



[Date] 2020

(1) **THE LORD MAYOR AND CITIZENS OF THE CITY OF WESTMINSTER**

and

(2) []¹

LEASE

Relating To

[]²

¹ Name of Tenant

² Name of Property

DWF LLP

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LR1. Date of lease

LR2. Title number(s)

LR2.1 Landlord's title number(s)

[]

LR2.2 Other title numbers

LR3. Parties to this lease

Landlord

The Lord Mayor and Citizens of Westminster City Hall, 64 Victoria Street, London SW1E 6QP

Tenant

[FULL COMPANY NAME] incorporated and registered in England and Wales with company number [NUMBER] whose registered office is at [REGISTERED OFFICE ADDRESS]³

Other parties

None

Guarantor

[FULL COMPANY NAME] incorporated and registered in England and Wales with company number [NUMBER] whose registered office is at [REGISTERED OFFICE ADDRESS]⁴

LR4. Property

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

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

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.

None.

LR5.2 This lease is made under, or by reference to, provisions of:

None.

³ Tenant's company number and registered address details.

⁴ Delete or amend as applicable

LR6. Term for which the Property is leased

The term as specified in this lease at clause 1.1 in the definition of "Contractual Term".

LR7. Premium

None.

LR8. Prohibitions or restrictions on disposing of this lease

This lease contains a provision that prohibits or restricts dispositions.

LR9. Rights of acquisition etc.

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

None.

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

None.

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

None.

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

None.

LR11. Easements

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

The easements as specified in clause 3 of this lease.

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

The easements as specified in clause 4 of this lease.

LR12. Estate rentcharge burdening the Property

None.

LR13. Application for standard form of restriction

None

None.

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

THIS LEASE is dated

2020

BETWEEN

- (1) **The Lord Mayor and Citizens of the City of Westminster** of Westminster City Hall, 64 Victoria Street, London, SW1E 6QP (the **Landlord**);
- (2) [FULL COMPANY NAME] incorporated and registered in England and Wales with company number [NUMBER] whose registered office is at [REGISTERED OFFICE ADDRESS]⁵(the **Tenant**);
- (3) [FULL COMPANY NAME] incorporated and registered in England and Wales with company number [NUMBER] whose registered office is at [REGISTERED OFFICE ADDRESS](the **Guarantor**).⁶

TERMS AGREED

1. Interpretation

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

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;
- (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;
- (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;

⁵ Tenant's name, company number details and registered address to be inserted.

⁶ Remove or amend as applicable

- (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;
- (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;
- (f) the making of a petition for a winding-up order or a winding-up order in respect of the Tenant or any guarantor;
- (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;
- (h) the Tenant or any guarantor otherwise ceasing to exist (but excluding where the Tenant or any guarantor dies); or
- (i) the making of an application for a bankruptcy order, 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"

from and including the Rent Commencement Date the sum of £[] ([]) per annum exclusive of VAT and then reviewed pursuant to clause 7 of this Lease;⁷

⁷ To be confirmed whether an RPI Review shall be included.

"Building"	[] ⁸ shown edged [blue] on Plan 2;
"CDM Regulations"	the Construction (Design and Management) Regulations 2015 (SI 2015/51);
"Common Parts"	the Building other than the Property and the Lettable Units;
"Commissioned Rent"	the rent as calculated in accordance with Schedule 1;
"Contract"	the contract dated [] made between the Landlord (1) and the Tenant (2);
"Contract Services"	the services as detailed in the Contract;
"Contractual Term"	a term from and including [] to and including [] ⁹ ;
"Default Interest Rate"	4 % per annum above the Interest Rate;
"Deliberate Damage"	damage caused deliberately by the Tenant or anyone at the Property or on the Common Parts with the express or implied authority of the Tenant;
"EPC"	a certificate as defined in regulation 2(1) of the Energy Performance of Buildings (England and Wales) Regulations 2012 (SI 2012/3118);
"Environmental Performance"	means all or any of the following: <ul style="list-style-type: none"> (a) the consumption of energy and associated generation of greenhouse gas emissions; (b) the consumption of water; (c) waste generation and management; (d) any other environmental impact arising from the use or operation of the Demised Premises and/or the Building.
"Insurance Rent"	The aggregate in each year of: <ul style="list-style-type: none"> (a) a fair and reasonable proportion of the cost of any premiums (including any IPT chargeable thereon) that the Landlord expends (before any discount or commission is allowed or paid to the Landlord) and any fees and other expenses that the Landlord reasonably incurs in effecting and maintaining insurance of the Building in accordance with the lease,

⁸ Building address name

⁹ Date to be agreed

including any professional fees for carrying out any insurance valuation of the Reinstatement Value;

- (b) a fair and reasonable proportion of the cost of any premiums (including any IPT chargeable thereon) that the Landlord expends (before any discount or commission is allowed or paid to the Landlord) in effecting public liability insurance in relation to the Common Parts;
- (c) the cost of any additional premiums (including any IPT chargeable thereon) and loadings that may be demanded by the Landlord's insurer as a result of any act or default of the Tenant, any person deriving title under the Tenant or any person at the Property with the express or implied authority of any of them;
- (d) the cost of any premiums (including any IPT chargeable thereon) that the Landlord expends (before any discount or commission is allowed or paid to the Landlord) in effecting insurance against loss of the Annual Rent from the Property for three years; and
- (e) any VAT payable on any sum in (a) to (d) inclusive.

