

COMMERCIAL LEASE AGREEMENT

THIS LEASE (this "Lease") dated this _____ day of _____, _____

BETWEEN:

**J & J.M Straughan T/as Meadowfield Court of Unit 1 Meadowfield Court,
Ponteland Ind est, Newcastle upon Tyne, Ne20 9SD**
Telephone: 01661 823288 Fax: 01661 823288
(the "Landlord")

OF THE FIRST PART

- AND -

Ponteland Town Council of _____
Telephone: Unit 1, Meadowfield Court, Ponteland Ind Est ,Newcastle upon Tyne,
Ne20 9SD
(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 Offices , Unit 1 Meadowfield Court, Ponteland Ind Est, Newcastle upon Tyne, NE20 9SD, as from time to time altered, expanded or reduced by the Landlord in its sole discretion;
 - c. "FRI lease" means a full repairing and insuring lease where all costs of maintenance and repair and the cost of insurance (whether insured directly or through the Landlord) are met by the Tenant;
 - d. "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;

- e. "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;
- f. "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;
- g. "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;
- h. "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 leasable premises and not included within leasable 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;
- i. "Leasable 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;

- j. "Premises" means the office space at Offices , Unit 1 Meadowfield Court, Ponteland Ind Est, Newcastle upon Tyne, NE20 9SD which is located approximately as shown in red on Schedule 'A' attached to and incorporated in the Lease.

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 rent to the Tenant the office space municipally described as Offices , Unit 1 Meadowfield Court, Ponteland Ind Est, Newcastle upon Tyne, NE20 9SD, (the "Premises") which is located approximately as shown in red on Schedule "A" attached to and incorporated in the Lease. The Premises will be used for only the following permitted use (the "Permitted Use"): Council Offices.

Neither the Premises nor any part of the Premises will be used at any time during the term of this Lease by Tenant for any purpose other than the Permitted Use.

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.
5. Subject to the provisions of this Lease, the Tenant is entitled to the use of parking (the 'Parking') on or about the Premises. Only properly insured motor vehicles may be parked in the Tenant's space.

Term

6. The term of the Lease commences at 12:00 noon on November 4, 2013 and ends at 12:00 noon on November 4, 2016.
7. Upon 14 notice, the Landlord may terminate the tenancy under this Lease if the Tenant has defaulted in the payment of any portion of the Rent when due.
8. Upon 14 notice, the Landlord may terminate the tenancy under this Lease if the Tenant fails to observe, perform and keep each and every of the covenants, agreements, stipulations, obligations, conditions and other provisions of this Lease to be observed, performed and kept by the Tenant and the Tenant persists in such default beyond the said 14 notice.
9. Notwithstanding that the term of this Lease commences on November 4, 2013, the Tenant is entitled to possession of the Premises at 12:00 noon on October 18, 2013.

10. Should the Tenant remain in possession of the Premises with the consent of the Landlord after the natural expiration of this Lease, a new tenancy from month to month will be created between the Landlord and the Tenant which will be subject to all the terms and conditions of this Lease but will be terminable upon either party giving one month's notice to the other party.

Security of Tenure

11. The Landlord and the Tenant have agreed that sections 24 to 28 of the Landlord and Tenant Act 1954 do apply to the Lease. The Tenant will be entitled to renew the Lease upon the expiry of the current Lease.

Rent

12. Subject to the provisions of this Lease, the Tenant will pay a base rent of £1,590.00, payable per month, for the Premises (the "Base Rent"). In addition to the Base Rent, the Tenant will pay the following taxes to the appropriate government agencies: Local Authority Rates and Sewerage Rates.
13. The Tenant will pay the Base Rent on or before the First of each and every month of the term of this Lease to the Landlord.
14. The Base Rent for the Premises will increase over the Term of the Lease as follows: Reviewed Annually in relation to the Retail Price Index.
15. For any rent review negotiation, the basic 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.

Use and Occupation

16. The Tenant will use and occupy the Premises only for the Permitted Use and for no other purpose whatsoever. The Tenant will carry on business under the name of _____ and will not change such name without the prior written consent of the Landlord, such consent not to be unreasonably withheld. 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, will continuously occupy and utilize 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.
17. 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 (already or in the future to be passed) 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).

Quiet Enjoyment

18. 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

19. If and whenever the Tenant is in default in payment of any money, whether hereby expressly reserved or deemed as rent, or any part of the rent, the Landlord may, without notice or any form of legal process, enter upon the Premises and seize, remove and sell the Tenant's goods, chattels and equipment from the Premises or seize, remove and sell any goods, chattels and equipment at any place to which the Tenant or any other person may have removed them, in the same manner as if they had remained and been distrained upon the Premises, all notwithstanding any rule of law or equity to the contrary, and the Tenant hereby waives and renounces the benefit of any present or future statute or law limiting or eliminating the Landlord's right of distress.

