

Dated

9th March

2018

MELBOURN PARISH COUNCIL

and

LITTLE HANDS NURSERY SCHOOLS LIMITED

and

JANE MARSHALL

Lease

Relating To

Little Hands Nursery Melbourn



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Prescribed Clauses

LR1. Date of lease 9 March 2018

[DATE]

LR2. Title number(s)

LR2.1 Landlord's title number(s)

CB365044

LR2.2 Other title numbers

None

LR3. Parties to this lease

Landlord

Melbourn Parish Council

30 High Street, Melbourn, Royston, Cambridgeshire, SG8 6DZ

Tenant

LITTLE HANDS NURSERY SCHOOLS LIMITED

1 Moorfield Road, Duxford, Cambridge, CB22 4PP

09156471

Other parties

Guarantor

Jane Marshall

1 Moorfield Road, Duxford, Cambridge, Cambridgeshire, CB22 4PP

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

THIS LEASE IS DATED [DATE] 9 March 2018

PARTIES

- (1) Melbourn Parish Council of 30 High Street, Melbourn, Royston, Cambridgeshire, SG8 6DZ, United Kingdom (the **Landlord**).
- (2) LITTLE HANDS NURSERY SCHOOLS LIMITED, a company incorporated and registered in England and Wales with company number 09156471, whose registered office is at 1 Moorfield Road, Duxford, Cambridge, CB22 4PP (the **Tenant**).
- (3) Jane Marshall of 1 Moorfield Road, Duxford, Cambridge, Cambridgeshire, CB22 4PP, United Kingdom (the **Guarantor**).

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.

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 £26,000 per annum and then as revised pursuant to this lease and any interim rent determined under the LTA 1954.

Building: The New Recreation Ground The Moor Melbourn Royston SG8 6ED.

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

Common Parts: the Building other than the Property.

Contractual Term: a term of years beginning on, and including 1 February 2018 and ending on, and including 31 January 2028.

Default Interest Rate: 4.00% 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: a fair proportion of the aggregate in each year of:

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

- (b) the gross cost of the premium before any discount or commission for insurance for loss of Annual Rent from the Property for three years; and
- (c) any insurance premium tax payable on the above.

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

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

Landlord's Neighbouring Property: each and every part of the adjoining and neighbouring property in which the Landlord has an interest known as The New Recreation Ground The Moor Melbourn excluding the Property registered at HM Land Registry with title number CB365044.

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.

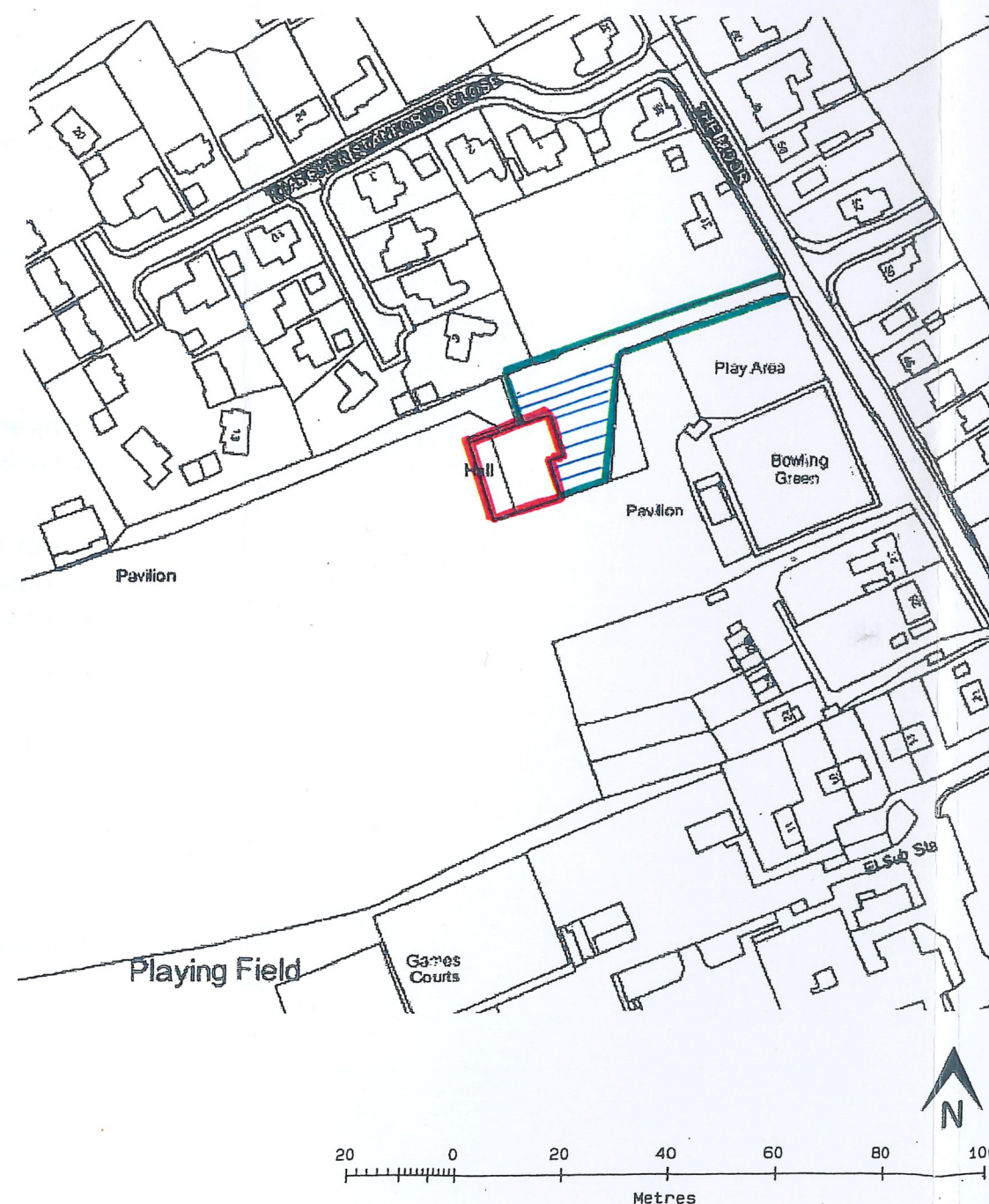
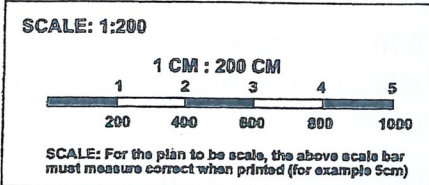
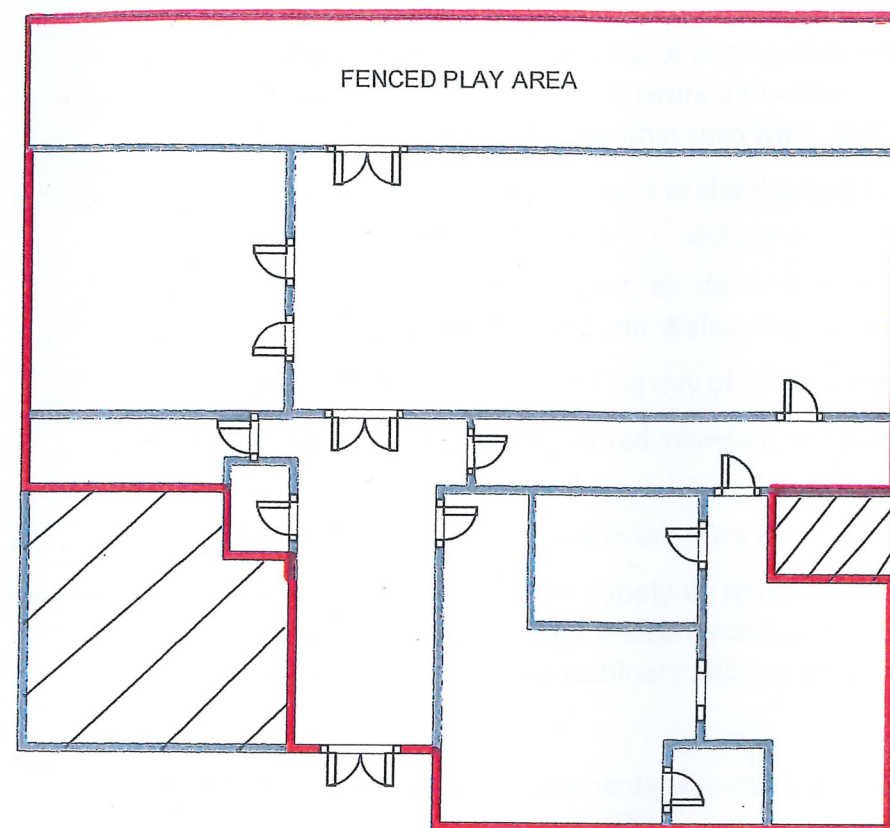
Permitted Use: Day Nursery within Use Class D1 of the Town and Country Planning (Use Classes) Order 1987 as at the date this lease is granted.

