

APL
RGAManaged Station Standard Lease – November 2003

LEASE

Between

NETWORK RAIL INFRASTRUCTURE LIMITED

and

[] LIMITED

[and]

[GUARANTOR]

relating to

Premises at [] Station
[insert brief address of station]

Term: Starting on the Lease Start Date and expiring on
[] subject to earlier determination in
accordance with the terms of Lease.

Type of Lease : [Core Facility Lease] [Non-Core
Facility Unit Lease] [Non-Core Unit Retail Lease]
[Non-Core Unit Non-Retail Lease]

Simmons & Simmons

CityPoint One Ropemaker Street London EC2Y 9SS
T 020 7628 2020 F 020 7628 2070 DX Box No 12

PARTICULARS

1. **Date:**
2. **Landlord:** NETWORK RAIL INFRASTRUCTURE LIMITED incorporated under the Companies Acts (company registration no. 2904587) whose registered office is at 40 Melton Street, London NW1 2EE.
3. **Tenant:** [] LIMITED (company registration no. []) whose registered office is at [].
4. **Guarantor:** None/[specify].
5. **Property:** The premises at the Station described in the First Schedule.
6. **The Plans:** Plans nos [] attached [and a reference to a numbered Plan is a reference to that one of the Plans].
7. **Lease Start Date:** 02.00 hours on the date of this Lease.
8. **Term:** The term of years commencing on the Lease Start Date and ending at 02.00 hours on [].
9. **Yearly Rent:** The Main Rent and Other Sums.
10. **Main Rent:** [The annual sum of £[] subject to review as provided in the relevant part of the Second Schedule] / [a peppercorn].
11. **Others Sums:** All other sums payable by the Tenant pursuant to this Lease.
12. **Rent Start Date:** The Lease Start Date.
13. **The Landlord's Surveyor:** The Director Railway Estates, Network Rail Infrastructure Limited, 40 Melton Street, Euston Square, London NW1 2EE.
14. **The Tenant's Surveyor:** *[Note: insert the name and address of the Tenant's Surveyor]*
15. **NRMS Access Conditions:** The access conditions governing the operation of the Station, currently known as the Network Rail Managed Station Access Conditions (and formerly known as the Railtrack Independent Station Access Conditions) as approved by the Regulator and modified from time to time with his approval.
16. **NRMS Letting Conditions:** The Network Rail Managed Station Letting Conditions 2003.
17. **Permitted Use:** *[[For Core Facility Leases.] For or in connection with the provision of any of the services for the carriage of passengers by railway which are to be provided by the Tenant pursuant to the Franchise Agreement.]*

[[For Non-Core Facility Unit Leases.] Offices within Class A2 or Class B1 of the Town and Country Planning (Use Classes) Order 1987.]

[[For Non-Core Non-Retail Leases] [specify]]

[[For Non-Core Units Retail Leases] [specify] together with any retail use within Class A1 of the Town and Country Planning (Use Classes) Order 1987 approved by the Landlord (such approval not to be unreasonably withheld or delayed).]

18. **The Station:** [Note: insert brief address of station].
19. **Additional Excluded Equipment:** None/[specify].
20. **Superior Estate Owner:** None/[specify].
21. **Superior Estate Grant:** None/[specify].
22. **Inventory of the Tenant's Equipment:** [None/the attached Inventory of the fixtures and fittings at the Property which belong to the Tenant/all furniture, portable equipment and contents at the Property which belong to the Tenant].
23. **Statement of Condition:** [None/the attached report of the condition of the Property].
24. **Services:** The services, facilities and amenities specified in the Third Schedule as Option [A] [B] [C].
25. **The Landlord's Claim Threshold:** The sum for the time being equal to 1% of the Long Term Charge referred to and defined in the NRMS Access Conditions, subject to a minimum of £1,000.
26. **The Tenant's Claim Threshold:** The sum for the time being equal to 1% of the Access Charge payable by the Tenant under the Station Access Agreement, subject to a minimum of £1,000.
27. **The Landlord's Aggregate Threshold:** The sum for the time being equal to 5% of the Long Term Charge referred to and defined in the NRMS Access Conditions, subject to a minimum of £5,000.
28. **The Tenant's Aggregate Threshold:** The sum for the time being equal to 5% of the Access Charge payable by the Tenant under the Station Access Agreement, subject to a minimum of £5,000.
29. **The Original Tenant:** [Note: insert the same name as in para 3 of the Particulars.]

