|  |
| --- |
| Date  201[ ] |
| LEGAL & GENERAL PROPERTY PARTNERS (INDUSTRIAL FUND) LIMITED  LEGAL & GENERAL PROPERTY PARTNERS (INDUSTRIAL) NOMINEES LIMITED  [ ] |
| LEASE with rent deposit  **of** **Unit [ ] Industrial/Trading Estate**  [ ] |



**PARTICULARS**

|  |  |
| --- | --- |
| **“Landlord”** | **LEGAL & GENERAL PROPERTY PARTNERS (INDUSTRIAL FUND) LIMITED** (Company Number 03431928) and **LEGAL & GENERAL PROPERTY PARTNERS (INDUSTRIAL) NOMINEES LIMITED** (Company Number 07361190) both of whose registered offices are at One Coleman Street, London EC2R 5AA (together “**us**” or “**we**” which expression shall include the person for the time being entitled to the reversion immediately expectant on the determination of the Term). |
| **“Tenant”** | [ ] **LIMITED/PLC** [(Company Number [ ]) whose registered office is at] [of] [ ] and its successors in title (“**you**”). |
| **“Premises”** | [ ] Industrial/Trading Estate more particularly described in [schedule 1]. |
| **“Term”** | [ ] years commencing on and including [the date of this lease] [ 20[ ] (“the“**Term Commencement Date**”). |
| **“Yearly Rent”** | [ ] pounds [and pence] (£[ ]) per year. |
| **“Rent Commencement Date”** | [The Term Commencement Date.] OR [ [ ] 20[ ] , being [ ] months after the Term Commencement Date.] |
| **[“Review Date”** | The third anniversary of the Term Commencement Date] |
| **“Permitted Use”** | Any use that falls within [Classes B1(c), B2 or B8]/[B1(c), B2, B8, D1 or D2] of the Schedule to the Town and Country Planning (Use Classes) Order 1987 (as enacted at the date of this lease) other than the use of the whole or any part of the Premises for any purpose which involves the storage of any substance in refrigeration equipment unless such use is wholly ancillary to a use which would otherwise be permitted. |
| **[“Break Date”** | [ ] 20[ ], being the [e.g. third] anniversary of the Term Commencement Date.] |
| **“Rent Deposit”** | [ ] thousand [ hundred] pounds (£[ ]) including a sum equivalent to VAT [or, in the event a satisfactory bank reference is not received prior to the Term Commencement Date [ ] thousand [ ] hundred pounds (£[ ]) including an amount equivalent to VAT]. |

THIS LEASE is made on the date set out in the Particulars between you and us as named in the Particulars.

THIS DEED WITNESSES as follows:

1. Interpretation
   1. In this lease, except where the context requires otherwise, the following words and expressions have the following respective meanings:

**Advisory Report:** has the same meaning as under the Energy Performance Regulations;

**BREEAM**: the BRE Environmental Assessment Method;

**the Common Parts**: any part or parts of the Estate available for use in common by two or more occupiers at the Estate including (without prejudice to the generality of the foregoing) roads, hard standing, parking and landscaped areas, footpaths, lighting equipment, Conducting Media and signs;

**Conducting Media**: sewers, drains, pipes, gutters, wires, cables and other conduits and any related plant and machinery;

**Contractual Term**: the term set out in the Particulars;

**CRC Scheme**: the Carbon Reduction Commitment Energy Efficiency Scheme administered in accordance with the CRC Energy Efficiency Scheme Order 2010, the CRC Energy Efficiency Scheme Order 2013 or any later order or any similar scheme amending or replacing it;

**Display Energy Certificate:** has the same meaning as under the Energy Performance Regulations;

**Enactment**: statutes and subordinate legislation and every regulation, order, by-law or direction made or issued under them including every statutory amendment, modification, consolidation and re-enactment and statutory extension thereof for the time being in force;

**Energy Performance Certificate**:has the same meaning as under the Energy Performance Regulations;

**the Energy Performance Regulations**: the Energy Performance of Buildings (England and Wales) Regulations 2012;

**Environmental Performance**: any or all of the following:

(a) the consumption of energy and associated generation of greenhouse gas emissions;

(b) the consumption of water;

(c) waste generation and management; and

(d) any other environmental impact arising from the use or operation of the Premises or the Estate;

**EPC**: an Energy Performance Certificate and Recommendation Report;

**Estate**: the land and buildings known as [ ] as the same may be added to or decreased from time to time;

**Insured Risks**: fire, storm, tempest, flood, earthquake, lightning, explosion, impact, aircraft (other than hostile aircraft) and other aerial devices and articles dropped from them, riot, civil commotion, malicious damage, subsidence, heave, landslip, terrorism where available at commercial rates, and bursting or overflowing of watertanks, apparatus and pipes and such other risks as we may require (but excluding any risks in respect of which insurance is not available from time to time in the normal market at a reasonable premium);

**Outgoings**: all existing and future rates, taxes, duties, charges, assessments, charges for utilities and other services and outgoings whatsoever (whether or not of a capital or non-recurring nature);

**Recommendation Report:** has the same meaning as under the Energy Performance Regulations;

**Term**: the Contractual Term and any continuation or extension of it and any holding over, whether by statute, at common law or otherwise;

**Utilities**: the transmission of water, electricity, gas and telecommunications;

**VAT**: Value Added Tax as referred to in the Value Added Tax Act 1994 (or any tax of a similar nature which may be substituted for or levied in addition to it);

**1995 Act**: the Landlord and Tenant (Covenants) Act 1995.

* 1. The words and expressions used in the Particulars shall have in this lease the meanings ascribed to them in the Particulars.
  2. References in this lease to:
     1. any right of (or covenant to permit) us to enter the Premises shall also be construed as entitling us to remain on the Premises with or without equipment and permitting such right to be exercised by all persons authorised by us,
     2. rent or other sums are references to such sums exclusive of VAT;
     3. our consent is to an unqualified consent in writing signed by or on behalf of us.
  3. Where a party consists of two or more persons the obligations of such persons shall be joint and several.
  4. Unless otherwise stated, a reference to any statute shall include any statutory amendments, modification or re-enactment of it for the time being in force and all subordinate legislation made under it.
  5. Headings to clauses and titles to sub-clauses are for convenience only and do not affect the interpretation of this lease.
  6. The expressions “landlord covenant” and “tenant covenant” have the meanings ascribed to them by s.28(1) of the 1995 Act and relate to the tenancy created by this lease.
  7. If any provision of this lease shall be found by any court or administrative body of competent jurisdiction to be invalid or unenforceable, such invalidity or unenforceability shall not affect the other provisions of this lease which shall remain in full force and effect.

