

## COMMERCIAL LEASE AGREEMENT

THIS LEASE (this "Lease")

Unit 37

BETWEEN:

**Drakemyre Properties Ltd, Capital Business Park, Unit 31,  
Drakemyre Dalry, Ayrshire, KA24 5JD**

**Company No. SC540411**

**Telephone:** [REDACTED]

**(the "Landlord")**

OF THE FIRST PART

- AND -

**Kyle Russell of Peak Fitness Industries Ltd  
32 Morville Crescent, Kilwinning, KA13 7EJ  
(the "Tenant")**

**Contact No.** [REDACTED]

**Email:** [REDACTED]

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:

### **1. Definitions**

When used in this Lease, the following expressions will have the meanings indicated:

"Building" means all buildings, improvements, equipment, fixtures, property and facilities from time to time located at Capital Business Park, Drakemyre, Dalry, Ayrshire, KA24 5JD as from time to time altered, expanded or reduced by the Landlord in its sole discretion.

"Entry Condition" means the condition of the Premises as described in text or photographic descriptions appended hereto as the Schedule of Condition;

"FRI lease" means a full repairing and insuring lease where all costs of internal maintenance and repair are met by the Tenant;

"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;

"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 (except for contents insurance) relating to the Premises and/or Building as placed by the Landlord from time to time, acting prudently;

"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;

"Common Areas and Facilities" mean:

- i. those portions of the Building areas, buildings, improvements, facilities including bathrooms, 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 (including bathrooms), 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;

"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;

### **1.Intent of Lease**

It is the intent of this Lease and agreed to by the Parties to this Lease that it shall be a FRI Lease and that rent for this Lease will be on a gross rent basis meaning the Tenant will pay the Base 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.

### **2.Grant of Lease**

The Landlord agrees to rent to the Tenant the industrial storage as Unit 37 which comprises of 2 double units at Capital Business Park, Drakemyre, Dalry, Ayrshire, KA24 5JD (the "Premises").

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 without the express written consent of Landlord which must be obtained prior to any other use being commenced, and such consent shall not be unreasonably withheld.

### **3.Term**

The term of the Lease commences on **1<sup>st</sup> September 2022 until 31<sup>st</sup> August 2032 with a 5 year break option.**

Should neither the Tenant nor the Landlord serve a Notice to Quit prior to expiry of the 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.

### **4. Rent**

Subject to the provisions of this Lease, the Tenant will pay a base of [REDACTED] (£1440.00 incl.vat) payable per month in advance for both units.

The first payment of [REDACTED] (exclusive of VAT) shall be due on or before 1st October 2022 (we received payment on September 2022 on 07.07.22) and thereafter the Tenant shall pay this amount on or before the 1st of each and every month of the term of this Lease, we ask that you please set up a standing order with your bank, our company bank details for payment are The Royal Bank of Scotland, Account Name: Drakemyre Properties Ltd, Account No: [REDACTED]

A deposit equal to one month's rent [REDACTED] 0 (incl.vat) is due immediately on agreement and signature of lease. (we can confirm payment for the deposit was received on 07.07.22).

It has been agreed as of 1<sup>st</sup> July 2023 the rental amount shall go up to [REDACTED]

In the event of any late payment by Tenant resulting in any correspondence being sent by Landlord to collect outstanding sums due, Tenant shall be liable for an administration charge of [REDACTED] letter or email sent to collect any outstanding sums due.

Please Note: The rental amount shall be reviewed every year to fall in line with inflation.

## **5. Use and Occupation**

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 Premises (including in relation to health and safety compliance with the proper practice recommended by all appropriate authorities).

## **6. Quiet Enjoyment**

The Landlord covenants that on paying the Rent and performing the covenants contained in this Lease, the Tenant will peacefully enjoy the Premises for the agreed term.

## **7. Overholding**

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.

### **8.Irritancy**

The Landlord shall not be entitled to irritate the Lease (terminate) in the event of a monetary breach of the Lease by the Tenant unless the Landlord has complied fully with the fair notice and remedial period provisions laid out in the Law Reform (Miscellaneous Provisions) (Scotland) Act 1985 (as amended from time to time).

### **9. Tenant Improvements**

The Tenant will obtain written permission from the Landlord before doing any modifications that affect the Premises or may require planning consent. Notwithstanding the foregoing the Tenant has the right to right to make non structural internal decorative works at its expenses provided always that upon expiry of the Lease the Premises are returned to the Landlord in Entry Condition.

### **10. Utilities and Council Tax**

The Tenant will pay the electricity usage directly to the landlord at a rate of [REDACTED] unit, this rate may change due to inflation.

The Tenant shall be responsible for council tax and inform the appropriate department of their moving in date and departure date.

### **11. Insurance**

The tenant will be responsible for their own insurance for activities performed by them. The insurance certificates must be presented to the Landlord. The Landlord shall maintain the Insurance Policies throughout the term of the Lease and the Insurance Charges shall be borne by the Landlord.

