

DATE:

LANDLORD: Towndoor Limited (Co. Regn. No. 2249938) R/o. Estate Office Gate 7
Meltham Mills Industrial Estate Meltham Mills Road Meltham Holmfirth
West Yorkshire HD9 4AR

TENANT:
Co. Regn. No..... R/o.
.....
.....
Telephone No. Contact Name:

GUARANTOR:.....
Address:
.....
.....
Telephone No. Contact Name:

PROPERTY: Unit
.....
..... shown edged red on the
Plan but excluding any Service Media in, on, under or over that unit (whether
in existence at the date of this lease or installed in the future) that are used by
that unit in common with any other part of the Estate.

Agreed terms

1. INTERPRETATION

The following definitions and rules of interpretation apply in this lease.

1.1 Definitions:

Act of Insolvency:

- (a) the taking of any step in connection with any voluntary arrangement or any other compromise or arrangement for the benefit of any creditors of the Tenant or any guarantor; or
- (b) the making of an application for an administration order or the making of an administration order in relation to the Tenant or any guarantor; or
- (c) the giving of any notice of intention to appoint an administrator, or the filing at court of the prescribed documents in connection with the appointment of an administrator, or the appointment of an administrator, in any case in relation to the Tenant or any guarantor; or
- (d) the appointment of a receiver or manager or an administrative receiver in relation to any property or income of the Tenant or any guarantor; or
- (e) the commencement of a voluntary winding-up in respect of the Tenant or any guarantor, except a winding-up for the purpose of amalgamation or reconstruction of a solvent company in respect of which a statutory declaration of solvency has been filed with the Registrar of Companies; or
- (f) the making of a petition for a winding-up order or a winding-up order in respect of the Tenant or any guarantor; or
- (g) the striking-off of the Tenant or any guarantor from the Register of Companies or the making of an application for the Tenant or any guarantor to be struck-off; or
- (h) the Tenant or any guarantor otherwise ceasing to exist (but excluding where the Tenant or any guarantor dies); or
- (i) the presentation of a petition for a bankruptcy order or the making of a bankruptcy order against the Tenant or any guarantor.

The paragraphs above shall apply in relation to a partnership or limited partnership (as defined in the Partnership Act 1890 and the Limited Partnerships Act 1907 respectively) subject to the modifications referred to in the Insolvent Partnerships Order 1994 (*SI 1994/2421*) (as amended), and a limited liability partnership (as defined in the Limited Liability Partnerships Act 2000) subject to the modifications referred to in the Limited Liability Partnerships Regulations 2001 (*SI 2001/1090*) (as amended).

Act of Insolvency includes any analogous proceedings or events that may be taken pursuant to the legislation of another jurisdiction in relation to a tenant or guarantor incorporated or domiciled in such relevant jurisdiction.

Annual Rent: Rent at an initial rate of £ _____ per annum and then as revised pursuant to this lease and any interim rent determined under the LTA 1954.

Block: the building block which the Property forms part of.

Block Building Charge: a fair proportion of the Service Costs in respect of the Block.

CDM Regulations: the Construction (Design and Management) Regulations 2015 (SI2015/51)

Common Parts: the roads, paths, loading and bin areas, Service Media and other parts of the Estate other than the Property and the Lettable Units.

Contractual Term: A term of years beginning on, and including the date of this lease and ending on, and including

Default Interest Rate: 5 % per annum above the Interest Rate.

Deposit:

Energy Assessor: an individual who is a member of an accreditation scheme approved by the Secretary of State in accordance with regulation 22 of the Energy Performance of Buildings (England and Wales) Regulations 2012 (SI 2012/3118) or regulation 30 of the Building Regulations 2010 (SI 2010/2214).

Energy Performance Certificate: a certificate as defined in regulation 2(1) of the Energy Performance of Buildings (England and Wales) Regulations 2012 (SI 2012/3118).

Estate: each and every part of the adjoining and neighbouring property in which the Landlord has an interest known as Meltham Mills Industrial Estate Meltham Mills Road Meltham Holmfirth West Yorkshire HD9 4AR shown edged in blue on the Plan.

Estate Charge: a fair proportion of the Service Costs in respect of the Estate.

Insurance Rent: the aggregate in each year of the:

- (a) gross cost of the premium before any discount or commission for the insurance of:
 - (i) the Property, other than any plate glass, for its full reinstatement cost (taking inflation of building costs into account) against loss or damage by or in consequence of the Insured Risks, including costs of demolition, site clearance, site protection and shoring-up, professionals' and statutory fees and incidental expenses, the cost of any work which may be required under any law and VAT in respect of all those costs, fees and expenses; and
 - (ii) loss of Annual Rent from the Property for three years;
- (b) the Tenant's Proportion of the gross cost of the premium before any discount or commission for the insurance of:

- (i) the Common Parts for their full reinstatement cost (taking inflation of building costs into account) against loss or damage by or in consequence of the Insured Risks, including costs of demolition, site clearance, site protection and shoring-up, professionals' and statutory fees and incidental expenses, the cost of any work which may be required under any law and VAT in respect of all those costs, fees and expenses; and
- (ii) public liability in relation to the Common Parts; and
- (c) any insurance premium tax payable on the above.

Insured Risks: means fire, explosion, lightning, earthquake, storm, flood, bursting and overflowing of water tanks, apparatus or pipes, impact by aircraft and articles dropped from them, impact by vehicles, riot, civil commotion and any other risks against which the Landlord decides to insure against from time to time and **Insured Risk** means any one of the Insured Risks.

Interest Rate: the base rate from time to time of National Westminster Bank Plc or if that base rate stops being used or published then a comparable commercial rate reasonably determined by the Landlord.

Lettable Unit: a building on the Estate, other than the Property, that is capable of being let and occupied on terms similar to those of this lease.

LTA 1954: Landlord and Tenant Act 1954.

Management Charge: 5% of any, gas boiler, appliance or heater service costs, electrical test costs or fire alarm test costs.

MEES: Minimum Energy Efficient Standard as set out in the Energy Act 2011 (Commencement Number 3)

Permitted Use:
 within Use Class [] of the Town and Country Planning (Use Classes) Order 1987 as at the date this lease is granted.

Plan: the plan attached to this Lease.

Recommendation Report: a report as defined in regulation 4 of the Energy Performance of Buildings (England and Wales) Regulations 2012 (SI 2012/3118).

Rent Commencement Date:

Rent Payment Dates: 1st day of each calendar month.

Reservations: all of the rights excepted, reserved and granted to the Landlord by this lease.

Review Date: and every third anniversary of that date.

Service Charge: the Block Building Charge and the Estate Charge.

Service Charge Year: is the annual accounting period relating to the Services and the Service Costs.

Service Costs: the costs listed in clause 9.2.

Service Media: all media for the supply or removal of heat, electricity, gas, water, sewage, energy, telecommunications, data and all other services and utilities and all structures, machinery and equipment ancillary to those media.

Services: the services listed in clause 9.1.

Third Party Rights: all rights, covenants and restrictions affecting the Estate other than financial charges including the matters referred to at the date of this lease in the property register and charges register.

VAT: value added tax chargeable under the VATA 1994 and any similar replacement tax and any similar additional tax.

VATA 1994: Value Added Tax Act 1994.

- 1.2 A reference to this **lease**, except a reference to the date of this lease or to the grant of this lease, is a reference to this deed and any deed, licence, consent, approval or other instrument supplemental to it.
- 1.3 A reference to the **Landlord** includes a reference to the person entitled to the immediate reversion to this lease. A reference to the **Tenant** includes a reference to its successors in title and assigns. A reference to a **guarantor** is a reference to any guarantor of the tenant covenants of this lease including a guarantor who has entered into an authorised guarantee agreement.
- 1.4 In relation to any payment, a reference to a **fair proportion** is to a fair proportion of the total amount payable, determined conclusively (except as to questions of law) by the Landlord.
- 1.5 The expressions **landlord covenant** and **tenant covenant** each has the meaning given to it by the Landlord and Tenant (Covenants) Act 1995.
- 1.6 Unless the context otherwise requires, references to the **Common Parts**, the **Estate**, a **Lettable Unit** and the **Property** are to the whole and any part of them or it.
- 1.7 The expression **neighbouring property** does not include the Estate.
- 1.8 A reference to the **term** is to the Contractual Term and statutory continuation of this lease.
- 1.9 A reference to the **end of the term** is to the end of the term however it ends.
- 1.10 References to the **consent** of the Landlord are to the consent of the Landlord given in accordance with clause 44.5 and references to the **approval** of the Landlord are to the approval of the Landlord given in accordance with clause 44.6.
- 1.11 A **working day** is any day which is not a Saturday, a Sunday, a bank holiday or a public holiday in England.