"Insured Risks"

fire, lightning, explosion, impact, earthquake, storm, tempest, flood, bursting or overflowing of water tanks or pipes, damage to underground water, oil or gas pipes or electricity wires or cables, subsidence, ground slip, heave, riot, civil commotion, strikes, labour or political disturbances, malicious damage, aircraft and aerial devices and articles dropped accidentally from them, and such other risk against which the Landlord may reasonably insure 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;

"IPT"

Insurance Premium Tax chargeable under the Finance Act 1994 or any similar replacement or additional tax;

"Landlord's Neighbouring Property"

each and every part of the adjoining and neighbouring property in which the Landlord has an interest in;

"Lettable Unit"

a floor or part of a floor of the Building other than the Property, that is capable of being let and occupied;

"Lifts"	if any all lifts and lift machinery and equipment in the Building;
"LTA 1927"	Landlord and Tenant Act 1927;
"LTA 1954"	Landlord and Tenant Act 1954;
"LTCA 1995"	Landlord and Tenant (Covenants) Act 1995;
"Permitted Use"	use of the Property for the provision of the Contract Services;
"Plan 1"	the plan attached to this lease marked "Plan 1"; ¹⁰
"Plan 2"	the plan attached to this lease marked "Plan 2"; ¹¹
"Property"	<p>the part of the Building shown edged red on Plan 1 bounded by and including:</p> <ul style="list-style-type: none"> (a) the floor screed and any floorboards; (b) the ceiling plaster; (c) the interior plasterwork and finishes of exterior walls and columns; (d) the plasterwork and finishes of the interior structural walls and columns that adjoin another Lettable Unit or the Common Parts; (e) the doors and windows within the interior, walls and columns that adjoin another Lettable Unit or the Common Parts and their frames and fittings; (f) one half of the thickness of the interior, non-structural walls and columns that adjoin another Lettable Unit or the Common Parts; and <p>but excluding:</p> <ul style="list-style-type: none"> (g) the windows in the exterior walls and their frames and fittings; (h) the whole of the interior structural walls and columns within that part of the Building other than their plasterwork and other than the doors and windows and their frames and fittings within such walls; and (i) all Service Media within that part of the Building which do not exclusively serve that part of the Building.

¹⁰ Plan showing Property

¹¹ Plan showing Building

"Previous Lease"	a lease dated [] made between (1) [] and (2) [] including all documents ancillary or collateral thereto (including but not limited to any previous lease or agreement for lease or agreement for occupation prior to the date of the lease); ¹²
"Previous Lease Alterations"	all works carried out to or for the benefit of the Property during the Previous Lease or under any agreement for the grant of the Previous Lease; ¹³
"Reinstatement Value"	the full reinstatement value of the Building as reasonably determined by the Landlord from time to time, taking into account inflation of building costs and including any costs of demolition, site clearance, site protection, shoring up and any other work to the Building that may be required by law and any VAT on any such costs;
"Rent Commencement Date"	1 April 2019;
"Rent Payment Dates"	25 March, 24 June, 29 September and 25 December;
"Reservations"	all of the rights excepted, reserved and granted to the Landlord by this lease;
"Review Date"	1 April 2020 and each anniversary of that date thereafter ¹⁴ ;
"Rights"	The rights granted by the Landlord to the Tenant in <i>clause 3.1</i> ;
"Service Media"	all media for the supply or removal of heat, electricity, gas, water, sewage, air-conditioning, energy, telecommunications, data and all other services and utilities and all structures, machinery and equipment ancillary to those media;
"Third Party Rights"	all rights, covenants and restrictions affecting the Building including the matters referred to at the date of this lease in the property register, the charges register (save financial charges) and the proprietorship register of title number [] ¹⁵ ;
"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.

¹² To be deleted if there is no previous lease

¹³ To be deleted if there is no previous lease

¹⁴ Based on Annual RPI reviews

¹⁵ To be inserted once we are aware

- 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 The Schedules form part of this lease and shall have effect as if set out in full in the body of this lease. Any reference to this lease includes the Schedules.
- 1.4 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.
- 1.5 Clause, Schedule and paragraph headings shall not affect the interpretation of this lease.
- 1.6 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.
- 1.7 A **person** includes a natural person, corporate or unincorporated body (whether or not having separate legal personality).
- 1.8 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.
- 1.9 The expressions **landlord covenant** and **tenant covenant** each has the meaning given to it by the LTCA 1995.
- 1.10 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.
- 1.11 References to the **consent** of the Landlord are to the consent of the Landlord given in accordance with *clause 40.6* and references to the **approval** of the Landlord are to the approval of the Landlord given in accordance with *clause 40.7*.
- 1.12 Unless the context otherwise requires, references to the **Building**, the **Common Parts**, a **Lettable Unit** and the **Property** are to the whole and any part of them or it.
- 1.13 The expression **neighbouring property** does not include the Building.
- 1.14 A reference to the **term** is to the Contractual Term and statutory continuation of this lease.
- 1.15 A reference to the **end of the term** is to the end of the term however it ends.
- 1.16 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.

- 1.17 A reference to **writing** or **written** includes fax but not email.
- 1.18 Unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular.
- 1.19 A **working day** is any day which is not a Saturday, a Sunday, a bank holiday or a public holiday in England
- 1.20 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.
- 1.21 Unless otherwise specified, a reference to a statute or statutory provision is a reference to it 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.

2. **Grant**

- 2.1 The Landlord lets the Property to the Tenant for the Contractual Term.
- 2.2 The grant is made together with the Rights, excepting and reserving to the Landlord the Reservations, and subject to the Third Party Rights.
- 2.3 The grant is made with the Tenant paying the following as rent to the Landlord:
- 2.3.1 the Annual Rent and all VAT in respect of it;
 - 2.3.2 the Commissioned Rent and all VAT in respect of it;
 - 2.3.3 the sums due under clause 12.1 and all VAT in respect of them;
 - 2.3.4 the sums due under clause 35.2 and all VAT in respect of them;
 - 2.3.5 the Insurance Rent; and
 - 2.3.6 all interest payable under this lease; and
 - 2.3.7 all other sums due under this lease.

