

DATED: November 2014

The Secretary Of State For Communities And Local Government
and
Serco Limited

**LEASE
of
Yarl's Wood Immigration Removal Centre,
Twinwood Road Clapham, Bedfordshire MK41 6bL**

CONTENTS

		Page
1	DEFINITIONS AND INTERPRETATION	5
2	DEMISE, RIGHTS, RESERVATIONS AND TITLE MATTERS	7
3	RENT	8
4	TENANT'S GENERAL OBLIGATIONS	8
5	LANDLORD'S GENERAL OBLIGATIONS	11
6	NOTICES	11
7	OBLIGATIONS IN THE SCHEDULES	12
8	TERMINATION OF CONTRACT	12
9	FORFEITURE	12
10	INTEREST	13
11	EXCLUSION OF WARRANTY OF FITNESS	13
12	EFFECTIVENESS	14
13	NEW TENANCY	14
14	EXCLUSION OF THIRD PARTY RIGHTS	14
15	ADJOINING PREMISES	14
16	IMMIGRATION AND ASYLUM ACT 1999	14
17	EXCLUSION OF SECURITY OF TENURE	14
SCHEDULE 1 - (RIGHTS GRANTED)		16
SCHEDULE 2 - (EXCEPTIONS AND RESERVATIONS)		17
SCHEDULE 3 - (MATTERS AFFECTING THE PREMISES)		19
SCHEDULE 34 - (GUARANTOR's OBLIGATIONS)		20
SCHEDULE 35 - (Authorised Guarantee Agreement)		22

LR1. Date of lease

LR2. Title number(s)

LR2.1 Landlord's title number(s): BD229773

LR2.2 Other title numbers: BD220553

LR3. Parties to this lease

Landlord

THE SECRETARY OF STATE FOR COMMUNITIES AND LOCAL GOVERNMENT of 1st Floor,
Peel Building, 2 Marsham Street, London SW1P 4DF

Tenant

Serco Limited (No: 242246) whose registered office is at Serco House, 16 Bartley Wood
Business Park, Bartley Way, Hook, Hampshire, RG27 9UY.

Other parties

Guarantor

Serco Group PLC (No: 2048608) whose registered office is at Serco House, 16 Bartley Wood
Business Park, Bartley Way, Hook, Hampshire, RG27 9UY.

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.**

Yarl's Wood Removal Centre, Twinwood Road Clapham, Bedfordshire MK41 6BL

LR5. Prescribed statements etc.

None.

LR6. Term for which the Property is leased

The term as specified in this Lease at Clause 2.1.

LR7. Premium

None.

LR8. Prohibitions or restrictions on disposing of this lease

This Lease contains a provision that prohibits or restricts dispositions.

LR9. Rights of acquisition etc.

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

None.

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

None.

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

None.

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

None.

LR11. Easements

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

Schedule 1

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

Schedule 2

LR12. Estate rent/charge burdening the Property

None.

LR13. Application for standard form of restriction

None.

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THIS LEASE is made on

November 2014

BETWEEN:-

- (1) **THE SECRETARY OF STATE FOR COMMUNITIES AND LOCAL GOVERNMENT**
1st Floor Peel Building, 2 Marsham Street, London SW1P 4DF (the "**Landlord**"); and
- (2) **Serco Limited** (No: 242246) whose registered office is at Serco House, 16 Bartley Wood Business Park, Bartley Way, Hook, Hampshire, RG27 9UY (the "**Tenant**").
- (3) **Serco Group PLC** (No: 2048608) whose registered office is at Serco House, 16 Bartley Wood Business Park, Bartley Way, Hook, Hampshire, RG27 9UY (the "**Guarantor**").

IT IS AGREED as follows:-

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Lease the following expressions have the following meanings:-

"1954 Act"	means the Landlord and Tenant Act 1954 (as amended);
"Authorised Guarantee Agreement"	An agreement in the form set out in schedule 5.
"Authority"	Her Majesty's Principal Secretary of State for the Home Department;
"Contract"	an Agreement dated November 2014 and made between the Authority (1) and the Tenant (2) and any extension or renewal of it in favour of the Tenant;
"Conduits"	all sewers drains mains pipes cisterns tanks meters gullies culverts gutters conduits ducts flues watercourses channels subways wires cables sprinkler systems alarm and security systems and electricity substations and other conducting media of whatsoever nature;
"Interest Rate"	4% over the base rate from time to time of Barclays Bank plc (or any other comparable rate designated by the Landlord if the base rate is no longer published) before or after any judgment;
"Landlord"	the Landlord named above and any other person entitled at any time to the immediate reversion to this Lease;
"Landlord's Adjoining Premises"	those premises adjacent to the Premises comprised in title number BD229773 (being land owned by the Landlord outside the Premises);
"Lease"	this Lease including where the context so admits any Supplemental Documents;

