

DATED

LEASE

relating to

Basement & Ground Floor, 9 High Street Lutterworth Leicestershire LE17 4AT

between

DAVID LIDDINGTON LIMITED

and

LR1. Date of lease

2023

LR2. Title number(s)

LR2.1 Landlord's title number(s)

LT224643

LR2.2 Other title numbers

None

LR3. Parties to this lease

Landlord

DAVID LIDDINGTON LIMITED whose registered office is at Manor House 9 Manor Road
Kilsby Rugby CV23 8XS

(Company Registration Number 01308981)

Tenant

[REDACTED]

(Company Registration Number [REDACTED])

LR4. Property

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

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

LR5. Prescribed statements etc.

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

None.

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

None.

LR6. Term for which the Property is leased

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

LR7. Premium

None.

LR8. Prohibitions or restrictions on disposing of this lease

This lease contains a provision that prohibits or restricts dispositions.

LR9. Rights of acquisition etc.

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

None.

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

None.

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

None.

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

None.

LR11. Easements

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

The easements as specified in clause 3. of this lease.

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

The easements as specified in clause 4. of this lease.

LR12. Estate rentcharge burdening the Property

None.

LR13. Application for standard form of restriction

None.

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

None

This lease is dated

2023

Parties

- (1) **DAVID LIDDINGTON LIMITED** incorporated and registered in England and Wales with company number 01308981 whose registered office is at Manor House, 9 Manor Road, Kilsby, Rugby, CV23 8XS (**Landlord**)
- (2) [REDACTED] incorporated and registered in England and Wales with company number [REDACTED] whose registered office is at [REDACTED]
[REDACTED]

Agreed terms

1. Interpretation

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

1.1 Definitions:

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 application for an administration order or the making of an administration order in relation to the Tenant or any guarantor;
- (c) the giving of any notice of intention to appoint an administrator, or the filing at court of the prescribed documents in connection with the appointment of an administrator, or the appointment of an administrator, in any case in relation to the Tenant or any guarantor;
- (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;
- (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;
- (f) the making of a petition for a winding-up order or a winding-up order in respect of the Tenant or any guarantor;
- (g) the striking-off of the Tenant or any guarantor from the Register of Companies or the making of an application for the Tenant or any guarantor to be struck-off;

- (h) the Tenant or any guarantor otherwise ceasing to exist (but excluding where the Tenant or any guarantor dies); or
- (i) the making of an application for a bankruptcy order, the presentation of a petition for a bankruptcy order or the making of a bankruptcy order against the Tenant or any guarantor; or
- (j) the levying of any execution or other such process on or against, or taking control or possession of, the whole or any part of the Tenant's assets.

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.

Annual Rent: rent at an initial rate of £12,000 plus VAT per annum.

Break Date: [] 2028 and [] 2033

Break Notice: a written notice to terminate this Lease specifying the relevant Break Date and served in accordance with clause 40.

Building: 9 High Street Lutterworth LE17 4AT and registered at the Land Registry under title number LT224643.

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

Common Parts: all parts of the Building other than the Property and the Lettable Units.

Contractual Term: a term of fifteen years beginning on, and including the date of this lease and ending on, and including 2038.

Default Interest Rate: 4 % per annum above the Interest Rate.

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

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

Insured Risks: means fire, explosion, lightning, earthquake, storm, flood, bursting and overflowing of water tanks, apparatus or pipes, impact by aircraft and articles dropped

from them, impact by vehicles, subsidence, ground slip, heave, riot, civil commotion and any other risks against which the Landlord reasonably decides to insure against from time to time and **Insured Risk**: means any one of the Insured Risks.

Insurance Rent: the aggregate in each year of:

- (a) a fair proportion of the gross cost of the premium after any discount or commission 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 all those costs, fees and expenses, and public liability insurance in relation to the Common Parts;
- (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) any insurance premium tax payable on the above.

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

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

LTA 1954: Landlord and Tenant Act 1954.

Permitted Use: use as a Subway outlet for the retail sale of food and drink items approved for sale in a Subway outlet or such other use within Class A1 of the Town & Country Planning (Use Classes) Order 1984 as at 31 August 2020 as the Landlord shall approve (such approval not to be unreasonably withheld or delayed).

Plan 1: the plan attached to this lease.

Previous Lease: a lease dated 28 September 2007 made between the Landlord (1) and Subway Realty Limited (2) and all deeds and documents supplemental to that lease.

Previous Lease Alterations: any alterations undertaken by or for any tenant, undertenant or occupier during or in anticipation of the Previous Lease.

Property: the ground floor and basement of the Building as shown edged red on the Plan bounded by and including:

