become void or voidable or otherwise prejudiced, or the payment of any policy money may be withheld, nor (unless the Tenant has previously notified the Landlord and has paid any

increased or additional premium) anything as a result of which any increased or additional insurance premium may become payable;

- (c) comply at all times with the requirements and reasonable recommendations of the insurers relating to the Property of which the Tenant has received reasonable prior written notice;
- (d) promptly give the Landlord notice once the Tenant becomes aware of the occurrence of any damage or loss relating to the Property arising from an Insured Risk or Uninsured Risk or of any other event that might affect any insurance policy relating to the Property;
- (e) not put into effect any insurance of the Property (except any plate glass at the Property which it may but shall not be obliged to insure), but if it becomes entitled to the benefit of any insurance proceeds in respect of the Property (other than in respect of plate glass) pay those proceeds or cause them to be paid to the Landlord; and
- (f) pay the Landlord an amount equal to any insurance money that the insurers of the Property refuse to pay by reason of any act or omission of the Tenant or any undertenant, their workers, contractors or agents or any person at the Property with the actual or implied authority of any of them.

7.7 Following any damage to or destruction of the Building by an Insured Risk, the Landlord shall, subject to obtaining all necessary planning and other consents which the Landlord shall use reasonable endeavours to obtain as soon as practicable, use all insurance money received (other than for loss of rent) to repair the damage for which the money has been received or (as the case may be) in rebuilding the Property and shall make up any shortfall from the insurance proceeds out of its own monies. The Landlord shall not be obliged to:

- (a) provide accommodation identical in layout or design so long as accommodation reasonably equivalent to that previously at the Property is provided with materially no less net internal area and no less commodious services fronting Mardol Head; or
- (b) repair or rebuild if the Tenant has failed to pay any of the Insurance Rent which has been demanded and is properly due; or
- (c) repair or rebuild the Property after a notice has been served pursuant to clause 7.9 or clause 7.11.

7.8 If the Building or Property is damaged or destroyed by an Insured Risk or an Uninsured Risk so as to render the Property unfit for occupation and use or substantially less accessible then, (in the case of damage or destruction caused by an Insured Risk) unless the policy of insurance of the Property has been vitiated in whole or in part in consequence of any act or omission of the Tenant, any undertenant or their respective workers, contractors or agents or any other person on the Property with the actual or implied authority of any of them, payment of the Annual Rent, and other sums payable by the Tenant under this lease (other than Insurance Rent), or a fair proportion of them according to the nature and extent of the damage, shall be

suspended until the Property has been reinstated and made fit for occupation and use and accessible, or until the end of three years from the date of damage or destruction, if sooner.

- 7.9 If the rent suspension period specified in paragraph 7.8 of this Schedule commences before the Rent Commencement Date:
- (a) that rent suspension period shall be extended by the number of days from and including the date on which the rent suspension period commenced to but excluding the Rent Commencement Date or, if only a proportion of the Annual Rent and other sums due would have been suspended under paragraph 7.8 of this Schedule, an equivalent proportion of that number of days; and
  - (b) the Rent Commencement Date shall then be the day after the expiry of the rent suspension period (as extended under paragraph 7.9(a) of this Schedule).
- 7.10 If, following damage to or destruction of the Building by an Insured Risk that leaves the whole or substantially the whole of the Property unfit for occupation and use and the Landlord (acting reasonably) considers that it is impossible or impractical to reinstate the Building, the Landlord may terminate this lease by giving notice to the Tenant within 12 months from and including the date on which the damage occurred. On giving notice this lease shall determine but this shall be without prejudice to any right or remedy of either party in respect of any breach of the other party's covenants of this lease. Any proceeds of the insurance (other than any insurance for plate glass) shall belong to the Landlord.
- 7.11 Either the Landlord or the Tenant may terminate this lease by giving notice to the other if, following damage or destruction by an Insured Risk, the Property has not been reinstated so as to be fit for occupation and use and accessible within three years after the date of damage or destruction. On giving this notice this lease shall determine but this shall be without prejudice to any right or remedy of the either party in respect of any breach of the other party's covenants of this lease. Any proceeds of the insurance (other than any insurance for plate glass) shall belong to the Landlord.
- 7.12 If the Annual Rent and other sums due under this lease (or a fair proportion of them) are suspended under paragraph 7.8 of this Schedule due to damage to or destruction of the Building by an Uninsured Risk, then, within 12 months from and including the date on which that damage or destruction occurred, the Landlord must either:
- (a) terminate this lease by giving notice to the Tenant; or
  - (b) notify the Tenant that it intends to reinstate the relevant parts of the Building at its own cost.
- 7.13 If the Landlord notifies the Tenant under paragraph 7.12 that it intends to reinstate the relevant parts of the Building, then the Landlord must use:

- (a) reasonable endeavours to obtain all necessary planning and other consents to enable the Landlord to reinstate the relevant parts of the Building; and
- (b) its own monies to reinstate the relevant parts of the Building but the Landlord shall not be obliged to:
  - (i) reinstate unless all necessary planning and other consents are obtained;
  - (ii) provide accommodation or facilities identical in layout or design so long as accommodation reasonably equivalent to that previously at the Property and its access, services and amenities is provided with materially no less net internal area and no less commodious services fronting Mardol Head; or
  - (iii) reinstate after a notice to terminate has been served pursuant to this Schedule.

7.14 If paragraph 7.12 applies but the Landlord has not served a notice under either paragraph 7.12 (a) or (b) by the date which is 12 months from and including the date on which the relevant damage or destruction occurred, the Tenant may at any time thereafter terminate this lease by giving notice to the Landlord provided that such notice is served before the Property is made fit for occupation and use and accessible.

## **8. RATES AND TAXES**

8.1 The Tenant shall pay all present and future rates, taxes and other impositions and outgoing payments payable in respect of the Property, its use and any works carried out there, except:

- (a) any taxes payable by the Landlord in connection with any dealing with or disposition of the reversion to this lease; or
- (b) any taxes, other than VAT and insurance premium tax, payable by the Landlord by reason of the receipt of any of the rents due under this lease.

8.2 The Tenant shall not make any proposal to alter the rateable value of the Property or that value as it appears on any draft rating list, without the approval of the Landlord such approval not to be unreasonably withheld or delayed.

8.3 If any such rates, taxes or other impositions and outgoing payments are payable in respect of the Property together with other land (including any other part of the Building) the Tenant shall pay a fair proportion of the total.

8.4 If, after the end of the term, the Landlord loses rating relief (or any similar relief or exemption) because it has been allowed to the Tenant, then the Tenant shall pay the Landlord an amount equal to the relief or exemption that the Landlord has lost.

## **9. UTILITIES**

9.1 The Tenant shall pay all costs in connection with the supply and removal of electricity, gas, water, sewage, telecommunications, data and other services and utilities to or from the Property.

9.2 If any of those costs are payable in relation to the Property together with other property, the Tenant shall pay the Tenant's Proportion of all those costs.

9.3 The Tenant shall comply with all laws and with any reasonable requirements of the relevant suppliers relating to the use of those services and utilities.

#### **10. COMMON ITEMS**

10.1 The Tenant shall pay the Landlord within 10 working days of written demand the Tenant's Proportion of all costs payable by the Landlord for the maintenance, repair, lighting, cleaning and renewal of all Service Media, structures and other items not on the Building but used or capable of being used by the Building in common with other land.

10.2 Upon receipt of reasonable prior written notice of such regulation, the Tenant shall comply with all reasonable regulations the Landlord may make from time to time in connection with the use of any of those Service Media, structures or other items.

#### **11. VAT**

11.1 All sums payable by the Tenant are exclusive of any VAT that may be chargeable. The Tenant shall pay VAT in respect of all taxable supplies made to it in connection with this lease on the due date for making any payment or, if earlier, the date on which that supply is made for VAT purposes. The Landlord shall supply the Tenant with a valid VAT invoice in respect of any such payment.

11.2 Every obligation on the Tenant, under or in connection with this lease, to pay the Landlord or any other person any sum by way of a refund or indemnity, shall include an obligation to pay an amount equal to any VAT incurred on that sum by the Landlord or other person, except to the extent that the Landlord or other person obtains credit for such VAT under the VATA 1994.

11.3 The Landlord must provide to the Tenant a valid VAT invoice promptly for any supply made by it on which VAT is payable.

#### **12. DEFAULT INTEREST AND INTEREST**

12.1 If any Annual Rent or any other money payable under this lease has not been paid by the date it is due, (in the case of the Annual Rent only whether or not it has been formally demanded), the Tenant shall pay the Landlord interest on that amount at the Default Interest Rate (both before and after any judgment). Such interest shall accrue on a daily basis for the period beginning on the due date to and including the date of payment.