"Legislation"	means any Act (including without limitation the Immigration and Asylum Act 1999 and the Human Rights Act 1998) or subordinate legislation within the meaning of Section 21(1) of the Interpretation Act 1978 and any exercise of the Royal Prerogative and any enforceable community right within the meaning of Section 2 of the European Communities Act 1972 and in each such case includes the interpretation, administration or application thereof;
"Plan A"	the plan annexed hereto and so designated;
"Plan B"	the plan annexed hereto and so designated;
"Premises"	Yarl's Wood Removal Centre Twinwood Road Clapham, Bedfordshire MK41 6BL shown edged red on Plan A together with everything for the time being on the land and/or appurtenant to it;
"Retained Premises"	those premises described as the Estate in the Superior Lease and owned by the Superior Landlord;
"Superior Landlord"	Cerep Bedford Sarl Limited and its successors in title
"Superior Lease"	The lease dated 21 January 2003 made between (1) QinetiQ Limited and (2) The First Secretary of State as varied by a deed of variation dated 26 May 2010 made between (1) Cerep Bedford Sarl and (2) The Secretary of State for Communities and Local Government and any deed supplemental to them;
"Supplemental Documents"	any deed, agreement, licence, memorandum, letter or other document which is or becomes supplemental to this Lease;
"Tenant"	the Tenant named above and any successor in title to that person from time to time;
"Term"	a term of years commencing on the date hereof and expiring on 25 th April 2023 (subject to earlier determination);
"Termination Date"	the date of expiry of the Term or any earlier date on which this Lease shall end for any reason;
"VAT"	Value Added Tax and any tax of a similar nature replacing it; and
"VAT Rent"	the amount of any VAT payable on the yearly rent and on any other money for which the tenant is liable under this Lease.

1.2 Interpretation

The following rules of interpretation apply to this Lease:

- 1.2.1 Where the Superior Landlord, Landlord or any other person exercises any right in this Lease to enter the Premises then (unless specifically provided in

this Lease to the contrary) the person exercising that right will make good all damage caused to the Premises.

- 1.2.2 Rights excepted or reserved to the Landlord are to benefit also any superior landlord and/or any other person authorised by the Landlord.
- 1.2.3 Rights to be enjoyed by the Tenant in common with the Landlord are to be enjoyed also in common with all persons authorised by the Tenant and the Landlord and any superior landlord and any other person having similar rights.
- 1.2.4 All rights granted and reserved by this Lease are easements and the perpetuity period for the vesting in possession of future rights is the Term.
- 1.2.5 Obligations undertaken by more than a single person are joint and several obligations and where more than one person is bound to a condition in this Lease then all those persons are bound jointly and severally.
- 1.2.6 Every obligation undertaken by the Landlord under Clause 5 is a covenant by the Landlord with the Tenant and every obligation undertaken by the Tenant under Clause 4 is a covenant by the Tenant with the Landlord.
- 1.2.7 Where any act is prohibited the Tenant will also not permit or passively allow that act to be done.
- 1.2.8 The Tenant covenants with the Landlord to comply with every condition to which it is bound under this Lease.
- 1.2.9 The expression "person" includes a company, corporation, individual, partnership, Local Authority, unincorporated association or other body legally capable of holding land.
- 1.2.10 Any reference to a Clause or Schedule by number is a reference to that numbered Clause of or Schedule to this Lease.
- 1.2.11 The headings to Clauses, Schedules or paragraphs of this Lease are for ease of reference only and are not to be used for the purpose of construing this Lease.
- 1.2.12 If there shall at any time be any conflict or inconsistency between the provisions of this Lease and the provisions of the Contract the provisions of the Contract shall prevail.
- 1.2.13 Any reference to obtaining the Landlord's consent includes a requirement to obtain the consent of the Superior Landlord but it is not implied that such consent will not be unreasonably withheld or delayed.
- 1.2.14 The lease is granted by reference to the Superior Lease and is to be construed as if all applicable terms of the Superior Lease were set out in it in full (even if the Superior Lease ceases to exist during the Term).
- 1.2.15 'Guarantor' includes the Guarantor's successors in title and personal representatives.

2. DEMISE, RIGHTS, RESERVATIONS AND TITLE MATTERS

2.1 Demise

The Landlord HEREBY DEMISES the Premises to the Tenant for the Term.

2.2 Tenant's Rights

The Landlord grants to the Tenant to use in connection with the Premises the rights listed in Schedule 1 in common with the Landlord and all other authorised by the Landlord.

2.3 Landlord's Exceptions and Reservations

The Landlord excepts and reserves from the Premises the rights listed in Schedule 2 for the benefit of the Landlord and the Superior Landlord.

2.4 The Matters

This Lease is subject to all rights, easements, restrictions, stipulations and provisions of whatever nature affecting the Premises and further subject to the matters listed in Schedule 3.

3. RENT

From and including the date of this Lease the Tenant will pay (if demanded) the yearly rent of one peppercorn and the VAT Rent.

4. TENANT'S GENERAL OBLIGATIONS

4.1 User

4.1.1 The Tenant will not use the Premises or any part thereof for any illegal act or purpose.

4.1.2 The Tenant will not carry on at the Premises any activities which are inconsistent with the performance by the Authority of its rights and obligations under the Contract.

4.1.3 The Tenant shall not use the Premises or any part thereof other than for the purpose of providing the removal centre under the Contract except with the prior written consent of the Landlord.

4.1.4 The Tenant shall not carry out any business or trading activity within the confines of the Premises except activities in the ordinary course of running a removal centre (as the expression is defined in Section 147 of the Immigration and Asylum Act 1999) which are permitted by law.

