

9 July 2002

Machins  
Solicitors  
Victoria Street  
LUTON  
LU1 2BS

Our Ref: TEJJ/RFM/36771  
Direct Dial: 01223 346609  
Direct Fax: 01223 346627

Your Ref: MEP/NLR/1554/1

WITHOUT PREJUDICE AND SUBJECT TO  
CONTRACT

Dear Sirs

**YOUR CLIENT : DENNIS HEALEY, TOC INTERNATIONAL  
DOG KENNEL FARM, LILLEY, HERTFORDSHIRE**

Your client, Mr Dennis Healey recently requested a meeting with ourselves to discuss his future occupation at Dog Kennel Farm. In principle, the Crown Estate are prepared to consider that TOC International remain at Dog Kennel Farm, subject to the following:-

1. The Crown Estate's incoming agricultural tenant being satisfied with the arrangements, as it is probable that the Crown Estate would give consent to their agricultural tenant to enter into a sub-letting with TOC International, rather than have a direct letting. This has been discussed in principle with the likely ingoing tenant and subject to agreeing terms, he is receptive to this arrangement.
2. Any agreement would be on the understanding that the Lease is excluded from the provisions of the 1954 Act. (This has now been accepted by Mr Healey)
3. The term of the Tenancy would be between 3-5 years, but on the understanding there would be a break clause in favour of the tenant on giving 6 months Notice in writing of his intention to terminate the lease.
4. The lease would define the area of the site to be let and would also restrict the number of fridges to be held on the farm to a maximum of 500 at any one time.
5. Any consents for occupation of the site would be the responsibility of the lessee, as would any outgoings associated with the lettings. The rent for the site is yet to be agreed and could only be so once it is confirmed who will be taking over the farm with effect from 29<sup>th</sup> September 2002. It is anticipated that this will be known within the next 2-3 weeks.

Residential Rural Commercial Minerals Planning & Development Building Consultancy

London Cambridge Harrogate Huddersfield Kendal Leeds Marlborough North Wales Oxford Peterborough Shrewsbury Worcester York

A list of partners is available at the above address



INVESTOR IN PEOPLE



Dated

2002

## TENANCY AGREEMENT

Landlord: Simon Andrews (1)

Tenant: T O C Recycling Limited (2)

Holding: Land and Buildings forming  
Part of Dog Kennel Farm  
Lilley Putteridge  
Hertfordshire



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SALMON**  
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## PARTICULARS

|                       |                                                                                                                                                                                                                                                                                                                          |
|-----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Date                  | 2002                                                                                                                                                                                                                                                                                                                     |
| The Superior Landlord | Her Majesty and Her Successors and the Commissioners on behalf of Her Majesty acting in exercise of the powers of the Crown Estate Act 1961 and any other person charged with the management of the Crown Estate and thereafter the person from time to time entitled to the reversion immediately expectant on the Term |
| The Landlord          | <b>SIMON ANDREWS</b> of Lilley Bottom Farm Lilley Luton Bedfordshire                                                                                                                                                                                                                                                     |
| The Tenant            | <b>T O C RECYCLING LIMITED</b> (Company Number 4411365) whose Registered Office is at Prospero House, 46-48 Rothesay Road, Luton, Bedfordshire, LU1 1QZ                                                                                                                                                                  |
| The Holding           | Land and buildings at Dog Kennel Farm Lilley Putteridge Hertfordshire more particularly shown edged in red on the attached plan                                                                                                                                                                                          |
| Rent                  | Eight thousand four hundred pounds (£8,400) per annum                                                                                                                                                                                                                                                                    |
| Rent Days             | 25 March and 29 September in each year of the Term                                                                                                                                                                                                                                                                       |
| Review Date           | 29 September 2006 when the Rent shall be reviewed in accordance with Schedule 4 of this Agreement                                                                                                                                                                                                                        |
| Interest Rate         | 4% above the base rate of National Westminster Bank Plc                                                                                                                                                                                                                                                                  |
| The Term              | A term starting on (the " <b>Commencement Date</b> ") and ending on 28 September 2007                                                                                                                                                                                                                                    |
| Permitted Purposes    | The trade or business of recycling and storing refrigerators prior to the transportation thereof to a recovery plant and the exportation of reuse units including some other domestic electrical appliances provided that it is understood that at no time shall the Holding be used for retail purposes                 |
| The Expert            | Such expert as shall be appointed by agreement of the parties and on the application of both parties or in the absence of agreement as shall be appointed on the application of either party by the President for the time being of the Royal Institution of Chartered Surveyors                                         |