12.2 If the Landlord does not demand or accept any Annual Rent or other money due or tendered under this lease because the Landlord reasonably believes that the Tenant is in breach of any of the tenant covenants of this lease, then the Tenant shall, when that amount is accepted by the Landlord, also pay interest at the Interest Rate on that amount for the period beginning on the date the amount (or each part of it) became due until the date it is accepted by the Landlord.

**13. COSTS**

The Tenant shall pay the proper (and in respect of sub-clause (e) reasonable) costs and expenses of the Landlord including any solicitors' or other professionals' costs and expenses properly incurred (both during and after the end of the term) in connection with or in reasonable contemplation of any of the following:

- (a) the lawful enforcement of the tenant covenants of this lease;
- (b) serving any notice in connection with this lease under section 146 or 147 of the LPA 1925 or taking any proceedings under either of those sections, notwithstanding that forfeiture is avoided otherwise than by relief granted by the court;
- (c) serving any notice in connection with this lease under section 17 of the Landlord and Tenant (Covenants) Act 1995;
- (d) the preparation and service of a schedule of dilapidations in connection with this lease during or within one month after the end of the term (relating in either case to wants of repair to the Property during the Contractual Term); or
- (e) any consent or approval applied for under this lease, whether or not it is granted (unless the consent or approval is unreasonably withheld by the Landlord in circumstances where the Landlord is not unreasonably to withhold it)

**14. COMPENSATION ON VACATING**

Any right of the Tenant or anyone deriving title under the Tenant to claim compensation from the Landlord on leaving the Property under the LTA 1954 is excluded, except to the extent that the circumstances set out in sections 38(2)(a) and 38(2)(b) of the LTA 1954 apply or any other legislation prevents that right being excluded.

**15. SET-OFF**

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

**16. ASSIGNMENTS**

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

16.2 The Tenant shall not assign part only of this lease.

16.3 The Landlord and the Tenant agree that for the purposes of section 19(1A) of the Landlord and Tenant Act 1927 the Landlord may give its consent to an assignment subject to all or any of the following conditions if reasonably required by the Landlord:

- (a) a condition that the assignor enters into an authorised guarantee agreement which:
  - (i) is in respect of all the tenant covenants of this lease;
  - (ii) is in respect of the period beginning with the date the assignee becomes bound by those covenants and ending on the date when the assignee is released from those covenants by virtue of section 5 of the Landlord and Tenant (Covenants) Act 1995;
  - (iii) imposes principal debtor liability on the assignor;
  - (iv) requires (in the event of a disclaimer of this lease) the assignor to enter into a new tenancy for a term equal to the unexpired residue of the Contractual Term; and
  - (v) is otherwise in a form reasonably required by the Landlord;
- (b) a condition that if reasonably required to do so by the Landlord a company or individual of standing reasonably acceptable to the Landlord enters into a guarantee and indemnity of the tenant covenants of this lease in such form as the Landlord may reasonably require.

16.4 The Landlord and the Tenant agree that for the purposes of section 19(1A) of the Landlord and Tenant Act 1927 the Landlord may refuse its consent to an assignment if at the date of the Tenant's application for consent to assign this lease the Annual Rent Service Charge or Insurance Rent is due and outstanding.

16.5 Nothing in this clause shall prevent the Landlord from giving consent subject to any other reasonable condition, nor from refusing consent to an assignment in any other circumstance where it is reasonable to do so.

**17. UNDERLETTINGS**

17.1 The Tenant shall not underlet the whole of the Property except in accordance with this clause nor without the consent of the Landlord, such consent not to be unreasonably withheld or delayed.

17.2 The Tenant shall not underlet part only of the Property.

- 17.3 The Tenant shall not underlet the Property:
- (a) together with any property or any right over property that is not included within this lease;
  - (b) at a fine or premium; nor
  - (c) allowing any rent free period to the undertenant that exceeds the period as is then usual in the open market in respect of such a letting.

17.4 The Tenant shall not underlet the Property unless, before the underlease is granted, the Tenant has given the Landlord:

- (a) a certified copy of the notice served on the undertenant, as required by section 38A(3)(a) of the LTA 1954, applying to the tenancy to be created by the underlease; and

- (b) a certified copy of the declaration or statutory declaration made by the undertenant in accordance with the requirements of section 38A(3)(b) of the LTA 1954.

