

## COMMERCIAL LEASE AGREEMENT

**THIS LEASE (this "Lease") dated this 1st day of August, 2018**

**BETWEEN:**

**Mr Peter Ferguson of 196 Wallasey Rd, Wallasey CH44 2AG, UK**

Telephone: 07547 960972

(the "Landlord")

OF THE FIRST PART

- AND -

**John Piercy of 196 Wallasey Rd, Wallasey CH44 2AG, UK**

Telephone: 07710 598397

(the "Tenant")

OF THE SECOND PART

**IN CONSIDERATION OF** the Landlord leasing certain premises to the Tenant, the Tenant leasing those premises from the Landlord and the mutual benefits and obligations set forth in this Lease, the receipt and sufficiency of which consideration is hereby acknowledged, the Parties to this Lease (the "Parties") agree as follows:

### Definitions

1. When used in this Lease, the following expressions will have the meanings indicated:
  - a. "Additional Rent" means all amounts payable by the Tenant under this Lease except Base Rent, whether or not specifically designated as Additional Rent elsewhere in this Lease;
  - b. "Building" means all buildings, improvements, equipment, fixtures, property and facilities from time to time located at 196 Wallasey Rd, Wallasey CH44 2AG, UK, as from time to time altered, expanded or reduced by the Landlord in its sole discretion;
  - c. "Insurance Charge" means the cost to the Landlord of effecting and maintaining the Insurance Policies from, and including, any premiums paid and, where relevant, the cost of assessing any insured amounts;
  - d. "Insurance Policies" means the insurance policy or policies maintained by the Landlord in respect of the Premises covering damage by Insured Risks, loss of Rent, public liability and

all other insurance relating to the Building as placed by the Landlord from time to time, acting prudently;

- e. "Insured Risks" means fire, lightning, earthquake, explosion, aircraft (other than hostile aircraft) and other aerial devices or articles dropped from such aerial devices, riot, civil commotion, malicious damage, storm or tempest, bursting or overflowing of water tanks apparatus or pipes, flood, impact by road vehicles, terrorism (to the extent that insurance against such risks may ordinarily be arranged with an insurer of good repute at reasonable commercial rates) and such other risks or insurance as may from time to time be reasonably required by the Landlord;
- f. "Common Areas and Facilities" mean:
  - i. those portions of the Building areas, buildings, improvements, facilities, utilities, equipment and installations in or forming part of the Building which from time to time are not designated or intended by the Landlord to be let to tenants of the Building including, without limitation, exterior weather walls, roofs, entrances and exits, parking areas, driveways, loading docks and area, storage, mechanical and electrical rooms, areas above and below lettable premises and not included within lettable premises, security and alarm equipment, grassed and landscaped areas, retaining walls and maintenance, cleaning and operating equipment serving the Building; and
  - ii. those lands, areas, buildings, improvements, facilities, utilities, equipment and installations which serve or are for the useful benefit of the Building, the tenants of the Building or the Landlord and those having business with them, whether or not located within, adjacent to or near the Building and which are designated from time to time by the Landlord as part of the Common Areas and Facilities;
- g. "Lettable Area" means with respect to any rentable premises, the area expressed in square metres of all floor space including floor space of mezzanines, if any, determined, calculated and certified by the Landlord and measured from the exterior face of all exterior walls, doors and windows, including walls, doors and windows separating the rentable premises from enclosed Common Areas and Facilities, if any, and from the centre line of all interior walls separating the rentable premises from adjoining rentable premises. There will be no deduction or exclusion for any space occupied by or used for columns, ducts or other structural elements;
- h. "Open Market Rent" means the best rent which might reasonably be expected to be paid by a willing tenant to a willing landlord for a letting of the whole of the Premises in the open market with vacant possession and without a fine or premium for the residue of the Term remaining at the date of review;
- i. "Premises" means the retail store at 196 Wallasey Rd, Wallasey CH44 2AG, UK.

- j. "Rent" means the total of Base Rent and Additional Rent.

## Intent of Lease

2. It is the intent of this Lease and agreed to by the Parties to this Lease that rent for this Lease will be on a gross rent basis meaning the Tenant will pay the Base Rent and any Additional Rent and the Landlord will be responsible for all other service charges related to the Premises and the operation of the Building save as specifically provided in this Lease to the contrary.