Overholding

20. If the Tenant continues to occupy the Premises without the written consent of the Landlord after the expiration or other termination of the term, then, without any further written agreement, the Tenant will be a month-to-month tenant at a minimum monthly rental equal to twice the Base Rent and subject always to all of the other provisions of this Lease insofar as the same are applicable to a month-to-month tenancy and a tenancy from year to year will not be created by implication of law.

Additional Rights on Reentry

21. If the Landlord reenters the Premises or terminates this Lease, then:
- a. notwithstanding any such termination or the term thereby becoming forfeited and void, the provisions of this Lease relating to the consequences of termination will survive;
 - b. the Landlord may use such reasonable force as it may deem necessary for the purpose of gaining admittance to and retaking possession of the Premises and the Tenant hereby releases the Landlord from all actions, proceedings, claims and demands whatsoever for and in respect of any such forcible entry or any loss or damage in connection therewith or consequential thereupon;
 - c. the Landlord may expel and remove, forcibly, if necessary, the Tenant, those claiming under the Tenant and their effects, as allowed by law, without being taken or deemed to be guilty of any manner of trespass;
 - d. in the event that the Landlord has removed the property of the Tenant, the Landlord may store such property in a public warehouse or at a place selected by the Landlord, at the expense of the Tenant. If the Landlord feels that it is not worth storing such property given its value and the cost to store it, then the Landlord may dispose of such property in its sole discretion and use such funds, if any, towards any indebtedness of the Tenant to the Landlord. The Landlord

will not be responsible to the Tenant for the disposal of such property other than to provide any balance of the proceeds to the Tenant after paying any storage costs and any amounts owed by the Tenant to the Landlord;

- e. the Landlord may relet the Premises or any part of the Premises for a term or terms which may be less or greater than the balance of the term of this Lease remaining and may grant reasonable concessions in connection with such reletting including any alterations and improvements to the Premises;
- f. after reentry, the Landlord may procure the appointment of a receiver to take possession and collect rents and profits of the business of the Tenant, and, if necessary to collect the rents and profits the receiver may carry on the business of the Tenant and take possession of the personal property used in the business of the Tenant, including inventory, trade fixtures, and furnishings, and use them in the business without compensating the Tenant;
- g. after reentry, the Landlord may terminate the Lease on giving 5 days written notice of termination to the Tenant. Without this notice, reentry of the Premises by the Landlord or its agents will not terminate this Lease;
- h. the Tenant will pay to the Landlord on demand:
 - i. all rent, Additional Rent and other amounts payable under this Lease up to the time of reentry or termination, whichever is later;
 - ii. reasonable expenses as the Landlord incurs or has incurred in connection with the reentering, terminating, reletting, collecting sums due or payable by the Tenant, realizing upon assets seized; including without limitation, brokerage, fees and expenses and legal fees and disbursements and the expenses of keeping the Premises in good order, repairing the same and preparing them for reletting; and
 - iii. as liquidated damages for the loss of rent and other income of the Landlord expected to be derived from this Lease during the period which would have constituted the unexpired portion of the term had it not been terminated, at the option of the Landlord, either:
 - i. an amount determined by reducing to present worth at an assumed interest rate of twelve percent (12%) per annum all Base Rent and estimated Additional Rent to become payable during the period which would have constituted the unexpired portion of the term, such determination to be made by the Landlord, who may make reasonable estimates of when any such other amounts would have become payable and may make such other assumptions of the facts as may be reasonable in the circumstances; or

- ii. an amount equal to the Base Rent and estimated Additional Rent for a period of six (6) months.

Tenant Improvements

- 22. The Tenant will obtain written permission from the Landlord before doing any of the following:
 - a. applying adhesive materials, or inserting nails or hooks in walls or ceilings other than two small picture hooks per wall;
 - b. painting, wallpapering, redecorating or in any way significantly altering the appearance of the Premises;
 - c. removing or adding walls, or performing any structural alterations;
 - d. installing a waterbed(s);
 - e. changing the amount of heat or power normally used on the Premises as well as installing additional electrical wiring or heating units;
 - f. placing or exposing or allowing to be placed or exposed anywhere inside or outside the Premises any placard, notice or sign for advertising or any other purpose; or
 - g. affixing to or erecting upon or near the Premises any radio or TV antenna or tower.

Utilities and Other Costs

- 23. The Landlord is responsible for the payment of the following utilities and other charges in relation to the Premises: electricity, natural gas and water.
- 24. The Tenant is responsible for the direct payment of the following utilities and other charges in relation to the Premises: sewer, telephone, Internet and cable.

Insurance

- 25. 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.

Governing Law

- 26. 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

27. 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

28. 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.

Maintenance

29. The Tenant will, at its sole expense, keep and maintain the Premises and appurtenances in good and sanitary condition and repair during the term of this Lease and any renewal of this Lease.
30. The Tenant will be responsible at its own expense to replace all electric light bulbs, tubes, ballasts or fixtures serving the Premises.
31. The Tenant will professionally steam clean any carpets on a yearly basis and at the termination of this Lease or the Landlord may charge the Tenant or deduct the cost of having the carpets professionally steam cleaned from the security deposit.