**THIS BUSINESS TENANCY AGREEMENT** is made on the Date set out in the Particulars

**BETWEEN:**

- (1) **The Landlord** named in the Particulars (the "**Landlord**")
- (2) **The Tenant** named in the Particulars (the "**Tenant**")

**IT IS AGREED** as follows:

## **1 Definitions and Interpretations**

- 1.1 In this Agreement the words and phrases used have the meaning assigned to them as set out in Schedule 4 and in the Particulars
- 1.2 Any reference to any right or easement exercisable by the Landlord including the rights and easements specified in Schedule 2 hereto shall be deemed to include the exercise of such right or easement by the Superior Landlord or anyone on his behalf.
- 1.3 In every case where there is an obligation on the part of the Tenant to obtain consent or approval from the Landlord there shall be deemed to be included an obligation to obtain consent and approval from the Superior Landlord and the Landlord shall be entitled to withhold the giving of its consent or approval until the consent or approval of the Superior Landlord has first been granted.
- 1.4 In every case where there is provision for repayment to the Landlord by the Tenant of any expenses incurred by the Landlord then in the event of any expenses being incurred by the Superior Landlord there shall be deemed to be included a similar covenant by the Tenant to repay any expenses incurred by the Superior Landlord.
- 1.5 Any indemnities in favour of the Landlord shall be deemed to incorporate indemnities in favour of the Superior Landlord.

## **2 Letting**

- 2.1 The Landlord lets the Holding to the Tenant for the Term TOGETHER WITH the rights set out in Schedule 1 and EXCEPTING AND RESERVING to the Landlord the rights set out in Schedule 2 SUBJECT ALSO to the existing rights and other matters affecting the Holding THE TENANT PAYING by way of rent:
  - (a) the Rent
  - (b) Interest on all monies payable by the Tenant to the Landlord under this Agreement where they are not paid by the Tenant within seven days of the due date for payment for the period from the due date to the date of actual payment
  - (d) all other sums due from the Tenant to the Landlord under this Agreement

## **3 Tenant's Agreements**

- 3.1 The Tenant agrees with the Landlord:
  - (a) Rent

- (i) To pay the Rent (as varied from time to time in accordance with Schedule 3) on the days and in the manner required by this Agreement and in default thereof to pay Interest thereon at the Interest Rate
- (ii) To pay by way of rent any difference between the Rent (as defined in the Particulars) and any variation thereto pursuant to Schedule 3

(b) Outgoings

To pay all rates taxes and outgoings whatever relating to the Holding during the Term (except tax payable by the Landlord on the rents received)

(c) Repair

- (i) To keep the buildings and fixed equipment on the Holding in no worse state of repair order and condition that that in which they are at the date of this Agreement
- (ii) Not to remove or alter but to maintain in good stockproof condition any fence hedge or other boundary on the Holding
- (iii) To keep all ditches and drains clean and free from obstruction

(d) Use and Management of the Holding

- (i) Throughout the Term to use the Holding or part of it for the purposes of a trade or business
- (ii) Not at any time during the Term to use the Holding other than for the Permitted Purposes set out in the Particulars and the Tenant shall comply with any Legal Obligation and secure and maintain at his own expense all Necessary Consents and any other regulatory approval required for the operation of the Permitted Purposes which the Tenant may carry on at the Holding
- (iii) Not to do or suffer to be done on the Holding anything which may be or become a nuisance or annoyance to the Landlord or the owners or occupiers of any adjoining land and to indemnify the Landlord against any claim by third parties in respect of any breach of this clause
- (iv) Not to deposit or allow to be deposited any refuse waste redundant material or (save to the extent specified in the Particulars) redundant machinery of any kind on the Holding
- (v) Not to remove from the Holding any turf or top soil
- (vi) To permit the Landlord to enter the Holding or any part on giving to the Tenant reasonable notice (save in the event of an emergency)
- (vii) Not to display any advertisement or sign on or visible from outside the Holding without Consent and (save to the extent specified in the Particulars) not to store anything on the external parts of the Holding