30. **Franchise Commencement Date:** The meaning attributed to it in the Franchise Agreement.
31. **Franchise Agreement:** The franchise agreement made between (1) The Director of Passenger Rail of Franchising] [the Strategic Rail Authority] and (2) [] dated [].
32. **Standard of Repair Date** *[If this Lease is the renewal of any earlier lease specifying a date for this purpose, that date may be carried forward and inserted here. If no earlier lease, then insert "Lease Start Date"]*.
33. **Lease Status:** This Lease is a [Core Facility Lease] [Non-Core Facility Unit Lease] [Non-Core Unit Retail Lease] [Non-Core Unit Non-Retail Lease] and in the absence of any provision to the contrary:
- (A) any provisions in the NRMS Letting Conditions which are stated to apply to that type of lease shall apply to this Lease; and
 - (B) any provisions in the NRMS Letting Conditions which are stated to apply to other types of lease, viz. [a Core Facility Lease,] [a Non-Core Facility Unit Lease] [a Non-Core Unit Retail Lease,] [a Non-Core Unit Non-Retail Lease], (unless they are stated also to apply to that type of lease) shall not apply to this Lease.

THIS LEASE is made between the Landlord and the Tenant and (where applicable) the Guarantor.

1. **DEMISE**

The Landlord demises to the Tenant the Property for the Term YIELDING AND PAYING the Yearly Rent TOGETHER WITH as set out in paragraph 2 of the NRMS Letting Conditions and EXCEPT AND RESERVING as set out in paragraph 3 of the NRMS Letting Conditions.

2. **INCORPORATED MATTERS**

This Lease incorporates and is subject to:

- 2.1 the Particulars; and
- 2.2 the NRMS Letting Conditions

all of which shall be read as one with this Lease as if set out in full in it.

3. **MUTUAL COVENANTS**

The Landlord and the Tenant covenant each with the other to perform and observe their respective obligations contained in the NRMS Letting Conditions.

4. **GUARANTOR**

The Guarantor (if any) covenants and agrees with the Landlord in the terms of paragraph 6 of the NRMS Letting Conditions.

5. **EXCLUSION OF LANDLORD AND TENANT ACT 1954**

[The Property is to be used for or in connection with the provision of the services for the carriage of passengers by railway which are to be provided by the Tenant pursuant to the Franchise Agreement and therefore pursuant to section 31 of the Act Part II of the Landlord and Tenant Act 1954 shall not apply to any tenancy created by this Lease.]

[Having been authorised to do so by an Order of the [] Court dated [] the Landlord and the Tenant now agree that the provisions of sections 24 to 28 (inclusive) of the Landlord and Tenant Act 1954 shall not apply to the tenancy granted by this Lease.]

[NOTE: *the first option will only apply where the relevant franchise agreement makes provision for the train operator to enter into this Lease. In all other cases a contracting-out order will be required.*]

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

No person who is not a party to this Lease shall have any right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Lease.

7. ICERTIFICATE FOR THE PURPOSE OF SECTION 240 FINANCE ACT 1994

It is certified for the purpose of section 240 Finance Act 1994 that there is no Agreement for Lease or Tack to which this Lease gives effect.]

FIRST SCHEDULE

THE PROPERTY

Location

Approximate internal floor area in square
feet

SECOND SCHEDULE

Part A of this Schedule applies only where this Lease is a Non-Core Unit Non-Retail Lease. Part B applies only where this Lease is a Non-Core Unit Retail Lease.

For all purposes of this Second Schedule time is not of the essence and cannot be made of essence by any party.

PART A

(Non-Core Unit Non-Retail Lease)

1. Review of Main Rent

Definitions

1.1 In this paragraph 1:

- (A) "Market Review Dates" means every fourth anniversary of 01 April [];
- (B) "Open Market Rent" means the yearly rack rent which would be reasonably payable for the Property if let on the relevant Market Review Date as a whole on the open market with vacant possession without a premium or any other consideration for the grant of the lease by a willing landlord to a willing tenant for a term of years beginning on the relevant Market Review Date and ending on the expiry of the Term (except at the final Market Review Date during the Term, when the term of such lease commences on the relevant Market Review Date and ends [four] years later) and otherwise on the same terms, covenants, provisions and conditions contained in this Lease (other than the amount of the Main Rent reserved but including this paragraph 1) but disregarding the Disregarded Matters and making the Assumptions;

[Note: the figure in square brackets is the rent review interval]

- (C) "Assumptions" means the assumptions (if not facts) that:
 - (1) all the obligations of the Tenant contained in this Lease have been fully performed and observed;
 - (2) if the Station, the Property and/or any access route serving the Property has been destroyed or damaged it has been fully rebuilt and reinstated;
 - (3) the Property is available and ready for immediate occupation and use for the purposes permitted by this Lease;
 - (4) nothing has been or will be done or omitted during the Term which diminishes the rental value of the Property, except that there shall be taken into account any acts or omissions of the Landlord or persons acting on its behalf or with its authority (which for the avoidance of doubt does not include the Tenant, any assignee, subtenant or person deriving title under any of them or persons acting on behalf of or with the authority of any of them respectively) which diminish the rental value of the Property;