- 1.12 A reference to laws in general is a reference to all local, national and directly applicable supra-national laws as amended, extended or re-enacted from time to time and shall include all subordinate laws made from time to time under them and all orders, notices, codes of practice and guidance made under them.
- 1.13 Unless otherwise specified, a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time and shall include all subordinate legislation made from time to time under that statute or statutory provision and all orders, notices, codes of practice and guidance made under it.
- 1.14 Any obligation on the Tenant not to do something includes an obligation not to allow that thing to be done and an obligation to use best endeavours to prevent that thing being done by another person.
- 1.15 Unless the context otherwise requires, any words following the terms **including, include, in particular, for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- 1.16 A **person** includes a natural person, corporate or unincorporated body (whether or not having separate legal personality).
- 1.17 A reference to **writing** or **written** includes fax.
- 1.18 Unless the context otherwise requires, references to clauses and Schedules are to the clauses and Schedules of this lease and references to paragraphs are to paragraphs of the relevant Schedule.
- 1.19 Clause, Schedule and paragraph headings shall not affect the interpretation of this lease.
- 1.20 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.
- 1.21 Unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular.

2. GRANT

- 2.1 The Landlord lets with full title guarantee the Property to the Tenant for the Contractual Term.
- 2.2 The grant is made together with the ancillary rights set out in clause 3, excepting and reserving to the Landlord the rights set out in clause 4, and subject to the Third Party Rights.
- 2.3 The grant is made with the Tenant paying the following as rent to the Landlord:
- (a) the Annual Rent and all VAT in respect of it;
 - (b) the Service Charge and all VAT in respect of it;
 - (c) the Insurance Rent;
 - (d) all interest payable under this lease; and

- (e) all other sums due under this lease.

3. ANCILLARY RIGHTS

- 3.1 The Landlord grants the Tenant the following rights (the **Rights**):
- (a) the right to use the roads and paths forming part of the Estate for the purposes of vehicular and pedestrian access to and egress from the Property and to and from the parts of the Common Parts referred to in clause 3.1(b) to clause;
 - (b) the right to park such number and type of private cars or motorbikes belonging to the Tenant, its employees and visitors within the area designated by the Landlord provided no obstruction is caused by so doing;
 - (c) the right to use and to connect into any Service Media at the Estate that belong to the Landlord and serve (but do not form part of) the Property which are in existence at the date of this lease or are installed or constructed during the Contractual Term;
 - (d) the right to display the name and logo of the Tenant (and any authorised undertenant) on a sign at the Property in a form and manner approved by the Landlord; and
 - (e) the right to enter the Common Parts so far as is reasonably necessary to carry out any works to the Property required or permitted by this Lease.
- 3.2 The Rights are granted in common with the Landlord and any other person authorised by the Landlord.
- 3.3 The Rights are granted subject to the Third Party Rights insofar as the Third Party Rights affect the Common Parts and the Tenant shall not do anything that may interfere with any Third Party Right.
- 3.4 The Tenant shall exercise the Rights only in connection with its use of the Property for the Permitted Use and in accordance with any regulations made by the Landlord as mentioned in clause 34.1.
- 3.5 The Tenant shall comply with all laws relating to its use of the Common Parts pursuant to the Rights.
- 3.6 In relation to the Right mentioned in clause 3.1(a) the Landlord may, at its discretion, change the route of any means of access to or egress from the Property over the Estate and may change the area of the Estate over which any of those Rights are exercised.
- 3.7 In relation to the Rights mentioned in clause 3.1(c), the Landlord may, at its discretion, re-route or replace over the Estate any such Service Media and that Right shall then apply in relation to the Service Media as re-routed or replaced
- 3.8 In exercising the Right mentioned in clause 3.1(e), the Tenant shall cause as little inconvenience and damage to the Common Parts and the other tenants and occupiers of the Estate as is reasonably practicable and shall promptly make good (to the satisfaction of the Landlord) any damage caused to the Common Parts by reason of the Tenant exercising that Right.

- 3.9 Except as mentioned in this clause 3, neither the grant of this lease nor anything in it confers any right over the Common Parts or any Lettable Unit or any neighbouring property nor is to be taken to show that the Tenant may have any right over the Common Parts or any Lettable Unit or any neighbouring property, and section 62 of the Law of Property Act 1925 does not apply to this lease.

4. RIGHTS EXCEPTED AND RESERVED

- 4.1 The following rights are excepted and reserved from this lease to the Landlord for the benefit of the Estate and to the extent possible for the benefit of any neighbouring or adjoining property in which the Landlord acquires an interest during the term:

- (a) rights of light, air, support and protection to the extent those rights are capable of being enjoyed at any time during the term;
- (b) the right to use and to connect into Service Media at, but not forming part of, the Property which are in existence at the date of this lease or which are installed or constructed during the period of years from the commencement of the Contractual Term; the right to install and construct Service Media at the Property to serve any part of the Estate (whether or not such Service Media also serve the Property); and the right to re-route any Service Media mentioned in this paragraph;
- (c) at any time during the term, the full and free right to develop any part of the Estate (other than the Property (subject to clause 4.1(f)) or any part of the Common Parts over which rights are expressly granted by this deed) and any neighbouring or adjoining property in which the Landlord acquires an interest during the term as the Landlord may think fit;
- (d) the right to erect scaffolding at the Property or on the Estate and attach it to any building on the Property in connection with any of the Reservations;
- (e) the right to build on or into any boundary wall of the Property in connection with any of the Reservations;
- (f) the right to re-route any means of access to or egress from the Property to change the areas over which the Right mentioned in clause 3.1 are exercised; and
- (g) the right to re-route and replace any Service Media over which the Rights mentioned in clause 3.1 are exercised

notwithstanding that the exercise of any of the Reservations or the works carried out pursuant to them result in a reduction in the flow of light or air to the Property or loss of amenity for the Property.

- 4.2 The Landlord reserves the right to enter the Property:

- (a) to repair, maintain, install, construct re-route or replace any Service Media or structure relating to any of the Reservations; and
- (b) to carry out improvement works for the purposes of improving the EPC rating of the Property upon providing notice to the Tenant.
- (c) to perform a fire alarm test twice in any 12 month period for the fire alarms at the Property.
- (d) to perform a service of all gas boilers, appliances and heaters at the property once in any 12 month period.

- (e) to perform a test of all the electrics at the Property every three or five years (according to the applicable regulations).
- (f) for any other purpose mentioned in or connected with:
 - (i) this lease;
 - (ii) the Reservations; and
 - (iii) the Landlord's interest in the Property or the Estate.

4.3 The Reservations may be exercised by the Landlord and by anyone else who is or becomes entitled to exercise them, and by anyone authorised by the Landlord.

4.4 The Tenant shall allow all those entitled to exercise any right to enter the Property, to do so with their workers, contractors, agents and professional advisors, and to enter the Property at any time (whether or not during usual business hours) and, except in the case of an emergency, after having given notice (which need not be in writing) to the Tenant.

4.5 No party exercising any of the Reservations, nor its workers, contractors, agents and professional advisors, shall be liable to the Tenant or to any undertenant or other occupier of or person at the Property for any loss, damage, injury, nuisance or inconvenience arising by reason of its exercising any of the Reservations except for:

- (a) physical damage to the Property; or
- (b) any loss, damage, injury, nuisance or inconvenience in relation to which the law prevents the Landlord from excluding liability.

5. THIRD PARTY RIGHTS

5.1 The Tenant shall comply with all obligations on the Landlord relating to the Third Party Rights insofar as those obligations relate to the Property and shall not do anything (even if otherwise permitted by this lease) that may interfere with any Third Party Right.

5.2 The Tenant shall allow the Landlord and any other person authorised by the terms of the Third Party Right to enter the Property in accordance with its terms.

6. THE ANNUAL RENT

6.1 The Tenant shall pay the Annual Rent and any VAT in respect of it by twelve equal instalments in advance on or before the Rent Payment Dates. The payments shall be made by direct debit or by any other method that the Landlord requires at any time by giving notice to the Tenant.

6.2 The first instalment of the Annual Rent and any VAT in respect of it shall be made on the Rent Commencement Date and shall be the proportion, calculated on a daily basis, in respect of the period from the Rent Commencement Date until the day before the next Rent Payment Date.

7. THE DEPOSIT

7.1 The Tenant shall pay the Deposit on the date of this lease and throughout the term shall maintain the Deposit.

7.2 The Landlord shall place the deposit on account and shall be entitled to withdraw from it to remedy any default of the Tenant.

7.3 The Deposit, or any balance of the Deposit, shall be repaid to the Tenant at the end of the Term.

8. REVIEW OF THE ANNUAL RENT

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

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

- (a) the Annual Rent payable immediately before the relevant Review Date (or which would then be payable but for any abatement or suspension of the Annual Rent or restriction on the right to collect it) or, if greater;
- (b) the open market rent agreed or determined pursuant to this clause.

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

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

- (a) in the open market;
- (b) at the relevant Review Date;
- (c) on the assumptions listed in clause 8.5; and
- (d) disregarding the matters listed in clause 8.6.

