

Appendix 4

Draft Council Lease

DATED

2014

[•] (1)

AND

[•] (2)

LEASE OF [COMMERCIAL UNIT] [•],
[•]

DRAFT DATE: 24.03.14

NOTE: LONG TERM LEASE GRANTED AT A PREMIUM WITH NOMINAL GROUND RENT

NOTE: GUARANTOR PROVISIONS NOT INCLUDED

NOTE: LANDLORD AND TENANT ACT 1954 NOT EXCLUDED

NOTE: SEEK LEGAL ADVICE BEFORE USING THIS TEMPLATE DOCUMENT

LAND REGISTRY PARTICULARS

LR1. Date of Lease	
LR2. Title number(s)	LR2.1 Landlord's title number(s) [●] LR2.2 Other title numbers None
LR3. Parties to this lease	Landlord [●] (company number [●]) whose registered office is at [●] Tenant [●] (company number [●]) whose registered office is at [●]
LR4. Property	<p>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.</p> <p>That part of the Building known as [●] (company number [●]) whose registered office is at [●] shown edged [●] (company number [●]) whose registered office is at [●] on the Plan and described in more detail in Part 2 of Schedule 1, referred to elsewhere in this Lease as the "Premises"</p>
LR5. Prescribed statements etc.	LR5.1 Statements prescribed under rules 179 (dispositions in favour of a charity), 180 (dispositions by a charity) or 196 (leases under the Leasehold Reform, Housing and Urban Development Act 1993) of the Land Registration Rules 2003. [●] LR5.2 This lease is made under, or by reference to, provisions of: [●]
LR6. Term for which the Property is leased	The term is as follows: The term of 125 years from and including the Term Commencement Date, referred to elsewhere in this Lease as

	the "Contractual Term"
LR7. Premium	the sum of [•] POUNDS (£[•])
LR8. Prohibitions or restrictions on disposing of this lease	This lease contains a provision that prohibits or restricts dispositions.
LR9. Rights of acquisition etc.	<p>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</p> <p>None</p> <p>LR9.2 Tenant's covenant to (or offer to) surrender this lease</p> <p>None</p> <p>LR9.3 Landlord's contractual rights to acquire this lease</p> <p>None</p>
LR10. Restrictive covenants given in this lease by the Landlord in respect of land other than the Property	None
LR11. Easements	<p>LR11.1 Easements granted by this lease for the benefit of the Property</p> <p>Clause 3.2 and Part 3 of Schedule 1</p> <p>LR11.2 Easements granted or reserved by this lease over the Property for the benefit of other property</p> <p>Clause 3.2 and Part 4 of Schedule 1</p>
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	None

ADDITIONAL PARTICULARS

Building	The building known as [•] of which the Premises form part, shown [edged [•]] on the Plan and described in more detail in Schedule 1
Business Hours	The hours of 8.00am to 6.00pm Monday to Friday (inclusive) and 9.00am to 6.00pm on Saturdays and 10.00am to 5.00pm on Sundays, excluding all Bank or other public holidays
Ground Rent	<p>Means:</p> <p>For the first 25 years of the Term the yearly rent of £300 per annum (exclusive of Value Added Tax)</p> <p>For the next 25 years of the Term the yearly rent of £600 (exclusive of Value Added Tax) (years 26-50)</p> <p>For the next 25 years of the Term the yearly rent of £1,200 (exclusive of Value Added Tax) (years 51-75)</p> <p>For the next 25 years of the Term the yearly rent of £2,400 (exclusive of Value Added Tax) (years 76-100)</p> <p>For the next 25 years of the Term the yearly rent of £4,800 (exclusive of Value Added Tax) (years 101-125)</p> <p>[•]</p>
Landlord's Solicitors	[•], DX [•] Tel no. [•], Fax no. [•]
Permitted Use	[The use of the Premises as offices within class B1 of the Town and Country Planning (Use Classes) Order 1987/ [•]
Tenant's Solicitors	[•], DX [•] Tel no. [•], Fax no. [•]
Term Commencement Date	The date of this Lease

THIS LEASE is made on the date set out in the Land Registry Particulars

BETWEEN:-

- (1) The Landlord; and
- (2) The Tenant

1 DEFINITIONS

In this Lease, unless the contrary intention appears, and where appropriate:-

"1995 Act" means the Landlord and Tenant (Covenants) Act 1995;

"Alterations" means any alterations, additions or other works to the Premises;

"Authorised Guarantee Agreement" means an authorised guarantee agreement for the purposes of s16 of the 1995 Act;

"Common Parts" means all those parts of the Building provided by the Landlord from time to time for common use by the tenants and occupiers of the Building;

"Conduits" means all conducting media and ancillary apparatus used for the passage or transmission of Utilities or the provision of any of the Services;

"EPC" means energy performance certificate and recommendation report, as such terms are defined in the Energy Performance of Buildings (Certificates and Inspections) (England and Wales) Regulations 2007;

"Estimated Service Charge" means, in respect of each Service Charge Year, such sum as the Landlord may specify as being a reasonable estimate of the Service Charge for that Service Charge Year;

"Excluded Items" means the costs incurred in providing the Excluded Services;

"Excluded Services" means the services set out in Part 3 of the Schedule 2;

"Group Company" means any company which is, in relation to another company, a member of the same group of companies as that company within the meaning of s42 Landlord and Tenant Act 1954;

"Insurance Event" means any damage to or destruction of the Building by any of the Insured Risks which at the date of such destruction or damage is covered by an insurance policy maintained by the Landlord under this Lease;

"Insurance Rent" means the sums payable by the Tenant under clause 13.4;

"Insured Risks" means fire; lightning; explosion; aircraft or other aerial devices and articles dropped from them; earthquake; riot; civil commotion; malicious damage; flood; storm; or tempest; bursting or overflowing of water tanks, apparatus or pipes; impact;

terrorism and subsidence and such other risks as the Landlord may from time to time consider appropriate PROVIDED THAT the Landlord shall not be obliged to insure against terrorism and/or subsidence if in the Landlord's opinion such risks are not available on the London insurance market on reasonable terms and at reasonable costs;

"Interest" means interest charged at the Interest Rate, both before and after any judgment, and calculated on a daily basis from the date due for payment to the date on which payment is received and compounded with rests on the Quarter Days;

"Interest Rate" means 4% per annum above the base rate for the time being of Barclays Bank plc (or such other bank as the Landlord may from time to time nominate) or, if no such base rate can be ascertained, such other rate of interest as the Landlord may from time to time reasonably specify;

"Items of Expenditure" means the items of service charge expenditure set out in Part 2 of Schedule 2;

"Lease" means this lease and any document supplemental to it;

"Lettable Areas" means those parts of the Building which are from time to time let or designed to be let to occupational tenants (which parts include without limitation the Residential Areas) and of those parts: (i) only those parts referred to in paragraphs 1.1 to 1.15 of Part 2 of Schedule 1, but (ii) excluding those parts referred to in paragraph 2.1 to 2.5 of Part 2 of Schedule 1 and including the Residential Areas;

"Method Statement" means the written statement and accompanying plans relating to the proposed Alterations;

"Plan" means the plan annexed to this Lease;

"Premium" means the amount of £[●] ([●] pounds)) which has been paid prior to the Term Commencement Date by the Tenant to the Landlord;

"Quarter Days" means 25 March, 24 June, 29 September and 25 December;

"Rents" means the rents payable by the Tenant under clause 5.1;

"Residential Areas" those parts of the Building which are from time to time used or are designed to be used exclusively for residential purposes;

"Residential Common Parts" those accessways in the Building provided by the Landlord from time to time for exclusive use by the tenants and occupiers of the Residential Areas;

"Retained Parts" means the whole of the Building excluding the Lettable Areas;

"Service Charge" means, in respect of each Service Charge Year, such fair proportion as the Landlord may determine of the expenditure, including the Items of Expenditure,

incurred by the Landlord in or in connection with providing the Services during that Service Charge Year;

"Service Charge Year" means the period from 1 April to 31 March inclusive, or such other period as the Landlord may properly determine and notify the Tenant in writing;

"Services" means (subject to clause 14.1(c)) the services listed in Part 1 of Schedule 2;

"Tenant's Covenants" means all the obligations in this Lease to be complied with by the tenant;

"Term" means the Contractual Term granted by this Lease;

"Utilities" means the drainage of surface water and sewerage and the supply or transmission of gas, electricity, telecommunications, water and any other supplies or services made to or consumed in the Building; and

"Value Added Tax" includes any future tax of a similar nature.