Plan : the plan attached to this lease.

Property: part of the ground floor of the Building (the floor plan of which is shown edged red on the Plan) bounded by and including:

- (a) the floor screed;
- (b) the ceiling plaster;
- (c) the interior plasterwork and finishes of exterior walls and columns;
- (d) the plasterwork and finishes of the interior structural walls and columns that adjoin another Lettable Unit or the Common Parts;
- (e) the doors and windows within the interior, structural walls and columns that adjoin another Lettable Unit or the Common Parts and their frames and fittings;
- (f) one half of the thickness of the interior, non-structural walls and columns that adjoin another Lettable Unit or the Common Parts;
- (g) the doors and windows within the interior, non-structural walls and columns that adjoin the Common Parts and their frames and fittings;

but excluding:



Little Hands Nursery
The Moor
Melbourn
SG8 6ED

Lease Plan
(scale – 1:200)

Drawing No 30/074A-001
(October 2015)

Chequers House
Watton Road
Ware
Herts
SG12 0AA
Tel: 01920 469211
www.withersthoras.co.uk

Withers
Thomas

(h) the whole of the interior structural walls and columns within that part of the Building other than their plasterwork and other than the doors and windows and their frames and fittings within such walls; and

→ (i) all Service Media within that part of the Building but which do not exclusively serve that part of the Building. *(excluded from definition of "the Property")*

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

Rent Payment Dates: The last working day of each calendar month.

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

Review Date: 1 February 2021 and every third anniversary of that date.

→ **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. ←

Third Party Rights: all rights, covenants and restrictions affecting the Building

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** includes a reference to the Guarantor and to any other guarantor of the tenant covenants of this lease including a guarantor who has entered into an authorised guarantee agreement.

1.4 In relation to any payment, a reference to a **fair proportion** is to a fair proportion of the total amount payable, determined conclusively (except as to questions of law) by the Landlord.

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 and statutory continuation of this lease.

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 42.5 and references to the **approval** of the Landlord are to the approval of the Landlord given in accordance with clause 42.6.
- 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 best 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** includes fax but not 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 At the request of the Guarantor, 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:

- 2.3.1 the Annual Rent and all VAT in respect of it;
- 2.3.2 the Service Charge and all VAT in respect of it;
- 2.3.3 the Insurance Rent;
- 2.3.4 all interest payable under this lease; and
- 2.3.5 all other sums due under this lease.

3. ANCILLARY RIGHTS

3.1 The Landlord grants the Tenant the following rights (the **Rights**):

- 3.1.1 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;
- 3.1.2 the right to use external areas of the Common Parts shown edged green on the Plan for the purposes of vehicular and pedestrian access to and egress from the interior of the Building and to and from the parts of the Common Parts referred to in clause 3.1.3;
- 3.1.3 the right to park private cars or motorbikes belonging to the Tenant, its employees and visitors within the area hatched blue;
- 3.1.4 the right to use the hallways, corridors, stairways and landings of the Common Parts for the purposes of access to and egress from the Property;
- 3.1.5 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 period of 80 years from commencement of the Contractual Term;
- 3.1.6 the right to enter the Common Parts or any other Lettable Unit so far as is reasonably necessary to carry out any works to the Property required or permitted by this lease; and
- 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 3.1.1) only in connection with its use of the Property for the Permitted Use and only during the Permitted Hours and in accordance with any regulations made by the Landlord as mentioned in clause 3.1.1.
- 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 3.1.2, clause 3.1.3 and clause 3.1.4 the Landlord may, at its discretion, change the route of any means of access to or egress over the Common Parts and the Landlord's Neighbouring Property from the Property

or the interior of the Building and may change the area within the Common Parts and the Landlord's Neighbouring Property over which any of those Rights are exercised.

