

Bournemouth, Christchurch And Poole Council

and

[Operator]

And

[Guarantor]

LEASE

relating to

St Stephens Hall, St Stephens Way,
Bournemouth, Dorset

The draft lease may be subject to amendment
as necessary to reflect the successful tender,
the actual design and site specific
circumstances.

LAND REGISTRY REQUIRED WORDING FOR PRESCRIBED CLAUSES LEASE

LR1. Date of lease: 20[]

LR2. Title number(s): **LR2.1 Landlord's title number(s):**
[]

LR2.2 Other title number(s):

LR3. Parties to this lease:

Landlord: **Bournemouth Christchurch And Poole Council** of
BCP Council Civic Centre, Bourne Avenue,
Bournemouth BH2 6DY

Tenant: [COMPANY] NAME]

[REGISTERED OFFICE] ADDRESS]

[COMPANY REGISTERED NUMBER]

[Guarantor:] [COMPANY] NAME]

[REGISTERED OFFICE] ADDRESS]

[COMPANY REGISTERED NUMBER]

LR4. Property: Please see the definition of "Property" in clause 1.1
(referred to in the remainder of this lease as the "Property")

LR5. Prescribed statements etc: **LR5.1 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:

LR6. Term for which the Property is leased: Please see the definition of "Term" in clause 1.1

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(referred to in the remainder of this lease as the "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: None
	LR11.2	Easements granted or reserved by this lease over the Property for the benefit of other property The Easements set out in the Schedule to this Lease

**LR12. Estate rentcharge
burdening the
Property:**

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

The Parties to this lease apply to enter the following
standard form of restriction against the title of the
Property

[None]

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

[OMIT ALL INAPPLICABLE STATEMENTS]

[The Tenant is more than one person. They are to hold
the Property on trust for themselves as joint tenants.]

[The Tenant is more than one person. They are to hold
the Property on trust for themselves as tenants in
common in equal shares.]

[The Tenant is more than one person. They are to hold
the Property on trust [COMPLETE AS NECESSARY].]

This lease is dated [DATE]

PARTIES

- (1) **BOURNEMOUTH, CHRISTCHURCH AND POOLE COUNCIL** of BCP Council Civic Centre, Bourne Avenue, Bournemouth, BH2 6DY **(Landlord)**
- (2) [FULL COMPANY NAME] incorporated and registered in England and Wales with company number [NUMBER] whose registered office is at [REGISTERED OFFICE ADDRESS] OR [INDIVIDUAL NAME] of [INDIVIDUAL ADDRESS] **(Tenant)**
- (3) [[FULL COMPANY NAME] incorporated and registered in England and Wales with company number [NUMBER] whose registered office is at [REGISTERED OFFICE ADDRESS] OR [INDIVIDUAL NAME] of [INDIVIDUAL ADDRESS] **(Guarantor)]¹**

BACKGROUND

- (A) The Landlord is [the freehold owner of the Property.
- (B) The Landlord has agreed to grant a lease of the Property to the Tenant on the terms set out in this lease.
- (C) [The Guarantor has agreed to guarantee the Tenant's obligations under this lease.]

AGREED TERMS

1. Interpretation

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

1.1 Definitions:

Annual Rent: a peppercorn (if demanded).

Authorised Person: any:

- a) undertenant or person deriving title under the Tenant;

[Break Date: [[DATE(S)] **OR** A date which is at least [NUMBER] [weeks **OR** months] after service of the Break Notice].]

[Break Notice: written notice to terminate this lease specifying the [relevant] Break Date and served in accordance with clause 45.]²

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

¹ A guarantor may be requested at the Council's discretion. If a guarantor is not requested, then the references to guarantees will be deleted.

² Break clauses will be considered.

Contractual Term: a term of years from and including the date of this lease to and including [DATE]³.

Default Interest Rate: 4% per annum above the Interest Rate.

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 EPC Regulations.

Energy Performance Certificate: a certificate as defined in regulation 2(1) of the EPC Regulations.

EPC Regulations: Energy Performance of Buildings (England and Wales) Regulations 2012 (SI 2012/3118).

Excluded Insurance Items: any:

- a) glass forming part of the Property; and
- b) tenant's fixtures that are installed by or for the Tenant, any undertenant or occupier of the Property and that form part of the Property.

[Group Company: a company within the same group of companies as the Tenant within the meaning of section 42(1) of the LTA 1954.]

Insolvency Event: subject to clause 1.15, any one or more of the following:

- 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;
- 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;

³ 25 years from the grant of the lease

- 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);
- 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; [or]
- j) [the making of an application to court for, or obtaining, a moratorium under Part A1 of the Insolvency Act 1986 in relation to the Tenant or any guarantor[. **OR** ; or]]
- k) [the levying of any execution or other such process on or against, or taking control or possession of, the whole or any part of the Tenant's assets.]

Insurance Rent: the gross cost of any premiums that the Landlord expends and any fees and other expenses that the Landlord reasonably incurs in insuring the Property (excluding the Excluded Insurance Items) against the Insured Risks for the Reinstatement Cost in accordance with this lease;

Insured Risks: (except to the extent any of the following are Uninsured Risks) fire, explosion, lightning, earthquake, tempest, storm, flood, bursting and overflowing of water tanks, apparatus or pipes, damage to underground water, oil or gas pipes or electricity wires or cables, impact by aircraft and aerial devices and articles dropped from them, impact by vehicles, subsidence, ground slip, heave, riot, civil commotion, strikes, labour or political disturbances, malicious damage, 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 Barclays Bank PLC or, if that base rate stops being used or published, a comparable commercial rate specified by the Landlord (acting reasonably).

Landlord's Neighbouring Property: the freehold property known as [DESCRIPTION OR ADDRESS OF THE LANDLORD'S NEIGHBOURING PROPERTY] [registered at HM Land Registry with title number[s] [TITLE NUMBER[S] IF REGISTERED]] [shown edged [COLOUR] on the Property Plan].]

LPA 1925: Law of Property Act 1925.

LTA 1927: Landlord and Tenant Act 1927.

LTA 1954: Landlord and Tenant Act 1954.

LTCA 1995: Landlord and Tenant (Covenants) Act 1995.

[Permitted Part: that part of the Property shown [coloured **OR** edged **OR** hatched] [COLOUR] on the Property Plan.]⁴

Permitted Use: [use as a visitor centre for the provision of health, social care & wellbeing services to homeless persons.]⁵

Property: the property described in Schedule 1.

Property Damage: damage to or destruction of the Property (excluding the Excluded Insurance Items) that makes the Property wholly or partially unfit for occupation and use.

Property Plan: the plan annexed to this lease at 0 and marked "Property Plan".

Rates and Taxes: 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 (or a fair proportion of the total cost of those rates, taxes, impositions and outgoings if any are payable in respect of the Property together with any other property) but excluding any taxes:

- a) payable by the Landlord in connection with any dealing with or disposition of the reversion to this lease; [or]
- b) (except VAT) payable by the Landlord by reason of the receipt of any of the Rents due under this lease.

Recommendation Report: a report as defined in regulation 4 of the EPC Regulations.