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

- (a) an agreement between the Tenant and the undertenant that the provisions of sections 24 to 28 of the LTA 1954 are excluded from applying to the tenancy created by the underlease;
- (b) the reservation of a rent which is not less than the open market rental value of the Property at the date the Property is underlet and which is payable at the same times as the Annual Rent under this lease (but this shall not prevent an underlease providing for a rent-free period of a length permitted by clause 17.3(c));
- (c) a covenant by the undertenant, enforceable by and expressed to be enforceable by the Landlord (as superior landlord at the date of grant) and its successors in title in their own right, to observe and perform the tenant covenants in the underlease for so long as it remains liable to do so under the 1995 Act and any document that is supplemental or collateral to it and the tenant covenants in this lease, except the covenants to pay the rents reserved by this lease; and
- (d) provisions requiring the consent of the Landlord to be obtained in respect of any matter for which the consent of the Landlord is required under this lease (such consent not to be unreasonably withheld or delayed where the Landlord is not entitled to unreasonably withhold or delay its consent under this Lease),

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

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

- (a) not vary the terms of the underlease without the consent of the Landlord, such consent not to be unreasonably withheld or delayed; and
- (b) use reasonable endeavours to enforce the tenant covenants in the underlease and not waive any of them nor allow any reduction in the rent payable under the underlease.

## **18. SHARING OCCUPATION**

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

**19. CHARGING**

19.1 The Tenant shall not charge the whole of this lease without the consent of the Landlord, such consent not to be unreasonably withheld or delayed (save for a non-specific floating charge taken out in the ordinary course of the Tenant's business that shall not require consent).

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

**20. PROHIBITION OF OTHER DEALINGS**

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

**21. REGISTRATION AND NOTIFICATION OF DEALINGS AND OCCUPATION**

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

- (a) any dealing with this lease or the devolution or transmission of, or parting with possession of any interest in it (other than a floating charge as described in 20.1 above);
- (b) the creation of any underlease or other interest out of this lease, or out of any interest, underlease derived from it, and any dealing, devolution or transmission of, or parting with possession of any such interest or underlease; or
- (c) the making of any other arrangement for the occupation of the Property.

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

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

- (a) give the Landlord's solicitors notice of the Transaction;
- (b) deliver a certified copy of any document effecting the Transaction to the Landlord's solicitors; and
- (c) pay the Landlord's solicitors a registration fee of £50 (plus VAT)

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

**22. LAND REGISTRY**

Immediately after the end of the term (and notwithstanding that the term has ended), the Tenant shall make an application to close any note of this lease on of the Landlord's registered title of this lease and shall use reasonable endeavours to ensure that any requisitions raised by HM Land Registry in connection with that application are dealt with promptly and properly; the Tenant shall keep the Landlord informed of the progress and completion of its application.

**23. MUTUAL COVENANT FOR REPAIRS**

23.1 The Tenant shall keep the Property clean and tidy and in good and substantial repair and condition and shall ensure that any Service Media within and exclusively serving the Property is kept in good working order.

23.2 The Tenant shall not be liable to repair the Property to the extent that any disrepair has been caused by:

- (a) an Insured Risk, unless and to the extent that
  - (i) the policy of insurance of the Property has been vitiated or any insurance proceeds withheld in consequence of any act or omission of the Tenant, any undertenant or their respective workers, contractors or agents or any person on the Property with the actual or implied authority of any of them; or
  - (ii) the insurance cover in relation to that disrepair is excluded, limited, is unavailable or has not been extended, as mentioned in clause 7.2.
- (b) an Uninsured Risk.

23.3 The Tenant shall clean the inside and outside of all windows at the Property as often as is reasonably necessary and shall replace any plate glass or other window that becomes cracked or broken as soon as possible.

23.4 The Tenant shall repair or replace with new articles of a similar kind and quality any fixtures, fitting or plant or equipment (other than tenant's or trade fixtures and fittings) upon or in the Property which shall become in need of repair or if beyond repair replacement.

23.5 Subject to the Tenant paying the Service Charge save in case of bona fide dispute the Landlord shall:

- (a) Keep the structural and exterior parts of the Building and the Common Parts and those parts that afford support and protection for the Property (other than any parts of the Building that are part of the Property) or have been let to another tenant and that tenant is responsible for their repair in good condition ;
- (b) Keep those Service Media over which the Tenant is granted rights by this lease in reasonable working order
- (c) Provide such of the other Services as it shall consider appropriate.

