

DATED

LEASE

relating to

[DESCRIPTION OF THE PROPERTY]

between

NHS PROPERTY SERVICES LIMITED

and

[PARTY 2]

and

[PARTY 3]

15. STANDARD PROVIDER / ALB LEASE OF PART

CONTENTS

CLAUSE

1.	Interpretation	6
2.	Grant.....	15
3.	Ancillary rights.....	16
4.	Rights excepted and reserved	18
5.	Third Party Rights	20
6.	The Annual Rent	20
7.	Review of the Annual Rent	21
8.	Services and Service Charge	24
9.	Insurance	30
10.	Uninsured Risk.....	33
11.	Additional Sums.....	34
12.	Rates and taxes	34
13.	Utilities.....	35
14.	Common items	35
15.	[Management Charge].....	35
16.	VAT.....	35
17.	Costs.....	36
18.	Set-off.....	36
19.	[Registration of this lease].....	36
20.	Assignments	37
21.	Underlettings	38
22.	Sharing occupation	39
23.	Charging.....	40
24.	Prohibition of other dealings	40
25.	Registration and notification of dealings and occupation.....	40
26.	Closure of the registered title of this lease.....	41
27.	Repairs.....	41
28.	Decoration	42
29.	Alterations and signs	42
30.	Returning the Property to the Landlord	44
31.	Use.....	45
32.	Management of the Building	45
33.	Compliance with laws	46
34.	Energy Performance Certificates.....	47
35.	Encroachments, obstructions and acquisition of rights	48
36.	Breach of repair and maintenance obligations.....	49
37.	Indemnity	50
38.	Landlord's covenant for quiet enjoyment	50
39.	Dispute resolution.....	50
40.	Guarantee and indemnity.....	51
41.	Lease Break	52
42.	[Not Used] [Surrender of Part (Multiple Service Contracts)].....	52
43.	Re-entry and forfeiture	57

44.	[Supplemental Works Charge]	57
45.	Joint and several liability	57
46.	Entire agreement and exclusion of representations	58
47.	Notices, consents and approvals	58
48.	Governing law	59
49.	Jurisdiction	60
50.	Exclusion of sections 24-28 of the LTA 1954	60
51.	Contracts (Rights of Third Parties) Act 1999	60
52.	Freedom of information	60
53.	Control and substitution of Common Parts	60

SCHEDULE

	SCHEDULE 1 - GUARANTEE AND INDEMNITY	62
1.	Guarantee and indemnity	62
2.	Guarantor's liability	62
3.	Variations and supplemental documents	63
4.	Guarantor to take a new lease or make payment	64
5.	Rent at the date of forfeiture or disclaimer	65
6.	Payments in gross and restrictions on the Guarantor	65
7.	Other securities	65
	[SCHEDULE 2 – DRAFT DEED OF SURRENDER OF PART]	67

PRESCRIBED CLAUSES

LR1 Date of lease

[DATE]

LR2 Title number(s)

LR2.1 Landlord's title number(s)

[INSERT TITLE NUMBER(S) OR LEAVE BLANK IF NONE]

LR2.2 Other title numbers

[TITLE NUMBER(S)] OR [None]

LR3 Parties to this lease

Landlord

NHS PROPERTY SERVICES LIMITED

99 Gresham Street, London, EC2V 7NQ

Company Registration number 07888110

Tenant

[Insert provider/ALB details]

of [Address]

[

Other parties

None

Guarantor

None

LR4 Property

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

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

LR5 Prescribed statements etc.

LR5.1 Statements prescribed under rules 179 (dispositions in favour of a charity), 180 (dispositions by a charity) or 196 (leases under the Leasehold Reform, Housing and Urban Development Act 1993) of the Land Registration Rules 2003.

None.

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

None.

LR6 Term for which the Property is leased

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

- LR7 Premium**
None.
- LR8 Prohibitions or restrictions on disposing of this lease**
This lease contains a provision that prohibits or restricts dispositions.
- LR9 Rights of acquisition etc.**
- LR9.1 Tenant's contractual rights to renew this lease, to acquire the reversion or another lease of the Property, or to acquire an interest in other land**
None.
- LR9.2 Tenant's covenant to (or offer to) surrender this lease**
[None] [The covenant to surrender part of the Property in Clause 42]
- LR9.3 Landlord's contractual rights to acquire this lease**
None.
- LR10 Restrictive covenants given in this lease by the Landlord in respect of land other than the Property**
None.
- LR11 Easements**
- LR11.1 Easements granted by this lease for the benefit of the Property**
The easements as specified in clause 3 of this lease.
- LR11.2 Easements granted or reserved by this lease over the Property for the benefit of other property**
The easements as specified in clause 4 of this lease.
- LR12 Estate rentcharge burdening the Property**
None.
- LR13 Application for standard form of restriction**
The Parties to this lease apply to enter the following standard form of restriction
None.
- LR14 Declaration of trust where there is more than one person comprising the Tenant**
Not applicable

THIS LEASE is dated [DATE]

PARTIES

- (1) **NHS PROPERTY SERVICES LIMITED** incorporated and registered in England and Wales with company number 07888110 whose registered office is at Houghton Primary Care Centre, Brinkburn Crescent, Houghton Le Spring, United Kingdom, DH4 5GU (**Landlord**).
- (2) [*Insert provider/ALB details*] of [*Address*] (**Tenant**)

AGREED TERMS

1. INTERPRETATION

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

1.1 Definitions:

Act of Insolvency:

- (a) the taking of any step in connection with any voluntary arrangement or any other compromise or arrangement for the benefit of any creditors of the Tenant or any guarantor;
- (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;
- (g) the striking-off of the Tenant or any guarantor from the Register of Companies or the making of an application for the Tenant or any guarantor to be struck-off;
- (h) the Tenant or any guarantor otherwise ceasing to exist (but excluding where the Tenant or any guarantor dies); or
- (i) the making of a bankruptcy order against the Tenant or any guarantor;

The paragraphs above shall apply in relation to a partnership or limited partnership (as defined in the Partnership Act 1890 and the Limited Partnerships Act 1907 respectively) subject to the modifications referred to in the Insolvent Partnerships

Order 1994 (SI 1994/2421) (as amended), and a limited liability partnership (as defined in the Limited Liability Partnerships Act 2000) subject to the modifications referred to in the Limited Liability Partnerships Regulations 2001 (SI 2001/1090) (as amended).

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

Additional Sums: the aggregate on a full indemnity basis of:

- (a) all charges relating to the supply, consumption and removal of electricity, gas, water, sewage and other utilities to and from the Property where not separately metered and paid direct to the utility provider by the Tenant;
- (b) the payment of non-domestic rates payable in respect of the Property where not paid directly by the Tenant to the billing authority; and
- (c) the reasonable and proper costs, fees and disbursements incurred by managing agents employed by the Landlord for the management of the supply of the utilities referred to in (a) above and the payment of non-domestic rates referred to in (b) above or, where managing agents are not employed, a reasonable management fee for carrying out the same activities itself in accordance with the Charging Policy.

Annual Rent: rent at an initial rate of £[AMOUNT] per annum OR [the Demise Rent and Shared Area Rent] and then as revised pursuant to this lease.

Building: [DESCRIPTION OF THE BUILDING] of which the Property and other Lettable Units form part and refers to each and every part of the Building shown edged [COLOUR] on Plan 2¹.

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

Charging Policy: the NHS Property Services consolidated charging policy (as updated from time to time) and produced in conjunction with the Department of Health and Social Care and NHS England and NHS Improvement.

Commissioner means the organisation responsible for commissioning a Service Contract, Terminated Service or Withdrawn Activity (as those terms are defined in clause 42 and as the case may be) and may include a provider of NHS services where the relevant Service Contract is a sub-contract.

Common Parts: the areas and amenities made available from time to time by the Landlord (acting reasonably and in accordance with the principles of good estate management) for use in common by the tenants and occupiers of the Building, structural parts of the Building, [Shared Areas,] any common Service Media and any footpaths, forecourts, car parks, loading bays, service roads, estate roads, landscaped areas, entrance halls, landings, lifts, lift-shafts, staircases, passages and areas designated for the keeping and collecting of refuse.

¹ Area to include external areas not just footprint of building.

Contractual Term: a term of years beginning on, and including the date of this lease and ending on, and including [DATE].

Core Hours: means [INSERT CORE HOURS OF OPERATION OF THE BUILDING, DURING WHICH SERVICES WILL BE PROVIDED].

[Demise Rent: rent in respect of those areas exclusively occupied by the Tenant at an initial rate of £[AMOUNT] per annum and then as revised pursuant to this lease.]

DHSC: the Department of Health and Social Care.

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 or regulation 30 of the Building Regulations 2010 (SI 2010/2214).

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

Environmental Performance: means all or any of the following arising from the operation or use of the Property, Common Parts and/or the Building:

- (a) energy consumption;
- (b) water consumption and discharge;
- (c) waste generation and management;
- (d) generation and/or emission of greenhouse gases; and
- (e) other adverse environmental impacts.

Environmental Information Regulations: the Environmental Information Regulations 2004 (SI 2004/3391) together with any guidance and/or codes of practice issued by the Information Commissioner or relevant Government Department in relation to such regulations.

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

FOIA: the Freedom of Information Act 2000 and any subordinate legislation (as defined in Section 84 of the Freedom of Information Act 2000) made under the Freedom of Information Act 2000 from time to time together with any guidance and/or codes of practice issued by the Information Commissioner (as defined in Section 18 of the FOIA) or relevant Government Department in relation to such Act, including without limitation the FOIA Code.

FOIA Code: the Secretary of State for Constitutional Affairs' Code of Practice on the Discharge of Functions of Public Authorities under Part I of the Freedom of Information Act 2000.

GP: a person who is registered as a medical practitioner with the General Medical Council under the provisions of the Medical Act 1983 or any subsequent or similar legislation.

Insurance Rent: the aggregate in each year of:

- (a) the Tenant's Proportion of the gross cost of the premium before any discount or commission for:

- (i) the insurance of the Building, for its full reinstatement cost (taking inflation of building costs into account) against loss or damage by or in consequence of the Insured Risks, including costs of demolition, site clearance, site protection and shoring-up, professionals' and statutory fees and incidental expenses, the cost of any work which may be required under any law and VAT in respect of all those costs, fees and expenses; and
 - (ii) public liability insurance in relation to the Common Parts;
 - (iii) the cost of the Landlord's contribution to the Property Expenses Scheme;
- (b) the gross cost of the premium before any discount or commission for insurance for loss of Annual Rent from the Property for three years; and
 - (c) any insurance premium tax payable on the above.

Insured Risks: the risks and events that a reasonable landlord of a property of the same type as the Building would commonly insure against together with such other risks as the Landlord acting reasonably may from time to time require provided that where the Landlord has elected to join the Property Expenses Scheme an **Insured Risk** will be the risks and events covered by such scheme.

[Landlord Break Date: either of the following:

- (a) [In the event limb (a) of the Landlord Break Event applies the date identified in the Landlord Break Notice which shall be a date no later than 14 days following the service of the Landlord Break Notice;]²
- (b) [In the event limb (b) of the Landlord Break Event applies the date identified in the Landlord Break Notice which shall be a date not less than [6 months³] following the service of the Landlord Break Notice.]]

Landlord Break Event: any of the following:

- (a) the termination of the Service Contract (or where there is more than one Service Contract, as at the date of this lease, then all of the Service Contracts or the last remaining Service Contract) for any reason; or
- (b) [INSERT DETAILS OF SUPERIOR LEASE BREAK(IF ANY)]^{4,5}

² Only to be included in a Lease to a provider.

³ This time period will need to be considered on a case by case basis and will depend also on whether the Superior Lease break benefits the Superior Landlord or NHS PS. Where the Superior Lease break benefits the Superior Landlord (i.e. it is a Landlord break under the Head Lease) NHS PS will need a period at least four weeks shorter than the Superior Lease notice period.

⁴ Only to be included if NHS PS's interest is leasehold.

⁵ Consider whether redevelopment break may be required and, if so, insert standard drafting.

Landlord Break Notice: a notice served by the Landlord on the Tenant to determine this lease, issued on or after a Landlord Break Event.

Landlord's Neighbouring Property: each and every part of the adjoining and neighbouring property in which the Landlord has an interest.

Lettable Unit: all accommodation within the Building from time to time let or otherwise exclusively occupied or designed or intended for letting and exclusive occupation.

Lifts: all lifts and lift machinery and equipment in the Building (if any) which serve the Property or any Shared Areas or any other part of the Building that the Tenant has the right to use pursuant to the terms of this lease.

LTA 1954: Landlord and Tenant Act 1954.

[**Management Charge:** 5% of the Annual Rent.⁶]

MEES Regulations: the Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015 (2015/962) or any replacement for the same.

NHS Body: has the same meaning given as at the date hereof to a health service body in section 9(4) of the National Health Service Act 2006 and shall also include any body referred to in section 30 of the National Health Service Act 2006 or any qualifying company as defined in Section 300 of the Health and Social Care Act 2012 and any health service body referred to in any updates or re-enactments of statutes from time to time in force together with any successor to any of the statutory functions of the Tenant and the Secretary of State for Health and Social Care and the phrase "NHS Bodies" shall be construed accordingly.

[**NIA:** the Net Internal Area as ascertained in accordance with "RICS Property Measurement" published by the Royal Institution of Chartered Surveyors [and having regard to its Practice Standards GN60/2010 Valuation of Medical Centre and Surgery Premises 2nd edition]⁷ (or [in each case] any substitution from time to time).]

Option to Tax: has the meaning given to it in Part 1 of Schedule 10 to the VATA 1994.

Permitted Hours: 24 hours per day, seven days per week⁸ (including weekends and bank holidays) subject to: (i) any restrictions on hours of use imposed on the Building by any necessary planning and other consents [and (ii) any restrictions on hours of use contained in the Superior Lease].

Permitted Part: any part of the Property that is capable of separate occupation.⁹

Permitted Use: [insert use] within Use Class E (e) of the Town and Country Planning (Use Classes) Order 1987 (as at the date this lease is granted and as amended by the Town and Country Planning (Use Classes) (Amendment) (England) Regulations 2020)

⁶ Only to be included if NHS PS's interest is leasehold.

⁷ Note: Do not include if office space.

⁸ 24 hour use is included as standard but this may need to be amended on a case-by-case basis.

⁹ Configuration and nature and use of Property to be considered.

provided that use of any part of the Property as a retail and/or dispensing pharmacy shall be prohibited (such prohibition shall in no way fetter the right of health professionals at the Property who are licensed to dispense and/or distribute medication or related products from dispensing and/or distributing such medication or related products in the normal course of providing general healthcare services to members of the public).