Reinstatement Cost: the full cost of reinstatement of the Property (excluding the Excluded Insurance Items) taking into account inflation of building costs and including any costs of demolition, site clearance, site protection, shoring up, professionals' and statutory fees and incidental expenses and any other work to the Property that may be required by law and any VAT on all such costs, fees and expenses.

Rents: the rents set out in clause 2.2.

Rent Commencement Date: the date of this lease.

Rent Payment Dates: the anniversary of the Rent Commencement Date.

Reservations: the rights excepted and reserved in paragraph 1 of Schedule 3.

[Rights: the rights granted in **Error! Bookmark not defined.****Error! Reference source not found.** of Schedule 2.]

Schedule of Condition: the photographic schedule annexed to this lease at **Error! Reference source not found.** and marked "Schedule of Condition".⁶

⁴ There is a residential property in the building that may be let, depending on the design of the works under the agreement for lease.

⁵ Will be aligned to the description used in the planning permission for change of use – this will be agreed with the council prior to the submission of the planning application.

Service Media: all media for the supply or removal of Utilities and all structures, machinery and equipment ancillary to those media.

Signs: signs, fascia, awnings, placards, boards, posters and advertisements.

Tenant Damage: damage or destruction caused by an act or omission of the Tenant or any Authorised Person.

[Tenant's Plant: any [air-conditioning plant][, **OR** and] [wireless network equipment][, **OR** and] [television aerials] [, **OR** and] [satellite dishes] [[and other] plant and equipment] reasonably required by the Tenant in connection with the Tenant's use of the Property for the Permitted Use [but not exceeding [NUMBER] metres in height] and installed or to be installed (as the case may be) on the roof of the Property.]⁷

[Tenant's Plant Works: external non-structural works to install, repair and maintain the Tenant's Plant.]

Term: the Contractual Term.

Termination Date: the date on which the Term ends (however it ends).

Third Party Rights: the matters set out in **Schedule 4**.

Transaction: is:

- a) any dealing with this lease or the devolution or transmission of or parting with possession of any interest in it;
- b) the creation of any underlease or other interest out of this lease or out of any interest or 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.

Uninsured Risks: any of the risks specified in the definition of Insured Risks where such risks are not insured against at the date of the relevant damage or destruction because:

- a) of an exclusion imposed by the insurers; or
- b) insurance for such risks was not available in the London insurance market on reasonable terms acceptable to the Landlord at the time the insurance policy was entered into;

and **Uninsured Risk** means any one of the Uninsured Risks.

Utilities: electricity, gas, water, sewage, air-conditioning, heating, energy, telecommunications, data and all other services and utilities.

⁶ This will be prepared upon practical completion of the works under the agreement for lease

⁷ Will be included if required as a result of the successful tenderer's design.

Utility Costs: all costs in connection with the supply or removal of Utilities to or from the Property (or a fair proportion of the total cost if any of those costs are payable in respect of the Property together with any other property).

VAT: value added tax [or any equivalent tax] chargeable in the UK.

[Written Replies: [subject to clause 1.21,] are any:

a) written replies that [DETAILS OF ORIGINAL LANDLORD'S LEGAL ADVISERS] has given before the date of [this lease **OR** [DETAILS OF AGREEMENT FOR LEASE]] to any written enquiries raised by [DETAILS OF ORIGINAL TENANT'S LEGAL ADVISERS]; or

b) written replies to written enquiries given before the date of [this lease **OR** [DETAILS OF AGREEMENT FOR LEASE]] by [DETAILS OF ORIGINAL LANDLORD'S LEGAL ADVISERS] to [DETAILS OF ORIGINAL TENANT'S LEGAL ADVISERS].]

- 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 or collateral 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, Schedules and Annexes are to the clauses, Schedules and Annexes 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:
- (a) the **Landlord** includes a reference to the person entitled to the immediate reversion to this lease;
 - (b) the **Tenant** includes a reference to its successors in title and assigns; [and]
 - (c) a **guarantor** [is a reference to any guarantor **OR** includes a reference to the Guarantor and to any other guarantor] of the tenant covenants of this lease including a guarantor who has entered into an authorised guarantee agreement.
- 1.7 Subject to **Error! Bookmark not defined.Error! Reference source not found.**, in **OR** 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.

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- 1.8 A **person** includes a natural person, corporate or unincorporated body (whether or not having separate legal personality).
- 1.9 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.
- 1.10 The expressions **authorised guarantee agreement, landlord covenant** and **tenant covenant** each has the meaning given to it by the LTCA 1995.
- 1.11 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.
- 1.12 References to:
- (a) the consent of the Landlord are to the consent of the Landlord given in accordance with clause 48.1;
 - (b) the approval of the Landlord are to the approval of the Landlord given in accordance with clause 48.3.
- 1.13 Unless the context otherwise requires, references to the **Property** [and the **Landlord's Neighbouring Property**] are to the whole and any part of [it **OR** them].
- 1.14 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.
- 1.15 For the purposes of the definition of **Insolvency Event**:
- (a) where any of the paragraphs in that definition apply in relation to:
 - (i) a partnership or limited partnership (as defined in the Partnership Act 1890 and the Limited Partnerships Act 1907 respectively), that paragraph shall apply subject to the modifications referred to in the Insolvent Partnerships Order 1994 (SI 1994/2421) (as amended); and
 - (ii) a limited liability partnership (as defined in the Limited Liability Partnerships Act 2000), that paragraph shall apply subject to the modifications referred to in the Limited Liability Partnerships Regulations 2001 (SI 2001/1090) (as amended); and
 - (b) **Insolvency Event** 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.
- 1.16 Except in relation to clause 1.21, a reference **OR** A reference] to **writing** or **written** excludes fax and email.

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- 1.17 Unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular.
- 1.18 A **working day** is any day which is not a Saturday, a Sunday, a bank holiday or a public holiday in [England **OR** Wales].
- 1.19 Unless expressly provided otherwise in this lease, a reference to legislation or a legislative provision is a reference to it as amended, extended or re-enacted from time to time.
- 1.20 Unless expressly provided otherwise in this lease, a reference to legislation or a legislative provision shall include all subordinate legislation made from time to time under that legislation or legislative provision.
- 1.21 [For the purposes of the definition of **Written Replies, written replies** and **written enquiries** include:
- (a) any pre-contract enquiries and any replies to pre-contract enquiries that are requested or given by reference to the [STANDARD FORM OF ENQUIRIES USED, INCLUDING EDITION] [and include enquiries or replies so requested or given by email]; and
 - (b) the following pre-contract enquiries and replies that were sent or received by email: [EMAILS].]
- 1.22 If any provision or part-provision of this lease is or becomes invalid, illegal or unenforceable, it shall be deemed deleted, but that shall not affect the validity and enforceability of the rest of this lease.

