

**THIS DEED OF UNDERLEASE** is made in duplicate the day of Two Thousand and Seventeen **BETWEEN GIBRALTAR COMMERCIAL PROPERTY COMPANY LIMITED** a Company incorporated in Gibraltar under the provisions of the Companies Act of Gibraltar with registered office situate at 206-210 Main Street, Gibraltar (hereinafter called "the Lessor" which expression shall include where the context so admits its successors in business and assigns) of the one part and ..... a Company incorporated in Gibraltar under the provisions of the Companies Act of Gibraltar whose registered office is situate at ....., Gibraltar (hereinafter called "the Lessee" which expression shall include the Lessee's successors in title and assigns) of the other part.

**WHEREAS:**

1. By a Deed of Lease (hereinafter called "the Head Lease") dated the 16<sup>th</sup> day of October 1995 and made between His Excellency the Governor of Gibraltar for and on behalf of Her Majesty the Queen (hereinafter called "the Head Lessor") of the one part and Gibraltar Land (Holdings) Limited (hereinafter called "the Head Lessee") of the other part **ALL THOSE** the hereditaments and premises more particularly described in the First Schedule thereto were demised to the Head Lessee for a term of 150 years from the First day of April One Thousand Nine Hundred and Ninety-five which term was subsequently extended to 175 years by Deed of Variation and Grant dated 28<sup>th</sup> day of May 2009 and made between the Head Lessor of the one part and the Head Lessee of the other part.
2. By Deed of Underlease (hereinafter called "the Lathbury Barracks Underlease") dated the 9th day of July 2003 and made between the Head Lessee of the one part and the Lessor of the other part the Head Lessee sub-demised the premises known as the Lathbury Barracks Industrial Park and more particularly described in the First Schedule thereto (hereinafter called "the Industrial Park") to the Lessor for a term of 142 years less five days computed from the 1st day of April 2003 subject to the covenants conditions and stipulations in the Lathbury Barracks Underlease contained.
3. The Lessor has recently constructed a new building within the Industrial Park comprising of 13 warehouse units on the ground floor known as 8 Lathbury Road, Gibraltar and shooting club premises on the first and second floor known as 10 Lathbury Road, Gibraltar (hereinafter called "the Estate").
4. The Lessor is desirous of disposing of the warehousing in the Estate by means of a form of Sub-lease in substantially the form of this Deed of Underlease save as to rent or as near thereto as the circumstances will admit or require to the intent that any lessee for the time being of any part of the Estate may be able to enforce (so far as possible) the performance and observance of such of the covenants conditions and stipulations contained in any such lease as may affect such lessee or the part of the Estate to which he is entitled as such lessee.

Now in pursuance of the said agreement and in consideration of the rent covenants conditions and stipulations hereinafter reserved and contained

**THIS DEED WITNESSETH** as follows:-

1. In consideration of the sum of .....

(£.....) now paid by the Lessee to the Lessor (the receipt whereof the Lessor hereby acknowledges) and the rent covenants and conditions on the part of the Lessee hereinafter reserved and contained the Lessor **HEREBY DEMISES** unto the Lessee **ALL THOSE** the Premises **TOGETHER WITH** the rights set out in the Second Schedule hereto **TO HOLD** the same unto the Lessee with effect from the date of these presents for a term coterminous with that of the Lathbury Barracks Underlease less seven days (hereinafter called "the Term") Yielding and Paying therefor the yearly rent of ..... (£.....) **SUBJECT TO** increase after the third year and each subsequent third year thereafter in accordance with the provisions of the Sixth Schedule hereto payable by equal quarterly payments in advance on the first day of January, the first day of April, the first of July and the first day of October in every year the first payment whereof is to be paid on or prior to the execution of this deed and to be apportioned (if necessary) in respect of the period from the date hereof to the next payment date as provided herein and by way of further and additional rent the maintenance rent to be calculated and payable as provided in clause 4 (2) hereof the first payment whereof is to be paid on or prior to the execution hereof and to be apportioned (if necessary) in respect of the period from the date hereof to the next payment date as provided herein.

2. The Lessee hereby covenants with the Lessor and with and for the benefit of the owners and lessees from time to time of parts of the Estate during the currency of the Term hereby granted that the Lessee will at all times hereafter observe the restrictions set forth in the Fifth Schedule hereto.

3. The Lessee hereby covenants with the Lessor to the intent that the obligations may continue throughout the said term as follows:-

(1) To pay the reserved rent without any deduction whatsoever at the time and in manner aforesaid by Bankers Order (or in such other manner in Gibraltar as determined by the Lessor in its absolute discretion) to such account as may be nominated by the Lessor to the Lessee in writing.

