

DATED

PARTIES

1 Landlord **THE SECRETARY OF STATE FOR TRANSPORT** of Great Minster House, 33 Horseferry Road, London SW1P 4DR

2 Tenant [] [of] [(company no)] whose registered office is at [] and [] [of] [(company no)] whose registered office is at []

OPERATIVE PROVISIONS:

1 Definitions and interpretation

1.1 Unless the contrary intention appears, the following definitions apply:

Contract the asset support contract dated [] between the Landlord (1) and [*insert name of Provider*] (2) for inter alia the management, operation and maintenance of the Area Network (as defined in the Contract);

Encumbrances the restrictions, stipulations, covenants, rights, reservations, provisions and other matters contained, imposed by or referred to in the documents, brief particulars of which are set out in schedule 1 part 4;

Head Rent the yearly rent from time to time payable under the Superior Lease;

Interest interest at the *interest rate* compounded at quarterly rests on 31 March, 30 June, 30 September, and 31 December in each year;

<i>Insured Risks</i>	include (without limitation) fire, lightning, explosion, storm, tempest, flood, bursting and overflowing of water tanks, apparatus or pipes, earthquake, aircraft (but not hostile aircraft) and devices dropped from aircraft, riot and civil commotion, malicious damage, subsidence, heave, landslip and such other risks as the Landlord may consider it prudent to insure;
<i>Permitted Use</i>	for the purposes of storage;
<i>Premises</i>	the premises described in, schedule 1 part 1 and each part of the Premises, including landlord's fixtures and fittings in or on them and the conducting media and machinery and plant within the Premises;
<i>Property</i>	the whole of the Landlord's property shown [edged red] on the Plan;
<i>Superior Landlord</i>	the landlord of the Superior Lease, including its successors in title as landlord of the Superior Lease from time to time;
<i>Superior Landlord's Covenants</i>	the obligations, conditions and covenants in the Superior Lease to be complied with by the Superior Landlord;
<i>Superior Lease</i>	an [underlease] dated [DATE] made between (1) [PARTY 1] and (2) [The Secretary of State] and includes all deeds and documents varying or supplemental or ancillary to that lease;
<i>Superior Tenant's Covenants</i>	the obligations, conditions and covenants in the Superior Lease to be complied with by the tenant of the Superior Lease from time to time;
<i>Term</i>	the term of years granted by this lease.

- 1.2 The expressions *Landlord* and *Tenant* refer to the person in whom the immediate reversion to this lease, and the Term, respectively are for the time being vested.
- 1.3 Where the Tenant is placed under a restriction in this lease, the restriction includes the obligation on the Tenant not to permit or allow the infringement of the restriction by any person.
- 1.4 References to liability include, where the context allows, claims, demands, proceedings, damages, losses, costs and expenses.
- 1.5 The clause and paragraph headings in this lease are for ease of reference only and are not to be taken into account in the construction or interpretation of any provision to which they refer.
- 1.6 Unless the contrary intention appears, references:
- 1.6.1 to numbered clauses and schedules are references to the relevant clause in, or schedule to, this lease; and
- 1.6.2 to a numbered paragraph in any schedule are references to the relevant paragraph in that schedule.
- 1.7 References in this lease to any statutes or statutory instruments include any statute or statutory instrument amending, consolidating or replacing them respectively from time to time in force, and references to a statute include statutory instruments and regulations made pursuant to it.
- 1.8 Words in this lease importing one gender include both other genders and may be used interchangeably, and words denoting natural persons (where the context so allows) include corporations and vice versa.
- 1.9 When at any time the party of the second part to this lease is two or more persons, the expressions "the Tenant" include the plural number and obligations in this lease expressed or implied to be made with or by the Tenant are to be treated as made with or by such individuals jointly and severally.
- 1.10 Any consent or approval required under this lease shall be obtained before the act or event to which it applies is carried out or done and shall be

effective only if it is in such form and upon such terms as the party giving it properly requires and contains the statement “this is the form of consent or approval required by the lease pursuant to which it is granted”.