- 3.7 In relation to the Rights mentioned in clause 3.1.3 the Landlord may from time to time designate within the Common Parts or the Landlord's Neighbouring Property the spaces or bins (as the case may be) in respect of which the Tenant may exercise that Right.
- 3.8 In relation to the Rights mentioned in clause 3.1.5, the Landlord may, at its discretion, re-route or replace over the Common Parts or the Landlord's Neighbouring Property any such Service Media and that Right shall then apply in relation to the Service Media as re-routed or replaced.
- 3.9 In exercising the Right mentioned in clause 3.1.6, the Tenant shall:
- 3.9.1 except in case of emergency, give reasonable notice to the Landlord and any occupiers of the relevant Lettable Unit(s) of its intention to exercise that Right;
 - 3.9.2 where reasonably required by the Landlord or the occupier of the relevant Lettable Unit(s), exercise that Right only if accompanied by a representative of the Landlord and/or the tenant and/or the occupier of the relevant Lettable Unit(s);
 - 3.9.3 cause as little damage as possible to the Common Parts and the other Lettable Units and to any property belonging to or used by the Landlord or the tenants or occupiers of the other Lettable Units;
 - 3.9.4 cause as little inconvenience as possible to the Landlord and the tenants and occupiers of the other Lettable Units as is reasonably practicable; and
 - 3.9.5 promptly make good (to the reasonable satisfaction of the Landlord) any damage caused to the Common Parts (or to any property belonging to or used by the Landlord) by reason of the Tenant exercising that Right.
- 3.10 Except as mentioned in this clause 3, neither the grant of this lease nor anything in it confers any right over the Common Parts or any Lettable Unit or any neighbouring property nor is to be taken to show that the Tenant may have any right over the Common Parts or any Lettable Unit or any neighbouring property, and section 62 of the Law of Property Act 1925 does not apply to this lease.

4. RIGHTS EXCEPTED AND RESERVED

- 4.1 The following rights are excepted and reserved from this lease to the Landlord for the benefit of the Building and the Landlord's Neighbouring Property and to the extent possible for the benefit of any neighbouring or adjoining property in which the Landlord acquires an interest during the term:
- 4.1.1 rights of light, air, support and protection to the extent those rights are capable of being enjoyed at any time during the term;

- 4.1.2 the right to use and to connect into Service Media at, but not forming part of, the Property which are in existence at the date of this lease or which are installed or constructed during the period of 80 years from the commencement of 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;
- 4.1.3 at any time during the term, the full and free right to develop the Landlord's Neighbouring Property and any neighbouring or adjoining property in which the Landlord acquires an interest during the term as the Landlord may think fit;
- 4.1.4 the right to erect scaffolding at the Property or the Building and attach it to any part of the Property or the Building in connection with any of the Reservations, notwithstanding that such scaffolding or other equipment may temporarily interfere with the access to or enjoyment and use of the Property provided that such interference is for the minimum reasonable period and provided that the landlord will take all reasonable precautions for the security of the Building and the Property.;
- 4.1.5 the right to attach any structure, fixture or fitting to the boundary of the Property in connection with any of the Reservations;
- 4.1.6 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 mentioned in clause 3.1.1 clause 3.1.2 and clause 3.1.3 are exercised;
- 4.1.7 the right to re-route and replace any Service Media over which the Rights mentioned in clause 3.1.5 are exercised; and

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:

- 4.2.1 to repair, maintain, install, construct, re-route or replace any Service Media or structure relating to any of the Reservations;
- 4.2.2 to carry out any works to any other Lettable Unit; and
- 4.2.3 for any other purpose mentioned in or connected with:
 - 4.2.3.1 this lease;
 - 4.2.3.2 the Reservations; and
 - 4.2.3.3 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.
- 4.4 The Tenant shall allow all those entitled to exercise any right to enter the Property, to do so with their workers, contractors, agents and professional advisors, and to enter the Property at any reasonable time (whether or not during usual business hours) and, except in the case of an emergency, after having given reasonable notice (which need not be in writing) to the Tenant.
- 4.5 No party exercising any of the Reservations, nor its workers, contractors, agents and professional advisors, shall be liable to the Tenant or to any undertenant or other occupier of or person at the Property for any loss, damage, injury, nuisance or inconvenience arising by reason of its exercising any of the Reservations except for:
- 4.5.1 physical damage to the Property; or
- 4.5.2 any loss, damage, injury, nuisance or inconvenience in relation to which the law prevents the Landlord from excluding liability.

5. THIRD PARTY RIGHTS

- 5.1 The Tenant shall comply with all obligations on the Landlord relating to the Third Party Rights insofar as those obligations relate to the Property and shall not do anything (even if otherwise permitted by this lease) that may interfere with any Third Party Right.
- 5.2 The Tenant shall allow the Landlord and any other person authorised by the terms of the Third Party Right to enter the Property in accordance with its terms.

6. THE ANNUAL RENT

- 6.1 The Tenant shall pay the Annual Rent and any VAT in respect of it by twelve equal instalments in advance on or before the Rent Payment Dates. The payments shall be made by 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 date of this lease and shall be the proportion, calculated on a daily basis, in respect of the period beginning on the date of this lease and ending on the day before the next Rent Payment Date and will take into account any amount already paid to the Landlord for such period.

7. REVIEW OF THE ANNUAL RENT

- 7.1 In this clause the **President** is the President for the time being of the Royal Institution of Chartered Surveyors or a person acting on his behalf, and the **Surveyor** is the independent valuer appointed pursuant to clause 7.7.
- 7.2 The Annual Rent shall be reviewed on each Review Date to equal:
- 7.2.1 the Annual Rent payable immediately before the relevant Review Date (or which would then be payable but for any abatement or suspension of the Annual Rent or restriction on the right to collect it) or, if greater;
- 7.2.2 the open market rent agreed or determined pursuant to this clause.