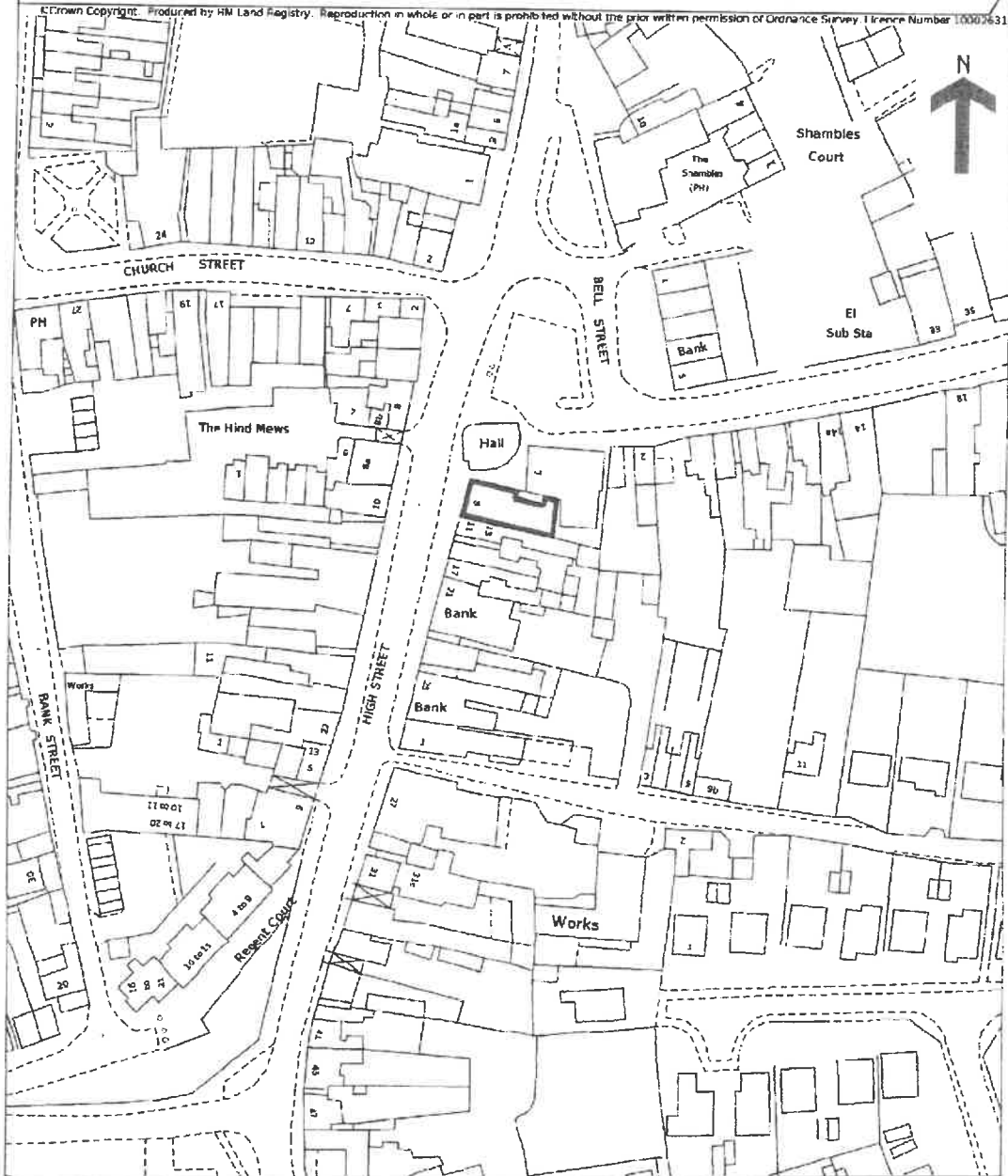
- (a) the floor screed;
the ceiling plaster and plasterboard including the whole of any false ceilings;
- (b) the interior plasterwork and finishes of exterior walls and columns;

HM Land Registry
Official copy of
title plan

Title number **LT412165**
Ordnance Survey map reference **SP54845W**
Scale **1:1250 enlarged from 1:2500**
Administrative area **Leicestershire :**
Harborough



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- (c) the plasterwork and finishes of the interior structural load-bearing walls and columns that adjoin another Lettable Unit or the Common Parts;
- (d) the doors and windows within the interior, structural load-bearing walls and columns that adjoin another Lettable Unit or the Common Parts and their frames and fittings;
- (e) one half of the thickness of the interior, non-structural non-load-bearing walls and columns that adjoin another Lettable Unit or the Common Parts;
- (f) the doors and windows within the exterior walls and the interior, non-structural non-load-bearing walls and columns that adjoin the Common Parts and their frames and fittings;
- (g) All the Landlord's fixtures and fittings including the air conditioning units at the Property and all Service Media and service installations exclusively serving the Property

but excluding:

- (h) the whole of the interior structural load-bearing walls and columns within that part of the Building of which the Property forms part other than their plasterwork and other than the doors and windows and their frames and fittings in such walls;
- (i) all Service Media within that part of the Building of which the Property forms part but which do not exclusively serve the Property; and
- (j) the roof and roof space, the foundations, all external, structural or load bearing walls, columns, beams and supports

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

Rent Commencement Date: the date of this lease

Rent Payment Dates: 25 March, 24 June, 29 September and 25 December

Rent Review Dates: [] 2028 and [] 2033

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

Service Charge: the Tenant's Proportion of the services and the service costs.

Service Costs: the costs listed in clause 7.2.

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

Services: the services listed in clause 7.1.

“Subway” means Subway International B.V a Netherlands limited liability company, with its principal place of business at Prisengracht 13, 1015 DK, Amsterdam, The Netherlands

Tenant’s Proportion: fifty percent of the Service Charge.

Third Party Rights: all rights, covenants and restrictions affecting the Building including the matters referred to at the date of this lease in the property register and charges register of title number LT224643 as at 30 March 2023 timed at 12.09:01

Uninsured Risk: a risk or an insured risk against which insurance cover is not generally available or ceases to be available for properties such as the Property or is available only on terms or subject to conditions making it unreasonable in all the circumstances to effect insurance against that risk

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 a reference 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 and reasonable proportion of the total amount payable, determined conclusively (except as to questions of law and manifest error) by the Landlord.
- 1.5 The expressions **landlord covenant** and **tenant covenant** each has the meaning given to it by the Landlord and Tenant (Covenants) Act 1995.
- 1.6 Unless the context otherwise requires, references to the **Building**, the **Common Parts**, a **Lettable Unit** and the **Property** are to the whole and any part of them or it.
- 1.7 The expression **neighbouring property** does not include the Building.
- 1.8 A reference to the **term** is to the Contractual Term.
- 1.9 A reference to the **end of the term** is to the end of the term however it ends.