## Let Premises

3. The Landlord agrees to let to the Tenant the retail store municipally described as 196 Wallasey Rd, Wallasey CH44 2AG, UK (the "Premises").

The Premises will be used for only the following permitted use (the "Permitted Use"):  
Retail Shop.

4. The Premises form only part of a Building. They do not include any part of the main structure, foundations, roof or exterior of that Building but they do include window frames and plate glass, doors and door frames, raised floors and suspended ceilings and the voids above and below them, light fittings and other landlord's fixtures and fittings.

## Term

5. The term of the Lease is a periodic tenancy commencing at 12:00 noon on 1st August 2018 and continuing on a year-to-year basis until the Landlord or the Tenant terminates the tenancy (the "Term").

## Security of Tenure

6. The Landlord and the Tenant have agreed that sections 24 to 28 of the Landlord and Tenant Act 1954 do not apply to this Lease.
7. The Landlord has served on the Tenant a notice in the form, or substantially in the form, set out in Schedule 1 to the Regulatory Reform (Business Tenancies) (England and Wales) Order 2003 ("the Order").
8. The requirements specified in Schedule 2 to the Order have been met in that the Tenant has made the appropriate declaration in the form, or substantially in the form, set out in Schedule 2 to the Order.

## Rent

9. Subject to the provisions of this Lease, the Tenant will pay a base rent of £550.00, payable per month, for the Premises (the "Base Rent"), without setoff, abatement or deduction. In addition to the Base Rent, the Tenant will pay for any fees or taxes arising from the Tenant's business.
10. The Tenant will pay the Base Rent on or before the first of each and every month of the Term to the Landlord at \_\_\_\_\_, or at such other place as the Landlord may later designate.
11. The Tenant will indemnify the Landlord for all rates, taxes, assessments, duties, charges, impositions and outgoings imposed on the Premises, or any owner or occupier of it, during the Term, including all costs reasonably incurred by the Landlord in connection with appealing against the rating evaluation of the Premises.
12. All amounts payable by the Tenant under this Lease are exclusive of any Value Added Tax that may be payable from time to time, and the Tenant will pay to the Landlord the amount of Value Added Tax charged to the Landlord for a Value Added Tax supply made in respect of the Premises that is not recoverable from HM Revenue and Customs.
13. No acceptance by the Landlord of any amount less than the full amount owed will be taken to operate as a waiver by the Landlord for the full amount or in any way to defeat or affect the rights and remedies of the Landlord to pursue the full amount.

## Rent Review

14. If the Term of this Lease is greater than five years, the Landlord and Tenant will review the Base Rent after each five-year period, which Base Rent will become effective at the commencement of the following five-year period.
15. For any rent review, the Base Rent will be calculated as being the higher of the Base Rent payable immediately before the date of review and the Open Market Rent on the date of review.
16. The rent review will assume that:
  - a. the Premises are fit for occupation by a willing tenant;
  - b. the Premises may be lawfully let for the Permitted Use;
  - c. the Landlord and Tenant have complied with their respective obligations in this Lease; and
  - d. if the Premises have been damaged or destroyed, they have been fully repaired.
17. The rent review will disregard:
  - a. the fact that the Tenant, or any predecessor or subtenant, occupied the Premises;
  - b. any goodwill attached to the Premises because of the Tenant's occupation;

- c. any work done to the Premises that was not done pursuant to an obligation in this Lease; and
  - d. any activities on, or work done to, any adjoining premises.
18. If the Landlord and Tenant cannot agree on the Base Rent on the date of review, either the Landlord or Tenant may request the President of the Royal Institution of Chartered Surveyors to appoint an arbitrator to determine the Open Market Rent, in arbitration conducted in accordance with the Arbitration Act 1996, which determination will be binding on the Landlord and Tenant.
  19. If the arbitrator is incapable or unwilling to act, the Landlord or Tenant may request the President of the Royal Institution of Chartered Surveyors to appoint a replacement.
  20. The results of the rent review will be recorded in a memorandum that will be signed by the Landlord and Tenant.