1. Demise and Rents
   1. In consideration of the rents reserved by this lease and the covenants on your part we demise the Premises to you for the Contractual Term yielding and paying therefor by way of rent:
      1. first, [from and including the Term Commencement Date to and including the day preceding the Rent Commencement Date a peppercorn (if demanded) and thereafter] from and including the Rent Commencement Date the Yearly Rent payable by equal quarterly payments in advance on the usual quarter days the first such payment in respect of the period from and including the Rent Commencement Date until and including the day preceding the quarter day next following to be made on the Rent Commencement Date;
      2. secondly, within 7 days of receipt of written demand, by way of further rent, an amount equal to the costs and expenses which we from time to time incur in effecting and maintaining insurance pursuant to clause 4.3 or (if the Premises are insured with other premises on the Estate) a due proportion of all costs and expenses which we from time to time incur in effecting and maintaining such insurance (including, without limitation, the cost of valuations for insurance purposes);
      3. thirdly, the service charge calculated and payable in accordance with schedule 4 by equal quarterly instalments in advance on the usual quarter days the first such payment to be made on the date of this lease in respect of the period from the Term Commencement Date until the day preceding the quarter day next following;
      4. fourthly, on demand interest at 4% per year above the base rate of HSBC Bank PLC on any sum which is overdue after its due date calculated (both before and after any judgment) from the due date until payment;
      5. fifthly, all VAT payable in respect of any sum payable under this lease to be payable contemporaneously with the sum to which it relates;
      6. sixthly, the Rent Deposit and any sums payable in accordance with schedule [7];
      7. seventhly, any other sum due to us under the terms of this lease.
   2. The rights set out in schedule 2 are granted to you and the rights set out in schedule 3 are excepted and reserved for us and all persons authorised by us.
   3. This lease is granted subject to all easements, quasi easements and rights affecting the Premises.
   4. [The Yearly Rent will be subject to review on the Review Date in accordance with schedule 6.]
2. Tenant’s Covenants

You covenant with us throughout the Term:

* 1. Rent

To pay the rents reserved by this lease on the days and in the manner set out in clause 2 (by standing order if requested) without deduction or set-off.

* 1. Compliance with Enactments
     1. To pay and discharge all Outgoings payable at any time in respect of the Premises or any part of them.
     2. To comply at your cost with all Enactments and the requirements of any government department, local authority or other competent authority in respect of the Premises, their use and occupation, employment of personnel in them and any work being carried out to them (whether the requirements are imposed upon the owner, lessee or occupier) and to carry out any remedial work required to achieve such compliance or to meet such requirements.
     3. Within two months of the date of this lease to prepare and thereafter maintain a register as required by Regulation 4 of the Control of Asbestos Regulations 2012 and to supply us forthwith on demand with a copy of the register from time to time and to hand over to us the register at the end or sooner determination of the Term, and to pay as rent on demand any costs and expenses properly incurred by us in remedying any breach of this clause.
     4. Not during the last six months of the Term (howsoever determined) to apply for empty rates relief and you shall indemnify us against the loss of empty rates relief for any period following the end of the Term.
  2. Notices and defects
     1. Forthwith following receipt to give to us a complete and accurate copy of any communication from any government department, local authority or other competent authority and without delay to comply in all respects at your cost with the provisions thereof.
     2. As soon as you become aware of any defect in the Premises which might give rise to an obligation on us, you shall do or refrain from doing any act in order to comply with the provisions of this lease or any duty of care imposed on us pursuant to the Defective Premises Act 1972 or otherwise, you shall forthwith give us notice of the defect.
  3. Repair

To keep the Premises in good and substantial repair and condition throughout the Term (Uninsured Damage or damage by any of the Insured Risks excepted save to the extent that the insurance effected by us shall have been vitiated, avoided or forfeited because of some act or default of you or of any person deriving title over, under or through you or of your or their servants or agents).

* 1. Decoration and general condition
     1. To keep the Premises maintained in good decorative order and clean and tidy and keep the external areas of the Premises free from all rubbish and waste and not to store any items on such external areas including for the avoidance of doubt any containers.
     2. To redecorate [the interior of the Premises in the fifth year of the Term and] the exterior of the Premises in every third year of the Term and both the interior and exterior of the Premises in the last three months of the Term (howsoever determined) the colour and method of which at all times shall be approved by us whose consent shall not be unreasonably withheld or delayed. We may in the absence of such approval carry out the work in a different colour at your cost (which cost may be recovered by us from you as liquidated damages).
  2. To permit entry

To permit us at all reasonable times on reasonable prior notice (except in an emergency) to enter the Premises in order to give effect to any proper purpose connected with our interest in the Premises or the Estate provided always that in respect of any entry in accordance with this clause 3.6 we shall make good all damage thereby caused to the Premises as soon as reasonably practicable.

* 1. Compliance with notices relating to repair or condition
     1. To comply with any notice requiring you to remedy any breach of the tenant’s covenants and conditions contained in this lease.
     2. If you shall not within three months comply with any such notice to permit us to enter the Premises to remedy the breach as your agent and at your cost.
     3. To pay to us on demand any costs and expenses properly incurred by us pursuant to the provisions of this clause 3.7.
  2. Alterations
     1. Not to make any improvements, alterations or additions of any nature to the Premises or to their Conducting Media.
     2. Notwithstanding clause 3.8.1 you may with our consent (which will not be unreasonably withheld):
        1. make non-structural alterations to the interior of the Premises;
        2. erect a non-illuminated sign on the exterior of the Premises of a size and design approved by us displaying your name and business.
     3. If we provide consent pursuant to clause 3.8.2, you will before starting the works, if the works are substantial, provide security acceptable to us sufficient to cover the cost of reinstatement of the Premises on the expiry or determination of this lease (which for the avoidance of doubt includes any renewal thereof) if you do not reinstate the Premises to our reasonable satisfaction.
     4. You will (unless requested not to do so) reinstate all alterations and additions to the Premises [carried out during or at any time prior to the commencement of the Term] whether made pursuant to this lease or any preceding tenancy of the Premises by you at the end or sooner determination of the Term to our reasonable satisfaction.
  3. EPC related restrictions on alterations
     1. Not to:
        1. do or omit to do anything which adversely affects the efficiency of the use of energy or water, the Environmental Performance or sustainability characteristics of the Premises or the Estate, including the EPC and BREEAM ratings, or for the purposes of the CRC Scheme;
        2. make any alterations to the Premises which would adversely affect the existing EPC rating for the Premises or the Estate;
        3. make any alterations to the Premises which would require a new EPC to be obtained unless you have demonstrated to our reasonable satisfaction that such new EPC will show an asset rating that is not less than the EPC rating existing for the Premises or the Estate prior to such alterations being carried out;
        4. obtain or commission an EPC in respect of the Premises as a result of the works carried out by you, unless we require you to do so for alterations or under the Energy Performance Regulations. If you obtain an EPC, you shall promptly do so by (at our reasonable discretion), either obtaining an EPC from an assessor approved by us, such approval not to be unreasonably withheld or delayed or paying our reasonable and proper costs of obtaining an EPC for the Premises.
     2. You shall promptly supply us with a copy of any EPC you or any undertenant obtains or commissions in respect of the Premises or the Estate together with the energy modelling calculation file and supporting drawings (also known as the NCT file).
  4. Use
     1. Not to use the Premises otherwise than for the Permitted Use.
     2. Not to use any car parking area forming part of the Premises other than for the parking of trade vehicles or private motor vehicles of your employees or customers.
     3. Not to use the Premises for any dangerous, noxious, noisy, illegal, offensive or immoral trade, business or activity or in such a way as to cause nuisance, damage, injury or annoyance to us or the occupiers of the Estate.
     4. Not to use the Premises for the recycling, processing or storage of chemical products or waste material or similar uses or for any use which requires a licence from the Environment Agency.
     5. Not to use the Premises for the creation, treatment, processing, transfer, disposal or storage of hazardous waste (as defined in the Waste Framework Directive (2008/98/EC) or any amendment thereto or replacement thereof).
     6. To permit us, after reasonable prior notice, to fix on any suitable exterior part of the Premises, a notice board for re-letting (during the last 6 months of the Term, however determined) or selling the Premises, and not to remove or obscure the board.
  5. Insurance
     1. To comply with the recommendations or requirements of the insurers of the Premises and the local fire officer.
     2. If the Premises are damaged or destroyed by any risk insured against by us and the policy of insurance in respect of it is vitiated, avoided or forfeited or the payment of the policy monies or any part of them is refused or withheld by reason of the act or default of you or any person deriving title under you or your/their respective agents, servants or licensees then and in every such case to pay to us on the date when the policy monies would otherwise have been paid an amount equal to the sum so refused or withheld.
     3. Not to insure the Premises against any risks which are from time to time insured against by us.
  6. Alienation
     1. Not to assign, mortgage, charge, hold on trust for another, underlet or in any other manner part with possession or share occupation of the whole or any part of the Premises or agree to do so.
     2. Notwithstanding clause 3.12.1:
        1. you are entitled to share occupation of the Premises with any company which is a member of the same group as you (within the meaning of Section 42 of the Landlord and Tenant Act 1954) for so long as both companies remain members of the group and only in a way that does not create or transfer a legal estate; and
        2. you may with our prior written consent (which shall not be unreasonably withheld) assign, underlet or charge the whole (but not part) of the Premises.
     3. For the purposes of Section 19(1A) of the Landlord and Tenant Act 1927, we may withhold our licence to an assignment if any of the circumstances set out in clause 3.12.4 applies and may grant such licence subject to any or all of the conditions set out in clause 3.12.5 (but without prejudice to our right to withhold licence in other circumstances or to grant it subject to other conditions if it would be reasonable to do so).
     4. The circumstances referred to in clause 3.12.3 are as follows:
        1. there is at the time of the application for licence any material subsisting breach of your obligations under this lease;
        2. the proposed assignee is not a person who in our reasonable opinion is likely to be able to comply with your obligations under this lease; and
        3. where the proposed assignee is a group company or associated company of you (within the meaning of section 449 of the Corporation Tax Act 2010) we reasonably considers that the Financial Standing of the proposed assignee (aggregated with the Financial Standing of any guarantor or guarantors for the proposed assignee) is less than the Financial Standing (as at the date of this lease) of you (aggregated with the Financial Standing (as at the date of this lease) of any guarantor(s) for you).