Provided always that the Landlord shall not be liable under this clause 24.6 unless and until the Tenant has informed the Landlord of any disrepair and allowed the Landlord a reasonable period in which to comply with its obligations and further provided that without prejudice to its obligations in clause 24.6, the Landlord shall not be obliged to carry out any repair where the need for any repair has arisen by reason of the occurrence of an Insured Risk.

- 23.6 The Tenant shall pay the Landlord within 20 working days of written demand the Tenant's Proportion of the proper costs incurred or reasonably anticipated to be incurred by the Landlord in complying with clause 24.6.

#### **24. DECORATION**

- 24.1 The Tenant shall decorate the Property as often as reasonably necessary and also in the last three months before the end of the term but not more than once in any 18 calendar months.
- 24.2 All decoration shall be carried out in a good and proper manner using good quality materials that are appropriate to the Property and the Permitted Use and shall include all appropriate preparatory work.
- 24.3 All decoration carried out in the last three months of the term shall also be carried out to the reasonable satisfaction of the Landlord and using materials, designs and colours approved by the Landlord whose approval shall not be unreasonably withheld or delayed provided that where the Tenant is Nero Holdings Limited no such consent shall be required for decoration in tints and colours consistent with the usual corporate trading colours of Nero Holdings Limited's other UK trading outlets.
- 24.4 Where any other parts of the Building have been let to another tenant and that tenant is responsible for the decoration of the exterior of the upper parts of the Building, the Landlord shall enforce such covenants contained in the lease or tenancy agreement with that tenant.

#### **25. ALTERATIONS**

- 25.1 The Tenant shall not make any addition to the Property and shall not make any opening in any boundary structure of the Property. The Tenant may make external structural alterations to the Property with the Landlord's consent (such consent not to be unreasonably withheld or delayed).
- 25.2 The Tenant shall not install any Service Media on the exterior of the Property nor alter the route of any Service Media at the Property without the consent of the Landlord, such consent not to be unreasonably withheld or delayed.
- 25.3 The Tenant shall not make any internal structural alteration to the Property without the consent of the Landlord, such consent not to be unreasonably withheld or delayed provided that notwithstanding this clause 24.3 the Tenant may without obtaining Landlord's consent erect alter repair replace or remove internal non-structural demountable partitioning PROVIDED THAT such partitioning works do not adversely affect the energy efficiency rating of the Property.

25.4 The Tenant shall not carry out any alteration to the Property which would have a materially adverse effect on the asset rating in any Energy Performance Certificate commissioned in respect of the Property.

**26. SIGNS**

26.1 Subject to clause 26.2, the Tenant shall not attach any signs, fascia, awnings, placards, boards, posters and advertisements (**Signs**) to the exterior of the Property or display any inside the Property so as to be seen from the outside.

26.2 The Tenant may attach a shop fascia of a size and design approved by the Landlord, such approval not to be unreasonably withheld or delayed provided that no such approval shall be required for the signage in situ at the as at the date of this Lease or any normal professionally printed signs posters or vinyl stickers on the inside of the windows visible from the outside which are consistent with the Permitted Use.

26.3 Before the end of the term, the Tenant shall remove any Signs placed by it at the Property and shall make good any damage caused to the Property by that removal.

**27. TO LET BOARDS ETC.**

The Tenant shall permit the Landlord to attach to the Property (but not so as to obscure the shop front or fascia) and to retain without interference a notice for selling or (during the six months immediately preceding the end of the term unless genuine steps are being taken towards a renewal of this lease and the Tenant is entitled under the LTA 1954 to a new lease) reletting the Property and shall permit persons with written authority from the Landlord at reasonable times of the day upon reasonable prior written notice to enter and inspect the Property provided that as little disruption is caused to the Tenant's business as reasonably possible.

**28. RETURNING THE PROPERTY TO THE LANDLORD**

28.1 At the end of the term the Tenant shall return the Property to the Landlord in the repair and condition required by this lease.

28.2 On or before the end of the term the Tenant shall (unless otherwise requested by the Landlord not less than 3 months before the end of the Contractual Term) remove items it has fixed to the Property, remove any alterations it has made to the Property (whether under the term of this lease or the Previous Lease) and make good any damage caused to the Property by that removal. For the avoidance of doubt the Landlord shall not be entitled to require the Tenant to leave branded items or signage or chattels or trade fixtures and fittings or equipment which can be removed without defacing the Property.