Plan 1: the plan[s] attached to this lease [each of which is] marked "Plan 1".

Plan 2: the plan attached to this lease marked "Plan 2".

President: the President for the time being of the Royal Institution of Chartered Surveyors or a person acting on the President's behalf.

Property: the floor(s) of the Building the floor plan(s) of which are shown hatched [COLOUR] on Plan 1 [in respect of each of those floors] bounded by and including:¹⁰

- (a) the floorboards or floor screed;
- (b) suspended ceilings and all internal surfaces of the ceilings;
- (c) the interior plaster finishes of exterior walls and columns;
- (d) the plaster finishes of the interior load-bearing walls and columns that adjoin another Lettable Unit or the Common Parts;
- (e) the doors and windows within the interior, load-bearing walls and columns that adjoin another Lettable Unit or the Common Parts and their frames and fittings;
- (f) one half of the thickness of the interior, non-load-bearing walls and columns that adjoin another Lettable Unit or the Common Parts;
- (g) the doors and windows within the interior, non-load-bearing walls and columns that adjoin the Common Parts and their frames and fittings;

but excluding:

- (h) the windows in the exterior walls and their frames and fittings;
- (i) the whole of the interior load-bearing walls and columns within that part of the Building other than their plasterwork and other than the doors and windows and their frames and fittings within such walls; and
- (j) all Service Media within that part of the Building but which do not exclusively serve that part of the Building.

Property Expenses Scheme: the NHS Resolution Property Expenses Scheme or other such scheme or means of insurance as are from time to time prescribed by the Secretary of State for Health and Social Care.

Public Authority: a public authority constituted to deliver health care services within or in connection with the National Health Service.

¹⁰ What is included in and excluded from the demise will be considered on a case by case basis.

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

Rent Commencement Date: the date of this lease.

Rent Payment Dates: 1 January, 1 April, 1 July, and 1 October.

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

Review Date: [FIRST REVIEW DATE] and every [third] anniversary of that date and the last day of the lease term.

[Schedule of Condition: the [photographic] schedule signed by the parties annexed to this lease and marked "Schedule of Condition".]

Service Charge: the Tenant's Proportion of the Service Costs.

Service Charge Year: the annual accounting period relating to the Services and the Service Costs beginning on [DATE] in [YEAR] and each subsequent year during the term, or otherwise as the Landlord may decide and notify the Tenant.

[Service Contract: the contract or contracts for services dated [] made between [] and the Tenant.]¹¹

Service Costs: the costs listed in clause 8.2.

Service Media: all media for the supply or removal of heat electricity, gas, water, sewage, ventilation (if any), air-conditioning (if any), energy, telecommunications, data, fire and other alarm systems and all other services and utilities and all structures, machinery and equipment ancillary to those media.

Service Provider: a provider of national health services pursuant to any contract for NHS services made between NHS England or a Clinical Commissioning Group and the provider.

Services: the services listed in clause 8.1.

[Shared Areas: those parts¹² of the Building shown hatched [COLOUR] on the Plan [1][2] or such other areas which are provided by the Landlord from time to time (acting reasonably and in accordance with the principles of good estate management) for the use of the Tenant and in common with the other occupiers of the Building.]

[Shared Area Proportion: a fair proportion¹³ of the Shared Areas as adjusted at the Landlord's discretion (acting reasonably and in accordance with the principles of good estate management) from time to time.]

[Shared Area Rent: rent at an initial rate of [AMOUNT] per annum calculated as follows:

¹¹ Only to be included where the Tenant is a provider and not in a lease to an ALB.

¹² Shared areas include such areas as cafeteria, kitchenettes, break-out areas, and for surgeries, those spaces which are identified as being additional to normal NIA within the RICS guidance note 60/2010 'Valuation of medical centres and surgery premises (2nd ed.)'.

¹³ This will usually be the same proportion as the Tenant's Proportion. The sum total of all Shared Area Proportions between the Lettable Units must equal 100%.

(Demise Rent as reviewed from time to time / NIA of the Property) x (Shared Area Proportion x NIA of the Shared Areas).]

[Supplemental Works Charge: an additional charge of £[AMOUNT] per annum representing the Tenant's contribution towards the Landlord's funding of capital improvements carried out at the Property by the Landlord for the benefit of the Tenant.]¹⁴

[Tenant Break Date: the date that is the later of:

- (a) the date of expiry of the Tenant Break Notice; or
- (b) the actual date of termination of the Service Contract.]

[Tenant Break Event: the termination of the Service Contract (or where there is more than one Service Contract, as at the date of this lease, then all of the Service Contracts or the last remaining Service Contract) for any reason.]

[Tenant Break Notice: a notice served by the Tenant on the Landlord giving not less than three months' notice of the Tenant's intention to determine the lease, issued on, after or in reasonable anticipation of a Tenant Break Event.]¹⁵

Tenant's Proportion: a fair and reasonable proportion having regard to the Tenant's NIA of the Property and apportioned Shared Areas in relation to the total NIA of all Lettable Units and the Shared Areas.

Third Party Rights: all rights, covenants, restrictions and other matters affecting the Building including the matters referred to at the date of this lease in the property register and/or charges register of title number [TITLE NUMBER] **OR** [the rights, covenants, restrictions, and other matters affecting an unregistered reversion].

Uninsured Risk: any risk expressly specified in the Insured Risks definition that:

- (a) is not insured against because, at the time the insurance is taken out or renewed, insurance is not generally available in the UK market on normal commercial terms; or
- (b) is not, at the date of the damage or destruction, insured against by reason of a limitation or exclusion properly imposed by the insurers.

PROVIDED THAT this definition will not include loss or damage (or the risk of it) caused by reason of the Tenant's act or failure to act.

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

VATA 1994: Value Added Tax Act 1994.

¹⁴ If the Occupier is due to repay the cost of capital works over time then include "Supplemental Works Charge" definition. The Supplemental Works Charge is payable at the same times as the Annual Rent and is charged from time to time by NHSPS where they fund alteration projects for the benefit of tenants and it is not part of the Service Charge.

¹⁵ Only to be included where the Tenant is a provider and not in a lease to an ALB.

- 1.2 A reference to this **lease**, except a reference to the date of this lease or to the grant of this lease, is a reference to this deed and any deed, licence, consent, approval or other instrument supplemental to it.
- 1.3 A reference to the **Landlord** includes a reference to the person entitled to the immediate reversion to this lease. A reference to the **Tenant** includes a reference to its successors in title and assigns. A reference to a **guarantor** is a reference to any guarantor of the tenant covenants of this lease including a guarantor who has entered into an authorised guarantee agreement.
- 1.4 In relation to any payment, a reference to a **fair proportion** is to a fair proportion of the total amount payable, determined conclusively (except as to questions of law) by the Landlord.
- 1.5 The expressions **authorised guarantee agreement**, **landlord covenant** and **tenant covenant** each has the meaning given to it by the Landlord and Tenant (Covenants) Act 1995.
- 1.6 Unless the context otherwise requires, references to the **Building**, the **Common Parts**, [the **Shared Areas**,] a **Permitted Part**, a **Lettable Unit** and the **Property** are to the whole and any part of them or it.
- 1.7 The expression **neighbouring property** does not include the Building (unless expressly stated otherwise).
- 1.8 A reference to the **term** is to the Contractual Term.
- 1.9 A reference to the **end of the term** is to the end of the term however it ends.
- 1.10 References to the **consent** of the Landlord are to the consent of the Landlord given in accordance with clause [47.5] and references to the **approval** of the Landlord are to the approval of the Landlord given in accordance with clause [47.7].
- 1.11 A **working day** is any day which is not a Saturday, a Sunday, a bank holiday or a public holiday in England.
- 1.12 A reference to laws in general is a reference to all local, national and directly applicable supra-national laws as amended, extended or re-enacted from time to time and shall include all subordinate laws made from time to time under them and all orders, notices, codes of practice and guidance made under them.
- 1.13 Unless otherwise specified, a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time and shall include all subordinate legislation made from time to time under that statute or statutory provision and all orders, notices, codes of practice and guidance made under it.

- 1.14 Any obligation on a party not to do something includes an obligation not to allow that thing to be done and an obligation to use all reasonable but commercially prudent endeavours to prevent that thing being done by that party's employees, staff, visitors or other persons at the Property with that party's permission.
- 1.15 Unless the context otherwise requires, any words following the terms **including, include, in particular, for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- 1.16 A **person** includes a natural person, corporate or unincorporated body (whether or not having separate legal personality).
- 1.17 A reference to **writing** or **written** does not include fax or e-mail.
- 1.18 Unless the context otherwise requires, references to clauses and Schedules are to the clauses and Schedules of this lease and references to paragraphs are to paragraphs of the relevant Schedule.
- 1.19 Clause, Schedule and paragraph headings shall not affect the interpretation of this lease.
- 1.20 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.
- 1.21 Unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular.

2. GRANT

- 2.1 The Landlord lets the Property with limited title guarantee to the Tenant for the Contractual Term.
- 2.2 The grant is made together with the ancillary rights set out in clause 3, excepting and reserving to the Landlord the rights set out in clause 4, and subject to the Third Party Rights.
- 2.3 The grant is made with the Tenant paying the following as rent to the Landlord:
- (a) the Annual Rent;
 - (b) the Additional Sums;
 - (c) the Service Charge;
 - (d) the Insurance Rent;
 - (e) [the Management Charge¹⁶];

¹⁶ Only to be included if NHS PS's interest is leasehold.

- (f) all VAT in respect of the above sums; and
- (g) all other sums due under this lease.

3. ANCILLARY RIGHTS

3.1 The Landlord grants the Tenant the following rights (the **Rights**):

- (a) the right to support and protection from the Common Parts to the extent that the Common Parts provide support and protection to the Property at the date of this lease;
- (b) the right to use any such external areas of the Common Parts as designated by the Landlord from time to time for the purposes of vehicular and pedestrian access to and egress from the interior of the Building [and to and from the parts of the Common Parts referred to in clause 3.1(c) to clause 3.1(f)];
- (c) [the [non-exclusive/exclusive] right to park [] private cars or motorbikes belonging to the Tenant, its employees and visitors within the area hatched [] on Plan 2;]
- (d) the right to use any such areas of the Common Parts as designated by the Landlord from time to time for keeping bicycles belonging to the Tenant, its employees and visitors;
- (e) the right to use any such areas of the Common Parts as designated by the Landlord from time to time for loading and unloading goods and materials;
- (f) [the right to use the waste disposal and recycling areas (if any) on the Common Parts for the disposal and storage of refuse and recycling;]
- (g) the right to use any clinical waste areas (if any) in the Building;
- (h) the right to use any Lifts, and the hallways, corridors, stairways and landings of the Common Parts for the purposes of access to and egress from the Property and the lavatories and washrooms referred to in clause 3.1(i) (if any) [and the Shared Areas referred to in clause 3.1(k)];
- (i) the right to use the lavatories and washrooms (if any) in the Shared Areas of the Building (if any);
- (j) [the right to shared use of reception on the [] floor of the Building;]
- (k) [the right to use the Shared Areas;]
- (l) the right to use and to connect into any Service Media at the Building that belong to the Landlord and serve (but do not form part of) the Property;
- (m) the right to display the name and logo of the Tenant (and any authorised undertenant) and information relating to the hours of operating and services offered from the Property on a sign or noticeboard in such locations as designated by the Landlord from time to time, and in a font and style that is consistent with those prevailing at the Building; and

- (n) the right to enter the Common Parts or any other Lettable Unit so far as is reasonably necessary to carry out any works to the Property required or permitted by this lease.
- 3.2 The Rights referred to in clause 3.1 are granted in common with the Landlord and any other person authorised by the Landlord.
- 3.3 The Rights are granted subject to the Third Party Rights insofar as the Third Party Rights affect the Common Parts and the Tenant shall not knowingly do anything that may interfere with any Third Party Right.
- 3.4 The Tenant shall exercise the Rights (other than the Right mentioned in clause 3.1(a)) only in connection with its use of the Property for the Permitted Use and only during the Permitted Hours and in accordance with any regulations made by the Landlord as mentioned in clause 32.1.
- 3.5 The Tenant shall comply with all laws relating to its use of the Common Parts pursuant to the Rights.
- 3.6 Subject to clause 3.9, in relation to the Rights mentioned in clause 3.1(b) to clause 3.1(k), the Landlord may, at its discretion (acting reasonably and in accordance with the principles of good estate management), change the route of any means of access to or egress over the Common Parts and the Landlord's Neighbouring Property from the Property or the interior of the Building and may change the area within the Common Parts and the Landlord's Neighbouring Property over which any of those Rights are exercised.
- 3.7 Subject to clause 3.9, in relation to the Rights mentioned in clauses 3.1(c) to 3.1(g), the Landlord may from time to time acting reasonably designate within the Common Parts or the Landlord's Neighbouring Property the spaces or bins (as the case may be) in respect of which the Tenant may exercise that Right.
- 3.8 Subject to clause 3.9, in relation to the Rights mentioned in clause 3.1(l), the Landlord may, in its reasonable discretion, re-route or replace over the Common Parts or the Landlord's Neighbouring Property any such Service Media and that Right shall then apply in relation to the Service Media as re-routed or replaced.
- 3.9 In the exercise of the Landlord's discretion or right to designate under clauses 3.6 – 3.8 inclusive the Landlord will use reasonable endeavours to ensure the altered rights are not materially less commodious than the previous rights.
- 3.10 In exercising the Right mentioned in clause 3.1(n), the Tenant shall:
 - (a) except in case of emergency, give reasonable notice to the Landlord and any occupiers of the relevant Lettable Unit(s) of its intention to exercise that Right;

- (b) where reasonably required by the Landlord or the occupier of the relevant Lettable Unit(s), exercise that Right only if accompanied by a representative of the Landlord and/or the tenant and/or the occupier of the relevant Lettable Unit(s);
- (c) cause as little damage as reasonably possible to the Common Parts and the other Lettable Units and to any property belonging to or used by the Landlord or the tenants or occupiers of the other Lettable Units;
- (d) cause as little inconvenience as reasonably possible to the Landlord and the tenants and occupiers of the other Lettable Units as is reasonably practicable; and
- (e) promptly make good (to the satisfaction of the Landlord) any damage caused to the Common Parts (or to any property belonging to or used by the Landlord) by reason of the Tenant exercising that Right.