2. Grant

- 2.1 The Landlord lets the Property to the Tenant:
- (a) for the Contractual Term;
 - (b) with limited title guarantee;
 - (c) [together with the Rights;]
 - (d) excepting and reserving the Reservations; and
 - (e) subject to the Third Party Rights.
- 2.2 The grant in clause **2.1** is made with the Tenant paying as rent to the Landlord:
- (a) the Annual Rent;
 - (b) the Insurance Rent;
 - (c) all interest payable under this lease; and
 - (d) all VAT chargeable on the other rents set out in this clause **2.2**.

3. Tenant covenants

The Tenant covenants with the Landlord to observe and perform the tenant covenants of this lease during the Term or (if earlier) until the Tenant is released from the tenant covenants of this lease by virtue of the LTCA 1995.

4. Payment of Annual Rent

The Tenant must pay the Annual Rent in advance on or before the Rent Payment Dates with the first payment due on the rent Commencement Date.

5. Payment method

The Tenant must pay the Annual Rent and all other sums payable under this lease by:

- (a) electronic means from an account held in the name of the Tenant to the account notified from time to time to the Tenant by the Landlord; or
- (b) any other method that the Landlord reasonably requires from time to time and notifies to the Tenant.

6. No set-off

The Tenant must pay the Annual Rent and all other sums payable under this lease in full without any set-off, counterclaim, deduction or withholding (other than any deduction or withholding of tax as required by law).

7. Interest

- 7.1 If any of the Annual Rent or any other sum payable by the Tenant under this lease has not been paid by its due date (whether it has been formally demanded or not), the Tenant must pay to the Landlord interest on that amount at the Default Interest Rate (both before and after any judgment). Such interest shall accrue on that amount on a daily basis for the period beginning on and including its due date to and including the date of payment.
- 7.2 If the Landlord does not demand or accept any of the Annual Rent or any other sum due from, or tendered by, the Tenant under this lease because the Landlord reasonably believes that the Tenant is in breach of any of the tenant covenants of this lease, then, when that amount is accepted by the Landlord, the Tenant must pay to the Landlord interest on that amount at the Interest Rate. Such interest shall accrue on that amount on a daily basis for the period beginning on and including its due date to and including the date it is accepted by the Landlord.

8. Rates and Taxes

- 8.1 The Tenant must pay all Rates and Taxes.

8.2 The Tenant must 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.

8.3 [If, after the Termination Date, the Landlord loses rating relief (or any similar relief or exemption) because it has been allowed to the Tenant, the Tenant must pay the Landlord an amount equal to the relief or exemption that the Landlord has lost.]

9. Utilities

9.1 The Tenant must pay all Utility Costs.

9.2 The Tenant must comply with all laws and with any recommendations of the relevant suppliers relating to the supply and removal of Utilities to or from the Property.

10. Costs

The Tenant must pay on demand and on a full indemnity basis the costs and expenses of the Landlord including any solicitors' or other professionals' costs and expenses (whether incurred before or after the Termination Date) 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 or taking any proceedings in connection with this lease under section 146 or 147 of the LPA 1925 (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 LTCA 1995;
- (d) the preparation and service of a schedule of dilapidations in connection with this lease [provided that that schedule is served on or before the date which is [six] months from and including the Termination Date]; or
- (e) any consent or approval applied for under this lease, whether or not it is granted (unless the consent or approval is unreasonably withheld by the Landlord).

11. Prohibition of dealings⁸

Except as expressly permitted by clause 12 [, **OR** and] [clause 13] [, **OR** and] [clause 14] [and] [clause 15], the Tenant must not:

- (a) assign, underlet, charge, part with or share possession or occupation of the whole or part of either this lease or the Property; [or]

⁸ These will be considered depending upon the funding requirements of the successful tenderer.

- (b) 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).

12. [Assignments]

- 12.1 The Tenant may assign the whole of this lease with the consent of the Landlord (such consent not to be unreasonably withheld [where the proposed tenant is ⁹]).
- 12.2 The Landlord and the Tenant agree that, for the purposes of section 19(1A) of the LTA 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 in favour of the Landlord 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 LTCA 1995;
 - (iii) imposes principal debtor liability on the assignor;
 - (iv) requires (in the event of a disclaimer 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 any guarantor of the assignor (other than a guarantor under an authorised guarantee agreement) enters into a guarantee in favour of the Landlord in a form reasonably required by the Landlord guaranteeing that the assignor will comply with the terms of the authorised guarantee agreement; [or]
 - (c) a condition that a person of standing acceptable to the Landlord (acting reasonably) enters into a guarantee and indemnity of the tenant covenants of this lease in the form set out in **Schedule 6** (but with such amendments and additions as the Landlord may reasonably require)[. **OR** ; or]
 - (d) [a condition that the assignee enters into a rent deposit deed with the Landlord in a form reasonably required by the Landlord and for an initial deposit of [six] months' Annual Rent (as at the date of assignment) plus a sum equivalent to VAT on that Annual Rent.]

⁹ The ability to assign the lease will be considered where it is a funding requirement of the successful tenderer.

12.3 The Landlord and the Tenant agree that, for the purposes of section 19(1A) of the LTA 1927, the Landlord may refuse its consent to an assignment if any of the following circumstances exist:

- (a) the Annual Rent or any other sum due under this lease [(where that other sum is not the subject of a genuine dispute with the Landlord)] is outstanding;
- (b) there is a material breach of covenant by the Tenant that has not been remedied; or
- (c) 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 this lease.

12.4 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.]

13. [Underletting

13.1 The Tenant may underlet the Permitted Part¹⁰ in accordance with this clause 13 and with the consent of the Landlord (such consent not to be unreasonably withheld).

13.2 The Tenant must not underlet the Permitted Part:

- (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;
- (c) allowing any rent-free period to the undertenant that exceeds the period that is then usual in the open market for such a letting;
- (d) unless the underlease []¹¹

13.3 Any underletting by the Tenant must include:

- (a) the reservation of a rent which is not less than the open market rental value of the Property [(or, if the underletting is of the Permitted Part only, the open market rental value of the Permitted Part)] at the date on which the Landlord grants consent to the underletting and which is payable at the same times as

¹⁰ This will be considered for the residential accommodation where the successful tender utilises this as part of the business model. The draft lease will be varied to reflect the nature of the underlease – either as a commercial letting or under an AST.