(2) To pay to the Lessor without any deduction whatsoever by Bankers Order (or in such other manner as determined by the Lessor in its absolute discretion) to such account as may be nominated by the Lessor to the Lessee in writing as maintenance rent a proportionate part of the expenses and insurance of the Estate and the cost of the provision of services therein and the other heads of expenditure as the same are set out in the Seventh Schedule hereto **PROVIDED NEVERTHELESS** that the Lessor shall use its best endeavours to maintain its costs and expenses at the best reasonable figure consistent with the due

performance of its obligations herein (which cost and expenses are hereinafter called "the maintenance costs") calculated as follows:-

(i) The estimated amount of the maintenance costs payable to the Lessor on account for the period commencing on the date of the commencement of this Lease until the 31st day of December Two Thousand and Seventeen shall be at the rate of Three Pounds and Eighty Pence per square foot of the Premises per annum and the first payment apportioned in respect of the period from the date hereof to the 31st day of December Two Thousand and Seventeen shall become payable on the signing hereof.

(ii) (a) The amount of the maintenance costs shall be ascertained and certified annually by a certificate (hereinafter called "the Certificate") signed by the Lessor's auditors or accountants acting as experts and not as arbitrators and whose decision shall be final and binding on all parties (save in the case of any manifest error) soon after the end of the Lessor's financial year as may be practicable and shall relate to such year in manner herein mentioned.

(b) The expression "the Lessor's Financial Year" shall mean the period from the 1st day of January in any year to the 31st day of December of the same year or such other annual period as the Lessor may at its absolute discretion from time to time determine as being that in which the accounts of the Lessor either generally or relating to the Estate shall be made up.

(c) A copy of the Certificate for each such financial year shall be supplied by the Lessor to the Lessee on written request without charge to the Lessee.

(d) The Certificate shall contain a summary of the maintenance costs (distinguishing between actual expenditure and reserve for future expenditure) in respect of the Lessor's financial year to which it relates together with a summary of the relevant details and figures forming the basis of the maintenance rent and the Certificate (or a copy thereof duly certified by the person by whom the same was given) shall be conclusive evidence for the purposes hereof of the matters which it purports to certify (save in the case of any manifest error).

(e) The maintenance rent payable by the Lessee shall be an amount equivalent to ..... per centum of the maintenance costs in the year to which the Certificate relates.

(f) The Lessee shall on the 1st January 1st April 1st July and 1st October in each year pay to the Lessor such sum in advance and on account of the maintenance rent as the Lessor's auditors accountants or managing agents (as the case may be) shall specify at their absolute discretion to be a fair and reasonable interim payment towards the anticipated expenditure.

(g) As soon as practicable after the signature of the Certificate the Lessor shall furnish to the Lessee an account of the maintenance rent payable by the Lessee for the year in question due credit being given therein for all payments made by the Lessee in respect of the said year and upon the furnishing of such account

showing such adjustment as may be appropriate there shall be paid by the Lessee to the Lessor the amount of the maintenance rent as aforesaid or any balance found payable or there shall be repaid or credited by the Lessor to the Lessee any amount which may have been overpaid by the Lessee by way of interim payment as the case may require.

(h) It is hereby agreed and declared that the Lessor shall not be entitled to re-enter under the provision in that behalf hereinafter contained by reason only of non-payment by the Lessee of any such interim payment as aforesaid prior to the signature of the Certificate but nothing in this Clause or these presents contained shall disable the Lessor from maintaining an action against the Lessee in respect of non-payment of any such interim payment as aforesaid notwithstanding that the Certificate had not been signed at the time of the proceedings subject nevertheless to proof in such proceedings by the Lessor that the interim payment demanded and unpaid is of a fair and reasonable amount having regard to the prospective maintenance rent ultimately payable by the Lessee.

(i) Provided always and notwithstanding anything herein contained it is agreed and declared that the provisions of Clause 3(2) (ii) (g) hereof shall continue to apply notwithstanding the expiration or sooner determination of the Term hereby granted but only in respect of the period ending with such expiration or sooner determination of the Term.

(3) (a) To keep and maintain all parts of the Premises including the entrance and door(s) thereof (save and except the structural parts and external parts of the building(s) of which the Premises forms part) in a good and tenable state of repair and/or condition, decoration, cleanliness and tidiness (with the exception of fair wear and tear and damage by such risk against which the Lessor shall have insured or covenanted to insure save where the insurance monies shall be irrecoverable in consequence of any act or default of the Lessee and any damage caused by latent or inherent defects which are the result of defective design, defective supervision of the construction of the Premises or defective workmanship or defective materials used during its construction) and without prejudice to the generality of the foregoing in every third year computed from the date hereof during the Term and in the last year thereof paint with two coats of good interior quality paint and in a workmanlike manner and colour all such parts of the interior of the Premises as are usually so treated and to clean and keep clean and in a good and tenable state of repair and/or condition the interior of the frames of the Premises and the glass of the Premises and the floor and floor coverings of the Premises.

