

DATE: 18 November 2020

**UNDERLEASE RELATING TO
LEEDS AND MORLEY (LINKED TO HEMBRIGG)**

Between
HARBOUR LIGHT ASSISTED LIVING CIC
HOLYMOOR LIMITED

DLAP

and

HEATHCOTES M LIMITED
(RC UL-SHARED/NON CONVERSION)

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PRESCRIBED CLAUSES

- LR1. Date of lease:** 12 November 2020.
- LR2. Title number(s):**
- LR2.1 Landlord's title number(s):** WYK377536 and WYK912216. DUAP
- LR2.2 Other title number(s):** None.
- LR3. Parties to this Underlease:**
- Landlord**
- HARBOUR LIGHT ASSISTED LIVING CIC**
a Registered Provider registered with the
Regulator (Company number 08314228) whose
registered office is at 71 Linacre Road, Liverpool
L21 8NP.
- Tenant**
- HEATHCOTES M LIMITED** (Company
number 08715691) whose registered office is at
Windsor House, Bayshill Road, Cheltenham,
Gloucestershire, United Kingdom, GL50 3AT.
- LR4. Property:**
- In the case of a conflict between this clause and
the remainder of this Underlease then, for the
purposes of registration, this clause shall
prevail.**
- The **Property** described in clause 1.1.
- 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 Underlease is made under, or by
reference to, provisions of:**
- None.
- LR6. Term for which the Property is leased**
- The **Contractual Term** described in clause 1.1.
- LR7. Premium:**
- None.
- LR8. Prohibitions or restrictions on
disposing of this Underlease:**
- This Underlease contains a provision that
prohibits or restricts dispositions.

LR9.	Rights of acquisition etc:	
LR9.1	Tenant's contractual rights to renew this Underlease, to acquire the reversion or another lease of the Property, or to acquire an interest in other land:	Clause 52 of this Underlease.
LR9.2	Tenant's covenant to (or offer to) surrender this Underlease:	None.
LR9.3	Landlord's contractual rights to acquire this Underlease:	None.
LR10.	Restrictive covenants given in this Underlease by the Landlord in respect of land other than the Property:	None.
LR11.	Easements:	
LR11.1	Easements granted by this Underlease for the benefit of the Property:	The easements referred to in clause 4.
LR11.2	Easements granted or reserved by this Underlease over the Property for the benefit of other property	The easements referred to in clause 5.
LR12.	Estate rent charge 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 UNDERLEASE is made on the date and between the parties stated in the Prescribed Clauses.

WITNESSES as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 The definitions and rules of interpretation set out in this clause apply to this Underlease.

“**2008 Act**”: the Health and Social Care Act 2008;

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

Any of the above steps or matters shall not be deemed to be an Act of Insolvency if it is withdrawn or disposed of within 14 days of it being instigated.

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.

“Adjoining Property” has the meaning given to it in the Superior Lease;

“Adjoining Tenant” has the meaning given to it in the Superior Lease;

“Annual Rent”: means rent at:

- (a) an initial rate of three hundred and ten thousand three hundred twenty two pounds (£310,322) per annum subject to review in accordance with Schedule 1 (the **“Base Rent”**); together with;
- (b) a sum which for the first year of the Term will be seven thousand seven hundred and fifty eight pounds (£7,758) per annum and thereafter a sum equal to 2.5% of the Base Rent per annum;

“Asset Rating”: has the meaning given in the EPB Regulations;

“Building” has the meaning given to it in the Superior Lease;

“CDM Regulations”: the Construction (Design and Management) Regulations 2015;

“Change in Law”: means the coming into effect or repeal (without re enactment or consolidation) in England and Wales of any law or any amendment or variation to any law or any judgement of a relevant court of law which changes binding precedent in England and Wales in each case after the date of this Underlease;

“Commencement Date” :the date of this Underlease;

“Common Parts” has the meaning given to it in the Superior Lease;

“Common Services” :has the meaning given to it in the Superior Lease;

“Contractual Term”: a term of seven years ^{and one day} commencing on the Commencement Date and term shall mean the same;

“CQC”: the Care Quality Commission or any successor body to that entity;

“Default Interest Rate”: four percentage points above the Interest Rate;

“Display Energy Certificate”: a Display Energy Certificate and Advisory Report as defined in the EPB Regulations;

“Energy Assessor”: an individual who is a member of an accreditation scheme approved by the Secretary of State in accordance with regulation 25 of the Energy Performance of Buildings (Certificates and Inspections) (England and Wales) Regulations 2007 or regulation 30 of the Building Regulations 2010;

“Energy Performance Certificate”: a certificate which complies with regulation 11(1) of the Energy Performance of Buildings (Certificates and Inspections) (England and Wales) Regulations 2007 or regulation 29 of the Building Regulations 2010;

“Environmental Performance”: all or any of the following:

- (a) the consumption of energy and associated generation of greenhouse gas emissions;
- (b) the consumption of water;
- (c) waste generation and management; and
- (d) any other environmental impact arising from the use or operation of the Property;

“EPB Regulations”: the Energy Performance of Buildings (England and Wales) Regulations 2012;

“Existing Occupational Agreements”: the leases, licences and other occupational care arrangements (if any) which are in place in respect of the Property on the date of this Underlease;

“Expenditure” has the meaning given to it in the Superior Lease;

“Group”: means a group of companies within the meaning of section 42 of the Landlord and Tenant Act 1954;

“Group Company”: means a company which is a member of the same Group as the Tenant;

“Insurance Rent”: the sum payable by the Landlord to the Superior Lessor in respect of:

- (a) the premiums (including insurance premium tax (IPT)) paid by the Superior Lessor in effecting and maintaining insurance of the Property in accordance with the terms of the Superior Lease; and
- (b) insurance valuations of the Property not more frequently than once every calendar year; and
- (c) any additional premiums (including IPT) that may be demanded by the Superior Lessor’s insurers as a result of any act or default of the Tenant or any person at the Property with the express or implied authority of the Tenant; and
- (d) the premium (including IPT) paid by the Superior Lessor for insuring against the loss of Base Rent for the period of three years.

“Insured Risks”: 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, riot, civil commotion, damage as a result of an act of terrorism and any other risks against which the Superior Lessor decides to insure against from time to time and **Insured Risk** means any one of them;

“Interest Rate”: interest at the base lending rate from time to time of The Royal Bank of Scotland plc, or if that base lending rate stops being used or published then at a comparable commercial rate reasonably determined by the Landlord;

“Landlord’s Neighbouring Property”: each and every part of any adjoining and neighbouring property in which the Landlord has an interest;

“LTA 1954”: means the Landlord and Tenant Act 1954;

“Maintenance Agreement”: means any, agreement entered into by the Tenant with any contractor in relation to the provision of maintenance or repair or services to the exterior or structure or the Property and shall include all documentation ancillary thereto;

“Maintenance Plan”: has the meaning given in clause 24.2;

“MEES Regulations”: the Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015;

“Necessary Consents”: planning permission and all other consents, licences, permissions and approvals whether of a public or private nature;

“Ofsted”: means the Office for Standards in Education, Children’s Services and Skills or any successor body to that entity;

“Permitted Use”: the provision of registered care or as a registered care home within Class C2 of The Town and Country Planning (Use Classes) Order 1987 as at 31 August 2020;

“Plan”: the plan annexed to this Underlease at Annexure 1;

“Planning Acts”: the Town and Country Planning Act 1990, the Planning (Listed Buildings and Conservation Areas) Act 1990, the Planning (Hazardous Substances) Act 1990, the Planning (Consequential Provisions) Act 1990, the Planning and Compensation Act 1991, the Planning and Compulsory Purchase Act 2004, the Planning Act 2008, the Localism Act 2011 and any other town and country planning or related legislation;

“Property”: that part of the land and buildings known as Land on the North East side of Bridge Street, Morley registered at HM Land Registry under title numbers WYK377536 and WYK912216 shown edged red on the Plan and includes:

- (a) all Service Media in and exclusively serving the Property;
- (b) all Landlord’s fixtures and fittings in the Property;
- (c) all Superior Lessor’s fixtures and fittings in the Property;
- (d) all additions and improvements to the Property whenever made;
- (e) one half severed medially of all walls and boundary structures between the Property and the Adjoining Property;

but excludes, for the avoidance of doubt, any part of the land registered under title number YY9210;