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

4. RIGHTS EXCEPTED AND RESERVED

4.1 The following rights are excepted and reserved from this lease to the Landlord for the benefit of the Building and the Landlord's Neighbouring Property [and to the extent possible for the benefit of any neighbouring or adjoining property in which the Landlord acquires an interest during the term]:

- (a) rights of light, air, support and protection to the extent those rights are capable of being enjoyed at any time during the term;
- (b) the right to use and to connect into Service Media at, but not forming part of, the Property; the right to install and construct Service Media at the Property to serve any part of the Building (whether or not such Service Media also serve the Property) and the right to re-route any Service Media mentioned in this clause subject to the Tenant receiving reasonable prior written notice and causing no material disruption to the Tenant's use and enjoyment of the Property;
- (c) at any time during the term, the full and free right to develop the Landlord's Neighbouring Property and any neighbouring or adjoining property in which the Landlord acquires an interest during the term as the Landlord may think fit;
- (d) the right to erect scaffolding at the Building and attach it to any part of the Property or the Building in connection with any of the Reservations provided that:

- (i) the Landlord uses all reasonable endeavours to minimise the length of time that such scaffolding is erected;
- (ii) such scaffolding does not diminish or prevent access to the Property; and
- (iii) such scaffolding does not materially interfere with the Tenant's use and enjoyment of the Property;
- (e) the right to attach any structure, fixture or fitting to the boundary of the Property in connection with any of the Reservations;
- (f) the right to re-route any means of access to or egress from the Property or the Building and to change the areas over which the Rights mentioned in clause 3.1(b) to clause 3.1(k) are exercised (subject to clause 3.9); [and]
- (g) the right to re-route and replace any Service Media over which the Rights mentioned in clause 3.1(l) are exercised (subject to clause 3.9)[; and]
- (h) [ANY OTHER SPECIFIC RIGHTS THAT NEED TO BE 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 the Common Parts or loss of amenity for the Property or the Common Parts provided that they do not materially adversely affect the use and enjoyment of the Property for the Permitted Use.

4.2 The Landlord reserves the right to enter the Property:

- (a) to repair, maintain, install, construct, re-route or replace any Service Media or structure relating to any of the Reservations;
- (b) to carry out any works to any other Lettable Unit;
- (c) to carry out works which will improve the Environmental Performance of [the Property,] the Building and Common Parts; and
- (d) for any other purpose mentioned in or connected with:
 - (i) this lease;
 - (ii) the Reservations; and
 - (iii) the Landlord's interest in the Property, the Building or the Landlord's Neighbouring Property.

4.3 In exercising the Reservations, the Landlord must:

- (a) cause, and ensure that those exercising such rights on its behalf cause, as little damage as possible to the Property and as little disturbance and inconvenience as possible to the Tenant and the occupiers of the Property; and
- (b) promptly make good (at its own sole cost and expense) any damage caused in the exercise of the Reservations to the reasonable satisfaction of the Tenant.

- 4.4 The Reservations may be exercised by the Landlord and by anyone else who is or becomes entitled to exercise them, and by anyone authorised by the Landlord.
- 4.5 The Tenant shall allow all those entitled to exercise any right to enter the Property, to do so with their workers, contractors, agents and professional advisors, and to enter the Property at any reasonable time at a mutually convenient time provided that where reasonably practicable the Landlord will exercise such rights outside the usual business hours and, except in the case of an emergency, after having given reasonable notice to the Tenant and subject to the compliance with the Tenant's reasonable security requirements.
- 4.6 No party exercising any of the Reservations, nor its workers, contractors, agents and professional advisors, shall be liable to the Tenant or to any undertenant or other occupier of or person at the Property for any loss, damage, injury, nuisance or inconvenience arising by reason of its exercising any of the Reservations except for:
- (a) physical damage to the Property; or
 - (b) any loss, damage, injury, nuisance or inconvenience in relation to which the law prevents the Landlord from excluding liability.

5. THIRD PARTY RIGHTS

- 5.1 To the extent that compliance is not the responsibility of the Landlord pursuant to this Lease, the Tenant shall comply with all obligations on the Landlord relating to the Third Party Rights insofar as those obligations relate to the Property and shall not knowingly do anything (even if otherwise permitted by this lease) that may interfere with any Third Party Right.
- 5.2 The Tenant shall allow the Landlord and any other person authorised by the terms of the Third Party Right to enter the Property in accordance with its terms.

6. THE ANNUAL RENT

- 6.1 The Tenant shall pay the Annual Rent [and the Supplemental Works Charge] and any VAT in respect of it by four equal instalments in advance on or before the Rent Payment Dates or, if later, the date that is 30 days after receipt of an invoice in respect of the Annual Rent payable on those dates.
- 6.2 The Tenant shall pay the Annual Rent [and Supplemental Works Charge] in clause 6.1 by 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.
- 6.3 The first instalment of the Annual Rent and any VAT in respect of it shall be made on the date of this lease and shall be the proportion, calculated on a daily basis, in respect of the period beginning on the date of this lease and ending on the day before the next Rent Payment Date.

6.4 [The first instalment of the Supplemental Works Charge and any VAT in respect of it shall be made on the date of this lease and shall be the proportion, calculated on a daily basis, in respect of the period beginning on the date of this lease and ending on the day before the next Rent Payment Date.]¹⁷

7. REVIEW OF THE ANNUAL RENT

7.1 In this clause the **Surveyor** is the independent valuer appointed pursuant to clause 7.7.

7.2 In this clause a **Review Notice** is a notice served by the Landlord on the Tenant triggering the review of Annual Rent for the relevant Review Date served up to six months before a relevant Review Date or any time after it.

7.3 The Annual Rent shall be reviewed on each Review Date to equal the open market rent agreed or determined pursuant to this clause provided that the Annual Rent on review will not be less than the Annual Rent payable immediately before the review provided always that the Landlord serves a Review Notice.

7.4 The open market rent agreed between the Landlord and Tenant or determined by the Surveyor shall be the annual rent (exclusive of any VAT) at which the Property could reasonably be expected to be let:

- (i) in the open market;
- (ii) at the relevant Review Date;
- (iii) on the assumptions listed in clause 7.5; and
- (iv) disregarding the matters listed in clause 7.6.

7.5 The assumptions are:

- (a) the Property is available to let in the open market:
 - (i) by a willing lessor to a willing lessee;
 - (ii) as a whole;
 - (iii) with vacant possession;
 - (iv) without a fine or a premium;
 - (v) [for a term equal to the unexpired residue of the Contractual Term at the relevant Review Date or a term of ten years commencing on the relevant Review Date if longer]¹⁸; and
 - (vi) otherwise on the terms of this lease other than as to the amount of the Annual Rent but including the provisions for review of the Annual Rent;
- (b) the willing lessee has had the benefit of any rent-free or other concession or contribution which would be offered in the open market at the relevant Review Date in relation to fitting out works at the Property;

¹⁷ Only to be included where there is a Supplemental Works Charge.

¹⁸ If the term of the Lease is less than 10 years, the Hypothetical Term will be the Lease term.

- (c) the Property may lawfully be used, and is in a physical state to enable it to be lawfully used, by the willing lessee (or any potential undertenant or assignee of the willing lessee) for any purpose permitted by this lease;
- (d) the Landlord (except where in material and persistent breach) and the Tenant have fully complied with their obligations in this lease;
- (e) the Property has at all times throughout the term an Energy Performance Certificate rating sufficient to allow it to be lawfully let;
- (f) if the Property or any other part of the Building or any Service Media serving the Property, has been destroyed or damaged, it has been fully restored;
- (g) no work has been carried out on the Property or any other part of the Building that has diminished the rental value of the Property other than work carried out in compliance with clause 29;
- (h) any fixtures, fittings, machinery or equipment supplied to the Property by the Landlord that have been removed by or at the request of the Tenant, or any undertenant or their respective predecessors in title (otherwise than to comply with any law) remain at the Property; and
- (i) the willing lessee and its potential assignees and undertenants shall not be disadvantaged by any actual or potential exercise of an Option to Tax under Part 1 of Schedule 10 to the VATA 1994 in relation to the Property.

7.6 The matters to be disregarded are:

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

- 7.7 If the Landlord and Tenant cannot agree the open market rent then they may jointly appoint a Surveyor who shall be an independent valuer who is a Member or Fellow of the Royal Institution of Chartered Surveyors having substantial experience in valuing property of a like kind and character to the Property. Where the Landlord and the Tenant cannot agree on the appointment of the Surveyor then either the Landlord or Tenant may apply to the President for the Surveyor to be appointed.
- 7.8 The Surveyor shall act as an expert and not as an arbitrator. The Surveyor shall determine the open market rent. The Surveyor's decision shall be given in writing, and the Surveyor shall provide reasons for any determination. The Surveyor's written decision on the matters referred to the Surveyor shall be final and binding in the absence of manifest error or fraud.
- 7.9 The Surveyor shall give the Landlord and the Tenant an opportunity to make written representations to the Surveyor and to make written counter-representations commenting on the representations of the other party to the Surveyor. The parties will provide (or procure that others provide) the Surveyor with such assistance and documents as the Surveyor reasonably requires for the purpose of reaching a decision.
- 7.10 If the Surveyor dies, or becomes unwilling or incapable of acting, or unreasonably delays in making any determination, then either the Landlord or the Tenant may apply to the President to discharge the Surveyor and clause 7.7 shall then apply in relation to the appointment of a replacement.
- 7.11 The fees and expenses of the Surveyor and the cost of the Surveyor's appointment and any counsel's fees, or other fees, properly and reasonably incurred by the Surveyor shall be payable by the Landlord and the Tenant in the proportions that the Surveyor directs (or if the Surveyor makes no direction, then equally). The Landlord and the Tenant shall each bear their own costs in connection with the rent review.
- 7.12 If the revised Annual Rent has not been agreed by the Landlord and the Tenant or determined by the Surveyor on or before the relevant Review Date, the Annual Rent payable from and including that Review Date shall continue at the rate payable immediately before that Review Date. No later than five working days after the revised Annual Rent is agreed or the Surveyor's determination is notified to the Landlord and the Tenant, the Tenant shall pay the shortfall (if any) between the amount that it has paid for the period from and including the Review Date until the Rent Payment Date following the date of agreement or notification of the revised Annual Rent and the amount that would have been payable had the revised Annual Rent been agreed or determined on or before that Review Date.
- 7.13 Time shall not be of the essence for the purposes of this clause.
- 7.14 If at any time there is a guarantor, the guarantor shall not have any right to participate in the review of the Annual Rent but will be bound by the revised Annual Rent.

7.15 As soon as practicable after the amount of the revised Annual Rent has been agreed or determined, a memorandum recording the amount shall be signed by or on behalf of the Landlord and the Tenant and endorsed on or attached to this lease and its counterpart. The Landlord and the Tenant shall each bear their own costs in connection with the memorandum.

8. SERVICES AND SERVICE CHARGE

8.1 The **Services** are:

- (a) cleaning, maintaining and repairing and replacing (if beyond economic repair) the Common Parts including all Service Media forming part of the Common Parts and remedying any inherent defect;
- (b) cleaning the outside of the windows of the Building as often as is reasonably necessary (but at least once a quarter);
- (c) lighting the Common Parts and cleaning, maintaining, repairing and replacing lighting machinery and equipment on the Common Parts;
- (d) emptying, cleaning, maintaining, repairing and replacing refuse bins on the Common Parts;
- (e) cleaning, maintaining, repairing and replacing signage for the Common Parts;
- (f) cleaning, maintaining, repairing, operating and replacing security machinery and equipment (including closed circuit television, fencing and gates) on the Common Parts;
- (g) cleaning, maintaining, repairing, operating and replacing any fire prevention, detection or fighting machinery and equipment or alarms which form part of an integrated system serving the Property and other parts of the Building;
- (h) cleaning, maintaining, repairing and replacing a signboard showing the names and logos of the tenants and other occupiers;
- (i) maintaining the landscaped and grassed areas (if any) of the Common Parts;
- (j) salting and gritting the car park, roads and footpaths (if any) within the Building external areas when appropriate;
- (k) cleaning, maintaining, repairing the Lifts (if any) in the Common Parts;
- (l) decorating the Common Parts;
- (m) cleaning, maintaining, repairing and replacing the floor coverings on the internal areas of the Common Parts;
- (n) cleaning, maintaining, repairing and replacing the furniture and fittings on the Common Parts;
- (o) cleaning, maintaining, repairing and replacing the furniture, fittings and equipment in the lavatories and washrooms (if any) on the Common Parts and providing hot and cold water, soap, paper, towels and other supplies for them;

- (p) heating the internal areas of the Building (when appropriate) and cleaning, maintaining, repairing and replacing heating machinery and equipment serving the Building;
- (q) providing (if provided as at the date of this lease) ventilation and air conditioning (when appropriate) for the internal areas of the Common Parts and/or Building and cleaning, maintaining, repairing and replacing ventilation and air conditioning equipment serving the Common Parts and/or Building (if provided as at the date of this lease);
- (r) [providing (if provided as at the date of this Lease) [security] [reception] [cleaning and maintenance] staff for the Building and additional accommodation, equipment and telephone/data for such [security] [reception] [cleaning and maintenance] staff;]
- (s) providing services for the removal of domestic, commercial, confidential and clinical waste from the Common Parts;
- (t) enforcing, at the reasonable request of a tenant of the Building, covenants against other tenants of the Building; [and]
- (u) [subject to such works providing a proportionate cost benefit to tenants of the Building, the carrying out of works to the Common Parts or the Property in order to ensure that both comply with the minimum energy efficiency standards as provided for in the MEES Regulations from time to time¹⁹; and]
- (v) any other service or amenity that the Landlord may in its reasonable discretion acting in accordance with the principles of good estate management provide for the benefit of the tenants and occupiers of the Building.

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

- (a) the whole of the proper and reasonable costs incurred by the Landlord of:
 - (i) providing the Services;
 - (ii) the supply and removal of electricity, gas, water, sewage and other utilities to and from the Common Parts and/or Building (if provided as at the date of this lease) and, where not separately metered and paid directly to the utility provider by the Tenant, the supply and removal of electricity, gas, water, sewage and other utilities to or from the Common Parts and/or Building (if provided as at the date of this lease);

¹⁹ Sub-clause 8.1(t) will be included where the Property and the Common Parts meet the minimum letting standard for MEES at the date of grant of the Lease (currently EPC grade E or better). Where they do not, then the position is to be discussed and agreed between the parties and appropriate amendments included to allow for works to be carried out and costs to be borne as agreed.