4.2 Signs and Advertisements

The Tenant shall not display any advertisement, sign or notice of any description, unless such sign or notice is required to be displayed by Legislation or is necessarily required by the Tenant for the purposes of construction works or operational services (but subject to complying with Clause 4.3.2).

4.3 Alterations

4.3.1 The Tenant will not construct any new building or new structure of any kind on the Premises nor carry out any structural or external alteration or addition or other material work whatsoever to the Premises nor alter the existing design or appearance (whether internal or external) of the Premises

4.3.2 The Tenant will not construct any buildings, park any vehicles or erect any signs within three metres of the perimeter fences between the points marked A-B-C and D-E-F on Plan A and will not obstruct or suffer any obstruction to the line of sight within one metre of the perimeter fence between points

A-B-C and D-E-F on Plan A.

4.4 Alienation

- 4.4.1 Not to assign underlet or part with the possession or occupation of the whole or any part of the Premises save for an assignment of the whole of the Premises to an assignee of the whole of the Tenant's interest in the Contract in accordance with the provisions of the Contract (and if the Tenant shall assign to a third party the whole of its interest under the Contract in accordance with the terms of the Contract then the Tenant shall immediately assign to that third party the whole of its interest under this Lease).
- 4.4.2 Within one month following any dealing with or transmission of any interest under this Lease or derivative of it or the execution of any document dealing with that interest the Tenant will deliver to the Landlord a copy (certified by a firm of solicitors as a true copy of the original) of the document evidencing or effecting that dealing or transmission together with any reasonable registration fee which the Landlord may require.
- 4.4.3 The Tenant will ensure that contemporaneously with any assignment of the whole of the Premises the assignee enters into a covenant with the Landlord to comply with the Tenant's obligations and the conditions contained in this Lease.
- 4.4.4 The Tenant (as assignor) will contemporaneously with any assignment of the whole of the Premises enter into an Authorised Guarantee Agreement
- 4.4.5 The assignee will provide guarantors (who are in the reasonable opinion of the Landlord of acceptable financial standing) to guarantee the obligations of the proposed assignee in the form set out in schedule 4

4.5 Landlord's Entry

The Tenant will permit the Landlord to exercise all the rights excepted and reserved to the Landlord under Clause 2.3.

4.6 Notices

- 4.6.1 In this Clause 4.6 "**Notice**" means any written permission, notice, order or proposal relevant to the Premises or to the use of the Premises whether or not contained within a communication dealing also with other subject matters.
- 4.6.2 Within seven days of receipt by the Tenant of any Notice given to the Tenant or the occupier of the Premises the Tenant will give to the Landlord full particulars and a copy of the Notice.
- 4.6.3 Subject to there being no inconsistency with the provisions of the Contract, and without prejudice to the Landlord's obligations thereunder the Tenant will take all necessary steps to comply with any Notice.

4.7 Statutory Requirements

Subject to there being no inconsistency with the provisions of the Contract and without prejudice to the Landlord's obligation thereunder:

- 4.7.1 The Tenant will comply with all Legislation.
- 4.7.2 The Tenant will obtain from the appropriate authorities all licences, consents and permissions which may be required for the carrying out by the Tenant of

any operations or use on any part of the Premises and will on request from the Landlord supply copies of the same to the Landlord.

4.8 Adverse Rights

The Tenant will not stop up or paint out any windows at the Premises and will not knowingly permit any encroachment upon the Premises or the acquisition of any new right to light, air, drainage or other right over any part of the Premises and will give written notice to the Landlord of any threat of encroachment or acquisition of that nature.

4.9 Yielding Up

At the Termination Date the Tenant will yield up the Premises in accordance with the obligations on the part of the Tenant contained in this Lease and for the avoidance of doubt the Tenant shall not under any circumstances be entitled to remove from the Premises any items affixed to the Premises at the Termination Date notwithstanding that the same constitute Tenant's fixtures and fittings.

4.10 Defective Premises

The Tenant will give written notice to the Landlord of any defect in the Premises which may give rise to an obligation on the Landlord to do or refrain from doing any act or thing in order to comply with the duty of care imposed on the Landlord under the Defective Premises Act 1972 and the Tenant will display and maintain all notices which the Landlord may from time to time require to be displayed at the Premises having regard to any obligation which may become imposed on the Landlord under the said Act.

4.11 Title Matters

The Tenant will comply with all matters contained or referred to in Schedule 3.

4.12 Landlord's Costs

The Tenant will pay to the Landlord on an indemnity basis all costs, fees, charges, disbursements and expenses properly incurred by the Landlord in relation to or incidental to any application made by the Tenant for a consent or licence required by this Lease whether such consent or licence is granted or refused or granted subject to any condition or whether the application is withdrawn.

4.13 Indemnity

Subject to the provisions of Clause 4 of the Contract to fully and effectively indemnify the Landlord in respect of any Losses (as defined in Clause 4.1 of the Contract) suffered or incurred by the Landlord which arise as a result of any non-performance by the Tenant of its obligations under this Lease.

4.14 Refuse and Deleterious Substances

4.14.1 Not to burn any rubbish on the Premises and not to deposit any rubbish on the Premises other than in proper receptacles.