- (viii) To indemnify the Landlord against all liability and costs arising from the Tenants use of the Holding or from a breach or non performance by the Tenant of its obligations in this Agreement
- (ix) To pay on demand the Landlord's costs in connection with any application for Consent and/or any notice of breach of obligation served on the Tenant
- (x) To permit the Landlord and those authorised by the Landlord to exercise the exceptions and reservations set out in Schedule 2 (if any) without obstruction
- (xi) Not to keep produce or use any Hazardous Material on the Holding without Consent nor (whether or not Consent is given) cause any Environmental Damage and in particular not to deposit or allow to be deposited any refuse waste sewage or sludge of any kind on the Holding
- (xii) To indemnify the Landlord against any Environmental Damage and against all losses claims or demands arising out of the use or occupation or condition of the Holding or out of any act or default of the Tenant in relation to the Holding
- (xiii) Not to use the Holding for any activity which is illegal immoral noisy noxious dangerous or offensive
- (xiv) Not to use or permit the Holding or any part of it to be used for the camping or parking of vehicles or caravans for the purpose of fairs festivals motor cycle or other vehicle coursing contests rallies or any form of public gathering
- (xv) On entering the Holding and subsequently during the Tenancy to take all necessary steps to preserve any existing licence or any new licence granted for the Holding relating to water supply under any Enactment
- (xvi) Not to jeopardise any such licence by any act or omission nor to surrender it without Consent but on termination of the Term to take all necessary steps to transfer any such licence to the Landlord or at his direction

(e) Alienation

Not to assign sublet part with or share possession or occupation of the Holding or any part of it

(f) Alteration of Buildings

Not to alter remove or make additions to any building or other item of fixed equipment or erect any new buildings or other item of fixed equipment or make any other improvements to the Holding without the prior written consent of the Landlord

(g) Legislation

- (i) At all times immediately upon receipt of any notice order direction or other matter whatever affecting or likely to affect the Holding to produce for the Landlord's inspection and to permit the Landlord to take a copy
- (ii) To comply immediately with and give sufficient effect to every notice direction or other matter whatever affecting or likely to affect the Holding served or made by a competent authority
- (iii) Fully to comply with all Legal Obligations and Necessary Consents relating to the Holding and to keep the Landlord effectively indemnified against all actions proceedings costs expenses claims and demands in respect of any matter contravening any Legal Obligation

(h) Insurance

- (i) Not to do upon the Holding any act or thing which may make void any policy for the insurance of the Holding against any of the Insured Risks and to carry out all such works upon the Holding as may reasonably be required by the Landlord's insurers
- (ii) To insure against any liability loss claim or proceedings whatsoever arising under any statute or at common law in respect of personal injury to or the death of any person whosoever whilst upon the Holding and in respect of employer liability to a level and with an insurance company approved by the Landlord ~~and to ensure that the Landlord's interest is noted on such policy~~ and upon request to produce the insurance certificate and receipts for the last premiums in respect of such policies

(i) Notice of Insured Loss

In the event of the Holding or any part thereof being destroyed or damaged by any cause whatsoever immediately to give notice thereof to the Landlord stating (if the Tenant is aware thereof) whether and to what extent such destruction or damage was brought about directly or indirectly by any of the Insured Risks

(j) Irrecoverable Insurance Monies

In the event of the Holding being destroyed or damaged by any of the Insured Risks and the insurance money under any insurance against the same effected thereon by the Landlord being wholly or partly irrecoverable by reason solely or in part of any act or default of the Tenant then the Tenant will immediately on demand pay to the Landlord the whole or (as the case may require) the irrecoverable proportion of the cost (including professional and other fees) of completely making good such destruction or damage

(k) Failure by Tenant to effect Repairs

If the Tenant fails to execute repairs for which he is liable in accordance with this Agreement within one month of receiving from the Landlord a written request specifying the necessary repairs and calling on him to execute them the Landlord may enter and execute such repairs and recover the reasonable costs from the Tenant immediately after the completion of such repairs

(l) Cost of Approvals

To pay the legal charges and the Surveyors' fees of the Landlord including the stamp duty on the licences and counterparts resulting from all applications by the Tenant for any consent of the Landlord required by this Agreement including charges and fees actually incurred in cases where consent is refused or the application is withdrawn

(m) Cost of Proceedings

To pay the Landlord on demand on a full indemnity basis all costs expenses losses and liabilities incurred by the Landlord as a result of or in connection with any breach by the Tenant of any of its covenants or obligations in this Agreement or any application for Consent or for the preparation and service of any notice under Section 17 of the Landlord and Tenant (Covenants) Act 1995 or under section 146 or 147 Law of Property Act 1925 (notwithstanding that forfeiture may be avoided otherwise than by relief granted by the Court) or the preparation and service of any schedule of dilapidations during the Term or within three months after determination of the tenancy hereby granted

(n) Yield Up

(i) On termination of this Agreement to yield up the Holding to the Landlord with vacant possession in a state of repair condition and decoration which is consistent with the proper performance of the Tenant's agreements contained in this Agreement

(ii) -- Immediately before termination of this Agreement if and to the extent required by the Landlord to reinstate all alterations additions or improvements made to the buildings or other fixed equipment on the Holding at any time during the Term