2 INTERPRETATION

In this Lease, unless the contrary intention appears, and where appropriate:-

- 2.1 the definitions on the preceding pages headed "Land Registry Particulars" and "Additional Particulars" apply to this Lease;
- 2.2 obligations which are entered into by more than one person shall be deemed to be joint and several;
- 2.3 references to one gender include all other genders and vice versa;
- 2.4 references to the singular include the plural and vice versa;
- 2.5 references to the parties include their successors in title;
- 2.6 references to persons include individuals, companies, corporations, firms, partnerships, government bodies and agencies;
- 2.7 titles and headings are for reference only and shall not affect the interpretation of this Lease;
- 2.8 references to a statute mean that statute as amended, consolidated or re-enacted at the relevant time and any statutory instrument, regulation or order made under it which is then in force and references to statutes in general include statutes in existence or enacted at any time in the future;
- 2.9 references to an indemnity mean an indemnity against all actions, claims, demands and proceedings made against the Landlord and all costs, expenses, liabilities and losses incurred directly or indirectly by the Landlord and "indemnify" and "indemnified" shall be construed accordingly;
- 2.10 if any provision in this Lease is held to be illegal, void, invalid or unenforceable for any reason, the legality, validity and enforceability of the remainder of this Lease shall not be affected;

- 2.11 references to the Premises or the Building include any part of them;
- 2.12 references to the end of the Term include the determination of the Term before the end of the Contractual Term, whether by re-entry, surrender or otherwise;
- 2.13 where the Tenant requires the consent of the Landlord to any alterations, [any change to the Permitted Use,] or any assignment, such consent shall not be effective unless given by way of a formal licence signed as a deed and any other consent or approval shall be in writing;
- 2.14 any document entered into pursuant to this Lease shall be in such form and contain such restrictions and conditions as the Landlord shall reasonably require;
- 2.15 any obligation on the Tenant to obtain the consent of the Landlord shall include, where required under any document, an obligation to obtain such consent from the holder of any superior interest and any mortgagee, and nothing contained in this Lease shall impose any obligation on any such person to act reasonably;
- 2.16 any reference to the date of assignment shall mean the date of the deed of assignment or transfer of this Lease and any covenants given to the Landlord on any assignment of this Lease shall take effect from such date;
- 2.17 any obligation on the Tenant includes an obligation on the Tenant to ensure that any person deriving title under the Tenant and its and their agents, employees, licensees and any other person under its or their control comply with that obligation and any reference to an act or default of the Tenant includes an act or default of those persons;
- 2.18 references to a "proper proportion" mean such proportion as is reasonably determined by the Landlord (or its surveyor) whose decision shall be binding, except in the case of manifest error;
- 2.19 the words "including" and "include" shall be deemed to be followed by the words "without limitation";
- 2.20 any obligation on the Tenant not to do an act includes an obligation not to permit that act to be done;
- 2.21 if there is any conflict between the Plan and the description of the Premises in Part 2 of Schedule 1, then the latter shall prevail; and
- 2.22 references to "working days" mean any day from Monday to Friday (inclusive) and shall exclude any Bank or other public holiday, Saturday or Sunday.

3 CREATION OF LETTING

3.1 Grant of lease

In consideration of the Premium (receipt of which the Landlord acknowledges) and of the Tenant's Covenants the Landlord lets the Premises to the Tenant for the Contractual Term.

3.2 Rights and reservations

The Premises are let:

- (a) together with the rights set out in Part 3 of Schedule 1, so far as the Landlord has the power to grant them, in favour of the Tenant and any person deriving title

under the Tenant, to be enjoyed in common with the Landlord and every person authorised by the Landlord (including those to whom the Landlord shall grant or has granted such rights) and all others having like or similar rights, unless otherwise stated in Part 3 of Schedule 1;

- (b) subject to the rights set out in Part 4 of Schedule 1, in favour of the Landlord and every person authorised by the Landlord and all others who are or may become entitled to exercise them; and
- (c) subject to the title matters set out in Part 5 of Schedule 1 and all other rights, easements, covenants, and privileges enjoyed over or against the Premises or the Building, so far as any of them are still subsisting and capable of taking effect.

3.3 No implied rights

The Tenant shall not be entitled to the benefit of or to enforce any right, easement, covenant or agreement in respect of the Premises or the Building, except those expressly granted in clause 3.2(a), and s62 Law of Property Act 1925 shall not apply to this Lease.

3.4 Modification of rights

The Landlord shall be entitled to:

- (a) vary or end the rights granted in Part 3 of Schedule 1, without any liability to the Tenant if it grants such alternative rights as may be necessary for the reasonable enjoyment of the Premises; and
- (b) exercise the rights in Part 4 of Schedule 1, without any liability to the Tenant except as set out in Part 4 of Schedule 1.

4 REGISTRATION

The Tenant shall register the Lease promptly after completion of the Lease. On completion of the registration, the Tenant shall supply to the Landlord official copies showing the Tenant registered as the proprietor of the registered title to the Lease and all easements granted and/or reserved by the Lease properly noted against the affected titles.

5 PAYMENTS

5.1 In addition to the Premium which has been paid by the Tenant to the Landlord, the Tenant shall pay to the Landlord by way of rent without any abatement, counterclaim, deduction, reduction or set off whatsoever (except as required by law):

- (a) from and including the Term Commencement Date, the Ground Rent (apportioned (if applicable) on a daily basis) being due on the Term Commencement Date and thereafter on the 31 March in every year of the Term (or such other annual date as the Landlord may, from time to time, nominate);
- (b) from and including the date of this Lease, the Insurance Rent, in accordance with clause 13.4;
- (c) from and including the date of this Lease, the Service Charge which shall be payable by equal monthly payments in advance on the first day of each calendar month; and

(d) any other sums payable under this Lease.

5.2 Interest on late payments

The Tenant shall pay on demand Interest on any sums due to the Landlord which are not paid (or not accepted by the Landlord so as not to waive any breach of the Tenant's Covenants) within five working days of the due date for payment.

5.3 Value Added Tax

All sums payable by the Tenant under this Lease for taxable supplies of goods or services shall be treated as being exclusive of the Value Added Tax chargeable on such sums. The Tenant shall pay on demand all Value Added Tax properly demanded by the Landlord.

5.4 Outgoings and rates

The Tenant shall pay and indemnify the Landlord against all rates, taxes, charges and outgoings assessed or charged on the Premises or payable by the owner or occupier of them (except any tax, other than Value Added Tax, payable by the Landlord on the Rents, or any tax payable on the grant of this Lease or on any other dealing by the Landlord with its interest in the Premises or the Building).

5.5 Valuations

The Tenant shall not agree or propose to alter the rating valuation of the Premises without the Landlord's consent, such consent not to be unreasonably withheld or delayed.

5.6 Loss of rating relief

The Tenant shall pay to the Landlord on demand an amount equal to any rating relief which the Landlord is unable to claim after the Term has ended as a result of the Tenant having made such a claim.

5.7 Utilities

The Tenant shall pay for all Utilities used by the Tenant and any related meter rents, installation charges and connection charges. In the absence of direct assessment of any of the Utilities, the Tenant shall pay to the Landlord on demand a proper proportion of the cost of the Tenant's use of the Utilities and any related rents and charges.

5.8 Landlord's costs

The Tenant shall pay on a full indemnity basis and on demand all proper charges and expenses incurred by or on behalf of the Landlord (including legal and surveying fees and the Landlord's own administration and management expenses) for and in connection with:-

- (a) the preparation and service of any notice and/or any proceedings under ss146 and/or 147 Law of Property Act 1925 and/or the Leasehold Property (Repairs) Act 1938, whether or not forfeiture is avoided other than by relief granted by the Court;

- (b) the preparation and service of any notice and/or schedule relating to dilapidations served during or within 12 months after the end of the Term;
- (c) the recovery of any arrears of Rent or other sums due to the Landlord under this Lease;
- (d) the preparation and service of any notice pursuant to s6 Law of Distress Amendment Act 1908;
- (e) the preparation and service of any notice under s17 of the 1995 Act;
- (f) any action taken by the Landlord to ensure that the Tenant makes good or has made good any breach of the Tenant's Covenants, including without limitation any survey carried out to ascertain the nature and extent of any such breach; and
- (g) any application for consent to any matter for which the consent of the Landlord is required under this Lease, whether such consent is granted or not, unless the Landlord acts unreasonably in refusing consent.

5.9 Indemnity

The Tenant shall keep the Landlord indemnified against any breach of the Tenant's Covenants or any act or default of the Tenant in relation to the Premises or the Building.

6 REPAIRING OBLIGATIONS

6.1 Repair

- (a) The Tenant shall:
 - (i) keep the Premises and the tenant's fixtures in good and substantial repair and condition;
 - (ii) replace any landlord's fixtures (including plant and equipment) in the Premises with new articles of a similar kind and quality if they become incapable of repair;
 - (iii) replace within the three months before the end of the Term any carpets, curtains and other floor and window coverings in the Premises with new ones of a similar kind and quality and in colours first approved by the Landlord; and
 - (iv) replace any damaged or destroyed external glazing serving the Premises with glazing of the same specification, appearance and quality as previously.
- (b) Clause 6.1(a) shall not apply to damage following an Insurance Event, except to the extent that payment of the insurance monies is withheld as a result of some act or default of the Tenant.

6.2 Decoration

In every fifth year of the Term if required by the Landlord and within the three months before the end of the Term, the Tenant shall decorate the interior of the Premises in a good and workmanlike manner and with appropriate materials of good quality to the reasonable satisfaction of the Landlord, using colours and materials which in all cases shall be first approved by the Landlord.

6.3 Clean

The Tenant shall keep the Premises clean and tidy, with all of the interior surfaces of the windows and other glazing in the Premises being cleaned at least once every month.

6.4 Conduits

The Tenant shall:

- (a) keep the Conduits which form part of the Premises clear and unobstructed and not do anything that causes any obstruction or damage to any of the Conduits serving the Premises or the Building; and
- (b) take all necessary precautions against the bursting or overflowing of any Conduit, tank or water apparatus that forms part of the Premises (whether by frost damage or otherwise).

6.5 Remedy breaches on notice

- (a) Within three months of receiving notice from the Landlord of any breach of the Tenant's Covenants relating to the repair and condition of the Premises, or immediately in case of emergency, the Tenant shall complete all works required to remedy such breach.
- (b) If the Tenant fails to remedy the breach specified within the requisite time, the Tenant shall permit the Landlord and any person authorised by the Landlord to enter the Premises and remedy the breach and all costs incurred by the Landlord shall be a debt payable by the Tenant as additional rent on demand to the Landlord on a full indemnity basis.