Care and Use of Premises

32. 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.
33. Vehicles which the Landlord reasonably considers unsightly, noisy, dangerous, improperly insured, inoperable or unlicensed are not permitted in the Tenant's parking stall(s), and such vehicles may be towed away at the Tenant's expense. Parking facilities are provided at the Tenant's own risk. The Tenant is required to park in only the space allotted to them.
34. 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.
35. The Tenant will not engage in any illegal trade or activity on or about the Premises.
36. The Landlord and Tenant will comply with standards of health, sanitation, fire, housing and safety as required by law.

Surrender of Premises

37. 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

38. 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.

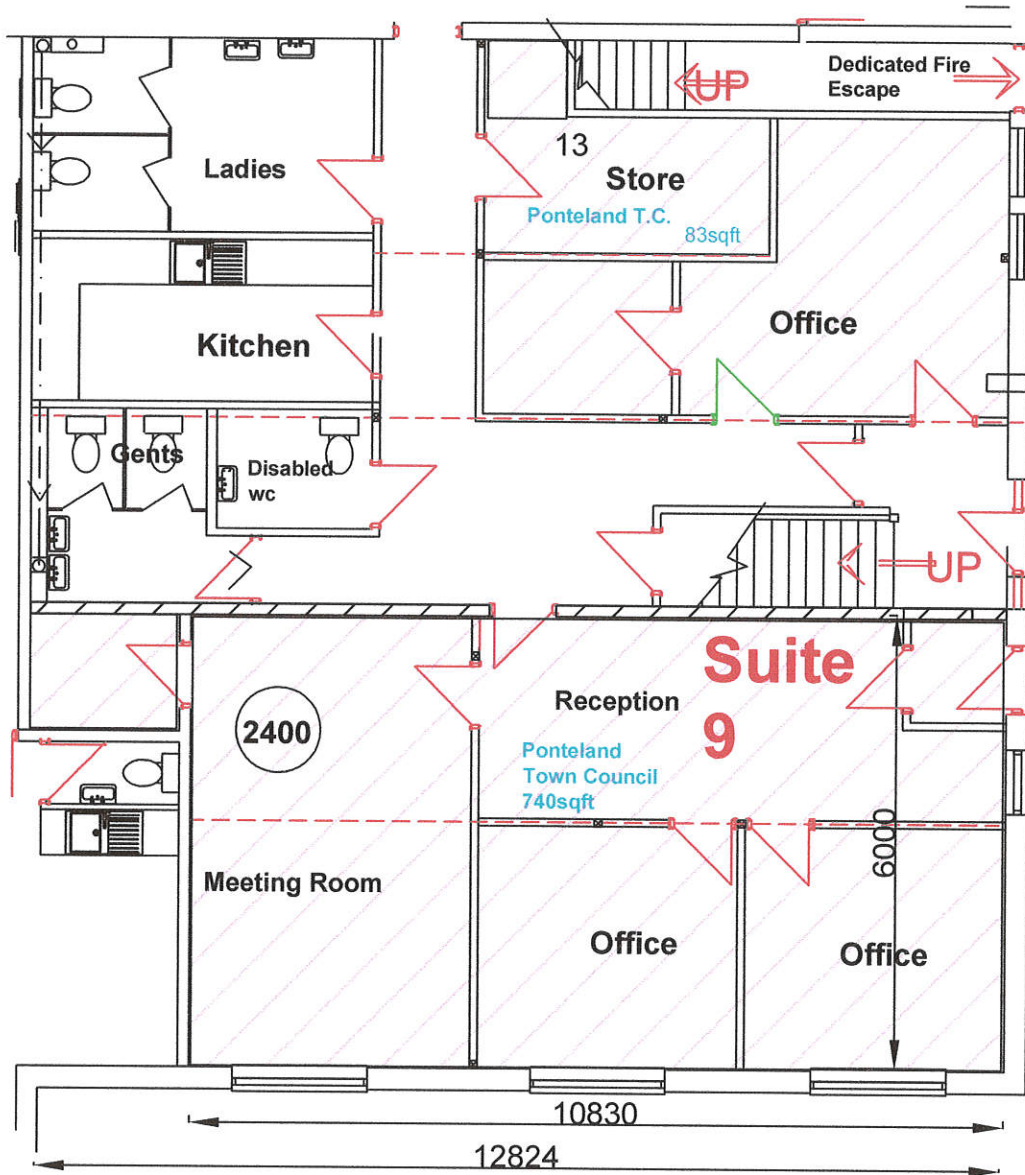
Rules and Regulations

39. The Tenant will obey all rules and regulations posted by the Landlord regarding the use and care of the Building, parking lot, laundry room and other common facilities that are provided for the use of the Tenant in and around the Building on the Premises.

General Provisions

40. 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.
41. 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.
42. 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 recovered by the Landlord as rental arrears.
43. 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.
44. 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.

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, on this _____ day of _____, _____.



Existing Layout