28.3 At the end of the term, the Tenant shall remove from the Property all chattels belonging to or used by it.

28.4 The Tenant irrevocably appoints the Landlord to be the Tenant's agent to store or dispose of any chattels or items it has fixed to the Property and which have been left by the Tenant on the Property for more than ten working days after the end of the term. The Landlord shall not be liable to the Tenant by reason of that storage or disposal. The Tenant shall indemnify the Landlord in respect of any claim made by a third party in relation to that storage or disposal.

**29. USE**

- 29.1 The Tenant shall not use the Property for any purpose other than the Permitted Use.
- 29.2 The Tenant shall not use the Property for any illegal or immoral purpose nor as a sex shop, funeral parlour, casino, nor for any purpose or in a manner that would cause loss, damage, injury or nuisance to the Landlord or any other owner or occupier of neighbouring property.
- 29.3 The Tenant shall not overload any structural part of the Property nor any machinery or equipment at the Property nor any Service Media at or serving the Property.

**30. COMPLIANCE WITH LAWS**

- 30.1 The Tenant shall comply with all laws and statutory requirements relating to:
- (a) the Property and the occupation and use of the Property by the Tenant;
  - (b) the use or operation of all Service Media and machinery and equipment at or serving the Property whether or not used or operated, and shall, where necessary, replace or convert such Service Media within or exclusively serving the Property so that it is capable of lawful use or operation;
  - (c) any works carried out at the Property; and
  - (d) all materials kept at or disposed from the Property.
- 30.2 Without prejudice to any obligation on the Tenant to obtain any consent or approval under this lease, the Tenant shall carry out all works that are required under any law to be carried out at the Property whether by the owner or the occupier.
- 30.3 As soon as reasonably practicable after receipt of any notice or other communication affecting the Property (and whether or not served pursuant to any law) the Tenant shall:
- (a) send a copy of the relevant document to the Landlord; and
  - (b) take all reasonable steps necessary to comply with the notice or other communication and at the written request and cost of the Landlord take any other action in connection with it as the Landlord may reasonably require unless it is materially adverse to the interests of the Tenant's business to do so.
- 30.4 The Tenant shall not apply for any planning permission for the Property without the Landlord's consent not to be unreasonably withheld or delayed provided that consent shall not be required for any planning permission relating to alterations that are permitted to be made without the consent of the Landlord or for any use which is within the definition of 'Permitted Use' in this lease.
- 30.5 The Tenant shall comply with its obligations under the CDM Regulations, including all requirements in relation to the provision and maintenance of a health and safety file. The Tenant shall maintain the health and safety file for the Property in accordance with the CDM Regulations and shall give it to the Landlord at the end of the term.

- 30.6 The Tenant shall supply all information to the Landlord that the Landlord reasonably requires from time to time to comply with the Landlord's obligations under the CDM Regulations.
- 30.7 As soon as the Tenant becomes aware of any defect in the Property, it shall give the Landlord notice of it. The Tenant shall indemnify the Landlord against any liability under the Defective Premises Act 1972 in relation to the Property by reason of any failure of the Tenant to comply with any of the tenant covenants in this lease.
- 30.8 The Tenant shall keep the Property equipped with all fire prevention, detection and fighting machinery and equipment and fire alarms which are required under all relevant laws or required by the insurers of the Property or reasonably required by the Landlord and shall keep that machinery, equipment and alarms properly maintained and available for inspection.

### **31. ENERGY PERFORMANCE CERTIFICATES**

- 31.1 The Tenant shall:
- (a) co-operate with the Landlord so far as is reasonably necessary to allow the Landlord to obtain an Energy Performance Certificate and Recommendation Report for the Property including providing the Landlord with copies of any plans or other information held by the Tenant that would assist in obtaining an Energy Performance Certificate; and
  - (b) allow such access to any Energy Assessor appointed by the Landlord as is reasonably necessary to inspect the Property for the purposes of preparing an Energy Performance Certificate and/or Recommendation Report for the Property.
- 31.2 The Tenant shall not commission an Energy Performance Certificate for the Property without the Landlord's consent.