8.5 The assumptions are:

- (a) the Property is available to let in the open market:
 - (i) by a willing lessor to a willing lessee;
 - (ii) as a whole;
 - (iii) with vacant possession;
 - (iv) without a fine or a premium;
 - (v) for a term equal to the Contractual Term; and
 - (vi) otherwise on the terms of this lease other than as to the amount of the Annual Rent but including the provisions for review of the Annual Rent and other than the provision in this lease for a rent-free period;
- (b) the willing lessee has had the benefit of any rent-free or other concession or contribution which would be offered in the open market at the relevant Review Date in relation to fitting out works at the Property;
- (c) the Property may lawfully be used, and is in a physical state to enable it to be lawfully used, by the willing lessee (or any potential undertenant or assignee of the willing lessee) for any purpose permitted by this lease;

- (d) the Landlord and the Tenant have fully complied with their obligations in this lease;
- (e) if the Property, or any means of access to it or any Service Media serving the Property, has been destroyed or damaged, it has been fully restored;
- (f) no work has been carried out on the Property or on the Estate that has diminished the rental value of the Property;;
- (g) any fixtures, fittings, machinery or equipment supplied to the Property by the Landlord that have been removed by or at the request of the Tenant, or any undertenant or their respective predecessors in title (otherwise than to comply with any law) remain at the Property; and
- (h) the willing lessee and its potential assignees and undertenants shall not be disadvantaged by any actual or potential exercise of an option to tax under Part 1 of Schedule 10 to the VATA 1994 in relation to the Property.
- (i) the Landlord has carried out any works to the Property that were required by the MEES regulations before the Landlord was able to grant this lease.

8.6 The matters to be disregarded are:

- (a) any effect on rent of the fact that the Tenant or any authorised undertenant has been in occupation of the Property;
- (b) any goodwill attached to the Property by reason of any business carried out there by the Tenant or by any authorised undertenant or by any of their predecessors in business;
- (c) any effect on rent attributable to any physical improvement to the Property and Service Media within or exclusively serving the Property carried out after the date of this lease, by or at the expense of the Tenant or any authorised undertenant with all necessary consents, approvals and authorisations and not pursuant to an obligation to the Landlord (other than an obligation to comply with any law);
- (d) any effect on rent of any obligation on the Tenant to fit out the Property or to reinstate the Property to the condition or design it was in before any alterations or improvements were carried out; and
- (e) any statutory restriction on rents or the right to recover them.

8.7 The Surveyor shall be an independent valuer who is a Member or Fellow of the Royal Institution of Chartered Surveyors. The Landlord and the Tenant may, by agreement, appoint the Surveyor at any time before either of them applies to the President for the Surveyor to be appointed. Any application to the President may not be made earlier than three months before the relevant Review Date.

8.8 The Surveyor shall act as an expert and not as an arbitrator. The Surveyor shall determine the open market rent and shall have power to determine any issue involving the interpretation of any provision of this lease, his jurisdiction to determine the matters and issues referred to him or his terms of reference. The Surveyor's decision shall be given in writing, and the Surveyor shall provide reasons for any determination. The Surveyor's written decision on the matters referred to him shall be final and binding in the absence of manifest error or fraud.

8.9 The Surveyor shall give the Landlord and the Tenant an opportunity to make written representations to the Surveyor and to make written counter-representations commenting on the representations of the other party to the Surveyor. The parties will

provide (or procure that others provide) the Surveyor with such assistance and documents as the Surveyor reasonably requires for the purpose of reaching a decision.

- 8.10 If the Surveyor dies, or becomes unwilling or incapable of acting, or unreasonably delays in making any determination, then either the Landlord or the Tenant may apply to the President to discharge the Surveyor and clause 8.7 shall then apply in relation to the appointment of a replacement.
- 8.11 The fees and expenses of the Surveyor and the cost of the Surveyor's appointment and any counsel's fees, or other fees, reasonably incurred by the Surveyor shall be payable by the Landlord and the Tenant in the proportions that the Surveyor directs (or if the Surveyor makes no direction, then equally). If the Tenant does not pay its part of the Surveyor's fees and expenses within ten working days after demand by the Surveyor, the Landlord may pay that part and the amount it pays shall be a debt of the Tenant due and payable on demand to the Landlord. The Landlord and the Tenant shall otherwise each bear their own costs in connection with the rent review.
- 8.12 If the revised Annual Rent has not been agreed by the Landlord and the Tenant or determined by the Surveyor on or before the relevant Review Date, the Annual Rent payable from that Review Date shall continue at the rate payable immediately before that Review Date. No later than five working days after the revised Annual Rent is agreed or the Surveyor's determination is notified to the Landlord and the Tenant, the Tenant shall pay:
- (a) the shortfall (if any) between the amount that it has paid for the period from the Review Date until the Rent Payment Date following the date of agreement or notification of the revised Annual Rent and the amount that would have been payable had the revised Annual Rent been agreed or determined on or before that Review Date; and
 - (b) interest at the Interest Rate on that shortfall calculated on a daily basis by reference to the Rent Payment Dates on which parts of the shortfall would have been payable if the revised Annual Rent had been agreed or determined on or before that Review Date and the date payment is received by the Landlord.
- 8.13 Time shall not be of the essence for the purposes of this clause.
- 8.14 If at any time there is a guarantor, the guarantor shall not have any right to participate in the review of the Annual Rent.
- 8.15 As soon as practicable after the amount of the revised Annual Rent has been agreed or determined, a memorandum recording the amount shall be signed by or on behalf of the Landlord and the Tenant and endorsed on or attached to this lease and its counterpart. The Landlord and the Tenant shall each bear their own costs in connection with the memorandum.

9. SERVICES AND SERVICE CHARGE

9.1 The **Services** are:

- (a) cleaning, maintaining and repairing the Common Parts including all Service Media forming part of the Common Parts (and remedying any inherent defect);

- (b) lighting the Common Parts and cleaning, maintaining, repairing and replacing lighting machinery and equipment on the Common Parts;
- (c) cleaning, maintaining, repairing and replacing refuse bins on the Common Parts;
- (d) cleaning, maintaining, repairing and replacing signage for the Common Parts;
- (e) cleaning, maintaining, repairing, operating and replacing security machinery and equipment (including closed circuit television) on the Common Parts,;
- (f) cleaning, maintaining, repairing, operating and replacing fire prevention, detection and fighting machinery and equipment and fire alarms on the Common Parts;
- (g) cleaning, maintaining, repairing and replacing a signboard showing the site plan and unit numbers at the entrance to the Estate;
- (h) maintaining the landscaped and grassed areas of the Common Parts; and
- (i) any other service or amenity that the Landlord may in its reasonable discretion provide for the benefit of the tenants and occupiers of the Estate.

9.2 The **Service Costs** are the total of:

- (a) the whole of the costs of:
 - (i) providing the Services;
 - (ii) the supply and removal of electricity, gas, water, sewage and other utilities to and from the Common Parts;
 - (iii) complying with the recommendations and requirements of the insurers of the Estate (insofar as those recommendations and requirements relate to the Common Parts);
 - (iv) complying with all laws relating to the Common Parts, their use and any works carried out at them, and relating to the use of all Service Media, machinery and equipment at or serving the Common Parts and to any materials kept at or disposed of from the Common Parts;
 - (v) complying with the Third Party Rights insofar as they relate to the Common Parts; and
 - (vi) taking any steps (including proceedings) that the Landlord considers necessary to prevent or remove any encroachment over the Common Parts or to prevent the acquisition of any right over the Common Parts (or the Estate as a whole) or to remove any obstruction to the flow of light or air to the Common Parts (or the Estate as a whole);
 - (vii) the cost of an EPC audit
 - (viii) to cover the costs of replacing items whether in need of repair or not where this is done in an effort to improve the Property's EPC rating.
 - (ix) the cost of repair, maintenance and/or renewal of any structure forming part of the Block including the exterior and structure of the Property.
- (b) the costs, fees and disbursements (on a full indemnity basis) of:

- (i) managing agents employed by the Landlord for the carrying out and provision of the Services or, where managing agents are not employed, a management fee for the same; and
 - (ii) accountants employed by the Landlord to prepare and audit the service charge accounts;
 - (c) all rates, taxes and impositions payable in respect of the Common Parts, their use and any works carried out on them (other than any taxes payable by the Landlord in connection with any dealing with or disposition of its reversionary interest in the Estate); and
 - (d) any VAT payable by the Landlord in respect of any of the items mentioned above except to the extent that the Landlord is able to recover such VAT.
- 9.3 Subject to the Tenant paying the Service Charge, the Landlord shall use its reasonable endeavours to repair, maintain, clean and light the roads, paths and parking areas on the Common Parts. The Landlord may, but shall not be obliged to, provide any of the other Services. The Landlord shall not be obliged to carry out any repair where the need for that repair has arisen by reason of any damage or destruction by a risk against which the Landlord is not obliged to insure.
- 9.4 The Landlord shall not be liable for:
- (a) any interruption in, or disruption to, the provision of any of the Services for any reason that is outside the reasonable control of the Landlord; or
 - (b) any injury, loss or damage suffered by the Tenant as a result of any absence or insufficiency of any of the Services or of any breakdown or defect in any Service Media, except where due to the negligence of the Landlord.
- 9.5 Before or as soon as practicable after the start of each Service Charge Year, the Landlord shall prepare and send the Tenant an estimate of the Service Costs for that Service Charge Year and a statement of the estimated Service Charge for that Service Charge Year.
- 9.6 The Tenant shall pay the estimated Service Charge for each Service Charge Year in twelve equal instalments on each of the Rent Payment Dates.
- 9.7 In relation to the Service Charge Year current at the date of this lease, the Tenant's obligations to pay the estimated Service Charge and the actual Service Charge shall be limited to an apportioned part of those amounts, such apportioned part to be calculated on a daily basis for the period from the date of this lease to the end of the Service Charge Year. The estimated Service Charge for which the Tenant is liable shall be paid in equal instalments on the date of this lease and the remaining Rent Payment Days during the period from the date of this lease until the end of the Service Charge Year.
- 9.8 As soon as reasonably practicable after the end of each Service Charge Year, the Landlord shall prepare and send to the Tenant a certificate showing the Service Costs and the Service Charge for that Service Charge Year. If any cost is omitted from the calculation of the Service Charge in any Service Charge Year, the Landlord shall be entitled to include it in the estimate and certificate of the Service Charge in any following Service Charge Year. Otherwise, and except in the case of manifest error, the Service Charge certificate shall be conclusive as to all matters of fact to which it refers.