- (iii) complying with the recommendations and requirements of the insurers of the Building (insofar as those recommendations and requirements relate to the Common Parts);
 - (iv) complying with all laws relating to the Common Parts, their use and any works carried out at them, and relating to the use of all Service Media, machinery and equipment at or serving the Common Parts and to any materials kept at or disposed of from the Common Parts;
 - (v) complying with the Third Party Rights insofar as they relate to the Common Parts; and
 - (vi) taking any steps (including proceedings) that the Landlord (acting reasonably and in accordance with the principles of good estate management) considers necessary to prevent or remove any encroachment over the Common Parts or to prevent the acquisition of any right over the Common Parts (or the Building as a whole) or to remove any obstruction to the flow of light or air to the Common Parts (or the Building as a whole);
- (b) the proper and reasonable costs, fees and disbursements of:
- (i) managing agents employed by the Landlord for the carrying out and provision of the Services or, where managing agents are not employed, a reasonable management fee for the same;
 - (ii) accountants employed by the Landlord to prepare and audit the service charge accounts; and
 - (iii) consultants for procurement of utilities, health and safety and or asbestos audits;
- (c) the costs of the salaries and employer costs (including pension, welfare and insurance contributions) and uniforms of security, reception, cleaning and maintenance staff for the Building (if any) and of all equipment and supplies needed for the proper performance of their duties if provided;
- (d) all rates, taxes, impositions and outgoings payable in respect of the Common Parts and, when not separately assessed for rates and charged directly to the Tenant, all rates, taxes, impositions and outgoings payable in respect of the Building (including the Property), their use and any works carried out on them (other than any taxes payable by the Landlord in connection with any dealing with or disposition of its reversionary interest in the Building);
- (e) any VAT payable by the Landlord in respect of any of the items mentioned above except to the extent that the Landlord obtains credit for such VAT under the VATA 1994; and
- (f) the reasonable costs of an annual amount based on the original cost to the Landlord of replacing or repairing specified equipment plant or elements of the building fabric which reflects the gradual expiry of the life of that equipment plant or element.

- 8.3 The Landlord shall take all proportionate steps:
- (a) to repair the structural parts of the Common Parts;
 - (b) to provide heating (and, where provided at the date of this lease, ventilation and air conditioning) to the internal areas of the Common Parts and the Property during such periods of the year as the Landlord (acting reasonably) considers appropriate;
 - (c) to provide electricity and water to the Property;
 - (d) to keep the internal areas of the Common Parts clean, and to clean the outside of the windows of the Building as often as the Landlord (acting reasonably) considers appropriate;
 - (e) to keep the internal areas of the Common Parts reasonably well lit;
 - (f) to supply hot and cold water, soap, paper, towels and other supplies for the lavatories and washrooms (if any) on the Common Parts;
 - (g) to keep the Lifts (if any) in the Common Parts in reasonable working order; and
 - (h) comply with the recommendations and requirements of the insurers of the Building (insofar as those recommendations and requirements relate to the Common Parts).
- 8.4 The Landlord may, but shall not be obliged to, provide any of the other Services. The Landlord shall not be obliged to carry out any works where the need for those works has arisen by reason of any damage or destruction by a risk against which the Landlord is not obliged to insure.
- 8.5 The Landlord shall not be obliged to provide any of the Services outside the Permitted Hours.
- 8.6 The Landlord shall use best endeavours to handle the recovery of the Service Charge in a transparent and reasonable manner.
- 8.7 The Landlord shall not be liable for:
- (a) any interruption in, or disruption to, the provision of any of the Services for any reason that is outside the reasonable control of the Landlord; or
 - (b) any injury, loss or damage suffered by the Tenant as a result of any absence or insufficiency of any of the Services or of any breakdown or defect in any Service Media, except where due to the negligence or deliberate act of the Landlord,

PROVIDED THAT the Landlord shall take all reasonable steps to ensure that, in the event of an interruption to the Services, the Services are resumed as soon as reasonably practicable.

- 8.8 Before or as soon as possible after the start of each Service Charge Year, the Landlord shall prepare and send the Tenant an estimate of the Service Costs for that Service Charge Year and a statement of the estimated Service Charge for that Service Charge Year.
- 8.9 The Tenant shall pay the estimated Service Charge for each Service Charge Year in four equal instalments on each of the Rent Payment Dates or, if later, the date that is 30 days after receipt of an invoice in respect of the amount payable on those dates.
- 8.10 In relation to the Service Charge Year current at the date of this lease, the Tenant's obligations to pay the estimated Service Charge and the actual Service Charge shall be limited to an apportioned part of those amounts, such apportioned part to be calculated on a daily basis for the period from and including the date of this lease to the end of the Service Charge Year. The estimated Service Charge for which the Tenant is liable shall be paid in equal instalments on the date of this lease and the remaining Rent Payment Days during the period from and including the date of this lease until the end of the Service Charge Year.
- 8.11 The Landlord shall:
- (a) prepare and send to the Tenant a statement showing the Service Costs and the Service Charge for each Service Charge Year as soon as reasonably practicable after the end of each Service Charge Year;
 - (b) use its reasonable endeavours to provide the statement referred to in (a) above within four months of the end of the relevant Service Charge Year; and
 - (c) shall upon reasonable request from the Tenant provide relevant and appropriate supporting information in respect of the Service Costs incurred within a reasonable period of time from receipt of such request.
- 8.12 If any cost is omitted from the calculation of the Service Charge in any Service Charge Year, the Landlord shall be entitled to include it in the estimate and statement of the Service Charge in the following Service Charge Year. Otherwise, and except in the case of manifest error, or a dispute pursued pursuant to clause 8.17, the Service Charge statement shall be conclusive as to all matters of fact to which it refers.
- 8.13 Without prejudice to clause 9.4(f), where the Landlord provides any Service by reason of the damage to or destruction of the Common Parts by an Insured Risk, the costs of that Service shall not be included in the Service Charge.
- 8.14 The Service Costs and the Service Charge shall exclude the following:
- (a) any liability or expense for which other tenants or occupiers of the Building or a Lettable Unit will individually be responsible under the terms of their tenancies or other arrangements by which they use or occupy the Building;
 - (b) costs incurred in remedying breaches of statutory requirements existing prior to the date when the Tenant first occupied the Property;

- (c) any costs incurred by the Landlord in connection with or attributable to unlet and/or unoccupied Lettable Units;
- (d) all costs incurred by or on behalf of the Landlord in the collection of rents and/or in the proceedings against any occupier of the Building. For the avoidance of doubt, costs incurred in collection of rents and/or proceedings against any occupier of the Property shall not be excluded;
- (e) the costs of adding to the Building or of constructing any additional Lettable Units within the Building or in relation to any future redevelopment of the Building;
- (f) any fees or expenses attributable to the letting of any vacant Lettable Units or any dispositions or dealings with the Landlord's interest in the Building or any part thereof;
- (g) any costs in respect of works to the extent the Landlord is reimbursed by any third party;
- (h) all costs in relation to the promotion or advertising of the Building;
- (i) any costs which relate to or arise from the negligence of the Landlord or any person acting on its behalf;
- (j) the initial provision of any items that are reasonably to be considered part of the original design and construction of the fabric, plant or equipment of the Building or any accessway serving the Building together with the initial setting up that is reasonably to be considered part of the original development of the Building;
- (k) the replacement of any item of the fabric, plant, equipment or materials necessary for the operation of the Building, except where analysis of the reasonable options and alternatives determines that:
 - (i) replacement is appropriate because the fabric, plant, equipment or materials are beyond economic repair at reasonable cost or beyond efficient or economic operation; or
 - (ii) the cost of replacement is relatively low when compared to the greater cost anticipated if replacement is postponed materially; or
 - (iii) replacement is required by statute or the insurers of the Building;
- (l) the improvement of any item (where the cost exceeds the costs of normal maintenance, repair or replacement) except where the expenditure can be justified following the analysis of reasonable options and alternatives and having regard to a cost benefit analysis over the term of the leases in the Building;
- (m) any Services provided by reason of damage to or destruction by an Insured Risk; and
- (n) any costs incurred in relation to any dealing with the Landlord's interest in the Building.

8.15 If, in respect of any Service Charge Year, the Landlord's estimate of the Service Charge is less than the Service Charge, the Tenant shall pay the difference within 30 days following receipt of an invoice for the same. If, in respect of any Service Charge Year, the Landlord's estimate of the Service Charge is more than the Service Charge, the Landlord shall credit the difference against the Tenant's next instalment of the estimated Service Charge or promptly return:

- (a) the difference to the Tenant where no further instalments of Service Charge are due; or
- (b) the difference less the next instalment to the Tenant, where the difference exceeds the next instalment.

8.16 The Landlord shall pay the Service Costs in relation to any unlet parts of the Building.

8.17 Any dispute concerning the Service Charge or any payment on account or any other matter arising under this clause 8, shall be dealt with pursuant to clause 39.

9. INSURANCE

9.1 Subject to clause 9.2, the Landlord covenants to either (or at its election, both):

- 9.1.1 keep the Building insured against loss or damage by the Insured Risks for the sum which the Landlord considers (acting reasonably) to be its full reinstatement cost (taking inflation of building costs into account); or
- 9.1.2 join the Property Expenses Scheme (or such scheme or means of insurance as are from time to time prescribed by the Secretary of State for Health and Social Care) and to pay promptly any required contributions to the Property Expenses Scheme.

The Landlord shall not be obliged to insure any part of the Property installed by the Tenant and any Tenant's fixtures and fittings.

9.2 The Landlord's obligation to insure is subject to:

- (a) any exclusions, limitations, excesses and conditions that may be imposed by the insurers; and
- (b) insurance being available in the London insurance market or the Property Expenses Scheme (as applicable) on reasonable terms acceptable to the Landlord (acting reasonably and in accordance with the principles of good estate management).

9.3 The Tenant shall pay to the Landlord within 30 days of demand:

- (a) the Insurance Rent;

- (b) a fair proportion of any amount that is deducted or disallowed by the insurers pursuant to any excess provision in the insurance policy²⁰;
- (c) the reasonable and proper costs, fees and disbursements reasonably and properly incurred by managing agents employed by the Landlord for administering or arranging insurance or passing through insurance costs pursuant to this clause 9 or, where managing agents are not employed, a reasonable management fee (in accordance with the Charging Policy) for carrying out the same function itself; and
- (d) the Tenant's Proportion of any costs that the Landlord incurs in obtaining a valuation of the Building for insurance purposes provided that such valuation shall occur no more frequently than once every three years.

9.4 The Tenant shall:

- (a) as soon as reasonably practicable after becoming aware of the same, give the Landlord notice of any matter that occurs in relation to the Tenant or the Property that any insurer or underwriter or, in the case of the Property Expenses Scheme, NHS Resolution may treat as material in deciding whether or on what terms to insure or to continue to insure the Building;
- (b) not do or omit anything as a result of which any insurance of or any Property Expenses Scheme cover for the Building or any neighbouring property which has been notified to the Tenant from time to time may become void or voidable or otherwise prejudiced, or the payment of any insurance money may be withheld, nor (unless the Tenant has previously notified the Landlord and has paid any increased or additional premium) anything as a result of which any increased insurance or additional premium may become payable;
- (c) comply at all times with the proper requirements and reasonable recommendations of the insurers of which it has written notice or, in the case of the Property Expenses Scheme, NHS Resolution that are from time to time identified to the Tenant which relate to the Property and the use by the Tenant of the Common Parts;
- (d) as soon as reasonably practicable after becoming aware of the same, give the Landlord notice of the occurrence of any damage or loss relating to the Property arising from an Insured Risk or Uninsured Risk;
- (e) not effect any insurance of the Property, but if it 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

²⁰ The NHS Resolution PES scheme is widely used by NHS bodies and gives insurance premiums across the NHS estate that are much lower than commercial insurance policies. However, Tenants should be aware that the applicable excess under the PES is significantly higher than a commercial insurance policy and Tenants will be expected to contribute a fair proportion of that excess in the event of a claim. Details of the PES excess can be found within the PES rules <https://resolution.nhs.uk/wp-content/uploads/2018/09/PES-Rules.pdf>

- (f) pay the Landlord an amount equal to any insurance money that the insurers of the Building or, in the case of the Property Expenses Scheme, NHS Resolution properly refuse to pay (in relation to the Building) by reason of any act or omission of the Tenant or any undertenant, their workers, contractors or agents or any person at the Property or the Common Parts with the actual or implied authority of any of them.

9.5 The Landlord shall, where it has not elected to terminate the lease in accordance with clause 9.7, subject to obtaining all necessary planning and other consents, use all insurance money received (other than for loss of rent) in connection with any damage to the Building to repair the damage for which the money has been received or (as the case may be) in rebuilding the Building as soon as reasonably practicable making up any shortfall out of its monies. The Landlord shall not be obliged to:

- (a) provide accommodation or facilities identical in layout or design so long as accommodation reasonably equivalent to that previously at the Property and its access, services and amenities is provided; or
- (b) repair or rebuild the Building after a notice has been served pursuant to clause 9.7 or clause 9.8.

9.6 If the Property is damaged or destroyed by a risk against which the Landlord is obliged to insure so as to be unfit for occupation and use or if the Common Parts are damaged or destroyed by a risk against which the Landlord is obliged to insure so as to make the Property inaccessible or unusable then, unless the insurance in relation to the Property or the Common Parts has been vitiated in whole or in part in consequence of any act or omission of the Tenant, any undertenant or their respective workers, contractors or agents or any other person on the Property or the Common Parts with the actual or implied authority of any of them, payment of the Annual Rent and the Service Charge [and the Supplemental Works Charge], or a fair proportion of such amounts according to the nature and extent of the damage, shall be suspended until the Property has been reinstated and made fit for occupation and use or the Common Parts have been reinstated so as to make the Property accessible or useable (as the case may be), or until the end of three years from the date of damage or destruction, if sooner.

9.7 If, following damage to or destruction of the Building, so as to make the Property unfit for occupation and use or inaccessible or unusable and either:

- (a) the Landlord considers that it is impossible to reinstate the Building; or
- (b) the Landlord after having:
 - (i) consulted with the Tenant and other relevant stakeholders in the local health economy;
 - (ii) given due regard to representations made by the Tenant and those other stakeholders; and
 - (iii) considered the availability and sufficiency of funding for reinstatement or re-building works

determines that it is unviable to reinstate the Building,

the Landlord may terminate may terminate this lease by giving notice to the Tenant. On giving notice this lease shall determine but this shall be without prejudice to any right or remedy of either party in respect of any breach by the other party of the covenants of this lease. Any proceeds of the insurance shall belong to the Landlord.