(b) The Lessee hereby further agrees that the liability of the Lessee hereunder shall not be affected or lessened by reason of the age or fair wear and tear of the Estate.

(4) To permit the Lessor its surveyors or agents with or without workmen and others at all reasonable times on twenty-four hours prior written notice addressed to the Lessee at the Premises (except in the case of emergency when no notice will be required) to enter into and upon the Premises or any part

thereof to view and examine the state and condition thereof for the purpose of enforcing the covenants conditions and stipulations herein contained.

(5) To permit the Lessor and its surveyors or agents with or without workmen and others at all reasonable times on twenty-four hours prior written notice addressed to the Lessee at the Premises (except in the case of emergency when no notice will be required) to enter into and upon the Premises for the purpose of repairing any part of the Estate and for the purpose of making good, repairing inspecting cleansing reviewing and testing all pipes drains wire conduits and ducts serving any other part of the Estate and for any similar purpose provided always that the works repairs inspections and alterations shall be carried out with all dispatch and causing as little disturbance as possible and provided further that the person or persons exercising the rights hereby conferred shall make good all damage done in carrying out the same and to all decorations fixtures and movable chattels thereto.

(6) To allow officers of the Customs Department to enter upon the Premises at any time and to afford such officers every facility for the inspection of the Premises.

(7) To apply to register this Lease as a Deed within six months of the date hereof under the provisions of the Gibraltar Land Titles Act 2011 of Gibraltar.

(8) To pay all existing and future rates taxes duties charges assessments impositions and outgoings (whether statutory by Act customary local or otherwise and whether or not of a capital or non-recurring nature) other than taxes imposed on the Lessor in respect of the income derived herefrom which may at any time during the Term be assessed charged or imposed upon the Premises or the Lessor Lessee or occupier in respect thereof and in the event of any rates taxes duties charges assessments impositions or outgoings being assessed charged or imposed in respect of the common parts of the Estate to pay such proper proportion of such rates taxes charges assessments duties impositions or outgoings as may be attributable to the Premises other than such taxes as may be imposed on the Lessor in respect of the income derived herefrom.

(9) From time to time during the Term to pay all costs charges and expenses incurred by the Lessor in abating any nuisance at the Premises in compliance with any notice served by a local or other authority.

(10) At all times during the continuance of the Term to deliver or cause to be delivered to the Lessor a notice of every permitted assignment disposition or devolution of or charge on or transfer of title to the Premises or any part thereof within one month after the execution of any deed or document or after the date of any probate letters of administration or other instrument or any order of Court by which such assignment disposition devolution or transfer may be effected or evidenced such notice to specify the name and address and description of the person or persons to whom or in whose favour the assignment disposition devolution or transfer shall be made to take effect and also at the time of delivering every such notice produce the deed document instrument or order by

which such assignment disposition devolution charge or transfer shall purport to be effected or evidenced as aforesaid for the purpose of having a memorandum thereof entered in a register to be kept by the Lessor for that purpose.

(11) Within seven days of the receipt of the same by it to give full particulars to the Lessor of any notice or proposal for notice or order or proposal for an order given issued or made to the Lessee by any authority or body under or by virtue of any enactment Act or bye-law and if so required by the Lessor to produce such notice to the Lessor and also without delay to take all reasonable or necessary steps to comply with any such notice or order and also at the request of the Lessor to make or join with the Lessor in making such objection or objections or representation or representations or to take such action against or in respect of any proposal for such notice or order as the Lessor shall reasonably deem expedient.

(12) To pay all costs charges and expenses (including Solicitor's costs and Surveyor's fees and any other such charges) reasonably and properly incurred by the Lessor for the purpose of and incidental to the preparation and service of any notice arising out of any breach or non-performance of any of the covenants conditions and stipulations on the part of the Lessee herein contained notwithstanding that forfeiture for such breach shall be avoidable otherwise than by relief granted by the Court.

(13) To abide by any reasonable regulations which may from time to time be made by the Lessor for the preservation of the character and amenities of the Estate and for the proper management and upkeep thereof so long as the same shall not interfere with the conduct of the Lessee's business on the Premises or impose any further or unreasonable expense upon the Lessee.

(14) If at any time during the Term the Lessee shall become entitled to the benefit of any insurance on the Premises which is effected or maintained in pursuance of the obligations herein contained then to apply (in so far as the same shall extend) all moneys received by virtue of such insurance in making good the loss or damage in respect of which the same shall have been received.

(15) Not to use the Premises or any part thereof nor allow the same to be used for any illegal or immoral purpose.