7 USE

7.1 Title Matters

The Tenant shall comply with the conditions, covenants, restrictions and other matters contained or referred to in the deeds and documents specified in Part 5 of Schedule 1 to this Lease.

7.2 Permitted Use

The Tenant shall use the Premises only for the Permitted Use.

7.3 No warranty as to use

Nothing in this Lease or in any consent or licence granted by the Landlord shall imply or warrant that the Premises may lawfully be used under any town and country planning legislation for the Permitted Use or any other use.

7.4 Prohibited uses

The Tenant shall not use the Premises:-

- (a) for any religious, public or political meeting;
- (b) for the sale or production of alcohol;

- (c) for residential purposes or allow any person to sleep in the Premises;
- (d) as a club, sex shop, amusement arcade, betting office, staff agency or employment agency;
- (e) as pet shop;
- (f) for any illegal or immoral purposes;
- (g) for any noxious, noisy or offensive trade or business;
- (h) for the preparation or cooking of food (including re-heating) other than where such preparation is of a minor nature and solely relates to the preparation of food for consumption by staff working at the Premises during their lunch or other breaks;
- (i) for the reception of goods to be washed, cleaned or repaired (whether such would be carried out by employees or by the public) as a laundry, launderette or dry cleaners;
- (j) for the sale of hot foods for consumption (whether on or off the Premises);
- (k) as a funeral parlour for a sale by auction; or
- (l) outside the Business Hours, except in accordance with clause 7.6.

7.5 Restrictions on use

The Tenant shall not:

- (a) allow any fish, bird, reptile or animal, other than guide dogs, anywhere in the Premises or the Building;
- (b) do anything that may, in the reasonable opinion of the Landlord, be or grow to be a nuisance, annoyance, disturbance, inconvenience or damage to the Landlord or the other tenants and occupiers in the Building or in any adjoining or nearby property;
- (c) overload the electrical systems of the Premises or the Building or connect any equipment to such electrical systems except in accordance with the design and specification of such electrical systems;
- (d) overload the floors, or suspend any excessive weight from the ceilings or walls of the Premises or overload the lifts serving the Premises and not be unduly noisy or cause vibration or electrical or other interference;
- (e) bring upon, store or use on the Premises any materials, substances or liquids of a specially hazardous, combustible, inflammable, explosive, dangerous or offensive nature;
- (f) obstruct the Common Parts or any means of escape or other facilities serving the Premises or the Building;
- (g) discharge anything into the Conduits which is or may become corrosive or harmful or cause any blockage or damage to them;
- (h) install or operate any machinery or mechanical equipment in or on the Premises, except for office machinery and equipment used by the Tenant in the normal operation of its business:-

- (i) that does not breach clause 6.5(b); and
 - (ii) that does not cause any noise or vibration which can be heard or felt outside the Premises
- (i) install or operate any radio transmitters or other broadcasting equipment (other than normal handheld mobile telephones);
 - (j) play or use any musical instrument, radio, music or sound player which produces sound in the Premises so that it can be heard outside the Premises;
 - (k) erect, exhibit or hang any signs, advertisements, placards, flags, posters, aerials, poles, masts or satellite dishes or any other thing whatsoever on the exterior of the Premises or any other parts of the Building unless permitted to do so under clause 3.2(a); or
 - (l) store any refuse in the Premises except in suitable containers for that purpose, with all food waste and other pungent or perishable refuse being removed from the Premises daily and all other refuse being removed from the Premises weekly.

7.6 Use of the Premises outside Business Hours

The Tenant may, with the prior consent of the Landlord, use the Premises and have access to them outside the Business Hours, subject to the Tenant observing the following terms and conditions:

- (a) the Tenant shall use only those parts of the Common Parts as the Landlord may designate;
- (b) the Tenant shall comply with the reasonable requirements of the Landlord regarding the use of the Common Parts and the security of the Building; and
- (c) the Tenant shall comply with clause 14.8.

7.7 Regulations

The Tenant shall:

- (a) comply with the provisions of all statutes and the requirements of any competent authority in relation to the Premises and the Common Parts and shall carry out and maintain at its own cost all works and arrangements required under any statute, whether imposed on the Tenant or any other person, so far as they relate to the Premises;
- (b) give to the Landlord a copy of every notice, direction, order, proposal, licence, consent or permission relating to the Premises made or given under any statute within five working days of receipt (or sooner in cases of emergency) and, if required by the Landlord, the Tenant shall at its own cost make or join the Landlord in making such objections, applications or representations relating to them as the Landlord may reasonably require;
- (c) comply with all requirements and recommendations of the local fire officer in respect of the Premises and the Building or their use;
- (d) implement such recommendations contained in any EPC which relate to the Premises or the Building (in so far as such recommendations relate to the Premises) as are reasonably requested by the Landlord; and

- (e) comply with all reasonable regulations made by the Landlord at any time for the management of the Building and the exercise of the rights granted to the Tenant under clause 3.2(a).

7.8 Defective Premises

The Tenant shall do everything necessary to comply with the Defective Premises Act 1972. In particular, the Tenant shall:

- (a) immediately notify the Landlord of any defect in the Premises or the Building which may give rise to a duty of care on the Landlord under that Act;
- (b) not do anything which might breach any duty of care; and
- (c) display or maintain on the Premises any notices which the Landlord may reasonably require.

7.9 No new covenants

The Tenant shall not enter into any covenant with any person other than the Landlord relating to the Premises or require any assignee or undertenant to give covenants that would restrict the use of the Premises to a greater extent than the restrictions on use contained in this Lease.

7.10 Covenants in other leases

Nothing in this Lease shall give the Tenant any right to enforce or to receive the benefit of or to prevent the release or modification of any covenant or condition in any lease (other than this Lease), deed or document relating to the Premises, the remainder of the Building or any adjoining or nearby property.

8 ENCROACHMENTS

8.1 Loss of existing rights

The Tenant shall not stop-up, darken or obstruct any window or other opening belonging to the Premises or the Building or do anything which may lead to any rights benefiting the Premises or the Building being lost.

8.2 Creation of new rights

The Tenant shall not permit any encroachment to be made which may lead to rights being acquired by any person over the Premises or the Building and shall at its own cost take such action as the Landlord may reasonably require to prevent any rights being acquired over the Premises or the Building or any rights benefiting the Premises or the Building being lost.

8.3 Notification

The Tenant shall give to the Landlord immediate notification of any interference with or any encroachment of any right enjoyed by the Premises or the Building or of any attempt to acquire any right over the Premises or the Building.

9 ALTERATIONS

9.1 Prohibited alterations

The Tenant shall not carry out any Alterations except as permitted in clause 9.2.

9.2 Non-structural alterations

Notwithstanding clause 9.1, but subject to clauses 9.3 and 9.4, the Tenant may carry out Alterations that are internal and non-structural without the prior consent of the Landlord.

9.3 Energy efficiency

The Tenant shall not carry out any Alterations which might adversely affect the energy performance of the Premises or the Building or which might reduce the energy rating contained in any EPC for the Premises or the Building.

9.4 General provisions

In respect of all Alterations, the Tenant shall at its own cost:

- (a) provide the Landlord in triplicate with plans, drawings and specifications showing the Premises before and after the proposed Alterations;
- (b) where relevant provide the Landlord with a Method Statement before the proposed Alterations;
- (c) provide the Landlord with full details of the impact of the Alterations on the energy performance of the Premises or the Building or on the energy rating contained in any EPC for the Premises or the Building;
- (d) obtain all necessary consents to the Alterations;
- (e) give the insurers of the Building full details of the Alterations and obtain their approval to them;
- (f) carry out the Alterations with good quality materials, in a good, substantial and workmanlike manner, in accordance with the terms of consents obtained for the Alterations and with the requirements of the local planning and other authorities;
- (g) comply with the requirements of any statute which affects the Alterations or the manner in which they are carried out;
- (h) carry out the Alterations to the reasonable satisfaction in all respects of the Landlord;
- (i) in a manner which creates as little nuisance, inconvenience, disturbance or annoyance to the Landlord or to the tenants and other occupiers of the Building or of any adjoining or nearby premises as is reasonably practicable nor infringe the rights of any such persons;
- (j) in a manner which does not make the Premises or the Building or any adjoining or nearby premises or any plant or machinery unsafe or unsound or interrupt any services supplied to the Building;

- (k) give to the Landlord full details of the reinstatement value of the Alterations, excluding any tenant's fixtures forming part of the Alterations, for insurance purposes; [and]
- (l) remove the Alterations and reinstate the Premises to the satisfaction of the Landlord at the end of the Term, unless and to the extent that the Landlord notifies the Tenant in writing otherwise; [and]
- (m) [•]

9.5 Indemnity

The Tenant shall indemnify the Landlord in respect of any matter arising out of the execution, retention and use of any Alterations.

10 PLANNING

10.1 Tenant's obligations

The Tenant shall comply with the provisions of all town and country planning legislation (including, but not limited to, the Town and Country Planning Act 1990) insofar as they relate to the Premises and to the use of the Common Parts and shall not:

- (a) make any application for planning permission or any application for a determination that planning permission is not required without the prior consent of the Landlord. Consent shall not be unreasonably withheld or delayed if the application relates to a matter for which the Landlord cannot unreasonably withhold or delay its consent under this Lease; or
- (b) carry out any Alterations or change the use of the Premises until all necessary planning permissions have been obtained and approved in writing by the Landlord. Subject to clause 10.2, the Landlord shall not unreasonably withhold or delay its approval where it has given consent to the application for planning permission being made.