- 1.11 Unless the contrary intention appears words and phrases defined in the Contract (either by use of Capital letters or italics) shall have the same meaning in this lease.
- 1.12 This lease has been entered into by the parties solely for the purpose of enabling the Tenant to carry out its obligations pursuant to the Contract.
- 1.13 Notwithstanding the termination of the Contract this lease shall be interpreted, where the context so admits, in accordance with the terms of the Contract.

2 Letting terms

The Landlord grants a lease to the Tenant:

- 2.1 of the Premises;
- 2.2 [together with the rights in schedule 1 part 2;]
- 2.3 reserving to the Landlord and all others so entitled the rights in schedule 1 part [3];
- 2.4 for a term of beginning on [] and ending on [] (subject to earlier determination in accordance with clause 9);
- 2.5 at the yearly rent of a peppercorn payable in advance on the anniversary of the date of this lease in each year of the Term; and
- 2.6 reserving as rent all other payments to be made by the Tenant to the Landlord under this lease.

3 Tenant’s covenants

The Tenant covenants with the Landlord as follows.

3.1 Rent

To pay the yearly rent reserved by this lease punctually on the due dates for payment free of deduction and rights of set-off.

3.2 Payment of Interest

To pay to the Landlord Interest on so much rent and other monies remaining due to the Landlord under this lease which have not been paid for seven days since they became due, or if the Landlord refuses to accept payment because of a breach of covenant by the Tenant, for the period from the due date for payment until payment is actually made.

3.3 Outgoings

To pay and keep the Landlord indemnified against all outgoings in respect of the Premises, that is non-domestic rates, water rates and charges, all existing and future rates, taxes (except in this context value added tax), charges, and assessments by whatever name called which are imposed on or payable by the owner or occupier of property.

3.4 Insurance

3.4.1 To keep the Premises insured for a sum equal to their full reinstatement cost in the joint names of the Tenant and the Landlord against the Insured Risks and to provide to the Landlord on demand a copy of the insurance certificate (such copy to be demanded not more than once in any period of insurance cover).

3.4.2 In the case of damage or destruction of the Premises to reinstate the Premises as soon as reasonably possible subject to the obtaining of all necessary consents.

3.4.3 Not to do anything which would render void or voidable any insurance policy effected by the Landlord or the Tenant.

3.4.4 Where the Tenant fails to insure the Premises in accordance with clause 3.4.1 the Landlord may insure the Premises for a sum equal to their full reinstatement cost and the Tenant shall pay on demand the cost of such insurance payable as additional rent.

3.5 Services

To pay to the Landlord a fair proportion as determined by the Landlord of the expense of maintaining and repairing any party structures, roads or services capable of being used by the occupier of the Premises in common with others along with the costs of any other services provided by the Landlord to the Premises.

3.6 Repair and decoration

To repair and keep the Premises and any storage container placed thereon in good and substantial repair and condition, and at the expiry or earlier termination of the Term to yield up the Premises in that condition with the storage container removed.

3.7 Right of inspection

To permit the Landlord or its agents (with third parties) at reasonable times to enter and examine the condition of the Premises or for any other lawful purpose.

3.8 Repairs on Tenant's default

On notice from the Landlord of any defects, disrepair or unauthorised alterations or additions of or to the Premises for which the Tenant is liable, to execute all repairs, replacements, removals or other works required within a reasonable period to the reasonable satisfaction of the Landlord, failing which clause 3.9 is to apply.

3.9 Landlord's power to repair

The Landlord may through its workmen and agents enter the Premises and execute all necessary works, and all expenses so incurred are to be paid by the Tenant to the Landlord on demand and to be recoverable as rent in arrear.

3.10 Alterations

Not to make any alterations or additions to the Premises save that the Tenant may place a storage container used for the purposes of storing it's

equipment and machinery on the Premises the size and capacity of which is to be approved by the Landlord.

