

DATED 11<sup>th</sup> December 2017

**COUNTERPART**

**LONDON GATE BRIGHTON LIMITED**

-and-

**MORGAN SINDALL CONSTRUCTION & INFRASTRUCTURE LIMITED**

**LEASE OF PREMISES AT**

Fourth Floor,  
London Gate, 72 Dyke Road Drive,  
Brighton, BN1 6AJ

Dean Wilson LLP  
Ridgeland House  
165 Dyke Road  
Brighton  
BN3 1TL

Prescribed Clauses

**LR1. Date of lease**

11<sup>th</sup> December

2017

**LR2. Title number(s)**

**LR2.1 Landlord's title number(s)**

SX127733

**LR2.2 Other title numbers**

None

**LR3. Parties to this lease**

**Landlord**

**LONDON GATE BRIGHTON LIMITED** (Company Number 06007708) whose Registered Office is at The Wheel House, 133 High Street, Hurstpierpoint Hassocks West Sussex BN6 9PU

**Tenant**

**MORGAN SINDALL CONSTRUCTION & INFRASTRUCTURE LIMITED** (Company Registration Number 04273754) the registered office of which is situate at Kent House, 14-17 Market Place London W1W 8AJ

**Other parties**

None

**LR4. Property**

**In the case of a conflict between this clause and the remainder of this lease then, for the purposes of registration, this clause shall prevail.**

See the definition of "Premises" in clause 1.1 of this lease.

**LR5. Prescribed statements etc.**

None.

**LR6. Term for which the Property is leased**

The Contractual Term referred to in Clause 2 of this Lease

**LR7. Premium**

None.

**LR8. Prohibitions or restrictions on disposing of this lease**

This lease contains a provision that prohibits or restricts dispositions.

**LR9. Rights of acquisition etc.**

**LR9.1 Tenant's contractual rights to renew this lease, to acquire the reversion or another lease of the Property, or to acquire an interest in other land**

None.

**LR9.2 Tenant's covenant to (or offer to) surrender this lease**

None.

**LR9.3 Landlord's contractual rights to acquire this lease**

None.

**LR10. Restrictive covenants given in this lease by the Landlord in respect of land other than the Property**

None.

**LR11. Easements**

**LR11.1 Easements granted by this lease for the benefit of the Property**

The easements as specified in clause 3 of this lease

**LR11.2 Easements granted or reserved by this lease over the Property for the benefit of other property**

The easements as specified in Clause 4 of this lease.

**LR12. Estate rentcharge burdening the Property**

None.

**LR13. Application for standard form of restriction**

None.

**LR14. Declaration of trust where there is more than one person comprising the  
Tenant**

Not applicable

THIS LEASE is made on the 11<sup>th</sup> day of December 2017

- (1) **LONDON GATE BRIGHTON LIMITED** (Company Number 06007708) whose registered office of which is situate at The Wheel House, 133 High Street, Hurstpierpoint Hassocks West Sussex BN6 9PU ("the Landlord"); and
- (2) **MORGAN SINDALL CONSTRUCTION & INFRASTRUCTURE LIMITED** (Company Registration Number 04273754) whose registered office of which is situate at Kent House, 14-17 Market Place London W1W 8AJ ("the Tenant")

**IT IS AGREED:-**

1. **Interpretation**

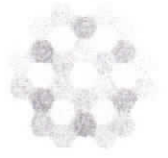
- 1.1 In this lease the following definitions apply:
- "Break Date" means 23 November 2022;
- "Building" the land and building at London Gate, 72 Dyke Road Drive, Brighton registered at H M Land Registry at the date of this lease with title number SX127733 and shown edge red on Plan 1;
- "Common Parts" the entrance hall, staircases, landings, toilets of the Building the car parking areas and outside areas of the Building and any other parts of the Building used in common by the tenants of the lettable units;
- "Conduits" conduits, pipes, drains, sewers, soakaways, channels, culverts, gutters, flues, ducts, wires, cables, aerials, optic fibres, and other media for the passage or transmission of water, soil, gas, air, smoke, electricity, light, information, air conditioning or other matters and all structures and equipment which is ancillary to such passage or transmission;
- "Construction Regulations" the Construction (Design and Management) Regulations 1994;
- "Contractual Term" the term of years specified in Clause 2 together with any period of holding over or extension whether statutory or otherwise;

<b>Existing Lease:</b>	the lease by virtue of which the Tenant holds the Property, which is dated 24 August 2007 and made between London Gate Brighton Limited (1) and Morgan Ashurst Plc (2) extended by way of Extension of a Previous Lease dated 23 November 2012 and made between London Gate Brighton Limited (1) and Morgan Sindall Plc (2) .
<b>"Insured Risks"</b>	(subject to such exclusions and limitations as may be imposed by the insurers and to the extent that insurance against such risks may ordinarily and reasonably be arranged with an insurer of good repute) fire (including subterranean fire), subsidence, landslip and heave earthquake, bursting or overflowing of water tanks, apparatus or pipes, sprinkler leakage, riot or civil commotion, strikes labour or political disturbance, damage by malicious persons, terrorism, explosion (including explosion of boilers and other heating apparatus), lightning, thunderbolt, storm, tempest, flood, impact by any road vehicle, aircraft, or other aerial device or articles dropped therefrom (in time of peace), accidental damage to underground pipes and cables and such other risks as are normally included in a comprehensive policy and such other risks as the Landlord acting reasonably insures against from time to time;
<b>"Interest Rate"</b>	interest at the rate of three per cent above the base lending rate from time to time of National Westminster Bank plc or if that base lending rate stops being used or published then at a rate calculated by reference to such comparable commercial rate reasonably determined by the Landlord;
<b>"Landlord's Accountant"</b>	any person (whether or not an employee of the Landlord) who is a chartered or certified accountant, or any firm of chartered or certified accountants who is appointed by or acts for the

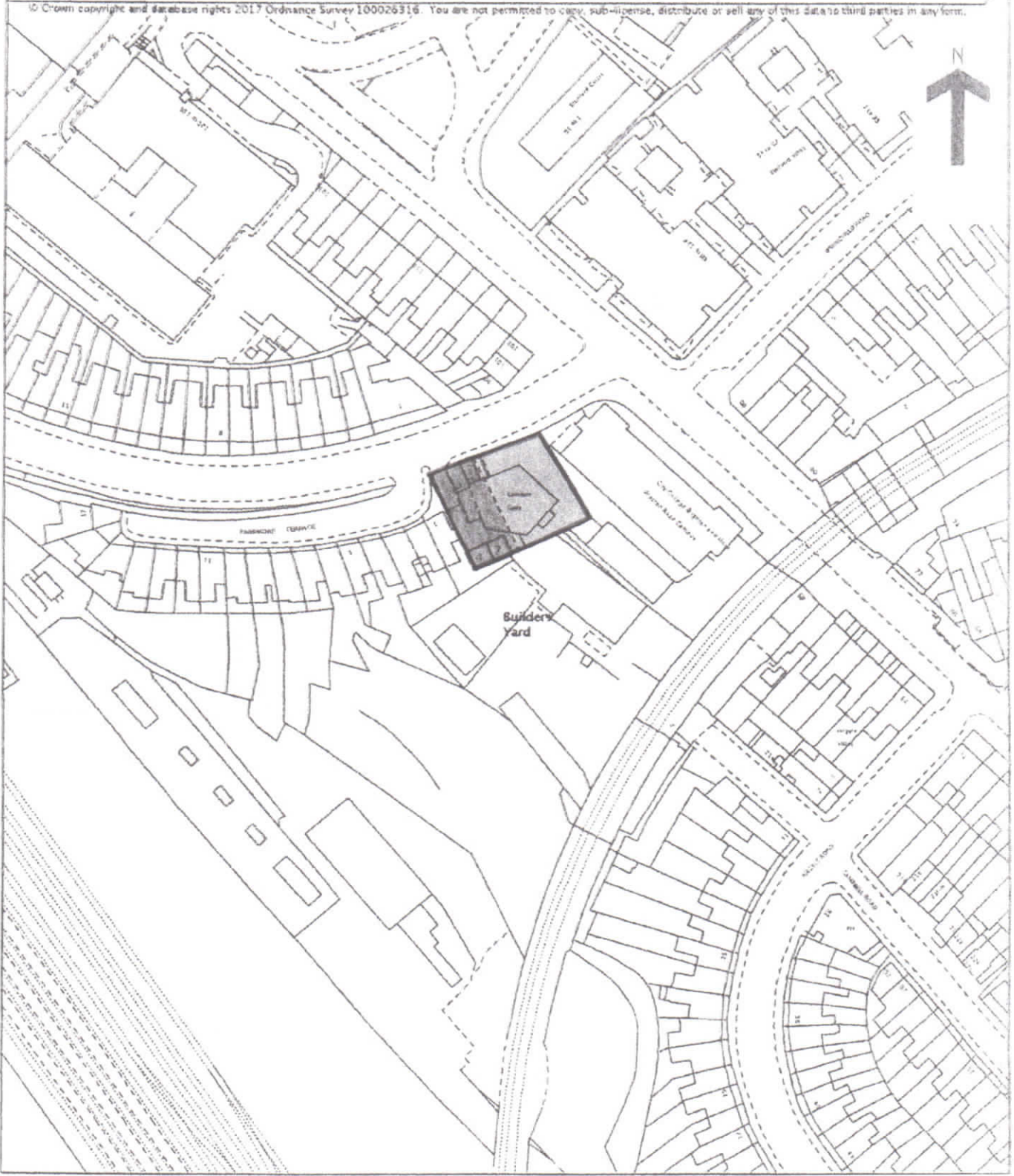
	Landlord to perform the function of an accountant for any purpose of this lease;
<b>"Landlord's Surveyor"</b>	any person (whether or not an employee of the Landlord) who is an associate or fellow of the Royal Institution of Chartered Surveyors, or any firm (at least one of whose members is so qualified) who is appointed by or acts for the Landlord to perform the function of a surveyor for any purpose of this lease;
<b>"Legal Requirement"</b>	all directly applicable EU law, all statutes and bye-laws and all regulations, orders, consents, licenses, codes of practice, circulars, notices and statutory guidance made under them or issued by any competent authority exercising powers under statute or Royal Charter;
<b>"Lettable Unit"</b>	any part of the Building, other than the Premises, which is let or is capable of being let on terms similar to this lease;
<b>"Loss of Rent Insurance"</b>	means insurance against 3 years' loss of rent hereunder;
<b>"Permitted Use"</b>	high class offices within Use Class B1 of the Use Classes Order;
<b>"Plan 1"</b>	the plan attached to this lease marked Plan 1;
<b>"Plan 2"</b>	the plan attached to this lease marked Plan 2;
<b>"Plan 3"</b>	the plan attached to this lease marked Plan 3;
<b>"Planning Acts"</b>	the Town and Country Planning Act 1990, the Planning (Listed Buildings and Conservation Areas) Act 1990, the Planning (Hazardous Substances) Act 1990, the Planning (Consequential Provisions) Act 1990, and all statutes referred to in any of them;
<b>"Premises"</b>	the Fourth Floor of the Building shown edged red on Plan 2 including: <ul style="list-style-type: none"> <li>(a) the internal plaster finishes of the external walls and columns and the internal plaster surfaces of internal walls and columns which are structural or load-bearing walls;</li> </ul>

HM Land Registry  
Official copy of  
title plan

*Plan 1*  
Title number SX127733  
Ordnance Survey map reference TQ3005NE  
Scale 1:1250 enlarged from 1:2500  
Administrative area Brighton and Hove