- 7.3 The open market rent may be agreed between the Landlord and the Tenant at any time before it is determined by the Surveyor.
- 7.4 If the open market rent is determined by the Surveyor, it shall be the amount that the Surveyor determines is the best annual rent (exclusive of any VAT) at which the Property could reasonably be expected to be let:
- 7.4.1 in the open market;
 - 7.4.2 at the relevant Review Date;
 - 7.4.3 on the assumptions listed in clause 7.5; and
 - 7.4.4 disregarding the matters listed in clause 7.6.
- 7.5 The assumptions are:
- 7.5.1 the Property is available to let in the open market:
 - 7.5.1.1 by a willing lessor to a willing lessee;
 - 7.5.1.2 as a whole;
 - 7.5.1.3 with vacant possession;
 - 7.5.1.4 without a fine or a premium;
 - 7.5.1.5 for a term equal to the unexpired residue of the Contractual Term at the relevant Review Date or a term of unexpired residue of the Term commencing on the relevant Review Date, if longer; and
 - 7.5.1.6 otherwise on the terms of this lease other than as to the amount of the Annual Rent but including the provisions for review of the Annual Rent;
 - 7.5.2 the willing lessee has had the benefit of any rent-free or other concession or contribution which would be offered in the open market at the relevant Review Date in relation to fitting out works at the Property;
 - 7.5.3 the Property may lawfully be used, and is in a physical state to enable it to be lawfully used, by the willing lessee (or any potential undertenant or assignee of the willing lessee) for any purpose permitted by this lease;
 - 7.5.4 the Landlord and the Tenant have fully complied with their obligations in this lease;
 - 7.5.5 if the Property or any other part of the Building or any Service Media serving the Property, has been destroyed or damaged, it has been fully restored;
 - 7.5.6 no work has been carried out on the Property or any other part of the Building that has diminished the rental value of the Property
 - 7.5.7 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; and

- 7.5.8 the willing lessee and its potential assignees and undertenants shall not be disadvantaged by any actual or potential exercise of an option to tax under Part 1 of Schedule 10 to the VATA 1994 in relation to the Property.
- 7.6 The matters to be disregarded are:
- 7.6.1 any effect on rent of the fact that the Tenant or any authorised undertenant has been in occupation of the Property;
 - 7.6.2 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;
 - 7.6.3 any effect on rent attributable to any physical improvement to the Property and Service Media within or exclusively serving the Property carried out before or after the date of this lease, by or at the expense of the Tenant or any authorised undertenant with all necessary consents, approvals and authorisations and not pursuant to an obligation to the Landlord (other than an obligation to comply with any law);
 - 7.6.4 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; and
 - 7.6.5 any statutory restriction on rents or the right to recover them.
- 7.7 The Surveyor shall be an independent valuer who is a Member or Fellow of the Royal Institution of Chartered Surveyors. The Landlord and the Tenant may, by agreement, appoint the Surveyor at any time before either of them applies to the President for the Surveyor to be appointed. Any application to the President may not be made earlier than three months before the relevant Review Date.
- 7.8 The Surveyor shall act as an expert and not as an arbitrator. The Surveyor shall determine the open market rent and shall have power to determine any issue involving the interpretation of any provision of this lease, his jurisdiction to determine the matters and issues referred to him or his terms of reference. The Surveyor's decision shall be given in writing, and the Surveyor shall provide reasons for any determination. The Surveyor's written decision on the matters referred to him shall be final and binding in the absence of manifest error or fraud.
- 7.9 The Surveyor shall give the Landlord and the Tenant an opportunity to make written representations to the Surveyor and to make written counter-representations commenting on the representations of the other party to the Surveyor. The parties will provide (or procure that others provide) the Surveyor with such assistance and documents as the Surveyor reasonably requires for the purpose of reaching a decision.
- 7.10 If the Surveyor dies, or becomes unwilling or incapable of acting, or unreasonably delays in making any determination, then either the Landlord or the Tenant may apply to the President to discharge the Surveyor and clause 7.7 shall then apply in relation to the appointment of a replacement.

- 7.11 The fees and expenses of the Surveyor and the cost of the Surveyor's appointment and any counsel's fees, or other fees, reasonably incurred by the Surveyor shall be payable by the Landlord and the Tenant in the proportions that the Surveyor directs (or if the Surveyor makes no direction, then equally). If the Tenant does not pay its part of the Surveyor's fees and expenses within ten working days after demand by the Surveyor, the Landlord may pay that part and the amount it pays shall be a debt of the Tenant due and payable on demand to the Landlord. The Landlord and the Tenant shall otherwise each bear their own costs in connection with the rent review.
- 7.12 If the revised Annual Rent has not been agreed by the Landlord and the Tenant or determined by the Surveyor on or before the relevant Review Date, the Annual Rent payable from and including that Review Date shall continue at the rate payable immediately before that Review Date. On the date the revised Annual Rent is agreed or the Surveyor's determination is notified to the Landlord and the Tenant, the Tenant shall pay:
- 7.12.1 the shortfall (if any) between the amount that it has paid for the period from and including the Review Date until the Rent Payment Date following the date of agreement or notification of the revised Annual Rent and the amount that would have been payable had the revised Annual Rent been agreed or determined on or before that Review Date; and
- 7.12.2 interest at the Interest Rate on that shortfall calculated on a daily basis by reference to the Rent Payment Dates on which parts of the shortfall would have been payable if the revised Annual Rent had been agreed or determined on or before that Review Date and the date payment is received by the Landlord.
- 7.13 Time shall not be of the essence for the purposes of this clause.
- 7.14 If at any time there is a guarantor, the guarantor shall not have any right to participate in the review of the Annual Rent.
- 7.15 As soon as practicable after the amount of the revised Annual Rent has been agreed or determined, a memorandum recording the amount shall be signed by or on behalf of the Landlord and the Tenant and endorsed on or attached to this lease and its counterpart. The Landlord and the Tenant shall each bear their own costs in connection with the memorandum.
8. **TENANT'S BREAK CLAUSE: FIXED BREAK DATES**
- 8.1 In this clause the following definitions apply:
- Break Date:** 1 February 2021 and every third anniversary of that date.
- Break Notice:** notice to terminate this lease.
- 8.2 Subject to clause 8.3, the Tenant may terminate this lease on any Break Date by serving the Break Notice on the Landlord at least 3 months before the Break Date.
- 8.3 The Break Notice shall have no effect if:

- 8.3.1 the Tenant has assigned this lease before it serves the Break Notice (whether or not it has made an application to HM Land Registry to register the assignment);
 - 8.3.2 at the Break Date:
 - 8.3.2.1 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;
 - 8.3.2.2 vacant possession of the whole of the Property is not given;
 - 8.3.2.3 there is a subsisting material breach of any of the tenant covenants of this lease relating to the state of repair and condition of the Property
 - 8.3.3 the Break Notice does not comply with the requirements of this clause; or
 - 8.3.4 the Break Notice is served otherwise than in accordance with this clause.
 - 8.4 The Break Notice shall be in writing and, for the purposes of this clause, writing does not include facsimile transmission or e-mail.
 - 8.5 The Break Notice shall state the Break Date in respect of which it is served.
 - 8.6 The Break Notice shall not purport to terminate the lease in relation to any part as opposed to the whole of the Property.
 - 8.7 The Break Notice shall be signed by the Tenant or by a person who is expressed to sign on behalf of and with the authority of the Tenant.
- The Break Notice shall be served by delivering it by hand or sending it by pre-paid first-class post or recorded delivery to the Landlord at Melbourn Parish Council
30 High Street, Melbourn, Royston, Cambridgeshire, SG8 6DZ
- 8.8 In proving service of the Break Notice it shall be sufficient to prove that delivery by hand was made or that the envelope containing the Break Notice was correctly addressed and posted by pre-paid first-class post or recorded delivery, as the case may be.
 - 8.9 A Break Notice delivered or sent by the Tenant in accordance with clause 8.8 shall be deemed to have been served on the Landlord:
 - 8.9.1 if delivered by hand, on the day of delivery, except that if delivery occurs after 4pm on a Working Day or on a day that is not a Working Day, then the notice shall be deemed to have been served on the next Working Day;
 - 8.9.2 if sent by pre-paid first-class post or recorded delivery, on the second Working Day after posting (for the avoidance of doubt, not including the date of posting itself).
 - 8.10 The Break Notice shall be delivered or sent by the Tenant so that it shall be deemed to have been served on the Landlord as provided by clause 8.10 not less than 3 months before the Break Date (and for the avoidance of doubt, the day of deemed receipt shall not be taken into account in calculating the period of 3 months).

- 8.11 Neither section 196 of the Law of Property Act 1925 nor clause 42 shall apply to a Break Notice, but those sections and clause 42 shall apply to any other notice served pursuant to this clause.
- 8.12 Time shall be of the essence in respect of all time periods and limits in this clause.
- 8.13 Subject to clause 8.3, following service of the Break Notice, this lease shall terminate on the Break Date specified in the Break Notice.
- 8.14 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 tenant covenants of this lease.

9. INSURANCE

- 9.1 Subject to clause 9.2, the Landlord shall keep the Building other than any plate glass insured against loss or damage by the Insured Risks for the sum which the Landlord 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.
- 9.2 The Landlord's obligation to insure is subject to:
 - 9.2.1 any exclusions, limitations, excesses and conditions that may be imposed by the insurers; and
 - 9.2.2 insurance being available in the London insurance market on reasonable terms acceptable to the Landlord.
- 9.3 The Tenant shall pay to the Landlord on demand:
 - 9.3.1 the Insurance Rent;
 - 9.3.2 any amount that is deducted or disallowed by the insurers pursuant to any excess provision in the insurance policy; and
 - 9.3.3 a fair proportion of any reasonable costs that the Landlord incurs in obtaining a valuation of the Building for insurance purposes.
- 9.4 The Tenant shall:
 - 9.4.1 immediately 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;
 - 9.4.2 not do or omit anything as a result of which any policy of insurance of the Building or any neighbouring property may become void or voidable or otherwise prejudiced, or the payment of any policy money may be withheld, nor (unless the Tenant has previously notified the Landlord and has paid any increased or additional premium) anything as a result of which any insurance or additional insurance premium may become payable;

- 9.4.3 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;
 - 9.4.4 give the Landlord immediate notice of the occurrence of any damage or loss relating to the Property arising from an Insured Risk;
 - 9.4.5 not effect any insurance of the Property (except any plate glass at the Property), but if it becomes entitled to the benefit of any insurance proceeds in respect of the Property (other than in respect of plate glass) pay those proceeds or cause them to be paid to the Landlord; and
 - 9.4.6 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.
- 9.5 The Landlord shall, subject to obtaining all necessary planning and other consents, use all insurance money received (other than for loss of rent) in connection with any damage to the Building to repair the damage for which the money has been received or (as the case may be) in rebuilding the Building. The Landlord shall not be obliged to:
- 9.5.1 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
 - 9.5.2 repair or rebuild if the Tenant has failed to pay any of the Insurance Rent; or
 - 9.5.3 repair or rebuild the Building after a notice has been served pursuant to clause 9.7 or clause 9.8.
- 9.6 If the Property is damaged or destroyed by an Insured 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.
- 9.7 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 shall belong to the Landlord.

- 9.8 Provided that the Tenant has complied with its obligations in this clause, 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.

10. RATES AND TAXES

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

10.1.1 any taxes payable by the Landlord in connection with any dealing with or disposition of the reversion to this lease; or

10.1.2 any taxes (other than VAT and insurance premium tax) payable by the Landlord by reason of the receipt of any of the rents due under this lease.

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

- 10.3 The Tenant shall not make any proposal to alter the rateable value of the Property or that value as it appears on any draft rating list, without the approval of the Landlord.

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

11. UTILITIES

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

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

12. COMMON ITEMS

- 12.1 The Tenant shall pay the Landlord on demand a fair 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 Property in common with other land.

- 12.2 The Tenant shall comply with all reasonable regulations the Landlord may make from time to time in connection with the use of any of those Service Media, structures or other items.

13. VAT

- 13.1 All sums payable by the Tenant are exclusive of any VAT that may be chargeable. The Tenant shall pay VAT in respect of all taxable supplies made to it in connection with this lease on the due date for making any payment or, if earlier, the date on which that supply is made for VAT purposes.
- 13.2 Every obligation on the Tenant, under or in connection with this lease, to pay the Landlord or any other person any sum by way of a refund or indemnity, shall include an obligation to pay an amount equal to any VAT incurred on that sum by the Landlord or other person, except to the extent that the Landlord or other person obtains credit for such VAT under the Value Added Tax Act 1994.
- 13.3 The Landlord agrees not to exercise an option to tax on the Building unless it is directed to by HM Revenue and Customs.

14. DEFAULT INTEREST AND INTEREST

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

15. COSTS

- 15.1 The Tenant shall pay the reasonable costs and expenses of the Landlord including any solicitors' or other professionals' costs and expenses (incurred both during and after the end of the term) in connection with or in contemplation of any of the following:
- 15.1.1 the enforcement of the tenant covenants of this lease;
 - 15.1.2 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;
 - 15.1.3 serving any notice in connection with this lease under section 17 of the Landlord and Tenant (Covenants) Act 1995;

- 15.1.4 the preparation and service of a schedule of dilapidations in connection with this lease; or
 - 15.1.5 any consent or approval applied for under this lease, whether or not it is granted.
- 15.2 Where the Tenant is obliged to pay or indemnify the Landlord against any solicitors' or other professionals' costs and expenses (whether under this or any other clause of this lease) that obligation extends to those costs and expenses assessed on a full indemnity basis.
- 16. **COMPENSATION ON VACATING**