¹¹ The conditions will depend on whether this is to be a commercial or residential use. IN the case of residential use the underletting can ONLY be as an assured shorthold tenancy. For commercial lettings they must be contracted out of the LTA 1954.

the Annual Rent under this lease (but this shall not prevent an underlease providing for a rent-free period of a length permitted by clause 13.2(c));

- (b) [[provisions for the review of rent at the same dates and on the same basis as the review of the Annual Rent in this lease [unless the term of the underlease is five years or less] **OR** provisions for the review of rent every [five years] from the date of the commencement of the underlease term];]
- (c) a covenant by the undertenant not to:
 - (i) [(except on the same terms as this lease (but made applicable to the undertenant and the underlease))] assign or charge the whole or any part of the underlease;
 - (ii) [(except on the same terms as this lease (but made applicable to the undertenant and the underlease))] part with, share possession or share occupation of the whole or any part of the underlet property;
 - (iii) underlet the whole or part only of the underlet property;
 - (iv) [assign, part with or share any of the benefits or burdens of the underlease, or any interest derived from it, whether by a virtual assignment or other similar arrangement;]
 - (v) hold the underlease on trust for any person (except pending registration of a dealing permitted by the underlease at HM Land Registry or by reason only of joint legal ownership); and
 - (vi) (if the underlease permits the undertenant to assign the underlease) assign the underlease without first procuring a direct covenant in favour of the Landlord to observe and perform the covenants in the underlease and any document that is collateral or supplemental to it;
- (d) a covenant to comply with the terms of this lease [(but, in relation to an underlease of part only, insofar as they relate to the Permitted Part and rights granted to the undertenant)] except the covenant to pay the Annual Rent; [and]
- (e) [provisions that allow the Tenant (as the landlord of the underlease) to terminate the underlease no later than [the [first] Break Date **OR** the earliest date on which this lease may be terminated pursuant to clause 45]; [and]]
- (f) provisions requiring the consent or approval of the Landlord to be obtained in respect of any matter for which the consent or approval of the Landlord is required under this lease.
- (g) [in the case of an underletting of the Permitted Part, appropriate tenant covenants requiring the undertenant to pay an appropriate proportion of:
 - (i) the amounts payable by way of Insurance Rent under this lease; and
 - (ii) the costs of repair, maintenance, decoration, renewal, lighting and cleaning of, and any other service, amenity or facility provided to, any land, buildings, service media, structures and other items that do not

form part of the underlet property but that are used or capable of being used by the underlet property in common with other parts of the Property.]

13.4 Any underletting by the Tenant must otherwise be:

- (a) by deed;
- (b) consistent with and include tenant covenants no less onerous than those in this lease [(but, in the case of an underlease of the Permitted Part, only insofar as they relate to the Permitted Part)] excluding the covenant in this lease to pay the Annual Rent; and
- (c) in a form approved by the Landlord (such approval not to be unreasonably withheld).¹²

13.5 In relation to any underlease granted by the Tenant, the Tenant must:

- (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).

14. [Sharing Occupation]

14.1 The Tenant may share occupation of the Property with a Group Company for as long as that company remains a Group Company and provided that no relationship of landlord and tenant is established by that arrangement.

14.2 [The Tenant is not permitted to share occupation under clause 14.1 if the Permitted Part has been underlet.]

15. [Charging]

The Tenant may charge the whole of this lease with the consent of the Landlord (such consent not to be unreasonably withheld).]¹³

16. Notification and registration of dealings

16.1 Within one month of any Transaction, the Tenant must:

¹² A draft form of letting may be annexed to this lease.

¹³ This may be permitted where the successful tenderer 's funding model requires it.

- (a) give the Landlord notice of the Transaction;
 - (b) deliver a certified copy of any document effecting or evidencing the Transaction to the Landlord (including a certified copy of any notice served under, or any declaration or statutory declaration made in accordance with, section 38A of the LTA 1954 as part of such Transaction); and
 - (c) pay the Landlord a registration fee of £50 (plus VAT)].
- 16.2 In respect of every Transaction that is registrable at HM Land Registry, the Tenant must:
 - (a) promptly following completion of the Transaction apply to register it (or procure that the relevant person applies to register it);
 - (b) (or must procure that) any requisitions raised by HM Land Registry in connection with an application to register a Transaction are responded to promptly and properly; and
 - (c) within one month of completion of the registration, send the Landlord official copies of its title (and where applicable of the undertenant's title).
- 16.3 If requested by the Landlord, the Tenant must promptly supply the Landlord with full details of the occupiers of the Property and the terms on which they occupy it.

17. Repair

- 17.1 The Tenant must:
 - (a) subject to clause 17.2 and] clause 17.3, keep the Property in good and substantial repair and condition;
 - (b) [ensure that any Service Media forming part of the Property [and any Tenant's Plant] is kept in good working order;]
 - (c) keep the Property clean, tidy and clear of rubbish; and
 - (d) replace as soon as possible with glass of similar appearance and of similar or better quality any glass forming part of the Property that becomes cracked or broken.
- 17.2 The Tenant's obligations under clause 17.1(a) shall not require the Tenant to put the Property into any better state of repair or condition than it was in at the date of this lease as evidenced by the Schedule of Condition.¹⁴
- 17.3 The Tenant shall not be liable to repair the Property (excluding any Excluded Insurance Items) to the extent that any disrepair has been caused by:
 - (a) an Insured Risk unless and to the extent that:

¹⁴ A schedule of condition will be prepared at the point of practical completion of the works to be carried out under the Agreement for lease

- (i) 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 or any Authorised Person (except where the Tenant has paid an amount equal to any insurance money that the insurers refuse to pay in accordance with paragraph 3.2(f) of Schedule 5); or
- (ii) the insurance cover in relation to that disrepair is limited as referred to in paragraph 1.3 of Schedule 5[. **OR** ; or]

18. Decoration

The Tenant must:

- (a) decorate the exterior and interior of the Property as often as is reasonably necessary and also in the last three months before the Termination Date;
- (b) carry out all decoration (including all appropriate preparatory work) in a good and proper manner using good quality materials that are appropriate to the Property and the Permitted Use; and
- (c) carry out:
 - (i) any decoration of the exterior of the Property required at any time during the Term (including in the last three months before the Termination Date); and
 - (ii) the decoration of the interior of the Property required in the last three months before the Termination Date;

to the reasonable satisfaction of the Landlord and using materials, designs and colours approved by the Landlord (acting reasonably).

19. Alterations

19.1 Except as permitted by this clause 19, the Tenant must not make any:

- (a) alteration or addition to the Property; or
- (b) opening in any boundary of the Property.

19.2 Any alterations permitted by this clause are subject to clause 19.6.

19.3 The Tenant may make internal non-structural alterations to the Property with the consent of the Landlord (such consent not to be unreasonably withheld or delayed).

19.4 The Tenant may carry out Tenant's Plant Works with the consent of the Landlord (such consent not to be unreasonably withheld or delayed).

19.5 The Tenant may install any Service Media at the Property or alter the route of any Service Media at the Property with the consent of the Landlord (such consent not to be unreasonably withheld or delayed).

- 19.6 The Tenant must 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 for the Property.

20. Signs

- 20.1 The Tenant must not:

- (a) display any Signs inside the Property that are visible from the outside; or
- (b) attach any Signs to the exterior of the Property;

except, with the consent of the Landlord (such consent not to be unreasonably withheld or delayed), Signs of a design, size and number and in positions that are appropriate to the nature and location of the Property and to the Permitted Use.

- 20.2 The Tenant must allow the Landlord to fix to and keep at the Property:

- (a) during the six month period before the Termination Date, any re-letting board as the Landlord reasonably requires except where there is a genuine prospect of the Tenant renewing this lease and the Tenant is genuinely and actively pursuing that renewal; and
- (b) at any time during the Term, any sale board as the Landlord reasonably requires.

21. Returning the Property to the Landlord

- 21.1 The Tenant must return the Property to the Landlord on the Termination Date with vacant possession and in the repair and condition required by this lease.