10.2 Approval of permissions

The Landlord shall be entitled to:

- (a) impose reasonable conditions to the giving of its approval; and
- (b) withhold its approval to any planning permission if any conditions contained in or omitted from it or its duration would, in the reasonable opinion of the Landlord, have or be likely to have an adverse effect on the value of the Landlord's interest in the Building at any time during or after the end of the Term.

11 ALIENATION

11.1 Assignment

- (a) Assignment of part

The Tenant shall not assign part only of the Premises.

(b) Assignment of whole

The Tenant shall not assign the whole of the Premises unless:

- (i) the conditions (which are specified for the purposes of s19(1A) Landlord and Tenant Act 1927) in clause (c) are satisfied;
- (ii) the circumstances (which are specified for the purposes of s19(1A) Landlord and Tenant Act 1927) in clause (d) do not apply; and
- (iii) the Tenant obtains the prior consent of the Landlord, such consent not to be unreasonably withheld or delayed.

(c) Conditions for assignment

The Landlord shall not be required to consent to any assignment unless on or before the date of the assignment:-

- (i) the Landlord receives a direct covenant from the assignee that it shall comply with the Tenant's Covenants until the date it is released from its obligations under the 1995 Act;
- (ii) the Landlord receives a direct covenant by way of a guarantee and indemnity that the assignee shall comply with the Tenant's Covenants from the date of the assignment until the date when the assignee is released from its obligations under the 1995 Act from:
 - (1) the Tenant by way of an Authorised Guarantee Agreement; and
 - (2) any guarantor or guarantors reasonably required by the Landlord, whose financial status shall be acceptable to the Landlord acting reasonably and who shall be resident or incorporated in the United Kingdom;
- (iii) if required by the Landlord, any guarantor of the Tenant covenants directly with the Landlord by way of guarantee and indemnity that the Tenant shall comply with its Authorised Guarantee Agreement pursuant to clause (ii)(1); and
- (iv) if reasonably required by the Landlord, a rent deposit deed in respect of the Rents for an amount equivalent to not less than [£] (exclusive of Value Added Tax), shall be provided to the Landlord for such period as the Landlord may reasonably require.

(d) Prohibited circumstances

The Landlord shall not be required to consent to any assignment if:

- (i) the Tenant has not complied with the Tenant's Covenants;
- (ii) the assignee is not, in the Landlord's reasonable opinion, of sufficient financial standing to comply with the Tenant's Covenants;
- (iii) the assignee is an individual resident in or a company incorporated in a jurisdiction outside the United Kingdom in respect of which there is no applicable treaty for the mutual enforcement of civil judgments;
- (iv) the assignee enjoys diplomatic, sovereign or any other form of immunity;

- (v) the assignee is a Group Company of the Tenant, unless the Landlord is provided with reasonable evidence that the covenant strength of the assignee is not less than that of the Tenant, disregarding any Authorised Guarantee Agreement given by the Tenant to the Landlord; or
- (vi) in the reasonable opinion of the Landlord, the value of the Landlord's interest in the Premises or the Building would be diminished or otherwise adversely affected by the proposed assignment, on the assumption, if not the fact, that the Landlord wishes to sell its interest immediately after the proposed assignment.

11.2 Charging

(a) **Charging of part**

The Tenant shall not charge part only of the Premises.

(b) **Charging of whole**

The Tenant shall not charge the whole of the Premises without the prior consent of the Landlord, such consent not to be unreasonably withheld or delayed.

11.3 Underlettings

(a) **Underletting of part**

The Tenant shall not underlet part only of the Premises.

(b) **Underletting of Whole**

The Tenant shall not underlet the whole of the Premises without the prior consent of the Landlord.

(c) **Landlord's consent**

The consent referred to in clause 11.3(b) shall not be unreasonably withheld or delayed BUT it is agreed that the Landlord may require that prior to any such underletting it shall approve the form of underlease (such approval (provided that the provisions of clause (e) have been complied with) not to be unreasonably withheld or delayed).

(d) **Undertenant's covenants**

Before the grant of any underlease, the Tenant shall procure that the undertenant enters into direct covenants with the Landlord:

- (i) to comply with the covenants on the part of the undertenant contained in the underlease until the undertenant is released from those obligations under the 1995 Act;
- (ii) to procure that any assignee of the underlease enters into a direct covenant with the Landlord on the same terms as this clause (b); and
- (iii) that the undertenant will not further sublet the premises demised by the underlease whether whole or part.

(e) Terms of the underlease

Any underlease of the Premises shall:

- (i) only include covenants and provisions as are not inconsistent with or impair the due performance and observance of the Tenant's Covenants;
- (ii) contain a valid agreement excluding the application of ss24 to 28 (inclusive) of the 1954 Act to the underlease;
- (iii) contain provisions prohibiting the creation of any further underleases of the whole or any part of the premises comprised in the underlease; and
- (iv) contain provisions for re-entry on the same terms as in this Lease;

(f) Tenant's obligations in relation to the underlease

The Tenant shall:

- (i) enforce the undertenant's covenants at its own cost and not waive any breach of them;
 - (ii) not accept a surrender of part only of the Premises;
- not grant any licence or consent under the terms of any underlease without the prior consent of the Landlord, such consent not to be unreasonably withheld or delayed where the Landlord could not unreasonably withhold or delay its consent to a similar application under this Lease.

11.4 General Provisions

In relation to any assignment:

- (a) the provisions of clause 11.1 shall operate without prejudice to the Landlord's right to withhold consent in any other circumstances where this would be reasonable or to impose any further conditions on the grant of consent where it would be reasonable to do so; and
- (b) any guarantee and indemnity to be given to the Landlord, including under any Authorised Guarantee Agreement, shall be in the form of Schedule 3 incorporating such changes as the Landlord may reasonably require.

11.5 Sharing occupation

Except for any arrangement or underletting permitted under the terms of this Lease, the Tenant shall not share the occupation or part with or share the possession of the Premises or hold this Lease on trust for any other person.

11.6 Group Companies

Clause 11.5 shall not prevent the Tenant from sharing the occupation of the Premises with any Group Company of the Tenant, on condition that:

- (a) no relationship of landlord and tenant is created;
- (b) the sharing of occupation shall cease immediately upon that company ceasing to be a Group Company of the Tenant; and

- (c) the Tenant gives written notice to the Landlord of the identity of that company and its relationship to the Tenant, prior to occupation being granted by the Tenant.

11.7 Notification of dealings

Within 15 working days of any assignment, charging or underletting of the Premises or the assignment of any underlease or the grant of any sub-underlease relating to the Premises, the Tenant shall give to the Landlord written notice of the disposition concerned and two certified copies of each of the documents giving effect to it, and shall pay to the Landlord's Solicitors a reasonable fee of not less than £60 (exclusive of Value Added Tax) for its registration.

11.8 Registration of assignments

Where any assignment is registrable at the Land Registry, the Tenant shall register the assignment as soon as reasonably practicable after the date of the assignment. On completion of the registration, the Tenant shall supply to the Landlord official copies showing the assignee registered as the proprietor of the registered title to the Lease and shall pay to the Landlord's Solicitors a reasonable registration fee of not less than £70 (exclusive of Value Added Tax).

11.9 Release of Landlord

The Tenant shall not unreasonably withhold or delay its consent to a request made by any person under s6 or s7 of the 1995 Act for a release from all or any of the covenants in this Lease to be complied with by the Landlord.

11.10 Disclosure of information

The Tenant shall provide to the Landlord immediately on request full details of all occupants of the Premises and the terms of their occupation.

12 EPC

- 12.1 The Landlord shall, at the request and cost of the Tenant, provide to the Tenant a copy of any valid EPC held by the Landlord in respect of the Premises or the Building.
- 12.2 The Tenant shall not knowingly invalidate any EPC in respect of the Premises or the Building. If the Tenant breaches this clause 12.2, all costs incurred by the Landlord in connection with the preparation of a new EPC shall be a debt payable by the Tenant to the Landlord on demand on a full indemnity basis.
- 12.3 The Tenant shall promptly provide the Landlord with a copy of any EPC obtained by the Tenant in respect of the Premises or the Building.

13 INSURANCE

13.1 Landlord to insure

The Landlord shall for the length of the Contractual Term, insure with a reputable insurance office or through reputable underwriters, and through such agency as the Landlord may from time to time determine:-

- (a) the Building (other than glazing) against damage or destruction by the Insured Risks in its full reinstatement cost, including the cost of demolition, site clearance, hoarding, shoring up, obtaining all planning permissions, building regulation and all other consents required, complying with the requirements of any statute or public or any other authority, all professional fees, and all other incidental expenses, together in each case with Value Added Tax;
- (b) [its property owner's] and public liability in respect of the Building; and
- (c) such other insurances as the Landlord may consider appropriate in connection with the Building.

13.2 Insurance details

The Landlord shall at the written request of the Tenant, but not more than once a year, provide reasonable evidence of the terms of the insurance policy and of payment of the last premium.

13.3 Insurance provisos

The Landlord's obligations under clause 13.1 shall not apply to the extent that:

- (a) insurance cover for properties similar to the Building is not ordinarily available with reputable insurance offices in the United Kingdom or underwriters against the Insured Risks on reasonable commercial terms;
- (b) the insurers may apply excesses, exclusions, limitations and conditions;
- (c) any policy of insurance is made void or voidable by any act or default of the Tenant; and
- (d) the Tenant fails to notify the Landlord of the reinstatement value of any Alterations in accordance with clause 9.4(k).