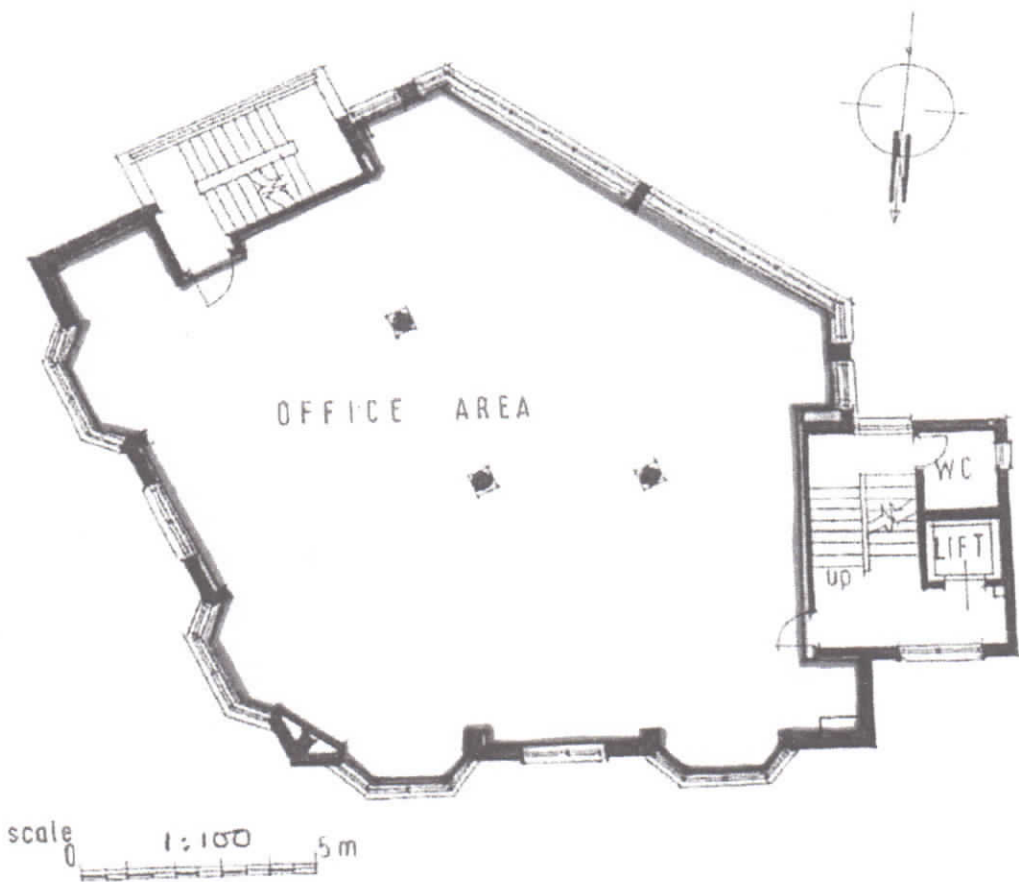


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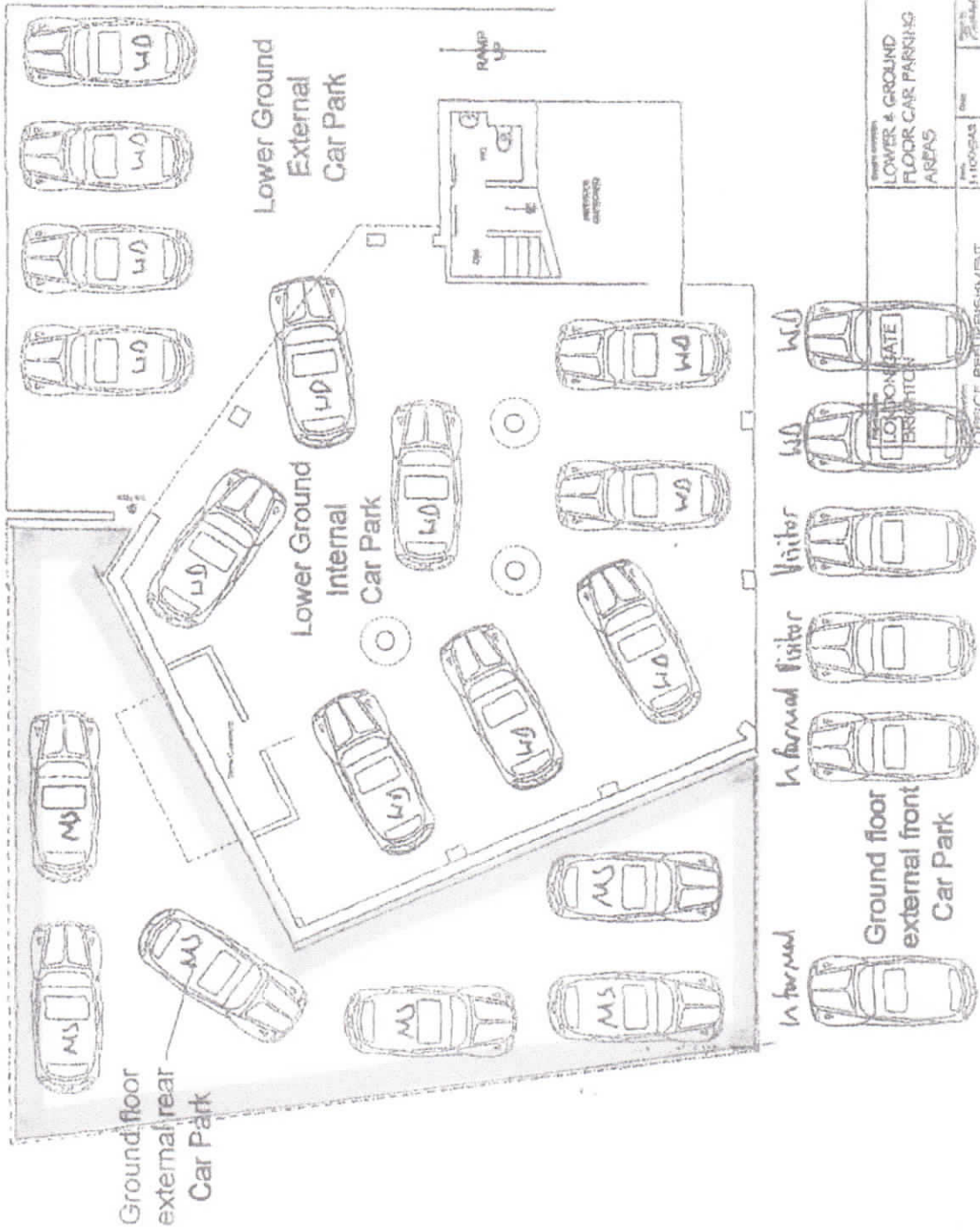
Plan 2



FOURTH FLOOR PLAN  
LONDON GATE • DYKE ROAD DRIVE • BRIGHTON

*W. H. ...*  
Director  
*Atkinson*  
Director / Secretary

# Plan 3



**SOVEREIGN** Construction

11, HONGKONG ROAD, HONG KONG

TEL: 2522 8888

FAX: 2522 8888

WWW.SOVEREIGNCONSTRUCTION.COM

**LOWER & GROUND FLOOR CAR PARKING AREAS**

Area	Area	Area
11, HONGKONG ROAD	11, HONGKONG ROAD	11, HONGKONG ROAD
11, HONGKONG ROAD	11, HONGKONG ROAD	11, HONGKONG ROAD

**OFFICE REFRESHMENT**

Area	Area
11, HONGKONG ROAD	11, HONGKONG ROAD

**Visitor**

Area	Area
11, HONGKONG ROAD	11, HONGKONG ROAD

**In formal Visitor**

Area	Area
11, HONGKONG ROAD	11, HONGKONG ROAD

**Ground floor external front Car Park**

Area	Area
11, HONGKONG ROAD	11, HONGKONG ROAD

- (b) the inner half (severed medially) of internal, non-structural, non-load-bearing walls which divide such parts from any other part of the Building;
- (c) the floor screed tiling or other floor finishes;
- (d) the ceiling finishes tiles suspended ceiling;
- (e) the glass in the external windows;
- (f) the doors, door frames and door furniture and furniture of any wall which divides such parts from any other part of the Building;

and also including:

- (g) the whole of any other internal, non-structural, non-load-bearing wall or columns within such parts and all windows, window frames, window furniture and doors, door frames and door furniture within such walls;
- (h) landlord's fixtures including the air conditioning system serving the Premises Conduits owned by the Landlord which are within and exclusively serve the Premises;
- (i) the floor tiling and the carpets and other floor coverings within such parts;
- (j) all additions, alterations and improvements made to such parts (but not Tenant's fixtures and fittings)

but excluding:

- (k) all external walls and columns, internal load-bearing or structural walls and columns (other than the internal plaster finishes of any of them and the window frames);
- (l) anything below the floor screed floor tiling floor finishes;
- (m) anything above the ceiling finishes tiles suspended ceiling;
- (n) landlord's fixtures (including Conduits and the parts of the Building containing the Conduits)

which are within but do not exclusively serve such parts;

<b>"Rent"</b>	£31,200 per annum (exclusive);
<b>"Rent Commencement Date"</b>	24 November 2017
<b>"Rent Payment Dates"</b>	1 January, 1 April, 1 July and 1 October
<b>"Review Date"</b>	24 November 2022
<b>"Service Charge"</b>	the Tenant's Proportion of: <ul style="list-style-type: none"><li>(a) the proper and reasonable cost, including VAT, incurred by or on behalf of the Landlord in connection with the provision of the Services in respect of the relevant Service Charge Year (but not (for the avoidance of doubt) any contribution to a reserve fund to provide for major repairs to or replacement of any part of the Common Parts or any specific item mentioned in the definition of the "Services" in clause 8.1); and</li><li>(b) any taxation suffered by the Landlord in respect of the above items but for the avoidance of doubt the Service Charge shall not include any costs which the Landlord is entitled to be reimbursed from another source;</li></ul>
<b>"Service Charge Year"</b>	<ul style="list-style-type: none"><li>(a) the period from the beginning of the Term until 31st December 2017 and then;</li><li>(b) the year beginning on 1st January in each year of the term, except the last term year of the term when it shall be the period beginning 1st January and ending on the last day of the term and subject to the provisions of clause 8.13;</li></ul>
<b>"Tenant's Proportion"</b>	20% or a proper proportion determined by the Landlord acting reasonably in respect of each Service Charge Year;
<b>"Term Commencement Date"</b>	24 November 2017
<b>"Third Party Rights"</b>	all matters referred to in the entries 1 2 and 3 of the charges register to title number SX127733 as at 26 September 2016;

**“Use Classes Order”** the Town and Country Planning (Use Classes) Order 1987 as at the date this lease is granted; and

**“Value Added Tax”** value added tax chargeable under the Value Added Tax Act 1994 or under the Sixth Council Directive of the Council of the European Communities (77/388/EC) or under any rule, regulation, order, or instrument authorised to be made by that Act or by that Directive or any identical or substantially similar tax which may replace such value added tax.

- 1.2 Unless the context otherwise requires, a reference in this lease to the Landlord includes the immediate reversioner for the time being, a reference to the Tenant includes the successors in title of the Tenant.
- 1.3 Unless otherwise specified, a reference in this lease to a particular Legal Requirement or to Legal Requirements in general includes references to any extension, modification, amendment, re-enactment, replacement or consolidation of it or them, and to all statutes, regulations, orders, bye-laws, consents, Licenses, codes of practice, circulars, notices and statutory guidance made under it or them, in all cases from time to time during the term.
- 1.4 Unless the context otherwise requires, references in this lease to the Premises are to the whole and any part them.
- 1.5 A reference in this lease to:
- (a) this lease, except a reference to the date of this lease, is a reference to this deed and any deed, licence, consent, approval or other instrument supplemental to it;
  - (b) landlord covenants or to tenant covenants has the same meaning as is given by section 28(1) of the Landlord and Tenant (Covenants) Act 1995;
  - (c) the end of the Term is to the end of the Term however and whenever it ends; and
  - (d) a working day is to any day other than a Saturday, a Sunday, Christmas Day, Good Friday, any statutory bank or other public holiday in England and Wales.
- 1.6 Unless the context otherwise requires, where the word "include", "includes" or "including" is used in this lease, it is deemed to have the words "without limitation" following it.
- 1.7 At any time when the Landlord, the Tenant comprises two or more persons such expressions are to all or either of any such persons and obligations expressed

or implied to be made by or with any of them are made by or with such persons jointly and severally.

- 1.8 Where the consent of the Landlord is required under this lease, it will only be valid if given by deed, unless it is in writing, is signed by or on behalf of the Landlord and expressly states that the Landlord waives the requirement for a deed in that particular case. If such a waiver is given, it will not affect the requirement for a deed in any other case.
- 1.9 Covenants by the Tenant in this lease are made in favour of the Landlord and covenants by the Landlord in this lease are made in favour of the Tenant.
- 1.10 Any covenant in this lease by the Tenant not to do something includes a covenant not to agree or (so far as within the Tenant's reasonable control) suffer such thing to be done and to use all reasonable endeavours to prevent such thing being done by another person.
- 1.11 Headings and the table of contents in this lease are for convenience only and will not be taken into account in the interpretation of this lease.
- 1.12 Unless otherwise specified, a reference in this deed to a clause, sub-clause or schedule is a reference to the clause or sub-clause of, or schedule to this deed so numbered.

## 2. **Grant and term**

The Landlord with full title guarantee lets the Premises to the Tenant for a term of ten (10) years from and including the Term Commencement Date (but subject to the right of termination contained in clause 50) and upon the terms and conditions and covenants in this Lease to be observed by the Tenant.