3. **Ancillary rights**¹⁶

- 3.1 The Landlord grants the Tenant the following rights:
- 3.1.1 the right to support and protection from the Common Parts to the extent that the Common Parts provide support and protection to the Property at the date of this lease;

¹⁶ Delete/add to as applicable

- 3.1.2 the right to use external areas of the Common Parts shown hatched []¹⁷ on Plan 2 for the purposes of pedestrian access to and egress from the interior of the Building and to and from the parts of the Common Parts.
- 3.1.3 the right to use the Lifts, hallways, corridors, stairways and landings of the Common Parts shown hatched []¹⁸ on Plan 2 for the purposes of access to and egress from the Property [and the lavatories and washrooms referred to in *clause 3.1.4*;
- 3.1.4 the right to use the lavatories and washrooms on the [] [and []¹⁹ floors of the Building;
- 3.1.5 the right to use and to connect into any Service Media at the Building 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 period of x²⁰ years from the commencement of the Contractual Term;
- 3.1.6 [ANY OTHER SPECIFIC RIGHTS THAT ARE AGREED]²¹.
- 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 (other than the Right mentioned in *clause 3.1.1*) 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 28.1*.
- 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 Rights mentioned in *clause 3.1.2* to *clause 3.1.4*, the Landlord may, at its discretion, change the route of any means of access to or egress over the Common Parts and the Landlord's Neighbouring Property from the Property or from the interior of the Building and may change the area within the Common Parts and the Landlord's Neighbouring Property over which any of those Rights are exercised.
- 3.7 In relation to the Rights mentioned in *clause 3.1.5*, the Landlord may, at its discretion, re-route or replace any such Service Media and that Right shall then apply in relation to the Service Media as re-routed or replaced.

¹⁷ Delete/add to as applicable

¹⁸ Delete/add to as applicable

¹⁹ Delete/add to as applicable

²⁰ Length of the term

²¹ Delete/add to as applicable

3.8 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 Building and the Landlord's Neighbouring Property and to the extent possible for the benefit of any neighbouring or adjoining property in which the Landlord acquires an interest during the term:

4.1.1 rights of light, air, support and protection to the extent those rights are capable of being enjoyed at any time during the term;

4.1.2 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 x²² 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 Building (whether or not such Service Media also serve the Property); and the right to re-route any Service Media mentioned in this clause;

4.1.3 at any time during the term, the full and free right to develop the Landlord's Neighbouring Property [and any neighbouring or adjoining property in which the Landlord acquires an interest during the term] as the Landlord may think fit;

4.1.4 the right to erect scaffolding at the Property or the Building and attach it to any part of the Property or the Building in connection with any of the Reservations;

4.1.5 the right to attach any structure, fixture or fitting to the boundary of the Property in connection with any of the Reservations;

4.1.6 the right to re-route any means of access to or egress from the Property or the Building and to change the areas over which the Rights mentioned in *clause 3.1.1* to *clause 3.1.4* are exercised; and

4.1.7 the right to re-route and replace any Service Media over which the Rights mentioned in *clause 3.1.5* 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 the Common Parts or loss of amenity for the Property or the Common Parts.

4.2 Subject to clause 4.4 the Landlord reserves the right to enter the Property:

²² Length of term

- 4.2.1 to repair, maintain, install, construct, re-route or replace any Service Media or structure relating to any of the Reservations;
- 4.2.2 to carry out any works to any other Lettable Unit; and
- 4.2.3 for any other purpose mentioned in or connected with:
 - 4.2.3.1 this lease;
 - 4.2.3.2 the Reservations; and
 - 4.2.3.3 the Landlord's interest in the Property, the Building or the Landlord's Neighbouring Property.
- 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 Landlord may (where the Tenant in its absolute discretion consents in writing to the carrying out of any works), enter the Property to carry out works to the Property or the Building to improve its Environmental Performance.
- 4.5 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 reasonable time (whether or not during usual business hours) and, except in the case of an emergency, after having given reasonable notice (which need not be in writing) to the Tenant.
- 4.6 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:
 - 4.6.1 physical damage to the Property; or
 - 4.6.2 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 four equal instalments in advance on or before the Rent Payment Dates. The payments shall be made by banker's standing order 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 date of this lease and shall be the proportion, calculated on a daily basis, in respect of the period beginning on the date of this lease and ending on the day before the next Rent Payment Date.

7. Review of the Annual Rent

7.1 In this clause:

7.1.1 **Base Figure** means;

7.1.1.1 on the first Review Date []²³; or

7.1.1.2 on each succeeding Review Date, the Index figure for the month two months before the relevant Review Date.

7.1.2 **Current Figure** means the Index figure for the month two months preceding the relevant Review Date;

7.1.3 **Index** means the 'all items' Retail Prices Index published by the Office for National Statistics or any successor or replacement agency or government department;

7.1.4 **[Maximum Rent** means []% of the Annual Rent payable immediately before the relevant Review Date]²⁴;

7.1.5 **[Minimum Rent** means []% of the Annual Rent payable immediately before the relevant Review Date]²⁵;

7.1.6 **President** means the President for the time being of the Royal Institute of Chartered Surveyors or a person acting on his behalf;

7.1.7 **Surveyor** means the independent valuer appointed pursuant to clause

7.2 [Subject to clauses 7.3 and 7.4]²⁶ on each Review Date, the Annual Rent shall be calculated in accordance with the following formula:

$(A/B) \times C$

Where

A = the Current Figure

B = the Base Figure

²³ The index figure for the month two months prior to the Rent Adjustment Date

²⁴ Cap to be added if applicable

²⁵ Collar to be added if applicable

²⁶ If cap/collar – leave this wording in

C = the Annual Rent payable immediately before the Relevant Review Date (or if payment of the Annual Rent has been suspended, the Annual Rent that would have been reserved had there been no suspension)

- 7.3 [If the formula set out in clause 7.2 produces a sum which is more than the Maximum Rent, the revised Annual Rent shall be deemed to be the Maximum Rent.]²⁷
- 7.4 [If the formula set out in clause 7.2 produces a sum which is less than the Minimum Rent, the revised Annual Rent shall be deemed to be the Minimum Rent.]²⁸
- 7.5 The Base Figure, the Current Figure, [the Maximum Rent and the Minimum Rent]²⁹ shall all be rounded up to the nearest £10.
- 7.6 If the reference base used to compile the Index changes after the date of this lease or the Index is no longer published, a new arrangement for indexing will be substituted to reflect increases in retail prices on a similar basis to that originally set out in this lease.
- 7.7 The Surveyor shall determine a question, dispute or disagreement that arises between the parties in the following circumstances:
- 7.7.1 where any question or dispute arises between the parties as to the amount of the Annual Rent payable or as to the interpretation, application or effect of any part of this clause 7; or
- 7.7.2 where the Landlord and Tenant fail to reach agreement in respect of clause 7.6.
- 7.7.3 The Surveyor shall have full power to determine the question, dispute or disagreement. When determining such a question, dispute or disagreement, the Surveyor may, if he considers it appropriate specify that an alternative mechanism for setting the Annual Rent should apply and this include substituting an alternative index for RPI.
- 7.8 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.
- 7.9 The Surveyor shall act as an expert and not as an arbitrator. The Surveyor's decision shall be given in writing. The Surveyor's written decision on the matters referred to him shall be final and binding in the absence of manifest error or fraud.
- 7.10 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

²⁷ If cap – leave this wording in

²⁸ If collar – leave this wording in

²⁹ Delete if no cap/collar

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.

7.11 Either the Landlord or the Tenant may apply to the President to discharge the Surveyor, if the Surveyor:

7.11.1 dies;

7.11.2 becomes unwilling or incapable of acting; or

7.11.3 unreasonably delays in making any determination.

7.12 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. **Interim Rent Payments**

8.1 Following each Review Date:

8.1.1 the Annual Rent payable will continue to be payable at the rate reserved immediately before the relevant Review Date until the Landlord notifies the Tenant of the revised Annual Rent; and

8.1.2 on the Rent Payment Date after the revised Annual has been notified to the Tenant any shortfall between the Annual Rent paid and the revised Annual Rent for the period commencing on the Relevant Review Date until that Rent Payment Date will become due, together with interest on that shortfall at the Interest Rate.

9. **Insurance**

9.1 The Landlord shall effect and maintain insurance of the Building (but excluding any plate glass and any Tenant's and trade fixtures in the Property) in accordance with this clause:

9.1.1 unless the insurance is vitiated by any act or omission of either:

9.1.1.1 the Tenant, any person deriving title under the Tenant or any person at the Property with the express or implied authority of any of them; or

9.1.1.2 any tenant of the Landlord of any part of the Building other than the Property, any person deriving title under them or any person in the Building with the express or implied authority of any of them; and

- 9.1.2 subject to:
 - 9.1.2.1 any exclusions, limitations, conditions or excesses that may be imposed by the Landlord's insurer; and
 - 9.1.2.2 insurance being available on reasonable terms in the London Insurance market.
- 9.2 The insurance of the Building shall be maintained with reputable insurers, on fair and reasonable terms that represent value for money, for an amount not less than the Reinstatement Value against loss or damage caused by any of the Insured Risks.
- 9.3 In relation to any insurance effected by the Landlord under this clause, the Landlord shall:
 - 9.3.1 at the request of the Tenant (but not more than once every 12 months) supply the Tenant with:
 - 9.3.1.1 full details of the insurance policy;
 - 9.3.1.2 evidence of payment of the current year's premiums; and
 - 9.3.1.3 details of any commission paid to the Landlord by the Landlord's insurer;
 - 9.3.2 use reasonable endeavours to procure that the Landlord's insurer:
 - 9.3.2.1 waives its rights of subrogation against the Tenant and any lawful sub-tenants or occupiers of the Property;
 - 9.3.2.2 includes in the insurance policy a non-invalidating provision in respect of any act or default of the Tenant; and
 - 9.3.2.3 permits the interest of the Tenant to be noted on the policy of insurance either specifically or by way of a general noting of tenants' interests under the conditions of the insurance policy.
- 9.4 The Tenant shall pay each of the following to the Landlord on demand:
 - 9.4.1 the Insurance Rent; and
 - 9.4.2 a reasonable proportion of any amount that is deducted or disallowed by the Landlord's insurer pursuant to any excess provision in the insurance policy.
- 9.5 The Tenant shall:
 - 9.5.1 comply at all times with any requirements or recommendations of the Landlord's insurer that relate to the Property or the use by the Tenant of the Common Parts, where written details of those requirements or recommendations have first been given to the Tenant;
 - 9.5.2 immediately inform the Landlord if any matter occurs in relation to the Tenant or the Property that any insurer or underwriter may treat as material in deciding

whether or on what terms, to insure or continue insuring the Building and shall give the Landlord notice of that matter; and