13.4 Insurance Rent

The Tenant shall pay to the Landlord as additional rent on demand a proper proportion of:-

- (a) the costs incurred by the Landlord in complying with its obligations under clause 13.1;
- (b) the amount of any excess which may be deducted or disallowed by the insurers upon the settlement of any insurance claim;
- (c) the costs incurred by the Landlord in valuing the Building at reasonable intervals for insurance purposes; and
- (d) the costs incurred by the Landlord in preparing and making any insurance claim under any insurance policy maintained by the Landlord in relation to the Building.

13.5 Tenant's obligations

The Tenant shall:-

- (a) comply with the requirements and recommendations of the insurers of the Building, so far as they relate to the Premises or the use of the Common Parts;

- (b) not do or bring anything upon the Premises or any other part of the Building which may cause any policy of insurance effected by the Landlord under this Lease to become void or voidable or any sums payable under such policy to be irrecoverable;
- (c) not do or bring anything upon the Premises or any other part of the Building which may increase the premium payable for any policy of insurance effected by the Landlord;
- (d) give notice to the Landlord immediately upon any event occurring which might lead to a claim under or invalidate the insurance policy relating to the Building or might increase the insurance premium payable for the Building or might constitute an Insured Risk;
- (e) except as specifically required under this Lease and except as to tenant's fixtures and contents, not to effect any insurance policy in relation to the Premises or the Building. If the Tenant breaches this clause 13.5(e), it shall hold the benefit of any insurance monies which it receives in respect of such insurance on trust for the Landlord and shall pay such sums to the Landlord immediately on receipt; and
- (f) pay on demand to the Landlord any irrecoverable insurance monies and increases in insurance premiums resulting from any breach of the Tenant's Covenants.

13.6 Tenant to insure

The Tenant shall:-

- (a) keep insured with an insurance office which is, in the Landlord's responsible opinion, reputable:-
 - (i) all glazing forming part of the Premises in its full reinstatement cost; and
 - (ii) such third party and other risks as the Landlord shall reasonably require;
- (b) produce to the Landlord on demand any policy relating to the insurance referred to in clause (a) and reasonable evidence that such policy is in force; and
- (c) replace any damaged or destroyed external glazing serving the Premises with glazing of the same specification, appearance and quality as previously.

Provided that where the Tenant is the London Borough of Southwark it shall be permitted to self-insure and shall not be in breach of its obligations in this clause where it does so. *[To be reviewed per lease as insurance must be taken out where structural parts are let and on assignment and underletting]*

13.7 Suspension of Ground Rent

If following an Insurance Event, the Premises are rendered unfit for occupation and use or inaccessible, the Ground Rent shall be suspended until the date on which the Premises have been reinstated so as to be fit for occupation and use and made accessible.

13.8 Landlord's obligation to rebuild Premises

- (a) In this clause 13.8, references to the Premises shall include such parts of the Common Parts as are reasonably necessary for the use and enjoyment of the Premises by the Tenant.
- (b) Following an Insurance Event, unless any insurance monies are withheld due to any act or default of the Tenant and are not made good by the Tenant under clause 13.5(f), the Landlord shall use its reasonable endeavours to obtain any planning permissions and other consents required to rebuild or reinstate the Premises, but without any obligation to appeal against a refusal or failure to grant planning permission or any other consent.
- (c) Subject to all necessary planning permissions and consents being obtained and the Tenant paying to the Landlord any sums due under clause 13.5(f), the Landlord shall apply such of the insurance monies as are received from the insurers in respect of the Premises by virtue of clause 13.1(a) towards the rebuilding or reinstatement of the Premises with all reasonable speed.
- (d) In rebuilding or reinstating, the Landlord shall be entitled to use materials of a different quality, type or specification and may make reasonable changes in the original design, layout or specification of the Premises, so long as the extent of the Premises is not materially altered.
- (e) The Landlord shall not be liable to rebuild or reinstate if prevented by one or more of the following reasons:-
 - (i) the Landlord failing (despite using reasonable endeavours) to obtain the necessary planning permissions and consents;
 - (ii) any planning permissions or consents being granted subject to a condition which the Landlord reasonably considers to be unreasonable; or
 - (iii) any other reason beyond the Landlord's reasonable control.

In such circumstances, all insurance monies received shall [belong to the Landlord]/[be apportioned between the Landlord and the Tenant in accordance with the estimated values of their respective interests in the Premises such proportion to be determined in the case of dispute by arbitration].

13.9 Termination on destruction of Building

If an Insurance Event occurs which damages or destroys the Building and it is likely, in the reasonable opinion of the Landlord, that it will be impossible to rebuild and reinstate the Building within the period for which the Landlord is obliged to insure pursuant to clause 13.1, the Landlord may serve on the Tenant not less than six months' prior written notice and this Lease shall end on the date when such notice expires and all insurance monies received or receivable by the Landlord shall [belong to the Landlord]/[be apportioned between the Landlord and the Tenant in accordance with the estimated values of their respective interests in the Premises such proportion to be determined in the case of dispute by arbitration].

13.10 Termination on destruction of Premises

If an Insurance Event occurs which renders the Premises unfit for occupation and use or inaccessible, and they have not been reinstated and made accessible within the period for which the Landlord is obliged to insure pursuant to clause 13.1:-

- (a) the Tenant may serve not less than six months' prior written notice on the Landlord, and subject to clauses (b) and (c) below, this Lease shall end on the date when such notice expires and all insurance monies received or receivable by the Landlord shall [belong to the Landlord]/[be apportioned between the Landlord and the Tenant in accordance with the estimated values of their respective interests in the Premises such proportion to be determined in the case of dispute by arbitration];
- (b) if the Premises have been made fit for occupation and use and are accessible by the date any notice served by the Tenant under clause (a) expires, this Lease shall not end;
- (c) if any insurance monies have been withheld due to any act or default of the Tenant, any notice served by the Tenant under clause (a) shall be ineffective; and
- (d) any dispute about the operation of this clause 13.10 may be submitted at the request of the Landlord or the Tenant to arbitration.

13.11 Commission

The Landlord shall be entitled to retain for its own benefit any commission or agency fee paid or allowed by the insurers.

14 SERVICES

14.1 Landlord's obligations

- (a) In providing the Services, the Landlord shall not be liable to the Tenant for any failure, interruption or delay in the supply of the Services which results from:
 - (i) any Insured Risk, any mechanical or other breakdown, inclement weather, labour disputes, any shortage of fuel, water or materials or any other reason beyond the Landlord's reasonable control provided such failure or interruption could reasonably have been prevented or shortened by the Landlord;
 - (ii) any inspection, repair, maintenance, servicing or replacement of the Building, the Conduits or any other plant or machinery used in the provision of the Services;
 - (iii) the Landlord shall use reasonable endeavours to restore services as soon as possible.
- (b) The Landlord shall not be liable to the Tenant for any disrepair to the Retained Parts unless and until the Landlord fails to comply with its obligation to repair within a reasonable time of receiving actual notice of any such disrepair.
- (c) The Landlord (acting reasonably) shall be entitled at its discretion to withhold, add to or alter the Services, or alter the manner in which they are provided, if the

Landlord considers that it is desirable to do so, provided that it does not conflict with the principles of good estate management.

14.2 Excluded Services

Notwithstanding any other provisions in this Lease the Landlord shall have no obligation to provide the Excluded Services or to incur Excluded Items.

14.3 Calculation of Service Charge

- (a) The Service Charge may include:
 - (i) the cost of providing Services and Items of Expenditure incurred in a previous Service Charge Year, which have not been included in any previous Service Charge; and
 - (ii) such provision for anticipated expenditure in respect of providing any of the Services as the Landlord reasonably considers desirable in the interests of good estate management.
- (b) The Service Charge shall not be increased to reflect the fact that any Lettable Areas are vacant.
- (c) The Service Charge shall not include:-
 - (i) any capital expenditure incurred prior to the date of this Lease in connection with the original construction and equipping of the Building;
 - (ii) any expenditure for which any tenants or occupiers of the Building are individually responsible;
 - (iii) the cost of making good any damage or destruction to the Building caused by any risk covered by any insurance policy maintained by the Landlord pursuant to clause 13.1; and
 - (iv) the cost of marketing and letting any vacant Lettable Areas.

14.4 Payment of Service Charge

- (a) As soon as reasonably practicable after the end of each Service Charge Year, the Landlord shall provide the Tenant with a certified statement showing the Service Charge and a summary of the expenditure incurred by the Landlord in providing the Services in that Service Charge Year. The statement shall be binding on the Tenant, except in the case of manifest error.
- (b) Pending the calculation of the Service Charge for each Service Charge Year, the Tenant shall pay to the Landlord as additional rent the Estimated Service Charge by equal quarterly payments in advance on the Quarter Days.
- (c) If the Landlord does not notify the Tenant of the amount of the Estimated Service Charge before the beginning of any Service Charge Year:
 - (i) the Tenant shall continue to pay the Service Charge at the rate payable for the preceding Service Charge Year; and
 - (ii) within five working days of the Landlord notifying the Tenant of the Estimated Service Charge, the Tenant shall pay to the Landlord as additional rent any difference between the preceding Service Charge and the Estimated Service Charge.

14.5 Adjustments

- (a) If the Service Charge for any Service Charge Year is less than the Estimated Service Charge, the overpayment shall be credited against the next payments to be made by the Tenant under clause 14.4(b), or, in the case of the last year of the Term, shall be returned to the Tenant following the statement provided under clause 14.4(a) for that Service Charge Year.
- (b) If the Service Charge for any Service Charge Year exceeds the Estimated Service Charge, the underpayment shall be paid by the Tenant to the Landlord as additional rent within five working days of the statement referred to in clause 14.4(a) being delivered to the Tenant.
- (c) The obligations contained in clauses (a) and (b) shall continue beyond the end of the Term.