## 3. **Ancillary rights**

- 3.1 The Landlord grants the Tenant the following rights at all times.
  - (a) rights of support and protection from such part of the Building as are necessary for the enjoyment of the Premises;
  - (b) a right of way on foot over such part of the Common Parts as is necessary for the purpose of access to and egress from the Premises (including in case of emergency, or practice for emergency) to and from the adopted highway;
  - (c) a right of way with vehicles over such external part of the Common Parts as is necessary for the purpose of access to and egress from the Premises to and from the adopted highway.;
  - (d) an exclusive right to park in the area edged yellow on Plan 3;

- (e) a right to use such external part of the Common Parts as is necessary for the purpose of loading and unloading vehicles in connection with the Permitted Use;
  - (f) a right to connect into and use Conduits which are at the Building at the date of this lease or are constructed there during the perpetuity period, for the passage or transmission to and from the Premises of water, soil, gas, electricity, light, telecommunications, information and other matters;
  - (g) a right to use such part of the Common Parts and the refuse bins within them as the Landlord may designate from time to time for the collection of refuse from the Premises at the Landlord's discretion acting reasonably;
  - (h) a right to use the washrooms and lavatory areas in the Common Parts;
- 3.2 The rights granted by this lease are (apart from the one contained in clause 3.1(d)) granted in common with the Landlord, other tenants of the Building and all others entitled at any time during the term;
- 3.3 The Tenant shall use the rights granted by this lease:
- (a) in such a manner as causes as little damage as possible to any land, structure or Conduit over which they are exercised or to any other part of the Building or to any neighbouring property belonging to or used by the Landlord;
  - (b) in such a manner as does not cause a nuisance, danger, injury or damage to the Landlord or to any other tenant or occupier of the Building or any neighbouring property; and
  - (c) in accordance with any reasonable regulations which may be made by the Landlord from time to time which are notified to the Tenant in writing and which do not materially affect the Tenant's use and occupation of the Premises and provided that in the event of any inconsistency between the regulations and this Lease then the provisions of this Lease shall prevail.
- 3.4 The Landlord will not be liable for any interruption to any of the rights granted by this lease by reason of the Landlord carrying out any of the Services or by reason of any matter outside the reasonable control of the Landlord, but the Landlord shall procure that there will always be access to and from the Premises and that the Tenant's use and occupation is not materially adversely affected.
- 3.5 Section 62 of the Law of Property Act 1925 shall not apply to this lease.
4. **Rights excepted and reserved**

- 4.1 There are excepted and reserved from this lease to the Landlord, any superior landlord and all others who may become entitled and for the benefit of the rest of the Building and any neighbouring property of any of them, rights to:
- (a) light, air, support and protection as are capable of being enjoyed at any time during the perpetuity period;
  - (b) inspect, repair, replace, connect into and use Conduits at (but not forming part of) the Premises and to cut into any part of the Premises or attach anything to the Premises for such purposes together with the right of access thereto with or without workman at all reasonable times;
  - (c) erect and maintain scaffolding on the exterior of the Premises and attach scaffolding to the exterior of the Premises in order to carry out any of the Services or to construct, repair, redevelop, maintain, clean or alter the Building or any building on any neighbouring property even if such scaffolding temporarily interferes with (but does not prevent or materially restrict) the access to or the use and enjoyment of the Premises and subject to the Tenant having the right throughout any period when such scaffolding is erected to erect such signage as is reasonably required by the Tenant;
  - (d) enter the Premises in connection with the above rights or to carry out any of the Services or for any other purpose connected with this lease upon not less than 48 hours' prior written notice except in the case of emergency.
- 4.2 The rights granted by this lease may be exercised by the Landlord and any superior landlord and all others properly authorised by any of them PROVIDED THAT the exercise of any rights granted to the Tenant in this Lease and the use and occupation of the Premises are not materially interfered with and the essential services are maintained.
- 4.3 The Tenant shall allow such persons to enter the Premises at any reasonable time and, except in case of emergency, after having given reasonable written notice to the Tenant and subject to such persons complying with the Tenant's reasonable security requirements.
- 4.4 Any person exercising a right under this lease will do so in a way which causes as little noise damage and inconvenience as reasonably practicable and shall forthwith make good all damage caused to the Premises and the Tenant's fixtures and fittings.
5. **Third Party Rights**
- 5.1 This lease is granted subject to the Third Party Rights.



5.2 The Tenant shall by way of indemnity only comply with all obligations on the Landlord relating to the Third Party Rights insofar as such obligations relate to the Premises or any land over which any right is granted by this lease and are still subsisting and capable of being enforced.

## **6. Rents Reserved**

6.1 The rents reserved by this lease are:

6.1.1 the Rent;

6.1.2 the Service Charge;

6.1.3 and any VAT on any such rents.

6.2 The Tenant shall pay the Rent and the Service Charge by four equal payments in advance on or before the Rent Payment Dates.

6.3 The first payment of:-

6.3.1 Rent and any VAT on it shall be made on the Rent Commencement Date in advance; and

6.3.2 the Service Charge and any VAT on it shall be made on the Term Commencement Date.

and in each case will be the appropriate proportion to the next quarter day.

6.4 The Rent and the Service Charge and any VAT on it shall be paid by banker's standing order to an account in the name of the Landlord in England and Wales.

## **7. Insurance**

7.1 The Landlord shall keep the Building (other than the fixed glass of the Demised Premises) insured (the Landlord using all reasonable endeavours to procure that the interest of the Tenant is noted on the policy and the insurer's rights of subrogation against the Tenant are waived) against loss or damage by the Insured Risks (so long as the same are insurable on such terms as may ordinarily and reasonably be arranged with an insurer of good repute on the London insurance market) in their full reinstatement cost (taking inflation of building costs into account) and such policy to cover Loss of Rent Insurance provided that the insurance may, if required by the Landlord, be in the joint names of the Landlord and any mortgagee and subject to obtaining all necessary planning consents and all other necessary Licenses, approvals and consents which the Landlord will use all reasonable endeavours to obtain as quickly as reasonably practicable, to cause all insurance moneys received (other than for loss of rent) to be applied in making good the damage for which the money has been received or (as the case may be) in rebuilding the Building (but not in any case so as to provide accommodation identical in layout if the Building including the Premises are reinstated to an equivalent standard provided the prior

written consent of the Tenant (such consent not to be unreasonably withheld or delayed) is obtained) and making good any shortfall out of its own monies save that the Landlord shall not be obliged to lay out or procure the laying out of the proceeds of such insurance if:-

- (a) such rebuilding, repairing or reinstating of the whole or any part of the Building is rendered impossible by external causes beyond the reasonable control of the Landlord and in that event it is hereby agreed and declared that the whole of such proceeds shall then belong to the Landlord; or
- (b) and to the extent that payment of any insurance moneys shall be properly refused by reason of any act neglect or default of the Tenant or any person occupying or enjoying the use of the Premises under or through the Tenant or their respective servants or agents or any person on the Premises the Building with the actual or implied authority of any of them (and the Tenant has not paid the shortfall to the Landlord);
- (c) the option set out in clause 7.3 shall have been exercised.

7.2 The Landlord shall supply to the Tenant as and when reasonably requested a copy of the current insurance policy or other adequate evidence of the terms and conditions of such policy and that the same is still in existence including all exclusions and limitation imposed by the insurers and in any event to notify the Tenant as soon as reasonable practicable in the event of any changes to the availability of cover.

7.3 If the Premises or the access to them or any part(s) of the Building upon which they depend shall be damaged by any of the Insured Risks or by terrorism or uninsured risks or flood (whether or not an Insured Risk) and are not rebuilt so as to render the Premises fit for use and occupation and accessible by the expiration of the period in respect for which the Landlord is obliged to maintain Loss of Rent Insurance the Landlord or the Tenant may determine this lease by giving to the other not less than one months' notice at any time not earlier than one month before the expiration of the Loss of Rent Insurance period and on the expiry of such notice this lease shall determine without prejudice to any right or remedy of either party in respect of any antecedent breach by the other. If the Building the Premises or the access thereto shall be severely damaged by terrorism or flood which is not an Insured Risk at the relevant time and the Landlord shall not desire to rebuild the Landlord or the Tenant may determine this Lease by giving not less than one month's notice to the other at any time and

such determination shall be without prejudice to any right or remedy of the Landlord or the Tenant in respect of any antecedent breach by the other. In either case the Landlord shall refund to the Landlord any monies paid by the Tenant relating to the period following the date of determination.

7.4 The Tenant covenants with the Landlord:

- (a) To pay to the Landlord as part of the Service Charge without deduction (save where required by law) or set-off the Tenants' proportion (as determined by the Landlord's Surveyor acting reasonably such determination to be conclusive so far as concerns matters of fact save in the case of manifest error or fraud) of;
  - (i) the gross reasonable and proper expense which shall from time to time be payable for the insurance of the Building in the full reinstatement cost thereof against loss or damage by or in consequence of the Insured Risks, including cover for demolition, site clearance, hoarding, propping and incidental expenses, architects', consulting engineer's, legal, surveyors' and statutory fees (and VAT thereon), the cost of any work which may be required by or by virtue of any statute, property owner's liability and such other fees and cover as the Landlord acting reasonably may consider appropriate;
  - (ii) any amount which may be deducted or disallowed by the insurers on account of an uninsured normal excess pursuant to any excess provision in the insurance policy upon settlement of any claim by the Landlord; and
  - (iii) any proper and reasonable expense which the Landlord may incur in obtaining a valuation of the Building for insurance purposes (but not more than once in any 3 year period).
- (b) To pay to the Landlord as part of the Service Charge the whole of the premiums payable by the Landlord for maintaining Loss of Rent Insurance in respect of the Premises.
- (c) To insure the fixed glass forming part of the Premises (if any) with a reputable publicly quoted insurance company or Lloyd's underwriters (in each case independent of the Tenant) in a reputable office against breakage or damage for the full reinstatement cost of such fixed glass from time to time and whenever so required to produce to the Landlord a copy of the policy of such insurance and the receipt for the current year's premium and whenever the whole or any part of the fixed glass is

broken or damaged to lay out all money received in respect of such insurance as quickly as possible in reinstating with new glass of the same quality and thickness and to pay any deficiency in such money.

- (d) To notify the Landlord as soon as reasonably practicable after it comes to the Tenant's attention if any event or thing happens in or relating to the Premises against which the Premises are insured under the terms of this lease.
- (e) Not to do or omit anything whereby any policy of insurance on the Premises or the Building may become void or voidable or otherwise prejudiced nor (unless the Tenant shall have previously notified the Landlord and have paid the increased premium) anything whereby abnormal or loaded insurance premiums may become payable.
- (f) If the insurance of the Landlord is vitiated in whole or in part in consequence of an act or omission of the Tenant, persons occupying or enjoying the use of the Premises through or under the Tenant, or their respective employees, workmen, agents or visitors, to pay to the Landlord within 21 days of written demand a sum equal to the amount of the insurance monies which has become irrecoverable in consequence of that act or omission.
- (g) To comply at all times with the requirements of the insurers notified to the Tenant in writing relating to the Premises.
- (h) Not to effect any insurance of or relating to the Premises except that provided for in this clause and insurance against risks which do not from time to time constitute an Insured Risk save that the Tenant may effect insurance of loss of profit and tenant's fixtures and fittings and shall be permitted to arrange the required third party and property owners liability insurance under its own policy.
- (i) If at any time the Tenant shall become entitled to the benefit of any insurance proceeds in respect of the Premises (arising out of a policy which is not effected or maintained in pursuance of any obligation of the Tenant contained in this lease) to apply such proceeds in making good the loss or damage to which those proceeds relate.

7.5 If the Premises or any part of the Premises or any area of the Building over which the Tenant has rights or depends for support or protection shall be destroyed or so damaged by any of the Insured Risks or by terrorism or flood (whether or not an Insured Risk) so as to render the Premises unfit for occupation or use or inaccessible then save to the extent (in the case of an

Insured Risk) the policy or policies of insurance of the Premises or the Building shall have been vitiated in whole or in part in consequence of any act, neglect or default of the Tenant or any person occupying or enjoying the use of the Premises under or through the Tenant or their respective servants or agents then payment of the yearly rents reserved in clause 4 or a fair proportion thereof according to the nature and extent of the damage sustained (the amount of such proportion in default of agreement to be referred to arbitration under the Arbitration Act 1996) shall be suspended until the Premises or the damaged or destroyed parts of the Building over which the Tenant has rights or depends for support or protection shall have been reinstated and the Premises made fit for occupation and use and accessible or until the expiration of the period for which loss of rent has been insured against whichever is the shorter and which shall not be less than three years.

## **8. Review of Annual Rent**

8.1 In this clause the "**President**" is the President for the time being of the Royal Institution of Chartered Surveyors or a person acting on his behalf, and the "**Surveyor**" is the independent valuer appointed pursuant to clause 8.7.

8.2 The Rent shall be reviewed on each Review Date to equal:

8.2.1 the Rent payable immediately before the relevant Review Date (or which would then be payable but for any abatement or suspension of the Rent or restriction on the right to collect it) or, if greater;

8.2.2 the open market rent agreed or determined pursuant to this clause.

8.3 The open market rent may be agreed between the Landlord and the Tenant at any time before it is determined by the Surveyor.

8.4 If the open market rent is determined by the Surveyor, it shall be the amount that the Surveyor determines is the annual rent (exclusive of any VAT) at which the Premises could reasonably be expected to be let:

8.4.1 in the open market;

8.4.2 at the relevant Review Date;

8.4.3 on the assumptions listed in clause 8.5; and

8.4.4 disregarding the matters listed in clause 8.6.