- 21.2 Subject to clause 21.3, the Tenant must by the Termination Date:

- (a) remove:
 - (i) any tenant's fixtures from the Property;
 - (ii) any alterations to the Property undertaken by or for any tenant, undertenant or occupier during or in anticipation of this lease [and any Previous Lease Alterations]; and
 - (iii) any Signs erected by the Tenant at the Property; and
- (b) make good any damage caused to the Property by the removal of those items and alterations.

- 21.3 If the Landlord gives notice to the Tenant no later than two months before the Termination Date specifying which of the tenant's fixtures, alterations and other matters set out in clause 21.2(a)(i) and clause 21.2(a)(ii) shall not be removed pursuant to clause 21.2, the Tenant must not remove the specified tenant's fixtures, alterations or other matters pursuant to that clause.

21.4 On or before the Termination Date, the Tenant must remove from the Property all chattels belonging to or used by it.

21.5 The Tenant:

- (a) irrevocably appoints the Landlord to be the Tenant's agent to store or dispose of any chattels or items fixed to the Property by the Tenant and left by the Tenant for more than ten working days after the Termination Date; and
- (b) must indemnify the Landlord in respect of any claim made by a third party in relation to that storage or disposal.

The Landlord shall not be liable to the Tenant by reason of that storage or disposal.

22. Use

22.1 The Tenant must not use the Property for any purpose other than the Permitted Use.

22.2 The Tenant must not:

- (a) use the Property for any illegal purposes nor for any purpose or in a manner that would cause loss, damage, injury, nuisance or inconvenience to the Landlord, or any property that neighbours the Property;
- (b) use the Property as a betting shop or an amusement arcade or otherwise for the purposes of gaming or gambling;
- (c) hold any auction at the Property;
- (d) allow any noise, music, flashing lights, fumes or smells to emanate from the Property so as to cause a nuisance or annoyance to any property that neighbours the Property;
- (e) overload any part of the Property nor overload or block any Service Media at or serving the Property;
- (f) store, sell or display any offensive, dangerous, illegal, explosive or highly flammable items at the Property;
- (g) (except as permitted by clause 19.5) interfere with any Service Media at the Property;
- (h) keep any pets or any other animal, bird, fish, reptile or insect at the Property (except guide dogs or other animals used as aids provided they are not kept at the Property overnight or left unattended); or
- (i) allow any person to sleep at or reside on the Property.¹⁵

¹⁵ Will be amended to reflect the use of the residential flat if required.

23. [Exercise of the Rights]

The Tenant must exercise the Rights:

- (a) only in connection with the Tenant's use of the Property for the Permitted Use; and
- (b) in compliance with all laws relating to the Tenant's use of the Property[, the Landlord's Neighbouring Property] and any other neighbouring or adjoining property pursuant to the Rights.]

24. Allow entry

24.1 Subject to clause 24.2, the Tenant must allow all those entitled to exercise any right to enter the Property to enter the Property:

- (a) except in the case of an emergency (when no notice shall be required), after having given reasonable notice (which need not be in writing) to the Tenant;
- (b) at any reasonable time (whether or not during usual business hours); and
- (c) with their workers, contractors, agents and professional advisers.

24.2 The Tenant must allow any person authorised by the terms of a Third Party Right to enter the Property in accordance with that Third Party Right.

25. Keyholders and emergency contact details

The Tenant must provide to the Landlord in writing the names, addresses[, email addresses] and telephone numbers of at least two people who each:

- (a) hold a full set of keys for the Property;
- (b) hold all the access codes for the Tenant's security systems (if any) at the Property; and
- (c) may be contacted in case of emergency at any time outside the Tenant's usual business hours.

26. Compliance with laws

26.1 The Tenant must 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 [, the Tenant's Plant] and any other machinery and equipment at or serving the Property whether or not used or operated;
- (c) any works carried out at the Property; and
- (d) all materials kept at or disposed of from the Property.

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- 26.2 Within five working days of receipt of any notice or other communication affecting the Property (and whether or not served pursuant to any law) the Tenant must:
- (a) send a copy of the relevant document to the Landlord; and
 - (b) 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.
- 26.3 The Tenant must not:
- (a) apply for any planning permission for the Property without the Landlord's consent (such consent not to be unreasonably withheld where the application relates to works or a change of use permitted under this lease); or
 - (b) implement any planning permission for the Property without the Landlord's consent (such consent not to be unreasonably withheld).
- 26.4 Unless the Landlord otherwise notifies the Tenant, before the Termination Date the Tenant must carry out and complete any works stipulated to be carried out to the Property (whether before or after the Termination Date) as a condition of any planning permission for the Property that is implemented before the Termination Date by the Tenant, any undertenant or any other occupier of the Property.
- 26.5 The Tenant must:
- (a) comply with its obligations under the CDM Regulations;
 - (b) maintain the health and safety file for the Property in accordance with the CDM Regulations;
 - (c) give that health and safety file to the Landlord at the Termination Date;
 - (d) procure, and give to the Landlord at the Termination Date, irrevocable, non-exclusive, non-terminable, royalty-free licence(s) for the Landlord to copy and make full use of that health and safety file for any purpose relating to the Property. Those licence(s) must carry the right to grant sub-licences and be transferable to third parties without the consent of the grantor; and
 - (e) 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.
- 26.6 As soon as the Tenant becomes aware of any defect in the Property, the Tenant must give the Landlord notice of it.
- 26.7 The Tenant must 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.
- 26.8 The Tenant must keep:

- (a) 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 recommended by them] or reasonably required by the Landlord; and
- (b) that machinery, equipment and alarms properly maintained and available for inspection.

27. Energy Performance Certificates

27.1 The Tenant must:

- (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 Recommendation Report; 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 Recommendation Report for the Property.

27.2 The Tenant must not commission an Energy Performance Certificate for the Property unless required to do so by the EPC Regulations.

27.3 Where the Tenant is required by the EPC Regulations to commission an Energy Performance Certificate for the Property, the Tenant must at the request of the Landlord either:

- (a) commission an Energy Performance Certificate from an Energy Assessor approved by the Landlord; or
- (b) pay the costs of the Landlord of commissioning an Energy Performance Certificate for the Property.

27.4 The Tenant must deliver to the Landlord a copy of any Energy Performance Certificate and Recommendation Report for the Property that is obtained or commissioned by the Tenant or any other occupier of the Property.

28. Third Party Rights

The Tenant must:

- (a) comply with the obligations on the Landlord relating to the Third Party Rights to the extent that those obligations relate to the Property; and
- (b) not do anything that may interfere with any Third Party Right.

29. Registration of this lease

29.1 The Tenant must:

- (a) apply to register this lease at HM Land Registry promptly and in any event within one month following the grant of this lease;
- (b) ensure that any requisitions raised by HM Land Registry in connection with its application to register this lease at HM Land Registry are responded to promptly and properly; and
- (c) send the Landlord official copies of its title within one month of completion of the registration.

29.2 The Tenant must not:

- (a) apply to HM Land Registry to designate this lease as an exempt information document for the purposes of the Land Registration Rules 2003;
- (b) object to an application by the Landlord to HM Land Registry to designate this lease as such an exempt information document; or
- (c) apply for an official copy of any exempt information document version of this lease.