### **32. ENCROACHMENTS, OBSTRUCTIONS AND ACQUISITION OF RIGHTS**

- 32.1 The Tenant shall not grant any right or licence over the Property to a third party.
- 32.2 If a third party makes or attempts to make any encroachment over the Property or takes any action by which a right may be acquired over the Property, the Tenant shall:
- (a) promptly inform the Landlord and shall give the Landlord notice of that encroachment or action; and
  - (a) take all steps the Landlord reasonably requires to prevent or license the continuation of that encroachment or action.
- 32.3 The Tenant shall not obstruct the flow of light or air to the Property nor obstruct any means of access to the Property.
- 32.4 The Tenant shall not make any acknowledgement that the flow of light or air to the Property or that the means of access to the Property is enjoyed with the consent of any third party.
- 32.5 If any person takes or threatens to take any action to obstruct the flow of light or air to the Property or obstruct the means of access to the Property, the Tenant shall:

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

**33. BREACH OF REPAIR AND MAINTENANCE OBLIGATION**

- 33.1 The Landlord may on reasonable prior notice (save in an emergency when no notice shall be required) enter the Property to inspect its condition and state of repair and may give the Tenant a notice of any breach of any of the tenant covenants in this lease relating to the condition or repair of the Property.
- 33.2 If the Tenant has not begun any works needed to remedy that breach within two months following that notice (or if works are required as a matter of emergency, then immediately) or if the Tenant is not carrying out the works with all due speed, then the Landlord may enter the Property and carry out the works needed.
- 33.3 The costs properly incurred by the Landlord in carrying out any works pursuant to this clause (and any reasonable professional fees and any VAT in respect of those costs) shall be a debt due from the Tenant to the Landlord and payable on demand.
- 33.4 Any action taken by the Landlord pursuant to this clause shall be without prejudice to the Landlord's other rights, including those under clause 37.

**34. INDEMNITY**

- 34.1 The Tenant shall keep the Landlord indemnified against all liabilities, expenses and costs (including but not limited to any solicitors' or other professionals' costs and expenses), claims, damages and losses suffered or properly incurred by the Landlord arising out of or in connection with any breach of any tenant covenants in this lease, or any act or omission of the Tenant, any undertenant or their respective workers, contractors or agents or any other person on the Property with the actual or implied authority of any of them.
- 34.2 In respect of any claim covered by the indemnity in clause 35.1, the Landlord must:
  - (a) give formal notice to the Tenant of the claim as soon as reasonably practicable after receiving notice of it;
  - (b) provide the Tenant with any information and assistance in relation to the claim that the Tenant may reasonably require, subject to the Tenant paying to the Landlord all reasonable and properly incurred costs by the Landlord in providing that information or assistance; and
  - (c) Take all reasonable steps to mitigate any loss damage expense or cost that may be relevant to the foregoing indemnity.

**35. LANDLORD'S COVENANTS**

The Landlord covenants with the Tenant:

- (a) That (subject to paying the Annual Rent in the time and manner required by the lease) the Tenant shall have quiet enjoyment of the Property without

any interruption by the Landlord or any person claiming under the Landlord except as otherwise permitted by this lease; and

- (b) to take reasonable steps to abate any nuisance to the Tenant caused by any tenant or occupier of the Building.

**36. GUARANTEE AND INDEMNITY**

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

**37. RE-ENTRY AND FORFEITURE**

- 37.1 The Landlord may re-enter the Property (or any part of the Property in the name of the whole) at any time after any of the following occurs:
  - (a) any rent is unpaid twenty-one days after becoming payable whether in the case of the Annual Rent it has been formally demanded or not;
  - (b) any breach of any condition of, or tenant covenant in, this lease;
  - (c) an Act of Insolvency.
- 37.2 If the Landlord re-enters the Property (or any part of the Property in the name of the whole) pursuant to this clause, this lease shall immediately end, but without prejudice to any right or remedy of either party in respect of any breach of covenant by the other(s).

**38. SCAFFOLDING**

- 38.1 In relation to any scaffolding erected pursuant to the Reservations of, the Landlord must:
  - (a) ensure that the scaffolding causes the least amount of obstruction to the main entrance in the frontage of the Property as is reasonably practicable;
  - (b) remove the scaffolding as soon as reasonably practicable;
  - (c) following removal of the scaffolding, make good any damage to the exterior of the Property caused by the scaffolding; and
  - (d) where the scaffolding obscured the Tenant's signage, to allow the Tenant to display on the exterior of the scaffolding one sign of a size and design and in

a location approved by the Landlord (such approval not to be unreasonably withheld or delayed)

**39. LIABILITY**

39.1 Where the Tenant or the Landlord comprises more than one person, those persons shall be jointly and severally liable for the obligations and liabilities of the Tenant or the Landlord (as the case may be) arising under this lease. The Landlord or the Tenant (as the case may be) may take action against, or release or compromise the liability of, or grant time or other indulgence to, any one of those persons without affecting the liability of any other of them.