For the purposes of clause 3.12.4.3 “Financial Standing” means in respect of the relevant entity:

(i) its total operating profit on ordinary activities after deduction of any exceptional or extraordinary items; and

(ii) its net worth

as reported in the last three years’ profit and loss accounts and balance sheets for that entity prepared in accordance with GAAP standards and audited by an independent firm of reputable accountants.

* + 1. The conditions referred to in clause 3.12.3 are as follows:
       1. you wishing to assign this lease (the “**outgoing tenant**”) and any former tenant under this lease who, owing to an excluded assignment as defined by s.11 of the 1995 Act, has not previously been released from the tenant covenants, shall enter into an authorised guarantee agreement within the meaning of s.16 of the 1995 Act, in the form reasonably required by us, guaranteeing the assignee’s performance of the tenant covenants;
       2. the guarantor (if any) of the outgoing tenant shall give a guarantee, in such form as we may reasonably require, of the outgoing tenant’s performance of its obligations under any authorised guarantee agreement required under clause 3.12.5.1;
       3. such other persons as we reasonably require guarantee the performance by the assignee of your obligations contained in this lease in such form as we reasonably require;
       4. the licence to assign shall contain a covenant by the assignee directly with us to pay the rents and otherwise comply with the provisions of this lease until the assignee is released from its obligations under this lease by virtue of the 1995 Act; and
       5. when the proposed assignee is a group company or associated company of yours (within the meaning of section 449 of the Corporation Tax Act 2010) the outgoing tenant procures that:

(i) the proposed assignee deposits with us an amount equal to at least two quarters of the principal Yearly Rent together with an amount equivalent to the VAT thereon upon such terms as the we may lawfully in our discretion require; or

(ii) a guarantee or other financial security in either case reasonably acceptable to us is provided in respect of the proposed assignee’s performance of the tenant covenants. The guarantee or other relevant financial security shall be in such form as we may lawfully in our discretion require.

* + 1. Every licence for any underlease and for the assignment of any underlease shall contain a covenant by the underlessee or assignee (as the case may be) directly with us to comply with the provisions of this lease (save as regards the payment of the rents reserved by this lease but including a covenant in terms similar to this covenant) until the underlessee or assignee (as the case may be) is released from its obligations under the underlease by virtue of the 1995 Act.
    2. Any underlease permitted by this clause 3.12 shall:
       1. be at a rent not less than the full market rental at the time of the grant of the underlease (without the payment or receipt of any fine or premium or other consideration);
       2. contain a covenant in the same terms as this clause 3.12, with such modifications as the circumstances may require (including a requirement that our prior written consent be obtained to any assignment of the underlease or any sub-underletting);
       3. otherwise impose covenants on the part of the parties to the underlease and other provisions in the form of the covenants and provisions contained in this lease with such variations only as are necessary to reflect the fact that the letting is an underlease; and
       4. be excluded from the provisions of Sections 24 to 28 of the Landlord and Tenant Act 1954.
    3. You shall take all necessary steps and proceedings to remedy any breach of the covenants of the undertenant under any underlease, and shall not waive any breach and you shall not vary the provisions of any underlease.
    4. Within one month after any disposition you shall produce to our solicitors a certified copy of the document giving effect to such disposition, and pay to them a registration fee of £40 plus VAT.
  1. Payment of cost of notices, consents, etc

To pay on demand all proper costs (including counsels’, solicitors’, surveyors’ and bailiffs’ fees) incurred by us in and incidental to:

* + 1. the preparation and service of a notice under section 146 Law of Property Act 1925 or in connection with any proceedings under section 146 or 147 of that Act notwithstanding that forfeiture is avoided otherwise than by relief granted by the court;
    2. every application for consent, licence or approval under this lease whether or not the application is withdrawn or properly refused; and
    3. the preparation and service of a schedule of dilapidations at any time.
  1. Title Matters

To observe and perform all covenants, conditions or other matters contained or referred to in any deed or document contained in schedule 5 and any rules and regulations made from time to time by us.

* 1. Non-obstruction
     1. Not to obstruct any of the Common Parts.
     2. Not to park or otherwise leave any unroadworthy or untaxed motor vehicle on any part of the Estate.
  2. Indemnity

To indemnify us against all actions, costs, claims, demands and expenses arising as a result of any breach or non-observance of your covenants in this lease or by reason of any act or default of you or any person deriving title under you or your/their respective agents, servants or licensees.