30. Closure of registered title OR Removal of entries in relation to this lease and the easements granted or reserved by this lease

30.1 The Tenant must make an application to HM Land Registry to close the registered title of this lease promptly (and in any event within one month) following the Termination Date.

30.2 The Tenant must:

- (a) ensure that any requisitions raised by HM Land Registry in connection with its application to HM Land Registry pursuant to clause 30.1 are responded to promptly and properly; and
- (b) keep the Landlord informed of the progress and completion of that application.

31. Encroachments and preservation of rights

31.1 The Tenant must not permit any encroachment over the Property or permit any easements or other rights to be acquired over the Property.

31.2 If any encroachment over the Property is made or attempted or any action is taken by which an easement or other right may be acquired over the Property, the Tenant must:

- (a) immediately inform the Landlord and give the Landlord notice of that encroachment or action; and

- (b) at the request and cost of the Landlord, adopt such measures as may be reasonably required or deemed proper for preventing any such encroachment or the acquisition of any such easement or other right.
- 31.3 The Tenant must preserve all rights of light and other easements enjoyed by the Property.
- 31.4 The Tenant must not prejudice the acquisition of any right of light or other easement for the benefit of the Property by obstructing any window or opening or giving any acknowledgement that the right is enjoyed with the consent of any third party or by any other act or default of the Tenant.
- 31.5 If any person takes or threatens to take any action to obstruct or interfere with any easement or other right enjoyed by the Property or any such easement in the course of acquisition, the Tenant must:
 - (a) immediately inform the Landlord and give the Landlord notice of that action; and
 - (b) at the request and cost of the Landlord, adopt such measures as may be reasonably required or deemed proper for preventing or securing the removal of the obstruction or the interference.

32. [Replacement guarantor¹⁶

- 32.1 Subject to clause 32.2, if:
- (a) an Insolvency Event occurs in relation to a guarantor; or
 - (b) any guarantor (being an individual) dies or becomes incapable of managing their affairs;

the Tenant must, if the Landlord so requests, procure that a person of standing acceptable to the Landlord (acting reasonably), within [NUMBER] working 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 that guarantor.

- 32.2 clause 32.1 shall not apply in the case of a person who is a guarantor by reason of having entered into an authorised guarantee agreement.]

33. Procure guarantor consent

For so long as any guarantor remains liable to the Landlord, the Tenant must, if the Landlord so requests, procure that that guarantor does all or any of the following:

- (a) joins in any consent or approval required under this lease; and

¹⁶ If a guarantor is required by the council.

- (b) consents to any variation of the tenant covenants of this lease.

34. Indemnity

The Tenant must 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 Property and loss of amenity of the Property) suffered or incurred by the Landlord arising out of or in connection with:

- (a) any breach of any tenant covenants in this lease;
- (b) any use or occupation of the Property or the carrying out of any works permitted or required to be carried out under this lease; or
- (c) any act or omission of the Tenant or any Authorised Person.

35. Landlord covenants

The Landlord covenants with the Tenant to observe and perform the landlord covenants of this lease during the Term.

36. Quiet enjoyment

The Landlord covenants with the Tenant that 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.

37. Exercise of right of entry

In exercising any right of entry on to the Property pursuant to paragraph 1.2 of Schedule 3, the Landlord must:

- (a) except in case of emergency, give reasonable notice of its intention to exercise that right to the Tenant;
- (b) where reasonably required by the Tenant, exercise that right only if accompanied by a representative of the Tenant;
- (c) cause as little damage as possible to the Property and to any property belonging to or used by the Tenant;
- (d) cause as little inconvenience as reasonably possible to the Tenant; and
- (e) promptly make good any physical damage caused to the Property by reason of the Landlord exercising that right.

38. [Guarantor covenants

The Guarantor covenants with the Landlord on the terms set out in Schedule 6.]

39. Re-entry and forfeiture

39.1 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) the whole or any part of the Rents 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; or
- (c) an Insolvency Event.

39.2 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.

40. Section 62 of the LPA 1925[, OR and] implied rights [and existing appurtenant rights]

40.1 The grant of this lease does not create by implication any easements or other rights for the benefit of the Property or the Tenant and the operation of section 62 of the LPA 1925 is excluded.

40.2 The Property is let without the benefit of any existing easements or other rights which are appurtenant to [[TITLE NUMBER(S)] except those set out in **Error! Bookmark not defined.** of **Error! Reference source not found.** of **Schedule 2**.

41. Exclusion of sections 24 to 28 of the LTA 1954

41.1 The parties:

- (a) confirm that:
 - (i) 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, [not less than 14 days] before [this lease **OR [DETAILS OF AGREEMENT FOR LEASE]**] was entered into;
 - (ii) [the Tenant **OR [DECLARANT'S NAME]** 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]
 - (iii) [there is no agreement for lease to which this lease gives effect; and]
- (b) agree that the provisions of sections 24 to 28 of the LTA 1954 are excluded in relation to the tenancy created by this lease.]

41.2 [The parties confirm that:

- (a) 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 4.1 of Schedule 6, [not less than 14 days] before [this lease OR [DETAILS OF AGREEMENT FOR LEASE]] was entered into; and
- (b) [the Guarantor OR [DECLARANT'S NAME], 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.]]

42. 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).

43. No restriction on Landlord's use

Nothing in this lease shall impose or be deemed to impose any restriction on the use by the Landlord of [the Landlord's Neighbouring Property or] any [other] neighbouring or adjoining property.

44. Limitation of liability

The Landlord shall not be liable to the Tenant for any failure of the Landlord to perform any landlord covenant in this lease unless the Landlord knows it has failed to perform the covenant (or reasonably should know this) and has not remedied that failure within a reasonable time.

45. Mutual option to break

Either the Landlord or the Tenant]may terminate this lease by serving a Break Notice on the other party at any time on or after [fifth anniversary of the lease.]

45.1 A Break Notice served by the Tenant shall be of no effect if at the Break Date stated in the Break Notice:

- (a) the Tenant has not paid by way of cleared funds any part of the Annual Rent [and Insurance Rent] (plus any VAT) which was due to have been paid; [or]]
- (b) the Tenant has not vacated the Property and returned the Property to the Landlord free from any occupier or third party right to occupation or possession.

45.2 Subject to clause 45.1, following service of a Break Notice this lease shall terminate on the Break Date.

45.3 Termination of this lease on [the OR a] Break Date shall not affect any other right or remedy that either party may have in relation to any earlier breach of this lease.

46. Breach of repair and maintenance obligation

- 46.1 The Landlord may enter the Property to inspect its condition and state of repair and 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.
- 46.2 Following the service of a notice pursuant to clause 46.1, the Landlord may enter the Property and carry out the required works if the Tenant:
- (a) has not begun any works required to remedy any breach specified in that notice within two months of the notice or, if works are required as a matter of emergency, immediately; or
 - (b) is not carrying out the required works with all due speed.
- 46.3 The costs incurred by the Landlord in carrying out any works pursuant to clause 46.2 (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.
- 46.4 Any action taken by the Landlord pursuant to this clause 46 shall be without prejudice to the Landlord's other rights (including those under clause 39).