- 9.9 Without prejudice to clause 10.4(f), where the Landlord provides any Service by reason of the damage to or destruction of the Common Parts by an Insured Risk, the costs of that Service shall not be included within the Service Charge.
- 9.10 If, in respect of any Service Charge Year, the Landlord's estimate of the Service Charge is less than the Service Charge, the Tenant shall pay the difference on demand. If, in respect of any Service Charge Year, the Landlord's estimate of the Service Charge is more than the Service Charge, the Landlord shall credit the difference against the Tenant's next instalment of the estimated Service Charge and where the difference exceeds the next instalment then the balance of the difference shall be credited against each succeeding instalment until it is fully credited.

10. INSURANCE

- 10.1 Subject to clause 10.2, the Landlord shall keep the Property (other than any plate glass at the Property which must be insured by the Tenant) insured against loss or damage by the Insured Risks for the sum which the Landlord considers to be its full reinstatement cost (taking inflation of building costs into account). The Landlord shall not be obliged to insure any part of the Property installed by the Tenant.
- 10.2 The Landlord's obligation to insure is subject to:
- (a) any exclusions, limitations, excesses and conditions that may be imposed by the insurers; and
 - (b) insurance being available in the London insurance market on reasonable terms acceptable to the Landlord.
- 10.3 The Tenant shall pay to the Landlord on demand:
- (a) the Insurance Rent;
 - (b) any amount that is deducted or disallowed by the insurers pursuant to any excess provision in the insurance policy; and
 - (c) any costs that the Landlord incurs in obtaining a valuation of the Property for insurance purposes and the Tenant's Proportion of any costs that the Landlord incurs in obtaining a valuation of the Estate for insurance purposes.
- 10.4 The Tenant shall:
- (a) immediately inform the Landlord if any matter occurs that any insurer or underwriter may treat as material in deciding whether or on what terms to insure or to continue to insure the Property and shall give the Landlord notice of that matter;
 - (b) not do or omit anything as a result of which any policy of insurance of the Estate or any neighbouring property may become void or voidable or otherwise prejudiced, or the payment of any policy money may be withheld, nor (unless the Tenant has previously notified the Landlord and has paid any increased or additional premium) anything as a result of which any increased or additional insurance premium may become payable;
 - (c) comply at all times with the requirements and recommendations of the insurers relating to the Property and the use by the Tenant of the Common Parts;

- (d) give the Landlord immediate notice of the occurrence of any damage or loss relating to the Property arising from an Insured Risk or of any other event that might affect any insurance policy relating to the Property;
 - (e) not effect any insurance of the Property (except any plate glass at the Property), but if it becomes entitled to the benefit of any insurance proceeds in respect of the Property (other than in respect of plate glass) pay those proceeds or cause them to be paid to the Landlord; and
 - (f) pay the Landlord an amount equal to any insurance money that the insurers of the Estate refuse to pay (in relation to the Estate) by reason of any act or omission of the Tenant or any undertenant, their workers, contractors or agents or any person at the Property or the Common Parts with the actual or implied authority of any of them.
- 10.5 The Landlord shall, subject to obtaining all necessary planning and other consents, use all insurance money received (other than for loss of rent) in connection with any damage to the Property to repair the damage for which the money has been received or (as the case may be) in rebuilding the Property. The Landlord shall not be obliged to:
- (a) provide accommodation or facilities identical in layout or design so long as accommodation reasonably equivalent to that previously at the Property is provided; or
 - (b) repair or rebuild if the Tenant has failed to pay any of the Insurance Rent; or
 - (c) repair or rebuild the Property after a notice has been served pursuant to clause 10.7 or clause 10.8.
- 10.6 If the Property is damaged or destroyed by an Insured Risk so as to be unfit for occupation and use then, unless the policy of insurance in relation to the Property has been vitiated in whole or in part in consequence of any act or omission of the Tenant, any undertenant or their respective workers, contractors or agents or any other person on the Property or the Common Parts with the actual or implied authority of any of them, payment of the Annual Rent, or a fair proportion of it according to the nature and extent of the damage, shall be suspended until the Property has been reinstated and made fit for occupation and use or until the end of three years from the date of damage or destruction, if sooner.
- 10.7 If, following damage to or destruction of the Property, the Landlord considers that it is impossible or impractical to reinstate the Property, the Landlord may terminate this lease by giving notice to the Tenant. On giving notice this lease shall determine but this shall be without prejudice to any right or remedy of the Landlord in respect of any breach of the tenant covenants of this lease. Any proceeds of the insurance (other than any insurance for plate glass) shall belong to the Landlord.
- 10.8 Provided that the Tenant has complied with its obligations in this clause, the Tenant may terminate this lease by giving notice to the Landlord if, following damage or destruction of the Property by an Insured Risk, the Property has not been reinstated so as to be fit for occupation and use within three years after the date of damage or destruction. On giving this notice this lease shall determine but this shall be without prejudice to any right or remedy of the Landlord in respect of any breach of the tenant covenants of this lease. Any proceeds of the insurance (other than any insurance for plate glass) shall belong to the Landlord.

11. RATES AND TAXES

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

- (a) any taxes payable by the Landlord in connection with any dealing with or disposition of the reversion to this lease; or
- (b) any taxes, other than VAT and insurance premium tax, payable by the Landlord by reason of the receipt of any of the rents due under this lease.

11.2 The Tenant shall not make any proposal to alter the rateable value of the Property or that value as it appears on any draft rating list, without the approval of the Landlord.

11.3 If, after the end of the term, the Landlord loses rating relief (or any similar relief or exemption) because it has been allowed to the Tenant, then the Tenant shall pay the Landlord an amount equal to the relief or exemption that the Landlord has lost.

12. UTILITIES

12.1 The Tenant shall pay all costs in connection with the supply and removal of electricity, gas, water, sewage, telecommunications, data and other services and any other utilities that the Landlord determines shall be the responsibility of the Tenant's to pay to or from the Property, to the Landlord who will supply the same to the Tenant and recharge for this provision.

12.2 The Tenant shall comply with all laws and with any recommendations of the relevant suppliers relating to the use of those services and utilities.

12.3 The Tenant shall not, and shall not allow any third party, to utilise portable gas heaters at the Property.

13. COMMON ITEMS

13.1 The Tenant shall pay the Landlord on demand the Tenant's Proportion of all costs payable by the Landlord for the maintenance, repair, lighting, cleaning and renewal of all Service Media, structures and other items not on the Estate but used or capable of being used by the Estate in common with other land.

13.2 The Tenant shall comply with all reasonable regulations the Landlord may make from time to time in connection with the use of any of those Service Media, structures or other items.

14. VAT

14.1 All sums payable by the Tenant are exclusive of any VAT that may be chargeable. The Tenant shall pay VAT in respect of all taxable supplies made to it in connection with this lease on the due date for making any payment or, if earlier, the date on which that supply is made for VAT purposes.

14.2 Every obligation on the Tenant, under or in connection with this lease, to pay the Landlord or any other person any sum by way of a refund or indemnity, shall include an obligation to pay an amount equal to any VAT incurred on that sum by the

Landlord or other person except, to the extent that the Landlord or other person obtains credit for such VAT under the Value Added Tax Act 1994.

15. DEFAULT INTEREST AND INTEREST

- 15.1 If any Annual Rent or any other money payable under this lease has not been paid by the date it is due, whether it has been formally demanded or not, the Tenant shall pay the Landlord interest on that amount at the Default Interest Rate (both before and after any judgment). Such interest shall accrue on a daily basis for the period from the due date to and including the date of payment.
- 15.2 If the Landlord does not demand or accept any Annual Rent or other money due or tendered under this lease because the Landlord reasonably believes that the Tenant is in breach of any of the tenant covenants of this lease, then the Tenant shall, when that amount is accepted by the Landlord, also pay interest at the Interest Rate on that amount for the period from the date the amount (or each part of it) became due until the date it is accepted by the Landlord.
- 15.3 If any payment is made more than fourteen days after the date it is due on administration charge of £50.00 will be added in addition to the interest payable under this Lease.