## **4 Landlord's Agreements**

4.1 The Landlord agrees with the Tenant:

(a) Quiet Enjoyment

If the Tenant observes and performs the Tenant's agreements and obligations in this Agreement the Tenant may peaceably hold and enjoy the Holding during the Term without any lawful interruption or disturbance from or by the Landlord or any person claiming through under or in trust for the Landlord

## **5 Mutual Agreements**

### **5.1 Forfeiture**

Without prejudice to any other rights of the Landlord if:

- (a) the whole or part of the Rent remains unpaid twenty-one days after becoming due (whether demanded or not) or
- (b) any of the Tenant's agreements in this Agreement are not performed or observed or
- (c) the Tenant:

- (i) proposes or enters into any composition or arrangement with his creditors generally or any class of his creditors or
- (ii) is the subject of any judgment or order made against him which is not complied with within seven days or is the subject of any execution distress sequestration or other process levied upon or enforced against any part of his undertaking property assets or revenue or
- (iii) being a company:
  - (A) is the subject of a petition presented on or an order made or a resolution passed or analogous proceedings taken for appointing an administrator of or winding up such company or
  - (B) an encumbrancer takes possession or exercises or attempts to exercise any power of sale or a receiver or administrative receiver is appointed of the whole or any part of the undertaking property assets or revenues of such company or
  - (C) stops payment or agrees to declare a moratorium or becomes or is deemed to be insolvent or unable to pay its debts within the meaning of section 123 Insolvency Act 1986 or
  - (D) without the prior consent in writing of the Landlord ceases or threatens to cease to carry on its business in the normal course or
- (iv) being an individual:
  - (A) is the subject of a bankruptcy order or
  - (B) is the subject of an application or order or appointment under section 253 or section 273 or section 286 Insolvency Act 1986 or
  - (C) is unable to pay or had no reasonable prospect of being able to pay his debts within the meaning of sections 267 and 268 Insolvency Act 1986
- (d) any event occurs or proceedings are taken with respect to the Tenant in any jurisdiction to which it is subject which has an effect equivalent or similar to any of the events mentioned in clause 5.1(c)

then and in any of such cases the Landlord may at any time (and notwithstanding the waiver of any previous right of re-entry) re-enter the Holding whereupon this Tenancy granted by this Agreement shall absolutely determine but without prejudice to any right of action of the Landlord in respect of any previous breach by the Tenant of this Agreement

## 5.2 Break Clause

Either party shall be entitled to terminate this Agreement by serving on the other not less than twelve months prior written notice of their intention to do so

### **5.3 Dispute Resolution**

- (a) In the event of any dispute arising under this Agreement between the parties the same shall be determined by the Expert referred to in the Particulars who shall act as an independent expert and not as an arbitrator and shall be appointed on the joint written application of both parties or on the written application of either party having first given to the other party not less than four weeks notice in writing of his intention to do so and if such Expert shall die or be unwilling or unable to act then such other expert as may be appointed on the application of either party by the President of the Royal Institution of Chartered Surveyors
- (b) The appointment of such Expert shall specify that his decision shall be made following representations in writing by the parties and the costs of the Expert shall be borne as directed by the Expert and his decision shall be final and binding on all parties

### **5.4 Nature of Tenancy**

- (a) This Agreement shall take effect as a business tenancy to which Part II of the Landlord and Tenant Act 1954 (the "1954 Act") shall apply and it is expressly acknowledged that the Holding will not be is not and has not been during the Term an agricultural holding or in general agricultural use
- (b) Sections 24 to 28 (inclusive of the 1954 Act) shall not apply in relation to the tenancy granted by this Agreement
- (c) The Agreement contained in the preceding sub-clause has been authorised by an Order dated 2002 and made under Section 38 (4) of the 1954 Act (as amended by Section 5 of the Law of Property Act 1989) by the Bristol County Court on the joint application of the Landlord and the Tenant

### **5.5 Whole Agreement**

This Agreement contains the whole agreement between the Landlord and the Tenant concerning the Holding

### **5.6 Notices**

Section 196 of the Law of Property Act 1925 shall apply to any notices to be served under the terms of this Agreement

### **5.7 Statutory Compensation**

Subject to the provisions of sub-clause (2) of Section 38 of the Landlord and Tenant Act 1954 neither the Tenant nor any assignee shall be entitled on quitting the Holding to any compensation under Section 37 of the said Act

### **5.8 Acknowledgement Concerning Use**

Nothing in this Agreement or in any Consent shall imply or warrant that the Permitted Purposes are authorised under any Enactment or that the Holding are fit for the Permitted Purposes