4.14.2 To ensure that rubbish or refuse receptacles on the Premises are regularly emptied and to comply with the Landlord's requirements for the disposal of rubbish or refuse.

4.14.3 Not to permit any substance which is or might become of a dangerous, hazardous, polluting or contaminative nature or which might in any way adversely affect or damage the Premises, any Conduits, other land water or

the environment or cause harm to human health to be in, on or under or to escape from the Premises and if the Tenant becomes aware of any such substance in, on, under or escaping from the Premises to give immediate written notice of it to the Landlord and to remove or remediate it in compliance with the requirements of the Landlord or any competent authority.

- 4.14.4 Paragraph 4.14.3 of this Clause 4.14 does not prevent the Tenant from keeping on the Premises reasonable quantities of any substance which is consistent with the use permitted by Clause 4.1 and lawfully kept in proper containers.

4.15 Overloading and Damage

Not to overload the Premises nor damage, overload or obstruct any Conduits.

4.16 Regulations

- 4.16.1 To comply with any reasonable regulations which the Landlord (or any superior landlord) may from time to time make relating to the management and security of the Retained Premises and or the Landlord's Adjoining Premises and affecting the Premises and health and safety requirements.

- 4.16.2 To supply to the Landlord on demand from time to time a copy of the Tenant's health and safety policy applicable to the Premises.

5. LANDLORD'S GENERAL OBLIGATIONS

5.1 Quiet Enjoyment

The Landlord agrees that the Tenant may hold and use the Premises without any interruption by the Landlord (except as authorised by this Lease) or any person rightfully claiming through, under or in trust for the Landlord.

5.2 Superior Lease

If there shall be at any time a lease expectant on the reversion of the term then the Landlord covenants by way of indemnity only to pay any rent thereby reserved and perform the covenants and other obligations on the part of the tenant thereunder (insofar as the same are not expressly imposed on the Tenant under this Lease).

6. NOTICES

- 6.1 Any notice or other communication given or made under this Lease shall be in writing and served in accordance with the following provisions:

- 6.1.1 Any notice, notification, consent, approval, direction or other communication whatsoever which the Landlord is required or authorised by this Lease to give or make to the Tenant shall, without prejudice to any other method of giving or making it, be sufficiently given or made if it is sent by recorded or registered post addressed to the Tenant at its registered office and that notice or other communication shall be deemed for the purpose of the Lease to have been given or made at the time at which the letter would in the ordinary course of post be delivered, save where there is express contractual provision to the contrary.

- 6.1.2 Any notice or consent which the Tenant is required to give to the Landlord under the terms of the Lease shall be sufficiently given if it is sent by recorded or registered post addressed to the United Kingdom Immigration Service (marked for the attention of Head of Immigration Service

Enforcement Directorate) or its successors as advised at Room 402, Apollo House, Wellesley Road, Croydon CR9 3RR (or such other address as may be identified from time to time). Such notice or consent shall be deemed to have been given at the time at which the letter would in the ordinary course of post be delivered, save where there is express contractual provision to the contrary.

7. OBLIGATIONS IN THE SCHEDULES

The parties agree to comply with their respective obligations in the schedules.

8. TERMINATION OF CONTRACT

8.1 In the event that:

8.1.1 the Contract shall terminate by effluxion of time; or

8.1.2 the Contract shall be terminated (other than by effluxion of time) for any reason whatsoever;

then this Lease will determine forthwith but without prejudice to any claim by either party hereto against the other in respect of any antecedent breach of the terms of this Lease or any other matter arising therefrom.

9. FORFEITURE

The Landlord has the right to re-enter the Premises and terminate this Lease without affecting any rights which have accrued to the Landlord under it if:

9.1.1 any rents are not paid for more than 21 working days after they are due (whether formally demanded or not); or

9.1.2 the Tenant fails to comply with any of its obligations under this Lease; or

9.1.3 the Tenant or any guarantor of the Tenant's obligations becomes bankrupt or enters into or makes any proposal to enter into an arrangement or composition with its creditors or suffers distress on the Premises; or

9.1.4 the guarantee given by any guarantor of the Tenant's obligations is or becomes unenforceable (in whole or in part) for any reason; or

9.1.5 the Tenant or any guarantor of the Tenant's obligations:

(a) being a corporation:

(i) is the subject of a petition or issues a notice convening a meeting to consider a resolution for its winding up; or

(ii) enters into liquidation whether voluntarily (except for reconstruction or amalgamation of a solvent company on terms previously agreed by the Landlord) or compulsorily; or

(iii) has a provisional liquidator or a receiver (including an administrative receiver) appointed; or

(iv) has a resolution passed by the directors to apply for an administration order or one or more of them swears an affidavit or makes a witness statement in support of an application; or

- (v) is the subject of an administration order or of an application for an administration order or a notice of intention to appoint an administrator is filed at court or an administrator is appointed; or
 - (vi) is the subject of a voluntary arrangement or a proposal for one under Part I Insolvency Act 1986; or
 - (vii) is unable to pay its debts within the meaning of section 123 Insolvency Act 1986; or
 - (viii) is otherwise insolvent; or
 - (ix) having been registered with unlimited liability acquires limited liability; or
- (b) being a body incorporated outside the United Kingdom:
 - (x) is the subject of any proceedings or event analogous to those referred to in clause (a) in the country of its incorporation; or
 - (xi) for any reason ceases to be or to remain liable under this Lease or for any reason ceases to maintain its corporate existence; or
- (c) being an individual:
 - (xii) is the subject of a bankruptcy petition or bankruptcy order or of any application or order or appointment under section 253 or section 273 or section 286 Insolvency Act 1986; or
 - (xiii) otherwise becomes bankrupt or insolvent or dies;
- (d) being any other body, including one to which English Law does not apply, experiences any process analogous to those specified in this clause 9.1.5.