16. COSTS

- 16.1 The Tenant shall pay the costs and expenses of the Landlord including any solicitors' or other professionals' costs and expenses (incurred both during and after the end of the term) in connection with or in contemplation of any of the following:
- (a) the enforcement of the tenant covenants of this lease;
 - (b) serving any notice in connection with this lease under section 146 or 147 of the Law of Property Act 1925 or taking any proceedings under either of those sections, notwithstanding that forfeiture is avoided otherwise than by relief granted by the court;
 - (c) serving any notice in connection with this lease under section 17 of the Landlord and Tenant (Covenants) Act 1995;
 - (d) the preparation and service of a schedule of dilapidations in connection with this lease; or
 - (e) any consent or approval applied for under this lease, whether or not it is granted.
- 16.2 Where the Tenant is obliged to pay or indemnify the Landlord against any solicitors' or other professionals' costs and expenses (whether under this or any other clause of this lease) that obligation extends to those costs and expenses assessed on a full indemnity basis.

17. COMPENSATION ON VACATING

Any right of the Tenant or anyone deriving title under the Tenant to claim compensation from the Landlord on leaving the Property under the LTA 1954 is excluded, except to the extent that the legislation prevents that right being excluded.

18. SET-OFF

The Annual Rent and all other amounts due under this lease shall be paid by the Tenant or any guarantor (as the case may be) in full without any set-off, counterclaim, deduction or withholding (other than any deduction or withholding of tax as required by law).

19. REGISTRATION OF THIS LEASE

Promptly following the grant of this lease, the Tenant shall apply to register this lease at HM Land Registry. The Tenant shall ensure that any requisitions raised by HM Land Registry in connection with that application are dealt with promptly and properly. Within one month after completion of the registration, the Tenant shall send the Landlord official copies of its title.

20. ASSIGNMENTS

20.1 The Tenant shall not assign the whole of this lease without the consent of the Landlord, such consent not to be unreasonably withheld.

20.2 The Tenant shall not assign part only of this lease.

20.3 The Landlord and the Tenant agree that for the purposes of section 19(1A) of the Landlord and Tenant Act 1927 the Landlord may give its consent to an assignment subject to all or any of the following conditions:

(a) a condition that the assignor enters into an authorised guarantee agreement which:

- (i) is in respect of all the tenant covenants of this lease;
- (ii) is in respect of the period beginning with the date the assignee becomes bound by those covenants and ending on the date when the assignee is released from those covenants by virtue of section 5 of the Landlord and Tenant (Covenants) Act 1995;
- (iii) imposes principal debtor liability on the assignor;
- (iv) requires (in the event of a disclaimer of liability of this lease) the assignor to enter into a new tenancy for a term equal to the unexpired residue of the Contractual Term; and
- (v) is otherwise in a form reasonably required by the Landlord;

(b) a condition that a person of standing acceptable to the Landlord enters into a guarantee and indemnity of the tenant covenants of this lease in the form set out in the Schedule (but with such amendments and additions as the Landlord may reasonably require).

20.4 The Landlord and the Tenant agree that for the purposes of section 19(1A) of the Landlord and Tenant Act 1927 the Landlord may refuse its consent to an assignment if any of the following circumstances exist at the date of the Tenant's application for consent to assign this lease:

(a) the Annual Rent or any other money due under this lease is outstanding or there is a material breach of covenant by the Tenant that has not been remedied;

- (b) in the Landlord's reasonable opinion the assignee is not of sufficient financial standing to enable it to comply with the Tenant's covenants and conditions contained in the lease; or
 - (c) the assignee and the Tenant are group companies within the meaning of section 42 of the LTA 1954.
- 20.5 Nothing in this clause shall prevent the Landlord from giving consent subject to any other reasonable condition, nor from refusing consent to an assignment in any other circumstance where it is reasonable to do so.

21. UNDERLETTINGS

- 21.1 The Tenant shall not underlet the whole of the Property except in accordance with this clause nor without the consent of the Landlord, such consent not to be unreasonably withheld.
- 21.2 The Tenant shall not underlet part only of the Property.
- 21.3 The Tenant shall not underlet the Property:
- (a) together with any property or any right over property that is not included within this lease;
 - (b) at a fine or premium or reverse premium; nor
 - (c) allowing any rent free period to the undertenant.
- 21.4 The Tenant shall not underlet the Property unless, before the underlease is granted, the Tenant has given the Landlord:
- (a) a certified copy of the notice served on the undertenant, as required by section 38A(3)(a) of the LTA 1954, applying to the tenancy to be created by the underlease; and
 - (b) a certified copy of the declaration or statutory declaration made by the undertenant in accordance with the requirements of section 38A(3)(b) of the LTA 1954.
- 21.5 Any underletting by the Tenant shall be by deed and shall include:
- (a) an agreement between the Tenant and the undertenant that the provisions of sections 24 to 28 of the LTA 1954 are excluded from applying to the tenancy created by the underlease;
 - (b) the reservation of a rent which is not less than the full open market rental value of the Property at the date the Property is underlet and which is payable at the same times as the Annual Rent under this lease;
 - (c) provisions for the review of rent at the same dates and on the same basis as the review of rent in this lease, unless the term of the underlease does not extend beyond the next Review Date;
 - (d) a covenant by the undertenant, enforceable by and expressed to be enforceable by the Landlord (as superior landlord at the date of grant) and its successors in title in their own right, to observe and perform the tenant covenants in the underlease and any document that is supplemental or collateral to it and the tenant covenants in this lease, except the covenants to pay the rents reserved by this lease; and

- (e) provisions requiring the consent of the Landlord to be obtained in respect of any matter for which the consent of the Landlord is required under this lease,

and shall otherwise be consistent with and include tenant covenants no less onerous (other than as to the Annual Rent) than those in this lease and in a form approved by the Landlord, such approval not to be unreasonably withheld.

21.6 In relation to any underlease granted by the Tenant, the Tenant shall:

- (a) not vary the terms of the underlease nor accept a surrender of the underlease without the consent of the Landlord, such consent not to be unreasonably withheld;
- (b) enforce the tenant covenants in the underlease and not waive any of them nor allow any reduction in the rent payable under the underlease; and
- (c) ensure that in relation to any rent review the revised rent is not agreed without the approval of the Landlord, such approval not to be unreasonably withheld.

22. SHARING OCCUPATION

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

23. CHARGING

23.1 The Tenant shall not charge the whole of this lease without the consent of the Landlord, such consent not to be unreasonably withheld.

23.2 The Tenant shall not charge part only of this lease.

24. PROHIBITION OF OTHER DEALINGS

Except as expressly permitted by this lease, the Tenant shall not assign, underlet, charge, part with or share possession or share occupation of this lease or the Property or hold the lease on trust for any person (except pending registration of a dealing permitted by this lease at HM Land Registry or by reason only of joint legal ownership).

25. REGISTRATION AND NOTIFICATION OF DEALINGS AND OCCUPATION

25.1 In this clause a **Transaction** is:

- (a) any dealing with this lease or the devolution or transmission of, or parting with possession of any interest in it; or
- (b) the creation of any underlease or other interest out of this lease, or out of any interest, underlease derived from it, and any dealing, devolution or transmission of, or parting with possession of any such interest or underlease; or
- (c) the making of any other arrangement for the occupation of the Property.

- 25.2 In respect of every Transaction that is registerable at HM Land Registry, the Tenant shall promptly following completion of the Transaction apply to register it (or procure that the relevant person so applies). The Tenant shall (or shall procure that) any requisitions raised by HM Land Registry in connection with an application to register a Transaction are dealt with promptly and properly. Within one month of completion of the registration, the Tenant shall send the Landlord official copies of its title (and where applicable of the undertenant's title).
- 25.3 No later than one month after a Transaction the Tenant shall:
- (a) give the Landlord's solicitors notice of the Transaction;
 - (b) deliver two certified copies of any document effecting the Transaction to the Landlord's solicitors; and
 - (c) pay the Landlord's solicitors a registration fee of £50 (plus VAT).
 - (d) deliver to the Landlord's solicitors a copy of any Energy Performance Certificate and Recommendation Report issued as a result of the Transaction.
- 25.4 If the Landlord so requests, the Tenant shall promptly supply the Landlord with full details of the occupiers of the Property and the terms upon which they occupy it.

26. CLOSURE OF THE REGISTERED TITLE OF THIS LEASE

Within one month after the end of the term (and notwithstanding that the term has ended), the Tenant shall make an application to close the registered title of this lease and shall ensure that any requisitions raised by HM Land Registry in connection with that application are dealt with promptly and properly; the Tenant shall keep the Landlord informed of the progress and completion of its application.

27. REPAIRS

- 27.1 The Tenant shall keep the Property interior (including all doors windows and plate glass) clean and tidy and in reasonable and tenantable repair and condition and shall ensure that any Service Media within and exclusively serving the Property is kept in good working order.
- 27.2 The Tenant shall not be liable to repair the Property to the extent that any disrepair has been caused by an Insured Risk, unless and to the extent that:
- (a) the policy of insurance of the Property has been vitiated or any insurance proceeds withheld in consequence of any act or omission of the Tenant, any undertenant or their respective workers, contractors or agents or any person on the Property with the actual or implied authority of any of them; or
 - (b) the insurance cover in relation to that disrepair is excluded, limited, is unavailable or has not been extended, as mentioned in clause 10.2.
- 27.3 The Tenant shall keep the external areas of the Property in a clean and tidy condition and not allow any rubbish or waste to be left there. The Tenant shall clean all windows at the Property as often as is necessary.
- 27.4 The Tenant shall keep the external lighting at the Property in good working order at all times, in particular for security and use of the CCTV, and if the Tenant fails to do

so at the request of the Landlord the Landlord can undertake any necessary repair works and recover any cost from the Tenant.