(16) Subject as hereinafter provided to use and occupy the Premises as a Warehouse thereto and to conduct the business or cause the same to be conducted in a lawful and orderly manner so as to maintain and extend such business and to preserve or cause to be preserved the character of the Premises and the character of the Estate as a high class Industrial Park and so to manage and cause the same to be so managed and controlled so that nothing shall be done permitted or omitted contrary to any statutory provision or regulation for the time being in force relevant to the Premises and to maintain all licences (if any) for the business profession or trade conducted on the Premises and to comply with any conditions relating thereto and to ensure that any such licence

is not revoked suspended or forfeited by any act or omission of the Lessee or its tenants or employees.

(17) At the expiration or sooner determination of the Term or upon surrendering or vacating the Premises at any time during the Term to surrender the Trade Licence relating to the Premises to the relevant Trade Licensing Authority for the time being in Gibraltar whether by giving up the said Licence altogether or having it transferred to alternative premises.

(18) Not to make any alteration or addition affecting the elevation or internal or external structure of the Estate comprising the Premises or make any structural or internal or external alterations or interfere or damage any walls ceiling or floors including screeds of the Premises or change the elevation or appearance or the external decorative scheme of the Premises except as provided for in Clause 3(19) hereof.

(19) Not at any time during the Term without the licence in writing of the Lessor first obtained such licence not to be unreasonably withheld or delayed to make any alterations or additions in the Premises and then only in accordance with plans elevations sections and specifications previously submitted in writing to and approved by the Lessor and approved by the relevant Planning Authority for the time being in Gibraltar such approval shall not be unreasonably withheld or delayed.

(20) Not to do or permit to be done upon or in conjunction with the Premises or the Estate anything which shall be or tend to be an actionable nuisance annoyance or cause damage to the Lessor or any owner or Lessee of any part of the Estate or any of them or to any neighbouring adjoining or adjacent property or owners or occupiers thereof.

(21) (a) Not to assign or sublet part only (as distinct from the whole) of the Premises. (The same being hereby expressly prohibited).

(b) Not to share or part with possession of the whole or any part of the Premises save as hereinafter provided (the same being hereby expressly prohibited).

(c) Not to assign the whole of the Premises without the previous consent in writing of the Lessor which shall not be unreasonably withheld in the case of a responsible and respectable person

(d) Not to underlet the whole of the Premises without the previous consent in writing of the Lessor.

**PROVIDED THAT:-**

(i) Should the Lessee be desirous of assigning the Premises at any time during the Term hereby granted the Lessor shall be entitled as a condition of consenting to such an assignment to charge a premium of a reasonable amount not exceeding the equivalent of two years rent at the annual rental payable immediately before the date of such assignment **PROVIDED FURTHER**

**AND IT IS HEREBY DECLARED THAT** the provisions of Section 69 of the Landlord & Tenant Act shall apply to any dispute as to the reasonableness of any premium demanded by the Lessor on any assignment of the Premises by the Lessee.

(ii) Should the Lessee desire to assign as aforesaid it shall before so doing and before giving possession to the intended assignee execute and deliver to the Lessor a Deed to be prepared at the cost of the Lessee containing a covenant by the intended assignee directly with the Lessor to perform and observe during the Term assigned and granted to the assignee the covenants (including this present covenant) by the Lessee and the conditions and stipulations contained in this Lease (including the payment of the rent or rents hereby reserved) in the same manner as if such covenants conditions and stipulations were repeated in full in such Deed with the substitution of the name of the intended assignee for the name of the Lessee and with such other changes as reconstruction of companies the deaths of parties or other circumstances shall render necessary.

(22) Not to affix or exhibit or to suffer or permit to be affixed or exhibited to or upon any exterior part of the Premises or walls thereof or external rails or fences thereof or elsewhere any placard, poster, signpost or other advertisement except such as shall be approved in writing by the Lessor or its duly authorised agent.

(23) Not without taking proper precautions for the safety of such materials and all persons who may at any time be on any part of the Premises or the Estate to keep or permit or suffer to be kept on the Premises any materials of a dangerous combustible or explosive nature and not to carry on or do or permit to be carried on or done thereon any hazardous trade or act whereby any insurance effected in respect of the Premises or the Estate would or might be vitiated or prejudiced or whereby an increased premium may become payable or more onerous conditions may be imposed on the policy and to comply with all requirements and recommendations of the local authorities fire officers police and the insurers as to fire and all other precautions whatsoever relating to the Premises.

(24) To take all such reasonable measures as may be necessary to ensure that any effluent discharged into the drains which belong to the Premises or are used in common with others in the Estate will not be corrosive or in any way harmful to the said drains or cause any obstruction or deposit therein.

(25) Not to do or permit anything whereby any road forecourt path door window access or passage appurtenant to the Premises may be damaged or obstructed in whole or in part including any area which the Lessee has a right of way hereunder or whereby the fair use thereof by others may be impeded or hindered in any manner whatsoever.

(26) Not to exhibit place store or put any article or goods of any kind whatsoever outside the Premises or on any forecourt belonging thereto nor permit any trading therein or thereon except inside the Premises.