10. INTEREST

If any payment due from the Tenant under this Lease is not paid on the due date (whether formally demanded or not) then:

- 10.1.1 the Tenant will pay interest at the Interest Rate on the unpaid amount from the due date for payment until the date of actual payment (both dates inclusive);
- 10.1.2 the Landlord has the right to recover the interest as rent; and
- 10.1.3 the right to interest does not affect the Landlord's other rights under this Lease.

11. EXCLUSION OF WARRANTY OF FITNESS

The Landlord does not warrant that any present or future use to which the Tenant puts the Premises is permitted under legislation.

12. EFFECTIVENESS

For the avoidance of doubt the provisions of this document (other than those contained in this Clause) shall not have any effect until this document has been dated.

13. NEW TENANCY

This Lease granted in pursuance of the Contract is a new tenancy for the purposes of Section 1 of the Landlord & Tenant (Covenants) Act 1995.

14. EXCLUSION OF THIRD PARTY RIGHTS

The parties do not intend that any term of this Lease shall be enforceable solely by virtue of the Contracts (Rights of Third Parties) Act 1999 by any person who is not a party to this Lease.

15. ADJOINING PREMISES

Nothing herein contained shall by implication of law or otherwise entitle the Tenant to enforce or to have enforced or to prevent the release or modification of any covenant, agreement or condition entered into by anyone in respect of property not comprised in this Lease or operate to confer upon the Tenant any easement, right or privilege over or to prevent or restrict (or entitle the Tenant or anyone authorised by the Tenant to any compensation in respect of) the use, repair, rebuilding, alteration, demolition or development of any land or property not comprised in this Lease whether the same shall be subject to or free from obligation, agreements, declarations and stipulations similar to those herein.

16. IMMIGRATION AND ASYLUM ACT 1999

16.1 The Landlord hereby certifies that this Lease has been granted for the purpose of a contract under the provisions of Section 149(3) of the Immigration and Asylum Act 1999 and by virtue of such Section none of the following enactments apply to this Lease namely:

16.1.1 Part II of the Landlord and Tenant Act 1954;

16.1.2 Section 146 of the Law of Property Act 1925; and

16.1.3 Section 19 of the Landlord and Tenant Act 1927 and the Landlord and Tenant Act 1988.

17. EXCLUSION OF SECURITY OF TENURE

17.1 The parties agree that the provisions of sections 24 to 28 of the 1954 Act are excluded in relation to the tenancy created by this Lease.

17.2 The parties confirm that:

17.2.1 on 6 November 2014 the Landlord served on the Tenant a notice as required by section 38A(3)(a) of the 1954 Act applying to the tenancy created by this Lease (a certified copy of which notice is attached); and

17.2.2 on 12 November 2014 *the Tenant** Serco Limited who was duly authorised by the Tenant* made a *simple**statutory* declaration in accordance with the requirements of section 38A(3)(b) of the 1954 Act (a certified copy of which declaration is attached).

17.2.3 *there is no agreement for lease to which this Lease gives effect.*

17.3 The parties confirm that:

17.3.1 on 6 November 2014 the Landlord served on the Guarantor a notice as required by section 38A(3)(a) of the 1954 Act applying to the tenancy to be entered into by the Guarantor under paragraph 5 of schedule 4 (a certified copy of which notice is attached); and

17.3.2 on 12 November 2014 *the Guarantor** Serco Group plc who was duly authorised by the Guarantor* made a *simple**statutory* declaration in accordance with the requirements of section 38A(3)(b) of the 1954 Act (a certified copy of which declaration is attached).**

EXECUTED as a deed and delivered on the date at the beginning of this document.

SCHEDULE 1

(RIGHTS GRANTED)