14.6 Supplemental charge

If, in any Service Charge Year, the Landlord reasonably desires or is required to pay any costs in respect of the Services and the money held by the Landlord on account from the Estimated Service Charge is insufficient for this purpose, the Landlord shall be entitled to demand a further sum on account of the Service Charge for that Service Charge Year. The Tenant shall pay such sum as additional rent to the Landlord within five working days of demand.

14.7 Evidence in support of Service Charge

For a period of two months after delivery of each statement to the Tenant under clause 14.4(a), the Landlord shall at the cost of the Tenant use reasonable endeavours to make available to the Tenant all relevant vouchers and receipts relating to the Service Charge referred to in that statement at such location as the Landlord may reasonably specify for the purpose of inspection during normal office hours.

14.8 Extension of Business Hours

If the Tenant uses the Premises outside the Business Hours, the Tenant shall pay to the Landlord as additional rent the whole, or a proper proportion, of the costs attributable to the provision of any Services outside the Business Hours and any associated Items of Expenditure.

14.9 Service Charge disputes

The Tenant shall not be entitled to dispute the Service Charge on the grounds that any of the Services or Items of Expenditure could have been provided or incurred at a cost lower than that incurred by the Landlord.

15 END OF THE TERM

At the end of the Term, the Tenant shall:

- 15.1 return the Premises to the Landlord with vacant possession, repaired, cleaned and maintained in accordance with the Tenant's Covenants;

- 15.2 unless and to the extent that the Landlord notifies the Tenant in writing otherwise, reinstate all Alterations and restore the Premises to the state and condition in which the Tenant first took possession of them;
- 15.3 return all keys and security passes to the Premises and the Building to the Landlord;
- 15.4 deliver to the Landlord the original Lease and all other title deeds and documents relating to the Premises; and
- 15.5 execute such deed or document as the Landlord shall require in order to cancel any entry or title relating to this Lease at the Land Registry.

16 GUARANTEE PROVISIONS

16.1 Guarantee and indemnity

The Guarantor covenants with the Landlord that the Tenant shall comply with the Tenant's Covenants until the Tenant is released from them under the 1995 Act. This covenant is a guarantee and indemnity for the purposes of Schedule 3 and incorporates its provisions.

16.2 Tenant's Guarantor to join in licences

If the Tenant requires the consent of the Landlord under the terms of this Lease, the Tenant shall procure that any person who may from time to time be a guarantor of the Tenant's Covenants shall be a party to any formal licence and shall confirm that its obligations as guarantor of the Tenant's Covenants shall continue in full force and effect.

17 QUIET ENJOYMENT

The Tenant shall be entitled quietly to enjoy the Premises throughout the Term, without any interruption by the Landlord or any person lawfully claiming under or in trust for the Landlord.

18 AGREEMENTS AND PROVISOS

18.1 Re-entry

Without prejudice to any other right remedy or power contained in this Lease or otherwise available to the Landlord, the Landlord shall be entitled to re-enter the Premises (or any part of them in the name of the whole) and terminate this Lease if:

- (a) the Rents, or any part of them, remain unpaid 14 days after becoming due (whether formally demanded or not);
- (b) the Tenant or any guarantor of the Tenant, is in material breach of any of its obligations under this Lease of such nature as to have a material adverse effect on either the value of the Landlord's reversionary interest in the Building or on the use or occupation of the dwellings or other premises (or any of them) within the Building and any such breach is not remedied within a reasonable time of notice from the Landlord to the Tenant specifying in reasonable detail such breach

and then the Term will absolutely cease but without prejudice to any rights or remedies which may have accrued to the Landlord against the Tenant or to the Tenant against the

Landlord in respect of any breach of covenant or other term of this Lease (including the breach in respect of which the re-entry is made) Provided Always that notice of contemplation of re-entry shall first be served on any mortgagee with an interest in the Premises in respect of which details have previously been provided to the Landlord and no re-entry shall be effected until the expiry of twenty eight (28) days after the service of any such notice.

18.2 Exclusion of compensation

The Tenant shall not be entitled to any compensation under any statute or otherwise at the end of the Term, so far as the law allows.

18.3 Tenant's property

If, at the end of the Term, the Tenant leaves any property belonging to the Tenant on the Premises, the Landlord shall be entitled at the cost of the Tenant to remove such property from the Premises. If the Tenant fails to collect such property within five working days of being requested to do so in writing by the Landlord or if the Landlord is unable to make such request, within ten working days of the Landlord's first attempt to do so:

- (a) the Landlord shall be entitled, as the agent for the Tenant, to sell such property;
- (b) the Tenant shall indemnify the Landlord against any liability incurred by the Landlord to any third party whose property shall have been sold by the Landlord in the bona fide mistaken belief (which shall be presumed unless the contrary be proved) that such property belonged to the Tenant;
- (c) the Tenant shall indemnify the Landlord against any damage caused to the Premises and any liability of the Landlord caused by or related to the presence of the Tenant's property in the Premises;
- (d) the Landlord shall be entitled to use any proceeds of sale to defray any costs properly incurred in connection with the removal, storage and sale of such property and to discharge any other sums which may still be due to the Landlord under the terms of this Lease; and
- (e) if the Landlord, having made reasonable efforts, is unable to locate the Tenant, the Landlord shall be entitled to retain such proceeds of sale absolutely, unless the Tenant claims them within three months of the date on which the Tenant vacated the Premises.

18.4 Disputes with adjoining occupiers

If any dispute arises between the Tenant and the tenants or occupiers of other parts of the Building or any adjoining or nearby property as to any matter in connection with the use of the Premises and any other part of the Building or any adjoining or nearby property or as to the boundary structures separating the Premises from any other property it shall be decided by the Landlord or in such manner as the Landlord shall direct.

18.5 Entire understanding

This Lease embodies the entire understanding of the parties relating to the Premises and to all matters dealt with by any of the provisions of this Lease.

18.6 Representations

The Tenant acknowledge that in entering into this Lease no reliance has been placed upon any representation, warranty or statement (whether oral, written or implied) made by or on behalf of the Landlord, (other than the written replies of the Landlord's Solicitors to the written enquiries made by the Tenant's Solicitors but only in respect of enquiries not capable of independent verification by the Tenant by inspection, survey or searches or enquiry of any local or other public authority or body, whether or not actually made).

18.7 Notices

- (a) Any notice to be given under this lease shall be in writing.
- (b) Any notice may be served on the recipient at its address set out in the Particulars (or such other address as that party may specify in writing to the other from time to time) or, during the first 12 months of the Contractual Term only, on the recipient's solicitors identified in the Particulars (or such other solicitors as may be specified in writing to the other party from time to time).
- (c) Any notice served by DX shall be deemed to be received on the first working day after being sent.
- (d) Any notice served by first class post, special delivery or recorded post shall be deemed to be received on the second working day after being sent.
- (e) Any notice served by second class post shall be deemed to be received on the third working day after being sent.
- (f) Any notice served by fax shall be deemed to be received when the sender has received confirmation that the notice has been transmitted, unless transmission takes place after 4.30 pm on any day in which case the notice shall be deemed to be received at 9.00 am on the next working day.
- (g) Any notice shall be valid if given by the solicitors acting on behalf of the party serving the notice.
- (h) Notice may not be served by electronic mail.

18.8 New tenancy

This Lease creates a "new tenancy" for the purposes of s1 of the 1995 Act.

18.9 Contracts (Rights of Third Parties) Act 1999

Unless this Lease states otherwise, the parties do not intend to confer any right or benefit which is enforceable by virtue of the Contracts (Rights of Third Parties) Act 1999 upon any party who is not a party to this Lease.

18.10 Arbitration

Where any matter may be referred to arbitration under this Lease, the matter is to be submitted to a single arbitrator under the Arbitration Act 1996, and the arbitrator shall be appointed by agreement between the Landlord and the Tenant or, in the absence of agreement, by the President of the Royal Institution of Chartered Surveyors, or the next

available officer, on the application of either the Landlord or the Tenant. The arbitrator shall not have the power to order the rectification, setting aside or cancellation of the Lease.

18.11 Outstanding liabilities on termination

When this Lease ends, whether by effluxion of time, or otherwise, it shall be without prejudice to outstanding liabilities of any party to any other party.

18.12 Jurisdiction

This Lease shall be governed and construed in accordance with English law and the English courts shall have exclusive jurisdiction in relation to any disputes between the Landlord and the Tenant and/or the Guarantor arising out of or related to this Lease.

18.13 Charities Act 2011

[•]

18.14 Execution

The parties have signed this Lease as a deed and it is intended to be and shall be delivered on the date of this Lease.

SCHEDULE 1

Part 1

The Building

The Building:-

1. includes all Conduits from time to time within or leading to the Building that serve it, but excludes those that form part of the public mains;
2. includes all landlord's fixtures forming part of the Building from time to time;
3. includes all additions, alterations and improvements made to the Building from time to time; and
4. excludes any tenant's fixtures forming part of the Building from time to time.