9.8 Provided that the Tenant has, in all material respects, complied with its obligations in this clause, the Tenant may terminate this lease by giving notice to the Landlord if, following damage or destruction of the Property or the Common Parts, either:

- (a) the Property has not been reinstated so as to be fit for occupation and use or the Common Parts have not been reinstated so as to make the Property accessible or useable within three years after the date of damage or destruction; or
- (b) the Landlord has not substantially commenced the reinstatement of the Property and/or (to the extent that the same is needed so as to make the Property accessible) the Building or Common Parts within 18 months after the date of damage or destruction.

On giving this notice this lease shall determine but this shall be without prejudice to any right or remedy of either party in respect of any breach by the other party of the covenants of this lease. Any proceeds of the insurance shall belong to the Landlord.

10. UNINSURED RISK

10.1 In the event of the Property or the Common Parts or any part of them are damaged or destroyed by an Uninsured Risk so as to render the Property unfit for occupation or use or inaccessible then the following provisions shall apply:

- (a) the Landlord shall within 3 months of the date of damage by an Uninsured Risk give written notice to the Tenant stating whether or not the Landlord intends to reinstate the Property at its own expense;
- (b) if the Landlord serves notice pursuant to clause 10.1(a) that it intends to reinstate the Property at its own expense it will do so in accordance with the provisions contained in clause 9.5 of this Lease but as if reference therein were to an Uninsured Risk;
- (c) if the Landlord serves notice pursuant to clause 10.1(a) that it does not intend to reinstate as aforesaid then either party shall be entitled to terminate this lease by giving written notice to the other party from the date the Landlord serves such notice to that effect whereupon this lease will cease and determine but without prejudice to any claim by either party against the other in respect of any antecedent breach of covenant;
- (d) if the Landlord shall fail to give notice to the Tenant in accordance with clause 10.1(a) then the Tenant or the Landlord may after the expiry of the period of 3 months from the date of damage by an Uninsured Risk terminate this lease

by written notice to the other whereupon this lease will cease and determine but without prejudice to any claim by either party against the other in respect of any antecedent breach of covenant;

- (e) if following the service of a notice by the Landlord pursuant to clause 10.1(a) indicating that the Landlord intends to reinstate the Property and the Property shall not have been rendered fit for immediate occupation and use within 3 years from the date of such damage by an Uninsured Risk then the Tenant or the Landlord may at any time thereafter but prior to the Property being rebuilt and reinstated and rendered fit for occupation and use terminate this Lease by written notice to the other to that effect whereupon this lease will cease and determine but without prejudice to any claim by either party against the other in respect of any antecedent breach of covenant; and
- (f) the provisions of this lease relating to abatement of rent in clause 9.6 shall apply as from the date of such damage or destruction by an Uninsured Risk as if the damage had been caused by an Insured Risk.

11. ADDITIONAL SUMS

The Tenant shall pay to the Landlord:

- 11.1 the Additional Sums within 30 days of demand; and
- 11.2 any other sums due under this lease within 30 days of demand.

12. RATES AND TAXES

- 12.1 (In so far as such costs are not recovered as part of the Additional Sums or the Service Charge) the Tenant shall pay all present and future rates, taxes and other impositions and outgoings [of a recurring and non-capital nature²¹] payable in respect of the Property, its use and any works carried out there, except:
 - (a) any taxes payable by the Landlord in connection with any dealing with or disposition of the reversion to this lease; or
 - (b) any taxes (other than VAT payable under the lease and insurance premium tax) payable by the Landlord by reason of the receipt of any of the rents due under this lease.
- 12.2 The Tenant shall not make any proposal to alter the rateable value of the Property or that value as it appears on any draft rating list, without the approval of the Landlord (consent not to be unreasonably withheld or delayed).

²¹ Include for short-term leases of less than five years.

13. UTILITIES

- 13.1 (In so far as such costs are not recovered as part of the Additional Sums or the Service Charge) the Tenant shall pay all costs in connection with the supply and removal of electricity, gas, water, sewage, telecommunications and data and other services and utilities to or from the Property.
- 13.2 (In so far as such costs are not recovered as part of the Additional Sums or the Service Charge) the Tenant shall comply with all laws and with any recommendations of the relevant suppliers relating to the use of those services and utilities the supply and removal of electricity, gas, water, sewage, telecommunications, data and other services and utilities to or from the Property.

14. COMMON ITEMS

- 14.1 The Tenant shall pay the Landlord within 30 days of demand the Tenant's Proportion of all costs properly payable by the Landlord for the maintenance, repair, lighting, cleaning and renewal of all Service Media, structures and other items not on the Building but used or capable of being used by the Building in common with other land.
- 14.2 The Tenant shall comply with all reasonable regulations the Landlord may make from time to time in connection with the use of any of those Service Media, structures or other items and notify to the Tenant in writing.

15. [MANAGEMENT CHARGE²²]

- 15.1 [The Tenant shall pay the Management Charge and any VAT respect of it by four equal instalments in advance on or before the Rent Payment Dates.
- 15.2 The first instalment of the Management Charge and any VAT in respect of it shall be made on the date of this lease and shall be the proportion, calculated on the daily basis, in respect of the period beginning on the date of this lease until the day before the next Rent Payment Date.]

16. VAT

- 16.1 All sums payable by the Tenant are exclusive of any VAT that may be properly chargeable. The Tenant shall pay VAT in respect of all taxable supplies made to it in connection with this lease on the due date for making any payment or, if earlier, the date on which that supply is made for VAT purposes following receipt by the Tenant of a valid VAT invoice.
- 16.2 Every obligation on the Tenant, under or in connection with this lease, to pay the Landlord or any other person any sum by way of a refund or indemnity, shall include

²² Only to be included if NHS PS's interest is leasehold.

an obligation to pay an amount equal to any VAT properly incurred on that sum by the Landlord or other person, except to the extent that the Landlord or other person obtains credit for such VAT under the VATA 1994.

17. COSTS

17.1 The Tenant shall pay the reasonable and proper costs and expenses of the Landlord including any proper solicitors' or other professionals' costs and expenses (reasonably and properly incurred both during and after the end of the term) in connection with any of the following:

- (a) the enforcement of the tenant covenants of this lease;
- (b) serving any notice in connection with this lease under section 146 or 147 of the Law of Property Act 1925 or taking any proceedings under either of those sections, notwithstanding that forfeiture is avoided otherwise than by relief granted by the court;
- (c) serving any notice in connection with this lease under section 17 of the Landlord and Tenant (Covenants) Act 1995;
- (d) the preparation and service of a schedule of dilapidations in connection with this lease which are served either during or within 56 days after the determination of the lease (howsoever the same shall occur); 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 in circumstances where the Landlord is not unreasonably to withhold it or the Landlord has imposed unreasonable conditions on such consent).

18. SET-OFF

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

19. [REGISTRATION OF THIS LEASE]

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

20. ASSIGNMENTS

- 20.1 The Tenant shall not assign the whole of this lease without the consent of the Landlord (such consent not to be unreasonably withheld or delayed), save that Landlord's consent is not required in respect of an assignment to a GP, NHS Body, or Service Provider.
- 20.2 The Tenant shall not assign part only of this lease.
- 20.3 Where consent to assignment of this lease is required the Landlord and the Tenant agree that for the purposes of section 19(1A) of the Landlord and Tenant Act 1927 the Landlord may give its consent to an assignment subject to either of the following conditions:
- (a) a condition that the assignor and guarantor enters into an authorised guarantee agreement which:
 - (i) is in respect of all the tenant covenants of this lease;
 - (ii) is in respect of the period beginning with the date the assignee becomes bound by those covenants and ending on the date when the assignee is released from those covenants by virtue of section 5 of the Landlord and Tenant (Covenants) Act 1995;
 - (iii) imposes principal debtor liability on the assignor;
 - (iv) requires (in the event of a disclaimer of liability of this lease) the assignor to enter into a new tenancy for a term equal to the unexpired residue of the Contractual Term; and
 - (v) is otherwise in a form reasonably required by the Landlord; or
 - (b) 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 1 to this lease (but with such amendments and additions as the Landlord may reasonably require).
- 20.4 The Landlord and the Tenant agree that for the purposes of section 19(1A) of the Landlord and Tenant Act 1927 the Landlord may refuse its consent to an assignment if any of the following circumstances exist at the date of the Tenant's application for consent to assign this lease:
- (a) the Annual Rent, or any other money due and demanded, under this lease is outstanding or there is a material breach of covenant by the Tenant that has not been remedied;
 - (b) in the Landlord's reasonable opinion the assignee is not of sufficient financial standing to enable it to comply with the Tenant's covenants and conditions contained in this lease; or
 - (c) the assignee and the Tenant are group companies within the meaning of section 42 of the LTA 1954.

20.5 Nothing in this clause shall prevent the Landlord from giving consent subject to any other reasonable condition, nor from refusing consent to an assignment in any other circumstance where it is reasonable to do so.

21. UNDERLETTINGS

21.1 The Tenant shall not underlet the whole of the Property.

21.2 The Tenant shall not underlet part only of the Property except in accordance with this clause nor without the consent of the Landlord, such consent not to be unreasonably withheld or delayed, and then only in accordance with the following provisions of this clause 21.

21.3 The Tenant may underlet a Permitted Part provided that the number of underlettings of a Permitted Part shall not exceed [2]²³.

21.4 The Tenant shall not underlet the Property:

- (a) together with any property or any right over property that is not included within this lease;
- (b) at a fine or premium or reverse premium; nor
- (c) allowing any rent free period to the undertenant.

21.5 The Tenant shall not underlet the Property unless, before the underlease is granted, the Tenant has given the Landlord:

- (a) a certified copy of the notice served on the undertenant, as required by section 38A(3)(a) of the LTA 1954, applying to the tenancy to be created by the underlease; and
- (b) a certified copy of the declaration or statutory declaration made by the undertenant in accordance with the requirements of section 38A(3)(b) of the LTA 1954.

21.6 Any underletting by the Tenant shall be by deed and shall include:

- (a) an agreement between the Tenant and the undertenant that the provisions of sections 24 to 28 of the LTA 1954 are excluded from applying to the tenancy created by the underlease;
- (b) the reservation of a rent which is at least equal to the Annual Rent value (relative to the proportion of the Property underlet) which is payable under this lease at the time of the underletting and which is payable at the same times as the Annual Rent under this lease;

²³ Property specifics to be considered.

- (c) provisions for the review of rent at the same dates and on the same basis as the review of rent in this lease, unless the term of the underlease does not extend beyond the next Review Date;
- (d) provisions prohibiting the undertenant to underlet;
- (e) a covenant by the undertenant, enforceable by and expressed to be enforceable by the Landlord (as superior landlord at the date of grant) and its successors in title in their own right, to observe and perform the tenant covenants in the underlease and any document that is supplemental or collateral to it and the tenant covenants in this lease, except the covenants to pay the rents reserved by this lease; and
- (f) provisions requiring the consent of the Landlord to be obtained in respect of any matter for which the consent of the Landlord is required under this lease,

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

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

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

22. SHARING OCCUPATION

The Tenant may share occupation of the Property with GPs private organisations and associated health personnel who are supporting the Tenant in delivering services falling within the Permitted Use or with a NHS Body or Public Authority or (following any assignment of this lease to a limited company) with group companies (within the meaning of section 42 of the Landlord and Tenant Act 1954) and on condition that:

- 22.1 no tenancy is created by that occupation; and
- 22.2 the Landlord is promptly advised in writing at the beginning and end of any sharing arrangement of the arrangement and of the identity of the sharing GPs and associated health personnel, NHS Body, Public Authority or group company (as the case may be).

23. CHARGING

The Tenant shall not charge the whole or any part of this lease.

24. PROHIBITION OF OTHER DEALINGS

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

25. REGISTRATION AND NOTIFICATION OF DEALINGS AND OCCUPATION

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

- (a) any dealing with this lease or the devolution or transmission of, or parting with possession of any interest in it; or
- (b) the creation of any underlease or other interest out of this lease, or out of any interest, underlease derived from it, and any dealing, devolution or transmission of, or parting with possession of any such interest or underlease; or
- (c) the making of any other arrangement for the occupation of the Property, and for the avoidance of doubt a Transaction shall not include a sharing arrangement permitted by the terms of clause 22.

25.2 In respect of every Transaction that is registrable at HM Land Registry, the Tenant shall promptly following completion of the Transaction apply to register it (or procure that the relevant person so applies). The Tenant shall (or shall procure that) any requisitions raised by HM Land Registry in connection with an application to register a Transaction are dealt with promptly and properly. Within one month of completion of the registration, the Tenant shall send the Landlord official copies of its title (and where applicable of the undertenant's title).

25.3 No later than one month after any Transaction the Tenant shall:

- (a) give the Landlord's solicitors notice of the Transaction; and
- (b) deliver two certified copies of any document effecting the Transaction to the Landlord's solicitors (including two certified copies 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's solicitors a registration fee of £40 (plus VAT); and
- (d) deliver to the Landlord's solicitors a copy of any Energy Performance Certificate and Recommendation Report issued as a result of the Transaction.

25.4 If the Landlord so requests, the Tenant shall within a reasonable time following the request supply the Landlord with full details of the occupiers of the Property and the terms on which they occupy it.

26. CLOSURE OF THE REGISTERED TITLE OF THIS LEASE

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

27. REPAIRS

27.1 The Tenant shall keep the Property clean and tidy and

[in a good state of repair and condition]

[in a reasonable state of repair and condition]

[in a state of repair and condition no worse than NHS Estatecode Condition B] [Full definition to be provided if this option is chosen]

[in a state of repair and condition no worse than as at the date of this lease][as evidenced by the Schedule of Condition].

[in such state of repair and condition as ensures that the Occupier is compliant with its obligations, from time to time, in respect of the working environment that the Occupier is required to maintain under any clinical contract that it holds and/or in order to comply with the requirements of the Care Quality Commission (or such other successor organisation)]

and shall ensure that any Service Media within and exclusively serving the Property is kept in good working order.

27.2 The Tenant shall not be liable to repair the Property to the extent that any disrepair has been caused by an Insured Risk or, to the extent that the Landlord insures via the Property Expenses Scheme, such risks as covered by the Property Expenses Scheme, unless and to the extent that:

- (a) the Landlord's insurance of the Property has been vitiated or any insurance proceeds withheld in consequence of any act or omission of the Tenant, any undertenant or their respective workers, contractors or agents or any person on the Property or Common Parts with the actual or implied authority of any of them;
- (b) the insurance cover in relation to that disrepair is excluded, limited, is unavailable or has not been extended, as mentioned in clause 9; or
- (c) the disrepair has been caused by an Uninsured Risk.