(27) At the expiration or sooner determination of the Term peaceably to surrender and yield up unto the Lessor all and singular the Premises (including all the Lessors fixtures and fittings and fixtures of every kind which shall from time to time be in or upon the Premises whether originally affixed or fastened to or upon the same or otherwise) and to leave the Premises in such a state of repair as are required by the Lessee's covenants in that behalf hereinbefore mentioned.

(28) To pay all stamp duty and registration charges on the original and counterpart of this Deed.

(29) Not to leave or place any scrap rubbish or waste in any open part of or outside the Premises except in those areas designated or approved by the Lessor (and in any event to place the same as directed by the Lessor) nor to place skips, containers and any other heavy objects outside of the Premises particularly where the waterproof coverings of the Estate may be damaged.

(30) Not to carry out or undertake any burning of any material, plant, waste or other such matter whatsoever in any open part of or outside the Premises or elsewhere in the Estate.

(31) Not to play any games or carry out any sport within the Estate.

(32) Not to do or omit to do anything concerning the Premises required to be omitted or done by the Town Planning Act and/or Public Health Act which shall contravene any provision of the Town Planning Act or Public Health Act or any other Act or regulations for the time being in force in Gibraltar.

(33) Not to overload any part of the Premises or the supplies and services thereto.

(34) Not to cut remove divide alter maim or injure the Premises or merge the Premises with any adjoining Premises or (except as herein provided) make any alterations or additions to the Premises without the consent in writing of the Lessor first obtained.

(35) For the period of six months preceding the determination of the Term hereby created (howsoever determined except if the Lessee is entitled by operation of law to be granted a further tenancy) to permit the Lessor to exhibit outside the Premises at a prominent location a notice which shall not be interfered or tampered with by the Lessee that the same are to be let or sold and to permit by appointment an inspection by intending tenants or purchasers of the Premises.

(36) (i) Not knowingly to permit any encroachment upon the Premises or the acquisition of any new right to light passage drainage or other easement on over or under the Premises and give notice to the Lessor of any threat of such encroachment or acquisition and at the Lessor's request to take proper action to prevent such encroachment or acquisition **PROVIDED** that if the Lessee shall not take such proper action the Lessor may enter the Premises and do the same

and any expenses incurred in so doing shall be repaid to the Lessor by the Lessee on demand.

(ii) Not to permit any encroachment whatsoever from the Premises onto the Estate.

(37) Not to permit any sale by auction or public exhibition or public show or spectacle or political meetings to take place on the Premises save and except any trade exhibitions relating to the Lessee's business which may take place from time to time.

(38) To indemnify the Lessor in respect of all actions proceedings costs claims and demands which might be made by any adjoining owner tenant occupier or any other person whatsoever or any competent authority by reason of:-

(a) any defect in the Premises which the Lessee shall be liable to make good or in the execution of any alterations or additions to the Premises by the Lessee;

(b) any interference or obstruction caused by or on behalf of the Lessee of any right or alleged right of light air drainage or other right or alleged right now existing for the benefit of any adjoining or neighbouring property;

(c) any stoppage caused by or on behalf of the Lessee of the drains used in common with the owner or occupier of any adjoining or neighbouring property;

(d) all liability which may be incurred by the Lessor in respect of any of the matters referred to in Clause 3(38) (a).

(39) In the event of the breach non-performance or non-observance of any of the covenants conditions agreements and provisions contained or referred to in these presents by any unauthorised occupier or other person holding the Premises forthwith upon discovering the same to take and institute at its own expense all necessary steps and proceedings to remedy such breach non-performance or non-observance.

(40) Not to keep any animals birds or reptiles in the Premises.

(41) To comply with all reasonable regulations requirements and recommendations of the Lessor and to comply with all regulations, requirements and recommendations of the Lessors insurers the police or any other authority whatsoever of which written notice is given to the Lessee.

(42) To perform and observe the covenants and conditions contained in the Head Lease on the part of the Lessor (therein referred to as "the Lessee") to be performed and observed (other than the covenants set out in clause 2(a) (b) and (c) thereof) and in particular the obligations set out in the Fifth Schedule thereto insofar as the same relate to the Premises and are not inconsistent with terms herein contained and shall keep the Lessor indemnified against all claims damages costs proceedings and expenses relating to the Lessee's failure to fulfil its obligations herein.