3.11 Yielding up

3.11.1 Immediately prior to the expiration or sooner determination of the Term at the Tenant's cost:

3.11.1.1 to remove every indication of the Tenant's or other occupier's name or business and to remove all tenant's fixtures and fittings furniture plant machinery and effects from the Premises making good all damage caused to the Premises to the reasonable satisfaction of the Landlord;

3.11.1.2 if requested by the Landlord to remove and make good all alterations or additions made to the Premises at any time during the Term and to reinstate the Premises to the Landlord's reasonable satisfaction and as the Landlord shall reasonably direct.

3.11.1.3 At the expiration or sooner determination of the Term to deliver all keys of the Premises to the Landlord and give back the Premises to the Landlord with vacant possession together with the Improvements and all fixtures fittings improvements and additions (subject to clauses 3.11.1.2 above) which now are or may in the future be in or about the Premises (but excepting tenant's fixtures and fittings) in a condition complying with the tenant's covenants in this lease.

3.12 User

Not to use or permit the whole or any part of the Premises to be used otherwise than for the Permitted Use.

3.13 Regulations as to use

3.13.1 Not to do anything which may be or cause a nuisance or disturbance to or damage the Landlord or to the owners, tenants or occupiers of adjoining and neighbouring properties.

3.13.2 Not to load or unload vehicles except in the servicing areas or loading bays provided for that purpose.

3.13.3 Not to place or leave any articles, merchandise, goods or other things in front of or elsewhere outside the Premises.

3.13.4 Not to leave any Property continuously unoccupied for more than seven days without notifying the Landlord and not to leave any Property continuously unoccupied for more than 30 days without notifying the Landlord and providing or paying for such caretaking or security arrangements during such period that any Property is unoccupied as the Landlord shall reasonably require in order to protect the Premises from vandalism, theft or unlawful occupation.

3.14 Prohibited forms of alienation

Not to charge, assign, underlet, part with or share possession of the whole or any part of the Premises

3.15 Compliance with statutes

3.15.1 To comply with the requirements of all statutes for the time being in force and of any competent authority as they apply or are applied to the Premises and their use.

3.15.2 To prepare and maintain a health and safety file in accordance with the requirements of the Construction Design and Management (CDM) Regulations 2007 or as subsequently amended or replaced.

3.16 Expenses incurred on default

To pay as additional rent all expenses and fees (including bailiffs' fees) incurred by the Landlord relating to the collection from the Tenant of rent and other arrears, the preparation and service of a schedule of dilapidations, and/or a notice under section 146 of the Law of Property Act 1925 (even if forfeiture is avoided otherwise than by relief granted by the court).

3.17 Expenses of the grant of consents

To pay the costs and disbursements of the Landlord incurred with respect to an application for consent made under this lease, whether or not consent is granted.

3.18 Indemnity

To keep the Landlord indemnified against liability in respect of any accident, loss or damage to person or property occurring on the Premises, and against liability to third parties for breach by the Tenant of its obligations in this lease.

3.19 Value added tax

To pay to the Landlord value added tax:

3.19.1 chargeable on the consideration for taxable supplies of goods and services made by the Landlord to the Tenant under this lease, and all payments to be made to the Landlord are to be treated as exclusive of the value added tax chargeable on the payment; or

3.19.2 borne, to the extent it is not recoverable, by the Landlord on the consideration for exempt supplies of goods and services made by the Landlord to the Tenant under this lease.

3.20 Encumbrances

To observe and perform by way of indemnity only the obligations and restrictions comprising the Encumbrances so far as they relate to the Premises and are capable of being enforced, and to keep the Landlord indemnified against liability for the breach of the obligations and restrictions.

4 Landlord's covenants

The Landlord covenants with the Tenant that the Tenant, paying the rents and performing the Tenant's covenants, may peaceably enjoy the Premises for the Term without interference from the Landlord or anyone lawfully claiming through, under or in trust for the Landlord.

5 Lease conditions

5.1 Proviso for re-entry

The Landlord may terminate this lease by re-entering the Premises (or a part of them) itself or by an authorised agent if:

- 5.1.1 the rents remain unpaid for seven days (whether or not formally demanded); or
- 5.1.2 the Tenant fails to perform or observe any of the tenant covenants or conditions of this lease; or
- 5.1.3 an event of insolvency occurs in relation to the Tenant or the Tenant allows any distress or execution to be levied on its goods; or
- 5.1.4 if the Tenant by act or omission puts the Superior Lease at risk of being forfeited by the Superior Landlord
- 5.1.5 [the Contract is validly terminated by either party;

but the termination of this lease does not affect the rights or remedies of the Landlord for any breach of tenant covenants or the conditions of this lease occurring beforehand.]