“Recommendation Report”: the recommendation report required by regulation 10 of the Energy Performance of Buildings (Certificates and Inspections) (England and Wales) Regulations 2007, including a report issued by an Energy Assessor for the purposes of regulation 29(5) of the Building Regulations 2010 or regulation 20(1) of the Building (Approved Inspectors etc.) Regulations 2010;

“Register”: the register maintained by the Regulator;

“Registered Care Provider”: a private company registered as a care provider with CQC and/or Ofsted;

“Registered Provider”: a registered provider of social housing which is designated in the Register as a non-profit organisation under sub-sections 115(1)(a) or 278(2) of the Housing Regeneration Act 2008;

“Regulator”: CQC, Ofsted or any similar future authority (including any statutory successor) carrying on substantially the same regulatory or supervisory functions;

“Relationship Agreement”: means the agreement between (1) Holymoor Limited, (2) [the Landlord], (3) [the Tenant] and (4) Envivo Robin Bidco Limited dated on or around the date of this Underlease;

“Relevant Energy Efficiency Improvements”: has the relevant meaning given in the MEES Regulations;

“Rent Commencement Date”: the date of this Underlease;

“Rent Payment Dates” the first of every calendar from the Rent Commencement Date;

“Reservations”: all of the rights excepted, reserved and granted to the Landlord and the Superior Lessor by this Underlease;

“**Review Date**”: the date 12 months from the date of this Underlease and every subsequent anniversary of such date during the term;

“**Service Media**”: lifts and lift machinery and equipment (if any) and all media for the supply or removal of heat, electricity, gas, water, sewage, energy, telecommunications, data and all other services and utilities and all structures, machinery and equipment ancillary to those media;

“**Structure**” has the meaning given to it in the Superior Lease;

“**Superior Lease**”: the lease of the Property dated on or around the date of this Underlease and made between Holymoore Limited (1) and the Landlord (2) and any document which is supplemental to or collateral with or entered into pursuant to such lease;

“**Superior Lessor**”: the landlord for the time being of the Superior Lease;

“**Superior Lessor’s Neighbouring Property**”: each and every part of any adjoining and neighbouring property in which the Landlord has an interest;

“**Superior Rent**”: the annual rent payable by the Landlord in accordance with the terms of the Superior Lease;

“**Signs**”: signs, fascia, placards, boards, posters and advertisements;

“**Sub-standard Rating**”: an Asset Rating which is “sub-standard” for the purposes of the MEES Regulations;

“**Tenant’s Equipment**”: the equipment belonging to and intended to be used by the Tenant at the Property for the Permitted Use;

“**Third Party Rights**”: all rights, covenants and restrictions affecting the Property including the matters referred to as at the date of this Underlease in the Title;

“**Title**”: the title to the Property registered under the title number specified in LR2.1;

“**Valid**”: has the meaning given in the MEES Regulations;

“**VAT**”: value added tax chargeable under the Value Added Tax Act 1994 or under the European Communities Directive number 2006/112/EC or under any rule regulation order or instrument authorised to be made by that act or by that directive or any or substantially similar tax which may replace such value added tax;

- 1.2 A reference to the **Superior Lease** is a reference to the superior lease and any deed, licence, consent, approval or other instrument supplemental to it. A reference to this **Underlease**, except a reference to the date of this Underlease or to the grant of this Underlease, is a reference to this deed and any deed, licence, consent, approval or other instrument supplemental to it.
- 1.3 A reference to the **Superior Lessor** includes a reference to the person entitled to the immediate reversion of the Superior Lease. A reference to the **Landlord** includes a reference to the person entitled to the immediate reversion to this Underlease. A reference to the **Tenant** includes a reference to its successors in title and assigns.
- 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 (acting reasonably).
- 1.5 The expressions landlord covenant and tenant covenant each has the meaning given to it by the Landlord and Tenant (Covenants) Act 1995.

- 1.6 Unless the context otherwise requires, a reference to the Property is to the whole and any part of it.
- 1.7 A reference to the end of the term is to the end of the term however it ends.
- 1.8 References to the consent of the Landlord are to the consent of the Landlord given in accordance with clause 42.6 and references to the approval of the Landlord are to the approval of the Landlord given in accordance with clause 42.7. References to any consent or approval required from the Landlord shall be construed as also including a requirement to obtain the consent or approval of the Superior Lessor, where such consent or approval is required under the terms of the Superior Lease except that nothing in this Underlease shall be construed as imposing on the Superior Lessor any obligation (or indicating that such an obligation is imposed on the Superior Lessor by the terms of the Superior Lease) not unreasonably to refuse any such consent.
- 1.9 A working day is any day which is not a Saturday, a Sunday, a bank holiday or a public holiday in England.
- 1.10 Unless otherwise specified, a reference to a particular law is a reference to it as it is in force for the time being, taking account of any amendment, extension, application or re-enactment and includes any subordinate laws for the time being in force made under it and all orders, notices, codes of practice and guidance made under it.
- 1.11 A reference to laws in general is to all local, national and directly applicable supra-national laws in force for the time being, taking account of any amendment, extension, application or re-enactment and includes any subordinate laws for the time being in force made under them and all orders, notices, codes of practice and guidance made under them.
- 1.12 Any obligation in this Underlease on the Tenant not to do something includes an obligation not to agree to or suffer that thing to be done and an obligation to use all reasonable endeavours to prevent that thing being done by another person.
- 1.13 Unless the context otherwise requires, where the words include(s) or including are used in this Underlease, they are deemed to have the words without limitation following them.
- 1.14 A person includes a corporate or unincorporated body.
- 1.15 Except where a contrary intention appears, a reference to a clause or schedule, is a reference to a clause of, or schedule to, this Underlease and a reference in a schedule to a paragraph is to a paragraph of that schedule.
- 1.16 Clause, schedule and paragraph headings do not affect the interpretation of this Underlease.

2. RECITALS

- 2.1 The Landlord is entitled to possession of the Property under the terms of the Superior Lease.
- 2.2 The Landlord has agreed to grant an underlease of the Property to the Tenant in the terms set out in this Underlease.

3. GRANT

- 3.1 The Landlord with full title guarantee lets the Property to the Tenant for the Contractual Term.
- 3.2 The grant is made:
- (a) excepting and reserving to the Landlord the rights set out in clause 5;
 - (b) subject to the Third-Party Rights; and

- (c) subject to and with the benefit of the Existing Occupational Agreements (if any).

3.3 All sums payable by the Tenant under this Underlease are recoverable as rent.

4. RIGHTS GRANTED

The grant of this Underlease confers only those rights that are included in the Title and granted by the Superior Lease and section 62 of the Law of Property Act 1925 does not apply to this Underlease.

5. RIGHTS EXCEPTED AND RESERVED

5.1 The following rights are excepted and reserved from this Underlease to the Landlord and those authorised by it (including but not limited to the Adjoining Tenant) for the benefit of 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 and to the Superior Lessor for the benefit of the Superior Lessor's Neighbouring Property and to the extent possible for the benefit of any neighbouring or adjoining property in which the Superior Lessor acquires an interest during the term:

- (a) rights of light, air, support and protection to the extent those rights are capable of being enjoyed at any time during the term;
- (b) the right to use the Common Parts for their intended purpose;
- (c) the right to use and to connect into Service Media at the Property which are in existence at the date of this Underlease or which are installed or constructed in the future;
- (d) 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;
- (e) the right to erect scaffolding at the Property and attach it to any building or structure on the Property in connection with any of the Reservations;
- (f) the right to build on or into any boundary wall of the Property in connection with any of the Reservations; and
- (g) the right to re-route any Service Media at or serving the Property or re-route any means of access to or egress from the Property;

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 loss of amenity for the Property provided that they do not materially affect the use and enjoyment of the Property for the Permitted Use.