- 27.5 The Tenant shall be responsible for the cost of replacing and ensuring all gas boilers, appliances and heaters are kept in good and substantial repair, maintenance and condition and to strictly comply with any recommendations following any service (subject to the Tenant obtaining written consent from the Landlord prior to making any alteration to the gas boilers, appliances or heaters, such consent not to be unreasonably withheld or delayed). The Tenant shall supply the Landlord with any relevant certificate in respect of any works carried out to the gas boilers, appliances or heaters within 28 days of the work being completed, if the Tenant fails to provide the Landlord with any relevant certificate the Landlord can obtain the necessary certificate and recover the cost incurred from the Tenant on demand.
- 27.6 The Tenant shall be responsible for the cost of replacing and ensuring the electrics are kept in good and substantial repair, maintenance and condition and to strictly comply with any recommendations following any test (subject to the Tenant obtaining written consent from the Landlord prior to making any alteration to the electrics, such consent not to be unreasonably withheld or delayed). The Tenant shall supply the Landlord with any relevant certificate in respect of any works carried out to the electrics within 28 days of the work being completed, if the Tenant fails to provide the Landlord with any relevant certificate the Landlord can obtain the necessary certificate and recover the cost incurred from the Tenant on demand.
- 27.7 The Tenant shall ensure that emergency lighting is in place at the Property and that it is kept in good and substantial repair and condition. The Tenant shall be responsible for the cost of servicing, repairing, maintaining and replacing the same.
- 27.8 The Tenant shall ensure that the Property is equipped with all fire prevention, detection and fighting machinery and equipment as requested by the Landlord and/or the Insurers of the Property (including the number and type of fire extinguishers appropriate for the use and size of the Property) and that they are kept in good and substantial repair and condition. The Tenant shall be responsible for the cost of servicing, repairing, maintaining and replacing the same.
- 27.9 The Tenant shall service the roller shutter doors at the Property annually. The Tenant shall be responsible for the cost of any service and for the cost of replacing and ensuring the roller shutter doors are kept in good and substantial repair, maintenance and condition and to strictly comply with any recommendations following any service (subject to the Tenant obtaining written consent from the Landlord prior to making any alteration to the roller shutter doors such consent not to be unreasonably withheld or delayed) The Tenant shall provide the Landlord with a copy of the service report following any service upon request from the Landlord, if the Tenant fails to provide the service report the Landlord can obtain the necessary service report and recover the cost incurred from the Tenant on demand.
- 27.10 The Tenant shall be responsible for the cost of replacing and keeping the fire alarm system in good and substantial repair, maintenance and condition and to strictly comply with any recommendations following a fire alarm test (subject to the Tenant obtaining written from the Landlord prior to any alterations to the electrics taking place, such consent not to be unreasonably withheld or delayed). The Tenant shall supply the Landlord with any relevant certificate in respect of any works carried out to fire alarm system within 28 days of the work being completed, if the Tenant fails to

provide the Landlord with any relevant certificate the Landlord can obtain the necessary certificate and recover the cost incurred from the Tenant on demand.
Testing

- 27.11 The Landlord shall undertake a fire alarm test twice in every 12 month period for any fire alarms at the Property and the Tenant shall reimburse the Landlord together with the Management Charge on the same.
- 27.12 The Landlord shall undertake a service of all gas boilers, appliances and heaters once in every 12 month period at the Property and the Tenant shall reimburse the Landlord together with the Management Charge on the same.
- 27.13 The Landlord shall undertake a test of the electrics every three or five years (according to the applicable regulations) at the Property and the Tenant shall reimburse the Landlord together with the Management Charge on the same.

28. DECORATION

- 28.1 The Tenant shall decorate the inside of the Property as often as is reasonably necessary and also in the last three months before the end of the term.
- 28.2 All decoration shall be carried out in a good and proper manner using good quality materials that are appropriate to the Property and the Permitted Use and shall include all appropriate preparatory work.
- 28.3 All decoration carried out in the last three months of the term shall also be carried out to the satisfaction of the Landlord and using materials, designs and colours approved by the Landlord.

29. ALTERATIONS

- 29.1 The Tenant shall not make any external or structural alteration or addition to the Property and shall not make any opening in any boundary structure of the Property.
- 29.2 The Tenant shall not install any Service Media on the exterior of the Property nor alter the route of any Service Media at the Property without the consent of the Landlord, such consent not to be unreasonably withheld.
- 29.3 The Tenant shall not make any internal, non-structural alteration to the Property without the consent of the Landlord, such consent not to be unreasonably withheld.
- 29.4 The Tenant shall not carry out any alteration to the Property which would or may reasonably be expected to have an adverse effect on the asset rating in any Energy Performance Certificate commissioned in respect of the Property.

30. SIGNS

- 30.1 In this clause **Signs** include signs, fascia, placards, boards, posters and advertisements.
- 30.2 The Tenant shall not attach any Signs to the exterior of the Property or display any inside the Property so as to be seen from the outside except Signs of a design, size

and number and in a position that are appropriate to the Property and the Permitted Use without the consent of the Landlord, such consent not to be unreasonably withheld.

- 30.3 Before the end of the term, the Tenant shall remove any Signs placed by it at the Property and shall make good any damage caused to the Property by that removal.

31. RETURNING THE PROPERTY TO THE LANDLORD

- 31.1 At the end of the term the Tenant shall return the Property to the Landlord in the repair and condition required by this lease.

- 31.2 If the Landlord gives the Tenant notice no later than three months before the end of the term, the Tenant shall remove items it has fixed to the Property, remove any alterations it has made to the Property and make good any damage caused to the Property by that removal.

- 31.3 At the end of the term, the Tenant shall remove from the Property all chattels belonging to or used by it.

- 31.4 The Tenant irrevocably appoints the Landlord to be the Tenant's agent to store or dispose of any chattels or items it has fixed to the Property and which have been left by the Tenant on the Property for more than ten working days after the end of the term. The Landlord shall not be liable to the Tenant by reason of that storage or disposal. The Tenant shall indemnify the Landlord in respect of any claim made by a third party in relation to that storage or disposal.

- 31.5 If the Tenant does not comply with its obligations in this clause, then, without prejudice to any other right or remedy of the Landlord, the Tenant shall pay the Landlord an amount equal to the Annual Rent at the rate reserved immediately before the end of the term for the period that it would reasonably take to put the Property into the condition it would have been in had the Tenant performed its obligations under this clause. The amount shall be a debt due on demand from the Tenant to the Landlord.

32. USE

- 32.1 The Tenant shall not use the Property for any purpose other than the Permitted Use.

- 32.2 The Tenant shall not use the Property for any illegal purpose nor for any purpose or in a manner that would cause loss, damage, injury, nuisance or inconvenience to the Landlord, the other tenants or occupiers of the Lettable Units or any owner or occupier of neighbouring property.

- 32.3 The Tenant shall not overload any structural part of the Property nor any machinery or equipment at the Property nor any Service Media at or serving the Property.

- 32.4 The Tenant shall not obstruct the sprinkler heads (if any at the Property) by placing objects too close to them (minimum clearance required is 50cm) or by any other means.

33. ENERGY PERFORMANCE CERTIFICATES

33.1 The Tenant shall:

- (a) co-operate with the Landlord so far as is reasonably necessary to allow the Landlord to obtain an Energy Performance Certificate and Recommendation Report for the Property [including providing the Landlord with copies of any plans or other information held by the Tenant that would assist in obtaining an Energy Performance Certificate; and
- (b) allow such access to any Energy Assessor appointed by the Landlord as is reasonably necessary to inspect the Property for the purposes of preparing an Energy Performance Certificate and/or Recommendation Report for the Property.

33.2 The Tenant shall not commission an Energy Performance Certificate for the Property without the Landlord's consent.

33.3 The Tenant shall ensure that at the time they yield up the Property to the Landlord that the Property has at least the same EPC rating as it had at the start of this Lease.

34. MANAGEMENT OF THE ESTATE

34.1 The Tenant shall observe all reasonable and proper regulations made by the Landlord from time to time in accordance with the principles of good estate management and notified to the Tenant relating to the use of the Common Parts and the management of the Estate.

34.2 Nothing in this lease shall impose or be deemed to impose any restriction on the use of any other Lettable Unit or any neighbouring property.

35. COMPLIANCE WITH LAWS

35.1 The Tenant shall comply with all laws relating to:

- (a) the Property and the occupation and use of the Property by the Tenant;
- (b) the use or operation of all Service Media (including but not limited to mandatory electrical testing) and machinery and equipment at or serving the Property whether or not used or operated, and shall, where necessary, replace or convert such Service Media within or exclusively serving the Property so that it is capable of lawful use or operation;
- (c) any works carried out at the Property; and
- (d) all materials kept at or disposed from the Property.