* 1. Information and Energy Performance Certificates
     1. To produce on request any plans, documents or other evidence which we require to satisfy ourselves that the tenant covenants have been complied with.
     2. To allow us and any person authorised by us access to all documentation, data and information in your possession or under your control reasonably required in order to:
        1. prepare an EPC, Display Energy Certificate and/or Advisory Report in respect of the Estate or any part of it; and
        2. comply with any duty imposed on us under the Energy Performance Regulations;

and you shall allow such access to the Premises to any energy assessor appointed by us as is reasonably necessary to inspect the Premises for the purposes of preparing any EPC.

* + 1. If you or any undertenant prepares an EPC, Display Energy Certificate and/or Advisory Report in relation to the Premises, you shall forthwith provide us with a copy free of charge together with the energy modelling calculation file and supporting drawings (also known as the NCT file).

1. Landlord’s Covenants

We covenant with you that:

* 1. Quiet enjoyment

You paying the rents reserved by this lease and observing and performing the covenants on your part may peaceably hold and enjoy the Premises without any lawful interruption by us or any person claiming through under or in trust for us.

* 1. Services

Subject to the payment by you of the service charge reserved by clause 2.1.3, we shall use reasonable endeavours to carry out or otherwise perform the services set out in part 2 of schedule 4.

* 1. Insurance
     1. Subject to the payment by you of the rent reserved by clause 2.1.2 and subject to any excesses, exclusions or limitations imposed by the insurers we shall insure in respect of (1) loss or damage to the Estate by the Insured Risks for the full reinstatement cost making such allowances as we may properly require (2) loss of the Yearly Rent for not less than three years and (3) third party and public liability and any other proper risks relating to the management of the Estate and the provision of services to it.
     2. At your reasonable request we shall produce evidence of the insurances effected pursuant to clause 4.3.1.
  2. Reinstatement
     1. If the Premises or any part of them are destroyed or damaged by any of the Insured Risks then, subject to clauses 4.4.2.3 and 4.4.3, we shall as soon as reasonably practicable use all monies paid by the insurers in respect of the Premises (excluding sums in respect of loss of rent) in rebuilding, repairing or otherwise reinstating the Premises.
     2. If the insurance moneys are rendered irrecoverable in whole or in part as a result of your default or if in respect of any damage by an Insured Risk an excess is applicable which the insurers are not liable to pay out on the insurance claim:
        1. you shall pay to us on demand the amount irrecoverable as a result of your default and/or (as the case may be) the amount of the excess not payable by the insurers; and
        2. we shall not be obliged to comply with our obligations under clause 4.4.1 unless and until you comply with clause 4.4.2.1.
        3. we shall not be obliged to comply with our obligations under clause 4.4.1 unless and until we are able to obtain any consents necessary to enable us to do so, or if we are otherwise prevented from doing so by any other circumstance beyond its reasonable control.
     3. If the damage or destruction caused by an Insured Risk has not been made good by the expiry of 3 years from its occurrence so that the Premises or any part of them are still unfit for occupation and use, then we or you may at any time thereafter by not less than 2 months’ notice served on the other terminate this lease, so that on the expiry of that notice:
        1. the Term will come to an end, but without prejudice to any rights that either party may have against the other in respect of any previous breach of the provisions of this lease; and
        2. all insurance monies payable under any such insurance policy or policies shall belong to us absolutely.
  3. **Uninsured Damage**

In this lease, “Uninsured Damage” means damage to or destruction of the whole or any part of the Premises by any risks expressly specified in the definition of the Insured Risks which renders the Premises unfit for occupation and use and which:

* + 1. is not insured because insurance is not available in the London insurance market at economic rates; or
    2. is not insured, or not fully insured, due to a condition, exclusion or limitation (but not an excess) imposed by the insurers

such that the full cost of reinstatement is not recoverable by us under the insurance policy. “Uninsured Damage” shall not, however, include any damage caused by, or in respect of which the insurance money is irrecoverable in whole or in part as a result of your default.

* + 1. If there is Uninsured Damage
       1. clause 5.5 shall apply as if the damage or destruction had been caused by an Insured Risk; and
       2. we may, by serving a notice in writing (an “Election Notice”) on you elect to rebuild or reinstate the Premises.
    2. If we serve an Election Notice:
       1. we shall proceed to reinstate the Premises with reasonable expedition but subject to clause 4.4.3; and
       2. if the damage or destruction has not been made good within three years after the date of the Election Notice, so that the whole or any material part of the Premises is still unfit for occupation and use, then either we or you may serve notice terminating this lease with immediate effect.
    3. If we have not served an Election Notice within twelve months after the date on which Uninsured Damage occurs (time being of the essence), then either we or you may at any time (unless in the meantime we serve an Election Notice) serve notice terminating this lease with immediate effect.
    4. If notice is served to terminate this lease under clause 4.5.4.2 or 4.5.5 then the Term will end immediately, but without prejudice to any rights that either party may have in respect of any previous breach of this lease. Any insurance money received will belong to us.

1. Further Provisions
   1. Forfeiture and re-entry

Without prejudice to any other remedies and powers contained in this lease or otherwise available to us if:

* + 1. the whole or part of the rents shall be unpaid for twenty-one days after becoming payable; or
    2. any of your covenants in this lease are not performed or observed; or
    3. you or any surety in respect of the tenant covenants (or if more than one person any one of them) being a company is the subject of a petition for its winding up or enters into liquidation whether voluntarily (except for reconstruction or amalgamation of a solvent company) or compulsorily or has a provisional liquidator or a receiver (including an administrative receiver) appointed or is the subject of an administration order or a petition for one or of a voluntary arrangement or a proposal for one under Part I Insolvency Act 1986 or is unable to pay its debts within the meaning of Section 123 Insolvency Act 1986 or is otherwise insolvent or having been registered with unlimited liability acquires limited liability or being an individual is the subject of a bankruptcy petition or bankruptcy order or of any application or order or appointment under Section 253 or Section 273 or Section 286 Insolvency Act 1986 or otherwise becomes bankrupt or insolvent or dies or enters into or makes any proposal to enter into any arrangement or composition for the benefit of his creditors
    4. you or any surety in respect of the tenant covenants become subject to any analogous events to those detailed in clause 5.1.3 in a foreign jurisdiction

we may at any time thereafter (and notwithstanding the waiver of any previous right of re-entry) re-enter the Premises whereupon this lease shall absolutely determine but without prejudice to any landlord’s right of action in respect of any antecedent breach of your covenants in this lease.

* 1. No implied warranty

Nothing contained or implied in this lease or in any such licence, consent or approval is to be taken to be a warranty or representation by us that the Premises are fit to be used for any purpose permitted by this lease.

* 1. No implied rights

Save as otherwise expressly provided, you shall not be entitled by implication of law or otherwise, to any easement or right. Neither Section 62 of the Law of Property Act 1925, nor the rule in Wheeldon v. Burrows applies.

* 1. Notices

In addition to any other mode of service any notices to be served under this lease shall be validly served if served in accordance with Section 196 Law of Property Act 1925 as amended by the Recorded Delivery Service Act 1962 or (in the case of any notice to be served on you) by sending it to you at the Premises.