5.2 The Landlord reserves the right to enter the Property:

- (a) to repair, maintain or replace any Service Media or structure relating to any of the Reservations;
- (b) for all reasonable purposes in order to provide the Common Services;
- (c) to comply with any of the covenants on the part of the Landlord or the conditions contained in or preventing a forfeiture of the Superior Lease (notwithstanding that the obligation to comply with such covenants and conditions is imposed on the Tenant by this Underlease); and

- (d) to review or measure the Environmental Performance of the Property including to install, inspect, clean, maintain, replace and to take readings from metering equipment, heat cost allocators and thermostatic radiator valves within or relating to the Property and to prepare an Energy Performance Certificate; and
 - (e) to carry out any works to the Property to improve their Environmental Performance; and
 - (f) for any other purpose mentioned in or connected with:
 - (i) this Underlease;
 - (ii) the Reservations; and
 - (iii) the Landlord's interest in the Property.
- 5.3 The Reservations may be exercised by the Landlord and the Superior Lessor and by anyone else who is or becomes entitled to exercise them, and by anyone authorised by the Landlord or the Superior Lessor.
- 5.4 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.
- 5.5 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 those 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.
- 6. THIRD PARTY RIGHTS**
- 6.1 The Tenant shall comply with all obligations on the Landlord and the Superior Lessor 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 Underlease) that may interfere with any Third-Party Right.
- 6.2 The Tenant shall allow the Landlord, the Superior Lessor and any other person authorised by the terms of the Third Party Right to enter the Property in accordance with its terms.
- 7. THE ANNUAL RENT**
- 7.1 The Tenant shall pay the Annual Rent by 12 equal instalments in arrears 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 (acting reasonably) requires at any time by giving notice to the Tenant. The first rent payment shall be made on the Rent Commencement Date.

8. NOT USED

9. INSURANCE

- 9.1 The Landlord shall use all reasonable endeavours to procure that the Superior Lessor complies with the covenants imposed on it regarding insurance contained in the Superior Lease save to the extent that the policy of insurance has been vitiated or any insurance proceeds withheld in consequence of any act or omission of the Tenant or its workers, contractors or agents or any person on the Property with the actual or implied authority of any of them. Neither the Superior Lessor nor the Landlord shall be obliged to insure any part of the Property installed by the Tenant.
- 9.2 The Tenant shall pay to the Landlord on demand:
- (a) any amount that is deducted or disallowed by the insurers pursuant to any excess provision in the insurance policy; and
 - (b) the Insurance Rent.
- 9.3 The Tenant shall:
- (a) give the Landlord and Superior Lessor notice immediately if any matter occurs that any insurer or underwriter may treat as material in deciding whether or on what terms to insure or to continue to insure the Property;
 - (b) not knowingly do or omit to do anything as a result of which any policy of insurance of the Property or any neighbouring property may become void or voidable or otherwise prejudiced, or the payment of any policy money may be withheld, nor (unless the Tenant has previously notified the Landlord and has paid any increased or additional premium) anything as a result of which any increased or additional insurance premium may become payable;
 - (c) comply at all times with the requirements and recommendations of the insurers relating to the Property;
 - (d) upon becoming aware of the same give the Landlord immediate notice of the occurrence of any damage or loss relating to the Property arising from an Insured Risk or of any other event that might affect any insurance policy relating to the Property;
 - (e) not effect any insurance of the Property in duplicate of any insurance effected by the Superior Lessor pursuant to the Superior Lease, but if it becomes entitled to the benefit of any insurance proceeds in respect of the Property the Tenant shall pay those proceeds or cause them to be paid to the Superior Lessor; and
 - (f) pay the Superior Lessor an amount equal to any insurance money that the insurers of the Property refuse to pay by reason of any act or omission of the Tenant or any undertenant, their workers, contractors or agents or any person at the Property with the actual or implied authority of any of them.

9.4 If the Property is damaged or destroyed by a risk against which the Superior Lessor is obliged to insure in terms of the Superior Lease (an Insured Risk) so as to be unfit for occupation and use then, unless the policy of insurance of the Property has been vitiated in whole or in part in consequence of any act or omission of the Tenant, any undertenant or their respective workers, contractors or agents or any other person on the Property with the actual or implied authority of any of them, payment of the Base Rent, or a fair proportion of it according to the nature and extent of the damage, shall be suspended from the date of the damage or destruction until the Property has been reinstated and made fit for occupation and use, or until the end of three years from the date of damage or destruction, if sooner.

9.5 If, following damage to or destruction of the Property, the Superior Lease is determined in accordance with the provisions of the Superior Lease, the Landlord shall notify the Tenant of this on the date of:

- (a) receipt by the Landlord of the Superior Lessor's notice to determine; or
- (b) service by the Landlord of the notice to determine the Superior Lease on the Superior Lessor.

On the same date, the Landlord shall send to the Tenant a certified copy of the notice to determine and any accompanying correspondence that the Landlord has sent to or received from the Superior Lessor. The determination of this Underlease under clause 9.5 shall be without prejudice to any right or remedy of the Landlord in respect of any breach of the tenant covenants of this Underlease. Any proceeds of the insurance effected by the Superior Lessor under the terms of the Superior Lease shall belong to the Superior Lessor.

9.6 Provided that the Tenant has complied with its obligations in this clause 9, the Tenant may terminate this Underlease by giving notice to the Landlord if, following damage or destruction by an Insured Risk the Property has not been reinstated so as to be fit for occupation and use within three years after the date of damage or destruction. On giving this notice this Underlease 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 Underlease. Any proceeds of the insurance shall belong to the Superior Lessor.

9.7 The Tenant shall at all times during the term at its own cost effect.

- 9.7.1 business interruption or other appropriate insurance;
- 9.7.2 third party and public liability insurance; and
- 9.7.3 insurance in respect of the costs of the repair and replacements of any lifts lift machinery and equipment forming part of the Property.

9.8 The Tenant shall on demand from the Landlord produce to the Landlord evidence of such insurance.

10. RATES AND TAXES

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

- (a) any taxes payable by the Landlord in connection with any dealing with or disposition of the reversion to this Underlease; or
- (b) any taxes payable by the Landlord by reason of the receipt of income under this Underlease.

- 10.2 If any rates, taxes or other impositions are payable in respect of the Property together with other property, the Tenant shall pay a fair proportion of the amount payable provided that this obligation shall not apply if such item would (if it related solely to the Property) not be payable by the Tenant under the terms of clause 10.1.
- 10.3 The Tenant shall not make any proposal to alter the rateable value or council tax band of the Property or those values as they appear on any draft list, without the approval of the Landlord.
- 10.4 If, after the end of the term, either the Landlord or the Superior Lessor loses rating relief (or any similar relief or exemption) because it has been allowed to the Tenant, then the Tenant shall pay the Landlord or the Superior Lessor, as appropriate, 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, data and other services and utilities to or from the Property.
- 11.2 If any of those costs are payable in relation to the Property together with other property, the Tenant shall pay a fair proportion of all those costs.
- 11.3 The Tenant shall comply with all laws and with any recommendations of the relevant suppliers relating to the use of those services and utilities.

12. ENERGY USE

- 12.1 The Tenant must:
- (a) observe reasonable regulations made by the Landlord for the proper management of the Property and for the use of energy within the Property provided that a written copy of such regulations is provided to the Tenant;
 - (b) take reasonable steps to improve energy efficiency and reduce consumption at the Property as is reasonably practical.

13. WASTE MANAGEMENT AND RECYCLING

- 13.1 The Tenant must:
- (a) comply with applicable requirements and take reasonable steps to follow recommendations of the competent authorities relating to the collection of refuse from the Property; and
 - (b) take reasonable steps to follow reasonable regulations made by the Landlord in respect of recycling for the Property.

14. COMMON ITEMS

- 14.1 The Tenant shall pay the Landlord on demand a fair proportion of all costs payable for the maintenance, repair, lighting, cleaning and renewal of all Service Media, structures and other items used or capable of being used by the Property in common with other property.
- 14.2 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.

15. VAT

- 15.1 Any payment or other consideration to be provided to the Landlord is exclusive of VAT.
- 15.2 The Landlord (here meaning Harbour Light Assisted Living CIC) warrants that it has not exercised any option to tax in respect of the Property or any part of it for the purposes of schedule 10 of the Value Added Tax Act 1994 and undertakes that it shall not do so.
- 15.3 In every case where the Tenant has agreed to reimburse or indemnify the Landlord in respect of any payment made by the Landlord under the terms of or in connection with this Underlease to reimburse in addition any VAT paid by the Landlord on such payment (save to the extent that such VAT is recovered by the Landlord as VAT under clause 24, 25 and 26 of the Value Added Tax Act 1994) and the Landlord shall use reasonable endeavours to recover such VAT where it is recoverable.
- 15.4 Notwithstanding the provisions of this clause, the Landlord (here meaning Harbour Light Assisted Living CIC) shall not voluntarily do anything (or omit to do anything) which will result in VAT being charged on any sums payable and will not voluntarily make an election to waive the exemption of VAT in respect of the Property pursuant to schedule 10 of paragraph 28 of the Value Added Tax Act 1994, save in the event of a change of statute or law or where the Tenant is otherwise able to recover the VAT.