- 9.5.3 immediately inform the Landlord if any damage or loss occurs that relates to the Property and shall give the Landlord notice of that damage or loss.
- 9.6 If the Tenant makes any alteration or addition to the Property, the Tenant shall arrange at its own cost, for a current, independent, VAT inclusive valuation of the Reinstatement Value of the Property, taking into account the alteration or addition, such valuation to be prepared in writing and given to the Landlord within four weeks of the alteration or addition being completed.
- 9.7 In relation to any insurance arranged by the Landlord under this clause, the Tenant shall not do or omit to do anything and shall not permit or suffer anything to be done that may:
- 9.7.1 vitiate the insurance contract; or
- 9.7.2 cause any money claimed under the insurance to be withheld; or
- 9.7.3 cause any premium paid for the insurance to be increased or cause any additional premium to be payable.
- 9.8 Other than plate glass and Tenant's and trade fixtures, the Tenant shall not insure the Property against any of the Insured Risks in such a manner as would permit the Landlord's insurer to cancel the Landlord's insurance or to reduce the amount of any money payable to the Landlord in respect of any insurance claim.
- 9.9 Notwithstanding the obligation on the Tenant in *clause 9.8*, if the Tenant or any person deriving title under or through the Tenant shall at any time be entitled to the benefit of any insurance of the Property, the Tenant shall immediately cause any money paid to the Tenant under that insurance to be applied in making good the loss or damage in respect of which it was paid.
- 9.10 If the Building or any part of it is damaged or destroyed by an Insured Risk, the Landlord shall:
- 9.10.1 make a claim under the insurance policy effected in accordance with this clause; and
- 9.10.2 subject to *clause 9.11*, use any insurance money received (other than for loss of rent) and any money received from the Tenant under *clause 9.4.2* to repair the damage in respect of which the money was received or (as the case may be) to rebuild the Building.
- 9.11 The Landlord shall not be obliged under *clause 9.10* to repair or reinstate the Building or any part of it:
- 9.11.1 unless and until the Landlord has obtained any necessary planning and other consents for the repairs and reinstatement work; or

- 9.11.2 so as to provide premises or facilities identical in size, quality and layout to those previously at the Building so long as the premises and facilities provided are reasonably equivalent; or
 - 9.11.3 after a notice has been served pursuant to *clause 9.13* or *clause 9.14*.
- 9.12 If the Building is damaged or destroyed (other than by Deliberate Damage that causes either the insurance policy to be vitiated or any money claimed under the insurance to be withheld) so that the Property is wholly or partly unfit for occupation and use, or the Common Parts are damaged or destroyed so as to make the Property inaccessible or unusable, then 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 earlier of the following:
- 9.12.1 the date the Tenant can occupy and use the Property in the manner contemplated by this lease prior to the date of the damage or destruction; and
 - 9.12.2 the end of three years from the date of damage or destruction.
- 9.13 Subject to *clause 9.15*, the Landlord may give the Tenant notice terminating this lease with immediate effect if:
- 9.13.1 the Property is damaged or destroyed or the Common Parts are damaged or destroyed so as to make the Property inaccessible or unusable; and
 - 9.13.2 the Landlord reasonably decides that it is either impracticable or impossible to reinstate the Property and the Common Parts within three years from the date of the damage or destruction.
- 9.14 The Tenant may give the Landlord notice terminating this lease with immediate effect (subject to *clause 9.15*) in either of the following situations:
- 9.14.1 where the Property is:
 - 9.14.1.1 damaged or destroyed in whole or in part so that it is unfit for occupation or use, or the Common Parts are damaged or destroyed so as to make the Property inaccessible or unusable in each case unless the damage or destruction is Deliberate Damage; and
 - 9.14.1.2 is not accessible and/or not fit for occupation and use by the end of three years from the date of damage or destruction; or
 - 9.14.2 where:
 - 9.14.2.1 the Property is damaged or destroyed in whole or in part so that it is unfit for occupation or use, or the Common Parts are damaged or destroyed so as to make the Property inaccessible or unusable; and
 - 9.14.2.2 the damage or destruction is not Deliberate Damage; and

9.14.2.3 the Landlord has not given notice to the Tenant within twelve months of the date of damage or destruction that the Landlord will reinstate the Property at the Landlord's own cost and either the damage or destruction is caused by a risk which is not an Insured Risk, or the damage or destruction is caused by a risk which is not covered by the Landlord's insurance because of an exclusion from or limitation to the policy of insurance, which exclusion or limitation is permitted by *clause 9.1*.

9.15 Any notice to terminate this lease by either the Landlord or the Tenant under this clause shall be without prejudice to the rights of either party for breach of any of the covenants in the lease.

9.16 If this lease is terminated by either the Landlord or the Tenant under this clause, then any proceeds of the insurance effected by the Landlord shall belong to the Landlord.

10. Rates and taxes

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

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

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

10.2 If any such rates, taxes or other impositions and outgoings are payable in respect of the Property together with other land (including any other part of the Building) the Tenant shall pay a fair proportion of the total.

10.3 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.

10.4 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.

11. Utilities

11.1 The Tenant shall pay promptly all costs in connection with the supply and removal of electricity, gas, water, sewage, telecommunications, data and other services and utilities to or from the Property including any reasonable administrative charge made by the Landlord for calculating such costs, where they are not billed by the relevant utility supplier directly to the Tenant.

11.2 Where any of the costs referred to in *clause 11.1* are billed to the Tenant by the Landlord, rather than directly by the relevant utility supplier, the Landlord shall apportion such costs fairly, based on the Tenant's actual usage of that supply.

- 11.3 Any demand by the Landlord for payment of any costs referred to in *clause 11.1* shall be accompanied by a written explanation of the calculation of such costs.
- 11.4 The Tenant shall comply with all laws and with any recommendations of the relevant utility suppliers relating to the supply and removal of electricity, gas, water, sewage, telecommunications, data and other services and utilities to or from the Property.

12. Common items

- 12.1 The Tenant shall pay the Landlord on demand a fair 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 Building but used or capable of being used by the Building in common with other land.
- 12.2 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.