47. Notices

- 47.1 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 in writing and given:
- (a) by hand:
 - (i) if the party is a company incorporated in the United Kingdom, at that party's registered office address;
 - (ii) if the party is a company not incorporated in the United Kingdom, at that party's principal place of business in the United Kingdom; or
 - (iii) in any other case, at that party's last known place of abode or business in the United Kingdom; or
 - (b) by pre-paid first-class post or other next working day delivery service:
 - (i) if the party is a company incorporated in the United Kingdom, at that party's registered office address;
 - (ii) if the party is a company not incorporated in the United Kingdom, at that party's principal place of business in the United Kingdom; or
 - (iii) in any other case, at that party's last known place of abode or business in the United Kingdom.
- 47.2 If a notice complies with the criteria in clause 47.1, whether or not this lease requires that notice to be in writing, it shall be deemed to have been received if:
- (a) delivered by hand, at the time the notice is left at the proper address; [or]

- (b) sent by pre-paid first-class post or other next working day delivery service, on the second working day after posting.
- 47.3 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.
- 48. Consents and approvals**
- 48.1 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 the Landlord or a person duly authorised on its behalf; and
 - (b) it expressly states that the Landlord waives the requirement for a deed in that particular case.
- 48.2 If a waiver is given pursuant to clause 48.1, it shall not affect the requirement for a deed for any other consent.
- 48.3 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.
- 48.4 If the Landlord gives a consent or approval under this lease, the giving of that consent or approval shall not:
 - (a) imply that any consent or approval required from a third party has been obtained; or
 - (b) obviate the need to obtain any consent or approval from a third party.
- 49. VAT**
- 49.1 All sums payable by either party under or in connection with this lease are exclusive of any VAT that may be chargeable.
- 49.2 A party to this lease must pay VAT in respect of all taxable supplies made to that party 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.
- 49.3 Every obligation on either party, under or in connection with this lease, to pay any sum by way of a refund or indemnity, includes an obligation to pay an amount equal to any VAT incurred on that sum by the receiving party (except to the extent that the receiving party obtains credit for such VAT).

- 49.4 [The Tenant warrants that it does not intend or expect that the Property will become exempt land (within paragraph 12 of Schedule 10 to the Value Added Tax Act 1994) and that the purposes for which the Property are or are to be used will not affect the application or effect of any option to tax made by the Landlord in respect of the Property.]

50. Joint and several liability

Where a party comprises more than one person, those persons shall be jointly and severally liable for the obligations and liabilities of that party arising under this lease. The party to whom those obligations and liabilities are owed 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.

51. Entire agreement

- 51.1 This lease and the documents annexed to it constitute the whole agreement between the parties and supersedes all previous discussions, correspondence, negotiations, arrangements, understandings and agreements between them relating to their subject matter.

- 51.2 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.

52. Contracts (Rights of Third Parties) Act 1999

This lease does not give rise to any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this lease.

53. Governing Law

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

54. Jurisdiction

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

55. Landlord as local authority

Nothing in this Lease shall prejudice or affect any statutory right power obligation or duty for the time being vested in the Landlord as local authority for the area in which the Property is located and all such rights powers obligations and duties

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shall in regard to the Property and any building or works thereon or the occupiers thereof be enforceable and exercisable by the Landlord as fully and freely as if the Landlord were not the owner of or otherwise interested in the Property and this Lease had not been executed

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

Schedule 1 Property

1. The land and building known as St Stephens Hall, St Stephens Way and shown edged red on the Property Plan,

Schedule 2 [Rights

1.1 [[OTHER RIGHTS].]]

Schedule 3 Reservations

1. Subject to paragraph 2 and paragraph 3 of this Schedule, the Landlord excepts and reserves from this lease the following easements (for the benefit of the Landlord's Neighbouring Property) and the following other rights:
 - 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.
 - 1.2 Subject to the Landlord complying with clause 37, the right to enter the Property: for any other purpose mentioned in or connected with:
 - (a) this lease;
 - (b) the Reservations; or
 - (c) the Landlord's interest in the Property and the Landlord's Neighbouring Property.
 - 1.3 At any time during the Term, the full and free right to build, rebuild, alter or develop [the Landlord's Neighbouring Property as the Landlord may think fit.
 - 1.4 [[OTHER RESERVATIONS].]
2. The Reservations:
 - 2.1 Are excepted and reserved 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 [provided that they do not materially adversely affect the use and enjoyment of the Property for the Permitted Use].
 - 2.2 May be exercised by:
 - (a) the Landlord;
 - (b) anyone else who is or becomes entitled to exercise them; and
 - (c) anyone authorised by the Landlord.
 - 2.3 Are excepted and reserved to the extent possible for the benefit of any neighbouring or adjoining property in which the Landlord acquires an interest during the Term.
3. No party exercising any of the Reservations, nor its workers, contractors, agents and professional advisers, 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:
 - 3.1 Physical damage to the Property.

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- 3.2 Any loss, damage, injury, nuisance or inconvenience in relation to which the law prevents the Landlord from excluding liability.

Schedule 4 Third Party Rights

1. All easements and other rights, covenants and restrictions affecting the Property [and any land over which the Rights are granted] [including those [set out or referred to in the register entries of [[TITLE NUMBER[S]] as at the date of this lease **OR** [DETAILS OF HOW THE RIGHTS ARE SET OUT OR REFERRED TO IN THE UNREGISTERED TITLE]]].
2. [[OTHER THIRD PARTY RIGHTS].]

Schedule 5 Insurance

1. Landlord's obligation to insure¹⁷

- 1.1 Subject to paragraph 1.2 and paragraph 1.3 of this Schedule, the Landlord must keep the Property insured against loss or damage by the Insured Risks for the Reinstatement Cost.
- 1.2 The Landlord shall not be obliged to insure:
- (a) the Excluded Insurance Items or repair any damage to or destruction of the Excluded Insurance Items. References to the Property in this Schedule 5 shall exclude the Excluded Insurance Items;
 - (b) any alterations to the Property that form part of the Property unless:
 - (i) those alterations are permitted or required under this lease;
 - (ii) those alterations have been completed in accordance with this lease and (where applicable) in accordance with the terms of any consent or approval given under this lease; and
 - (iii) the Tenant has notified the Landlord of the amount for which those alterations should be insured and provided evidence of that amount that is satisfactory to the Landlord (acting reasonably); or
 - (c) the Property when the insurance is vitiated by any act or omission of the Tenant or any Authorised Person.
- 1.3 The Landlord's obligation to insure is subject to any limitations, excesses and conditions that may be imposed by the insurers.

2. Landlord to provide insurance details

- 2.1 In relation to any insurance effected by the Landlord under this Schedule 5, the Landlord must:
- (a) at the request of the Tenant (such request not to be made more frequently than once a year)] supply the Tenant with full details of the insurance policy;
 - (b) procure that the Tenant is informed of any change in the scope, level or terms of cover as soon as reasonably practicable after the Landlord or its agents becoming aware of the change.