35.2 Without prejudice to any obligation on the Tenant to obtain any consent or approval under this lease, the Tenant shall carry out all works that are required under any law to be carried out at the Property whether by the owner or the occupier.

- 35.3 Within five working days after receipt of any notice or other communication affecting the Property or the Estate (and whether or not served pursuant to any law) the Tenant shall:
- (a) send a copy of the relevant document to the Landlord; and
 - (b) in so far as it relates to the Property, take all steps necessary to comply with the notice or other communication and take any other action in connection with it as the Landlord may require.
- 35.4 The Tenant shall not apply for any planning permission for the Property without the Landlord's consent not to be unreasonably withheld.
- 35.5 The Tenant shall comply with its obligations under the CDM Regulations, including all requirements in relation to the provision and maintenance of a health and safety file. The Tenant shall maintain the health and safety file for the Property in accordance with the CDM Regulations and shall give it to the Landlord at the end of the term.
- 35.6 The Tenant shall supply all information to the Landlord that the Landlord reasonably requires from time to time to comply with the Landlord's obligations under the CDM Regulations.
- 35.7 As soon as the Tenant becomes aware of any defect in the Property, it shall give the Landlord notice of it. The Tenant shall indemnify the Landlord against any liability under the Defective Premises Act 1972 in relation to the Property by reason of any failure of the Tenant to comply with any of the tenant covenants in this lease.

36. ENCROACHMENTS, OBSTRUCTIONS AND ACQUISITION OF RIGHTS

- 36.1 The Tenant shall not grant any right or licence over the Property to any person.
- 36.2 If any person makes or attempts to make any encroachment over the Property or takes any action by which a right may be acquired over the Property, the Tenant shall:
- (a) immediately inform the Landlord and shall give the Landlord notice of that encroachment or action; and
 - (b) take all steps (including any proceedings) the Landlord reasonably requires to prevent or license the continuation of that encroachment or action.
- 36.3 The Tenant shall not obstruct the flow of light or air to the Property or any other part of the Estate nor obstruct any means of access to the Property or the Estate.
- 36.4 The Tenant shall not make any acknowledgement that the flow of light or air to the Property or any other part of the Estate or that the means of access to the Property or the Estate is enjoyed with the consent of any third party.
- 36.5 If any person takes or threatens to take any action to obstruct the flow of light or air to the Property or obstruct the means of access to the Property the Tenant shall:
- (a) immediately inform the Landlord and shall give the Landlord notice of that action; and
 - (b) take all steps (including proceedings) the Landlord reasonably requires to prevent or secure the removal of the obstruction.

37. BREACH OF REPAIR AND MAINTENANCE OBLIGATIONS

- 37.1 The Landlord may enter the Property to inspect its condition and state of repair and may give the Tenant a notice of any breach of any of the tenant covenants in this lease relating to the condition or repair of the Property.
- 37.2 If the Tenant has not begun any works needed to remedy that breach within two months following that notice (or if works are required as a matter of emergency, then immediately) or if the Tenant is not carrying out the works with all due speed, then the Landlord may enter the Property and carry out the works needed.
- 37.3 The costs incurred by the Landlord in carrying out any works pursuant to this clause (and any professional fees and any VAT in respect of those costs) shall be a debt due from the Tenant to the Landlord and payable on demand.
- 37.4 Any action taken by the Landlord pursuant to this clause shall be without prejudice to the Landlord's other rights, including those under clause 41.

38. INDEMNITY

The Tenant shall keep the Landlord indemnified against all liabilities, expenses, costs (including but not limited to any solicitors' or other professionals' costs and expenses), claims, damages and losses (including but not limited to any diminution in the value of the Landlord's interest in the Estate and loss of amenity of the Estate) suffered or incurred by the Landlord arising out of or in connection with any breach of any tenant covenants in this lease, or any act or omission of the Tenant, any undertenant or their respective workers, contractors or agents or any other person on the Property or the Common Parts with the actual or implied authority of any of them.

39. LANDLORD'S COVENANT FOR QUIET ENJOYMENT

The Landlord covenants with the Tenant, that, so long as the Tenant pays the rents reserved by and complies with its obligations in this lease, the Tenant shall have quiet enjoyment of the Property without any interruption by the Landlord or any person claiming under the Landlord except as otherwise permitted by this lease.

40. GUARANTEE AND INDEMNITY

- 40.1 The provisions of the Schedule apply.
- 40.2 If an Act of Insolvency occurs in relation to a guarantor, or if any guarantor (being an individual) dies or becomes incapable of managing his affairs the Tenant shall, if the Landlord requests, procure that a person of standing acceptable to the Landlord, within fourteen days of that request, enters into a replacement or additional guarantee and indemnity of the tenant covenants of this lease in the same form as that entered into by the former guarantor.
- 40.3 Clause 40.2 shall not apply in the case of a person who is guarantor by reason of having entered into an authorised guarantee agreement.
- 40.4 For so long as any guarantor remains liable to the Landlord, the Tenant shall, if the Landlord requests, procure that that guarantor joins in any consent or approval required under this lease and consents to any variation of the tenant covenants of this lease.

41. RE-ENTRY AND FORFEITURE

41.1 The Landlord may re-enter the Property (or any part of the Property in the name of the whole) at any time after any of the following occurs:

- (a) any rent is unpaid 21 days after becoming payable whether it has been formally demanded or not;
- (b) any breach of any condition of, or tenant covenant, in this lease;
- (c) an Act of Insolvency.

41.2 If the Landlord re-enters the Property (or any part of the Property in the name of the whole) pursuant to this clause, this lease shall immediately end, but without prejudice to any right or remedy of the Landlord in respect of any breach of covenant by the Tenant or any guarantor.

42. JOINT AND SEVERAL LIABILITY

42.1 Where the Tenant comprises more than one person, those persons shall be jointly and severally liable for the obligations and liabilities of the Tenant arising under this lease. The Landlord may take action against, or release or compromise the liability of, or grant time or other indulgence to, any one of those persons without affecting the liability of any other of them.

42.2 Where a guarantor comprises more than one person, those persons shall be jointly and severally liable for the obligations and liabilities of a guarantor arising under this lease. The Landlord may take action against, or release or compromise the liability of, or grant time or other indulgence to, any one of those persons without affecting the liability of any other of them.

42.3 The obligations of the Tenant and any guarantor arising by virtue of this lease are owed to the Landlord and the obligations of the Landlord are owed to the Tenant.

42.4 The Landlord shall not be liable to the Tenant for any failure of the Landlord to perform any landlord covenant in this lease, unless and until the Tenant has given the Landlord notice of the failure and the Landlord has not remedied the failure within a reasonable time of service of that notice.

43. ENTIRE AGREEMENT

43.1 This lease and any documents annexed to it constitutes the whole agreement between the parties and supersedes all previous discussions, correspondence, negotiations, arrangements, understandings and agreements between them relating to its subject matter.

43.2 Each party acknowledges that in entering into this lease it does not rely on, and shall have no remedies in respect of, any representation or warranty (whether made innocently or negligently) before the date of this lease.

43.3 Nothing in this lease constitutes or shall constitute a representation or warranty that the Property may lawfully be used for any purpose allowed by this lease.

43.4 Nothing in this clause shall limit or exclude any liability for fraud.

44. NOTICES, CONSENTS AND APPROVALS

- 44.1 A notice given under or in connection with this lease shall be:
- (a) in writing unless this lease expressly states otherwise and for the purposes of this clause an e-mail is not in writing;
 - (b) given:
 - (i) by hand or by pre-paid first-class post or other next working day delivery service at the party's registered office address (if the party is a company) or (in any other case) at the party's principal place of business; or
 - (ii) by fax to the party's main fax number.
- 44.2 If a notice is given in accordance with clause 44.1, it shall be deemed to have been received:
- (a) if delivered by hand, at the time the notice is left at the proper address;
 - (b) if sent by pre-paid first-class post or other next working day delivery service, on the second working day after posting; or
 - (c) if sent by fax, at 9.00 am on the next working day after transmission.
- 44.3 This clause does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.
- 44.4 Section 196 of the Law of Property Act 1925 shall otherwise apply to notices given under this lease.
- 44.5 Where the consent of the Landlord is required under this lease, a consent shall only be valid if it is given by deed, unless:
- (a) it is given in writing and signed by a person duly authorised on behalf of the Landlord; and
 - (b) it expressly states that the Landlord waives the requirement for a deed in that particular case.
- If a waiver is given, it shall not affect the requirement for a deed for any other consent.
- 44.6 Where the approval of the Landlord is required under this lease, an approval shall only be valid if it is in writing and signed by or on behalf of the Landlord, unless:
- (a) the approval is being given in a case of emergency; or
 - (b) this lease expressly states that the approval need not be in writing.
- 44.7 If the Landlord gives a consent or approval under this lease, the giving of that consent or approval shall not imply that any consent or approval required from a third party has been obtained, nor shall it obviate the need to obtain any consent or approval from a third party.

45. GOVERNING LAW

This lease and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales.

46. JURISDICTION

Each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with this lease or its subject matter or formation (including non-contractual disputes or claims).

47. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

A person who is not a party to this lease shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this lease. This does not affect any right or remedy of a third party which exists, or is available, apart from that Act.