* 1. Rent Cesser

If and whenever during the Term:

* + 1. the Premises (other than your plant and equipment and trade fixtures) are damaged or destroyed by any of the Insured Risks so that the Premises are incapable of occupation and use; and
    2. the insurance of the Premises or the payment of any insurance money has not been vitiated, avoided or forfeited by the act, neglect, default or omission of you or of any person deriving title under or through you their respective servants agents and invitees

the rent first reserved by this lease or a fair proportion of it according to the nature and extent of the damage sustained shall be suspended and cease to be payable from the date of destruction or damage until the Premises are made fit for substantial occupation and use or for the period of three years, whichever is the shorter and any dispute about such suspension shall be referred to the award of a single arbitrator to be appointed in default of agreement on the application of us or you to the President for the time being of the Royal Institution of Chartered Surveyors in accordance with the Arbitration Act 1996.

* 1. Energy Performance Certificate etc prepared by the Landlord

If we prepare an EPC, Display Energy Certificate and/or Advisory Report in relation to the Premises or the Estate, you shall be entitled to receive a copy of such document free of charge upon request.

* 1. Sustainability
     1. We and you wish to improve and be accountable for the energy efficiency of the Estate and as such wish to promote the reduction of emissions, promote the reduction and recycling of waste and ensure the environmental sustainability of resources.
     2. You and we will:
        1. co-operate and use reasonable endeavours to agree and comply with an energy management plan to aid the sustainability of resource use (including, without limitation, a green travel plan and such other environmental policies issued by us to you from time to time);
        2. co-operate and use reasonable endeavours to agree and operate reasonable initiatives to reduce, reuse, and recycle waste in connection with the efficiency of the use of energy or water, the Environmental Performance or sustainability characteristics of the Estate, including the EPC and BREEAM ratings, or for the purposes of the CRC Scheme provided that the parties shall have due regard to the costs associated with implementing any initiatives compared to the benefit to you of the outcome of any such initiatives;
        3. maintain and share energy data and other information reasonably required to monitor energy and resource consumption;
        4. keep the data disclosed pursuant to clause 5.7.2.3 confidential and shall only use such data for the purposes of ensuring that the Estate is run in a sustainable way that minimises its environmental impact and we shall ensure that similar restrictions on the publication and use of such data are placed on our managing agents and any other party responsible for the operation or management of the Estate;
        5. use reasonable endeavours to ensure that the Estate is used and any services provided under schedule 4 are performed in accordance with any energy management plan, and in a way which improves energy efficiency; and
        6. use reasonable endeavours to agree to improvements to any services provided under schedule 4 which would reasonably improve energy efficiency.
     3. You shall fully co-operate with and assist us in complying with our obligations to record and monitor electricity use at the Estate, including but without limitation, providing all information, data and documents in relation to your consumption of electricity at the Premises as we reasonably request.

Provided that in respect of this clause 5.7 such measures shall be economically viable and shall not materially increase the costs which you would be required to incur pursuant to this lease.

* 1. Declaration
     1. You and we certify that there is no agreement for lease to which this lease gives effect.
     2. No term of this lease may be enforced solely by virtue of section 1 of the Contracts (Rights of Third Parties) Act 1999.
     3. We shall be released from liability under this lease on the disposal of our reversionary interest in the Premises.
     4. This lease is subject to English Law and all disputes will be heard within the exclusive jurisdiction of the English courts.
  2. [Break Right
     1. [We and] [you] may determine this lease on the Break Date by serving on [us] [you] [each other] not less than [ ] months’ prior written notice to that effect.
     2. This lease shall only determine as a result of notice served by you under clause 5.9 if on the Break Date:
        1. the whole of the Premises are given back to us free of your occupation and the occupation of any other lawful occupier and without any continuing underleases;
        2. you have paid in full the Yearly Rent; and
        3. you have paid in full any insurance rent and service charge duly demanded [at least 21 days before the Break Date].
     3. We may in our absolute discretion waive compliance with all or any of the conditions set out in clause 5.9.2 in which case the Term will still end on the Break Date but you shall remain liable to comply with the preconditions afterwards.
     4. If the provisions of this clause 5.9 are complied with then upon the Break Date this lease shall determine but without prejudice to any right of action of us in respect of any previous breach by you of this lease.
     5. Time is of the essence in respect of this clause 5.9. [but nothing in this Clause 5.9 has the effect of making time of the essence in relation to the rent review provisions in this lease].
     6. Any notice of determination served under this clause 5.9 shall be irrevocable.
     7. On the Break Date you shall send to us the original of this lease, a release of any charge on the Premises (where appropriate) and any other title documents to the Premises but it is expressly acknowledged that any failure to comply with this obligation (with the exception of the release of any charge) does not affect determination of this lease.
     8. If you do not exercise your rights under clause 5.9.1 and a new tenancy is granted by virtue of any rights which you may have at the relevant time, we (without acknowledging that such rights will or may exist) and you agree that the new tenancy will not contain provisions equivalent or similar to those contained in clause 5.9 of this lease unless we and you expressly agree otherwise.

5.9.9 As soon as reasonably practicable following the Break Date we shall refund to you any monies paid by you for the period after the Break Date less any monies then properly payable by you to us.

* 1. [Exclusion of Security of Tenure
     1. The parties agree in accordance with Section 38A(1) of the Landlord and Tenant Act 1954 (“the Act”) that the provisions of Sections 24 to 28 of the Act shall be excluded in relation to the tenancy created by this lease (“the Tenancy”).
     2. In that regard:
        1. on [ ], being [not less than 14 days] before the date on which you entered into the Tenancy or (if earlier) became contractually bound to do so (“the Effective Date”), we served on you a notice pursuant to Section 38A(3)(a) of the Act;
        2. a [declaration] [statutory declaration] was made by you or on your behalf pursuant to schedule 2 to the Regulatory Reform (Business Tenancies) (England and Wales) Order 2003 on [ ], being a date before the Effective Date.]
  2. **Information relating to the tenancy**

For the purposes of the Data Protection Act 2018 or otherwise, you [and the Surety] agree[s] that information held by us relating to this tenancy may only be disclosed to third parties if and to the extent necessary for the management or disposal of the Premises

**Executed as a deed** and delivered on the date set out at the head of this lease.

1. .
2. The Premises

Unit [ ] [ ] Industrial/Trading Estate, [ ] shown edged in red on the plan annexed to this lease including any existing or future landlord’s fixtures, fittings, plant, machinery, and equipment, the Conducting Media within and exclusively serving the Premises, [the loading bay/service yard and car parking spaces shown hatched black on the plan annexed to this lease] and all additions, alterations and improvements carried out pursuant to this lease.