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

The Annual Rent and all other amounts due under this lease shall be paid by the Tenant or any guarantor (as the case may be) in full without any set-off, counterclaim, deduction or withholding (other than any deduction or withholding of tax as required by law).
- 18. **REGISTRATION OF THIS LEASE**
 - 18.1 Promptly following the grant of this lease, the Tenant shall apply to register this lease at HM Land Registry. The Tenant shall ensure that any requisitions raised by HM Land Registry in connection with that application are dealt with promptly and properly. Within one month after completion of the registration, the Tenant shall send the Landlord official copies of its title.
- 19. **ASSIGNMENTS**
 - 19.1 The Tenant shall not assign the whole of this lease without the consent of the Landlord, such consent not to be unreasonably withheld.
 - 19.2 The Tenant shall not assign part only of this lease.
 - 19.3 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:
 - 19.3.1 a condition that the assignor enters into an authorised guarantee agreement which:
 - 19.3.1.1 is in respect of all the tenant covenants of this lease;
 - 19.3.1.2 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;
 - 19.3.1.3 imposes principal debtor liability on the assignor;

- 19.3.1.4 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
 - 19.3.1.5 is otherwise in a form reasonably required by the Landlord;
- 19.3.2 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 in the form set out in the Schedule (but with such amendments and additions as the Landlord may reasonably require).
- 19.4 The Landlord and the Tenant agree that for the purposes of section 19(1A) of the Landlord and Tenant Act 1927 the Landlord may refuse its consent to an assignment if any of the following circumstances exist at the date of the Tenant's application for consent to assign this lease:
 - 19.4.1 the Annual Rent or any other money due under this lease is outstanding or there is a material breach of covenant by the Tenant that has not been remedied;
 - 19.4.2 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; or
 - 19.4.3 the assignee and the Tenant are group companies within the meaning of section 42 of the LTA 1954.
- 19.5 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.
- 20. UNDERLETTINGS**
 - 20.1 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.
 - 20.2 The Tenant shall not underlet part only of the Property.
 - 20.3 The Tenant shall not underlet the Property:
 - 20.3.1 together with any property or any right over property that is not included within this lease;
 - 20.3.2 at a fine or premium or reverse premium; nor
 - 20.3.3 allowing any rent free period to the undertenant.
 - 20.4 Any underletting by the Tenant shall be by deed and shall include:
 - 20.4.1 the reservation of a rent which is not less than the full open market rental value of the Property at the date the Property is underlet and which is payable at the same times as the Annual Rent under this lease;

20.4.2 provisions for the review of rent at the same dates and on the same basis as the review of rent in this lease, unless the term of the underlease does not extend beyond the next Review Date;

20.4.3 a covenant by the undertenant, enforceable by and expressed to be enforceable by the Landlord (as superior landlord at the date of grant) and its successors in title in their own right, to observe and perform the tenant covenants in the underlease and any document that is supplemental or collateral to it and the tenant covenants in this lease, except the covenants to pay the rents reserved by this lease; and

20.4.4 provisions requiring the consent of the Landlord to be obtained in respect of any matter for which the consent of the Landlord is required under this lease,

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

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

20.5.1 not vary the terms of the underlease nor accept a surrender of the underlease without the consent of the Landlord, such consent not to be unreasonably withheld;

20.5.2 enforce the tenant covenants in the underlease and not waive any of them nor allow any reduction in the rent payable under the underlease; and

20.5.3 ensure that in relation to any rent review the revised rent is not agreed without the approval of the Landlord, such approval not to be unreasonably withheld.

21. 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.

22. CHARGING

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

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

23. 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).

24. REGISTRATION AND NOTIFICATION OF DEALINGS AND OCCUPATION

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

24.1.1 any dealing with this lease or the devolution or transmission of, or parting with possession of any interest in it; or

24.1.2 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

24.1.3 the making of any other arrangement for the occupation of the Property.

24.2 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).

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

24.3.1 give the Landlord's solicitors notice of the Transaction;

24.3.2 deliver two certified copies of any document effecting the Transaction to the Landlord's solicitors;

24.3.3 pay the Landlord's solicitors a registration fee of £50 (plus VAT); and

24.3.4 deliver to the Landlord's solicitors a copy of any Energy Performance Certificate and Recommendation Report issued as a result of the Transaction.

24.4 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.

25. CLOSURE OF THE REGISTERED TITLE OF THIS LEASE

Immediately after the end of the term (and notwithstanding that the term has ended), the Tenant shall make an application to close the registered title of this lease and shall 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.

26. REPAIRS

26.1 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.

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

26.2.1 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

26.2.2 the insurance cover in relation to that disrepair is excluded, limited, is unavailable or has not been extended, as mentioned in clause 9.2.

27. DECORATION

27.1 The Tenant shall decorate the Property as often as is reasonably necessary.

27.2 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.

28. ALTERATIONS AND SIGNS

28.1 The Tenant shall not make any alteration to the Property without the consent of the Landlord, such consent not to be unreasonably withheld, other than as mentioned in clause 28.2.

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

28.2.1 not carry out any such works until it has:

28.2.1.1 provided details of the works to the insurers of the Property; and

28.2.1.2 given the Landlord 2 copies of the plans and specification for the works; and

28.2.2 make good any damage to the Property and to any part of the Common Parts.

28.3 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.

28.4 The Tenant shall not save with the written consent of the Landlord attach any sign, fascia, placard, board, poster or advertisement to the Property so as to be seen from the outside of the Building.

28.5 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.

29. RETURNING THE PROPERTY TO THE LANDLORD

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

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

- 29.3 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.
- 29.4 If the Tenant does not comply with its obligations in this clause, then, without prejudice to any other right or remedy of the Landlord, the Tenant shall pay the Landlord an amount equal to the Annual Rent at the rate reserved immediately before the end of the term for the period that it would reasonably take to put the Property into the condition it would have been in had the Tenant performed its obligations under this clause. The amount shall be a debt due on demand from the Tenant to the Landlord.
- 30. USE**
- 30.1 The Tenant shall not use the Property for any purpose other than the Permitted Use.
- 30.2 The Tenant shall not use the Property for any illegal purpose nor for any purpose or in a manner that would cause loss, damage, injury, nuisance or inconvenience to the Landlord, the other tenants or occupiers of the Lettable Units or any owner or occupier of neighbouring property.
- 30.3 The Tenant shall not overload any structural part of the Building nor any Service Media at or serving the Property.
- 31. MANAGEMENT OF THE BUILDING**
- 31.1 The Tenant shall observe all reasonable and proper regulations made by the Landlord from time to time in accordance with the principles of good building management and notified to the Tenant relating to the use of the Common Parts and the management of the Building.
- 31.2 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.
- 32. COMPLIANCE WITH LAWS**
- 32.1 The Tenant shall comply with all laws relating to:
- 32.1.1 the Property and the occupation and use of the Property by the Tenant;
- 32.1.2 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;
- 32.1.3 any works carried out at the Property; and
- 32.1.4 all materials kept at or disposed from the Property.
- 32.2 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.