48. BREAK CLAUSE

The Tenant named in this Lease shall be entitled to terminate this Lease at any time during the Term hereby granted on giving to the Landlord no less than six calendar month(s) previous notice in writing. Upon the date specified in the notice this Lease shall determine and the Tenant shall yield up the Property in accordance with the provisions of this Lease but without prejudice to the respective rights of either party against the other. The notice shall not be effective if the Tenant is material breach of any of the Tenant's covenants contained in this Lease.

This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

Schedule Guarantee and indemnity

1. GUARANTEE AND INDEMNITY

1.1 The Guarantor guarantees to the Landlord that the Tenant shall:

- (a) pay the rents reserved by this lease and observe and perform the tenant covenants of this lease and that if the Tenant fails to pay any of those rents or to observe or perform any of those tenant covenants, the Guarantor shall pay or observe and perform them; and
- (b) observe and perform any obligations the Tenant enters into in an authorised guarantee agreement made in respect of this lease (the **Authorised Guarantee Agreement**) and that if the Tenant fails to do so, the Guarantor shall observe and perform those obligations.

1.2 The Guarantor covenants with the Landlord as principal obligor and as a separate and independent obligation and liability from its obligations and liabilities under paragraph 1.1 to indemnify and keep indemnified the Landlord against any failure by the Tenant:

- (a) to pay any of the rents reserved by this lease or any failure to observe or perform any of the tenant covenants of this lease; or

- (b) to observe or perform any of the obligations the Tenant enters into in the Authorised Guarantee Agreement.

2. GUARANTOR'S LIABILITY

2.1 The liability of the Guarantor under paragraph 1.1(a) and paragraph 1.2(a) shall continue until the end of the term, or until the Tenant is released from the tenant covenants of this lease by virtue of the Landlord and Tenant (Covenants) Act 1995, if earlier.

2.2 The liability of the Guarantor shall not be reduced, discharged or otherwise adversely affected by:

- (a) any time or indulgence granted by the Landlord to the Tenant; or
- (b) any delay or forbearance by the Landlord in enforcing the payment of any of the rents or the observance or performance of any of the tenant covenants of this lease (or the Tenant's obligations under the Authorised Guarantee Agreement) or in making any demand in respect of any of them; or
- (c) any refusal by the Landlord to accept any rent or other payment due under this lease where the Landlord believes that the acceptance of such rent or payment may prejudice its ability to re-enter the Property; or
- (d) the Landlord exercising any right or remedy against the Tenant for any failure to pay the rents reserved by this lease or to observe or perform the tenant covenants of this lease (or the Tenant's obligations under the Authorised Guarantee Agreement); or
- (e) the Landlord taking any action or refraining from taking any action in connection with any other security held by the Landlord in respect of the Tenant's liability to pay the rents reserved by this lease or observe and perform the tenant covenants of the lease (or the Tenant's obligations under the Authorised Guarantee Agreement) including the release of any such security; or
- (f) a release or compromise of the liability of any one of the persons who is the Guarantor, or the grant of any time or concession to any one of them; or
- (g) any legal limitation or disability on the Tenant or any invalidity or irregularity of any of the tenant covenants of the lease (or the Tenant's obligations under the Authorised Guarantee Agreement) or any unenforceability of any of them against the Tenant; or
- (h) the Tenant being dissolved, or being struck off the register of companies or otherwise ceasing to exist, or, if the Tenant is an individual, by the Tenant dying or becoming incapable of managing its affairs; or
- (i) without prejudice to paragraph 4, the disclaimer of the Tenant's liability under this lease or the forfeiture of this lease; or
- (j) the surrender of the lease in respect of part only of the Property, except that the Guarantor shall not be under any liability in relation to the surrendered part in respect of any period after the surrender, or

by any other act or omission except an express written release by deed of the Guarantor by the Landlord.

2.3 The liability of each of the persons making up the Guarantor is joint and several.

- 2.4 Any sum payable by the Guarantor shall be paid without any deduction, set-off or counter-claim against the Landlord or the Tenant.

3. VARIATIONS AND SUPPLEMENTAL DOCUMENTS

- 3.1 The Guarantor shall, at the request of the Landlord, join in and give its consent to the terms of any consent, approval, variation or other document that may be entered into by the Tenant in connection with this lease (or the Authorised Guarantee Agreement).
- 3.2 The Guarantor shall not be released by any variation of the rents reserved by, or the tenant covenants in, this Lease (or the Tenant's obligations under the Authorised Guarantee Agreement) whether or not:
- (a) the variation is material or prejudicial to the Guarantor; or
 - (b) the variation is made in any document; or
 - (c) the Guarantor has consented, in writing or otherwise, to the variation.
- 3.3 The liability of the Guarantor shall apply to the rents reserved by and the tenant covenants in this lease (and the Tenant's obligations under the Authorised Guarantee Agreement) as varied except to the extent that the liability of the Guarantor is affected by section 18 of the Landlord and Tenant (Covenants) Act 1995.

4. GUARANTOR TO TAKE A NEW LEASE OR MAKE PAYMENT

- 4.1 If this lease is forfeited or the liability of the Tenant under this lease is disclaimed and the Landlord gives the Guarantor notice not later than six months after the forfeiture or the Landlord having received notice of the disclaimer, the Guarantor shall enter into a new lease of the Property on the terms set out in paragraph 4.2.
- 4.2 The rights and obligations under the new lease shall take effect from the date of the forfeiture or disclaimer and the new lease shall:
- (a) be granted subject to the right of any person to have this lease vested in them by the court and to the terms on which any such order may be made and subject to the rights of any third party existing at the date of the grant;
 - (b) be for a term that expires at the same date as the end of the Contractual Term of this lease had there been no forfeiture or disclaimer;
 - (c) reserve as an initial annual rent an amount equal to the Annual Rent payable under this lease at the date of the forfeiture or disclaimer or which would be payable but for any abatement or suspension of the Annual Rent or restriction on the right to collect it (subject to paragraph 5) and which is subject to review on the same terms and dates provided by this lease;
 - (d) be excluded from sections 24 to 28 of the LTA 1954; and
 - (e) otherwise be on the same terms as this lease (as varied if there has been any variation).
- 4.3 The Guarantor shall pay the Landlord's solicitors' costs and disbursements (on a full indemnity basis) and any VAT in respect of them in relation to the new lease and shall execute and deliver to the Landlord a counterpart of the new lease within one month after service of the Landlord's notice.

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

4.5 The Landlord may, instead of giving the Guarantor notice pursuant to paragraph 4.1 but in the same circumstances and within the same time limit, require the Guarantor to pay an amount equal to six months Annual Rent and the Guarantor shall pay that amount on demand.

5. RENT AT THE DATE OF FORFEITURE OR DISCLAIMER

If at the date of the forfeiture or disclaimer there is a rent review pending under this lease, then the initial annual rent to be reserved by the new lease shall be the greater of:

- (a) the Annual Rent previously payable (or which would have been payable but for any abatement or suspension of the Annual Rent or restriction on the right to collect it) under the lease prior to forfeiture or disclaimer; and
- (b) the open market rent of the Property at the relevant Review Date, as determined by the Landlord before the grant of the new lease.

6. PAYMENTS IN GROSS AND RESTRICTIONS ON THE GUARANTOR

6.1 Any payment or dividend that the Landlord receives from the Tenant (or its estate) or any other person in connection with any insolvency proceedings or arrangement involving the Tenant shall be taken and applied as a payment in gross and shall not prejudice the right of the Landlord to recover from the Guarantor to the full extent of the obligations that are the subject of this guarantee and indemnity.

6.2 The Guarantor shall not claim in competition with the Landlord in any insolvency proceedings or arrangement of the Tenant in respect of any payment made by the Guarantor pursuant to this guarantee and indemnity. If it otherwise receives any money in such proceedings or arrangement, it shall hold that money on trust for the Landlord to the extent of its liability to the Landlord.

6.3 The Guarantor shall not, without the consent of the Landlord, exercise any right or remedy that it may have (whether against the Tenant or any other person) in respect of any amount paid or other obligation performed by the Guarantor under this guarantee and indemnity unless and until all the obligations of the Guarantor under this guarantee and indemnity have been fully performed.

7. OTHER SECURITIES

7.1 The Guarantor warrants that it has not taken and covenants that it shall not take any security from or over the assets of the Tenant in respect of any liability of the Tenant to the Guarantor. If it does take or hold any such security it shall hold it for the benefit of the Landlord.

7.2 This guarantee and indemnity is in addition to and independent of any other security that the Landlord may from time to time hold from the Guarantor or the Tenant or any other person in respect of the liability of the Tenant to pay the rents reserved by this lease and to observe and perform the tenant covenants of this lease. It shall not merge in or be affected by any other security.

7.3 The Guarantor shall not be entitled to claim or participate in any other security held by the Landlord in respect of the liability of the Tenant to pay the rents reserved by this lease or to observe and perform the tenant covenants of this lease.

Executed as a deed by the)
LANDLORD acting by two Directors)

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Executed as a deed by the TENANT)
acting by two directors)

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Executed as a deed by the)
GUARANTOR in the presence of:-)

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