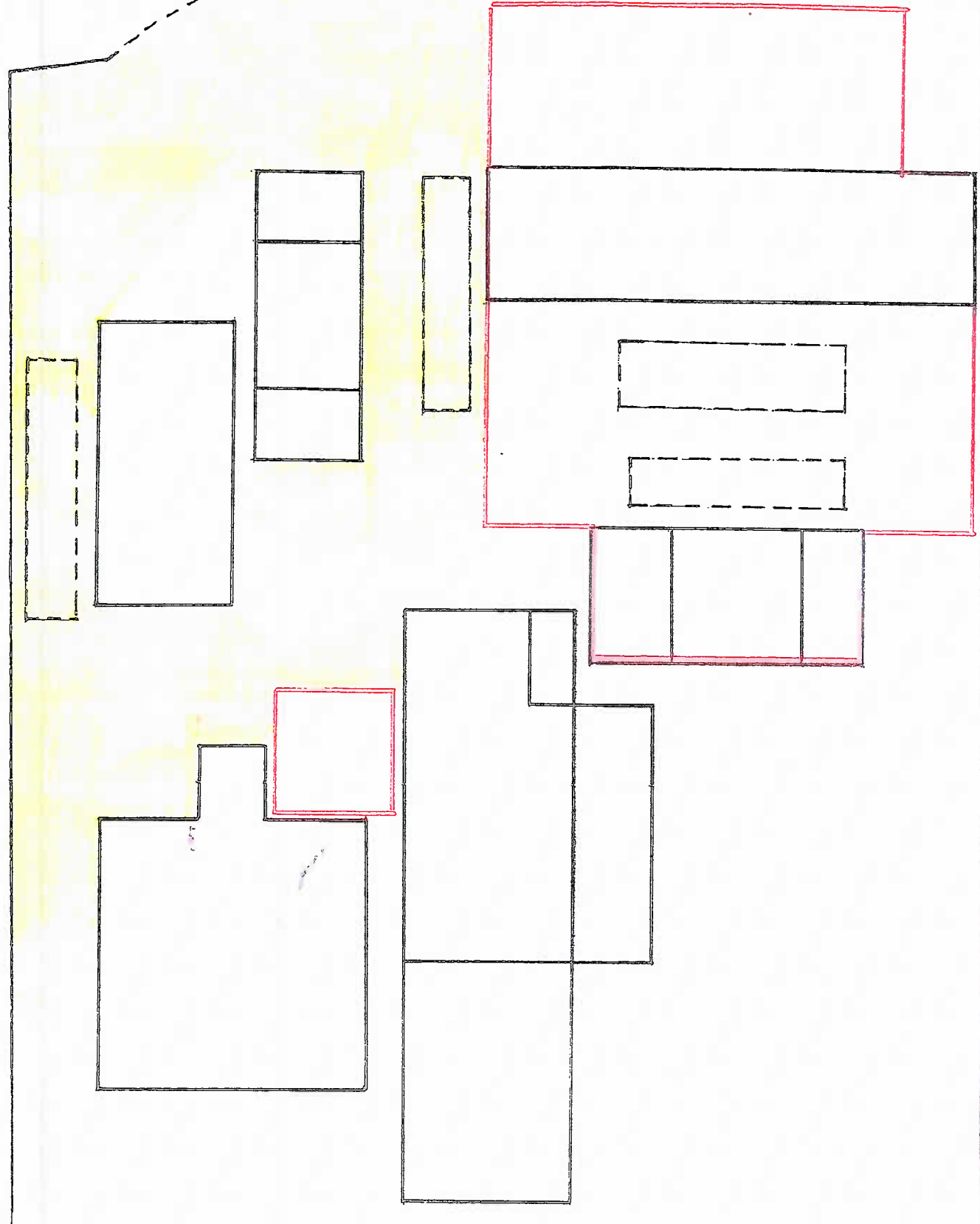
**5.9 Agreement for Tenancy**

This Agreement is entered into pursuant to a prior agreement for Tenancy

**6 Contracts (Rights of Third Parties) Act 1999**

The parties do not intend that any term of this Agreement should be enforceable by any third party as provided in the Contracts (Rights of Third Parties) Act 1999 but any third party right which exists or is available independently of that Act is preserved.

**IN WITNESS** whereof the parties to this Deed have executed it as a Deed on or before the date first before written and have given authority to their respective solicitors to date and deliver the same and (if appropriate) a duplicate or counterpart thereof such dating being conclusive proof of delivery on the date first before written



Letting to TOC International

**CARTER JONAS**

Date : July 2002

Scale : Not to scale

6 - 8 Hills Road Cambridge CB12 1NH

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