1. A right of way with or without vehicles at all times and for all purposes reasonably required for the use of the Premises in accordance with this Lease over the access road shown for the purpose of identification only coloured orange on Plan A and Plan B or such other roads and footpaths on the Retained Premises as the Superior Landlord or the Landlord shall from time to time designate for so long as such roads and footpaths shall not be adopted and maintained at public expense.
2. A right to use all Conduits not included in the Premises and which now serve the Premises and are laid in under or over the Retained Premises for the free passage to and from the Premises of such services as the Conduits are capable of conducting or accommodating for so long as such Conduits shall not be adopted and maintained at public expense.
3. A right to enter other parts of the Retained Premises at all reasonable times on giving reasonable notice so far as necessary for the purposes of (at the Tenant's cost) inspecting, cleaning, maintaining and repairing and (with the prior written approval of the Superior Landlord and the Landlord, such approval not to be unreasonably withheld or delayed) renewing or increasing the capacity of the Conduits referred to in paragraph 2 of this part of this Schedule or laying (in such positions as the Landlord or Superior Landlord directs in writing (and the Superior Landlord or the Landlord will give an appropriate direction without unreasonable delay)) new Conduits the Tenant:
 - 3.1 doing as little damage and causing as little inconvenience as possible and making good to the satisfaction of the Superior Landlord and Landlord all damage occasioned by the exercise of this right;
 - 3.2 employing contractors nominated or approved by the Superior Landlord and the Landlord in writing.
4. A right to pass along the roads and footpaths and other unbuilt areas within the Retained Premises from time to time in an emergency provided that at all times the Tenant shall comply with the Superior Landlord's and the Landlord's reasonable security arrangements.
5. A right (without notice) to enter onto and remain upon the Landlord's Adjoining Premises but only within the distance of four meters from the security fence (the "Security Zone") located on the boundary between the Premises and the Landlord's Adjoining Premises for the purposes of maintaining the security fence on that boundary and patrolling the Security Zone and the Premises

PROVIDED THAT at all times in the exercise of its rights detailed in paragraphs 1 to 5 (inclusive) above the Tenant shall comply with the Superior Landlord's and the Landlord's reasonable security arrangements in place at the Retained Premises and the Landlord's Adjoining Premises.

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(EXCEPTIONS AND RESERVATIONS)

1. A right to enter the Premises to inspect the state and condition of the Premises to determine whether the Tenant is complying with its obligations in this Lease and to take any action to remedy any breach of such obligations.
2. A right to enter the Premises at all reasonable times and on giving reasonable notice (the person exercising such right causing as little damage and inconvenience as possible and making good any damage caused to the Premises by the exercise of such right) for the following purposes:-
 - 2.1 to erect and maintain scaffolding for constructing, altering, repairing or cleaning any other land in which the Landlord may from time to time have any interest notwithstanding any temporary restriction of the use and enjoyment of the Premises by the Tenant (but access to the Premises will not be prevented);
 - 2.2 to inspect, maintain or repair any other land, buildings or Conduits and (with the prior written approval of the Tenant such approval not to be unreasonably withheld or delayed) to make connections to (but not so as to overload) or renew or increase the capacity of any Conduits or laying (in positions approved in writing by the Tenant such approval not to be unreasonably withheld or delayed) new Conduits within but which do not exclusively serve the Premises and doing as little damage and caused to the Premises as little inconvenience as possible and making good to the satisfaction of the Tenant all damage occasioned by the exercise of this right.
3. A right to the free and uninterrupted passage and running of all services from and to all other parts of the Landlord's Adjoining Premises and the Retained Premises and all other buildings and land through and along all Conduits from time to time within the Premises but which do not exclusively serve the Premises.
4. All rights of light or air now subsisting or which might (but for this exception) be acquired over any other land.
5. A right to build upon and to maintain, repair, replace and renew any buildings upon any other land in such manner as the Superior Landlord or the Landlord may think fit provided in the case of the Landlord's Adjoining Premises and the Retained Premises that reasonable means of access to the Premises remain available.
6. A right of support and shelter from the Premises for the Landlord's Adjoining Premises and the Retained Premises.
7. A right to pass through the Premises in an emergency.
8. A right in connection with any works to any adjoining or nearby property (including any part of the Landlord's Adjoining Premises and the Retained Premises) to traverse the jib of any crane through the airspace comprised in the Premises (the person exercising such right making good any damage caused to the Premises by the exercise of such right).

PROVIDED that at all times in the exercise of its rights detailed in paragraphs 1 to 8 (inclusive) above the Superior Landlord or the Landlord shall comply with the Tenant's reasonable and proper security arrangements in place at the Premises.

9. Until the Termination Date all rights required in order to perform the obligations and exercise the rights on the part of the Authority contained in the Contract in accordance with the terms of the Contract (in common with the Tenant where appropriate) including, but without prejudice to the generality of the foregoing, the rights of the Authority pursuant to Clauses 65 and 66 of the Contract and under any applicable Legislation.

OFFICIAL – SENSITIVE

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10. A right freely to build on and use any land adjoining or near the Premises in any way notwithstanding that such building or use results in any reduction in the flow of light, air, access to and/or amenities enjoyed by the Premises PROVIDED THAT reasonably acceptable alternative means of access and/or amenities are provided and PROVIDED FURTHER THAT the Tenant's use and enjoyment of the Premises shall not be materially adversely affected.
 11. A right (acting reasonably) from time to time to change the location or arrangements for use by the Tenant of any of the Conduits so long as there remain available for the benefit of the Premises rights in relation to Conduits reasonably commensurate (albeit temporary) with those granted by this Lease PROVIDED THAT the Tenant's use and enjoyment of the Premises shall not be materially adversely affected.
 12. A right freely to build on and use the Landlord's Adjoining Premises in any way notwithstanding that such building or use results in any reduction in the flow of air access to and/or amenities enjoyed by the Premises PROVIDED THAT reasonably acceptable alternative means of access and/or amenities are provided and PROVIDED FURTHER THAT the height of any new building constructed on the Landlord's Adjoining Premises does not exceed the height of the Tenant's buildings on the Premises and the Tenant's use and enjoyment of the Premises shall not otherwise be materially adversely affected
 13. A right (acting reasonably) from time to time to change the location or arrangement for use by the Tenant of any of the Conduits roads or footpaths lying on in or under the Landlord's Adjoining Premises so long as there remains available for the benefit of the Premises rights in relation to Conduits roads and footpaths reasonably commensurate (albeit temporary) with those reserved by this Lease PROVIDED THAT the Tenant's use and enjoyment of the Premises shall not be materially adversely affected
 14. A right to enter the Premises and carry out works for the purpose of complying with the Landlord's obligations under the Superior Lease.