28. DECORATION

- 28.1 The Tenant shall decorate the Property every five years and also in the last three months before the end of the term (insofar as the Property has not been decorated in the previous twelve (12) months).
- 28.2 All decoration shall be carried out in a good and proper manner using good quality materials that are appropriate to the Property and the Permitted Use and shall include all appropriate preparatory work.
- 28.3 All decoration carried out in the last fifteen (15) months of the term shall also be carried out to the reasonable satisfaction of the Landlord and using materials, designs and colours approved by the Landlord (acting reasonably) where different to those previously in existence.

29. ALTERATIONS AND SIGNS

- 29.1 The Tenant shall not make any alteration to the Property other than as mentioned in clause 29.2.
- 29.2 The Tenant may make internal non-structural alterations subject to the consent of the Landlord (not to be unreasonably withheld or delayed) and erect demountable non-structural partitions (without consent of the Landlord) provided that the Tenant shall:
- (a) not carry out any such works until it has given the Landlord two copies of the plans and specification for the works; and
 - (b) make good any damage caused to the Property, Building and to any part of the Common Parts by such works.
- 29.3 The Tenant shall not install nor alter the route of any Service Media at the Property without the consent of the Landlord, such consent not to be unreasonably withheld.
- 29.4 Save as permitted by the Right in clause 3.1(m), the Tenant shall not attach any sign, fascia, placard, board, poster or advertisement to the Property so as to be seen from the Common Parts or outside the Building without the Landlord's consent (not to be unreasonably withheld or delayed).
- 29.5 In any application for Landlord's consent pursuant to clause 29.1 the Tenant shall:
- (a) identify any impact on the Environmental Performance of the Property, Building and/or Common Parts from any proposed works to or at the Property; and
 - (b) not make any alteration which would have an adverse impact on the Environmental Performance of the Property, Building and/or Common Parts or result in the Property, Building and/or Common Parts having an Energy Performance Certificate rating lower than that shown in any current Energy Performance Certificate for the Property, Building or Common Parts; and

- (c) (if the proposed works are likely to invalidate an existing Energy Performance Certificate for the Property, Building or Common Parts or require the commissioning of any new Energy Performance Certificate) the Tenant must (at the Landlord's option):
 - (i) obtain an Energy Performance Certificate from an Energy Assessor approved by the Landlord (acting reasonably) and ensure that the terms of appointment of such Energy Assessor provides that the Energy Assessor must carry out the energy assessment with reasonable care and skill in addition to the assessor's statutory duties under the EPC Regulations and that this duty is also owed to the Landlord in addition to the Tenant and give the Landlord free of charge a copy of any Energy Performance Certificate for the Property commissioned by the Tenant and all supporting information, data, plans and specifications; or
 - (ii) appoint an Energy Assessor approved by the Landlord acting reasonably, or pay the Landlord's reasonable and proper costs of obtaining an Energy Performance Certificate; and
- (d) bear any costs incurred by the Landlord arising directly or indirectly from:
 - (i) a then current Energy Performance Certificate relating to the Property, Building and/or Common Parts and commissioned by the Landlord becoming invalid as a result of any act or default of the Tenant; and
 - (ii) the then current Energy Performance Certificate rating of the Property Building and/or Common Parts falling below the rating shown on any current Energy Performance Certificate for the Property, Building and/or Common Parts as a result of any act or default of the Tenant.

29.6 Where the consent of the Landlord is required under this clause, the Landlord shall use reasonable endeavours to determine the Tenant's application for consent within 30 working days of receiving all the information that the Landlord reasonably considers necessary to allow the Landlord to determine the application.

29.7 In the case of the installation or erection of any telecommunications apparatus (as defined in the Communications Act 2003) to procure that:

- (a) the apparatus is for the exclusive use of the Tenant in connection with the business carried on from the Property;
- (b) the apparatus is not subcontracted to or used in any way by a third party;
- (c) the installation of the apparatus does not adversely affect the value of the Landlord's interest in the Property and/or the Building; and
- (d) the Tenant must not allow any circumstances to arise where by the apparatus or its use might be or become subject to or have the benefit of the Communications Act 2003.

29.8 The Tenant shall pay the Landlord's proper and reasonable professional fees in respect of the Landlord providing consent under this clause 29.

30. RETURNING THE PROPERTY TO THE LANDLORD

- 30.1 At the end of the term the Tenant shall:
- (a) return the Property to the Landlord free of any occupants and in the repair and condition required by this lease;
 - (b) remove items it has fixed to the Property and remove all signage installed by the Tenant at the Property or elsewhere at the Building, and make good any damage caused to the Property or Building by that removal; and
 - (c) deliver to the Landlord any registers or records maintained by the Tenant pursuant to any statutory duty that relate to the Property including any health & safety file, Energy Performance Certificate and asbestos survey.
- 30.2 If the Landlord reasonably so requires and gives the Tenant notice no later than six months before the end of the term, the Tenant shall remove and make good any alterations it has made to the Property at any time during the term (or during any period of occupation prior to the Contractual Term), and well and substantially to reinstate the Property in such manner as the Landlord shall reasonably direct and to its reasonable satisfaction.
- 30.3 At the end of the term the Tenant shall not reinstate any of the Tenant's alterations which improve the energy efficiency of the Property, Building and/or Common Parts and which have been carried out with the Landlord's consent and in compliance with the provisions of this lease unless notified that reinstatement is required by the Landlord, having regard to the intended use and re-letting of the Property or the Building, by written notice given to the Tenant not less than three months before the end of the term.
- 30.4 At the end of the term, the Tenant shall remove from the Property all chattels belonging to or used by it.
- 30.5 The Tenant irrevocably appoints the Landlord to be the Tenant's agent to store or dispose of any chattels or items it has fixed to the Property and which have been left by the Tenant on the Property for more than ten working days after the end of the term and have not been collected by the Tenant within twenty working days of receipt of a notice from the Landlord served after the initial twenty working day period has expired. The Landlord shall not be liable to the Tenant by reason of that storage or disposal other than in the event of negligent or deliberate damage. The Tenant shall be responsible for any costs incurred by the Landlord in relation to that storage or disposal.
- 30.6 If the Tenant does not comply with its obligations in this clause, then, without prejudice to any other right or remedy of the Landlord, the Tenant shall pay the Landlord an amount equal to the Annual Rent at the rate reserved immediately before the end of the term for the period that it would reasonably take to put the Property into the condition it would have been in had the Tenant performed its obligations under this clause. The amount shall be a debt due on demand from the Tenant to the Landlord.

31. USE

- 31.1 The Tenant shall not use the Property for any purpose other than the Permitted Use.
- 31.2 The Tenant shall not use the Property outside the Permitted Hours and where the Tenant uses the Property outside of the Core Hours, the Tenant shall pay to the Landlord (as part of the Service Charge) the whole of the costs of providing Services to the Property or the Common Parts, for the benefit of the Occupier, outside of Core Hours unless such costs can be shared by any other occupier who is also in occupation outside the Core Hours (in which case the Tenant shall pay a proportionate part of such costs).
- 31.3 If the Landlord gives its approval to the Tenant using the Property outside the Permitted Hours, the Tenant shall observe all reasonable and proper regulations that the Landlord makes relating to that use and notifies to the Tenant in writing and shall pay the Landlord all costs reasonably and properly incurred by the Landlord in connection with that use, including the whole of the cost of any Services provided by the Landlord attributable to the use by the Tenant of the Property outside the Permitted Hours.
- 31.4 The Tenant shall not use the Property for any illegal purpose nor for any purpose or in a manner that would cause loss, damage, injury, nuisance or inconvenience to the Landlord, the other tenants or occupiers of the Lettable Units or any owner or occupier of neighbouring property.
- 31.5 The Tenant shall not overload any structural part of the Building nor any Service Media at or serving the Property.
- 31.6 The Landlord gives no warranty that the Property possesses the necessary consents and/or approvals for the Permitted Use and the Tenant shall carry out its own due diligence regarding the same.
- 31.7 The Tenant acknowledges that it does not rely on, and shall have no remedies in respect of, any representation or warranty (whether made innocently or negligently) that may have been made by or on behalf of the Landlord before the date of this lease as to the matter mentioned in clause 31.6.

32. MANAGEMENT OF THE BUILDING

- 32.1 The Tenant shall observe all reasonable and proper regulations made by the Landlord from time to time in accordance with the principles of good estate management and notified to the Tenant relating to the use of the Common Parts and the management of the Building.
- 32.2 Nothing in this lease shall impose or be deemed to impose any restriction on the use of any other Lettable Unit or any neighbouring property.
- 32.3 The Tenant shall:

- (a) keep and dispose of all clinical waste generated on the Property (if any) in such a way as shall comply with all relevant statutory provisions and in accordance with best medical practice and so as not to cause a nuisance or annoyance to neighbours or neighbouring property; and
- (b) if drugs or other chemicals are kept on the Property, comply with all relevant statutory provisions and to store the same securely and in accordance with best medical practice.

33. COMPLIANCE WITH LAWS

33.1 The Tenant shall comply with all laws relating to:

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

provided that the Tenant shall not be liable under this clause 33.1 for any breaches of such laws which occurred prior to the earlier of either:

- (i) the date of this lease; or
- (ii) the date the Tenant first took occupation, except where the same was not excluded in any previous licence, lease, tenancy or other agreement or arrangement with the Landlord.

33.2 [Without prejudice to any obligation on the Tenant to obtain any consent or approval under this lease, the Tenant shall carry out all works that are required under any law to be carried out at the Property whether by the owner or the occupier.]²⁴

33.3 Promptly following receipt of any notice or other communication affecting the Property or the Building (and whether or not served pursuant to any law) the Tenant shall:

- (a) send a copy of the relevant document to the Landlord; and
- (b) in so far as it relates to the Property, take all steps necessary to comply with the notice or other communication and take any other action in connection with it as the Landlord may reasonably require.

33.4 The Tenant shall not apply for any planning permission:

²⁴ Only appropriate to include this provision where the Property is compliant at the date of grant of the Lease. Where it is not compliant, there will need to be an agreed strategy to work towards compliance including agreed responsibility for carrying out works and sharing of costs.

- (a) in respect of any part of the Building (other than the Property) or in respect of the Property together with any other part of the Building; and
 - (b) in respect of the Property only, without the consent of the Landlord (such consent not to be unreasonably withheld or delayed).
- 33.5 The Tenant (for so long as it is [*insert Tenant's name*]) shall not be obliged to be engaged or involved in any planning appeal relating to the Property.
- 33.6 Where works are carried out to the Property by or on behalf of the Tenant the Tenant shall comply with its obligations under the CDM Regulations, including all requirements in relation to the provision and maintenance of a health and safety file.
- 33.7 Where works are carried out to the Property by or on behalf of the Tenant the Tenant shall supply all information to the Landlord that the Landlord reasonably requires from time to time to comply with the Landlord's obligations under the CDM Regulations.
- 33.8 Promptly following the Tenant becomes aware of any defect in the Property, it shall give the Landlord notice of it. The Tenant shall indemnify the Landlord against any liability under the Defective Premises Act 1972 in relation to the Property by reason of any failure of the Tenant to comply with any of the tenant covenants in this lease.
- 33.9 Subject to clause 33.10, the Tenant shall keep the Property equipped with all fire prevention, detection and fighting machinery and equipment and fire alarms which are required under all relevant laws or required by the insurers of the Property or reasonably recommended by them or reasonably required by the Landlord and shall keep that machinery, equipment and alarms properly maintained and available for inspection save where this forms part of the Service Media.
- 33.10 Clause 33.9 shall not apply to any fire prevention, detection or fighting machinery and equipment or alarms which form part of an integrated system serving the Property and other parts of the Building and in respect of the same:
 - (a) the Landlord hereby covenants with the Tenant to keep any such machinery, equipment or alarms properly repaired and maintained; and
 - (b) the Tenant covenants with the Landlord to allow the Landlord access to the Property (at reasonable times and on reasonable notice, save in an emergency) to comply with its obligation at clause 33.10(a).

34. ENERGY PERFORMANCE CERTIFICATES

- 34.1 The Tenant shall:
 - (a) co-operate with the Landlord so far as is reasonably necessary to allow the Landlord to obtain an Energy Performance Certificate and Recommendation Report for the Property or the Building 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/or Recommendation Report for the Property or the Building.

34.2 The Tenant shall not commission an Energy Performance Certificate for the Property without the Landlord's consent (such consent not to be unreasonably withheld and to always be provided where the Tenant is obliged to commission an Energy Performance Certificate pursuant to the EPC Regulations).

34.3 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 reasonable and proper costs of the Landlord of commissioning an Energy Performance Certificate for the Property.

34.4 The Tenant shall 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.

34.5 The Tenant shall not do or omit to do anything:

- (a) which adversely affects the EPC rating or otherwise has an adverse impact on the Environmental Performance of the Property, Building and/or Common Parts; or
- (b) the effect of which could make the Landlord liable to pay any penalty, damages, compensation, costs or charges under the MEES Regulations in relation to the Property, Building and/or Common Parts.

35. ENCROACHMENTS, OBSTRUCTIONS AND ACQUISITION OF RIGHTS

35.1 Save as permitted under this lease, the Tenant shall not grant any right or licence over the Property to a third party, or knowingly permit any encroachment over the Property or any easements or other rights to be acquired over the Property.

35.2 If a third party makes or attempts to make any encroachment over the Property or takes any action by which an easement or other right may be acquired over the Property, the Tenant shall:

- (a) inform the Landlord promptly after becoming aware and shall give the Landlord notice of that encroachment or action; and

- (b) take all steps (including any proceedings) the Landlord reasonably requires [(at the Landlord's cost)]²⁵ to prevent or license the continuation of that encroachment, action or the acquisition of any such easement or other right.
- 35.3 The Tenant shall not obstruct the flow of light or air to the Property or any other part of the Building nor obstruct any means of access to the Property or any other part of the Building.
- 35.4 The Tenant shall not knowingly make any acknowledgement that the flow of light or air to the Property or any other part of the Building or that the means of access to the Property or any other part of the Building is enjoyed with the consent of any third party.
- 35.5 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 obstruct the means of access to the Property, the Tenant shall:
 - (a) inform the Landlord promptly after the Tenant becomes aware and shall give the Landlord notice of that action; and
 - (b) take all reasonable steps (including proceedings) the Landlord reasonably requires [(at the Landlord's cost)]²⁶ to prevent or secure the removal of the obstruction or the interference.