8.5 The assumptions are:

8.5.1 the Premises are available to let in the open market:

(a) by a willing lessor to a willing lessee;

(b) as a whole;

(c) with vacant possession;

(d) without a fine or a premium;

- (e) for a term equal to the unexpired residue of the Contractual Term at the relevant Review Date or a term of 10 years commencing on the relevant Review Date, if longer; and
  - (f) otherwise on the terms of this lease other than as to the amount of the Rent but including the provisions for review of the Rent at the fifth anniversary of the hypothetical term.
- 8.5.2 the willing lessee has had the benefit of any rent-free or other concession or contribution which would be offered in the open market at the relevant Review Date in relation to fitting out works at the Property;
- 8.5.3 the Property may lawfully be used, and is in a physical state to enable it to be lawfully used, by the willing lessee (or any potential undertenant or assignee of the willing lessee) for any purpose permitted by this lease;
- 8.5.4 the Tenant has fully complied with its obligations in this lease;
- 8.5.5 if the Property or any other part of the Building or any Service Media serving the Property, has been destroyed or damaged, it has been fully restored;
- 8.5.6 no work has been carried out on the Property or any other part of the Building that has diminished the rental value of the Property other than work carried out in compliance with clause 26.1.
- 8.5.7 any fixtures, fittings, machinery or equipment supplied to the Property by the Landlord that have been removed by or at the request of the Tenant or any undertenant or their respective predecessors in title (otherwise than to comply with any law) remain at the Property; and
- 8.5.8 the willing lessee and its potential assignees and undertenants shall not be disadvantaged by any actual or potential exercise of an option to tax under Part 1 of Schedule 10 to the VATA 1994 in relation to the Property.
- 8.6 The matters to be disregarded are:
  - 8.6.1 any effect on rent of the fact that the Tenant or any authorised undertenant has been in occupation of the Property;
  - 8.6.2 any goodwill attached to the Property by reason of any business carried out there by the Tenant or by any authorised undertenant or by any of their predecessors in business;
  - 8.6.3 any effect on rent attributable to any physical improvement to the Property and Service Media within or exclusively serving the Property carried out before or after the date of this lease, by or at the expense of the Tenant or any authorised undertenant with all necessary consents, approvals and authorisations and not pursuant to an obligation to the Landlord (other than an obligation to comply with any law);

- 8.6.4 any effect on rent of any obligation on the Tenant to reinstate the Property to the condition or design it was in before any alterations or improvements were carried out; and
- 8.6.5 any statutory restriction on rents or the right to recover them.
- 8.7 The Surveyor shall be an independent valuer who is a Member or Fellow of the Royal Institution of Chartered Surveyors. The Landlord and the Tenant may, by agreement, appoint the Surveyor at any time before either of them applies to the President for the Surveyor to be appointed. Any application to the President may not be made earlier than three months before the relevant Review Date.
- 8.8 The Surveyor shall act as an expert and not as an arbitrator. The Surveyor shall determine the open market rent and shall have power to determine any issue involving the interpretation of any provision of this lease, his jurisdiction to determine the matters and issues referred to him or his terms of reference. The Surveyor's decision shall be given in writing, and the Surveyor shall provide reasons for any determination. The Surveyor's written decision on the matters referred to him shall be final and binding in the absence of manifest error or fraud.
- 8.9 The Surveyor shall give the Landlord and the Tenant an opportunity to make written representations to the Surveyor and to make written counter-representations commenting on the representations of the other party to the Surveyor. The parties will provide (or procure that others provide) the Surveyor with such assistance and documents as the Surveyor reasonably requires for the purpose of reaching a decision.
- 8.10 If the Surveyor dies, or becomes unwilling or incapable of acting, or unreasonably delays in making any determination, then either the Landlord or the Tenant may apply to the President to discharge the Surveyor and clause 8.7 shall then apply in relation to the appointment of a replacement.
- 8.11 The fees and expenses of the Surveyor and the cost of the Surveyor's appointment and any counsel's fees, or other fees, incurred by the Surveyor shall be payable by the Landlord and the Tenant in the proportions that the Surveyor directs (or if the Surveyor makes no direction, then equally). If either party does not pay its part of the Surveyor's fees and expenses within ten working days after demand by the Surveyor, the other party may pay that part and the amount it pays shall be a debt of the party who has failed to make the payment due and payable on written demand. The Landlord and the Tenant shall otherwise each bear their own costs in connection with the rent review.
- 8.12 If the revised Rent has not been agreed by the Landlord and the Tenant or determined by the Surveyor on or before the relevant Review Date, the Rent

payable from and including that Review Date shall continue at the rate payable immediately before that Review Date. No later than five working days after the revised Rent is agreed or the Surveyor's determination is notified to the Landlord and the Tenant, the Tenant shall pay:

8.12.1 the shortfall (if any) between the amount that it has paid for the period from and including the Review Date until the Rent Payment Date following the date of agreement or notification of the revised Rent and the amount that would have been payable had the revised Rent been agreed or determined on or before that Review Date; and

8.12.2 interest at the Interest Rates on that shortfall calculated on a daily basis by reference to the Rent Payment Dates on which parts of the shortfall would have been payable if the revised Rent had been agreed or determined on or before that Review Date and the date payment is received by the Landlord.

8.13 Time shall not be of the essence for the purposes of this clause.

8.14 If at any time there is a guarantor, the guarantor shall not have any right to participate in the review of the Annual Rent.

8.15 As soon as practicable after the amount of the revised Rent has been agreed or determined, a memorandum recording the amount shall be signed by or on behalf of the Landlord and the Tenant and endorsed on or attached to this lease and its counterpart. The Landlord and the Tenant shall each bear their own costs in connection with the memorandum.

## **9. Services**

9.1 In this lease "Services" are:

- (a) the repair, maintenance and alteration of the Building (other than any parts specifically let or available for letting);
- (b) the inspection and testing of the Common Parts and the Conduits;
- (c) cleaning and decoration of the Common Parts, including cleaning any windows which are part of the Common Parts;
- (e) lighting the Common Parts;
- (f) planting and cultivating and maintaining any planted areas of the Common Parts and the provision, planting, maintenance and replacement of window boxes and other plant containers on the Common Parts; and
- (g) the control of pests on the Common Parts;
- (h) the provision and maintenance of refuse bins and bin areas and arranging for the removal of refuse;



- (i) the operation, maintenance, testing, inspection, repair and (where beyond economic repair) replacement of air conditioning in the Building and likewise (but also including the provision) of security apparatus, systems and staff at the Common Parts;
- (j) the provision, operation, maintenance, testing, inspection, repair and (where beyond economic repair) replacement of car parking and traffic safety and management apparatus, signs, markings and systems at the Common Parts;
- (k) gritting and clearing snow from the outside areas of the Building;
- (l) the provision, maintenance, repair and replacement of a name board at the entrance to the Building upon which the Landlord must display the name of the Tenant;
- (m) the provision of uniforms, work-clothes, equipment and non-residential accommodation for any staff engaged in the provision of any of the items listed above or below;
- (n) heating, cooling and ventilating the Common Parts of the Building;
- (o) supplying hot and cold water, towels and toilet hygiene services to the washrooms and lavatory areas of the Common Parts;
- (p) the operation, maintenance, testing, inspection, repair and (where beyond economic repair or otherwise necessary or appropriate) the upgrading or replacement including installation of fire prevention, detection, alarm and fighting equipment (including sprinkler systems) to the Common Parts;
- (q) the provision where reasonable or appropriate and the repair and replacement as necessary of furniture, clocks, carpets and other floor coverings, flowers and plants at the Common Parts;
- (r) supplying or carrying out any works, goods or services needed to comply with any Legal Requirement affecting the Building;
- (s) complying with the Construction Regulations and compiling, maintaining, copying and insuring any health and safety file in relation to the Common Parts as is required under the Construction Regulations;
- (t) paying national non-domestic rates, water rates and any other rates, existing and future rates taxes and outgoings payable in relation to the Building and the Common Parts other than those for which the tenants of the Building are directly responsible and due proportion of those imposed on the Building together with other property except for any tax payable by the Landlord as a result of any dealing or deemed dealing by the Landlord with its reversionary interest in the Building and any tax payable by the

Landlord in respect of rent (other than VAT) and other payments received by the Landlord under this Lease;

- (u) opposing or making representations in respect of any existing, future or proposed Legal Requirement relating to the Common Parts or the Building as a whole;
- (v) employing staff and security personnel or engaging contractors, agents and professional advisors in connection with the management of the Building such management costs to be charged at normal commercial rates;
- (w) interest and fees in respect of money borrowed by the Landlord to finance the provision of any of the items listed above at commercial rates;
- (x) the installation, operation, maintenance, testing, inspection, repair and where beyond economic repair replacement of any plant, machinery, equipment, goods or supplies which the Landlord in its reasonable discretion considers to be necessary or desirable in order to provide any of the other items mentioned in this clause;
- (y) any other service, supply or amenity which the Landlord in its reasonable discretion provides or procures for the benefit of the Building or the tenants or other occupiers of or visitors to the Building; and
- (z) the cost of complying with the Landlord's obligations to insure contained in Clause 7

PROVIDED THAT the following shall be excluded from the Service Charge:-

- (1) The cost (howsoever incurred) of the initial construction equipping and fitting out the Building and the initial provision of any items necessary to provide the Services described in Clause 9 including without prejudice to the generality of the foregoing close circuit television cleaning equipment and clothing
- (2) any costs and expenses incurred relating to the rebuilding (except where such works are in the nature of a maintenance or repair) of the structure of the Building and the Common Parts
- (3) The cost of making good any defects in the Building to the extent that they arise as a result of faulty materials workmanship or design in the initial construction of the Building
- (4) any fees and expenses attributable to disputes not relating to Common Parts with other tenants or occupiers of the Building or attributable to any action or proceedings relating to the Landlord's title to the Building or a superior title

- (5) the costs of any works to be carried out to the Building as a result of the Building having been constructed on land containing toxic waste or any other deleterious materials or substances
- (6) leasing commissions lawyers' fees costs disbursements and other expenses incurred in connection with negotiations with tenants or leasing renovating or improving space for tenants or other occupiers in the Building or in connection with any dispute with any tenant or other occupier of the Building
- (7) costs for permits licences and inspection fees incurred in renovating or otherwise improving or decorating painting or redecorating vacant space or space for other tenants or other occupiers of the Building
- (8) expenses in connection with services or other benefits of a type that are not provided to the Tenant but which are provided to other tenants or occupiers
- (9) any amount attributable to any unlet lettable areas in the Building
- (10) the cost of any improvement, modernisation or refurbishment extension and addition to or of the Building or any part thereof (provided that the Tenant shall not object to a reasonable element of betterment consequent upon repair)
- (11) the provision of any new plant or machinery or services save where such provision is of by way of replacement or renewal of existing plant or machinery or services (and replacement and/or renewal is in the nature of a repair)
- (12) service costs attributable to any part of the Building which has been let but where the relevant tenant has not paid such costs (whether or not the Landlord has taken legal proceedings to recover such costs)
- (13) the cost of the collection of rents
- (14) The costs of making good any damage caused by any of the Insured Risks and acts of terrorism whether or not an Insured Risk (save for any insurance excesses and to the extent that insurance monies are irrecoverable in whole or part in consequence of any act or default or omission of the Tenant or the Tenant's agents employees or other lawful occupiers)
- (15) any costs referred to in Clause 9.19

9.2 Subject to clauses 9.3, 9.4, and 9.5, the Landlord shall act reasonably in providing the Services and shall use all reasonable endeavours to provide the Services and shall provide the Services in an efficient and economical manner in accordance with the principles of good estate management.

9.3 The Landlord may alter, suspend or cease to provide any Service in its reasonable discretion and in accordance with the principles of good estate management provided that such alteration suspension or cessation does not have any material adverse effect upon the Tenant's use and enjoyment of the

- Premises or on the maintenance and repair of the structure and exterior of the Building.
- 9.4 The manner, period and standard of provision of the Services will in each case be within the reasonable discretion of the Landlord.
- 9.5 The Landlord shall not be liable for:
- (a) any failure, interruption or suspension of any of the Services caused by any matter outside its reasonable control but shall use all reasonable endeavours to keep the period of such failure, interruption or suspension to a minimum,
  - (b) the suspension, alteration or ceasing of any Service in order to (which the Landlord shall use all reasonable endeavours to procure as soon as reasonably practicable) repair, maintain or replace any building, structure, Conduit, plant, machinery or equipment, nor
- 9.6 The Landlord shall keep full and proper records of the expenditure including copies of vouchers and receipts and competitive quotations and shall allow the Tenant upon prior appointment (which appointment the Landlord shall not unreasonably withhold its consent to make) to inspect the said records and at the Tenants cost take copies thereof.
- 9.7 The Tenant shall pay the Service Charge in advance in equal instalments on the Rent Payment Dates. The first instalment of the Service Charge is to be paid on the Term Commencement Date and will be the appropriate proportion from the date of this lease until the next quarter day.
- 9.8 If the Service Charge for any Service Charge Year exceeds the Service Charge Estimate for that Service Charge Year then following the issue of the Service Charge Certificate, the Tenant shall within 14 days of written demand pay the amount of the excess.
- 9.9 If the Service Charge for any Service Charge Year is less than the Service Charge Estimate for that Service Charge Year, the amount of the overpayment will be credited to the Tenant against the next instalment of the Service Charge Estimate or at the expiry or earlier termination of the term forthwith refunded to the Tenant.
- 9.10 If the Landlord does not demand a Service Charge Estimate in any Service Charge Year, the whole of the Service Charge for that Service Charge Year shall be paid by the Tenant within 14 days of written demand following the issue of the Service Charge Certificate for that Service Charge Year.
- 9.11 As soon as practicable after the end of each Service Charge Year the Landlord will prepare and supply the Tenant with a copy of an account which shows the

total costs of the Services for the relevant Service Charge Year and the amounts in respect of provisions and taxation included in the Service Charges pursuant to paragraphs (b) (c) and (d) of the definition of "Service Charge" in Clause 1 and the calculation of the Service Charge.