16. DEFAULT INTEREST AND INTEREST

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

17. COSTS

- 17.1 The Tenant shall pay the reasonably and properly incurred costs and expenses of the Landlord and those of the Superior Lessor 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:
- (a) the enforcement of the tenant covenants of this Underlease;
 - (b) serving any notice in connection with this Underlease 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 Underlease under section 17 of the Landlord and Tenant (Covenants) Act 1995; or
 - (d) any consent or approval applied for under this Underlease, whether or not it is granted (unless the consent or approval is unreasonably withheld by the Landlord in circumstances where the Landlord is not to unreasonably withhold it).

- 17.2 Where the Tenant is obliged to pay or indemnify the Landlord and/or Superior Lessor against any solicitors' or other professionals' costs and expenses (whether under this or any other clause of this Underlease) that obligation extends to those costs and expenses assessed on a full indemnity basis.

18. 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 Landlord and Tenant Act 1927 or the LTA 1954 is excluded, except to the extent that the legislation prevents that right being excluded.

19. NO DEDUCTION, COUNTERCLAIM OR SET-OFF

The Annual Rent and all other money due under this Underlease are to be paid by the Tenant or any guarantor (as the case may be) without deduction, counterclaim or set-off.

20. REGISTRATION OF THIS UNDERLEASE

- 20.1 Within 15 working days following the grant of this Underlease, the Tenant shall apply to register this Underlease against the Landlord's title at HM Land Registry.
- 20.2 The Tenant shall ensure that any requisitions raised by HM Land Registry in connection with that application are dealt with promptly and properly.
- 20.3 Within 10 working days after completion of the registration, the Tenant shall send the Landlord official copies of its title.
- 20.4 The Tenant shall not apply to HM Land Registry to designate this Underlease as an exempt information document unless requested to do so by the Landlord.

21. PROHIBITION ON DEALINGS

- 21.1 The Tenant shall not, except as expressly permitted by clause 21.2, and 21.3 assign, underlet, mortgage, charge or grant any security interest over, part with or share possession or share occupation of this Underlease or the Property (or any part thereof) or hold this Underlease on trust for any person (except pending registration of a dealing permitted by this Underlease at Land Registry or by reason only of joint legal ownership).
- 21.2 The Tenant may (without the consent of the Landlord) share occupation with a Group Company if:
- (a) no relationship of landlord and tenant is so created; and
 - (b) that Group Company vacates the property immediately on ceasing to be a Group Company.
- 21.3 The Tenant may (without the consent of the Landlord) grant a charge over the whole of its interest in the Property to a reputable lending institution.
- 21.4 In the event that the Tenant grants a charge pursuant to clause 21.3 the Tenant:
- (a) shall promptly following completion of the charge apply to register it at HM Land Registry;
 - (b) shall ensure that any requisitions raised by HM Land Registry are promptly and properly dealt with;

- (c) within one month of completion of the charge, send the Landlord official copies of the updated leasehold title; and
- (d) no later than one month after completion of the charge, give the Landlord's solicitors notice of the charge.

22. CLOSURE OF THE REGISTERED TITLE OF THIS UNDERLEASE

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 Underlease and shall ensure that any requisitions raised by Land Registry in connection with that application are dealt with promptly and properly. The Tenant shall keep the Landlord informed of the progress and completion of its application.

23. CARE STANDARDS

23.1 The Tenant shall observe the provisions contained in Schedule 2.

23.2 The Tenant shall indemnify the Landlord against all liabilities, expenses, costs, claims, damages and losses suffered or incurred by the Landlord arising out of or in connection with any claim made by service users or their families local authorities or care commissioning bodies in respect of any failure by the Tenant, its employees, contractors or agents in respect of the care service provided by the Tenant at the Property.

24. REPAIRS

24.1 The Tenant shall at all times during the Contractual Term and at its own cost keep the Property clean and tidy and in good and substantial repair and condition including (without limitation) ensuring:

- (a) the Property is at all times maintained to the level:
 - (i) prescribed by the Children's Home (England) Regulations 2015 if registered with Ofsted;
 - (ii) required to be able to secure at least a 'good' standard as prescribed by CQC if registered with the CQC;
- (b) all equipment and building components at the Property meet required legislative and regulatory standards; and
- (c) the Property is waterproof and weathertight.

24.2 Without prejudice to the generality of clause 24.1, the Tenant shall:

- (a) promptly after the date of this Underlease prepare a detailed capital expenditure and maintenance plan which shall be submitted to the Landlord for approval (such approval not to be unreasonably withheld or delayed) (the "**Maintenance Plan**");
- (b) throughout the term update and maintain the Maintenance Plan in consultation with the Landlord and comply with the Maintenance Plan; and
- (c) provide to the Landlord on request a copy of the Maintenance Plan together with reasonable evidence that the Tenant is complying with it.

24.3 The Tenant shall not be liable to repair the Property to the extent that any disrepair has been caused by a risk against which the Superior Lessor is obliged to insure in terms of the Superior Lease (an Insured Risk), unless and to the extent that 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 other person on the Property with the actual or implied authority of any of them.

25. DECORATION

- 25.1 The Tenant shall decorate the outside and the inside of the Property as often as is reasonably necessary (being at least once every three years) and also in the last three months before the end of the term.
- 25.2 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.
- 25.3 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).

26. ALTERATIONS

- 26.1 The Tenant shall not make any external or structural alteration or addition to the Property and shall not make any opening in any boundary structure of the Property.
- 26.2 The Tenant shall not install any Service Media on the exterior of the Property nor alter the route of any Service Media at the Property without the consent of the Landlord, such consent not to be unreasonably withheld.
- 26.3 Except as provided for in clause 26.5, the Tenant shall not make any internal, non-structural alteration to the Property without the consent of the Landlord (such consent not to be unreasonably withheld).
- 26.4 Except with the consent of the Landlord (such consent not to be unreasonably withheld or delayed) 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.
- 26.5 Landlord's consent is not required for any internal, non-structural alterations that do not require any Necessary Consents (any Necessary Consents in this context shall not include Landlord's consent) but the Tenant must notify the Landlord promptly after completing those alterations and provide the Landlord with such detail in relation to the alterations as the Landlord may reasonably require.
- 26.6 In respect of any alterations or additions carried out by the Tenant or any undertenant, the Tenant shall supply to the Landlord both prior to commencement of the relevant alterations or additions and upon completion of them:
 - (a) such details of and data in relation to the alterations or additions, including plans, drawings, calculations and computer models as the Landlord may reasonably require for the purposes of Energy Performance Certificate assessments to establish the actual or likely Asset Rating taking into account such alterations or additions; and
 - (b) if possible and at the cost of the Landlord if any cost is involved a royalty free licence permitting the Landlord to use all copyright and other intellectual property rights in such information for any purpose related to the Property in a form reasonably acceptable to the Landlord.

- 26.7 If the Tenant makes any alterations or additions to the Property and the Property subsequently has or, if assessed, would have, a Sub-standard Rating:
- (a) the Tenant, if reasonably required by the Landlord, shall as soon as reasonably possible carry out Relevant Energy Efficiency Improvements, approved in advance by the Landlord, necessary to ensure that the Asset Rating of the Property is not, or, if assessed, would not be a Sub-standard Rating; and
 - (b) the Tenant shall indemnify the Landlord against the cost of any consequential penalty incurred by the Landlord as a result of the Asset Rating of the Property being a Sub-standard Rating.
- 26.8 The Landlord may withhold its consent to any alterations or additions to the Property which (on their own or when assessed together with any previous alterations or additions made by the Tenant or its predecessors in title), in the Landlord's reasonable opinion, will materially adversely affect the Environmental Performance or the Asset Rating (if assessed) of the Property, or result in the Property having a Sub-standard Rating, if assessed.

27. MAINTENANCE AGREEMENTS

The Tenant shall:

- 27.1 enter into such Maintenance Agreements as a reasonably prudent tenant would do in order to comply with the Tenant's obligations under this Underlease;
- 27.2 comply with all the tenant covenants and/or obligations contained in or arising from any Maintenance Agreement;
- 27.3 use reasonable endeavours to enforce the obligations of any contractor who is a party to any Maintenance Agreement; and
- 27.4 if requested to do so by the Landlord notify the Landlord of any material matters arising from any Maintenance Agreement including (if reasonably required by the Landlord) providing to the Landlord copies of relevant correspondence and/or documentation.