1. .
2. Rights Granted
3. The right in common with us, the tenants and occupiers of the Estate and all others so authorised by us during the usual hours of business of access to the Premises over the roadways, footpaths and passageways of the Estate leading to the Premises designated by us from time to time for the purpose of access thereto and egress therefrom only.
4. The right (subject to interruption for repair, alteration or replacement) to Utilities to and from the Premises through the Conducting Media on the Estate that now serve the Premises and other parts of the Estate.
5. [The right to use [ ] parking space[s] for the parking of motor vehicles which spaces may be allocated by us from time to time by written notice.]
6. .
7. Exceptions and Reservations
8. The right to erect or alter or to consent to the erection or alteration of any building for the time being on any adjoining or neighbouring premises notwithstanding that such erection or alteration may diminish the access of light and air enjoyed by the Premises and the right to deal with any such property as we may think fit.
9. The right of passage and running of Utilities through the Conducting Media as are now or may after the date of this deed be installed in the Premises and serving or capable of serving other parts of the Estate or adjoining or neighbouring property or any buildings now or after the date of this deed erected on such property together with the right to enter upon the Premises to inspect, repair or maintain any such Conducting Media.
10. The right to enter upon the Premises in connection with the erection, alteration, improvement, repair or maintenance of any such parts or property or building and for such purpose to underpin, shore up and bond and tie into the structure of the Premises.
11. The right to lay or construct new conduits in the Premises and to connect into such conduits as are now or may after the date of this deed be installed in the Premises (other than Conducting Media capable of serving only the Premises).
12. The rights and liberties to enter upon the Premises in the circumstances in which in the covenants by you contained in this lease you covenant to permit such entry.
13. The right at all reasonable times and on giving you reasonable prior notice to enter and remain on the Premises with our servants, agents or contractors to:
    1. review or measure the Environmental Performance of the Premises, including to install, inspect, clean, maintain, replace and to take readings from metering equipment, heat cost allocators and thermostatic radiator valves within or relating to the Premises; and
    2. enable the production of an EPC for the Premises or the Estate whether or not we are under a statutory duty to produce an EPC or undertaking an air conditioning inspection and, for such purposes, the right to carry out the necessary tests on equipment.
14. All easements, quasi-easements, privileges and rights whatsoever now enjoyed by other parts of the Estate or adjoining or neighbouring property in, under, over or in respect of the Premises as if such parts or such adjoining or neighbouring property and the Premises had at all times heretofore been in separate ownership and occupation and such matters had been acquired by prescription or formal grant.
15. .
16. Service Charge
17. Service Charge Provisions
18. In this schedule:

**“Service Charge Year”** means a calendar year expiring on 31 December or on such other date as shall from time to time be advised to you in writing;

**“Service Charge Costs”** means expenditure properly incurred by us or on our behalf relating to the Estate including the matters set out in part 2 of this schedule but excluding those items set out in Part 3 of this schedule;

**“Service Charge”** means the Service Charge Percentage of the Service Charge Costs.

**“Service Charge Percentage”** means the proportion which is attributable to the Premises as determined by us in our reasonable discretion calculated primarily on a comparison of the gross internal area of the buildings on the Premises with the gross internal areas of the buildings on the Estate let or capable of being let by us, provided that in the event of such calculation being inappropriate having regard to the nature of the expenditure incurred or the parts of the Estate benefited by it or otherwise we shall in our reasonable discretion adopt such other method of calculation of the Service Charge Percentage as shall be fair and reasonable in the circumstances (including if appropriate the attribution of the whole of such expenditure to the Premises).

1. The Service Charge shall be payable on account and in advance and each payment shall be one quarter of the anticipated annual service charge for the current year (and so in proportion for any part of the year) as adjusted under paragraph 3.
2. We shall as soon as practicable after the end of each Service Charge Year submit to you a statement giving full details of the Service Charge for that Service Charge Year and if the Service Charge shall be more or less than the total of the four on account payments (or the grossed-up yearly equivalent of such payments if made for any period of less than a year) then any sum due to or payable by us by way of adjustment in respect of the service charge shall be paid by you within 7 days of receipt of a written demand or credited against your future Service Charge liabilities as the case may be.
3. In the event that we shall be required during any year of the term to incur heavy or exceptional expenditure which forms part of the Service Charge we shall be entitled to recover from you the Service Charge Percentage of that expenditure on the following quarter day.
4. Costs and expenses
5. All Outgoings payable by us in respect of the Estate except insofar as you or any other occupier of the Estate is liable for the same.
6. Taking all steps deemed desirable or expedient by us for complying with, making representations against or otherwise contesting the incidence of the provisions of any legislation for which you are not directly liable under this lease.
7. Enforcing or attempting to enforce against any owner or occupier of adjoining or neighbouring premises the payment of any contribution towards anything used in common with the Estate.
8. Repairing, renewing, cleaning and maintaining the Common Parts, Estate nameboard or other conveniences which may belong to or be used by the occupiers of the Estate in common with other premises near or adjoining it and not forming part of the Premises.
9. The provision of staff for the efficient management of the Estate including, but not limited to wages, insurance, health, pension and other payments and all other expenditure relating to such employment and the supplying of uniforms, equipment and any necessary accommodation for such staff.
10. Providing, maintaining and renewing name boards and signs at the entrances and other parts of the Estate.
11. Providing and maintaining any receptacles for refuse for the Estate and the cost of collecting, storing and disposing of refuse.
12. Our proper and reasonable fees and/or those of our agents in respect of the general supervision and management of the Estate.
13. The proper fees and costs payable in respect of the statement referred to in part 1 of this schedule and of accounts kept and audits made for the purpose thereof and of employing accountants or other professional persons for the proper administration of the Estate and preparing accounts in connection with the Service Charge Costs.
14. Providing operating repairing and renewing all security and emergency systems and fire fighting equipment in the Common Parts including fencing access gates CCTV equipment static or mobile security systems and access control equipment.
15. Bank charges and interest on proper overdrawings in respect of any separate bank account maintained by us or our agents for discharging expenditure comprised within the Service Charge after giving credit for any interest earned (net of any tax).
16. (If we so desire) the establishment and maintenance of a reserve fund based on the principles of good estate management to cover prospective and contingent costs of carrying out works, repairs and other items referred to in this part 2 to the intent (so far as may reasonably be practicable) that the charge for such items made to you and other tenants and occupiers of the Estate shall be progressive and cumulative rather than irregular.
17. Auditing the Environmental Performance of the Premises and, where reasonable and cost-effective to do so, implementing the recommendations of any environmental management plan we have adopted for the Premises from time to time.
18. Providing any other service or amenity or matter which we in our reasonable discretion shall think proper for the better and more efficient management and/or use of the Estate and the Common Parts or for the comfort and convenience of the generality of the tenants and their agents, servants and invitees visiting the Estate.
19. VAT payable in respect of any of the charges and expenses referred to in the other paragraphs of this part 2.
20. Service Charge Exclusions
21. Any liability or expense for which you or other tenants or occupiers of the Estate may individually be responsible under the terms of the tenancy or other arrangement by which they use or occupy the Estate;
22. Any fees or expenses attributable to the review of rents or attributable to the letting of vacant units at the Estate or any dispositions or dealing with our interest in the Estate or any part thereof;
23. The cost of repairing any part of the Estate as a result of Uninsured Damage or damage by an Insured Risk.
24. .
25. Title Matters

The matters contained or referred to in the property and charges registers of title number [ ] [and in the following documents:]