36. BREACH OF REPAIR AND MAINTENANCE OBLIGATIONS

- 36.1 The Landlord may on reasonable notice and, to the extent practicable, outside the usual Permitted Hours enter the Property to inspect its condition and state of repair and may give the Tenant a notice of any breach of any of the tenant covenants in this lease relating to the condition or repair of the Property.
- 36.2 If the Tenant has not begun any works needed to remedy that breach within two months following that notice (or if works are required as a matter of emergency, then immediately) or if the Tenant is not carrying out the works with all due speed, then upon reasonable prior notice the Landlord may enter the Property and carry out the works needed.
- 36.3 The proper and reasonable costs incurred by the Landlord in carrying out any works pursuant to this clause (and any professional fees and any VAT in respect of those costs) shall be a debt due from the Tenant to the Landlord and payable within 30 days of demand.
- 36.4 Any action taken by the Landlord properly pursuant to this clause shall be without prejudice to the Landlord's other rights, including those under clause 43.

²⁵ Include in short term lease – less than 5 years.

²⁶ Include in short term lease – less than 5 years.

37. INDEMNITY

The Tenant shall keep the Landlord indemnified against all liabilities, expenses, costs, claims, damage and loss (including any diminution in the value of the Landlord's interest in the Building and loss of amenity of the Building) arising from any breach of any tenant covenants in this lease, or any act or omission of the Tenant, any undertenant or their respective workers, contractors or agents or any other person on the Property or the Common Parts with the actual or implied authority of any of them.

38. LANDLORD'S COVENANT FOR 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.

39. DISPUTE RESOLUTION

39.1 If a dispute arises between the Landlord and the Tenant in relation to any matter arising out of or in connection with this lease, it shall first be discussed between an officer of the Landlord with responsibility for the Property and an appropriate authorised officer from the Tenant at a meeting convened for this purpose and the parties shall use their respective reasonable endeavours to resolve such dispute before relying on the additional provisions of this clause 39.

39.2 If a dispute cannot be resolved in accordance with clause 39.1 then it shall be referred to the relevant principal property manager of the Landlord and an appropriate senior representative of the Tenant (which may be the same person as referred to in clause 39.1) who shall meet within ten (10) working days of such referral solely in order to resolve the matter in dispute. Such meeting shall be minuted and conducted in such manner and at such venue as to promote a consensual resolution of the dispute in question.

39.3 If a dispute cannot be resolved in accordance with clause 39.1 or 39.2 the matter shall be referred to an executive director of the Landlord and an executive director from the Tenant with authority to resolve the dispute and the provisions at clause 39.1 shall apply.

39.4 In attempting to resolve the dispute in accordance with clauses 39.1, the parties:

- (a) shall act reasonably and in good faith;
- (b) may (in appropriate circumstances and by agreement) submit the dispute to an independent expert (with appropriate expertise in the subject matter of the dispute) for determination of the dispute and the expert's determination shall be binding on the parties; and
- (c) shall (where relevant to the subject matter of the dispute) seek representations on the dispute from the regional team of NHS England/NHS Improvement.

- 39.5 If a dispute has not been resolved by the parties in accordance with clauses 39.1 to 39.4 (inclusive) within four months (or such other reasonable period agreed between the parties) of the dispute arising, either party may refer the dispute to the DHSC for resolution and the DHSC shall consider the same in accordance with any relevant procedures and policies from time to time (and calling upon such expert advice or input as it considers necessary) and make an award which shall be given in writing and shall be final and binding on the parties (save to the extent only that any appeal process is notified to the parties by the DHSC as part of the award).
- 39.6 The DHSC may (but is not obliged to) give the Landlord and the Tenant an opportunity to make written representations regarding the dispute and make written counter-representations commenting on the representations of the other party. The parties will provide (or procure that others provide) DHSC with such assistance and documents as DHSC reasonably requires for the purpose of reaching a decision and making an award.
- 39.7 In determining any dispute referred to in in accordance with this clause 39, the DHSC may make an award specifying that:
- (a) one party shall make good to the other all losses, claims, demands, actions, proceedings, damages, costs, expenses or other liability arising in any way from breach of the first party's obligations under this lease; and/or
 - (b) that one party should pay to the other a contribution towards internal or external costs incurred in pursuing the dispute.
- 39.8 Where any sum payable by the Tenant to the Landlord pursuant to this lease is subject to a bona fide dispute (and that dispute has been the subject of a referral to dispute resolution in accordance with this clause 39), the Tenant may withhold payment of the sum in dispute until the resolution of the same but shall promptly pay to the Landlord all other sums properly due and owing under this lease.

40. GUARANTEE AND INDEMNITY

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

41. LEASE BREAK

- 41.1 Subject to the occurrence of a Landlord Break Event, the Landlord may terminate this lease by serving a Landlord Break Notice. Upon serving a Landlord Break Notice the lease will terminate on the Landlord Break Date.
- 41.2 [Subject to the occurrence of a Tenant Break Event, the Tenant may terminate this lease by serving a valid Tenant Break Notice. Upon serving the Tenant Break Notice the lease will terminate on the Tenant Break Date.
- 41.3 Subject to clause 41.4, a Tenant Break Notice shall be of no effect if at the Tenant Break Date the Tenant:
- (a) has not paid any part of the Annual Rent which was due to have been paid (save for any part of the Annual Rent that is subject to a bona fide dispute which has been referred to dispute resolution in accordance with clause 39);
or
 - (b) has failed to give up occupation of the Property; or
 - (c) has failed to terminate all subleases; or
 - (d) has failed to ensure that all sub-tenants and occupiers have vacated the Property.
- 41.4 For the avoidance of doubt, the Landlord may (at any time prior to the Tenant Break Date) waive any one or more of the conditions referred to in clause 41.3 (a) to (d) inclusive by service of written notice on the Tenant.]²⁷
- 41.5 Termination of this lease in accordance with this clause 41 shall not affect any other right or remedy that either party may have in relation to any earlier breach of this lease.
- 41.6 If this lease terminates in accordance with this clause 41 then, within 28 days after the relevant break date, the Landlord shall refund the Tenant the proportion of the Annual Rent paid in advance for the period from and excluding the relevant break date up to and excluding the next Rent Payment Date, calculated on a daily basis and shall (in accordance with clause 8.15) repay to the Tenant any credit of Service Charge within 28 days of the Service Charge statement for that Service Charge Year having been finalised.

42. [NOT USED] [SURRENDER OF PART (MULTIPLE SERVICE CONTRACTS)]

- 42.1 [In this clause 42, the following words and expressions have the following meanings:

²⁷ Tenant Break provisions are only to be included where the Tenant is a Provider, and not where the Tenant is an ALB.

"Actual Exit Payment" means the actual Exit Costs incurred by the Landlord.

"Deed of Surrender" means the Deed of Surrender referred to in clause 42.8(d).

"Estimated Exit Payment" means the Landlord's estimate (acting reasonably) of the Exit Costs.

"Exit Costs" means the costs and expenses properly incurred by the Landlord in carrying out works required to enable the Surplus Unit(s) to be let independently or to reinstate the Surplus Unit to the layout and condition existing at the date that the Tenant took up use and occupation of the Surplus(s) Unit.

"Surplus Unit" means a marketable and lettable unit forming part of the Property and capable of exclusive and independent occupation and complying with all relevant health and safety legislation, comprising a minimum of 100 sq m NIA of contiguous rooms, together with any allocation of car spaces attributable to that unit.

"Withdrawal of Activity" means the withdrawal of clinical or non-clinical activity being carried out by the Tenant from a Surplus Unit, where such relocation or withdrawal is unconditionally supported in written correspondence sent to the Landlord by the Commissioner and for the purposes of this lease the activity that is so relocated shall be known as the **"Withdrawn Activity"**.

42.2 The parties agree that (subject to the terms of clauses 42.3, 42.4 and 42.14) at any time after:

- (a) one (but not all) of the Service Contracts is terminated or expires or a defined clinical service is removed from a Service Contract (the **"Terminated Service"**); or
- (b) any Withdrawal of Activity;

the Tenant shall be entitled to surrender back to the Landlord the Surplus Unit(s) from which the Terminated Service or Withdrawn Activity (as the case may be) was performed and in the circumstances specified in clause 42.2(a) the Landlord shall be entitled to require the Tenant to surrender back to the Landlord the Surplus Unit(s) from which the Terminated Service was performed.

42.3 In order to give effect to clause 42.2 in the circumstances specified in clause 42.2(a), either party may serve written notice on the other after or in reasonable anticipation of termination or expiry of a Service Contract or the removal of a clinical service from a Service Contract and in order to give effect to clause 42.2 in the circumstances specified

in clause 42.2(b), the Tenant may serve written notice on the Landlord after or in reasonable anticipation of a Withdrawal of Activity (in either case the "Surplus Space Notice") setting out:

- (a) in the case of notice served by the Tenant, the details of the Tenant's wish to surrender one or more Surplus Units from which the Terminated Service or Withdrawn Activity (as the case may be) was or is being performed; or
- (b) in the case of notice served by the Landlord, the details of the Landlord's requirement that the Tenant surrender one or more Surplus Units from which the Terminated Service was or is being performed,

including in the case of either 42.3(a) or 42.3(b):

- (c) the date on which the party serving the notice requires the surrender to take effect ("the **Surrender Completion Date**") which in the case of a notice served by the Landlord shall be not more than 14 days after the date of termination or expiry of the relevant Service Contract or removal of the Terminated Service from the Service Contract and in the case of a notice served by the Tenant shall be the later of:
 - (i) the date that is three months after service of the Surplus Space Notice, in the case of a Surplus Space Notice served pursuant to clause 42.2(a) or the date that is six months after service of the Surplus Space Notice, in the case of a Surplus Space Notice served pursuant to clause 42.2(b); and
 - (ii) the date of termination or expiry of the relevant Service Contract or removal of the Terminated Service from the Service Contract or in the case of a Withdrawal of Activity, the date on which such Withdrawal of Activity occurs.

42.4 Where the Tenant has served a Surplus Space Notice pursuant to clause 42.3, in the circumstances specified in clause 42.2(a) such Surplus Space Notice must be accompanied by the following:

- (a) full details of the Terminated Service and the circumstances leading or anticipated to lead to the termination or expiry of the relevant Service Contract or the removal of a clinical service from a Service Contract; and
- (b) written evidence in a form satisfactory to the Landlord (acting reasonably) from the Commissioner of the Terminated Service confirming that the relevant Service Contract has been terminated or has expired or that the Terminated Service has been removed from the Service Contract or that it is anticipated that any of the aforementioned events will occur within the six month period immediately following the date of service of the Surplus Space Notice.

42.5 Where the Tenant has served a Surplus Space Notice pursuant to clause 42.3 in the circumstances specified in clause 42.2(b), such Surplus Space Notice must be accompanied by the following:

- (a) details of the Withdrawn Activity;
- (b) written evidence from the Commissioner of the Withdrawn Activity, confirming their approval to the Withdrawal of Activity and the anticipated timetable for that Withdrawal of Activity; and
- (c) written confirmation (in a form reasonably acceptable to the Landlord) from the Commissioner that they will indemnify the Landlord against all void costs associated with the relevant Surplus Unit(s) until such time as the Surplus Unit(s) are re-let,

and for the avoidance of doubt any Surplus Space Notice which does not contain within it or is not accompanied by (as the case may be) the information, details or other matters referred to in either clause 42.4 or 42.5 (as the case may be) shall be void and of no effect.

42.6 The Landlord shall act reasonably in response to a Surplus Space Notice given by the Tenant and shall not unreasonably withhold or delay its approval to such Surplus Space Notice.

42.7 The Tenant shall act reasonably in response to a Surplus Space Notice given by the Landlord and shall not unreasonably withhold or delay its approval to a Surplus Space Notice given by the Landlord.

42.8 As soon as practicable following service of a Surplus Space Notice the parties shall act in good faith to agree the terms of the proposed surrender including:

- (a) the Surplus Unit(s) to be surrendered by the Tenant to the Landlord;
- (b) the extent of any works required to enable the proposed Surplus Unit(s) to be let independently or to reinstate the Surplus Unit to the layout (which for the avoidance of doubt shall be met at the Tenant's sole cost and expense) and condition existing at the date that the Tenant took up use and occupation of the Surplus Unit;
- (c) the proportionate reduction in the Tenant's Proportion and the Annual Rent as a result of the surrender of the relevant Surplus Unit(s); and
- (d) the terms of the Deed of Surrender which will deal with the matters set out above and will be substantively in the form annexed hereto at Schedule 2 with such amendments as the parties shall agree, acting reasonably; and which shall in appropriate cases include any further variations that may be required to the lease to:
 - (i) remove rights or reservations that will not be applicable following completion of the Deed of Surrender;

- (ii) to add rights or reservations necessitated by the completion of the Deed of Surrender; or
- (iii) remove any other clauses of the lease which relate solely to the relevant Surplus Unit(s) and which as a result will not be applicable following completion of the Deed of Surrender.

42.9 As soon as reasonably practicable following the agreement of the extent of the works referred to in clause 42.8(b) above the Landlord shall inform the Tenant of the Estimated Exit Payment and the Deed of Surrender shall include the following obligations:

- (a) that the Tenant shall pay the Estimated Exit Payment to the Landlord in cleared funds on the Surrender Completion Date; and
- (b) that if where following practical completion of the works referred to in clause 42.8(b) above the Actual Exit Payment is greater than the Estimated Exit Payment the Tenant shall pay the balance to the Landlord within 28 days of demand or if the Estimated Exit Payment is greater than the Actual Exit Payment the Landlord shall refund the overpayment to the Tenant within 28 days of demand.

42.10 The Deed of Surrender shall be prepared by the Landlord's solicitors in original and counterpart and the original shall be delivered to the Tenant's solicitors to be executed by the Tenant not less than five (5) Business Days before the Surrender Completion Date.

42.11 The Landlord and the Tenant shall complete the Deed of Surrender on the Surrender Completion Date and on the Surrender Completion Date the Tenant shall pay to the Landlord within 30 days of demand all of the costs and expenses reasonably and properly incurred by the Landlord in completing the surrender and otherwise in giving effect to this clause.

42.12 The Tenant shall give vacant possession of the relevant Surplus Unit(s) to the Landlord on or before the Surrender Completion Date in accordance with the terms of the Deed of Surrender.

42.13 The Tenant shall within twenty (20) Business Days of completion of any Deed of Surrender of any Surplus Unit(s) apply to the Land Registry to register the Deed of Surrender against its title to the Property and the Landlord's registered title and shall promptly following completion of the registration provide the Landlord with written evidence of it.

42.14 Any Surplus Space Notice served by the Tenant pursuant to clause 42.3 shall be void and of no effect if at the date of service of such Surplus Space Notice there is not more than 18 months of the Contractual Term remaining unexpired.

42.15 Any dispute arising under this clause 42 shall be referred to the disputes resolution process set out in clause 39.