4. Provided always and it is hereby agreed as follows:-

(a) that if the said rent or any part thereof or the maintenance rent or any part thereof after delivery of a certificate referred to in clause 4 (2) (ii) (c) hereof shall be unpaid for Twenty-one days next after they have become payable whether the same shall have been formally demanded or not or if the Lessee shall not duly perform or observe any of the covenants conditions and stipulations hereby on the part of the Lessee to be performed or observed or if the Lessee shall become bankrupt or enter into any arrangement or compromise with the Lessee's creditors or enter into compulsory or voluntary liquidation (except for the purposes of amalgamation or reconstruction of a solvent company not involving a realisation of assets) as the case may be or if the Lessee shall make any assignment or composition for the benefit of the Lessee's creditors then and in any of the said cases and henceforth it shall be lawful for the Lessor or any person or persons duly authorised by the Lessor in that behalf to re-enter into or upon the Premises or any part thereof in the name of the whole and repossess and enjoy the same as if this Lease had not been made without prejudice to any right of action or remedy of the Lessor in respect of any antecedent breach of any of the covenants by the Lessee herein contained.

(b) If and whenever the Lessee shall fail to pay the rent or any other monies due under this lease within fourteen days of the due date the Lessee shall pay to the Lessor interest at the rate of two per cent per annum above the base rate of Barclays Bank Plc on such rent or other monies which may be due as the case may be from the date when it was due to the date on which it is actually paid.

(c) In case the Premises or any part thereof shall at any time during the Term be so damaged or destroyed by fire or other risk against which the Lessor shall have covenanted to insure or shall have insured as to be unfit for occupation and use then (unless the insurance money shall be wholly or partially irrecoverable by reason solely or in part of any act or default of the Lessee) the rent hereby reserved or a fair and just proportion thereof according to the nature and extent of the damage sustained shall cease to be payable for the period until the Premises shall again be rendered fit for occupation and use and any dispute with reference to this proviso shall be referred to arbitration in accordance with the Arbitration Act or any modification or re-enactment thereof for the time being in force in Gibraltar.

5. The Lessor hereby covenants with the Lessee subject to the Lessee paying the rent and the maintenance rent hereby reserved and performing and observing the several covenants conditions stipulations and agreements herein contained and on the Lessee's part to be performed and observed as follows:-

(1) That the Lessee shall and may peaceably and quietly hold and enjoy the Premises during the Term without any lawful interruption or disturbance from or by the lessor or any person or persons rightfully claiming under or in trust for the Lessor.

(2) That the Lessor will pay the ground or quit rent reserved to Her Majesty Her Heirs and Successors and perform and observe the covenants conditions and stipulations contained in the Head Lease.

(3) Subject to the payment by the Lessee of the maintenance rent that the Lessor will at all times during the Term (unless such insurance shall be vitiated by any act or default of the Lessee) insure and keep insured the Estate against loss or damage by fire and such other risks from time to time as the Lessor may in its absolute discretion think fit (including three years loss of rent and professional and other fees in relation to the reinstatement of the Estate) in an insurance office of repute in the full amount of the cost of rebuilding as advised by the Lessor's managing agent or by a qualified agent whose decision shall be final or such greater sum as the Lessor shall think fit and whenever required produce to the Lessee a true copy of the policies of such insurance and true copies of the receipt for the last premium for the same and will (subject as aforesaid) in the event of the Estate being damaged or destroyed by fire or such other risks as aforesaid as soon as reasonably practicable lay out the insurance monies in the repair rebuilding or reinstatement of the Estate.

(4) Subject to the payment by the Lessee of the maintenance rent the Lessor will maintain repair redecorate and renew:-

(a) the main structure of the Estate including the roof.

(b) the sewers water pipes pumps drains ducts and electric cables and wires in under and upon the Estate enjoyed or used by the Lessee in common with the owners Lessees and occupiers of the other parts of the Estate.

(c) the entrances passages landings staircases lifts and all shared parts of the Estate.

(5) Subject to the payment of the maintenance rent the Lessor will so far as practicable keep reasonably clean and lighted such parts of the Estate as required.

(6) Subject to the payment of the maintenance rent the Lessor will if so required by the Lessee enforce or join with the Lessee in enforcing the covenants in like terms as those contained in Clause 2 hereof entered into or to be entered into by the Lessee of other parts of the Estate on the Lessee indemnifying the Lessor against all costs and expenses in respect of such costs and expenses as the Lessor may have reasonably incurred.

6. Provided always and it is hereby agreed and declared that words importing the masculine gender only shall include the feminine also and vice versa, words importing the singular only shall include the plural also and vice versa, words importing the neuter gender only shall include the masculine and feminine gender also and vice versa and the expressions "the Lessor" and "the Lessee" shall where the context so admits respectively include their respective successors

in title and the persons claiming through or under them and where the Lessee consists of two or more persons all the covenants by the Lessee shall be deemed to be by the Lessee jointly and severally the word "person" shall include corporation. References to Act shall include any statutory modification or re-enactment thereof for the time being in Gibraltar.

7. Any notice under this Lease shall be in writing and may be served on the person on whom it is to be served in the case of the Lessee either personally or at the registered office of the Lessee or at such other address as the Lessee may notify and in the case of a notice to be served on the Lessor it may be served in like manner by serving the same personally at the Registered Address of the Lessor or it may be served upon any agent for the Lessor duly authorised in that behalf.