1. [Review of the Yearly Rent
   * 1. On the Review Date the Yearly Rent shall be reviewed so that on and after the Review Date the Yearly Rent shall be the greater of:
        1. the Yearly Rent reserved immediately before the Review Date (disregarding any reduced rent or rent free period, rent cesser or other suspension of the Yearly Rent); and
        2. the Open Market Rent as at that Review Date, as defined in this Schedule, and as agreed between the parties (or determined by the Independent Surveyor in the absence of agreement between the parties, as provided below).
     2. The Open Market Rent shall be the yearly rent at which the Premises might be expected to be let in the open market:
        + 1. for a term of 5 years;
          2. as between a willing landlord and a willing tenant;
          3. without the landlord taking a fine or premium;
          4. as a whole;
          5. with vacant possession;
          6. by a lease in the same terms in all other respects as this lease (save as to the amount of the Yearly Rent and any rent free period allowed to you).
        1. It shall be assumed that at the Review Date:
           1. the Premises are ready fit and available for immediate occupation and use for the purpose or purposes required by the willing tenant referred to in paragraph 2.1.2, and that all the services required for such occupation and use are connected to the Premises;
           2. no work has been carried out to the Premises by you or by any undertenant or any of their predecessors during the Term (or any prior period of occupation) which has diminished the rental value of the Premises;
           3. if the Premises or any Conducting Media or means of access have been destroyed or damaged, they have been fully restored;
           4. the Premises are in good and substantial repair;
           5. the covenants contained in this lease on the part of you and us have been fully observed and performed;
           6. the willing tenant has had the benefit of any rent free or concessionary rental period or other contribution which would be offered in the open market at the Review Date to reflect the need to fit out the Premises.
        2. There shall be disregarded at the Review Date:
           1. any effect on rent of the fact that you or any undertenant or their respective predecessors in title have been in occupation of the Premises;
           2. any goodwill attached to the Premises by reason of the carrying on there of your business or any undertenant or their predecessors in title in their respective businesses;
           3. any effect on rent of any improvements to the Premises made with our consent (where required) by you or any undertenant, except improvements carried out in pursuance of an obligation to us or at our expense.

[2.3.4 the provisions of schedule 7.]

* + 1. In the absence of agreement between the parties on the revised yearly rent the question shall at the request of either of them as soon as practicable be referred to the decision of a surveyor appointed by agreement between the parties or, in the absence of agreement, appointed on the request of either party by the President ("the President") of the Royal Institution of Chartered Surveyors ("the Independent Surveyor") acting as an arbitrator or, if we so elect, as an expert.
       1. The decision of the Independent Surveyor (including any decision as to the costs of his determination) shall be final and binding on both parties.
       2. If before issuing his decision the Independent Surveyor dies or is unable or unwilling to act then either party may apply to the President for a substitute to be appointed in his place.
    2. If the yearly rent payable after the Review Date has not been ascertained by that date the Yearly Rent payable immediately before the Review Date shall continue to be payable and within 14 days after the date when the revised Yearly Rent is ascertained you shall pay to us:
       1. any shortfall between the Yearly Rent which would have been paid on the Review Date and any subsequent quarter days if the revised Yearly Rent had been ascertained on or before the Review Date and the payments made by you on account; and
       2. interest at the base rate of HSBC Bank plc in respect of each instalment of the yearly rent due on or after the Review Date, on the amount by which each such instalment which would have been payable on the Review Date or such quarter day if the revised yearly rent had been ascertained on or before the Review Date exceeds the amount paid on account, and such interest shall be payable for the period from the date upon which the instalment was due up to the date of payment of the shortfall.]

1. .
2. Rent Deposit
3. **Definitions and interpretation**
   1. In this schedule the following words and expressions shall have the following meanings unless the context requires otherwise:

**the Deposit Account**: an interest bearing account for your benefit at such bank or other institution as we shall from time to time decide;

**the Deposit Balance**: the amount from time to time held in the Deposit Account for your credit;

**Interest**: all interest credited to the Deposit Balance from time to time;

**the Lease**: this lease (including all or any deeds and documents made pursuant to or supplemental to it, whether or not expressed to be so) and also includes any renewal of this lease whether pursuant to statute or otherwise;

**New Reversioner**: a person to whom we shall have assigned or transferred the reversion immediately expectant upon the determination of the Term;

**the Rent Deposit:** as defined in the Particulars of this lease;

**Secured Sums**: means:

(a) the rents reserved by and all other sums payable under this Lease which have not been paid within the relevant grace period under this Lease after the due date for payment;

(b) in the event of forfeiture or disclaimer of this Lease by way of liquidated damages the rents and other sums which would have been payable under this Lease (had it not been forfeited or disclaimed) for the period of six months from the date of forfeiture or disclaimer;

(c) in the event of any breach or non-performance of your obligations under this Lease, such sums as would meet (or, if the Deposit Balance is insufficient, would go towards meeting) the loss suffered by us in respect of such breach;

(d) all legal costs and other fees and expenses properly incurred by us in enforcing the terms of this Lease or this schedule

together in each case with an amount equal to such VAT as is or would have been properly chargeable thereon;

**the Term**: as defined in the Particulars;

**VAT:** value added tax or any tax of a similar nature which may be substituted for it or levied in addition to it.

* 1. “**loss**” shall be construed as including all liabilities incurred, all damage and loss suffered, all claims, demands, actions and proceedings made or brought, and all costs, disbursements and expenses incurred.

1. **Landlord’s covenants**
   1. We covenant with you:
      1. to pay the Rent Deposit into the Deposit Account;
      2. to act in connection with the Deposit Balance in accordance with this schedule;
      3. promptly to notify you upon each occasion that we draw monies from the Deposit Account in accordance with the terms of this schedule;
      4. subject to the proviso contained in paragraph 7 to repay the Deposit Balance together with all Interest (subject to deduction of such tax as may be required by law to be deducted and of any bank charges or other expenses payable in respect of the Deposit Account) to you on the date calculated pursuant to paragraph 7.
2. **Withdrawals**
   1. Only we may withdraw monies from the Deposit Account.
   2. We shall be entitled to withdraw monies from the Deposit Account in order to indemnify us against all and any Secured Sums.
   3. Any withdrawal by us from the Deposit Account shall be without prejudice to any other rights or remedies of ours pursuant to this Lease, under statute or at common law and (without prejudice to the generality of the foregoing) shall not be deemed to be payment of rent so as to prejudice our rights of re-entry contained in this Lease.
3. **Tenant’s acknowledgement**

You acknowledge that:

* 1. we are authorised to deal with the Deposit Balance in accordance with the terms of this schedule;
  2. for the avoidance of doubt our right of re-entry contained in this Lease shall be exercisable in the event of any breach by you of any of the terms of this schedule;
  3. the exercise by us, or any person authorised by us in that behalf, of our rights of re-entry shall not prevent or restrict any further appropriation from the Deposit Balance;
  4. your liabilities pursuant to this Lease from time to time shall not be limited to the amount of the Deposit Balance;
  5. you shall not be entitled to be repaid the Deposit Balance or any sums from the Deposit Account except as specified in paragraph 7 and shall not assign, charge, transfer or otherwise deal with your entitlement to such repayment.