### Use and Occupation

21. The Tenant will open the whole of the Premises for business to the public fully fixtured, stocked and staffed on the date of commencement of the Term and throughout the Term, and will continuously occupy and utilise the entire Premises in the active conduct of its business in a reputable manner on such days and during such hours of business as may be determined from time to time by the Landlord.
22. The Tenant covenants that the Tenant will carry on and conduct its business from time to time carried on upon the Premises in such manner as to comply with any statute, including any subordinate legislation, which is in force now or in the future and taking into account any amendment or re-enactment, or any government department, local authority, other public or competent authority or court of competent jurisdiction and of the insurers in relation to the use, occupation and enjoyment of the Building (including in relation to health and safety compliance with the proper practice recommended by all appropriate authorities).

### Security Deposit

23. On execution of this Lease, the Tenant will pay the Landlord a security deposit equal to the amount of £550.00 (the "Security Deposit") to be held by the Landlord without interest. The Landlord will return the Security Deposit to the Tenant at the end of this tenancy, less such deductions as provided in this Lease but no deduction will be made for damage due to reasonable wear and tear.
24. The Tenant may not use the Security Deposit as payment for the Rent.

### Quiet Enjoyment

25. The Landlord covenants that on paying the Rent and performing the covenants contained in this

Lease, the Tenant will peacefully and quietly have, hold, and enjoy the Premises for the agreed term.

## Distress

26. If and whenever the Tenant is in default in payment of the Rent owed under this Lease, interest on that Rent and any value added tax in respect to that Rent, the Landlord may use the commercial rent arrears recovery (the "CRAR") procedure set out in Schedule 12 (Taking control of goods) of the Tribunals, Courts and Enforcement Act 2007 to have an enforcement agent use its enforcement power to take control of the Tenant's goods and sell them to recover that outstanding amount.

## Holding Over

27. If the Tenant continues to occupy the Premises without the written consent of the Landlord at the expiration or other termination of the Term, then the Tenant will be a tenant at will and will pay to the Landlord, as liquidated damages and not as rent, an amount equal to twice the Base Rent plus any Additional Rent during the period of such occupancy, accruing from day to day and adjusted pro rata accordingly, and subject always to all the other provisions of this Lease insofar as they are applicable to a tenancy at will and a tenancy from month to month or from year to year will not be created by implication of law; provided that nothing in this clause contained will preclude the Landlord from taking action for recovery of possession of the Premises.

## Utilities and Other Costs

28. The Landlord is responsible for the payment of the following utilities and other charges in relation to the Premises: electricity, natural gas, water, sewer, telephone, internet and cable.

## Insurance

29. The Tenant is hereby advised and understands that the personal property of the Tenant is not insured by the Landlord for either damage or loss, and the Landlord assumes no liability for any such loss. The Tenant is advised that, if insurance coverage is desired by the Tenant, the Tenant should inquire of Tenant's insurance agent regarding a Tenant's policy of insurance.

## Abandonment

30. If at any time during the Term, the Tenant abandons the Premises or any part of the Premises, the Landlord may, at its option, enter the Premises by any means without being liable for any prosecution for such entering, and without becoming liable to the Tenant for damages or for any payment of any kind whatever, and may, at the Landlord's discretion, as agent for the Tenant, relet the Premises, or any part of the Premises, for the whole or any part of the then unexpired Term,

and may receive and collect all rent payable by virtue of such reletting, and, at the Landlord's option, hold the Tenant liable for any difference between the Rent that would have been payable under this Lease during the balance of the unexpired Term, if this Lease had continued in force, and the net rent for such period realised by the Landlord by means of the reletting. If the Landlord's right of reentry is exercised following abandonment of the premises by the Tenant, then the Landlord may consider any personal property belonging to the Tenant and left on the Premises to also have been abandoned, in which case the Landlord may dispose of all such personal property in any manner the Landlord will deem proper in compliance with the Torts (Interference with Goods) Act 1977 and is relieved of all liability for doing so.

### **Governing Law**

31. This Agreement will be construed in accordance with and governed by the laws of England and the Parties submit to the exclusive jurisdiction of the English Courts.

### **Severability**

32. If there is a conflict between any provision of this Lease and the applicable legislation of England (the 'Act'), the Act will prevail and such provisions of the Lease will be amended or deleted as necessary in order to comply with the Act. Further, any provisions that are required by the Act are incorporated into this Lease.

### **Assignment and Subletting**

33. The Tenant will not assign this Lease, or sublet or grant any concession or license to use the Premises or any part of the Premises. An assignment, subletting, concession, or license, whether by operation of law or otherwise, will be void and will, at Landlord's option, terminate this Lease.