13. VAT

- 13.1 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.
- 13.2 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.

14. Default interest and interest

- 14.1 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 beginning on the due date and ending on the date of payment.
- 14.2 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 beginning on the date the amount (or each part of it) became due and ending on the date it is accepted by the Landlord.

15. **Costs**

15.1 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:

15.1.1 the enforcement of the tenant covenants of this lease;

15.1.2 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;

15.1.3 serving any notice in connection with this lease under section 17 of the LTCA 1995;

15.1.4 the preparation and service of a schedule of dilapidations in connection with this lease; or

15.1.5 any consent or approval applied for under this lease, whether or not it is granted.

15.2 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.

16. **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.

17. **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).

18. **Registration of this lease³⁰**

18.1 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.

18.2 The Tenant shall not:

³⁰ This clause may be deleted where the Contractual Term is for less than 7 years

- 18.2.1 apply to HM Land Registry to designate this lease as an exempt information document;
- 18.2.2 object to an application by the Landlord to HM Land Registry to designate this lease as an exempt information document; or
- 18.2.3 apply for an official copy of any exempt information document version of this lease.

19. **Prohibition of 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).

20. **Assignments**

[The Tenant may assign the whole of the Property to an assignee permitted under the Contract provided that the Tenant obtains the prior consent of the Landlord in writing]³¹

21. **Registration and notification of dealings and occupation**

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

- 21.1.1 any dealing with this lease or the devolution or transmission of, or parting with possession of any interest in it; or
- 21.1.2 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
- 21.1.3 the making of any other arrangement for the occupation of the Property.

21.2 In respect of every Transaction that is registrable 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).

21.3 No later than one month after a Transaction the Tenant shall:

- 21.3.1 give the Landlord's solicitors notice of the Transaction;
- 21.3.2 deliver two certified copies of any document effecting the Transaction to the Landlord's solicitors; and

³¹ To be discussed.

21.3.3 pay the Landlord's solicitors a registration fee of £50 (plus VAT).

21.4 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.

22. Closure of the registered title of this lease

If applicable and 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.

23. Repairs

23.1 The Tenant shall keep the Property clean and tidy and in good and substantial repair and condition and shall ensure that any Service Media within and exclusively serving the Property is kept in good order.

23.2 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:

23.2.1 the Landlord's insurance has been vitiated or any insurance proceeds withheld in consequence of any act or omission of the Tenant, any person deriving title under the Tenant or any person at the Property or on the Common Parts with the actual or implied authority of the Tenant or any person deriving title under the Tenant; or

23.2.2 the insurance cover in relation to that disrepair is excluded, limited or unavailable.

24. Decoration

24.1 The Tenant shall decorate the Property as often as is reasonably necessary and also in the last three months before the end of the term.

24.2 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.

24.3 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.

25. Alterations and signs

The Tenant shall not erect any new structure on the Property nor make any addition whether structural or non-structural or any alteration to the Property or to any part of the Property or cut maim injure or remove any of the walls or other structural parts of the Property or the Building.

26. Returning the Property to the Landlord

- 26.1 At the end of the term the Tenant shall return the Property to the Landlord in the repair and condition required by this lease or the term of the Previous Lease³².
- 26.2 Unless notified otherwise by the Landlord not less than three months prior to the expiry of the Contractual Term, the Tenant shall remove the Previous Lease Alterations³³ and any other 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.
- 26.3 At the end of the term, the Tenant shall remove from the Property all chattels belonging to or used by it.
- 26.4 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.

27. Use

- 27.1 The Tenant shall not use the Property for any purpose other than the Permitted Use.
- 27.2 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.
- 27.3 The Tenant shall not overload any structural part of the Building nor any Service Media at or serving the Property.

28. Management of the Building

- 28.1 The Tenant shall observe all 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:
 - 28.1.1 the use of the Common Parts; and
 - 28.1.2 the management of the Building.
- 28.2 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.

29. Compliance with laws

- 29.1 The Tenant shall comply with all laws relating to:

³² The reference to the Previous Lease may be deleted where there is no Previous Lease

³³ The reference to the Previous Lease Alterations may be deleted where there is no Previous Lease

- 29.1.1 the Property and the occupation and use of the Property by the Tenant;
 - 29.1.2 the use or operation of all Service Media and machinery and equipment at or serving the Property;
 - 29.1.3 any works carried out at the Property; and
 - 29.1.4 all materials kept at or disposed from the Property.
- 29.2 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.
- 29.3 Within five working days after receipt of any notice or other communication affecting the Property or the Building (and whether or not served pursuant to any law) the Tenant shall:
- 29.3.1 send a copy of the relevant document to the Landlord; and
 - 29.3.2 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.
- 29.4 The Tenant shall not apply for any planning permission for the Property.
- 29.5 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.
- 29.6 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.
- 29.7 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.
- 29.8 The Tenant shall keep the Property equipped with all fire prevention, detection and fighting machinery and equipment and fire alarms which are required under all relevant laws or required by the insurers of the Property or reasonably recommended by them or reasonably required by the Landlord and shall keep that machinery, equipment and alarms properly maintained and available for inspection.

30. Energy performance certificates

The Tenant shall not commission an EPC for the Property.

31. Encroachments, obstructions and acquisition of rights

31.1 The Tenant shall not grant any right or licence over the Property to a third party.

- 31.2 If a third party 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:
- 31.2.1 immediately inform the Landlord and shall give the Landlord notice of that encroachment or action; and
- 31.2.2 take all steps (including any proceedings) the Landlord reasonably requires to prevent or license the continuation of that encroachment or action.
- 31.3 The Tenant shall not obstruct the flow of light or air to the Property or any other part of the Building nor obstruct any means of access to the Property or any other part of the Building.
- 31.4 The Tenant shall not make any acknowledgement that the flow of light or air to the Property or any other part of the Building or that the means of access to the Property or any other part of the Building is enjoyed with the consent of any third party.
- 31.5 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:
- 31.5.1 immediately inform the Landlord and shall give the Landlord notice of that action; and
- 31.5.2 take all steps (including proceedings) the Landlord reasonably requires to prevent or secure the removal of the obstruction.