**IN WITNESS WHEREOF** the Lessor and the Lessee have caused their Common Seals to be hereunto affixed the day and year first above written.

**THE FIRST SCHEDULE**

**("The Estate")**

**ALL THOSE** hereditaments and premises being part of C.P. No. 1231G in the General Plan of the City of Gibraltar and as more particularly described in the plan annexed to the Head Lease.

**THE SECOND SCHEDULE**

**("The Premises")**

**ALL THAT** Unit No ... , 8 Lathbury Road, Gibraltar of the Estate measuring approximately ..... square metres and for identification purposes only shown delineated red on the plan annexed hereto.

## **THE THIRD SCHEDULE**

### **("Easements Rights and Privileges hereby demised")**

1. Full right and Liberty for the Lessee and all persons authorised by it (in common with all other persons entitled to the like right) at all times to go pass and repass over and along the entrances and all other common parts of the Estate.
2. The free and uninterrupted passage and running of water and soil and electricity from and to the Premises through the sewers drains channels and water courses cables pipes and wires which are now or may at any time during the Term hereby created be in under or passing through the Estate or any part thereof.
3. The right of support and protection for the benefit of the Premises as is now enjoyed from all other parts of the Estate.
4. The right for the Lessee and all persons authorised by him with or without servants workmen and others at all reasonable times and from time to time upon giving reasonable notice (except in case of emergency) to enter into and upon any part of the Estate for the purpose of maintaining or decorating the Premises or of inspecting cleansing repairing renewing and installing so far as may be necessary any such pipes tanks wires drains and conduits and ducts as aforesaid causing as little disturbance as possible and making good all damage caused.
5. The benefit of the covenants and restrictions contained or to be contained in the Leases of the other parts of the Estate granted or to be granted.
6. The Lessee its servants or agents and invitees shall at all times have the right to use toilet facilities provided in common for two or more lessees within the Estate.
7. The right of the Lessee to remove its fixtures and fittings making good all damage done in a good and workmanlike manner on the expiration of the Term granted by these presents or such sooner determination in accordance with the terms hereof.
8. Provided however that all the foregoing easements rights and privileges herein contained are subject to and conditional upon the Lessee contributing and paying the maintenance rent.

## **THE FOURTH SCHEDULE**

### **("Exceptions and Reservations")**

There are excepted and reserved out of this demise:-

1. To the Lessor and the owners and occupiers of the other Premises comprised in the Estate,

(i) easements rights and privileges over and along and through the Premises equivalent to those set forth in paragraphs 2, 3 and 4 of the Third Schedule and

(ii) the right for the Lessor and its duly authorised surveyors and agents with or without workmen and others upon giving notice at all reasonable times (except in case of emergency when no notice will be required) to enter the Premises for the purpose of carrying out its obligations hereunder.

2. (i) All mines and minerals lying beneath the surface of the Premises;

(ii) Unrestricted right of mining working and carrying away the mines and minerals hereinbefore excepted and reserved but making good any structural damage occasioned to the Premises;

(iii) The right to rebuild or alter any part of the Estate or any Property now or hereafter adjoining or near to the Premises and to build upon or use any land now or hereafter belonging to the Lessor at any time or times and for any purpose whatever notwithstanding any interference (not of a permanent nature or such as to render the Premises unusable by the Lessee) or damage caused thereby with or to the Premises provided that all damage to the Premises occasioned in the exercise of this power shall be made good by and at the cost of the Lessor.

## **THE FIFTH SCHEDULE**

### **("Restrictive and Other Covenants")**

1. Not to erect upon or affix to the Premises or any part thereof any machinery or mechanical or scientific or electrical apparatus unless properly fitted with an approved suppressor against electric interference to other apparatus.

2. Not to permit or suffer to be used any lift for the carriage of any greater number of persons or goods than the number of persons or loads specified therefore by a notice affixed therein.

3. Not to stop stand or park any car lorry plant vehicle or other object of the Lessee in such a manner as to obstruct the entrances and passageways of the Estate including the entrance to the car-park or in any way interfere with the user of the Premises by the other Lessees users or occupiers thereof.

4. Not to make or suffer any unreasonable noise in the Premises nor make or allow any noise of any kind whatsoever so as to be a nuisance or cause annoyance to any other tenants of the Estate or in any neighbouring or adjacent property.

5. To comply with all further or other reasonable rules and regulations made at any time and from time to time by the Lessor in addition to or substitution for the foregoing rules and regulations or any of them which the Lessor may deem reasonably necessary or expedient for the safety security care or cleanliness of the Estate or any part thereof or for securing the comfort and convenience of all Lessees in the Estate generally and as a first class Industrial Park **PROVIDED ALWAYS** that no such further or other rules or regulations may be made hereunder which shall subject the Lessee to any unusual or unreasonable burden.