- 9.12 The account will be certified by the Landlord's Accountant and except in the case of manifest error in calculation the account will be final and binding on the Tenant.
- 9.13 The Landlord shall provide the Tenant with a reasonable opportunity to inspect and take copies of any accounts, invoices, and other documents relating to the Service Charge which are in the possession of the Landlord (or the Landlord's Accountant).
- 9.14 The Landlord may, by giving notice to the Tenant, change the date given in the definition of the Service Charge Year. Such change will take effect at the end of the then current Service Charge Year which will then be extended to the date given. When such change takes effect the definition of Service Charge Year will be read with the new date substituted for the previous one.
- 9.15 The Service Charge for any Service Charge Year may include any costs incurred by the Landlord in relation to the Services or any taxation suffered in any earlier Service Charge Year but which have not been included in the amount for that earlier Service Charge Year.
- 9.16 The Service Charge for the first Service Charge Year of the term may include amounts in respect of any costs incurred by or on behalf of the Landlord before the beginning of the term but which relates to Services supplied to or enjoyed by the Tenant during the term.
- 9.17 Any part of the Service Charge which is applied in reimbursement for costs incurred by the Landlord or in respect of taxation will belong to the Landlord absolutely. The remainder of the Service Charge will be held by the Landlord during the Term on trust for all the persons for the time being entitled to the benefit of or subject to the burden of the Landlord's covenant in clause 9.2 with power to spend the same on any of the Services or in payment of any taxation and at the end of the Term the Tenant's Proportion of the amount standing to the credit of such bank account (less any tax due but subject to clause 9.8) will continue to be held on trust as set out above but (when no longer required) will be refunded within 14 days to the Tenant. Until so spent or paid or released such funds will be held in accordance with clause 9.18.
- 9.18 The remainder will be held either in a client account maintained in accordance with the Estate Agents Act 1979 or by the Landlord in a separate account at a

clearing bank in England or Wales. Such account may contain corresponding funds received from the other tenants of the Building. Any interest paid by the bank on such account will be credited to and form part of that account. Any tax payable by the Landlord in respect of the funds in that account will be paid out of such account. Upon any assignment of the reversion to this lease or the creation of a new immediate reversion to this lease the Landlord shall pay the amount standing to the credit of the Landlord's bank account to the immediate reversioner who shall hold it in accordance with this clause.

9.19 The Tenant shall not have any liability (by way of Service Charge or otherwise) for the repair maintenance or renewal of the retaining walls at the rear and side of the Building.

#### **10. Rates, taxes and outgoings**

10.1 The Tenant shall pay all present and future rates, taxes and other impositions payable in respect of the Property, its use and any works carried out there, other than.

10.1.1 any taxes payable by the Landlord in connection with any dealing with or disposition of the reversion to this lease; or

10.1.2 any taxes, other than VAT and insurance premium tax, payable by the Landlord by reason of the receipt of any of the rents due under this lease.

10.2 The Tenant shall not agree to any revision of the rateable value of the Premises without the written approval of the Landlord such approval not to be unreasonably withheld or delayed.

10.3 To pay all charges for electricity gas telephone and water consumed in the Premises including any connection and hiring charges and meter charges and to perform and observe all present and future Legal Requirements of the electricity gas telephone and water supply authorities in respect of the supply and consumption of electricity and telephone on the Premises and to keep the Landlord indemnified against any breach thereof.

#### **VAT**

11.1 All sums payable by the Tenant are exclusive of any VAT which may be chargeable. The Tenant shall pay VAT on all taxable supplies made to it pursuant to this lease on the due date for making any payment or the passing of any non-monetary consideration in respect of the relevant supply or, on whichever is the later of 10 working days after demand and the date on which

that supply is made for VAT purposes subject to the provisions of clause 11.2 below.

- 11.2 Every obligation on the Tenant under or in connection with this lease to pay, refund or to indemnify the Landlord or any other person any money or against any liability includes an obligation to refund or indemnify against any VAT chargeable in respect of it save where such VAT is recoverable by the Landlord as input tax and subject to the Landlord delivering to the Tenant a valid VAT invoice.

**12. Interest**

If the Rent or any other money due under this lease has not been paid within 21 days of its due date, whether it has been formally demanded or not, the Tenant shall pay the Landlord interest at the Interest Rate (both before and after any judgement) on such Rent or other money for the period from the due date until the date of payment.

**13. No set-off**

All Rent and other money due under this lease are to be paid by the Tenant (as the case may be) without deduction (save where required by law), counterclaim or set-off, whether legal or equitable.

**14. Repairs**

- 14.1 The Tenant shall keep the Premises in good and substantial repair and shall rebuild and replace them as necessary provided further that the Tenant shall not be liable for any latent defect affecting the Premises at the date hereof (which (for the avoidance of doubt) the Landlord will remedy at its cost).
- 14.2 The Tenant shall not knowingly overload any Conduits, plant or machinery or Landlord's fixtures which form part of the Premises, shall maintain them in accordance with any relevant manufacturers' recommendations and shall replace them when necessary with new ones of a similar type and quality.
- 14.3 The Tenant shall (if reasonably required and subject to fair wear and tear) replace or repair all carpets and other floor coverings at the Premises within three months of the end of the term, so that the carpets and other floor coverings are otherwise in no worse a condition than they were on the date the Tenant took possession of the Premises and appropriate to the use of the Premises for the Permitted Use.
- 14.4 The Tenant shall keep the Premises clean and tidy and clear of rubbish and shall clean all windows and glass at the Premises (both inside and outside) as often as reasonably necessary and keep them unobstructed.

- 14.5 The Tenant shall ensure that any works carried out to any Conduits forming part of the Premises are carried out in accordance with the regulations of the relevant utility supplier.
- 14.6 As soon as reasonably practicable after the Tenant becomes aware of any defect in the Premises or the Building, it shall give the Landlord notice of it and shall at the Landlord's cost take all actions which are reasonably necessary (so far as they are within the Tenant's responsibilities under this lease) to ensure that the Landlord will not incur any liability under the Defective Premises Act 1972 in relation to the Premises.
- 14.7 The Tenant will not be liable under this clause 14 to the extent that damage has been caused by an Insured Risk or (if not an Insured Risk) by terrorism or flood, except to the extent that (in the case of an Insured Risk) any policy of insurance effected by the Landlord pursuant to this lease has been vitiated in consequence of any act or omission of the Tenant, any under-tenant or their workers, contractors or agents or any person on the Premises or at the Building with the actual or implied authority of any of them (and the Tenant has not paid the shortfall to the Landlord).
- 14.8 The Tenant shall not knowingly do anything which may result in damage to any Conduit, plant or machinery or Landlord's fixture which is within the area edged red on the Plan but which does not form part of the Premises.

## **15. Decoration**

- 15.1 The Tenant shall decorate the inside of the Premises in the fifth year of the term and also in the last three months of the term howsoever determined PROVIDED THAT the Tenant shall not be liable to redecorate more than once in any one period of 18 months.
- 15.2 The Tenant shall decorate the outside of the Premises in every third year of the term and also in the last three months of the term howsoever determined PROVIDED THAT the Tenant shall not be liable to decorate more than once in any one period of 18 months.
- 15.2 The Tenant shall not change the type or colour of the internal or external decoration of the Premises, nor cover-up or change any part of the architectural decorations of the Premises without the consent or written approval of the Landlord (such consent or approval, in the case of any internal decoration not to be unreasonably withheld).
- 15.3 All decoration is to be carried out in a good and proper manner with good quality materials, appropriate for the Permitted Use, and with all surfaces having first been properly prepared and treated.



**16. Returning the Premises to the Landlord**

- 16.1 At the end of the term the Tenant shall return the Premises to the Landlord with vacant possession and in such a state and condition as is consistent with the Tenant having fully complied with the tenant covenants in this lease including any obligations to reinstate the Premises pursuant to the Tenant's Covenants contained in the Existing Lease..
- 16.2 If any Legal Requirement which the Tenant is obliged to comply with by virtue of this lease remains outstanding at the end of the Contractual Term, the Tenant shall comply with it before the end of the Contractual Term notwithstanding that the terms of the Legal Requirement provide or allow for compliance after the end of the Contractual Term.

**17. Assignments**

- 17.1 The Tenant shall not assign the whole of the Premises without the consent of the Landlord, such consent not to be unreasonably withheld or delayed
- 17.2 The Tenant shall not assign part only of the Premises.
- 17.3 The Landlord and the Tenant agree that for the purposes of section 19(1A) of the Landlord and Tenant Act 1927 the Landlord may withhold its consent to an assignment in any of the circumstances set out in clause 17.4 and may give its consent subject to all or any of the conditions set out in clause 17.5.
- 17.4 The circumstances are:
- (a) any money due from the Tenant under this lease prior to the giving of the consent has been paid;
  - (b) there is a material breach of the tenant covenants relating to the state and condition of the Premises;
  - (c) the assignee is a person who, in the reasonable opinion of the Landlord, will be or become unlikely to be able to comply with the tenant covenants in this lease and the assignee is unable to provide additional security reasonably acceptable to the Landlord;
  - (d) the assignee (other than a proposed guarantor under an authorised guarantee agreement) is registered or resident in a jurisdiction in which a court order obtained in England and Wales would not necessarily be enforced without re-examination of the merits of the case by the courts of that jurisdiction and the assignee is unable to provide additional security reasonably acceptable to the Landlord; and
  - (e) the assignee (other than a proposed guarantor under an authorised guarantee agreement) has state or diplomatic immunity, unless that assignee is the government (or any department or Secretary of State of

the government) of the United Kingdom.

- 17.5 The conditions are that before the assignment is entered into:
- (a) the assignor and (if reasonable but not otherwise) any former tenant who by virtue of section 11 of the Landlord and Tenant (Covenants) Act 1995 has not been released from the tenant covenants in this lease) enters into an authorised guarantee agreement in the form set out in schedule 2 (with such amendments as the Landlord may reasonably require) but only where reasonable in all circumstances.
  - (b) if reasonably required by the Landlord, one or more persons reasonably acceptable to the Landlord enter into a full guarantee and indemnity of the liability of the assignee for the tenant covenants of this lease in the terms set out in schedule 1 (with such amendments as the Landlord may reasonably require and adapted to suit the circumstances in which the guarantee and indemnity is given);
  - (c) if reasonably required by the Landlord, the assignee will provide a rent deposit or other security upon such terms as the Landlord reasonably requires;
  - (d) the consent of any third party which is needed for the assignment is obtained
  - (e) any outstanding Rent or Service Charge then due by the Tenant is paid;
  - (f) where the assignee is not registered or resident in the United Kingdom, a legal opinion from lawyers of the relevant jurisdiction addressed to the then Landlord and its mortgagees (if any) and in a form satisfactory to the Landlord acting reasonably is delivered to the Landlord; and
  - (g) none of the circumstances in clause 17.4 has come into existence.
- 17.6 Nothing in this clause 17 will prevent the Landlord from refusing consent to an assignment where it is reasonable to do so, nor from giving consent subject to any other reasonable condition.
18. **Underlettings**
- 18.1 The Tenant shall not underlet the whole of the Premises otherwise than in accordance with this clause 18 nor without the consent of the Landlord, such consent not to be unreasonably withheld or delayed.
- 18.2 The Tenant shall not underlet part only of the Premises.
- 18.3 The Tenant shall not underlet the Premises together with any property or any right over the Premises not included within this Lease nor at a fine or premium, nor at a reverse premium, nor with the giving of any rent free period exceeding such period as is then usual in the open market in respect of such a letting.

18.4 The Tenant shall not underlet the Premises unless before the underlease is granted:

- (a) the undertenant enters into a covenant with the Landlord to comply with the tenant covenants in this lease (other than payment of Rent) and the tenant covenants in the underlease in both cases from the date the underlease is granted until the undertenant is released from those covenants by virtue of section 5 of the Landlord and Tenant (Covenants) Act 1995;
- (b) if reasonably required by the Landlord, one or more persons reasonably acceptable to the Landlord enter a full guarantee and indemnity (in the terms set out in schedule 1 with such amendments as the Landlord reasonably requires and adapted to suit the circumstances in which the guarantee and indemnity is given) of the liability of the undertenant under the tenant covenants in the underlease and in respect of the tenant covenants in this lease (other than payment of Rent) of the undertenant provides additional security reasonably acceptable to the Landlord;
- (c) the underlease is excluded from Sections 24 to 28 of the Landlord and Tenant Act 1954 pursuant to the provisions of Section 38A of that Act.

18.5 Any underletting by the Tenant must be in writing and must include the following:

- (a) an agreement between the Tenant and the undertenant, excluding the application of sections 24 to 28 of the Landlord and Tenant Act 1954 from applying to the tenancy created by the underlease;
- (b) the reservation of a rent which is not less than the full open market value of the Premises at the date the Premises are underlet and which is payable at the same time as the Rent under this lease;
- (c) provisions for re-entry by the Tenant in similar circumstances as the Landlord may re-enter the Premises under this lease;
- (d) provisions restricting assignment, underletting, charging, parting or sharing possession or occupation of the Premises in terms similar to those in this lease and which:
  - (i) require the consent of the Landlord (which shall not be unreasonably withheld) to any assignment or underletting and in the connection allow the Landlord to require, and approval (such requirement and approval in each case not to be unreasonably made or withheld) the terms of, direct covenants, guarantees or other securities in favour of the Landlord pursuant to Clause 18.4(a); and
  - (ii) in relation to assignments, permit the Tenant to give consent to an assignment of any underlease subject to conditions that the assignee

enters into a direct covenant with the Landlord as referred to in clause 18.4(a) and that the assignor enters into an authorised guarantee agreement in favour of the Landlord in the terms set out in schedule 2 (with such amendments as the Landlord reasonably requires and adapted to suit the circumstances in which the agreement is made) in respect of the liability of the assignee under all the tenant covenants of the underlease and the tenant covenant referred to in clause 18.4(a);

- (e) provisions requiring the consent of the Landlord to be obtained in respect of any matter (other than any other dealing with any underlease than is set out above) for which the consent of the Landlord is required under this lease; and must otherwise be consistent with and no less onerous (other than the amount of the Rent) than this lease and in a form approved by the Landlord, such approval not to be unreasonably withheld or delayed.