28. SIGNS

- 28.1 The Tenant shall not attach any Signs to the exterior of the Property or display any inside the Property so as to be seen from the outside except Signs of a design, size and number and in a position that are appropriate to the Property and Permitted Use.
- 28.2 Before the end of the term, the Tenant shall remove any Signs that may have been placed by it at the Property and shall make good any damage caused to the Property by that removal.
- 28.3 The Tenant shall allow the Landlord to fix to and keep at the Property any sale or (during the last three months of the Term) re-letting board as the Landlord reasonably requires.

29. TENANT'S EQUIPMENT

- 29.1 The Tenant:
 - (a) irrevocably grants to the Landlord or its nominee on and from the date of the occurrence of an event or circumstance specified in clause 29.2 until the date falling two years after the relevant event, an irrevocable, royalty-free exclusive licence to use all of the Tenant's Equipment; and

- (b) agrees to transfer with full title guarantee to the Landlord or its nominee, within seven days (or such longer period as the Landlord specifies) of a written request served by the Landlord at any time on or following the occurrence of an event or circumstance specified in clause 29.2, title to all or part of the Tenant's Equipment (at the Landlord's discretion) at the then market value of the Tenant's Equipment which if in dispute shall be determined by an independent expert who is to be a chartered surveyor of not less than ten year's standing who is experienced in the valuation of equipment such as the Tenant's Equipment. The provisions relating to the appointment of an expert contained in Schedule 1 shall apply to the appointment of an expert in terms of this clause 26.
- 29.2 The events and circumstances are:
 - (a) the early determination of the Contractual Term; or
 - (b) an Act of Insolvency;
 - (c) the occurrence of any event set out in clause 39.1 in respect of which the Landlord has commenced forfeiture action.
- 29.3 This clause 29 shall survive, and continue to have effect, notwithstanding the expiry or sooner determination of the term.
- 30. RETURNING THE PROPERTY TO THE LANDLORD**

Subject to the provisions of clause 28:

 - 30.1 At the end of the term the Tenant shall return the Property to the Landlord in the repair and condition required by this Underlease.
 - 30.2 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 and make good any damage caused to the Property by that removal.
 - 30.3 Prior to the end of the term, if required by the Landlord, the Tenant shall at its own cost carry out any Relevant Energy Efficiency Improvements, approved in advance by the Landlord, necessary to ensure that the Asset Rating of the Property at the end of the term is not, or, if assessed, would not be lower than the Asset Rating of the Property at the date of this Underlease.
 - 30.4 At the end of the term, the Tenant shall remove from the Property all chattels belonging to or used by it.
 - 30.5 The Tenant irrevocably appoints the Landlord and the Superior Lessor 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 10 working days after the end of the term. Neither the Landlord or the Superior Lessor shall 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.
 - 30.6 If the Tenant does not materially 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.

31. USE

- 31.1 The Tenant shall not use the Property for any purpose other than the Permitted Use.
- 31.2 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, its other tenants or any other owner or occupier of neighbouring property provided that use of the Property for the Permitted Use shall not be deemed to be a breach of this clause.
- 31.3 The Tenant shall not overload any structural part of the Property nor any machinery or equipment at the Property nor any Service Media at or serving the Property.
- 31.4 Nothing in this Underlease implies or is to be treated as a warranty to the effect that the use of the Property permitted by this Underlease is in compliance with the Planning Acts and the Tenant acknowledges that neither the Landlord nor any person acting on its behalf has at any time made any representation or warranty that the use permitted by this Underlease is an authorised use under the Planning Acts. Notwithstanding that the use permitted by this Underlease may not be authorised under the Planning Acts, the Tenant shall remain bound by the restrictions as to use contained in this Underlease without becoming entitled to any compensation or relief whatsoever.
- 31.5 Not to leave the Property continuously unoccupied for more than one month without notifying the Landlord and providing such reasonable caretaking and security arrangements as the Landlord shall in its absolute discretion require or the Landlord's insurers shall require or recommend to protect the Property from vandalism, theft or unlawful occupation.

32. COMPLIANCE WITH LAWS

- 32.1 The Tenant shall comply with all laws, planning requirements and statutory obligations relating to:
- (a) the Property and the occupation and use of the Property by the Tenant;
 - (b) the use of all Service Media and machinery and equipment at or serving the Property;
 - (c) any works carried out at the Property; and
 - (d) all materials kept at or disposed of from the Property.
- 32.2 Without prejudice to any obligation on the Tenant to obtain any consent or approval under this Underlease, 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 (and whether or not served pursuant to any law) the Tenant shall:
- (a) send a copy of the relevant document to the Landlord; and
 - (b) take all 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 without the Landlord's consent. The Tenant must apply for and maintain at all times all planning permissions, consents and licences needed for the lawful use of the Property for the Permitted Use including (without limitation) all licences needed in respect of homes in multiple occupation.
- 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. The Tenant

shall maintain the health and safety file for the Property in accordance with the CDM Regulations and shall give it to the Landlord at the end of the term.

- 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 material 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 Underlease.
- 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:
- (a) cooperate with the Landlord so far as is reasonably necessary to allow the Landlord to obtain an Energy Performance Certificate and Recommendation Report for the Property including providing the Landlord with copies of any plans or other information held by the Tenant that would assist in obtaining an Energy Performance Certificate; and
 - (b) allow such access to any Energy Assessor appointed by the Landlord as is reasonably necessary to inspect the Property for the purposes of preparing an Energy Performance Certificate or Recommendation Report for the Property.
- 33.2 At the written request of the Tenant, the Landlord shall provide the Tenant with a copy of any Energy Performance Certificate held by the Landlord, provided that the Tenant shall pay the reasonable cost of providing the copy.
- 33.3 The Tenant shall not obtain or commission an Energy Performance Certificate for the Property unless it is legally obliged to do so, and then only in accordance with the provisions of this clause.
- 33.4 If the Tenant is legally obliged to provide an Energy Performance Certificate for the Property to any person:
- (a) the Tenant shall (in all cases):
 - (i) check the public register of Energy Performance Certificates; and
 - (ii) where any Valid Energy Performance Certificate for the Property that is available from that register can properly be used in the satisfaction of its legal obligation to provide a Valid Energy Performance Certificate, use that Valid Energy Performance Certificate instead of obtaining or commissioning any new Energy Performance Certificate;
 - (b) if no Valid Energy Performance Certificate is available from the public register of Energy Performance Certificates, or if the Tenant's legal obligation is to provide a new Energy Performance Certificate following the completion of any works, the Tenant shall notify the Landlord in writing of its obligation to obtain or commission an Energy Performance Certificate for the Property and not to take any further steps to obtain or

commission such an Energy Performance Certificate except as permitted under clause 33.4(c)(ii); and

(c) if in response to a notice under clause 33.4(b) the Landlord:

- (i) elects to obtain a new Energy Performance Certificate for the Property itself, the Tenant shall pay to the Landlord all reasonable costs incurred by the Landlord in obtaining an Energy Performance Certificate for the Property; or
- (ii) either elects not to obtain a new Energy Performance Certificate itself, or has not responded within a reasonable period of receipt of the notice (being not less than one month), the Tenant shall instead obtain an Energy Performance Certificate from the Landlord's nominated assessor and the provisions of clauses 26.6 and 26.7 shall apply.

33.5 Where the Tenant prepares, obtains, commissions or procures an Energy Performance Certificate (or Display Energy Certificate) in respect of the Property, the Tenant shall provide to the Landlord and the Superior Lessor a copy of that Energy Performance Certificate (and Display Energy Certificate) and any related information including any computer simulation models, free of charge, within five working days of receipt, and (if not apparent from that copy) supply details to the Landlord of the reference number of that Energy Performance Certificate or Display Energy Certificate.

33.6 The Tenant shall allow the Landlord, Superior Lessor and all others authorised by them to have access to all documentation, data and information in the Tenant's possession or under its control that is reasonably required in order for the Landlord to:

- (a) prepare an Energy Performance Certificate in respect of the Property; and
- (b) comply with any duty imposed upon the Landlord under the EPB Regulations;

and the Tenant shall co-operate with the Landlord, Superior Lessor and any person so authorised so far as is reasonably necessary to enable them to carry out such functions.

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:

- (a) immediately give notice to the Landlord and the Superior Lessor; and
- (b) take all steps (including any proceedings) the Landlord and Superior Lessor 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 nor obstruct any means of access to the Property.