Part 2

The Premises

- 1 [THE PREMISES INCLUDE:-
 - 1.1 all non-structural or non-load bearing walls and columns within the Premises;
 - 1.2 the inner half, severed vertically, of any non-structural or non-load bearing walls and columns that divide the Premises from other parts of the Building;
 - 1.3 the internal plaster surfaces and finishes of the walls of the Premises, including those on any structural or loadbearing walls and columns within or enclosing the Premises;

- 1.4 all ceiling finishes;
- 1.5 all internal windows (including the frames and fitments and all glazing);
- 1.6 all doors and door frames in all walls within or enclosing the Premises and all door furniture and glazing within the doors;
- 1.7 all other glazing (whether in partitions or otherwise);
- 1.8 all floor finishes, floor screeds and raised floor systems;
- 1.9 all carpets or other floor coverings provided or paid for by the Landlord;
- 1.10 all sanitary and hot and cold water apparatus and equipment within and exclusively serving the Premises;
- 1.11 [the air space above the suspended ceiling systems and the suspended ceiling systems and light fittings];
- 1.12 [all external windows (including the frames and fitments and all glazing) [and the whole of any non-structural parts of the shop frontage or other frontage];]
- 1.13 all Conduits within or leading to the Premises that exclusively serve the Premises, but excludes those that form part of the public mains;
- 1.14 all other landlord's fixtures that exclusively serve the Premises; [and]
- 1.15 all Alterations, except to the extent that they comprise tenant's fixtures. [and]
- 1.16 [•]

2 THE PREMISES EXCLUDE:-

- 2.1 all structural or loadbearing walls and columns and the structural slabs of any roofs and floors;
- 2.2 [all external windows (including the frames and fitments and all glazing)];
- 2.3 all Conduits and landlord's fixtures within the Premises which do not exclusively serve the Premises;
- 2.4 [the air space above the suspended ceiling systems and the suspended ceiling systems and light fittings]; [and]
- 2.5 all tenant's fixtures and chattels. [and]
- 2.6 [•]

Part 3

[Rights granted to the Tenant]

1 [REFUSE

The right with others to use the refuse disposal and collection areas within the Building for the depositing of normal office refuse ready for collection.]

2 [CONDUITS

The right to the passage of Utilities through any Conduits that serve the Premises and that do not form part of the public mains.]

3 [SUPPORT

The right of support, shelter and protection for the Premises from the remainder of the Building.]

4 [SIGNS

The right to display at the entrance to the Premises a sign stating the Tenant's name and business, of such type and size and in such position as the Landlord may reasonably determine.]

5 [●]

5.1 [●]

Part 4

[Rights reserved to the Landlord and others]

1 [CONDUITS

The right to the passage of Utilities through any Conduits which are now or may at any time be in, under or over the Premises and the right to create new services or easements in, under or over the Premises and to connect into and use any existing Conduits or lay new Conduits in, under or over the Premises.]

2 [THE BUILDINGS

2.1 The right at any time to raise the height of, build on, rebuild, alter, demolish, develop, repair, clean, decorate or carry out any other works to any part of the Building and any adjoining or nearby property and the right to erect new buildings of any height on any part of the Building and any adjoining or nearby property, in each case in such manner as the Landlord thinks fit.

2.2 In exercising the rights in paragraph 2.1 of Part 4 of this Schedule 1, the Landlord shall be entitled to build on or into any external wall of the Premises and to oversail cranes and their loads over the Premises and erect scaffolding against any external wall of the Premises for the duration of the works being carried out.

2.3 The Tenant shall not be entitled to claim against the Landlord for any interference in the right and passage of light and air to the Premises arising from the exercise of the rights in this paragraph 2.]

3 [ENTRY ON THE PREMISES

3.1 The right at any time to enter and remain on the Premises with or without plant, machinery and equipment:-

- (a) to exercise the rights reserved in Part 4 of this Schedule 1;
- (b) to inspect, clean, maintain, repair, connect, remove, lay, replace, alter and carry out any other works to or in connection with the Conduits and the Services;

- (c) to carry out any works in respect of any easement or services benefiting the Premises, the remainder of the Building and any adjoining or nearby property;
- (d) to view the state and condition of the Premises, the remainder of the Building and any adjoining or nearby property including, where necessary, opening up any part or parts of the floors, ceilings and walls of the Premises;
- (e) to remedy any breach of the Tenant's Covenants;
- (f) to carry out any repairs, decoration, alterations, works of refurbishment, cleaning and any other works to the Building and/or any adjoining or nearby property, or to do anything which the Landlord may or is obliged to do under this Lease or otherwise;
- (g) in connection with any requirements of the insurers of the Building;
- (h) to value the Premises or the Building, whether for insurance purposes or otherwise;
- (i) to prepare for the disposal of the Landlord's or any superior interest in the Premises or the Building or, in the last six months of the Term, the reletting of the Premises;
- (j) to affix on the exterior of the Premises notices for the sale or, in the last six months of the Term, the reletting of the Premises;
- (k) to comply with its obligations to any superior landlord or mortgagee;
- (l) to measure and assess the Premises and carry out works pursuant to and in connection with any EPC; and
- (m) any other reasonable purpose.

3.2 On the exercise of any rights of entry on the Premises (except where the Tenant is in breach of the Tenant's Covenants), the person entering shall give reasonable prior notice to the Tenant (except in cases of emergency), cause as little damage and inconvenience as reasonably practicable in the exercise of the rights and make good any damage caused to the Premises in the exercise of those rights.]

4 [SUPPORT

The right of support, shelter and protection from the Premises for the remainder of the Building and any adjoining or nearby property.]

5 [EMERGENCY

The right, in common with the Tenant, in cases of emergency only, to use any fire escape routes within the Premises designated by the Landlord for use as a means of escape in case of fire.]

6 [•]

6.1 [•]

Part 5

Title matters

[The matters contained in the Property Register the Charges Register of Title Number [●
], as at the date of this Lease.]

SCHEDULE 2

Part 1

The Services

1 MAINTAINING RETAINED PARTS

Inspecting, repairing, maintaining, treating, cleaning, decorating, servicing, altering, replacing and rebuilding the Retained Parts, (excluding the external glazing serving the Premises) and all plant, machinery, equipment and Conduits.

2 HEATING

Providing central heating and, if the Landlord considers appropriate, air conditioning, to the Common Parts at such temperatures as the Landlord reasonably considers to be adequate for such hours and at such times of the year as the Landlord reasonably considers necessary or desirable.

3 LIGHTING

Providing lighting to the Common Parts, where appropriate, at such times as the Landlord reasonably considers necessary or desirable.

4 MAINTENANCE OF FIRE EQUIPMENT

Providing, inspecting, operating, maintaining and, when in the reasonable opinion of the Landlord necessary, and replacing fire prevention and fire fighting equipment including fire alarms, extinguishers, detectors and sprinkler systems in the Common Parts.

5 CLEANING

Cleaning the external glazing of the Building and all glazing and window-frames in the Retained Parts, except where the individual responsibility of any tenant or occupier of the Building, and cleaning other external Retained Parts and providing and maintaining facilities and equipment for these purposes.

6 REFUSE DISPOSAL

Procuring the collection and disposal of refuse from the Building, and providing receptacles and plant and equipment for these purposes.

7 SECURITY

Providing such security measures for the Building as the Landlord shall from time to time determine, including security guards, alarms, closed circuit television systems and barriers.

8 . SIGNS

Providing, maintaining and, when in the reasonable opinion of the Landlord necessary, and replacing, name boards and other signage at such locations in the Building and of such design and size as the Landlord shall determine.

9 [•]

9.1 [•]

Part 2

Items of Expenditure

1. The cost of inspecting, repairing, maintaining and replacing the Retained Parts and all plant, machinery, equipment and conduits, including all plant and machinery relating to lifts, heating and air conditioning.
2. The payment of all existing and future rates, taxes, duties, charges, assessments, impositions and outgoings payable in respect of all or any part of the Retained Parts.
3. All payments to any local or other competent authority, person or body towards or in connection with the carrying out of all or any of the Services.
4. The cost of compliance with any statute or any directions, requirements or recommendations of any competent authority or of any insurers of the Building.
5. The cost of abating any nuisance to the Building, in so far as no tenant or occupier of the Building is liable for the same.
6. The cost of taking any steps which the Landlord reasonably deems desirable or appropriate in making representations against or otherwise contesting the operation of the provisions of any statute or any directions or requirements of any competent authority relating to the Building.
7. The cost of entering into any contracts for the carrying out of all or any of the Services and other functions and duties that the Landlord reasonably considers necessary.
8. The cost of inspecting, repairing maintaining, treating, cleaning, decorating, servicing, replacing, lighting and marking any roads, paths, yards, party walls, fences or other structures or services or other areas used or available to be used in common by all or any of the occupiers of the Building and the occupiers of any adjoining premises.
9. The cost of preparing and supplying to the tenants and occupiers of the Building copies of any regulations made by the Landlord pursuant to clause 7.7.
10. The cost of any policy or policies of insurance for insuring the plant, equipment and machinery in the Building against sudden and unforeseen damage and breakdown and for insuring any glazing in the Building.