An “*event of insolvency*” is the inability of a company or individual to pay debts or having no prospect of being able to do so, entry of a company into administration liquidation or receivership of any kind, the passing of a resolution for a creditors’ winding-up, the making of a composition with creditors or a scheme of arrangement of its affairs, and the appointment of a receiver or interim receiver of an individual, and these terms are to be interpreted in accordance with the provisions of the Insolvency Act 1986.

5.2 Right of termination on destruction

The Landlord may terminate this lease if the Premises are so damaged as to make use of them within 12 months of the occurrence of the damage impracticable by giving notice to that effect to the Tenant at any time and all insurance monies shall belong to the Landlord absolutely.

5.3 Notices

Section 196 of the Law of Property Act 1925 is to apply to notices given under the terms of this lease.

5.4 No compensation

The Tenant is not entitled to compensation for disturbance on quitting the Premises unless and to the extent that any statutory right precludes the operation of this clause.

6 SUPERIOR LEASE

6.1 Landlord's obligations

The Landlord is to:

6.1.1 pay the rents reserved by the Superior Lease and, so far as they do not form part of the obligations to be complied with by the Tenant under this Lease, to comply with the Superior Tenant's Covenants; and

6.1.2 at the request and cost of the Tenant on a full indemnity basis, including reasonable security for costs paid in advance, use all reasonable endeavours to procure that the Superior Landlord complies with the Superior Landlord's Covenants.

6.2 Tenant's Obligations

The Tenant is not to do or omit to do any act or thing which would place the Landlord in breach of the Superior Tenant's Covenants.

6.3 Superior Landlord

References, however expressed, in this Lease:

6.3.1 to any matter which is required to be carried out to the satisfaction or with the approval of the Landlord are to be read as including a requirement that the matter is also to be carried out to the satisfaction or with the approval of the Superior Landlord where this is required under the Superior Lease;

6.3.2 to an obligation on the Tenant to pay any costs, fees and expenses incurred by the Landlord in relation to any matter are to be read as including an obligation also to pay all costs, fees and expenses incurred in respect of that matter by the Superior Landlord; and

6.3.3 to any indemnity given to the Landlord are to be read as including a separate indemnity to the Superior Landlord.

6.4 Rights and Reservations

Rights of entry and other rights reserved to the Landlord under this Lease may also be exercised by the Superior Landlord and any persons authorised by the Superior Landlord under the Superior Lease.

6.5 Tenant's Covenants

Any covenant in this Lease by the Tenant not to do any act matter or thing to the prejudice of or adversely to affect the Landlord is to be read as including an obligation not to do any such act matter or thing to the prejudice of or adversely to affect any Superior Landlord.

6.6 Effect of this Lease

Nothing in this Lease imposes any obligation on the Superior Landlord to act reasonably in granting any consent or approval or expressing its opinion as to whether any act of the Tenant has been carried out to its satisfaction.

7 Status of tenancy

This lease is a new tenancy within the meaning of section 1 of the Landlord and Tenant (Covenants) Act 1995.

8 Exclusion of security of tenure

8.1 The Landlord and the Tenant agree to exclude the provisions of sections 24-28 of the Landlord and Tenant Act 1954 in relation to the tenancy created by this lease.

8.2 It is confirmed that before the Tenant became contractually bound to enter into the Contract:

8.2.1 the Landlord served notice (“the Landlord’s notice”) on the Tenant on []¹ in relation to the tenancy created by this lease in a form complying with the requirements in Schedules 1 and 2 of The Regulatory Reform (Business Tenancies) (England and Wales) Order 2003 (“the Order”), as the Tenant acknowledges; and

8.2.2 on []² the Tenant (or a person authorised by it) made a [declaration] [a statutory declaration] in a form complying with the requirements of Schedule 2 of the Order;

and that the parties have duly carried out the requirements of Schedule 2 of the Order to render valid the agreement in clause 8.1.