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

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 upon becoming aware of the same:

- (a) immediately notify the Landlord and the Superior Lessor; and

- (b) take all steps (including proceedings) the Landlord and Superior Lessor reasonably requires to prevent or secure the removal of the obstruction.

35. BREACH OF REPAIR AND MAINTENANCE OBLIGATIONS

- 35.1 The Landlord and the Superior Lessor may upon reasonable prior notice (except as required in case of emergency) 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 Underlease relating to the condition or repair of the Property.
- 35.2 If the Tenant has not begun any works needed to remedy that breach within six weeks following that notice (or if works are required as a matter of emergency, then as soon as reasonably practicable) 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 properly incurred by the Landlord in carrying out any works pursuant to this clause 35 (and any professional fees and any irrecoverable 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 36.

36. INDEMNITY

The Tenant shall keep the Landlord indemnified against all expenses, costs, claims, damage and loss (including any diminution in the value of the Landlord's interest in the Property and loss of amenity of the Property) arising from any breach of any tenant covenants in this Underlease, or any act or omission of the Tenant, any undertenant or their respective workers, contractors or agents or any other person on the Property with the actual or implied authority of any of them.

37. LANDLORD'S COVENANTS

- 37.1 The Landlord covenants with the Tenant, that, so long as the Tenant pays the rents reserved by and complies with its obligations in this Underlease, 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 Underlease.
- 37.2 Subject to the Tenant paying the rents reserved by this Underlease and observing the tenant's covenants, the Landlord shall pay the rents reserved by the Superior Lease and perform the covenants on the part of the tenant contained in the Superior Lease so far as the Tenant is not liable for such performance under the terms of this Underlease.
- 37.3 At the request and cost of the Tenant, on a full indemnity basis, the Landlord shall use all reasonable endeavours to procure that the Superior Lessor complies with the Superior Lessor's covenants in terms of the Superior Lease during such period as the Superior Lease subsists.

38. LIMITATION ON LIABILITY

- 38.1 In this clause a "Claim": means a claim under any of the indemnities given in this Underlease.
- 38.2 Where one party to this Underlease agrees to indemnify another party to this Underlease the indemnity shall be subject to an obligation on the party being indemnified:
 - (a) to notify the indemnifying party in writing as soon as practicable of any circumstances which may give rise to a Claim;

- (b) to give the indemnifying party full details of any Claim;
- (c) to have regard to the indemnifying party's reasonable written requirements and to consider taking such action as the indemnifying party may reasonably require (at the indemnifying party's cost) in relation to the Claim; and
- (d) to take all reasonable steps at the indemnifying parties cost to mitigate its loss in respect of the Claim.

39. RE-ENTRY AND FORFEITURE

- 39.1 Subject to clause 39.3 the Landlord may re-enter the Property (or any part of the Property in the name of the whole) at any time after any of the following occurs:
- (a) any rent is unpaid 21 days after becoming payable whether it has been formally demanded or not;
 - (b) any material breach of any condition of, or a tenant covenant, in this Underlease;
 - (c) an Act of Insolvency; or
 - (d) the Tenant ceasing to be a Registered Care Provider.
- 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 Underlease 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.
- 39.3 Before re-entering the Property pursuant to this clause, or commencing any proceedings for forfeiture of this Underlease, the Landlord shall:
- (a) give notice of the breach complained of to any mortgagee of this Underlease of whom the Landlord has received notice pursuant to clause 21.4; and
 - (b) if the mortgagee confirms in writing to the Landlord within 14 days of the notice that it wishes to remedy the breach, allow the mortgagee 28 days (or such longer time as may be reasonable in view of the nature of the breach) to remedy the breach.

40. LIABILITY

- 40.1 At any time when the Landlord, the Tenant or a guarantor is more than one person, then in each case those persons shall be jointly and severally liable for their respective obligations arising by virtue of this Underlease. The Landlord may release or compromise the liability of any one of those persons or grant any time or concession to any one of them without affecting the liability of any other of them.
- 40.2 The obligations of the Tenant and any guarantor arising by virtue of this Underlease are owed to the Landlord and the obligations of the Landlord are owed to the Tenant.
- 40.3 The Landlord shall not be liable to the Tenant for any failure of the Landlord to perform any landlord covenant in this Underlease, unless the Landlord knows or should know that it has failed to perform the covenant, and has not remedied that failure within a reasonable time.

41. ENTIRE AGREEMENT AND EXCLUSION OF REPRESENTATIONS

- 41.1 This Underlease 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 Underlease, it does not rely on, and shall have no remedies in respect of, any representation or warranty (whether made innocently or negligently) before the date of this Underlease.

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

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

42. NOTICES, CONSENTS AND APPROVALS

42.1 A notice given under or in connection with this Underlease shall be:

(a) in writing unless this Underlease expressly states otherwise;

(b) given:

(i) 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

(ii) by fax to the party's main fax number.

42.2 If a notice is given in accordance with clause 42.1, it shall be deemed to have been received:

(a) if delivered by hand, at the time the notice is left at the proper registered address;

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

(c) if sent by fax, at 0900 hours on the next working day after transmission.

42.3 In proving service of a notice, it shall be sufficient to prove that the envelope containing such notice was addressed to the registered address of the relevant party under clause 42.1 above and delivered either:

(a) to that party's address; or

(b) into the custody of the postal authority as pre-paid first class post or other next day delivery service.

42.4 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.

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

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

(a) it is given in writing and signed by a person duly authorised on behalf of the Landlord; and

(b) it expressly states that the Landlord waives the requirement for a deed in that particular case,

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

42.7 Where the approval of the Landlord is required under this Underlease, 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 Underlease expressly states that the approval need not be in writing.

42.8 If the Landlord gives a consent or approval under this Underlease, 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 AND JURISDICTION

43.1 This Underlease 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 laws of England.

43.2 The parties irrevocably agree that, save as otherwise provided in this Underlease, the English courts shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims).

44. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

A person who is not a party to this Underlease shall not have any rights under or in connection with it by virtue of the Contracts (Rights of Third Parties) Act 1999 but this does not affect any right or remedy of a third party which exists, or is available, apart from that Act.

45. LANDLORD AND TENANT (COVENANTS) ACT 1995

This Underlease creates a new tenancy for the purposes of the Landlord and Tenant (Covenants) Act 1995.

46. TITLE

The Tenant must perform and observe the obligations and other matters referred to in the Title, other than monetary charges or encumbrances, at its own expense.

47. SUPERIOR LEASE

The Tenant must not knowingly do omit suffer or permit any act or thing which would or might cause the Landlord to be in breach of the Superior Lease or which if done omitted suffered or permitted by the Landlord would or might constitute a breach of the obligations of the lessee contained in the Superior Lease.

48. SEVERANCE OF VOID PROVISIONS

Any provision of this Underlease rendered void is to be severed from all the remaining provisions and the remaining provisions are to be preserved.

49. DISPOSAL OF REVERSION

The landlord covenants in this Underlease shall be binding upon the owner for the time being of the reversion expectant upon the term but shall not be enforceable against any person who has owned such reversion after it shall have parted with all interest therein save in respect of breaches occurring prior to the date of parting with such interest.

50. EXCLUSION OF SECTIONS 24-28 OF THE LTA 1954

50.1 The parties confirm that before this Underlease was entered into:

- (a) the Landlord served a notice on the Tenant, as required by section 38A(3)(a) of the LTA 1954, applying to the tenancy created by this Underlease;
- (b) ~~Andrew Naikel~~ who was duly authorised by the Tenant to do so made a statutory declaration dated ~~13 November~~ in accordance with the requirements of section 38(A)(3)(b) of the LTA 1954; ~~2020~~
- (c) there is no agreement for Underlease to which this Underlease gives effect; and
- (d) the Landlord and Tenant agree that the provisions of section 24-28 of the LTA 1954 are excluded in relation to the tenancy created by this Underlease;

50.2 The parties confirm that before this Underlease and the Further Underlease were entered into:

- (a) the Landlord served a notice on the Tenant, as required by section 38A(3)(a) of the LTA 1954, applying to the tenancy created by the Further Underlease;
- (b) ~~Andrew Naikel~~ who was duly authorised by the Tenant to do so, made a statutory declaration dated ~~13 November~~ in accordance with the requirements of section 38A(3)(b) of the LTA 1954; ~~2020~~
- (c) there is no agreement for lease to which this Underlease or the Further Underlease gives effect: and
- (d) the Landlord and Tenant agree that the provisions of sections 24-28 of the LTA 1954 are excluded in relation to the tenancy created by the Further Underlease.