- (5) any rent free or reduced rent period, and any other payment, inducement or consideration for fitting-out and similar works which the willing tenant would obtain on the open market in respect of the letting has expired and been received by the willing tenant Provided for the avoidance of doubt that any other rent free or reduced rent period and any other payment, inducement or consideration given in the open market to a tenant as an incentive to take the lease will be taken into account;
- (D) "Disregarded Matters" means:
 - (1) any effect on rent of the fact that the Tenant or any permitted undertenant or occupier or their respective predecessors in title may have been in occupation of the Property;
 - (2) any effect on rental value of any lawful improvement to the Property carried out after the Lease Start Date by and at the expense of the Tenant otherwise than in pursuance of an obligation to the Landlord and without any liability of the Landlord to pay compensation in respect of the improvement;
 - (3) any increase in rental value attributable to any particular requirements of the Original Tenant;
- (E) "Review Surveyor" means an independent chartered surveyor of not less than ten years standing, who is experienced in valuing and leasing property similar to the Property and is acquainted with the market in the area in which the Property is located, appointed from time to time under this paragraph 1 to determine the Open Market Rent; and
- (F) "President" means the President for the time being of the Royal Institution of Chartered Surveyors and includes the duly appointed deputy of the President or any person authorised by the President to make appointments on his behalf.

1.2 Rent Review

The Main Rent shall be reviewed at each Market Review Date in accordance with the provisions of this paragraph 1 and from and including each Market Review Date the Main Rent shall equal the higher of:-

- (A) the Open Market Rent referred to in paragraph 1.1(B) on the relevant Market Review Date as agreed or determined pursuant to this paragraph 1; and
- (B) the Main Rent immediately before the relevant Market Review Date.

1.3 Agreement or determination of review

The Open Market Rent at the relevant Market Review Date may be agreed in writing at any time between the Landlord and the Tenant but if, for any reason, they have not so agreed, either party may (whether before or after the relevant Market Review Date, but not more than six months before it) by notice in writing to the other require the Open Market Rent to be determined by the Review Surveyor.

1.4 Appointment of Review Surveyor

In default of agreement between the Landlord and the Tenant on the appointment of the Review Surveyor he shall be appointed by the President on the written application of

either party, to be made not earlier than three months before the relevant Market Review Date and not later than the next succeeding relevant Market Review Date.

1.5 Functions of Review Surveyor

The Review Surveyor shall act as an arbitrator in accordance with the Arbitration Act 1996.

1.6 Appointment of new Review Surveyor

If the Review Surveyor fails to give notice of his determination within the allotted time, or if he dies, is unwilling to act, or becomes incapable of acting, or if, for any other reason, he is unable to act, the Landlord or the Tenant may request the President to discharge the Review Surveyor and appoint another surveyor in his place to act in the same capacity, which procedure may be repeated as many times as necessary.

1.7 Interim payments pending determination

If the amount of the reviewed Main Rent has not been agreed or determined by the relevant Market Review Date (the date of agreement or determination being called the "Determination Date") then:-

- (A) in respect of the period (the "Interim Period") beginning with the relevant Market Review Date and ending on the day before the quarter day following the Determination Date, the Tenant shall continue to pay the Main Rent at the level immediately before the relevant Market Review Date on account of the Main Rent due in respect of the Interim Period; and
- (B) on the tenth working day after the Determination Date, the Tenant shall pay to the Landlord as arrears of Main Rent an amount equal to the difference (if any) between what should have been paid during the Interim Period and the amount actually paid pursuant to paragraph 1.7(A) during the Interim Period (apportioned on a daily basis) together with interest on that amount at the Basic Rate, the interest to be calculated on the amount of the shortfall on a day to day basis from the date on which it would have been payable if the reviewed Main Rent had been agreed before the relevant Market Review Date to the date of actual payment.

1.8 Memoranda of review

Within ten working days after the amount of any reviewed Main Rent has been agreed or determined, memoranda recording that fact shall be prepared by the Landlord and shall be signed for the Landlord and the Tenant, who shall each bear their own costs in this respect.

PART B

Non-Core Unit Retail Lease

1. Review of Main Rent

1.1 In this paragraph 1:

- (A) "Index" means the CB Richard Ellis Rent Monthly Index (All Shops) published by CB Richard Ellis Limited;

- (B) **"Review Dates"** means 01 April immediately following the Lease Start Date and each following 01 April;
- (C) **"Index Figure"** means the Index figure as last published before the relevant Review Date;
- (D) **"Base Figure"** means the Index figure as last published before 01 April immediately preceding the Lease Start Date; and
- (E) **"Initial Rent"** means the Main Rent as at the Rent Start Date.