18.6 In relation to any underletting by the Tenant, the Tenant shall:

- (a) not vary terms of the underletting without the consent of the Landlord, such consent not to be unreasonably withheld or delayed;
- (b) enforce the tenant covenants in the underlease and not waive any obligation of, nor reduce, commute or accelerate any rent payable by, the undertenant nor take any other step which would restrict the Landlord's statutory power to collect the underlease rents;
- (c) unless the Landlord otherwise agrees (such agreement not to be unreasonably withheld), refuse consent to an assignment of the underlease in any of the circumstances where the underlease permits it to do so and give consent to an assignment subject to the conditions which may be imposed by the terms of the underlease.

## **19. Sharing occupation**

The Tenant may share occupation of the Premises with any company which is a member of the same group (within the meaning of section 42 of the Landlord and Tenant Act 1954) as the Tenant for so long as such company remains within that group and provided that no relationship of landlord and tenant is established by such arrangement.

## **20. Charging**

20.1 The Tenant shall not charge the whole of the Premises without the consent of the Landlord, such consent not to be unreasonably withheld provided that no consent shall be required for the creation of a floating charge or debenture.

20.2 The Tenant shall not charge part only of the Premises.

**21. Prohibition of other dealings**

Except as expressly permitted by this lease, the Tenant shall not assign, underlet, charge, part with or share possession or occupation of the Premises or hold them on trust for any person, except where a trust arises pending registration of a dealing at HM Land Registry following a dealing permitted by this lease.

**22 Registration and notification of dealings and occupation**

22.1 Within one month of any dealing with or creation, devolution, transmission or parting with possession of any interest in, or of making any arrangement for the occupation of the Premises (other than pursuant to clause 19), the Tenant shall:

- (a) give the Landlord's solicitors notice of the transaction or event;
- (b) deliver two certified copies of any document effecting the transaction to the Landlord's solicitors; and
- (c) pay the Landlord's solicitors a registration fee of £50 (plus VAT).

22.2 If the Landlord requests (acting reasonably), the Tenant shall supply the Landlord with full details of the occupiers of the Premises and the terms upon which they occupy the Premises.

**23. Use**

23.1 The Tenant shall not use the Premises for any purpose other than the Permitted Use and shall not use the Premises:

- (a) for any illegal or immoral purpose;
- (b) for any noxious, noisy, offensive or dangerous activity;
- (c) as a club, betting office (but this will not prevent the sale of National Lottery tickets), sex shop, amusement arcade;
- (d) for any public exhibition, show or political meeting;
- (e) for any auction sale;
- (f) as a residence or as sleeping accommodation;
- (g) for keeping any animal; nor
- (h) in a manner which would cause a nuisance, danger, injury or damage to the Landlord, its other tenants or any owner or occupier of neighbouring property.

23.2 The Tenant may only keep machinery and equipment at the Premises which is of a type usually used in connection with the Permitted Use and shall not in any event keep any machinery or equipment at the Premises, nor use it in a manner which may:

- (a) cause damage to the Premises or the Building;
- (b) cause damage to any neighbouring property; or

- (c) cause a nuisance, danger, injury or damage to the Landlord, the other tenants or occupiers of the Building or any owner or occupier of neighbouring property.
- 23.3 Unless the Premises have been damaged by an Insured Risk or by another cause wholly outside the control of the Tenant, the Tenant shall not leave the Premises unoccupied for more than one month at a time without:
- (a) making such security and care-taking arrangements as are reasonably necessary to protect the Premises from unlawful entry or occupation, theft and criminal damage;
  - (b) taking any other steps reasonably required by the Landlord or required or recommended by the insurers of the Premises;
  - (c) paying any increase in the insurance premiums for the Premises or any other property resulting from the Premises being unoccupied; and
  - (d) notifying the Landlord when the Premises are reoccupied.
- 23.4 If the Premises are continuously unoccupied for more than one month to provide such security and caretaking arrangements as are reasonably necessary to give the Premises reasonable protection from vandalism, theft or unlawful occupation and if the insurance premiums payable in respect of the Building or any adjoining or neighbouring premises owned by the Landlord are increased by reason of the Premises being unoccupied to pay to the Landlord on demand all such increased premiums.

## **24. Alterations**

- 24.1 The Tenant shall not make any external or structural alterations or additions and shall not unite the Premises with any adjoining property.
- 24.2 The Tenant shall not make any internal, non-structural alterations or additions to the Premises which would interfere with any Conduits, plant or machinery or Landlord's fixtures at the Building, other than those which form part of the Premises and shall not make any other internal, non-structural alterations or additions unless the Tenant first:
- (a) supplies details of the proposed alterations to the Landlord together with three copies of any appropriate plans and specifications; and
  - (b) obtains all necessary consents of any competent authority and pays all charges in connection with such consents
- and then not without the consent of the Landlord, such consent not to be unreasonably withheld.
- 24.3 As a condition of giving such consent, the Landlord may require the Tenant to:
- (a) pay all legal and other expenses properly and reasonably incurred by the

Landlord in connection with such consent;

- (b) reinstate the Premises to the condition they were in before the alteration was made, where the alteration does not add to the letting value of the Premises and such a requirement is reasonable;
- (c) enter into such other covenants with the Landlord relating to the carrying out, reinstatement, the insurance of the works, the provision of security for their completion and such other matters as may be reasonable.

24.4 If the Tenant installs or makes any alteration to any Conduits, such installation or alteration must be made in accordance with the regulations and recommendations of the relevant utility suppliers.

24.5 Without prejudice to the Tenant's other covenants in this lease, the Tenant may erect and remove non-structural demountable, internal partitioning at the Premises without the consent of the Landlord.

24.6 If the Tenant makes any alterations whether with or without the Landlord's consent or erects any partitioning (subject to Clause 24.3) it must remove it before the end of the term and make good any damage caused to the Premises.

## **25. Advertisements, Signs and Aerials**

25.1 Except as permitted by clauses 24 or 25, the Tenant shall not exhibit any advertisement, notice or sign outside any building at the Premises or inside any such building so as to be seen from the outside.

25.2 The Tenant shall not allow anything to project from the Premises nor hang anything from the windows at the Premises, nor have any window box at the Premises.

25.3 The Tenant may, with the written approval of the Landlord, such approval not to be unreasonably withheld or delayed, display a sign in the entrance hall to the Building and on any internal door leading to the Premises and on the exterior of the Building showing the Tenant's name and business, the size, position and nature of which has been first approved in writing by the Landlord, such approval not to be unreasonably withheld or delayed. The Tenant shall remove such signs at the end of the term and make good any damage caused by such removal.

## **26. Compliance with Legal Requirements**

26.1 The Tenant shall comply with all Legal Requirements for the time being in force relating to the Premises or to the use of them by the Tenant, any undertenant or any other person at the Premises with the consent of the Tenant or any.

26.2 The Tenant shall not knowingly do or knowingly omit anything which would result in the Landlord being liable to pay any levy, charge, penalty, damages,

compensation or costs under any Legal Requirement and shall indemnify the Landlord against all such liability.

**27. Town Planning**

- 27.1 The Tenant shall comply with the Planning Acts and with any planning permission relating to the Premises in existence at the date of this lease.
- 27.2 The Tenant shall not apply for planning permission for the Premises without the Landlord's consent such consent not to be unreasonably withheld or delayed.

**28. Compliance with Construction Regulations**

- 28.1 Where the Construction Regulations apply, the Tenant shall plan, carry out and complete all relevant works at the Premises in accordance with the Construction Regulations.
- 28.2 To the extent that the Landlord may be a client for the purposes of the Construction Regulations in relation to any works at the Premises, the Landlord appoints the Tenant as the only client in respect of such works. Before beginning any such works the Tenant shall make a declaration that the Tenant is the only client in respect of those works for the purposes of the Construction Regulations and shall give the Landlord a copy of that declaration and of the acknowledgement of it from the Health and Safety Executive.
- 28.3 In relation to any relevant work carried out at the Premises, the Tenant shall:
  - (a) obtain all documents which, in accordance with the Construction Regulations should be placed in the health and safety file for the Building; and
  - (b) give copies of such documents to the Landlord as soon as possible after completion of such work if reasonably requested by the Landlord.

**29. Hazardous Substances and Environmental Liability**

- 29.1 The Tenant shall not allow, use, process, store or retain on, or remove or discharge from the Premises any substance which is or may be or become contaminative, polluting, harmful or hazardous, except substances which:
  - (a) would usually be used by occupiers in connection with the Permitted Use;
  - (b) are kept in quantities which would be usual for the storage of that material at property such as the Premises in connection with the Permitted Use; and
  - (c) are allowed, used, processed, stored, retained, removed or discharged (as the case may be) properly and safely and in accordance with the recommendations and requirements of the manufacturers and suppliers of such substances and of the insurers of the Premises and in accordance with all Legal Requirements.

provided that the Tenant shall not have any liability directly or indirectly in



respect of any contaminative polluting harmful or hazardous substance or Legal Requirement in any way relating to environmental matters and affecting the Premises or the Building (1) at the date of this lease or (2) arising during the Contractual Term and caused by someone during the Contractual Term who is not the Tenant or any person under the Tenant's control and the Landlord shall indemnify and keep the Tenant indemnified from and against all costs claims demands and expenses in relation to or as a result of any such substance or Legal Requirement

**30. Fire Safety and Prevention**

- 30.1 The Tenant shall keep the Premises equipped with all fire prevention, detection and fighting equipment which is required by law, or required by the insurers of the Building or reasonably recommended by them and shall keep such equipment available for inspection by the insurers and properly maintained.
- 30.2 The Tenant shall not obstruct the access to or means of working such equipment or the means of escape from the Premises in case of fire.

**31. Allowing the Landlord to enter the Premises**

- 31.1 The Tenant shall allow the Landlord to enter the Premises for any of the following purposes:
- (a) to view and record the state, condition and use of the Premises and to determine whether the tenant covenants are being complied with;
  - (b) to prepare a notice identifying any breaches of the tenant covenants and requiring the Tenant to remedy them;
  - (c) to remedy any material breach of covenant for which the Tenant is liable and which the Tenant has failed to do in accordance with this Lease;
  - (d) to take any steps which the Landlord reasonably considers necessary because the Premises are vacant, including securing the Premises against unlawful occupation, theft or criminal damage, putting the Premises into a safe, clean and tidy state, boarding or whitewashing the windows or placing a display or a sign or signs in the windows;
  - (e) to take any step in connection with the insurance of the Building;
  - (f) to carry out any development or other works mentioned in clause 43 (Redevelopment of the Building and Development of neighbouring property);
  - (g) to exercise any right excepted and reserved by this lease;
  - (h) to carry out any of the Services;
  - (i) to comply with any landlord covenant in this lease;
  - (j) to make any connection into any Conduits at the Premises;

- (k) to comply with any Legal Requirements of any competent authority or any third party having rights over the Premises (including any related to a Third Party Right) or any neighbouring property; or
  - (l) to fix a notice-board on the exterior of the Premises but not on the window for the reletting (save where the Tenant has the right to renew this Lease) or the sale of the Landlord's interest in the Premises, in which case the Tenant shall not remove or obscure such notice-board provided that it has been fixed in a position which does not obscure or interfere with the Tenant's business and for any other purpose mentioned in this lease or for any other reasonable purpose connected with this lease or with the Landlord's interest in the Premises, the Building or any neighbouring property.
- 31.2 If the Landlord gives notice during the term of any breach of covenant relating to the state and condition of the Premises for which the Tenant is liable, the Tenant shall:
- (a) start the necessary remedial work within 2 months of the date of the notice or sooner if reasonably required;
  - (b) proceed diligently and without interruption to complete the work; and
  - (c) use reasonable endeavours to complete the work within such period or periods as the Landlord may reasonably specify in the notice, or any longer period which the Landlord may allow the Tenant.
- 31.3 If the Tenant does not comply with sub-clause 31.2 then, without prejudice to the Tenant's liability for any breach of covenant, the Tenant shall allow the Landlord to enter the Premises and carry out the work in default PROVIDED THAT the Landlord shall not be permitted to enter where the works are of a minor or decorative nature only.
- 31.4 In all cases the Tenant shall permit entry at any reasonable time requested by the Landlord and on being given reasonable notice (which shall be in writing) except in the case of an emergency when the Tenant shall permit entry at any time and no notice (written or other) need be given. If the Landlord is allowed to enter the Premises, then any of the Landlord's workers, contractors, agents and professional advisers may also enter the Premises in the same circumstances.
- 31.5 The Landlord will not be obliged to enter the Premises in any of the circumstance where it may do so, and if it does enter the Premises and if it takes any steps or carries out any works to or at the Premises, then such entry, steps and works will be without prejudice to the liability of the Tenant for any

breach of covenant and to any other right or remedy of the Landlord in respect of such breach.

- 31.6 Anyone entering shall cause as little noise damage and inconvenience as reasonably practicable and shall forthwith make good any damage caused to the Premises and the Tenant's fixtures and fittings in consequence of it entering the Premises pursuant to this clause 31 (including where entry to the Premises is reasonably necessary in connection with a material breach of any repairing covenant).

### **32. Encroachments**

- 32.1 The Tenant shall not (save where consequent upon any permitted alterations or signage) grant any right or licence over the Premises to a third party.
- 32.2 If a third party makes or attempts to make an encroachment over the Premises or takes any action by which a right may be acquired over the Premises, the Tenant shall:
- (a) immediately give notice to the Landlord once it comes to the Tenant's attention; and
  - (b) take such steps at the Landlord's cost as the Landlord reasonably requires to prevent or license the continuation of such encroachment or action.

### **33. Obstructions**

The Tenant shall not obstruct any window at, nor the flow of light or air to the Premises nor any means of access to the Premises nor acknowledge that any light or the flow of air to the Premises or means of access to the Premises is enjoyed by consent of any other person.