9 Options to determine

9.1 Mutual Option to Determine

In the event that the Contract is assigned and this lease is not assigned at the same time by the Tenant to the assignee of the Contract either party may terminate this lease at any time after the assignment of the Contract by giving seven days’ prior written notice (such notice to specify the date of termination (“the Termination Date”)) to the other party and on the Termination Date this lease shall terminate but without prejudice to any claim by either party in respect of any antecedent breach of covenant by the other party.

9.2 Landlord’s Option to Determine

The Landlord may terminate this lease at anytime on or after the fifth anniversary of the commencement of the Term by giving not less than 6 months’ prior written notice (such notice to specify the date of termination (“the Termination Date”)) to the Tenant and on the Termination Date this lease shall terminate but without prejudice to any claim by either party in

¹ Insert date notice served (if served by first class post must allow 2 clear business days for delivery).

² Insert date declaration is made.

respect of any antecedent breach of covenant by the other party. For the avoidance of doubt the notice can be served before the fifth anniversary of this lease but the Termination Date must be on or after the fifth anniversary.

9.3 Mutual Termination on termination of the Contract

9.3.1 Either the Landlord or the Tenant may terminate this Lease at any time on or after the termination of the Contract.

9.3.2 The right of termination may be exercised by one party giving to the other notice to that effect.

9.3.3 On service of the notice, this Lease will terminate, but without affecting any liability of the Tenant arising from a breach of covenant or condition which has occurred before then.

10 Implied rights of enforcement by third parties excluded

10.1 Unless the right of enforcement is expressly granted, it is not intended that a third party should have the right to enforce a provision of this lease under the Contracts (Rights of Third Parties) Act 1999.

10.2 The parties may rescind or vary this lease without the consent of a third party to whom an express right to enforce any of its terms has been provided.

Delivered as a deed on the date of this document.

SCHEDULE 1 TO THE LEASE

PART 1

**DESCRIPTION OF THE PREMISES [*TO BE COMPLETED BY AREA
TEAMS*]**

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**PART 2
RIGHTS GRANTED**

1. To use the means of pedestrian and vehicular access and circulation in the Property for access to and from the Premises and, in case of emergency only, all fire escape routes through the estate, whether or not forming part of the Property;
2. [To use any delivery area loading bay forming part of the Property that the Landlord has designated for the use of the Tenant for the purpose only of loading and unloading and delivering goods to the premises]
3. [To park [NUMBER] private motor vehicles in [the parking spaces shown for identification edged [COLOUR] on the attached plan]
- [4. ANY OTHER RIGHTS]

**PART 3
RESERVATIONS**

- 1 The free and uninterrupted passage of water, steam, soil, air, gas, electricity and telephone communications from and to any part of any adjoining or neighbouring property through the conducting media commonly used for those purposes which are now or may in the future but during the period of 80 years after the date of this lease be in, upon or under the Premises.
- 2 All rights of entry upon the Premises referred to in this lease.
- 3 At all times when exercising any right reserved to the Landlord (or any person authorised by the Landlord) to enter upon the Premises the Landlord will:
 - 3.1 cause (and procure that all those exercising the right cause) as little damage and interference as reasonably possible to the Premises and all fittings and equipment within the Premises, the business of the Tenant and all permitted occupiers of the Premises; and

- 3.2 [comply with (and endeavour to procure that all persons entering the Premises comply with) the reasonable security requirements of the Tenant and other permitted occupiers of the Premises.]

PART 4
ENCUMBRANCES [TO BE COMPLETED BY AREA TEAMS]

Property No.	Date	Document	Parties

The corporate seal of **THE**)
SECRETARY OF STATE FOR)
TRANSPORT hereunto affixed is)
authenticated by

Authorised by The Secretary of State

Executed as a deed by [)
])
acting by:)

Director

Secretary

Executed as a deed by [)
])
acting by:)

Director

Secretary