43. RE-ENTRY AND FORFEITURE

43.1 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 Annual Rent is unpaid 21 days after becoming payable whether it has been formally demanded or not; or
- (b) any Service Charge or Insurance Rent is unpaid 21 days after becoming payable following a formal demand;
- (c) any breach of any condition of, or tenant covenant, in this lease; or
- (d) an Act of Insolvency

PROVIDED THAT (in the case of sub-clauses (b), (c) and (d) above) the Landlord shall have first provided written notice to the Tenant setting out details of the breach in question and allowing a reasonable period in which to remedy the same and any dispute as to the matter in question shall have been referred to the disputes resolution process set out in clause 39.

43.2 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.

43.3 The Landlord shall not use the fact that a right to exercise its powers pursuant to the commercial rent arrears recovery scheme has arisen as ground to its right of forfeiture.

44. [SUPPLEMENTAL WORKS CHARGE]

[Except where the lease is determined pursuant to clauses 9.7 or 9.8, in the event that this lease terminates before the end of the Contractual Term, whether [by way of exercise of an option to break,] by way of re-entry and forfeiture by the Landlord, or otherwise, a sum equivalent to the aggregate of the unpaid Supplemental Works Charge for the period from the date of determination of this lease to and including the last date of the Contractual Term shall immediately become due from the Tenant to the Landlord and the Tenant shall pay such sum to the Landlord on the date of determination of this lease.]

45. JOINT AND SEVERAL LIABILITY

45.1 Where the Tenant comprises more than one person, those persons shall be jointly and severally liable for the obligations and liabilities of the Tenant arising under this lease. The Landlord may take action against, or release or compromise the liability of, or

grant time or other indulgence to, any one of those persons without affecting the liability of any other of them.

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

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

45.4 Except where the Landlord ought reasonably to be aware of the matter in question, in any case where the facts are or should reasonably be known to the Tenant, the Landlord shall not be liable to the Tenant for any failure of the Landlord to perform any landlord covenant in this lease, [unless and until the Tenant has given the Landlord notice of the facts that give rise to the failure and the Landlord has not remedied that failure within a reasonable time].

46. ENTIRE AGREEMENT AND EXCLUSION OF REPRESENTATIONS

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

46.2 Each party acknowledges that in entering into this lease and any documents annexed to it does not rely on, and shall have no remedies in respect of, any representation or warranty (whether made innocently or negligently) other than those contained in written replies that [*Insert name of Landlord's solicitor*] has given to any enquiries raised by [*insert Tenant's Solicitors*] before the date of this lease (and for those purposes "written" shall include email).

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

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

47. NOTICES, CONSENTS AND APPROVALS

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:

- (a) in writing and for the purposes of this clause an e-mail or fax is not in writing; and
- (b) given by hand or by pre-paid first-class post or other next working day delivery service at the party's registered office address (if the party is a

company) or (in any other case) at the party's principal place of business and in the case of notices served on [*insert Tenant*] shall be addressed to the Chief Executive at [] and in the case of notices served on the Landlord shall be addressed to the Head of Property Management.

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:

- (a) if delivered by hand, at the time the notice is left at the proper address; or
- (b) if 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.

47.4 Section 196 of the Law of Property Act 1925 shall otherwise apply to notices given under this lease.

47.5 Where the consent of the Landlord is required under this lease, a consent shall only be valid if it is given by deed, unless:

- (a) it is given in writing and signed by 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.

47.6 If a waiver is given pursuant to clause 47.5, it shall not affect the requirement for a deed for any other consent.

47.7 Where the approval of the Landlord is required under this lease, an approval shall only be valid if it is in writing and signed by or on behalf of the Landlord, unless:

- (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.

47.8 If the Landlord gives a consent or approval under this lease, the giving of that consent or approval shall not imply that any consent or approval required from a third party has been obtained, nor shall it obviate the need to obtain any consent or approval from a third party.

48. GOVERNING LAW

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

49. JURISDICTION

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

50. EXCLUSION OF SECTIONS 24-28 OF THE LTA 1954

50.1 The parties confirm that:

- (a) the Landlord served a notice on the Tenant, as required by section 38A(3)(a) of the LTA 1954, applying to the tenancy created by this lease, before this lease was entered into [a certified copy of which notice is annexed to this lease];
- (b) [the Tenant] **OR** [NAME OF DECLARANT who was duly authorised by the Tenant to do so] made a statutory declaration dated [DATE] in accordance with the requirements of section 38A(3)(b) of the LTA 1954 [a certified copy of which statutory declaration is annexed to this lease]; [and]
- (c) [there is no agreement for lease to which this lease gives effect.]

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

51. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

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

52. FREEDOM OF INFORMATION

The Landlord and the Tenant each acknowledges that the other is subject to the requirements of the FOIA, the FOIA Code and the Environmental Information Regulations and each agrees to facilitate the other's compliance with its Information (as defined in section 84 of the FOIA) disclosure requirements pursuant to the same so far as reasonably practicable.

53. CONTROL AND SUBSTITUTION OF COMMON PARTS

53.1 The Common Parts shall at all times be subject to the exclusive control and management of the Landlord and the Landlord shall be entitled:

- (a) to alter stop up divert or otherwise use any part of the Common Parts or any of them provided that no such alteration stopping up diversion other use or change which has any material adverse effect on the Property or any part thereof or on the use or enjoyment of or access to the same shall be effected unless it is unavoidable or avoidable only at a cost which the Landlord

considers to be disproportionate and in any event the Landlord shall use all reasonable endeavours to minimise any such material adverse effect; and

- (b) to close all or any of the Common Parts for the purpose of repairing renovating replacing cleansing and maintaining the same provided that the Landlord shall use all reasonable endeavours to minimise the length of any such closure and where practicable to action any closures that would prevent or restrict access to the Property to outside of the Permitted Hours.

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 - Guarantee and indemnity

1. GUARANTEE AND INDEMNITY

- 1.1 The Guarantor guarantees to the Landlord that the Tenant shall:
- (a) pay the rents reserved by this lease and observe and perform the tenant covenants of this lease and that if the Tenant fails to pay any of those rents or to observe or perform any of those tenant covenants, the Guarantor shall pay or observe and perform them; and
 - (b) observe and perform any obligations the Tenant enters into in an authorised guarantee agreement made in respect of this lease (the **Authorised Guarantee Agreement**) and that if the Tenant fails to do so, the Guarantor shall observe and perform those obligations.
- 1.2 The Guarantor covenants with the Landlord as principal obligor and as a separate and independent obligation and liability from its obligations and liabilities under paragraph 1.1 to indemnify and keep indemnified the Landlord against any failure by the Tenant:
- (a) to pay any of the rents reserved by this lease or any failure to observe or perform any of the tenant covenants of this lease; or
 - (b) to observe or perform any of the obligations the Tenant enters into in the Authorised Guarantee Agreement.

2. GUARANTOR'S LIABILITY

- 2.1 The liability of the Guarantor under paragraph 1.1(a) and paragraph 1.2(a) shall continue until the end of the term, or until the Tenant is released from the tenant covenants of this lease by virtue of the Landlord and Tenant (Covenants) Act 1995, if earlier.
- 2.2 The liability of the Guarantor shall not be reduced, discharged or otherwise adversely affected by:
- (a) any time or indulgence granted by the Landlord to the Tenant; or
 - (b) any delay or forbearance by the Landlord in enforcing the payment of any of the rents or the observance or performance of any of the tenant covenants of this lease (or the Tenant's obligations under the Authorised Guarantee Agreement) or in making any demand in respect of any of them; or
 - (c) any refusal by the Landlord to accept any rent or other payment due under this lease where the Landlord believes that the acceptance of such rent or payment may prejudice its ability to re-enter the Property; or
 - (d) the Landlord exercising any right or remedy against the Tenant for any failure to pay the rents reserved by this lease or to observe or perform the tenant covenants of this lease (or the Tenant's obligations under the Authorised Guarantee Agreement); or

- (e) the Landlord taking any action or refraining from taking any action in connection with any other security held by the Landlord in respect of the Tenant's liability to pay the rents reserved by this lease or observe and perform the tenant covenants of the lease (or the Tenant's obligations under the Authorised Guarantee Agreement) including the release of any such security; or
- (f) a release or compromise of the liability of any one of the persons who is the Guarantor, or the grant of any time or concession to any one of them; or
- (g) any legal limitation or disability on the Tenant or any invalidity or irregularity of any of the tenant covenants of the lease (or the Tenant's obligations under the Authorised Guarantee Agreement) or any unenforceability of any of them against the Tenant; or
- (h) the Tenant being dissolved, or being struck off the register of companies or otherwise ceasing to exist, or, if the Tenant is an individual, by the Tenant dying or becoming incapable of managing its affairs; or
- (i) without prejudice to paragraph 4, the disclaimer of the Tenant's liability under this lease or the forfeiture of this lease; or
- (j) the surrender of the lease in respect of part only of the Property, except that the Guarantor shall not be under any liability in relation to the surrendered part in respect of any period after the surrender; or
- (k) by any other act or omission except an express written release by deed of the Guarantor by the Landlord.

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

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

3. VARIATIONS AND SUPPLEMENTAL DOCUMENTS

3.1 The Guarantor shall, at the request of the Landlord, join in and give its consent to the terms of any consent, approval, variation or other document that may be entered into by the Tenant in connection with this lease (or the Authorised Guarantee Agreement).

3.2 The Guarantor shall not be released by any variation of the rents reserved by, or the tenant covenants in, this lease (or the Tenant's obligations under the Authorised Guarantee Agreement) whether or not:

- (a) the variation is material or prejudicial to the Guarantor; or
- (b) the variation is made in any document; or
- (c) the Guarantor has consented, in writing or otherwise, to the variation.

3.3 The liability of the Guarantor shall apply to the rents reserved by and the tenant covenants in this lease (and the Tenant's obligations under the Authorised Guarantee

Agreement) as varied except to the extent that the liability of the Guarantor is affected by section 18 of the Landlord and Tenant (Covenants) Act 1995.

4. GUARANTOR TO TAKE A NEW LEASE OR MAKE PAYMENT

- 4.1 If this lease is forfeited or the liability of the Tenant under this lease is disclaimed and the Landlord gives the Guarantor notice not later than six months after the forfeiture or the Landlord having received notice of the disclaimer, the Guarantor shall enter into a new lease of the Property on the terms set out in paragraph 4.2.
- 4.2 The rights and obligations under the new lease shall take effect from the date of the forfeiture or disclaimer and the new lease shall:
- (a) be granted subject to the right of any person to have this lease vested in them by the court and to the terms on which any such order may be made and subject to the rights of any third party existing at the date of the grant;
 - (b) be for a term that expires at the same date as the end of the Contractual Term of this lease had there been no forfeiture or disclaimer;
 - (c) reserve as an initial annual rent an amount equal to the Annual Rent payable under this lease at the date of the forfeiture or disclaimer or which would be payable but for any abatement or suspension of the Annual Rent or restriction on the right to collect it (subject to paragraph 5) and which is subject to review on the same terms and dates provided by this lease;
 - (d) [require payment by the Tenant of an amount equal to the Supplemental Works Charge payable under this lease but for any abatement or suspension of the Supplemental Works Charge;]
 - (e) be excluded from sections 24 to 28 of the LTA 1954; and
 - (f) otherwise be on the same terms as this lease (as varied if there has been any variation).
- 4.3 The Guarantor shall pay the Landlord's solicitors' costs and disbursements (on a full indemnity basis) and any VAT in respect of them in relation to the new lease and shall execute and deliver to the Landlord a counterpart of the new lease within one month after service of the Landlord's notice.
- 4.4 The grant of a new lease and its acceptance by the Guarantor shall be without prejudice to any other rights which the Landlord may have against the Guarantor or against any other person or in respect of any other security that the Landlord may have in connection with this lease.
- 4.5 The Landlord may, instead of giving the Guarantor notice pursuant to paragraph 4.1 but in the same circumstances and within the same time limit, require the Guarantor to pay an amount equal to six months Annual Rent and the Guarantor shall pay that amount on demand.

5. RENT AT THE DATE OF FORFEITURE OR DISCLAIMER

- 5.1 If at the date of the forfeiture or disclaimer there is a rent review pending under this lease, then the initial annual rent to be reserved by the new lease shall be subject to review on the date on which the term of the lease commences and on the same terms as those that apply to a review of the Annual Rent under this lease, such review date to be included in the new lease.
- 5.2 If paragraph 5.1 applies, then the review for which it provides shall be in addition to any rent reviews that are required under paragraph 4.2(c).

6. PAYMENTS IN GROSS AND RESTRICTIONS ON THE GUARANTOR

- 6.1 Any payment or dividend that the Landlord receives from the Tenant (or its estate) or any other person in connection with any insolvency proceedings or arrangement involving the Tenant shall be taken and applied as a payment in gross and shall not prejudice the right of the Landlord to recover from the Guarantor to the full extent of the obligations that are the subject of this guarantee and indemnity.
- 6.2 The Guarantor shall not claim in competition with the Landlord in any insolvency proceedings or arrangement of the Tenant in respect of any payment made by the Guarantor pursuant to this guarantee and indemnity. If it otherwise receives any money in such proceedings or arrangement, it shall hold that money on trust for the Landlord to the extent of its liability to the Landlord.
- 6.3 The Guarantor shall not, without the consent of the Landlord, exercise any right or remedy that it may have (whether against the Tenant or any other person) in respect of any amount paid or other obligation performed by the Guarantor under this guarantee and indemnity unless and until all the obligations of the Guarantor under this guarantee and indemnity have been fully performed.

7. OTHER SECURITIES

- 7.1 The Guarantor warrants that it has not taken and covenants that it shall not take any security from or over the assets of the Tenant in respect of any liability of the Tenant to the Guarantor. If it does take or hold any such security it shall hold it for the benefit of the Landlord.
- 7.2 This guarantee and indemnity is in addition to and independent of any other security that the Landlord may from time to time hold from the Guarantor or the Tenant or any other person in respect of the liability of the Tenant to pay the rents reserved by this lease and to observe and perform the tenant covenants of this lease. It shall not merge in or be affected by any other security.

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

[Schedule 2 – Draft Deed of Surrender of Part]

EXECUTED as a deed by NHS)
PROPERTY SERVICES LIMITED) _____
acting by [NAME OF DIRECTOR], a) Director
director, in the presence of:)

Signature of Witness

.....

Witness Name:

Witness address:

.....

Witness occupation:

.....

EXECUTED by as deed by []) *Seal:*
whose common corporate seal was annexed)
hereto)
in the presence of)
.....)
Authorised Signatory)
.....)
Authorised Signatory)