3. Tenant's obligations

- 3.1 The Tenant must pay to the Landlord on demand:
- (a) the Insurance Rent;

¹⁷ The Council will consider a request for the tenant to insure if full details of the policy are provided.

- (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 provided that the Tenant shall not be obliged to contribute towards the costs of any such valuations carried out more frequently than once every two years.

3.2 The Tenant must:

- (a) 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 to continue to insure the Property and must also give the Landlord notice of that matter;
- (b) not do or omit to do anything as a result of which:
 - (i) any insurance policy for the Property may become void or voidable or otherwise prejudiced;
 - (ii) the payment of any policy money may be withheld; or
 - (iii) any increased or additional insurance premium may become payable (unless the Tenant has previously notified the Landlord and has paid any increased or additional premium (including any IPT due on that amount));
- (c) comply at all times with the requirements and recommendations of the insurers relating to the Property [where written details of those requirements or recommendations have first been given to the Tenant];
- (d) give the Landlord immediate notice of the occurrence of:
 - (i) any damage or loss relating to the Property arising from an Insured Risk [or an Uninsured Risk]; or
 - (ii) any other event that might affect any insurance policy relating to the Property;
- (e) except for the Excluded Insurance Items, not effect any insurance of the Property but, if the Tenant becomes entitled to the benefit of any insurance proceeds in respect of the Property, 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 Property refuse to pay in relation to the Property by reason of any act or omission of the Tenant or any Authorised Person.

4. Landlord's obligation to reinstate following damage or destruction by an Insured Risk

- 4.1 Following any damage to or destruction of the Property by an Insured Risk, the Landlord must:

- (a) use reasonable endeavours to obtain all necessary planning and other consents to enable the Landlord to reinstate the Property; and
 - (b) reinstate the Property except that the Landlord shall not be obliged to:
 - (i) reinstate unless all necessary planning and other consents are obtained;
 - (ii) reinstate unless the Tenant has paid the sums due under paragraph 3.1(b) and paragraph 3.2(f) of this Schedule;
 - (iii) provide accommodation or facilities identical in layout or design so long as accommodation reasonably equivalent to that previously at the Property is provided; or
 - (iv) reinstate after a notice to terminate has been served pursuant to this Schedule 5.
- 4.2 If the Landlord is obliged to reinstate the Property pursuant to paragraph 4.1(b) of this Schedule, the Landlord must:
 - (a) use all insurance money received (other than for loss of rent) and all sums received under paragraph 3.1(b) and paragraph 3.2(f) of this Schedule for the purposes of that reinstatement; and
 - (b) make up any shortfall out of its own funds.
- 5. Termination if reinstatement impossible or impractical following Property Damage by an Insured Risk**
- 5.1 Following Property Damage by an Insured Risk, if the Landlord (acting reasonably) considers that it is impossible or impractical to reinstate the Property, the Landlord may terminate this lease by giving notice to the Tenant within six months from and including the date on which that Property Damage occurred.
- 6. Termination if reinstatement not complete**
- 6.1 If Property Damage by an Insured Risk occurs and the Property has not been reinstated so as to make it fit for occupation and use by the date which is three years after the date on which that Property Damage occurred, either party may at any time thereafter terminate this lease by giving notice to the other provided that:
 - (a) such notice is served before the Property has been reinstated so as to make it fit for occupation and use; and
 - (b) where the Tenant serves the notice, the failure to reinstate so that the Property is fit for occupation and use is not caused by a breach of the Tenant's obligations under clause 17 or this Schedule 5.

7. Consequences of termination

7.1 If either party gives a notice to terminate this lease in accordance with this **Schedule 5**:

- (a) this lease shall terminate with immediate effect from the date of the notice;
- (b) none of the parties shall have any further rights or obligations under this lease except for the rights of any party in respect of any earlier breach of this lease; and
- (c) any proceeds of the insurance for the Property shall belong to the Landlord.

8. Tenant Damage

8.1 If any damage to or destruction of the Property by an Uninsured Risk is caused by Tenant Damage, the Landlord shall not be obliged to reinstate the Property but if the Landlord chooses to do so, the Tenant must pay on demand all costs reasonably and properly incurred by the Landlord in reinstating.

Schedule 6 Guarantee and indemnity

1. Guarantee and indemnity

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

- (a) pay the Rents 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 **AGA**) 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 of this Schedule to indemnify and keep indemnified the Landlord against any failure by the Tenant:

- (a) to pay any of the Rents 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 AGA.

2. Guarantor's liability

2.1 The liability of the Guarantor under paragraph 1.1(a) and paragraph 1.2(a) of this Schedule shall continue until the Termination Date, 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:

- (a) any time or indulgence granted by the Landlord to the Tenant;
- (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 AGA) or in making any demand in respect of any of them;
- (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;
- (d) the Landlord exercising any right or remedy against the Tenant for any failure to pay the Rents or to observe or perform the tenant covenants of this lease (or the Tenant's obligations under the AGA);

- (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 or observe and perform the tenant covenants of the lease (or the Tenant's obligations under the AGA) including the release of any such security;
 - (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;]
 - (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 AGA) or any unenforceability of any of them against the Tenant;
 - (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;
 - (i) without prejudice to paragraph 4 of this Schedule, the disclaimer of the Tenant's liability under this lease or the forfeiture of this lease;
 - (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
 - (k) any other act or omission except an express [written] release [by deed] of the Guarantor by the Landlord.
- 2.3 Any sum payable by the Guarantor must be paid without any set-off or counterclaim, deduction or withholding (other than any deduction or withholding of tax as required by law) against the Landlord or the Tenant.
- 3. Variations and supplemental documents**
- 3.1 The Guarantor must, 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 AGA).
- 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 AGA) whether or not:
- (a) the variation is material or prejudicial to the Guarantor;
 - (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 AGA) 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 must enter into a new lease of the Property on the terms set out in paragraph 4.2 of this Schedule.
- 4.2 The rights and obligations under the new lease shall take effect beginning on 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 on 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 of this Schedule) and which is subject to review on the same terms and dates provided by this lease]; [and]
 - (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 must 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 must execute and deliver to the Landlord a counterpart of the new lease within one month of 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 that 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 of this Schedule 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 must 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 of this Schedule applies, then the review for which it provides shall be in addition to any rent reviews that are required under paragraph 4.2(c) of this Schedule.]

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 must 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 must hold that money on trust for the Landlord to the extent of its liability to the Landlord.
- 6.3 The Guarantor must 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 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 or to observe and perform the tenant covenants of this lease.

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EXECUTED AS A DEED BY)

BOURNEMOUTH, CHRISTCHURCH)
AND POOLE COUNCIL by affixing)
the common seal in the presence of:)

Deputy Monitoring Officer

EXECUTED (but not delivered)
Until the date hereof) as a **Deed**)
by **[company name]**)
acting by [],))
a director, in the presence of:)

W Signature
I
T Name
N
E Address
S
S

Occupation

Property Plan

Schedule of Condition