## **THE SIXTH SCHEDULE**

### **"RENT REVIEW"**

The said yearly rent of £..... reserved in Clause 1 shall be subject to increase in manner hereinafter appearing:-

(1) The Lessor may by notice in writing given to the Lessee not more than twelve months before any and every third anniversary of the date from which the commencement of the Term is calculated require the rent as from such anniversary (hereinafter called "the date of review") to be reviewed.

(2) From the relevant date of review, the yearly rent shall (in default of agreement) be the sum which bears the same proportion to the initial yearly rent of £..... as is borne by the figure shown in the general index of retail prices published by the Government of Gibraltar for the last complete quarter immediately preceding the relevant date of review to the figure which was shown in that index for the quarter ending of ..... 2017.



**PROVIDED THAT:**

(a) if after the date of this Lease the said index is calculated by reference to a different base date or base figure then the said sum shall be calculated as if that change had not taken place and

(b) if it becomes impossible by reason of any change after today's date in the methods used to compile the Index of Retail Prices or for any other reason whatsoever to calculate the increase in rent by reference to such Index or if any dispute or question whatsoever shall arise between the parties with respect to the amount of the increase in rent, or the construction or effect of this paragraph, the determination of the new rent or other matter in difference shall be determined by a valuer appointed either by agreement between the Lessor and the Lessee or in default of agreement by the President for the time being of The Royal Institute of Chartered Surveyors on the application of the Lessor and such valuer shall act as an expert and not as an arbitrator (so that neither the Arbitration Act nor any modification thereof shall apply) and shall determine what would have been the increase in the said Index had it continued on the basis and in view of the information assumed to be available for the operation of this clause or (if that determination shall also be impossible) shall determine a reasonable new rent for the Premises on the date of review having regard to the fall (if any) in the value of money in Gibraltar and with the aim of keeping pace with inflation.

(c) In no circumstances shall the rent in any review period be less than that payable for the period immediately preceding the date of review.

**THE SEVENTH SCHEDULE**

**("Costs expenses and outgoings and matters works and things in respect of which the Lessee is to pay the Maintenance Rent")**.

1. The expense of maintaining repairing redecorating and renewing amending cleaning and repainting graining varnishing whitening air-blasting or colouring the common parts of the Estate and all parts thereof other than those in respect of which the Lessee is responsible under the obligations of the lease herein contained and all the appurtenances apparatus lifts escalators and other things thereto belonging.

2. The cost and expenses of maintaining or repairing (a) the sewers water pipes drains ducts and electric cables and wires in under or upon the Estate (b) the entrances, entrance halls, passages landing staircases lifts barrier controls and all such other internal parts of the Estate as may be allocated for use in common with others as aforesaid.

3. The cost of cleaning and lighting the entrances and passages landing staircases and other common parts of the Estate.
4. The salary and accommodation of any porters caretakers attendants or other staff whatsoever employed in the Estate.
5. The cost of insuring and keeping insured throughout the Term hereby created the Estate and all Lessors fixtures and fittings and appurtenances apparatus and other things against the insurable risks indicated in Clause 5 (3) hereof and also against third party risks and such further or other risks as the Lessor shall from time to time determine.
6. All rates taxes expenses outgoings and impositions (including Brackish Water Rates) payable by the Lessor in respect of the common parts of the Estate provided that this shall not include the rates in respect of vacant premises in the Estate or in the occupation of the Lessor.
7. The costs and expenses incurred by the Lessor in the general management of the Estate or any part or parts thereof including the expenses of collecting maintenance rents and generally performing its obligations or exercising its power hereunder or under any other lease of or including any part or parts of the Estate and including any sums incurred by way of interest resulting from any loan taken by the Lessor to finance any of the costs and expenses and services hereinbefore mentioned.
8. The cost of doing all other acts and things for the proper management administration and maintenance of the Estate, including (but without imposing any obligation on the Lessor so to do) the employment of Surveyors, Managers, Caretakers, Accountants, Solicitors and Agents as the Lessor in its sole discretion shall think fit.
9. (a) An appropriate amount (to be determined by the Lessor its accountants or managing agents in their sole discretion) as a reserve for or towards such of the items specified in this Schedule as are likely to give rise to expenditure either after the expiry of this lease or at intervals of more than one year (for example such matters as the decoration of the exterior or the common parts of the Estate and the replacement of lifts and other equipment therein).  
  
(b) The said reserve fund shall be kept in a separate bank account and the income thereof and any interest earned thereon will be held by the Lessor on trust for the lessees for the time being of the Estate and for the Lessor to be applied at the discretion of the Lessor or its managing agents only for the purposes set out in this Schedule.

THE COMMON SEAL of the  
within-named LESSOR was  
hereunto affixed in the  
presence of:-

THE COMMON SEAL of  
the within-named LESSEE  
was hereunto affixed  
in the presence of:-