- 1.10 References to the **consent** of the Landlord are to the consent of the Landlord given in accordance with clause 39.5 and references to the **approval** of the Landlord are to the approval of the Landlord given in accordance with clause 39.6.
- 1.11 A **working day** is any day which is not a Saturday, a Sunday, a bank holiday or a public holiday in England.
- 1.12 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.
- 1.13 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.
- 1.14 Any obligation on the Tenant not to do something includes an obligation not to allow that thing to be done and an obligation to use reasonable endeavours to prevent that thing being done by another person.
- 1.15 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.
- 1.16 A **person** includes a natural person, corporate or unincorporated body (whether or not having separate legal personality).
- 1.17 A reference to **writing** or **written** excludes fax and email.
- 1.18 Unless the context otherwise requires, references to clauses and Schedules are to the clauses and Schedules of this lease and references to paragraphs are to paragraphs of the relevant Schedule.
- 1.19 Clause, Schedule and paragraph headings shall not affect the interpretation of this lease.
- 1.20 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.
- 1.21 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 with full title guarantee the Property to the Tenant for the Contractual Term.
- 2.2 The grant is made together with the ancillary rights set out in clause 3, excepting and reserving to the Landlord the rights set out in clause 4, and subject to the Third Party Rights.
- 2.3 The grant is made with the Tenant paying the following as rent to the Landlord:
- (a) the Annual Rent and all VAT in respect of it;
 - (b) the Service Charge and all VAT in respect of it;
 - (c) all interest payable under this lease
- all other sums due under this lease.

3. Ancillary rights

- 3.1 The Landlord grants the Tenant the following rights (the **Rights**):
- (a) the right to support and protection from the Common Parts to the extent that the Common Parts provide support and protection to the Property at the date of this lease;
 - (b) the right to use the entrance and stairway forming part of the Common Parts for the purpose of pedestrian access to and from the Property;
 - (c) the right to connect into and use 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; and
 - (d) the right to display the name and logo of the Tenant (and any authorised undertenant) on any sign or noticeboard at the entrance of the Property in a form and manner approved by the Landlord. Provided that no such approval is required where the Tenant is installing standard Subway signage and logos
- 3.2 The Rights are granted in common with the Landlord and any other person authorised by the Landlord.
- 3.3 The Rights are granted subject to the Third Party Rights insofar as the Third Party Rights affect the Common Parts and the Tenant shall not do anything that may interfere with any Third Party Right.

- 3.4 The Tenant shall exercise the Rights (other than the Right mentioned in clause 3.1(a)) only in connection with its use of the Property for the Permitted Use and in accordance with any regulations made by the Landlord as mentioned in clause 28.1.
- 3.5 The Tenant shall comply with all laws relating to its use of the Common Parts pursuant to the Rights.
- 3.6 In relation to the Rights mentioned in clause 3.1(a), the Landlord may, acting reasonably, change the route of any means of access to or egress over the Common Parts from the Property or the interior of the Building and may change the area within the Common Parts over which any of those Rights are exercised.
- 3.7 In relation to the Rights mentioned in clause 3.1(b), the Landlord may, acting reasonably, re-route or replace over the Common Parts any such Service Media and that Right shall then apply in relation to the Service Media as re-routed or replaced provided that the Landlord promptly makes good (to the reasonable satisfaction of the Tenant) any damage caused to the Common Parts.
- 3.8 Except as mentioned in this clause 3, neither the grant of this lease nor anything in it confers any right over the Common Parts or any Lettable Unit or any neighbouring property nor is to be taken to show that the Tenant may have any right over the Common Parts or any Lettable Unit or any neighbouring property, and section 62 of the Law of Property Act 1925 does not apply to this lease.

4. Rights excepted and reserved

- 4.1 The following rights are excepted and reserved from this lease to the Landlord for the benefit of the Building:
- (a) rights of light, air, support and protection to the extent those rights are capable of being enjoyed at any time during the term;
 - (b) the right to use and to connect into Service Media at, but not forming part of, the Property which are in existence at the date of this lease; the right to install and construct Service Media at the Property to serve any part of the Building (whether or not such Service Media also serve the Property); and the right to re-route any Service Media mentioned in this clause;
 - (c) at any time during the term, the full and free right to develop the Building as the Landlord may think fit;
 - (d) the right to erect scaffolding temporarily 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 such scaffolding does not materially interfere with the access to or use of the Property;

- (e) the right to attach any structure, fixture or fitting to the boundary of the Property in connection with any of the Reservations;
- (f) the right to re-route any means of access to or egress from the Property or the Building and to change the areas over which the Rights are exercised; and
- (g) the right to re-route and replace any Service Media over which the Rights mentioned in clause 3.1 are exercised

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

4.2 The Landlord reserves the right to enter the Property:

- (a) to repair, maintain, install, construct, re-route or replace any Service Media or structure relating to any of the Reservations;
- (b) to carry out any works to any other Lettable Unit; and
- (c) for any other purpose mentioned in or connected with:
 - (i) this lease;
 - (ii) the Reservations; and
 - (iii) the Landlord's interest in the Property, the Building or the Landlord's Neighbouring 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 of the Reservations which involve entry onto the Property the Landlord must shall use reasonable efforts to procure that those exercising such rights on its behalf cause as little damage to the Property and as little disturbance and inconvenience as possible to the Tenant and occupiers of the Property and make good (at its sole costs and expense) to the reasonable satisfaction of the Tenant any damage caused in the exercise of such rights.

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 (during usual business hours) and, except in the case of an emergency, after having given reasonable notice (in writing) to the Tenant PROVIDED HOWEVER THAT the person so entering shall cause as little damage and disturbance as possible and shall make good to the Tenant's satisfaction all damage caused to the Property and to the Tenant's fixtures, fittings, and goods.

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

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

and any party causing physical damage to the Property or its contents shall forthwith make good that damage to the reasonable satisfaction of the Tenant.

5. Third Party Rights

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

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

6. The Annual Rent

6.1 The Tenant shall pay the Annual Rent and any VAT in respect of it by four equal instalments in advance on or before the Rent Payment Dates. The payments shall be made by banker's standing order or by any other method that the Landlord requires at any time by giving notice to the Tenant.

6.2 The first instalment of the Annual Rent and any VAT in respect of it shall be made on the 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.

7. Services and Service Charge

7.1 The **Services** are:

- (a) cleaning, maintaining, decorating and repairing the Common Parts, including the structural parts and all Service Media forming part of the Common Parts;
- (b) lighting the Common Parts and cleaning, maintaining, repairing and replacing lighting and equipment (if any) on the Common Parts;
- (c) cleaning, maintaining, repairing, operating and replacing fire prevention, detection and fighting machinery and equipment and fire alarms on the Common Parts;

- (d) cleaning, maintaining, repairing and replacing the floor coverings on the internal areas of the Common Parts;
- (e) cleaning, maintaining, repairing and replacing the furniture and fittings on the Common Parts (if any); and
- (f) any other service or amenity that the Landlord may acting reasonably provide for the benefit of the tenants and occupiers of the Building.