### **Bulk Sale**

34. No bulk sale of goods and assets of the Tenant may take place without first obtaining the written consent of the Landlord, which consent will not be unreasonably withheld so long as the Tenant and the Purchaser are able to provide the Landlord with assurances, in a form satisfactory to the Landlord, that the Tenant's obligations in this Lease will continue to be performed and respected, in the manner satisfactory to the Landlord, after completion of the said bulk sale.

### **Care and Use of Premises**

35. The Tenant will promptly notify the Landlord of any damage, or of any situation that may significantly interfere with the normal use of the Premises.

36. The Tenant will not make (or allow to be made) any noise or nuisance which, in the reasonable opinion of the Landlord, disturbs the comfort or convenience of other tenants.
37. The Tenant will not engage in any illegal trade or activity on or about the Premises.
38. The Landlord and Tenant will comply with standards of health, sanitation, fire, housing and safety as required by law.

### **Surrender of Premises**

39. At the expiration of the lease term, the Tenant will quit and surrender the Premises in as good a state and condition as they were at the commencement of this Lease, reasonable use and wear and damages by the elements excepted.

### **Hazardous Materials**

40. The Tenant will not keep or have on the Premises any article or thing of a dangerous, flammable, or explosive character that might unreasonably increase the danger of fire on the Premises or that might be considered hazardous by any responsible insurance company.

### **Rules and Regulations**

41. The Tenant will obey all rules and regulations posted by the Landlord regarding the use and care of the Building, car park and other common facilities that are provided for the use of the Tenant in and around the Building on the Premises.

### **General Provisions**

42. Any waiver by the Landlord of any failure by the Tenant to perform or observe the provisions of this Lease will not operate as a waiver of the Landlord's rights under this Lease in respect of any subsequent defaults, breaches or nonperformance and will not defeat or affect in any way the Landlord's rights in respect of any subsequent default or breach.
43. This Lease will extend to and be binding upon and inure to the benefit of the respective heirs, executors, administrators, successors and assigns, as the case may be, of each party to this Lease. All covenants are to be construed as conditions of this Lease.
44. All sums payable by the Tenant to the Landlord pursuant to any provision of this Lease will be deemed to be Additional Rent and will be recoverable by the Landlord as rental arrears.
45. Where there is more than one Tenant executing this Lease, all Tenants are jointly and severally liable for each other's acts, omissions and liabilities pursuant to this Lease.
46. The provisions of Section 196 of the Law of Property Act 1925, as amended by the Recorded




Delivery Services Act 1962, will apply to the giving and service of all notices and documents under or in connection with this Lease.

- 47. Time is of the essence in this Lease.
- 48. This Lease will constitute the entire agreement between the Landlord and the Tenant. Any prior understanding or representation of any kind preceding the date of this Lease will not be binding on either party to this Lease except to the extent incorporated in this Lease. In particular, no warranties of the Landlord not expressed in this Lease are to be implied.
- 49. The Parties do not intend for any term of this Lease to be enforceable by a person that is not party to this Lease pursuant to the Contracts (Rights of Third Parties) Act 1999.
- 50. The Tenant will pay the stamp duty land tax on this Lease and any amending document.

**IN WITNESS WHEREOF** the Parties to this Lease have duly affixed their signatures under hand and seal, or by a duly authorised officer under seal executed as a deed, on this 1st day of August, 2018.

\_\_\_\_\_  
(Witness)

\_\_\_\_\_  
(Address)



\_\_\_\_\_  
(Witness)

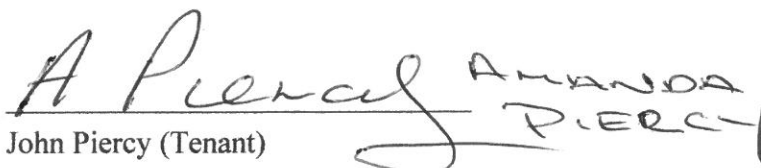
\_\_\_\_\_  
(Address)

6 CONER GATE

MORLETON  
WIREK  
CM46 6EQ.

\_\_\_\_\_  
Mr Peter Ferguson (Landlord)

\_\_\_\_\_  
John Piercy (Tenant)



AMANDA  
PIERCY