- 32.3 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:
- 32.3.1 send a copy of the relevant document to the Landlord; and
 - 32.3.2 in so far as it relates to the Property, take all steps necessary to comply with the notice or other communication and take any other action in connection with it as the Landlord may require.
- 32.4 The Tenant shall not apply for any planning permission for the Property.
- 32.5 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.
- 32.6 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.
- 32.7 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.
- 32.8 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.
- 33. ENERGY PERFORMANCE CERTIFICATES**
- 33.1 The Tenant shall not commission an Energy Performance Certificate for the Property.
- 34. ENCROACHMENTS, OBSTRUCTIONS AND ACQUISITION OF RIGHTS**
- 34.1 The Tenant shall not grant any right or licence over the Property to a third party.
- 34.2 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:
- 34.2.1 immediately inform the Landlord and shall give the Landlord notice of that encroachment or action; and
 - 34.2.2 take all steps (including any proceedings) the Landlord reasonably requires to prevent or license the continuation of that encroachment or action.
- 34.3 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.

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

34.5 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:

34.5.1 immediately inform the Landlord and shall give the Landlord notice of that action; and

34.5.2 take all steps (including proceedings) the Landlord reasonably requires to prevent or secure the removal of the obstruction.

35. BREACH OF REPAIR AND MAINTENANCE OBLIGATIONS

35.1 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.

excludes service media!

35.2 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.

35.3 The costs 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.

35.4 Any action taken by the Landlord pursuant to this clause shall be without prejudice to the Landlord's other rights, including those under clause 39.

36. INDEMNITY

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

37. 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.

38. GUARANTEE AND INDEMNITY

38.1 The provisions of the *Schedule* apply.

38.2 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 30 days of that request, enters into a replacement or additional guarantee and indemnity of the tenant covenants of this lease in the same form as that entered into by the former guarantor.

38.3 Clause 38.2 shall not apply in the case of a person who is guarantor by reason of having entered into an authorised guarantee agreement.

38.4 For so long as any guarantor remains liable to the Landlord, the Tenant shall, if the Landlord requests, procure that that guarantor joins in any consent or approval required under this lease and consents to any variation of the tenant covenants of this lease.

39. RE-ENTRY AND FORFEITURE

39.1 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:

39.1.1 any rent is unpaid 21 days after becoming payable whether it has been formally demanded or not;

39.1.2 any material breach of any condition of, or tenant covenant in, this lease and has failed to rectify the breach with 14 days of receiving notice of the breach from the Landlord;

39.1.3 an Act of Insolvency.

39.2 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.

40. JOINT AND SEVERAL LIABILITY

40.1 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.

40.2 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.

40.3 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.

40.4 The Landlord shall not be liable to the Tenant for any failure of the Landlord to perform any landlord covenant in this lease, unless the Landlord knows it has failed

to perform the covenant, or reasonably should know this, and has not remedied that failure within a reasonable time.

41. ENTIRE AGREEMENT

41.1 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.

41.2 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 that Stanley Tee LLP has given to any written enquiries raised by Fairhurst Menuhin & Co before the date of this lease.

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

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

42. NOTICES, CONSENTS AND APPROVALS

42.1 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:

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

42.1.2 given:

42.1.2.1 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; or

42.1.2.2 by fax to the party's main fax number.

42.2 If a notice complies with the criteria in clause 42.1, whether or not this lease requires that notice to be in writing, it shall be deemed to have been received:

42.2.1 if delivered by hand, at the time the notice is left at the proper address;

42.2.2 if sent by pre-paid first-class post or other next working day delivery service, on the second working day after posting; or

42.2.3 if sent by fax, at 9.00 am on the next working day after transmission.

42.3 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.

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

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

42.5.1 it is given in writing and signed by the Landlord or a person duly authorised on its behalf; and

42.5.2 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.

42.6 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:

42.6.1 the approval is being given in a case of emergency; or

42.6.2 this lease expressly states that the approval need not be in writing.

42.7 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.

43. 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.

44. JURISDICTION

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

45. 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 agreement has been entered into as a deed on the date stated at the beginning of it.

SCHEDULE 1 - Guarantee and indemnity

1. GUARANTEE AND INDEMNITY

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

1.1.1 pay the rents reserved by this lease and observe and perform the tenant covenants of this lease and that if the Tenant fails to pay any of those rents or to observe or perform any of those tenant covenants, the Guarantor shall pay or observe and perform them; and

1.1.2 observe and perform any obligations the Tenant enters into in an authorised guarantee agreement made in respect of this lease (the **Authorised Guarantee Agreement**) and that if the Tenant fails to do so, the Guarantor shall observe and perform those obligations.

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

1.2.1 to pay any of the rents reserved by this lease or any failure to observe or perform any of the tenant covenants of this lease; or

1.2.2 to observe or perform any of the obligations the Tenant enters into in the Authorised Guarantee Agreement.

2. GUARANTOR'S LIABILITY

2.1 The liability of the Guarantor under paragraph 1.1.1 and paragraph 1.2.1 shall continue until the end of the term, or until the Tenant is released from the tenant covenants of this lease by virtue of the Landlord and Tenant (Covenants) Act 1995, if earlier.

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

2.2.1 any time or indulgence granted by the Landlord to the Tenant; or

2.2.2 any delay or forbearance by the Landlord in enforcing the payment of any of the rents or the observance or performance of any of the tenant covenants of this lease (or the Tenant's obligations under the Authorised Guarantee Agreement) or in making any demand in respect of any of them; or

2.2.3 any refusal by the Landlord to accept any rent or other payment due under this lease where the Landlord believes that the acceptance of such rent or payment may prejudice its ability to re-enter the Property; or

2.2.4 the Landlord exercising any right or remedy against the Tenant for any failure to pay the rents reserved by this lease or to observe or perform the tenant covenants of this lease (or the Tenant's obligations under the Authorised Guarantee Agreement); or