### **12. Abandonment**

If at any time during the term of this Lease, the Tenant abandons the Premises or any part of the Premises, the Landlord may, at its option, enter the Premises by any means without being liable for any prosecution for such entering, and without becoming liable to the Tenant for damages or for any payment of any kind whatever, and may, at the Landlord's discretion, as agent for the Tenant, relet the Premises, or any part of the Premises, for the whole or any part of the then unexpired term, and may receive and collect all rent payable by virtue of such reletting, and, at the Landlord's option, hold the Tenant liable for any difference between the Rent that would have been

payable under this Lease during the balance of the unexpired term, if this Lease had continued in force, and the net rent for such period realized by the Landlord by means of the reletting. If the Landlord's right of re-entry is exercised following abandonment of the premises by the Tenant, then the Landlord may consider any personal property belonging to the Tenant and left on the Premises to also have been abandoned, in which case the Landlord may dispose of all such personal property in any manner the Landlord will deem proper and is relieved of all liability for doing so.

### **13. Governing Law**

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

### **14. Severability**

If any provision or part-provision of this Lease is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision or part-provision shall be deemed deleted. Any modification to or deletion of a provision or part-provision under this clause shall not affect the validity and enforceability of the rest of this Lease. If any provision or part-provision of this Lease is invalid, illegal or unenforceable, the parties shall negotiate in good faith to amend such provision so that, as amended, it is legal, valid and enforceable, and, to the greatest extent possible, achieves the intended commercial result of the original provision.

### **15. Alienation**

The Tenant will not assign this Lease, or grant any concession or license to use the Premises or any part of the Premises. An assignment, concession, or license, whether by operation of law or otherwise, will be void and will, at Landlord's option, terminate this Lease. Notwithstanding the foregoing, the Tenant has the right to sublet part or all of the Premises to a connected company, or other organisation provided always that Tenant assumes full responsibility for all breaches, non-performance or non-compliance by the subtenant in respect of all obligations, conditions and provisions of the Lease.

### **16. Landlord's Obligations**

The Landlord is obliged to:

- Ensure that the Premises and Building are wind and watertight and in tenantable condition upon the Entry Date, and ensure that the Premises remain wind and watertight for the duration of the Lease;
- Permit 24/7 access to the Premises by the Tenant;

- Maintain secure external gates surrounding the Premises and the Building and maintain sufficient working CCTV monitoring the exterior of the Building and exterior access doorways of the Premises;
- Repair and maintain the Common Areas and Facilities, the Building, and the structure, electrical, plumbing and exterior of the Premises for the duration of the Lease;
- Maintain Insurance Policies for the Insured Risks as set out herein. If the Premises or Building are damaged by Insured Risks and are rendered unfit for occupation and use, any Base Rent payable will be suspended until the Premises is deemed tenantable. If such damage by Insured Risks prohibits access or use of the Premises by the Tenant for fourteen (14) days or more, the Tenant may terminate the Lease without penalty at its sole option.
- Guarantee that the Tenant will have full right and enjoyment of the Premises and will reimburse the Tenant if that right of enjoyment is interrupted;
- Ensure that any development by Landlord of any adjoining or adjacent property does not interfere with the Tenant's enjoyment of the Premises or access to Premises. If such development by Landlord interferes under this provision, the Tenant shall be entitled to suspend payment of Base Rent on a pro-rata basis for the period of interruption, and if the interruption continues for fourteen (14) days, Tenant may terminate the Lease without penalty at its sole option.

### **17. Care and Use of Premises**

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

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, we can confirm that it is our understanding that there will loud music and weights being dropped from a height.

The Tenant will not engage in any illegal trade or activity on or about the Premises.

The Landlord and Tenant will comply with standards of health, sanitation, fire, housing and safety as required by law.

The Tenant accepts the Premises as described in the Schedule of Condition. The Tenant is responsible for the full repair and maintenance of the interior of the Premises only for the duration of the Lease. The Tenant's FRI Lease obligations hereunder are limited to the standard set out in the Schedule of Condition and the Tenant is under no obligation to make any improvements to the Premises causing the Premises to be returned to Landlord in a condition which is a higher standard than the

Entry Condition. Any defects or existing damage shown or described in the Schedule of Condition are expressly excluded from the Tenant's repair and maintenance liabilities. Further, the Tenant is not required to repair or maintain anything which is insured by the Landlord, or any damage which is caused by Landlord or another tenant of the Building, or by any party acting on behalf of or engaged by the Landlord including trade contractors.

### **18. Surrender of Premises**

At the expiration of the lease term, the Tenant will quit and surrender the Premises in the Entry Condition subject always to allowance being made for reasonable use, wear and tear and damages by the elements.

### **19. Hazardous Materials**

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.

### **20. Rules and Regulations**

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

### **21. General Provisions**

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 non-performance and will not defeat or affect in any way the Landlord's rights in respect of any subsequent default or breach.

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.



**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 date

Signed for and on behalf of  
Drakemyre Properties Ltd  
Gary Watson

\_\_\_\_\_ (Landlord)

\_\_\_\_\_ (Name)

Date \_\_\_\_\_

Signed for and on behalf of  
Peak Fitness Industries Ltd  
Kyle Russell

\_\_\_\_\_ (Tenant)

\_\_\_\_\_ (Name)

Date \_\_\_\_\_

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

Print Name

\_\_\_\_\_

\_\_\_\_\_

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

Date \_\_\_\_\_