50.3 The parties confirm that before this Underlease and the Second Further Underlease were entered into:

- (a) The Landlord served a notice on the Tenant as required by section 38A(3)(a) of the LTA 1954, applying to the tenancy created by the Second Further Underlease;
- (b) ~~Andrew Naikel~~ who was duly authorised by the Tenant to do so, made a statutory declaration dated ~~13 November~~ in accordance with the requirements of section 38A(3)(b) of the LTA 1954; ~~2020~~
- (c) There is no agreement for lease to which this Underlease or the Second Further Underlease gives effect; and
- (d) The Landlord and Tenant agree that the provisions of sections 24-28 of the LTA 1954 are excluded in relation to the tenancy created by the Second Further Underlease.

51. FINANCIAL INFORMATION

The Tenant shall comply with its obligations contained in Schedule 3 in relation to the provision of financial information.

52. OPTION FOR FURTHER UNDERLEASES

52.1 In this clause:

“Further Underlease”: means an underlease of the whole of the Property on the same terms as this Underlease (and where the context shall require this shall include such Further

Underlease as is granted pursuant to clause 52 of a Further Underlease (which shall, for the purposes of this Underlease, be referred to as the **"Second Further Underlease"**) but:

- (a) granted for the Further Term (in the case of the Second Further Underlease granted for the Second Further Term);
- (b) at an initial rent which is the higher of: (i) the Base Rent payable under this Underlease immediately before the expiry of the Contractual Term (ignoring any suspension or abatement) (the **"Passing Rent"**) and (ii) the Passing Rent reviewed in accordance with the provisions of Schedule 1 as if the first day of the Further Term were a Review Date;
- (c) the rent commencement date being the day four days after expiry of the Contractual Term of this Underlease;
- (d) including this clause 52 (except in case of the Second Further Underlease when it shall be omitted); and
- (e) (at the sole election of the Landlord) omitting reference to the exclusion of the security of tenure provided in part II of the LTA 1954;

"Further Term": means a term of eight years (less three days) starting on the fourth day after the expiry of the Contractual Term;

"Option": means an option for the Tenant to take, or for the Landlord to require the Tenant to take, the Further Underlease, provided that the Further Underlease shall only be completed in circumstances where:

- (a) the Landlord has first served (and the Tenant and any Relevant Guarantor acknowledged by way of statutory declaration) notices pursuant to the LTA 1954 in accordance with clause 50.2; or
- (b) the Landlord has waived in writing the requirements in paragraph (a) above;

"Option Completion Date": means the date which is three months after the Option Notice is served;

"Option Notice": means a written notice to be served by the Landlord or the Tenant (as the case may be) on the other party exercising the Option and referring to this clause 52;

"Premium": means one hundred pounds (£100);

"Relevant Guarantor": means the party or parties (if any) who, at the date of service of the Option Notice is/are acting as guarantor(s) for the Tenant in respect of its obligations under this Underlease;

"Relevant Guarantor's Obligations": means the obligations which, at the date of service of the Option Notice, the Relevant Guarantor covenants with the Landlord to comply with; and

"Second Further Term": means a term of ten years less ^{seven}~~six~~ days starting on the fourth day after expiry of the Further Term.

- 52.2 Subject to clause 52.3, the Landlord or the Tenant (as the case may be) may exercise the Option by serving the Option Notice on the other party not less than five months before the expiry of the term (as to which, time shall be of the essence).

52.3 If the Option is validly exercised in accordance with this clause 52, then on the Option Completion Date:

- (a) the Tenant shall pay the Premium to the Landlord and the Landlord shall grant and the Tenant shall accept and execute a counterpart of the Further Underlease; and
- (b) if there is a Relevant Guarantor, the Further Underlease shall contain the Relevant Guarantor's Obligations and the Tenant shall procure that the Relevant Guarantor executes a new guarantee in terms mutatis mutandis the same as the then current guarantee but in respect of the Tenant's obligation under the Further Underlease. The Landlord shall not be liable to the Tenant for any loss or damage suffered by the Tenant or any costs incurred as a result of the Tenant's failure to register the Option at the Land Registry or the Land Charges Registry (as appropriate).

53. CHANGE IN LAW

53.1 The parties shall take all steps necessary to ensure compliance with the terms of this Underlease following any Change in Law.

53.2 On the occurrence of any Change in Law which was not foreseeable at the date of this Underlease:

- (a) either party may give notice to the other of the occurrence of a Change in Law; and
- (b) the parties shall meet within ten working days of the notice in clause 53.2(a) to consult and seek to agree whether a Change in Law has occurred and of the effect such change has on the obligations of the parties under this Underlease. If no such agreement can be reached within such ten working days period the dispute shall be referred for determination in accordance with clause 53.4.

53.3 Both Parties shall, without prejudice to the general obligation to comply with its covenants and obligations under this Underlease:

- (a) use all reasonable endeavours to mitigate the adverse effects of any Change in Law and take all reasonable steps to minimise any increase in costs arising from such Change in Law; and
- (b) use all reasonable endeavours to take advantage of any positive or beneficial effects of any Change in Law and take all reasonable steps to maximise any reductions in costs arising from such Change in Law.

53.4 If any dispute arises in connection with the preceding provisions of this clause 53 the following provisions shall apply:

- (a) if the dispute is not wholly resolved at the meeting referred to in clause 53.2(b) or otherwise as required by clause 53, the parties agree to enter into mediation in good faith to settle such a dispute and will do so in accordance with the CEDR Model Mediation Procedure. Unless otherwise agreed between the parties within ten working days of notice of the dispute, the mediator will be nominated by CEDR. To initiate the mediation a party must give notice in writing ("ADR Notice") to the other party to the dispute, referring the dispute to mediation. A copy of the referral should be sent to CEDR.
- (b) If there is any point on the logistical arrangements of the mediation, other than the nomination of the mediator, upon which the parties cannot agree within ten working days from the date of the ADR Notice, where appropriate, in conjunction with the

mediator, CEDR will be requested to decide that point for the parties having consulted with them.

- (c) Unless otherwise agreed, the mediation will start not later than 20 working days after the date of the ADR Notice.
- (d) No party may commence any court proceedings/arbitration in relation to any dispute arising out of clause 53 of this Underlease until it has attempted to settle the dispute by mediation and either the mediation has terminated or the other party has failed to participate in the mediation, provided that the right to issue proceedings is not prejudiced by a delay.

54. COMMON PARTS – COMMON SERVICES AND SERVICE CHARGE

- 54.1 The Tenant shall comply with the obligations imposed on the Landlord (as tenant) in clause 55 of the Superior Lease.
- 54.2 The Tenant is hereby granted the licence and the right to reimbursement contained in clause 55 of the Superior Lease.

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

SCHEDULE 1
RENT REVIEW

1. Following agreement or determination of the Superior Rent under the Superior Lease, the Base Rent shall be reviewed so the rent payable under this Underlease shall be equal to the Superior Rent as reviewed and payable under the Superior Lease.
2. Where a rent review is due under the Superior Lease, but the revised Superior Rent payable under the Superior Lease has not been agreed or determined in accordance with the terms of the Superior Lease on or before the relevant Review Date in this Underlease, the Base Rent payable beginning on that Review Date shall continue at the rate payable immediately before that Review Date. No later than five working days after the Landlord notifies the Tenant of the revised Superior Rent agreed or determined under terms of the Superior Lease and the revised Base Rent payable under this Underlease, the Tenant shall pay:
 - (a) the shortfall (if any) between the amount that it has paid for the period beginning on the Review Date and ending on the Rent Payment Date following the date of notification of the revised Base Rent and the amount that would have been payable had the revised Base Rent been agreed or determined on or before that Review Date; and
 - (b) interest at the Interest Rate on that shortfall calculated on a daily basis by reference to the Rent Payment Dates on which parts of the shortfall would have been payable if the revised Base Rent had been agreed or determined on or before that Review Date and the date payment is received by the Landlord.
3. Time shall not be of the essence for the purposes of this clause.
4. As soon as practicable after the amount of the revised Base 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 Underlease and its counterpart. The Landlord and the Tenant shall each bear their own costs in connection with the memorandum.