- 2.2.5 the Landlord taking any action or refraining from taking any action in connection with any other security held by the Landlord in respect of the Tenant's liability to pay the rents reserved by this lease or observe and perform the tenant covenants of the lease (or the Tenant's obligations under the Authorised Guarantee Agreement) including the release of any such security; or
- 2.2.6 any legal limitation or disability on the Tenant or any invalidity or irregularity of any of the tenant covenants of the lease (or the Tenant's obligations under the Authorised Guarantee Agreement) or any unenforceability of any of them against the Tenant; or
- 2.2.7 the Tenant being dissolved, or being struck off the register of companies or otherwise ceasing to exist, or, if the Tenant is an individual, by the Tenant dying or becoming incapable of managing its affairs; or
- 2.2.8 without prejudice to paragraph 4, the disclaimer of the Tenant's liability under this lease or the forfeiture of this lease; or
- 2.2.9 the surrender of the lease in respect of part only of the Property, except that the Guarantor shall not be under any liability in relation to the surrendered part in respect of any period after the surrender; or

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

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

3. VARIATIONS AND SUPPLEMENTAL DOCUMENTS

- 3.1 The Guarantor shall, at the request of the Landlord, join in and give its consent to the terms of any consent, approval, variation or other document that may be entered into by the Tenant in connection with this lease (or the Authorised Guarantee Agreement).
- 3.2 The Guarantor shall not be released by any variation of the rents reserved by, or the tenant covenants in, this lease (or the Tenant's obligations under the Authorised Guarantee Agreement) whether or not:
 - 3.2.1 the variation is material or prejudicial to the Guarantor; or
 - 3.2.2 the variation is made in any document; or
 - 3.2.3 the Guarantor has consented, in writing or otherwise, to the variation.
- 3.3 The liability of the Guarantor shall apply to the rents reserved by and the tenant covenants in this lease (and the Tenant's obligations under the Authorised Guarantee Agreement) as varied except to the extent that the liability of the Guarantor is affected by section 18 of the Landlord and Tenant (Covenants) Act 1995.

4. GUARANTOR TO TAKE A NEW LEASE OR MAKE PAYMENT

- 4.1 If this lease is forfeited or the liability of the Tenant under this lease is disclaimed and the Landlord gives the Guarantor notice not later than six months after the forfeiture

or the Landlord having received notice of the disclaimer, the Guarantor shall enter into a new lease of the Property on the terms set out in paragraph 4.2.

- 4.2 The rights and obligations under the new lease shall take effect beginning on the date of the forfeiture or disclaimer and the new lease shall:
- 4.2.1 be granted subject to the right of any person to have this lease vested in them by the court and to the terms on which any such order may be made and subject to the rights of any third party existing at the date of the grant;
 - 4.2.2 be for a term that expires at the same date as the end of the Contractual Term of this lease had there been no forfeiture or disclaimer;
 - 4.2.3 reserve as an initial annual rent an amount equal to the Annual Rent payable under this lease at the date of the forfeiture or disclaimer or which would be payable but for any abatement or suspension of the Annual Rent or restriction on the right to collect it (subject to paragraph 5) and which is subject to review on the same terms and dates provided by this lease; and
 - 4.2.4 otherwise be on the same terms as this lease (as varied if there has been any variation).
- 4.3 The Guarantor shall pay the Landlord's solicitors' costs and disbursements (on a full indemnity basis) and any VAT in respect of them in relation to the new lease and shall execute and deliver to the Landlord a counterpart of the new lease within one month after service of the Landlord's notice.
- 4.4 The grant of a new lease and its acceptance by the Guarantor shall be without prejudice to any other rights which the Landlord may have against the Guarantor or against any other person or in respect of any other security that the Landlord may have in connection with this lease.
- 4.5 The Landlord may, instead of giving the Guarantor notice pursuant to paragraph 4.1 but in the same circumstances and within the same time limit, require the Guarantor to pay an amount equal to six months Annual Rent and the Guarantor shall pay that amount on demand.
- 5. RENT AT THE DATE OF FORFEITURE OR DISCLAIMER**
- 5.1 If at the date of the forfeiture or disclaimer there is a rent review pending under this lease, then the initial annual rent to be reserved by the new lease shall be the greater of:
- 5.1.1 the Annual Rent previously payable (or which would have been payable but for any abatement or suspension of the Annual Rent or restriction on the right to collect it) under the lease prior to forfeiture or disclaimer; and
 - 5.1.2 the open market rent of the Property at the relevant Review Date, as determined by the Landlord before the grant of the new lease.
- 6. PAYMENTS IN GROSS AND RESTRICTIONS ON THE GUARANTOR**
- 6.1 Any payment or dividend that the Landlord receives from the Tenant (or its estate) or any other person in connection with any insolvency proceedings or arrangement

involving the Tenant shall be taken and applied as a payment in gross and shall not prejudice the right of the Landlord to recover from the Guarantor to the full extent of the obligations that are the subject of this guarantee and indemnity.

6.2 The Guarantor shall not claim in competition with the Landlord in any insolvency proceedings or arrangement of the Tenant in respect of any payment made by the Guarantor pursuant to this guarantee and indemnity. If it otherwise receives any money in such proceedings or arrangement, it shall hold that money on trust for the Landlord to the extent of its liability to the Landlord.

6.3 The Guarantor shall not, without the consent of the Landlord, exercise any right or remedy that it may have (whether against the Tenant or any other person) in respect of any amount paid or other obligation performed by the Guarantor under this guarantee and indemnity unless and until all the obligations of the Guarantor under this guarantee and indemnity have been fully performed.

7. OTHER SECURITIES

7.1 The Guarantor warrants that it has not taken and covenants that it shall not take any security from or over the assets of the Tenant in respect of any liability of the Tenant to the Guarantor. If it does take or hold any such security it shall hold it for the benefit of the Landlord.

7.2 This guarantee and indemnity is in addition to and independent of any other security that the Landlord may from time to time hold from the Guarantor or the Tenant or any other person in respect of the liability of the Tenant to pay the rents reserved by this lease and to observe and perform the tenant covenants of this lease. It shall not merge in or be affected by any other security.

7.3 The Guarantor shall not be entitled to claim or participate in any other security held by the Landlord in respect of the liability of the Tenant to pay the rents reserved by this lease or to observe and perform the tenant covenants of this lease.

Executed as a deed by **LITTLE HANDS
NURSERY SCHOOLS LIMITED** acting by
[NAME OF DIRECTOR], a director, in the
presence of:

SK Wragg

Jane Marshall

Director

Signed as a deed by **Jane Marshall**

in the presence of

Jane Marshall

SK Wragg

[SIGNATURE OF WITNESS]

STEPHEN K WRAGG

[NAME OF WITNESS]

5 Kimberley Road

NORTH WALSHAM, NORFOLK

NR28 9DZ
[ADDRESS OF WITNESS]

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