39.2 Where a guarantor comprises more than one person, those persons shall be jointly and severally liable for the obligations and liabilities of a guarantor arising under this lease. The Landlord may take action against, or release or compromise the liability of, or grant time or other indulgence to, any one of those persons without affecting the liability of any other of them.

39.3 The obligations of the Tenant and any guarantor arising by virtue of this lease are owed to the Landlord and the obligations of the Landlord are owed to the Tenant.

**40. ENTIRE AGREEMENT**

40.1 The Tenant acknowledges that except as set out in this lease and for the written replies made by the Landlord's solicitors to the formal written pre-lease enquiries (including those by email) made by the Tenant's solicitors, it has not relied on or taken into account any statement or representation, whether written or oral (and including any made negligently) made by or on behalf of the Landlord, in deciding whether to enter into this lease, and any documents annexed to it and any document expressed to be supplemental to this lease and entered into on the same day as this lease and will have no right or remedy (including any right or remedy based on negligence) in respect of any such statement or representation.

40.2 Subject to the provisions of clause 40.1 this lease and the documents annexed to it constitute the whole agreement between the parties and supersede all previous discussions, correspondence, negotiations, arrangements, understandings and agreements between them relating to its subject matter

40.3 Nothing in this lease constitutes or shall constitute a representation or warranty that the Property may lawfully be used for any purpose allowed by this lease.

40.4 Nothing in this clause shall limit or exclude any liability for fraud.

**41. NOTICES**

41.1 Except where this lease specifically states that a notice need not be in writing, any notice given under or in connection with this lease shall be:

(a) in writing and for the purposes of this clause an email or a fax is not in writing; and

(b) given by hand or by pre-paid first-class post or other next working day delivery service at the party's registered office address (if the party is a company) or (in any other case) in relation to the Landlord at any postal

address shown from time to time for the registered proprietor of the title number set out in Land Registry Prescribed Clause LR2.1 or in relation to the Tenant at any postal address shown from time to time for the registered proprietor of the Land Registry title for this Lease or if no such address is given, at its last known address or principal place of business.

41.2 If a notice complies with the criteria in clause 41.1, whether or not this lease requires that notice to be in writing, it shall be deemed to have been received:

- (a) if delivered by hand, at the time the notice is left at the proper address; or
- (b) if sent by pre-paid first-class post or other next working day delivery service, on the second working day after posting.

41.3 This clause does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.

41.4 Section 196 of the LPA 1925 shall otherwise apply to notices given under this lease.

#### **42. CONSENTS AND APPROVALS**

42.1 Where the consent of the Landlord is required under this lease, a consent shall only be valid if it is given by deed, unless:

- (a) it is given in writing and signed by the Landlord or a person duly authorised on its behalf; and
- (b) it expressly states that the Landlord waives the requirement for a deed in that particular case.

If a waiver is given, it shall not affect the requirement for a deed for any other consent.

42.2 Where the approval of the Landlord is required under this lease, an approval shall only be valid if it is in writing and signed by or on behalf of the Landlord, unless:

- (a) the approval is being given in a case of emergency; or
- (b) this lease expressly states that the approval need not be in writing.

42.3 If the Landlord gives a consent or approval under this lease, the giving of that consent or approval shall not imply that any consent or approval required from a third party has been obtained, nor shall it obviate the need to obtain any consent or approval from a third party.

#### **43. NO WARRANTY RE PLANNING**

Nothing in this lease shall imply or warrant that the Property may in accordance with planning legislation or otherwise be used for the purposes authorised by this lease and the Tenant acknowledges and admits that the Landlord has not given or made at any time any representation or warranty that any such use is or will be or will remain a permitted use under planning legislation or otherwise.

**44. GOVERNING LAW**

This lease and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales.

**45. JURISDICTION**

Each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with this lease or its subject matter or formation (including non-contractual disputes or claims).

**46. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

A person who is not a party to this lease shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this lease. This does not affect any right or remedy of a third party which exists, or is available, apart from that Act.

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

**EXECUTED** as a **DEED** by **NERO** )  
**HOLDINGS LIMITED** acting by a director ) .....  
in the presence of:- )

*Witness*  
*Signature*.....

*Name*.....

*Address*.....

.....