7.2 The Service Costs are the total of:

- (a) the whole of the costs of:
 - (i) providing the Services;
 - (ii) the supply and removal of electricity, gas, water, sewage and other utilities to and from the Common Parts;
 - (iii) complying with the recommendations and requirements of the insurers of the Building (insofar as those recommendations and requirements relate to the Common Parts);
 - (iv) complying with all laws relating to the Common Parts, their use and any works carried out at them, and relating to the use of all Service Media, machinery and equipment at or serving the Common Parts and to any materials kept at or disposed of from the Common Parts;
 - (v) complying with the Third Party Rights insofar as they relate to the Common Parts; and
 - (vi) taking any steps (including proceedings) that the Landlord considers necessary to prevent or remove any encroachment over the Common Parts or to prevent the acquisition of any right over the Common Parts (or the Building as a whole) or to remove any obstruction to the flow of light or air to the Common Parts (or the Building as a whole);
- (b) the costs, fees and disbursements (on a reasonable basis) if any of:
 - (i) managing agents employed by the Landlord for the carrying out and provision of the Services or, where managing agents are not employed, a management fee for the same; and
 - (ii) accountants employed by the Landlord to prepare and audit the service charge accounts;
- (c) all rates, taxes, impositions and outgoings payable in respect of the Common Parts, their use and any works carried out on them (other than any taxes payable by the Landlord in connection with any dealing with or disposition of its reversionary interest in the Building); and

- (d) any VAT payable by the Landlord in respect of any of the items mentioned above except to the extent that the Landlord obtains credit for such VAT under the VATA 1994.
- 7.3 Subject to the Tenant paying the Tenant's Proportion of the Service Charge, the Landlord shall use its reasonable endeavours to provide the Services.
- 7.4 The Landlord shall not be liable for:
 - (a) any interruption in, or disruption to, the provision of any of the Services for any reason that is outside the reasonable control of the Landlord; or
 - (b) any injury, loss or damage suffered by the Tenant as a result of any absence or insufficiency of any of the Services or of any breakdown or defect in any Service Media, except where due to the negligence of the Landlord.
- 8. Insurance**
- 8.1 Subject to clause 8.2, the Landlord shall keep the Building other than any plate glass insured with reputable insurers against loss or damage by the Insured Risks for the sum which the Landlord reasonably considers to be its 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.
- 8.2 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).
- 8.3 The Tenant shall:
 - (a) as soon as reasonably practicable inform the Landlord if any matter occurs in relation to the Tenant or the Property that any insurer or underwriter may treat as material in deciding whether or on what terms to insure or to continue to insure the Building and shall give the Landlord notice of that matter;
 - (b) not knowingly do or omit anything as a result of which any policy of insurance of the Building or any neighbouring property may become void or voidable or otherwise prejudiced, or the payment of any policy money may be withheld, nor (unless the Tenant has previously notified the Landlord and has paid any increased or additional premium) anything as a result of which any increased or additional insurance premium may become payable;

- (c) comply at all times with the requirements and recommendations of the insurers relating to the Property and the use by the Tenant of the Common Parts which have been notified to the Tenant;
- (d) as soon as reasonably practicable give the Landlord notice of the occurrence of any damage or loss relating to the Property arising from an Insured Risk;
- (e) not effect any insurance of the Property (except in respect of any plate glass at the Property) but if it becomes entitled to the benefit of any insurance proceeds in respect of the Property (other than in respect of plate glass) pay those proceeds or cause them to be paid to the Landlord; and
- (f) pay the Landlord an amount equal to any insurance money that the insurers of the Building refuse to pay (in relation to the Building) by reason of any act or omission of the Tenant or any undertenant, their workers, contractors or agents or any person at the Property or the Common Parts with the actual or implied authority of any of them.
- (g) the Landlord must produce to the Tenant on demand reasonable evidence of the terms of the policy and the fact that the last premium has been paid.

8.4 The Landlord shall, subject to obtaining all necessary planning and other consents (which it shall use reasonable endeavours to obtain), use all insurance money received (other than for loss of rent) in connection with any damage to the Building to repair the damage for which the money has been received or (as the case may be) in rebuilding or reinstating the Building. The Landlord shall not be obliged to:

- (a) provide accommodation or facilities identical in layout or design so long as accommodation reasonably equivalent to that previously at the Property and its access, services and amenities is provided; or
- (b) repair or rebuild if the Tenant has failed to pay any undisputed Insurance Rent; or
- (c) repair or rebuild the Building after a notice has been served pursuant to clause 8.6 or clause 8.7.

8.5 If the Property is damaged or destroyed by an Insured Risk or an Uninsured Risk so as to be unfit for occupation and use or if the Common Parts are damaged or destroyed by an Insured Risk so as to make the Property inaccessible or unusable then, unless the policy of insurance in relation to the Property or the Common Parts has been vitiated in whole or in part in consequence of any act or omission of the Tenant, any undertenant or their respective workers, contractors or agents or any other person on the Property or the Common Parts with the actual or implied authority of any of them, payment of the Annual Rent, or a fair proportion of it according to the nature and extent of the damage, shall be suspended until the Property has been reinstated and made fit for occupation and use or the Common Parts have been reinstated so as to make the Property

accessible or useable (as the case may be), or until the end of three years from the date of damage or destruction, if sooner.