### **34. Security**

The Tenant shall keep the Landlord informed of the name and address and telephone number of at least one key-holder of the Premises.

### **35. Substitute guarantor**

- 35.1 If any of the following events occurs in relation to a guarantor, the Tenant shall give the Landlord notice of it and if the Landlord requires, procure that a guarantee and indemnity in the form set out in schedule 1 with such amendments as are reasonably required in the circumstances or are reasonably required by the Landlord executed and delivered to the Landlord within one month of such event by such other person or persons who are reasonably acceptable to the Landlord.
- 35.2 The events are:
- (a) where that guarantor is a corporation, any of the events referred to in clause 41.1(c) occurs in relation to that corporation or

(b) where that guarantor is an individual, any of the events referred to in clause 41.1(d) occurs in relation to that individual.

35.3 This clause shall not apply in the case of a person who is guarantor by reason of having entered into an Authorised Guarantee Agreement.

**36. Notices received by the Tenant**

Immediately on receipt of any consent, notice or other communication which may affect the Landlord's interest in the Premises or the Building, including any notice under the Party Wall etc. Act 1996 relating to the Premises or the Building or any neighbouring property, the Tenant shall send a copy of the relevant document to the Landlord, and at the Landlord's reasonable request shall make, or join the Landlord in making, such objections or representations against or in respect of such notice, order or communication or serve such counter notice as the Landlord reasonably deems expedient, and shall not take any other action without the Landlord's written approval (such approval not to be unreasonably withheld) PROVIDED THAT the Tenant shall not be obliged to do anything which is contrary to its genuine business interests.

**37. Costs**

37.1 The Tenant shall pay the reasonable and proper costs and expenses incurred by the Landlord, any mortgagee and their respective professional advisers in connection with:

- (a) any breach of covenant by the Tenant, including any costs and expenses incurred in remedying the breach of covenant;
- (b) any notice requiring the Tenant to remedy a breach of any of the tenant covenants and any notice served under section 17 of the Landlord and Tenant (Covenants) Act 1995 and
- (c) the preparation and service of a schedule of dilapidations during or within 4 months after the end of the term and relating to dilapidations which occurred prior to the expiry of the Contractual Term; and
- (d) any consent or approval applied for under this lease unless such consent or approval is unlawfully withheld (any such costs and expenses under this clause 37.1(d) to be proper and reasonable).

**38 Indemnity**

The Tenant shall keep the Landlord indemnified against all reasonable and proper expenses, demands, costs, claims and losses (including any diminution in the value of the Landlord's interest in the Premises or the Building and loss of amenity of the Premises or the Building) arising from any breach of any of the

tenant covenants in this lease. This indemnity will not extend to any criminal liability of the Landlord.

**39. Information**

The Tenant shall supply with Landlord with such information and documents as it may reasonably request from time to time to show that the Tenant is complying with the tenant covenants in this lease.

**40. Landlord's covenant for quiet enjoyment and enforcement**

40.1 The Landlord agrees that the Tenant will have quiet enjoyment of the Premises against the Landlord or any person claiming title through the Landlord.

40.2 The Landlord agrees that (at the request of the Tenant) it will use all reasonable endeavours to enforce the covenants on the part of other tenants and occupiers of the Building.

**41. Condition for re-entry**

41.1 The Landlord may re-enter the Premises at any time after any of the following occurs:

- (a) any rent is unpaid 21 days after becoming payable whether it has been formally demanded or not;
- (b) there is a breach of any of the tenant covenants in this lease;
- (c) where the Tenant is a corporation:
  - (i) a voluntary arrangement (as defined in section 1 of the Insolvency Act 1986) is implemented in respect of the Tenant;
  - (ii) an application for an administration order is implemented in relation to the Tenant;
  - (iii) a receiver or manager (including an administrative receiver) is appointed in relation to any property or income of the Tenant;
  - (iv) a voluntary winding-up is commenced under section 84 of the Insolvency Act 1986 in respect of the Tenant, except a winding-up for the purpose of amalgamation or reconstruction of a solvent company in respect of which a statutory declaration of solvency has been filed with the Registrar of Companies;
  - (v) a winding-up order is made in respect of the Tenant;
  - (vi) a meeting is convened or any other step is taken for the purpose of making or proposing to enter into or make any arrangement, compromise or composition for the benefit of any creditors or the Tenant;
  - (vii) the Tenant is struck off the Register of Companies or it otherwise ceases to exist;

(viii) if it is registered with unlimited liability, it applies to be registered with limited liability;

(d) where the Tenant is an individual the Tenant makes an assignment for the benefit of its creditors or convenes a meeting or takes any other step for the purpose of making or proposing to make any compromise, arrangement or composition of its creditors;

41.2 If the Landlord re-enters the Premises pursuant to this clause 41, this lease will immediately end, but without prejudice to any right or remedy of either party in respect of any breach of covenant by the other.

#### **42. Notices in connection with this Lease**

42.1 Unless otherwise specified in this lease, a notice in connection with this lease must be in writing and will be validly served if the recipient or its authorised agent acknowledges receipt or if it is delivered by hand or sent by registered post or recorded delivery post to:

(a) the recipient's registered office, if the recipient is a company incorporated in England and Wales or in Scotland or in Northern Ireland; or

(b) if the recipient is the Landlord, the latest address within England and Wales which the Landlord has notified in writing to the Tenant; or

(c) otherwise, the recipient's address given in this lease.

42.2 A notice delivered by hand is to be treated as served that day if delivered before 4pm and otherwise on the next working day and if sent by registered post or recorded delivery post is to be treated as served on the third working day after posting whenever and whether or not it is received.

42.3 The provisions of this clause 42 do not preclude the service of a notice in connection with this lease by any other method authorised by any statute.

#### **43. Redevelopment of the Building and Development of Neighbouring Property**

The Landlord will be entitled to carry out or permit the development or redevelopment of the Building or the redevelopment of any neighbouring property, to build on or into any roof or boundary wall of the Building and to re-route any Conduits at or serving or access to the Premises. And in each case the Landlord may do so even if this results in a reduction in the flow of light or air to the Premises but provided always that the Tenant's use and occupation of the Premises and access thereto shall not in any case be materially adversely affected thereby.

#### **44. Landlord's liability**

44.1 To the extent that the law allows the Landlord will be under no liability to the Tenant except where the Landlord expressly undertakes that liability in this lease.

44.2 The Landlord will not be liable to the Tenant or any other person claiming through the Tenant for any damage which may be caused by the stoppage of or any defect in any Conduit, plant or machinery in or serving the Premises, the Building or any neighbouring property save where such stoppage or defect is as a result of a breach of any of the Landlord's covenants or obligations contained in this Lease.

44.3 In any case where the facts are or should reasonably be known to the Tenant, the Landlord will not be liable to the Tenant in respect of any failure of the Landlord to perform any landlord covenant in this lease unless and until the Tenant has given the Landlord notice of the facts giving rise to the failure and the Landlord has not within a reasonable time remedied the failure.

**45. Exclusion of representations and warranties**

45.1 The Tenant acknowledges that it has not entered into this lease in reliance (wholly or partly) on any statement or representation made by or on behalf of the Landlord except in so far as any such statement or representation is expressly set out in this lease or has been made in writing by the Landlord's solicitors to the Tenant's solicitors before the date of this lease.

45.2 Nothing in this lease or in any consent or approval granted by the Landlord under this lease will imply or warrant that the Premises may lawfully be used for any purpose authorised by this lease or by any such consent or approval.

45.3 This clause 45 will not affect liability for any fraudulent statement or representation.

**46. Performance impossible**

Nothing in this lease will make the Landlord or the Tenant liable in respect of any breach of the landlord covenants or the tenant covenants in this lease if, and for so long as, the performance or observance of them becomes impossible or illegal under the Planning Acts or any other Legal Requirement, but in such circumstances the term will continue.

**47. Tenant's effects**

47.1 The Tenant irrevocably appoints the Landlord to be the Tenant's agent to store or dispose of any items left by the Tenant on the Premises for more than 14 days after the end of the term subject to any conditions which the Landlord reasonably thinks fit and without the Landlord being liable to the Tenant except (but subject to clause 47.2) to account for the net proceeds of sale less the cost

of storage and any other expenses reasonably incurred by the Landlord.

- 47.2 Any items belonging to the Tenant which are left at the Premises on or after the end of the term will be subject to a lien in favour of the Landlord in respect of any liability of the Tenant to the Landlord in connection with this lease. The Landlord will have power to sell or otherwise dispose of all such items on whatever terms the Landlord thinks fit and to apply the net proceeds of such sale or disposal towards satisfaction of such liability SAVE THAT the Landlord shall destroy (at the Tenant's cost) any copyrighted or trademark material or any other such items of the Tenant and will not be entitled to retain or sell any such items.

**48. Indemnity**

Where in this Lease the Tenant indemnifies the Landlord in respect of any act matter or thing the Landlord shall consult with the Tenant in connection with any action claim cost proceeding (or any similar matter) and shall use all reasonable endeavours to mitigate its loss.

**50. Tenant's Break Clause**

- 50.1 Subject to the conditions in Clause 50.2 being satisfied at the Break Date the Tenant may terminate this lease on the Break Date by giving the Landlord not less than six months prior written notice.

- 50.2 The conditions are that:

- (a) The Rent and the Service Charge due to the Landlord under this lease in respect of the period up to and including the Break Date and demanded in writing at least 14 days prior to the Break Date have been paid in full on or before the Break Date;
- (b) The Tenant gives the Landlord vacant possession of the Premises on the Break Date.

- 50.3 Termination of the lease will be without prejudice to the rights of the Landlord or the Tenant in respect of any breach occurring before the Break Date.

- 50.4 Time will be of the essence for the purpose of this clause.

- 50.5 Any monies paid by the Tenant for any period after the Break Date will be refunded to the Tenant by the Landlord within 21 days of the Break Date.

**51. Contracts (Rights of Third Parties) Act 1999**

No third party shall have any rights under or in connection with this lease by virtue of the Contracts (Rights of Third Parties) Act 1999.

**52. Landlord and Tenant (Covenants) Act 1995**

This lease is a new tenancy within the meaning of the Landlord and Tenant (Covenants) Act 1995



**SCHEDULE 1**  
**CONTRACTUAL GUARANTEE**

1. **Interpretation**
- 1.1 In this schedule references to the "Principal" are to the Tenant named as a party to this lease and not to that person's successors in title and a "Relevant Event" is any of the following:
  - (a) the disclaimer of the liability of the Principal of its obligations under this lease;
  - (b) the Principal going into liquidation (within the meaning of section 247 of the Insolvency Act 1986) or being struck off the register of companies or otherwise ceasing to exist;
  - (c) the Landlord re-entering the Premises.
- 1.2 References to paragraphs are to paragraphs of this schedule.
2. **Guarantee and indemnity**
- 2.1 The Guarantor covenants with the Landlord first by way of guarantee and secondly as a separate and independent primary obligation, that while the Principal is bound by the tenant covenants of this lease:
  - (a) the Principal will pay the rents reserved by this lease and observe and perform the tenant covenants of this lease; and
  - (b) if the Principal fails to pay any of those rents or to observe and perform any of those tenant covenants, the Guarantor will pay or observe and perform them.
- 2.2 The Guarantor covenants with the Landlord first by way of guarantee and secondly as a separate and independent primary obligation, that (if reasonably required but not further or otherwise) while the Principal is liable as a guarantor under an authorised guarantee agreement:
  - (a) the Principal will observe and perform its obligations under that agreement; and
  - (b) if the Principal fails to observe and perform any of those obligations, the Guarantor will observe and perform them.
- 2.3 The Guarantor covenants with the Landlord that if the Landlord has refused a tender of any sum due under this lease by the Principal at a time when the Landlord is reasonably entitled or would, after service of a notice under section 146 of the Law of Property Act 1925, be reasonably entitled to re-enter the Premises, the Guarantor will on written demand pay the Landlord a sum equal to the sum refused.

2.4 The Guarantor covenants with the Landlord that it will keep the Landlord indemnified against all claims, losses, damages, liabilities, costs and expenses sustained by the Landlord by reason of or arising in any way out of the Principal's failure:

- (a) to pay any of the rents reserved by this lease or to observe and perform any of the tenant covenants of this lease, or
- (b) to observe and perform its obligations under an authorised guarantee agreement.

2.5 The Guarantor's covenants are made in consideration of the grant of this lease by the Landlord to the Tenant or the Landlord's consent to the assignment of this lease to the Tenant.

### 3. **Preservation of Guarantor's liability**

3.1 The liability of the Guarantor will not be affected by:

- (a) any time or indulgence granted by the Landlord to the Principal whether under this lease or under an authorised guarantee agreement;
- (b) any neglect or forbearance of the Landlord in enforcing the payment of any of the rents or the observance or performance of any of the tenant covenants or any of the Principal's obligations under an authorised guarantee agreement;
- (c) any variation of this lease, or (as the case maybe) any variation of the terms of the authorised guarantee agreement, whether made with or without the consent or knowledge of the Guarantor and whether or not material or prejudicial to the Guarantor except to the extent that the liability of the Guarantor may be affected by virtue of section 18 of the Landlord and Tenant (Covenants) Act 1995;
- (d) any refusal by the Landlord to accept any rents from the Principal in the circumstances mentioned in paragraph 2.3 and in which event paragraph 2.3 applies;
- (e) the surrender of part of the Premises except that the Guarantor will not be under any liability in relation to the surrendered part in respect of any period after the surrender;
- (f) without prejudice to paragraph 6 or 7, the occurrence of a Relevant Event or the Landlord being otherwise entitled to re-enter the Premises;
- (g) or by any other act or thing except an express written release of the Guarantor by the Landlord.