11. The cost of preparing, submitting and settling any insurance claim relating to the Building not charged under clause 13.4(d).
12. The cost of carpeting, re-carpeting or otherwise covering such parts of the Retained Parts as the Landlord shall from time to time reasonably consider desirable or appropriate.
13. The cost of providing furniture and fittings in the main entrance hall and lift lobbies of the Building.
14. The cost of providing, maintaining and, where the Landlord reasonably considers it necessary, replacing any architectural or ornamental features, any floral and other decorations and any plants, shrubs, trees, flowers, garden and grassed areas in the Retained Parts.
15. The cost of the oil, gas, electricity or other energy supplies needed to provide any of the Services.
16. The cost of providing, where appropriate, toilet requisites and hygiene services in the lavatories in the Common Parts including the supply, maintenance, repair and renewal of receptacles, plant and equipment for these purposes.
17. The cost of employing such staff and other personnel as the Landlord shall reasonably consider necessary or desirable for the carrying out of the Services or in connection with any of the Items of Expenditure, including:-
 - (a) the payment of fees, expenses, salaries, gratuities, bonuses, annuities, redundancy and other termination payments, pensions, pension contributions, social security and National Insurance contributions and any statutory levies or emoluments in respect of such staff or personnel; and
 - (b) the cost of providing uniforms, protective clothing, tools, appliances, vehicles, materials and equipment for the proper performance of the duties of such staff or personnel;
 - (c) the cost of providing for such staff or personnel residential or other accommodation, including a management office, such cost to include all outgoings and all utility charges and the cost of repairs, renewals and redecoration in respect of such accommodation and the actual or a proper notional rent for such accommodation.
18. The fees, expenses and commissions payable, on a full indemnity basis, to any solicitor, auditor, accountant, surveyor, valuer, architect, engineer, managing agent or other professional whom the Landlord may from time to time employ in connection with the maintenance or management of the Building, including the cost of preparation [and certification] of the Service Charge statement referred to in clause 14.4(a).
19. The Landlord's management and administration expenses and, where management of the Building is undertaken by the Landlord or any Group Company of the Landlord, a sum equal to 10% of service charge expenditure in the relevant Service Charge Year by way of a management fee.
20. The cost, on a full indemnity basis, of enforcing, or attempting to enforce:-
 - (a) any term, covenant or condition or exercising, or attempting to exercise any right of re-entry contained in any lease, underlease, licence or agreement relating to all or any part of the Building unless for the non-payment of yearly rent; and

- (b) any warranty or other obligation owed to the Landlord, whether in contract or in tort, relating to the design or construction of the Building less any sums actually recovered by the Landlord from any third party on account of such costs.
21. Interest, commission, banking charges and fees in respect of any monies borrowed to finance the provision of any of the Services or the Items of Expenditure.
 22. The cost of providing any of the Services outside the Business Hours, where the Landlord reasonably considers it appropriate to do so, having regard to the level of occupation of the Building outside the Business Hours.
 23. The fees and expenses incurred by or on behalf of the Landlord in respect of any facility, right or thing used in common between the Building and any adjoining or nearby premises.
 24. The cost of obtaining and, where in the reasonable opinion of the Landlord desirable for improving the energy efficiency of the Premises or the Building, implementing any recommendations in any EPC for the Premises or the Building.
 25. The cost of any other works, facilities or services of any kind whatsoever which the Landlord reasonably considers necessary or desirable for the better use and enjoyment of the Building (during or after the end of the Term) or for the more efficient management of the Building.
 26. [•]

Part 3

Excluded Services

1. The maintenance, repair, cleaning, replacement and/or improvement of any lifts in the Building.
2. The inspection, keeping in good repair and condition, maintenance, treatment, cleaning, decoration, servicing, alteration, replacement, renewal, improvement, lighting of the Residential Common Parts.
3. [•]

SCHEDULE 3

Guarantee Provisions

1 DEFINED TERMS

In this Schedule, unless the contrary intention appears, and where appropriate:-

"Covenantor" means the party who has responsibility for complying with the Obligations, excluding the Guarantor;

"Default Event" means:

- (i) the receipt by the Landlord of actual notice of the disclaimer of this Lease by a trustee in bankruptcy or liquidator of the Covenantor or by the Crown;

- (ii) if the Covenantor is a company, the receipt by the Landlord of actual notice that the Covenantor has been dissolved, struck off the register of companies or has otherwise ceased to exist; or
- (iii) the ending of this Lease pursuant to clause 18.1;

"Guarantee" means any guarantee and indemnity given to the Landlord under this Lease by:

- (i) the Guarantor under clause 16.1;
- (ii) the Tenant in accordance with clause 11.1(c)(ii)(1);
- (iii) any guarantor of any assignee of this Lease in accordance with clause 11.1(c)(ii);
- (iv) any guarantor of the Tenant in accordance with clause 11.1(c)(iii); or
- (v) any other person in accordance with the terms of this Lease.

"Guarantor" means the party giving the Guarantee;

"New Lease" means a lease of the Premises

- (i) for a term of years commencing on the date of the Default Event and expiring on the date upon which the Contractual Term would have expired;
- (ii) containing redecoration dates which occur on the dates upon which the Premises were to be redecorated under this Lease; and
- (iii) otherwise containing the same terms and conditions as this Lease; and

"Obligations" means the obligations in this Lease to which the Guarantee relates.

2 GUARANTEE AND INDEMNITY

The Guarantor covenants with and guarantees to the Landlord as primary obligor that the Obligations shall be complied with and, as a separate primary obligation, that it shall indemnify the Landlord against any breach of them.

3 ORDER OF CLAIMS

The Guarantor acknowledges to the Landlord that the Landlord may make any claim against the Guarantor without first making demand of the Covenantor or pursuing any other remedy available to the Landlord in respect of the Obligations.

4 PRESERVATION OF GUARANTEE

4.1 The Guarantor acknowledges to the Landlord that the Guarantee is a continuing guarantee and shall not be released or varied by:

- (a) any Default Event or any act which would constitute a Default Event on the receipt of actual notice of that act by the Landlord;
- (b) the surrender of any part of the Premises;
- (c) any variation of this Lease;

- (d) any concession, time, indulgence or release given by the Landlord to the Covenantor or any co-guarantor; or
- (e) any other act or thing which would, but for this paragraph 4, release or vary the Guarantee.

4.2 The Guarantor covenants with the Landlord that it shall not seek to discharge, alter, compromise or impair its liability under this Lease in any agreement, arrangement, scheme or composition proposed by and entered into by the Tenant, or by a party to any such arrangement.

4.3 The Guarantor covenants with the Landlord, as a separate primary obligation, that if the Tenant proposes or enters into any agreement, arrangement, scheme or composition which has the effect of discharging, altering, compromising or impairing its liability or the liability of the Guarantor under this Lease, the Guarantor shall indemnify the Landlord against any such discharge, alteration, compromise or impairment.

5 PRIORITY OF CLAIMS

The Guarantor covenants with the Landlord that, unless and until all of the Obligations have been complied with:

5.1 The Guarantor shall not claim any rights of subrogation against the Covenantor, prove or claim in competition to the Landlord in any liquidation, bankruptcy, agreement, arrangement, scheme, composition, moratorium, receivership or administration of or concerning the Covenantor or take any guarantee, indemnity or other security or other right from the Covenantor in respect of all or any of the liabilities of the Guarantor under this Lease; and

5.2 Any monies which the Guarantor receives from any procedure or action of any of the kinds referred to in paragraph 5.1 shall be paid to the Landlord, and every guarantee, indemnity or other security or other right referred to in paragraph 5.1 shall be held on trust for the benefit of the Landlord.

6 DISCHARGE CONDITIONAL

The Guarantor acknowledges to the Landlord that, if any payment made by the Covenantor, the Guarantor or any co-guarantor is ordered to be refunded under any law relating to bankruptcy, liquidation or insolvency, the Landlord may claim from the Guarantor as if such payment had not been made and any release, discharge or settlement between the Guarantor and the Landlord shall take effect subject to this condition.

7 SET OFF, COUNTERCLAIM AND OTHER DEDUCTIONS

The Guarantor covenants with the Landlord that the Guarantor shall make any payments due from it under the Guarantee in full and on demand, without any deduction or withholding by way of set off, counterclaim, taxation or otherwise, except as required by law, in which case the Guarantor shall pay such increased amount as is necessary to ensure that the Landlord receives, after all such deductions and withholdings, the full amount.

8 NEW LEASE

The Guarantor acknowledges to the Landlord that, at any time within the period of six months after a Default Event occurs, the Landlord shall be entitled to serve written notice on the Guarantor requiring the Guarantor to accept the grant of a New Lease as tenant. Where there is more than one Guarantor, the Landlord shall be entitled to serve the notice on any of them.

9 GUARANTOR'S OBLIGATIONS IN RELATION TO NEW LEASE

The Guarantor covenants with the Landlord that, if the Landlord requires the Guarantor to accept the grant of a New Lease, the Guarantor shall:

- 9.1 execute and deliver to any superior landlord a counterpart of any licence to underlet which may be required for the grant of the New Lease. The licence to underlet shall contain such covenants as may be properly required of the Guarantor as undertenant;
- 9.2 if required by the Landlord, do all things reasonably necessary for the purposes of obtaining a valid agreement to exclude the operation of ss24-28 Landlord and Tenant Act 1954 in relation to the New Lease;
- 9.3 accept the grant of the New Lease and execute and deliver to the Landlord a counterpart of the New Lease; and
- 9.4 the costs and disbursements of the Landlord's Solicitors and other professional advisers on a full indemnity basis arising from the grant of the New Lease and the enforcement of the Guarantee, together with any irrecoverable Value Added Tax incurred by the Landlord.

10 EFFECT OF THE GRANT OF A NEW LEASE

The Guarantor acknowledges to the Landlord that the grant of a New Lease shall not prejudice any rights of the Landlord against the Guarantor or any co-guarantor in respect of any liability under the Guarantee, or any other guarantee or security held by the Landlord in respect of the Obligations insofar as that liability relates to any period prior to the date of the Default Event.

11 NO NEW LEASE

The Guarantor covenants with the Landlord that if a Default Event occurs and for any reason the Landlord does not require the Guarantor to accept the grant of a New Lease under paragraph 8, the Guarantor shall pay to the Landlord on demand an amount equal to all sums which would have been payable under this Lease but for the Default Event for the period commencing on the date of the Default Event and ending on the date twenty four months after the Default Event or, if earlier, the date upon which the Landlord re-lets the Premises.

Executed as a deed by

[●]

acting by a director

and its secretary/two directors

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Director

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Secretary/Director

Executed as a deed by

[●] acting by a director

and its secretary/two directors

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Director

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Secretary/Director