- 8.6 If, following damage to or destruction of the Building, the Landlord considers that it is impossible or impractical to reinstate the Building, the Landlord may terminate this lease by giving notice to the Tenant. On giving notice this lease shall determine but this shall be without prejudice to any right or remedy of the Landlord in respect of any breach of the tenant covenants of this lease. Any proceeds of the insurance [(other than any insurance for plate glass)] shall belong to the Landlord.
- 8.7 The Tenant may terminate this lease by giving notice to the Landlord if, following damage or destruction of the Property or the Common Parts by an Insured Risk, the Property has not been reinstated so as to be fit for occupation and use or the Common Parts have not been reinstated so as to make the Property accessible or useable within three years after the date of damage or destruction. On giving this notice this lease shall determine but this shall be without prejudice to any right or remedy of the Landlord in respect of any breach of the tenant covenants of this lease. Any proceeds of the insurance shall belong to the Landlord.
- 8.8 If during the term the Property or the Common Parts shall be damaged or destroyed by an Uninsured Risk so as to make the Property or a substantial part of it unfit for occupation and use or inaccessible the Landlord may within one year of the date of such damage or destruction serve a notice on the Tenant confirming that the Landlord will reinstate the Property so that the Property shall be made fit for occupation and use or made accessible and if the Landlord fails to serve such a notice the Lease will automatically end on the date one year after the date of such damage and destruction.

9. Rates and taxes

- 9.1 The Tenant shall pay all present and future rates, taxes and other impositions and outgoings payable in respect of the Property, its use and any works carried out there, except:
- (a) any taxes payable by the Landlord in connection with any dealing with or disposition of the reversion to this lease; or
 - (b) any taxes (other than VAT and insurance premium tax) payable by the Landlord by reason of the receipt of any of the rents due under this lease.
- 9.2 If any such rates, taxes or other impositions and outgoings are payable in respect of the Property together with other land (including any other part of the Building) the Tenant shall pay a fair proportion of the total.

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

9.4 Provided always that the Tenant shall not be responsible in any way for any payments for chancel repair.

10. Utilities

10.1 The Tenant shall pay all costs in connection with the supply and removal of electricity, gas, water, sewage, telecommunications and data and other services and utilities to or from the Property and including half of the current water charges assessed in respect of the Building excluding the ground floor and basement.

10.2 The Tenant shall comply with all laws and with any recommendations of the relevant suppliers relating to the use of those services and utilities the supply and removal of electricity, gas, water, sewage, telecommunications, data and other services and utilities to or from the Property.

11. Common items

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 used or capable of being used by the Building in common with other land and which have been notified to the Tenant in writing.

12. VAT

12.1 All sums payable by the Tenant are exclusive of any VAT that may be chargeable. Upon production of a valid VAT invoice, the Tenant shall pay VAT (subject to the provision of a valid VAT invoice) in respect of all taxable supplies made to it in connection with this lease on the due date for making any payment

12.2 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 (subject to the provision of a valid VAT invoice) 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 or is able to obtain credit for such VAT under the VATA 1994.

13. Default interest and interest

13.1 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 Annual Rent whether it has been formally demanded or

not), the Tenant shall pay the Landlord interest on that amount at the Default Interest Rate (both before and after any judgment). Such interest shall accrue on a daily basis for the period beginning on the due date to and including the date of payment.

14. Costs

14.1 The Tenant shall pay the reasonable and properly incurred expenses of the Landlord including any solicitors' or other professionals' costs and expenses (properly incurred both during and within three (3) months after the end of the term) in connection with any of the following:

- (a) the enforcement of the tenant covenants of this lease;
- (b) serving any notice in connection with this lease under section 146 or 147 of the Law of Property Act 1925 or taking any proceedings under either of those sections, notwithstanding that forfeiture is avoided otherwise than by relief granted by the court;
- (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 served within six months of the end of the 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 or delayed by the Landlord in circumstances where the Landlord is not unreasonably to withhold or delay it).

15. Compensation on vacating

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

16. 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).

17. Assignments

17.1 Save as permitted by clause 17.2 and 17.3 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.

- 17.2 The Tenant may assign the whole of this Lease to Subway Realty Limited (Company Registration number 04174473) or to another bona fide Subway franchisee without the Landlord's consent provided that Notice of the Assignment is given to the Landlord within 20 Working Days of the assignment.
- 17.3 The Tenant shall not assign part only of this lease.
- 17.4 Other than in respect of an assignment as anticipated in clause 17.2 the Landlord and the Tenant agree that for the purposes of section 19(1A) of the Landlord and Tenant Act 1927 the Landlord may give its consent to an assignment subject to all or any of the following conditions:
- (a) If reasonable in the circumstances so to require 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) if reasonable in the circumstances to so require, a condition that a person of standing acceptable to the Landlord acting reasonably enters into a guarantee and indemnity of the tenant covenants of this lease
- 17.5 The Landlord and the Tenant agree that for the purposes of section 19(1A) of the Landlord and Tenant Act 1927 the Landlord may refuse its consent to an assignment if any of the following circumstances exist at the date of the Tenant's application for consent to assign this lease:
- (a) the Annual Rent or any other money due under this lease (properly due) is outstanding or there is a material breach of covenant by the Tenant that has not been remedied;
 - (b) in the Landlord's reasonable opinion the assignee is not of sufficient financial standing to enable it to comply with the Tenant's covenants and conditions contained in this lease (assessed together with the benefit of any guarantors or other security offered); or

17.6 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.

18. Underlettings

18.1 Following an assignment permitted by clause 17.2 of this Lease, at any time that Subway Realty Limited is the tenant, Subway Realty Limited may underlet the Property as a whole to a bona fide Subway Franchisee without the consent of the Landlord.

18.2 At any time the Property is sublet by Subway Realty Limited in accordance with clause 18.1 to a bona fide Subway Franchisee that franchisee may assign the underlease as a whole to another bona fide Subway Franchisee without the Landlords consent.

19. Sharing occupation

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

20. Charging

20.1 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.

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

21. 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).

22. Registration and notification of dealings and occupation

22.1 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;
- (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.

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

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

- (a) give the Landlord's solicitors notice of the Transaction; and
- (b) deliver two certified copies 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);
- (d) deliver to the Landlord's solicitors a copy of any Energy Performance Certificate and Recommendation Report issued as a result of the Transaction.