32. Breach of repair and maintenance obligations

- 32.1 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.
- 32.2 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.
- 32.3 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.
- 32.4 Any action taken by the Landlord pursuant to this clause shall be without prejudice to the Landlord's other rights, including those under *clause 37*.
- 32.5 Not less than six months before the end of the term, the Landlord shall serve a schedule of dilapidations on the Tenant and shall notify the Tenant of any other dilapidations that occur after the schedule of dilapidations has been served as soon as possible.

33. 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 Building and loss of amenity of the Building) 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.

34. 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.

35. Repairs to the Building

35.1 The Landlord shall use its reasonable endeavours to keep the structural and exterior parts of the Building (other than any parts of the Building that are part of the Property or have been let to another tenant) and those Service Media over which the Tenant is granted rights by this lease in a reasonable state of repair. Without prejudice to its obligations under clause 9, the Landlord shall not be obliged to carry out any repair where the need for any repair has arisen by reason of the occurrence of an Insured Risk.

35.2 The Tenant shall pay the Landlord on demand a fair proportion of the reasonable and proper costs incurred or properly estimated by the Landlord to be incurred by the Landlord in keeping the structure and exterior of the Building and the Service Media belonging to the Landlord at it (other than any parts of the Building or Service Media that are part of the Property or have been let to another tenant) in reasonable repair and condition and in redecorating the exterior of the Building as often as the Landlord considers necessary in its absolute discretion.

36. Guarantee and indemnity³⁴

36.1 The provisions of 2 apply.

36.2 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 14 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.

36.3 *Clause 36.2* shall not apply in the case of a person who is guarantor by reason of having entered into an authorised guarantee agreement.

³⁴ To be deleted in instances where there is no guarantor.

36.4 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.

37. Re-entry and forfeiture

37.1 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:

37.1.1 any rent is unpaid 21 days after becoming payable whether it has been formally demanded or not; or

37.1.2 any breach of any condition of, or tenant covenant in, this lease; or

37.1.3 an Act of Insolvency.

37.2 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.

38. Joint and several liability

38.1 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.

38.2 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.

38.3 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.

38.4 The Landlord shall not be liable to the Tenant for any failure of the Landlord to perform any landlord covenant in this lease.

39. Entire agreement

39.1 This lease constitute the whole agreement between the parties and supersedes all previous discussions, correspondence, negotiations, arrangements, understandings and agreements between them relating to its **OR** their subject matter.

39.2 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.

40. **Notices, consents and approvals**

- 40.1 Any notice served pursuant to the terms of this lease shall be valid only if it is marked for the Executive Director for Finance and Resources and sent to Westminster City Hall, 64 Victoria Street, London, SW1E 6QP.
- 40.2 Except where this lease specifically states that a notice need not be in writing, any notice given under or in connection with this lease shall be:
- 40.2.1 in writing and for the purposes of this clause an email is not in writing; and
- 40.2.2 given:
- 40.2.2.1 by hand or 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
- 40.2.2.2 by fax to the party's main fax number.
- 40.3 If a notice complies with the criteria in *clause 40.1*, whether or not this lease requires that notice to be in writing, it shall be deemed to have been received:
- 40.3.1 if delivered by hand, at the time the notice is left at the proper address;
- 40.3.2 if sent by pre-paid first-class post or other next working day delivery service, on the second working day after posting; or
- 40.3.3 if sent by fax, at 9.00am on the next working day after transmission.
- 40.4 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.
- 40.5 Section 196 of the Law of Property Act 1925 shall otherwise apply to notices given under this lease.
- 40.6 Where the consent of the Landlord is required under this lease, a consent shall only be valid if it is given by deed, unless:
- 40.6.1 it is given in writing and signed by the Landlord or a person duly authorised on its behalf; and
- 40.6.2 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.
- 40.7 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:
- 40.7.1 the approval is being given in a case of emergency; or

40.7.2 this lease expressly states that the approval need not be in writing.

40.8 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.

41. 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.

42. 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 agreement or its subject matter or formation (including non-contractual disputes or claims).

43. Exclusion of sections 24-28 of the LTA 1954³⁵

43.1 The parties confirm that:

43.1.1 the Landlord served a notice on the Tenant, as required by section 38A(3)(a) of the LTA 1954, applying to the tenancy created by this lease, before this lease was entered into;

43.1.2 [the Tenant] [[NAME OF DECLARANT] who was duly authorised by the Tenant to do so] made a [statutory] declaration dated [DATE] in accordance with the requirements of section 38A(3)(b) of the LTA 1954; and

43.1.3 there is no agreement for lease to which this lease gives effect.

43.2 The parties agree that the provisions of sections 24 to 28 of the LTA 1954 are excluded in relation to the tenancy created by this lease.

43.3 The parties confirm that:

43.3.1 the Landlord served a notice on the Guarantor, as required by section 38A(3)(a) of the LTA 1954, applying to the tenancy to be entered into by the Guarantor pursuant to *paragraph 4 of Schedule 1*, [not less than 14 days] before this lease was entered into; and

43.3.2 [the Guarantor] [[NAME OF DECLARANT], who was duly authorised by the Guarantor to do so], made a [statutory] declaration dated [DATE] in accordance with the requirements of section 38A(3)(b) of the LTA 1954.