3.2 Where the Guarantor consists of more than one person, the liability of such persons is joint and several and the release of any one or more such person will not release or otherwise affect the liability of the other or others.

**4. Guarantor to join in supplemental documents**

Without prejudice to paragraph 3, the Guarantor shall at the request of the Landlord join in and give its consent to the terms of any licence, consent or other instrument which may be entered into by the Principal in connection with this lease.

**5. Guarantor to take a new lease**

5.1 The Guarantor covenants with the Landlord that if the Landlord gives the Guarantor notice within six months of the Landlord receiving notice of a Relevant Event (as mentioned in paragraph (a) or (b) of the definition of that term) having occurred or within six months of the Landlord having re-entered the Premises (as the case may be), the Guarantor will, enter into a new lease of the Premises on the terms set out in paragraph 5.3.

5.2 The new lease will take effect from the date of the Relevant Event and will:

- (a) be granted subject to the right of any person to have this lease vested in them by the court and to the right of any person to apply to the court for relief from forfeiture of this lease and to the terms on which any such order may be made or relief given;
- (b) be for a term equal to the residue of the Contractual Term granted by this lease which would have remained had the Relevant Event not occurred;
- (c) reserve as an Rent an amount equal to the Rent which is reserved by this lease on the date of the Relevant Event (subject to paragraph 7); and
- (d) otherwise be on the same terms as in this lease, except that the Guarantor will not be required to procure a guarantor of its obligations under the new lease (but this will not prevent the Guarantor being required if this is reasonable but not further or otherwise to enter into an authorised guarantee agreement if it assigns the new lease).

5.3 The Guarantor will pay the Landlord's solicitors' proper and reasonable costs and disbursements and any VAT on them in relation to the new lease and will execute and deliver to the Landlord a counterpart of the new lease within one month of service of the Landlord's notice or ten working days of the receipt of the counterpart of the new lease if later.

5.4 The grant of a new lease and its acceptance by the Guarantor will be without prejudice to any other rights which the Landlord may have against the Guarantor or against any other person in connection with this lease.

**6. Payment by the Guarantor**

6.1 If, following a Relevant Event, the Landlord has not given the Guarantor notice in accordance with paragraph 5.1, the Landlord may give the Guarantor notice no later than six months after the Landlord has received notice of the Relevant Event (if within paragraph (a) or (b) of the definition of that term) or no later than six months of the Landlord having re-entered the Premises (as the case may be) requiring payment under this paragraph.

6.2 The Guarantor covenants with the Landlord that, subject to paragraph 6.3, it will immediately following service of a notice pursuant to paragraph 6.1, pay the Landlord a sum equal to six months' Rent at the rate (subject to paragraph 7) which is reserved by this lease at the date of the Relevant Event.

6.3 The Guarantor covenants with the Landlord that if before the Landlord has given notice under paragraph 6.1:

- (a) the Premises have been re-let, or
- (b) relief from forfeiture of this lease has been granted by the court, or
- (c) a vesting order in respect of the whole of this lease has been made by the court,

it will, subject to the terms (if any) upon which relief has been granted or of the vesting order, pay the Landlord a sum equal to the Rent at the rate which is reserved by this lease at the date of the Relevant Event (subject to paragraph 7) for the period from the date of the Relevant Event until the date the Premises were re-let, relief was granted or the vesting order was made (as the case may be).

6.4 Payment by the Guarantor of the sum demanded under this paragraph will release the Guarantor from any further liability to the Landlord and will be without prejudice to any other rights of the Landlord against any other person in connection with the lease.

**7. Rent at date of Relevant Event**

7.1 If at the date of the Relevant Event there is any abatement or suspension of the Rent, then, for the purposes for this schedule, the Rent will be deemed to be the Rent which would be reserved but for the abatement or suspension but without prejudice to the provisions relating to abatement or suspension of rent to be contained in the new lease.

**8. Guarantor not to claim in competition**

The Guarantor shall not claim in priority to the Landlord in any distribution of the assets of the Principal and if it receives any money in any distribution of such assets it shall pay such money to the Landlord to the extent of the Guarantor's

liability to the Landlord.

**9. Guarantor not to take security**

The Guarantor shall not take any security from or over the assets of the Principal in respect of any liability of the Principal to the Guarantor under this lease, and if it does take or hold any such security it shall hold it for the benefit of the Landlord to the extent of the Guarantor's liability to the Landlord.

**10. Time not of the essence**

Time will not be of the essence for the purposes of this schedule.

**11. Section 25 Landlord and Tenant (Covenants) Act 1995**

To the extent that any provision of this schedule is rendered void by virtue of section 25 of the Landlord and Tenant (Covenants) Act 1995, it will be modified to the extent needed so that it will not be rendered void, or, if it cannot be so modified it will be severed from this schedule. In such circumstances this schedule will not otherwise be affected.

**SCHEDULE 2**  
**FORM OF AUTHORISED GUARANTEE AGREEMENT**

THIS AGREEMENT is made on

BETWEEN:

- (1) [ ], incorporated and registered in England and Wales under number [ ]
- (2) [ ], whose registered office is at [ ] (the "Landlord");
- (3) [ ], incorporated and registered in England and Wales under number [whose registered office is at [ ] (the "Authorised Guarantor").

IT IS AGREED

1. Interpretation

1.1 In this agreement the following definitions apply:

"Assignee" [ ];

"Lease" a lease of [ ] dated [ ] and made between [ ], and all documents made pursuant to that lease;

"Premises" [ ] as demised by the Lease; and

"Rent" the rent first reserved by the Lease.

1.2 Unless the context otherwise requires, a reference in this agreement to the Landlord includes a reference to the immediate reversioner of the Lease for the time being.

1.3 Any covenant in this agreement by the Authorised Guarantor not to do something includes a covenant not to permit or suffer it to be done and to use all reasonable endeavours to prevent it being done by another person.

1.4 At any time when the Landlord or the Authorised Guarantor comprises more than one person, obligations expressed or implied to be made by or with that party are made by or with those persons jointly and severally.

- 1.5 The expressions "landlord covenants" and "tenant covenants" have the same meaning as those given by section 28(1) of the Landlord and Tenant (Covenants) Act 1995.
- 1.6 Headings are for convenience only and do not affect the meaning of this agreement.
- 1.7 References in this agreement to a clause without further designation are references to the clause of this agreement so numbered.

## **2. Assignment by the Authorised Guarantor**

- 2.1 The Authorised Guarantor intends to assign the Lease to the Assignee and the Lease requires the consent of the Landlord to such assignment. The Landlord has by a licence dated [ ] given its consent to the assignment subject to a condition that the Authorised Guarantor enters into this agreement, and this agreement is made pursuant to that condition.
- 2.2 This agreement takes effect on the date of the instrument of assignment of the Lease by the Authorised Guarantor to the Assignee.

## **3. Guarantee and indemnity**

- 3.1 The Authorised Guarantor covenants with the Landlord first by way of guarantee and secondly as a separate and independent primary obligation, that from the date the Assignee becomes bound by the tenant covenants of the Lease until it is released from them by virtue of the Landlord and Tenant (Covenants) Act 1995:
  - (a) the Assignee will pay the rents reserved by the Lease and observe and perform the tenant covenants of the Lease; and
  - (b) if the Assignee fails to pay any of those rents or to observe and perform any of those tenant covenants, the Authorised Guarantor will pay or observe and perform them.
- 3.2 The Authorised Guarantor covenants with the Landlord that if the Landlord has refused a tender of any sum due under the Lease at a time when the Landlord is reasonably entitled or would, after service of a notice under section 146 of the Law of Property Act 1925, be reasonably entitled to re-enter the Premises, the Authorised Guarantor will on written demand pay the Landlord a sum equal to the sum refused.
- 3.3 The Authorised Guarantor covenants with the Landlord that it will keep the Landlord indemnified against all claims, losses, damages, liabilities, costs and expenses sustained by the Landlord by reason of or arising in any way out of the Assignee's failure to pay any of the rents reserved by the Lease or to observe and perform any of the tenant covenants of the Lease.

## **4. Preservation of Authorised Guarantor's liability**

- 4.1 The liability of the Authorised Guarantor will not be affected by:
- (a) any time or indulgence granted by the Landlord to the Assignee;
  - (b) any neglect or forbearance of the Landlord in enforcing the payment of any of the rents or the observance or performance of any of the tenant covenants;
  - (c) any variation of the Lease, whether made with or without the consent or knowledge of the Authorised Guarantor and whether or not material or prejudicial to the Authorised Guarantor except to the extent that the liability of the Authorised Guarantor may be affected by virtue of section 18 of the Landlord and Tenant (Covenants) Act 1995;
  - (d) any refusal by the Landlord to accept any rents from the Assignee in the circumstances mentioned in clause 3.2 and in which event clause 3.2 applies;
  - (e) the surrender of part of the Premises except that the Authorised Guarantor will not be under any liability in relation to the surrendered part in respect of any period after the surrender;
  - (e) the Assignee going into liquidation (within the meaning of section 247 of the Insolvency Act 1986) or being struck off the register of companies or otherwise ceasing to exist;
  - (f) the Landlord re-entering the Premises or being entitled to re-enter the Premises;
  - (g) without prejudice to clause 6, the disclaimer of the liability of the Assignee of its obligations under the Lease;
  - (h) or by any other act or thing except released by statute or an express written release of the Authorised Guarantor by the Landlord.

4.2 Where the Authorised Guarantor consists of more than one person, the liability of such persons is joint and several and the release of any one or more such person will not release or otherwise affect the liability of the other or others.

**5. Authorised Guarantor to join in Supplemental Documents**

Without prejudice to clause 4, the Authorised Guarantor shall at the request of the Landlord join in and give its consent to the terms of any licence, consent or other instrument which may be entered into by the Assignee in connection with the Lease.

**6. Authorised Guarantor to take a New Lease**

6.1 The Authorised Guarantor covenants with the Landlord that, if the Landlord gives the Authorised Guarantor written notice within six months of the Landlord receiving notice that the liability of the Assignee under the Lease has been



disclaimed, the Authorised Guarantor will, enter into a new lease of the Premises on the terms set out in clause 6.2.

- 6.2 The new lease will take effect from the date of the disclaimer and will:
- (a) be granted subject to the right of any person to have the Lease vested in them by the court and to the terms on which any such order may be made;
  - (b) be for a term equal to the residue of the Contractual Term granted by the Lease as at the date of the disclaimer;
  - (c) reserve as an Rent an amount equal to the Rent which is reserved by the Lease on the date of the disclaimer (subject to clause 7); and
  - (d) otherwise be on the same terms as the Lease (except that the Guarantor will not be required to procure a guarantor of its obligations under the new lease (but this will not prevent the Guarantor being required if this is reasonable but not further or otherwise to enter into an authorised guarantee agreement if it assigns the new lease).
- 6.3 The Authorised Guarantor will pay the Landlord's solicitors' proper and reasonable costs and disbursements and any VAT on them in relation to the new lease and will execute and deliver to the Landlord a counterpart of the new lease within one month of service of the Landlord's notice or ten working days of the receipt of the counterpart of the new lease if later.
- 6.4 The grant of a new lease and its acceptance by the Authorised Guarantor will be without prejudice to any other rights which the Landlord may have against the Authorised Guarantor or against any other person in connection with the Lease.

**7. Rent at the Date of Disclaimer**

- 7.1 If at the date of the disclaimer there is any abatement or suspension of the Rent, then, for the purposes for this agreement, the Rent will be deemed to be the Rent which would be reserved by the Lease but for the abatement or suspension, but without prejudice to the provisions relating to abatement or suspension to be contained in the new lease.

**8. Authorised Guarantor not to claim in competition**

The Authorised Guarantor shall not claim in priority to the Landlord in any distribution of the assets of the Assignee and if it receives any money in any distribution of such assets it shall pay such money to the Landlord to the extent of the Authorised Guarantor's liability to the Landlord.

**9. Authorised Guarantor not to take security**

The Authorised Guarantor shall not take any security from or over the assets of

the Assignee in respect of any liability of the Assignee to the Authorised Guarantor under this lease, and if it does take or hold any such security it shall hold it for the benefit of the Landlord to the extent of the Guarantor's liability to the Landlord.

**10. Time not of the Essence**

Time will not be of the essence for the purposes of this agreement.

**11. Contracts (Rights of Third Parties) Act 1999**

No third party shall have any rights under or in connection with this agreement by virtue of the Contracts (Rights of Third Parties) Act 1999.

**12. Section 25 Landlord and Tenant (Covenants) Act 1995**

To the extent that any provision of this agreement is rendered void by virtue of section 25 of the Landlord and Tenant (Covenants) Act 1995, it will be modified to the extent needed so that it will not be rendered void, or, if it cannot be so modified it will be severed from this agreement. In such circumstances this agreement will not otherwise be affected.

In witness of which this agreement has been executed and is delivered as a deed on the date given as the date this agreement is made.

EXECUTED as a Deed by  
**MORGAN SINDALL CONSTRUCTION  
& INFRASTRUCTURE LIMITED**  
acting by its Director and  
Company Secretary/Second Director

Director:

  
.....  
JOE LEDWIDGE

Second Director

/Company Secretary:

  
.....  
SIMON SMITH