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

23. Repairs

23.1 The Tenant shall keep the Property clean and tidy and in good 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 an Insured Risk or an Uninsured Risk, unless and to the extent that:

- (a) the policy of insurance of the Property has been vitiated or any insurance proceeds withheld in consequence of any act or omission of the Tenant, any undertenant or their respective workers, contractors or agents or any person on the Property with the actual or implied authority of any of them; or
- (b) the insurance cover in relation to that disrepair is excluded, limited, is unavailable or has not been extended, as mentioned in clause 8.2.

24. Decoration

24.1 The Tenant shall decorate the inside of the Property in the last three months before the end of the term.

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 (such approval not to be unreasonably withheld or delayed).

25. Alterations and signs

25.1 The Tenant shall not make any alteration to the Property without the consent of the Landlord, such consent not to be unreasonably withheld or delayed, other than as mentioned in clause 25.2 and 25.3

25.2 The Tenant may install and remove non-structural, demountable partitioning, without the consent of the Landlord provided that the Tenant shall:

(a) not carry out any such works until it has:

(i) provided details of the works to the insurers of the Property; and

(ii) given the Landlord two copies of the plans and specification for the works; and

(b) make good any damage to the Property and to any part of the Common Parts.

25.3 The Tenant may fit out the Property in accordance with the Subway standard logo, colour scheme, window lighting, signage, advertising and design materials from time to time approved and adopted by Subway

25.4 Except as permitted in clause 25.3 the Tenant shall not install nor alter the route of any Service Media at the Property without the consent of the Landlord, such consent not to be unreasonably withheld.

25.5 The Tenant shall not attach any sign, fascia, placard, board, poster or advertisement to the Property so as to be seen from the outside of the Building other than the Subway standard logo, colour scheme, window lighting and signage, advertising and design materials from time to time approved or adopted by Subway International B.V. or its successors in title or assigns during the Contractual Term.

25.6 The Tenant shall not carry out any alteration to the Property which would, or may reasonably be expected to, have an adverse effect on the asset rating in any Energy Performance Certificate commissioned in respect of the Property.

26. Returning the Property to the Landlord

- 26.1 At the end of the term the Tenant shall return the Property to the Landlord in the repair and condition required by this lease and the Previous Lease
- 26.2 If the Landlord gives the Tenant notice no later than three months before the end of the term, the Tenant shall remove items it has fixed to the Property, remove any alterations it has made to the Property under this Lease or the Previous Lease and make good any damage caused to the Property by that removal.
- 26.3 At the end of the term, the Tenant shall remove from the Property all chattels belonging to or used by it.
- 26.4 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.

27. Use

- 27.1 The Tenant shall not use the Property for any purpose other than the Permitted Use PROVIDED ALWAYS that the Landlord may withhold consent where:-
- (a) The Landlord considers that such trade or business will compete excessively with any other trade or business at the time of request of such consent being carried on at any other property of the Landlord within the vicinity of the Building;
 - (b) The Landlord considers that such trade or business will conflict with the Landlord's interpretation of the principles of good estate management;
 - (c) At the time of request of such consent the Landlord is under an obligation which prohibits the Landlord from permitting such change of use;
- 27.2 The Landlord acknowledges that the Permitted Use of the Property will create an aroma of fresh baking bread and this and the use of the Property as a Subway outlet will not be a breach of the Permitted Use under this Lease and further shall not constitute a legal nuisance by the Tenant

28. Management of the Building

- 28.1 The Tenant shall observe all regulations made by the Landlord from time to time in accordance with the principles of good estate management and notified to the Tenant relating to the use of the Common Parts and the management of the Building.

28.2 Nothing in this lease shall impose or be deemed to impose any restriction on the use of any other Lettable Unit or any neighbouring property.

28.3 The Tenant shall not use the Property for any sale by auction

28.4 The Tenant is not to store or bring onto the Property any articles of a specially combustible or dangerous nature.

29. Compliance with laws

29.1 The Tenant shall comply with all laws relating to:

- (a) the Property and the occupation and use of the Property by the Tenant;
- (b) the use or operation of all Service Media and machinery and equipment at or serving the Property whether or not used or operated, and shall, where necessary, replace or convert such Service Media within or exclusively serving the Property so that it is capable of lawful use or operation;
- (c) any works carried out at the Property; and
- (d) all materials kept at or disposed from the Property.

PROVIDED THAT the Tenant shall not be liable for the removal and handling of any asbestos now at the Property ,if any, and the Landlord will indemnify the Tenant against all losses and claims arising directly from any such matters

29.2 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.

29.3 Within five working days after receipt of any notice or other communication affecting the Property or the Building (and whether or not served pursuant to any law) the Tenant shall:

- (a) send a copy of the relevant document to the Landlord; and
- (b) insofar as it relates to the Property, take all steps necessary to comply with the notice or other communication and take any other action in connection with it as the Landlord may reasonably require.

29.4 The Tenant shall not apply for any planning permission for the Property without the Landlord's consent which will not be unreasonably withheld or delayed.

29.5 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.

- 29.6 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.
- 29.7 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.
- 29.8 The Tenant shall keep the Property equipped with all fire prevention, detection and fighting machinery and equipment and fire alarms which are required under all relevant laws or required by the insurers of the Property or reasonably recommended by them or reasonably required by the Landlord and shall keep that machinery, equipment and alarms properly maintained and available for inspection.

30. Energy performance certificates

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

30.2 The Tenant shall not commission an Energy Performance Certificate for the Property without the Landlord's consent such consent not to be unreasonably withheld or delayed.

31. Encroachments, obstructions and acquisition of rights

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

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

- 31.3 The Tenant shall not obstruct the flow of light or air to the Property or any other part of the Building nor obstruct any means of access to the Property or any other part of the Building.
- 31.4 The Tenant shall not knowingly make any acknowledgement that the flow of light or air to the Property or any other part of the Building or that the means of access to the Property or any other part of the Building is enjoyed with the consent of any third party.
- 31.5 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) as soon as reasonably practicable inform the Landlord and shall give the Landlord notice of that action; and
 - (b) take all steps (including proceedings) the Landlord reasonably requires to prevent or secure the removal of the obstruction.