1. **Tenant’s covenants**

You covenant with us:

* 1. without prejudice to your obligations under this Lease to pay the Secured Sums to us on demand;
  2. to make such payments (whether directly to the Deposit Account or to us for payment in to the Deposit Account) as are necessary to maintain the sum in the Deposit Account throughout the Term at a level equal to the Rent Deposit;
  3. to make the payments required by paragraph 5.2 no later than the close of business on the business day falling immediately after the day we notify you of any shortfall requiring payment under paragraph 5.2.

1. **Charge of the rent deposit**
   1. You warrant to us that the Rent Deposit is free from any charge or incumbrance save as mentioned in paragraph 6.2.
   2. You charge and assign to us with full title guarantee:
      1. the Rent Deposit,
      2. all Interest, and
      3. the Deposit Balance

as security for payment of the Secured Sums.

* 1. The Rent Deposit, the Deposit Balance and all Interest shall (pending withdrawal by us in accordance with the terms of this schedule) be your property but subject to the charge contained in paragraph 6.2.
  2. Any monies withdrawn from the Deposit Account by us in accordance with this schedule, shall by virtue of the withdrawal, be freed from the said charge and become our absolute property.
  3. The security created by paragraph 6.2 shall be a continuing security to us and shall be in addition to and shall not operate so as in any way to prejudice or affect your obligations or any other rights of ours or any other security interest of ours as regards to you.
  4. The provisions of Sections 93 and 103 of the Law of Property Act 1925 will not apply to the security constituted by this Deed, which shall immediately become enforceable, and the power of sale and other powers conferred by Section 101 of the Law of Property Act 1925 (as varied or extended by this security) shall be immediately exercisable at any time after any amount forming part of the Secured Sums falls due for payment and is not paid.
  5. You hereby authorise us on your behalf to notify the bank or other institution at which the Deposit Account is maintained of the existence of the charge contained in paragraph 6.2.

1. **Duration of the deposit**
   1. Provided that upon the relevant date none of the Secured Sums remains unpaid we shall release the Deposit Balance to you (less sums withdrawn by us pursuant to paragraph 3 and tax and bank charges and expenses as referred to in paragraph 2.1.4) within three months after the happening of whichever of the following events first occurs:
      1. the date on which this Lease (which for the avoidance of any doubt includes any renewal thereof) expires or determines (otherwise than firstly in pursuance of the exercise of our power of re-entry contained in the Lease or secondly in pursuance of the disclaimer of this Lease by a trustee in bankruptcy or liquidator) and vacant possession of the Premises is yielded up; [or]
      2. the date of completion of a lawful assignment of this Lease (in full compliance with the terms of this Lease) to a company, person or other body unconnected in any way with you. [or;]
      3. **[**the date on which we give written confirmation to you that Satisfactory Accounts have been delivered to us in respect of you and for the purposes of this Sub-clause 7.1.3, “Satisfactory Accounts” means

**Satisfactory Accounts:** accounts which have been audited by a person, firm or company satisfactory to us and which show both:

(a) that for the three immediately preceding accounting reference periods, your pre-tax profits in respect of each such accounting reference period exceeded a sum calculated by multiplying the amount of Yearly Rent first reserved, the insurance rent second reserved and the service charge third reserved payable during such accounting reference period, by three; and

(b) that the aggregate of the share capital and reserves and the retained profit as stated in such accounts for the immediately preceding accounting reference period exceeds a sum calculated by multiplying the amount of Yearly Rent first reserved, insurance rent second reserved and service charge third reserved payable at the date on which such accounts are delivered to us, by five;

provided that in the event that any of your accounting reference periods referred to in paragraphs (a) and (b) above represent a period of time which is either longer or shorter than a period of twelve calendar months, the tests referred to in those paragraphs shall be applied to:

(1) the items mentioned in those paragraphs as shown in the accounts for any such accounting reference period in respect of the aggregate Yearly Rent first reserved, insurance rent second reserved and service charge third reserved by the lease payable during such accounting reference period apportioned on a daily basis; and

(2) such number of your accounting reference periods as is equal to or exceeds a period of three years in the case of paragraph (a) and a period of one year in the case of paragraph (b).**]**

1. **Non-vitiation**

We may at any time without discharging in any way or affecting any part of our rights or security under this schedule:

* 1. grant to you any time or indulgence;
  2. release to you such sums as we may from time to time at our sole discretion determine;
  3. neglect or forbear to enforce the payment of the rents reserved by this Lease or to enforce other payments due to us by you or to enforce compliance of the obligations on your part contained in this Lease;
  4. release any security or guarantee held by us in relation to the obligations on your part contained in this Lease;
  5. do or omit to do any other act or thing (other than a release by deed) by which your liabilities would otherwise be released in whole or in part.

1. **Assignment of Landlord’s interest**

Upon an assignment or other devolution of the reversion immediately expectant on the determination of the Term, and subject to our first providing a Deed executed by the New Reversioner covenanting with you to observe and perform all provisions of this schedule on our part to be observed and performed, you shall not unreasonably withhold or delay your consent to any application by us which is disposing of the reversion to be released from our obligations under this schedule pursuant to the provisions of the Landlord and Tenant (Covenants) Act 1995.

Executed as a deed by )

**LEGAL & GENERAL PROPERTY** )

**PARTNERS (INDUSTRIAL FUND)** )

**LIMITED** )

acting by)

[                                           ])

(director) in the presence of:)

Witness: Signature :

Name :

Address :

Occupation :

Executed as a deed by)

**LEGAL & GENERAL PROPERTY** )

**PARTNERS (INDUSTRIAL) NOMINEES** )

**LIMITED** )

acting by)

[                                           ])

(director) in the presence of:)

Witness: Signature :

Name :

Address :

Occupation :

SIGNED by [*Name of Director*] )

for and on behalf of [ ] LIMITED )

in the presence of: )

Witness: Signature :

Name :

Address :

Occupation :

*OR*

SIGNED as a Deed by )

[ ] LIMITED )

acting by:-

Director

Director/Secretary

*OR*

SIGNED as a Deed by )

[*Individual*] )

in the presence of: )

Witness: Signature :

Name :

Address :

Occupation :

**RIDER 1**

**(TO BE INCLUDED ONLY WHERE THE LEASE IS TO BE GRANTED SUBJECT TO A SCHEDULE OF CONDITION PREPARED PURSUANT TO AN AGREEMENT FOR LEASE)**

1) Insert the following wording as a new clause 3.4.2:-

“On condition that the Schedule Memorandum has been completed, you Tenant shall not be required to put or keep the Premises in any better state of repair and condition than as shown in the photographic schedule of condition annexed to the Schedule Memorandum.”

Make sure that the existing clause 3.4 is re-numbered as clause 3.4.1.

2) If the lease contains rent review provisions, insert the following wording as a new paragraph 2.2.8 in the rent review schedule:-

“whether or not it is the case that the Tenant is not required by the hypothetical lease to put or keep the Premises in any better state of repair and condition than a schedule of condition which records the state of repair and condition of the Premises at the date of this lease.”

3) Insert the following new definitions in alphabetical order in clause 1.1:-

“**Agreement for Lease:** an agreement for lease in respect of the Premises dated [ ] and made between the parties hereto;”

“**Schedule Memorandum:** a written memorandum executed by each of the Landlord, the Tenant [and any Guarantor] to which is attached the schedule of condition prepared in accordance with the Agreement for Lease;”