³⁵ Notices to be served on the both the Tenant and Guarantor

44. **Landlord's break clause**

44.1 The Landlord may terminate this lease by serving notice on the Tenant at any time throughout the contractual term if:

44.1.1 the Contract is terminated for any reason;

44.1.2 or

44.1.3 if the Landlord does not exercise its option to extend the Contract beyond []³⁶

44.2 In the event of a break of the lease pursuant to clause 44.1 this lease shall automatically determine and cease but without prejudice to the rights and remedies of the Landlord against the Tenant in respect of any claim or breach of covenant.

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

³⁶ Date to be inserted as applicable

SCHEDULE 1

Calculation of Rent

1. The rent payable by the Tenant to the Landlord pursuant to this Schedule 1 shall be calculated as follows:

Rent = 0.75(I - E):

- Where I = all income received by the Tenant from its use of the Property for the Permitted Use ("**Income**");
- E = all expenditure incurred by the Tenant ("**Expenditure**").

2. For the avoidance of doubt the rent payable under this Schedule 1 shall be 75% of the net sum of I - E.

3. Items to be included in the calculation of the Tenant's Income and Expenditure shall be as set out below:

3.1 Income shall include (but not be limited to) payments made by occupiers and/or tenants and/or carers in relation to charges and the Tenant shall take all reasonable steps to maximise its Income including (but not limited to) carrying out prudent management and cost control;

3.2 Expenditure shall include (but not be limited to) a sum each year to enable the Tenant to comply with its repairing obligations, and management duties as per Landlord guidance,

the items to be included in the Tenant's Income and Expenditure set out in paragraphs 3.1 and 3.2 above shall be guided by the Contract and shall only be varied by written agreement between the parties.

4. The Tenant's Income and Expenditure shall be properly certified by the Tenant's accountant and a copy of any such certification shall be provided to the Landlord by the Tenant within 2 months after the expiry of the Term.

5. Within 1 month of receipt of the Tenant's Income and Expenditure certified in accordance with paragraph 4 of this schedule 1 the Landlord may (at its absolute discretion) either:

5.1 raise any queries in respect of the Income and Expenditure (including but not limited to identifying discrepancies in the Tenant's accounts); or

5.2 raise an invoice in respect of Rent payable under this schedule 1.

6. If the Landlord raises any queries pursuant to paragraph 5.1 then the Tenant shall take all steps required to address the Landlord's queries (including but not limited to instructing their accountant to issue an amended statement of Income and Expenditure if necessary) within 14 days of receipt of the Landlord's queries. Following receipt of the Tenant's response the Landlord shall be entitled to issue further queries or an invoice in respect of the Rent payable by the Tenant under this schedule 1.

7. The Tenant shall pay to the Landlord the Rent payable under this Schedule within 7 days of demand.
8. If the Rent for any one year cannot be determined by the date set out in paragraph 5 above, then:
 - 8.1 the Tenant shall pay to the Landlord such sum as may be determined by the Landlord until the Rent can be determined being not less than the Rent payable in the immediately preceding year of the Term or the term of the Previous Lease³⁷; and
 - 8.2 any adjustments shall be made by the Tenant or the Landlord as appropriate once the Rent is determined such determination and adjustment shall be no later than six months after the anniversary date of the Contract in any one year.
9. In the event of a dispute in relation to the calculation of Rent which cannot be resolved between the parties or their respective financial advisers then the dispute resolution procedure set out in clauses 7.7 to clause 7.12 of this Lease shall apply.

³⁷ The reference to the Previous Lease shall be removed if there is no Previous Lease.

SCHEDULE 2

Guarantee and Indemnity

1. Guarantee and indemnity
 - 1.1 The Guarantor guarantees to the Landlord that the Tenant shall:
 - 1.1.1 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
 - 1.1.2 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:
 - 1.2.1 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
 - 1.2.2 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 1.1.1* and *paragraph 1.2.1* 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 LTCA 1995, if earlier.
 - 2.2 The liability of the Guarantor shall not be reduced, discharged or otherwise adversely affected by:
 - 2.2.1 any time or indulgence granted by the Landlord to the Tenant; or
 - 2.2.2 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
 - 2.2.3 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

- 2.2.4 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
 - 2.2.5 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
 - 2.2.6 [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]
 - 2.2.7 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
 - 2.2.8 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
 - 2.2.9 without prejudice to *paragraph 4*, the disclaimer of the Tenant's liability under this lease or the forfeiture of this lease; or
 - 2.2.10 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
 - 2.2.11 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:
 - 3.2.1 the variation is material or prejudicial to the Guarantor; or

- 3.2.2 the variation is made in any document; or
 - 3.2.3 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 LTCA 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:
 - 4.2.1 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;
 - 4.2.2 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;
 - 4.2.3 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 ; [and]
 - 4.2.4 be excluded from sections 24 to 28 of the LTA 1954; and
 - 4.2.5 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
 - 5.1 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 subject to review on the date on which the term of the new lease commences on the same terms as those that apply to a review of the Annual Rent under this lease, such review date to be included in the new lease.
 - 5.2 If *paragraph 5.1* applies, then the review for which it provides shall be in addition to any rent reviews that are required under *paragraph 4.2.3*.
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.

The Common Seal of THE LORD MAYOR AND)
CITIZENS OF THE CITY OF WESTMINSTER)
was hereto affixed by order)
)

.....

Authorised Signatory

EXECUTED as a DEED)
for and on behalf of)
TENANT)

.....
Director

.....
Director/Secretary

Independent Witness

Signature

Name

Address

.....

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Occupation

EXECUTED as a DEED)
for and on behalf of)
GUARANTOR)

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Director

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Director/Secretary

Independent Witness

Signature

Name

Address

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Occupation