32. Breach of repair and maintenance obligations

- 32.1 The Landlord may enter the Property to inspect its condition and state of repair and may give the Tenant a notice of any breach of any of the tenant covenants in this lease relating to the condition or repair of the Property.
- 32.2 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.
- 32.3 The reasonable costs properly incurred by the Landlord in carrying out any works pursuant to this clause (and any 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.
- 32.4 Any action taken by the Landlord pursuant to this clause shall be without prejudice to the Landlord's other rights, including those under clause 36.

33. Indemnity

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

34. Landlord's covenant for quiet enjoyment

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

35. Guarantee and indemnity

35.1 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, within 10 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.

35.2 Clause 35.1 shall not apply in the case of a person who is guarantor by reason of having entered into an authorised guarantee agreement.

35.3 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.

36. Re-entry and forfeiture

36.1 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 21 days after becoming payable (in the case of Annual Rent whether it has been formally demanded or not);
- (b) any material breach of any condition of, or tenant covenant in, this lease;
- (c) an Act of Insolvency.

36.2 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 the Landlord in respect of any breach of covenant by the Tenant or any guarantor.

37. Joint and several liability

37.1 Where the Tenant comprises more than one person, those persons shall be jointly and severally liable for the obligations and liabilities of the Tenant arising under this lease. The Landlord may take action against, or release or compromise the liability of, or grant

time or other indulgence to, any one of those persons without affecting the liability of any other of them.

- 37.2 Where the Landlord comprises more than one person, those persons shall be jointly and severally liable for the obligations and liabilities of the Landlord arising under this lease. The Tenant 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.
- 37.3 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.
- 37.4 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.
- 37.5 The Landlord shall not be liable to the Tenant for any failure of the Landlord to perform any landlord covenant in this lease, unless and until the Tenant has given the Landlord notice of the failure and the Landlord has not remedied the failure within a reasonable time of service of that notice.

38. Entire agreement

- 38.1 This lease constitutes the whole agreement between the parties and supersedes all previous discussions, correspondence, negotiations, arrangements, understandings and agreements between them relating to its subject matter save for any made by the Landlord's solicitors to the Tenant's solicitors in replies to preliminary enquiries or correspondence between them.
- 38.2 Each party acknowledges that in entering into this lease it does not rely on, and shall have no remedies in respect of, any representation or warranty (whether made innocently or negligently) [other than those contained in any written replies the Landlord's solicitor has given to any written enquiries raised by the tenant's solicitor before the date of this lease
- 38.3 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.
- 38.4 Nothing in this clause shall limit or exclude any liability for fraud.

39. Notices, consents and approvals

39.1 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:

in writing and for the purposes of this clause an email is not in writing; and given:

by hand or by pre-paid first-class post or other next working day delivery service at the party's registered office address (if the party is a company) or (in any other case) at the party's principal place of business;

39.2 If a notice complies with the criteria in clause 39.1, 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;
- (b) if sent by pre-paid first-class post or other next working day delivery service, on the second working day after posting;

39.3 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.

39.4 Section 196 of the Law of Property Act 1925 shall otherwise apply to notices given under this lease.

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

- (a) it is given in writing and signed by the Landlord or a person duly authorised 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.

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

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

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

39.8 The Landlord agrees, in respect of any notices to be served on the Tenant, also to send a copy of any such notice to Subway Realty Limited , Regus, Woburn Place, 16 Upper Woburn Place, London WC1H 0BS or such other address as Subway Realty Limited shall have notified to the Landlord in writing

40. Break Clause

40.1 Subject to clause 40.2, the Tenant may terminate this lease on either Break Date by serving the Break Notice on the Landlord at least six months before the relevant Break Date stated in the Break Notice.

40.2 The Break Notice shall have no effect if:

(a) at the Break Date stated in the Break Notice:

- (i) the Tenant has not paid any part of the Annual Rent, or any VAT in respect of it, which was due to have been paid;
- (ii) at the Break Date the Tenant has not vacated the Property and returned it to the Landlord free from any occupier or third party right to occupation.
- (iii) there is a subsisting material breach of any of the covenants or conditions on the part of the Tenant in this lease relating to the state of repair and condition of the Property, including the covenants expressed to be complied with before the end of the term;

(b) the Break Notice does not comply with the requirements of this clause; or

(c) the Break Notice is served otherwise than in accordance with this clause.

40.3 The Break Notice shall be in writing and, for the purposes of this clause, writing does not include facsimile transmission or email.

40.4 The Break Notice shall state the Break Date in respect of which it is served.

40.5 The Break Notice shall not purport to terminate the lease in relation to any part as opposed to the whole of the Property.

40.6 The Break Notice shall be in the form set out in the 0.

40.7 Time shall be of the essence in respect of all time periods and limits in this clause.

40.8 Subject to clause 40.2, following service of the Break Notice, this lease shall terminate on the Break Date specified in the Break Notice.

40.9 Termination of this lease pursuant to this clause shall be without prejudice to any right or remedy of the Landlord in respect of any antecedent breach of the covenants or conditions on the part of the Tenant in this lease, including any covenants expressed to be complied with before the end of the term.

41. 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.

42. 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).

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

**SCHEDULE 1
FORM OF BREAK NOTICE**

To: [INSERT NAME OF LANDLORD] of [INSERT ADDRESS OR REGISTERED OFFICE DETAILS AS APPROPRIATE] (**Landlord**)

From: [INSERT NAME OF TENANT] of [INSERT ADDRESS OR REGISTERED OFFICE DETAILS AS APPROPRIATE] (**Tenant**)

Premises: [INSERT DETAILS OF PREMISES] as demised by the lease dated [INSERT DATE OF LEASE] made between [INSERT PARTIES TO THE LEASE] (**Lease**)

I/WE, [[INSERT NAME OF TENANT] **OR** [INSERT NAME AND ADDRESS OF SOLICITORS SERVING NOTICE ON BEHALF OF THE TENANT] for and on behalf of the Tenant] **GIVE YOU NOTICE** that I/we/the Tenant will terminate the term of the Lease on [INSERT THE BREAK DATE] in accordance with clause [INSERT NUMBER OF THE BREAK CLAUSE IN THE LEASE] of the Lease so that the Lease will determine on that date, which is the Break Date for the purposes of that clause.