SCHEDULE 2

CARE STANDARD REQUIREMENTS

1. The following definitions apply to this Schedule 2:
 - 1.1 **Authority** means any statutory public or local or other authority or any court of law or any government department or agency or any of them or any of their duly authorised officers;
 - 1.2 **Business Management Records** means records of accounts, including cash book debtors, creditors and primary accounts ledgers in respect of the Tenant's business carried out at the Property which shall include quantitative data in relation to numbers of beds, voids, staff etc and such financial information as the Landlord and/or the Superior Lessor may reasonably require provided for the avoidance of doubt any personal care records and personal data relating to service users and staff will be excluded due to data protection;
 - 1.3 **Legislation** means any statute or any order, instrument or regulation made under it, or any notice or order issued by a government department, the legislative making institutions of the European Union, minister or local public regulatory or other authority;
 - 1.4 **Occupancy** means the total number of "days" in a given period during the term during which each registered bed was occupied where each "day" represents the occupation by a client or patient for a fee of a single registered bed for a single day or any part thereof and each "registered bed" represents the designated number of beds authorised for occupation (or if different the designated number of in-patients permitted in the Property under the Registration Certificate);
 - 1.5 **Registrations** means any necessary registration of the Property and the operator and manager of them under the 2008 Act authorising the Permitted Use and references to the Property or a care home operator or a manager being or being required to be "Registered" shall be to registration under the 2008 Act;
 - 1.6 **Registration Certificate** means the certificate or other form of record issued by the appropriate authority or body under the 2008 Act relating to Registration.
2. **STATUS OF TENANT**
 - 2.1 The Tenant shall at all times be registered as a Registered Care Provider.
3. **SPECIFIC OBLIGATIONS**
 - 3.1 The Tenant shall maintain full and accurate records under all relevant regulations appertaining to the operation of a care home and/or care services and in particular (but without prejudice to the foregoing) the following records:
 - (a) those required under the provisions of the 2008 Act;
 - (b) those relating to staffing and human resources;
 - (c) those relating to servicing and maintenance of equipment (to include maintenance of an up to date register of such equipment);
 - (d) those relating to the maintenance and repair of plant and buildings;
 - (e) details of approved suppliers and contractors;
 - (f) reports relating to health and safety; and
 - (g) the relevant account records including but not limited to the Business Management Records.

4. **PRESERVATION AND INSPECTION OF BUSINESS MANAGEMENT RECORDS**

4.1 The Tenant shall keep the Business Management Records from time to time for the current year and (where applicable) the two immediately preceding years (or such shorter period as the Tenant has carried out its business at the Property) on the Property or in such other place as reasonably accessible for inspection by the Landlord and the Superior Lessor in accordance with paragraph 4.2.

4.2 The Tenant shall make the Business Management Records for the periods stated in paragraph 4.1 available for inspection by an employee, accountant or agent of the Landlord and/or the Superior Lessor duly authorised in writing by the Landlord and/or the Superior Lessor to make the inspection at all reasonable times on reasonable prior notice.

5. **AUDIT OF BUSINESS MANAGEMENT RECORDS**

The Landlord may, at its discretion, have the Business Management Records for the current or any preceding year (from time to time) audited by an appropriate agent appointed by it, or it may carry out such audit itself (subject to the Landlord using reasonable endeavours to procure that its duly authorised agents shall not disclose any information obtained from such inspection or audit, except to the extent that may be necessary to comply with the lawful requirement of any relevant authority or for the proper conduct of the Landlord's business, and the Tenant consents to such disclosure).

6. **STATUTORY OBLIGATIONS**

6.1 The Tenant shall comply with all legislation affecting the Property and its use and without prejudice to this paragraph 6.1 the Tenant shall:

- (a) maintain all necessary Registrations pursuant to the 2008 Act and with the CQC (including without limitation the registration in respect of the Property and the operator and manager thereof) and at all times to comply in every respect with the requirements of the 2008 Act and such Registrations and the requirements of the CQC and to indemnify the Landlord against all claims, demands, expenses and liability in respect thereof;
- (b) comply with any operational regulation on the management of registered care homes issued by CQC to comply with best practice;
- (c) within five working days of sending or receiving the same, and otherwise when reasonably requested to do so, to provide the Landlord with the following:
 - (a) certified copies of all reports of any inspections carried out by the CQC of the Property and/or the business carried out from the Property;
 - (b) copies of all material relevant correspondence between the Tenant, its employees or agents and the CQC including statutory notifications in connection with the Property or the business carried on from the Property; and
 - (c) immediately to remedy or act on any defects or adverse criticism made by and to comply with all and any requirements of the CQC;
- (d) notify the Landlord within fourteen days following any inspections carried out by the CQC of the Property and/or the business carried on from the Property;
- (e) provide the Landlord with details of any changes in the Registrations made pursuant to the 2008 Act and the CQC and in any event on 1 April in each year of the Contractual

Term to provide the Landlord with certified copies of each current Registration Certificate; and

- (f) use reasonable endeavours to maintain Occupancy levels to the last day of the Contractual Term at a level consistent with the full performance of the Tenant's obligations in that behalf contained in this Underlease and on determination to provide such information and co-operation (including leaving for or providing to the Landlord such documents and records relating thereto) as the Landlord may reasonably require to facilitate the continuation of the business from the Property and the Registration of any future owner or occupier of the Property.
- 6.2 Save to the extent that such disclosure is unlawful the Tenant consents to the disclosure of any report, notice or correspondence relating to the Property to an Authority and waives any right of confidentiality to the extent required to permit this disclosure.

SCHEDULE 3
FINANCIAL AND CORPORATE INFORMATION

PART 1

1. INFORMATION

- 1.1 The Tenant shall provide the following information to the Landlord on a quarterly basis (within 45 working days of the end of each quarter), where applicable in the specific format required by the Landlord:
- 1.1.1 quarterly voids performance schedule;
 - 1.1.2 quarterly management accounts (balance sheet, cash flow and income statement);
 - 1.1.3 the Tenant's performance reports (KPI's etc.) in respect of that quarter; and
 - 1.1.4 details of accounts held in relation to the Property and any designated rent accounts.
- 1.2 The Tenant shall provide the following information promptly as and when applicable:
- 1.2.1 copies of any submissions made to the Regulator;
 - 1.2.2 copies of submissions made to any other regulators (including the Charities Commission, CIC, etc.) if applicable; and
 - 1.2.3 copies of key filings and annual accounts made to Companies House.
- 1.3 The Tenant shall provide such other information as the Landlord may reasonably require from time to time including, on an occasional basis, case studies and photos.

PART 2

- 1.4 Copy of CQC registration and/or Ofsted registration and latest inspection report
- 1.5 Copy of the latest health and safety regulatory documents (in each case being valid for at least two months' after the date of submission):
- 1.5.1 EPC
 - 1.5.2 Fire Regulations Assessment
 - 1.5.3 Gas safety records
 - 1.5.4 Electrical safety records
 - 1.5.5 Asbestos inspections and management plans
 - 1.5.6 Radon testing
 - 1.5.7 Maintenance records for all relevant plant and equipment (to include lifts, stairlifts, septic tanks, heating systems etc)
 - 1.5.8 Compliance with any insurance requirements
- 1.6 Copy of the Permitted Underlessee's action plans in relation to any requirements and or recommendations made by the reports, surveys, assessments and evidence that the action plans are being carried out in a timely manner.

Executed as a deed by)
HOLYMOOR LIMITED)

acting by a director)
) Director
in the presence of:)

Witness Name

Witness Signature:

Witness Address:

Witness Occupation:

Executed as a deed by)
HEATHCOTES M LIMITED)
acting by a director)
) Director
in the presence of:)

Witness Name**EMMANUEL OLANDRE**.....

Witness Signature:.....

Witness Address:

 **DLA PIPER** UK LLP
160 ALDERSGATE STREET
LONDON EC1A 4HT
TEL 020 7349 0296
DX 33866 FINSBURY SQUARE

.....**TRAINEE SOLICITOR**.....
Witness Occupation:

ANNEXURE 1



Plotted Scale: 1:500@A4
 0.0 5.0 10.0 15.0m

Site:

Leeds & Morley, Bridge Street
 Morley, Leeds, LS27 0EY
 Lease Plan

Client:

Civitas Investment Management Ltd

Orientation:



CDM Ref: 3344

Scale: 1:500 Surveyor: CAD

CAD: KK Checked: LS

Date: November 2020

OS Co-ords: 426560mE 427150mN

Title No: N/A



Unit E
 Fairview Buildings
 Heage Road Ind. Est.
 Ripley, Derbyshire
 DE5 3GH
 T: 01332 385780
 info@cdmsurveys.com
 www.cdmsurveys.com

Cad