(MATTERS AFFECTING THE PREMISES)

All matters contained or referred to in:-

1. Title Number BD220553 registered at the Land Registry in so far as such matters affect the Property.
2. Title Number BD229773 registered at the Land Registry in so far as such matters affect the Property.
3. A lease dated 21 January 2003 made between (1) QiniteQ Limited and (2) The First Secretary of State as varied by a deed of variation dated 26 May 2010 and made between (1) Cerep Bedford Sarl and (2) The Secretary of State for Communities and Local Government.

OFFICIAL – SENSITIVE

(GUARANTOR'S OBLIGATIONS)

1. In this schedule the following words and expressions have the meanings set opposite them (unless the context otherwise requires):
 - 1.1 Event Any one of the following:
 - (i) disclaimer of this Lease or surrender of this Lease by a person having power to disclaim; or
 - (ii) forfeiture of this Lease; or
 - (iii) a surrender of this lease that the Landlord has no choice but to accept (by, for example, being bound by the terms of an individual or company voluntary arrangement); or
 - (iv) the Tenant ceasing to exist.
 - 1.2 'Relevant Variation' has the meaning given to it by section 18 of the Landlord and Tenant (Covenants) Act 1995.
2. The parties agree that, where applicable, the provisions of this guarantee survive the termination of this Lease.
3. The Guarantor agrees with and guarantees to the Landlord that the Tenant will:
 - 3.1 comply with the Tenant's obligations in this Lease and where the Tenant fails to do so then the Guarantor will comply with them; and
 - 3.2 comply with any obligations the Tenant enters into in an Authorised Guarantee Agreement in respect of this Lease and where the Tenant fails to do so then the Guarantor will comply with them.
4. The Guarantor agrees with the Landlord as a separate and primary obligation to indemnify the Landlord against any failure by the Tenant:
 - 4.1 to comply with the Tenant's obligations in this Lease; and
 - 4.2 to comply with any of the obligations the Tenant enters into in an Authorised Guarantee Agreement.
5. The Landlord may, by written notice given to the Guarantor within six months of an Event (or, in the case of the Event referred to in paragraph 1.1(iv) if later, within *six* months after the Landlord first becomes aware that the Tenant has ceased to exist), require the Guarantor to take a lease of the Premises:
 - 5.1 for a term starting on the date of the Event and ending when the Term would have expired had this lease continued;
 - 5.2 on the same terms as this lease (including all variations except Relevant Variations); and;
 - 5.3 at the cost of the Guarantor as regards preparation and execution including a counterpart.

6. If the Landlord does not require the Guarantor to take a lease of the Premises the Guarantor is to pay the Landlord on demand the amount of the rents which would have been payable under this lease but for the Event until the Premises are re-let.
7. These obligations of the Guarantor continue even though:
 - 7.1 the Landlord allows time or another concession to the Tenant; or
 - 7.2 the Tenant ceases to exist; or
 - 7.3 the Landlord and the Tenant agree any variation to this lease whether or not the Guarantor has consented to it and whether or not it is a Relevant Variation; or
 - 7.4 any other thing occurs which would have released the Guarantor but for this provision (apart from an express written release).
8. The liability of the Guarantor is to apply to the Tenant's obligations in this lease (and the Tenant's obligations under an Authorised Guarantee Agreement) as varied from time to time except as regards any Relevant Variation.
9. Where the Guarantor is more than one person the release of one does not release any other.
10. The Guarantor is to pay all charges (including legal and other costs on a full indemnity basis) incurred by the Landlord in relation to the Landlord's enforcement of this guarantee.*

OFFICIAL – SENSITIVE

((AUTHORISED GUARANTEE AGREEMENT))

DATE:

PARTIES:

- (1) **THE SECRETARY OF STATE FOR COMMUNITIES AND LOCAL GOVERNMENT**
1st Floor Peel Building, 2 Marsham Street, London SW1P 4DF (the "**Landlord**"); and
- (2) **Serco Limited** (No: 242246) whose registered office is at Serco House, 16 Bartley Wood Business Park, Bartley Way, Hook, Hampshire, RG27 9UY (the "**Assignor**").
- (3) **Serco Group PLC** (No: 2048608) whose registered office is at Serco House, 16 Bartley Wood Business Park, Bartley Way, Hook, Hampshire, RG27 9UY (the "**Assignor's Guarantor**").