SIGNED:

[[NAME OF TENANT] **OR** [NAME OF SOLICITORS], solicitors for and on behalf of [TENANT]]

DATED:

SCHEDULE 2 Rent review

Part 1 Definitions

1. Definitions

The following definitions apply in this Schedule 2.

Assumptions: the assumptions set out in Part 2 of this Schedule 20.

Disregards: the disregards set out in Part 3 of this Schedule 2.

Hypothetical Lease: the lease described in Part 4 of this Schedule 2.

Open Market Rent: the annual rent (exclusive of VAT) at which the Property could reasonably be expected to be let:

- a) in the open market;
- b) at the relevant Review Date; and
- c) applying the Assumptions and Disregards.

Review Dates: [] 2028 and [] 2033.

Shortfall Payment Date: the date which is ten working days from and including the date that the revised Annual Rent is agreed or determined.

Part 2 Assumptions

1. The matters to be assumed are:

1.1 The Property is available to let in the open market:

- (a) on the terms of the Hypothetical Lease;
- (b) by a willing landlord to a willing tenant;
- (c) with vacant possession; and
- (d) without a fine or a premium.

1.2 The willing tenant has had the benefit of any rent-free or other concession or contribution which would be offered in the open market at the relevant Review Date in relation to fitting-out works at the Property.

1.3 The Property may lawfully be used, and is in a physical state to enable it to be lawfully used, by the willing tenant (or any potential undertenant or assignee of the willing tenant) for any use permitted by this lease.

1.4 The Tenant and the Landlord (except where the Landlord is in material and persistent breach) have fully complied with their obligations in this lease.

- 1.5 If the Property or any means of access to it or any Service Media serving the Property has been destroyed or damaged, it has been fully restored.
- 1.6 No work has been carried out on the Property (including any Previous Lease Alterations) that has diminished its rental value other than work carried out in compliance with the terms of this Lease.
- 1.7 Any fixtures, fittings, machinery or equipment supplied to the Property by the Landlord that have been removed by or at the request of the Tenant, or any undertenant or their respective predecessors in title (otherwise than to comply with any law) remain at the Property.
- 1.8 The willing tenant and its potential assignees and undertenants shall not be disadvantaged by any actual or potential exercise of an option to tax under Part 1 of Schedule 10 to the Value Added Tax Act 1994 in relation to the Property.

Part 3 Disregards

1. The matters to be disregarded are:
 - 1.1 Any effect on rent of the fact that the Tenant or any authorised undertenant has been in occupation of the Property.
 - 1.2 Any goodwill attached to the Property by reason of any business carried out there by the Tenant or by any authorised undertenant or by any of their predecessors in business.
 - 1.3 Any effect on rent attributable to any physical improvement to the Property carried out before or after the date of this lease (including any physical improvement to any Service Media servicing the Property), by or at the expense of the Tenant or any authorised undertenant with all necessary consents, approvals and authorisations and not pursuant to an obligation to the Landlord (other than an obligation to comply with any law).
 - 1.4 Any effect on rent of any obligation on the Tenant to fit-out the Property or to reinstate the Property to the condition or design it was in before any alterations or improvements were carried out.
 - 1.5 Any statutory restriction on rents or the right to recover them.

Part 4 Hypothetical Lease

1. A lease:
 - 1.1 Of the whole of the Property.

- 1.2 For a term equal to the unexpired residue of the Contractual Term at the relevant Review Date or a term of 15 years commencing on the relevant Review Date, if longer.
- 1.3 With rent review dates every 5 years from the relevant Review Date.
- 1.4 Otherwise on the terms of this lease (other than the amount of the Annual Rent).

Part 5 Review of the Annual Rent

1. Review

- 1.1 The Annual Rent shall be reviewed on each Review Date to equal:
 - (a) the amount agreed between the Landlord and Tenant at any time (whether or not that amount is the Open Market Rent); or
 - (b) in the absence of such agreement, the greater of:
 - (i) the Annual Rent payable immediately before the relevant Review Date (or which would then be payable but for any abatement, suspension, concession or reduction of the Annual Rent or restriction on the right to collect it); and
- 1.2 The Landlord and Tenant may agree the revised Annual Rent at any time before it is determined by the Expert.
- 1.3 As soon as practicable after the amount of the revised Annual Rent has been agreed or determined, a memorandum recording the amount shall be signed by or on behalf of the Landlord, the Tenant and the guarantor. The parties shall each bear their own costs in connection with the memorandum.

2. Determination by the Expert

- 2.1 If the Landlord and Tenant have not agreed the revised Annual Rent by the date three months before the relevant Review Date, then either party may at any time refer the revised Annual Rent for determination by the Expert in accordance with this lease. The Expert can be appointed in accordance with the terms of this lease irrespective of whether the Landlord and Tenant have tried to first reach an agreement on the revised Annual Rent.

3. Late review of Annual Rent

- 3.1 If the revised Annual Rent has not been agreed or determined on or before the relevant Review Date, the Tenant must:

- (a) continue to pay the Annual Rent at the rate payable immediately before that Review Date; and
- (b) on or before the Shortfall Payment Date, pay:
 - (i) the shortfall (if any) between the amount of Annual Rent that the Tenant has paid for the period from and including that Review Date and the amount of Annual Rent for that period that would have been payable had the revised Annual Rent been agreed or determined on or before that Review Date; and
 - (ii) interest at the Interest Rate on that shortfall. That interest shall be calculated on a daily basis by reference to the Rent Payment Dates on which parts of the shortfall would have been payable if the revised Annual Rent had been agreed or determined on or before that Review Date and the Shortfall Payment Date (or, if the Tenant pays the shortfall earlier than the Shortfall Payment Date, the date of that payment).

4. Time not of the essence

4.1 Time is not of the essence for the purposes of this Schedule 2.

5. Guarantor

5.1 If at any time there is a guarantor, the guarantor shall not have any right to participate in the review of the Annual Rent but will be bound by the revised Annual Rent.