1. DEFINITIONS

In this agreement the following words and expressions have the meanings set opposite them (unless the context otherwise requires):

- | | | |
|-----|----------|--|
| 1.1 | Assignee | • *LIMITED**PLC* (company registration number •) whose registered office is at • |
| 1.2 | Event | Any one of the following:

(i) disclaimer of the Lease or surrender of the Lease by a person having power to disclaim; or

(ii) forfeiture of the Lease; or

(iii) a surrender of the Lease that the Landlord has no choice but to accept (by, for example, being bound by the terms of an individual or company voluntary arrangement); or

(iv) the Assignee ceasing to exist. |
| 1.3 | Lease | The lease made on • between (1) THE SECRETARY OF STATE FOR COMMUNITIES AND LOCAL GOVERNMENT the Landlord and (2) *[NAME OF ORIGINAL TENANT]** the Assignor* *and (3) *[NAME OF ORIGINAL TENANT'S GUARANTOR]** the Assignor's Guarantor** and all documents supplemental or collateral to that lease. |
| 1.4 | Premises | The premises let by the Lease. |
| 1.5 | 1954 Act | Landlord and Tenant Act 1954. |

2. INTERPRETATION

- 2.1 A word or expression used in this agreement has the same meaning as in the Lease unless the context requires otherwise.
- 2.2 'Relevant Variation' has the meaning given to it by section 18 of the Landlord and Tenant (Covenants) Act 1995.

2.3 If any party is more than one person their obligations are joint and individual.

2.4 The clause headings do not affect the interpretation of this agreement.

3. AGREEMENT CONDITIONAL

The Assignor has agreed to assign the Lease to the Assignee and this agreement takes effect on completion of that assignment whether or not the assignment is subsequently registered at the Land Registry.

4. ASSIGNOR'S OBLIGATIONS

4.1 The Assignor agrees with and guarantees to the Landlord that the Assignee will comply with the Assignee's obligations in the Lease and where the Assignee fails to do so then the Assignor will comply with them.

4.2 The Assignor agrees with the Landlord as a separate and primary obligation to indemnify the Landlord against any failure by the Assignee to comply with the Assignee's obligations in the Lease and where the Assignee fails to do so then the Assignor will comply with them.

4.3 If the liability of the Assignee under the Lease is disclaimed, the Landlord may, by written notice given to the Assignor within six months of the Landlord receiving notice of that disclaimer, require the Assignor to take a lease of the Premises:

4.3.1 for a term starting on the date of the disclaimer ending when the Term would have expired had the Lease continued ;

4.3.2 on the same terms as the Lease (including all variations except Relevant Variations); and

4.3.3 at the cost of the Assignor as regards preparation and execution including a counterpart.

4.4 If the Landlord does not require the Assignor to take a new lease of the Premises the Assignor is to pay the Landlord on demand the amount of the rents which would have been payable under the Lease but for the disclaimer until the Premises are relet.

4.5 The obligations of the Assignor continue even though:

4.5.1 the Landlord allows time or another concession to the Assignee; or

4.5.2 the Assignee ceases to exist; or

4.5.3 the Landlord and the Assignee agree any variation to the Lease whether or not the Assignor has consented to it and whether or not it is a Relevant Variation ; or

4.5.4 any other thing occurs which would have released the Assignor but for this provision (apart from an express written

release).

5. **ASSIGNOR'S GUARANTOR**

- 5.1 The Assignor's Guarantor agrees with and guarantees to the Landlord that the Assignor will comply with the Assignor's obligations in this agreement and where the Assignor fails to do so then the Assignor's Guarantor will comply with them.
- 5.2 The Assignor's Guarantor agrees with the Landlord as a separate and primary obligation to indemnify the Landlord against any failure by the Assignor to comply with the Assignor's obligations in this agreement and where the Assignor fails to do so then the Assignor's Guarantor will comply with them.*

6. **EXCLUSION OF SECURITY OF TENURE**

- 6.1 The parties agree that the provisions of sections 24 to 28 of the 1954 Act are excluded in relation to a lease granted under clause 4.3 of this agreement.
- 6.2 The parties acknowledge that:
- 6.2.1 on •[date] the Landlord served on the Assignor a notice *(certified copy attached)* under section 38A(3)(a) of the 1954 Act *; and
- 6.2.2 on •[date] the Assignor signed a *simple**statutory* declaration *(certified copy attached)* under section 38A(3)(b) of the 1954 Act. *
- 6.3 *The parties agree that the provisions of sections 24 to 28 of the 1954 Act are excluded in relation to a lease granted to the Assignor's Guarantor under this agreement.
- 6.4 The parties acknowledge that:
- 6.4.1 on •[date] the Landlord served on the Assignor's Guarantor a notice *(certified copy attached)* under section 38A(3)(a) of the 1954 Act *; and
- 6.4.2 on •[date] the Assignor's Guarantor signed a *simple**statutory* declaration *(certified copy attached)* under section 38A(3)(b) of the 1954 Act. **

7. **END OF AGREEMENT**

The Assignor and the Assignor's Guarantor have no liability under this agreement in respect of any period after the date when the Assignor ceases to be liable by virtue of statutory provisions or (if earlier) the Landlord releases them in writing.

8. **SEVERANCE**

Any provision in this agreement which is void under section 25 of the 1995 Act

is to be severed from all remaining provisions and the remaining provisions are to remain in force.

9. **CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

No term of this agreement is enforceable under the Contracts (Rights of Third Parties) Act 1999.

EXECUTED as a deed and delivered on the date at the beginning of this document.