1.2 With effect from each Review Date the Main Rent shall be adjusted so as to be equal to either:

- (A) the sum equal to the value of A in pounds sterling in the formula:

$$A = B \times \frac{C}{D}$$

Where :

B = the Initial Rent

C = the Index Figure

D = the Base Figure

or

- (B) the sum agreed or determined by arbitration under any alternative method of calculation or any alternative indices or index agreed or determined by arbitration pursuant to paragraph 1.5.

1.3 The Landlord shall on or before or (as the case may require) as soon as reasonably practicable after the relevant Review Date (but in any event within 15 days from the relevant Review Date) give written notice to the Tenant of the adjustment made to the Main Rent with effect from that Review Date together with supporting calculations which save in case of error shall not be open to question by the Tenant.

1.4 If the Landlord fails to give notice together with supporting calculations to the Tenant in accordance with paragraph 1.3 in relation to any Review Date the Tenant shall be entitled to give written notice to the Landlord of the adjustment made to the Main Rent with effect from that Review Date together with supporting calculations which save in case of error shall not be open to question by the Landlord but the Tenant shall not be entitled to give notice under this paragraph 1.4 after the Landlord has given notice under paragraph 1.3.

1.5 If after the date of this Lease:

- (A) the reference base used to compile the Index changes or the Index changes in any other way and it is agreed or (if the parties cannot agree) it is determined by arbitration that the change is material for the purposes of this paragraph 1; or

- (B) the Index ceases to be published or for any other reason it is impossible to calculate the sum referred to in paragraph 1.2(A) by reference to the Base Figure and the relevant Index Figure; or
- (C) the Index is published at materially less frequent intervals than at the date of this Lease

the parties shall consult together with a view to agreeing an alternative index or indices or method of calculation which as closely as possible gives effect to the intention of the parties in this paragraph 1 but if agreement is not reached or if any other dispute or question arises between the parties with respect to the construction or effect of this paragraph 1 or the calculation of either sum referred to in paragraph 1.2(A) and paragraph 1.2(B) then the matter shall be determined by arbitration.

- 1.6 Changes to this paragraph 1 resulting from arbitration or agreement under paragraph 1.5 shall be evidenced in a deed of variation which the Landlord and the Tenant will complete as soon as practicable such deed in case of failure to agree by the Landlord and the Tenant to be settled by conveyancing counsel to be appointed jointly by the Landlord and the Tenant or in case of failure to agree to be appointed on the application of the Landlord or the Tenant by the President for the time being or other appropriate officer of the Law Society.
- 1.7 Until the adjustment to be made to the Main Rent with effect from any Review Date has been agreed or determined, the Tenant shall continue to pay the Main Rent at the level payable immediately before the relevant Review Date to the Landlord on account of the Main Rent.
- 1.8 On the tenth working day after the agreement or determination of the adjustment referred to in paragraph 1.7 an appropriate payment shall be made by the Tenant to the Landlord or by the Landlord to the Tenant (as the case may be) of any underpayment or over payment so as to put the parties in the position they would have been in had that adjustment been agreed or determined before the rent payment date in respect of the Main Rent which immediately precedes the relevant Review Date together with in respect of each part of that payment interest calculated at the Basic Rate from the day when that part would have been payable until actual payment.

THIRD SCHEDULE

THE SERVICES

Option A. Small Storage Areas etc

1. Maintenance, repair and decoration of the Building and of the services and installations, equipment, fixtures and fittings in it or (to the extent that they serve the Building) leading to it.
2. The Landlord's obligations in paragraph 5.2 of the NRMS Letting Conditions.
3. Maintenance of any fire alarm system, fire precautions and fire equipment and ancillary apparatus in the Property and/or the Building and other plant and equipment and the provision of security and other equipment, service agreements, operating costs, and repairs and maintenance.
4. Collection and disposal of refuse from the Property and/or the Building and the cost of vermin and rodent control in the Property and/or the Building.
5. Provision of fuel, electricity, water (if any of such are supplied) and other outgoings for:
 - 5.1 heating ventilation and/or air conditioning (if any of such are supplied);
 - 5.2 cleaning, maintaining, lighting and heating the common parts of the Building and the external accessways, where applicable;
 - 5.3 the domestic water supplies;
 - 5.4 hot water (if any was supplied at the Lease Start Date) to the lavatories, cleaners rooms and tea-making rooms in the Building;
 - 5.5 purposes of other services included in this Schedule.
6. Payment of general rates, water rates and other outgoings in respect of such parts of the Building as are not included in the exclusive occupation of any tenants.
7. Procuring insurance relating to the Building, public liability and services (to include insurance for loss of rent and reasonable insurance valuation fees).
8. Management services and, the Landlord's management charges (to exclude rent collection) which shall be reasonably and properly calculated and shall not exceed the market norm.
9. The provision (or procuring the provision) of any of the Services including (without limitation to the generality of this) independent contractors and others for the provision of any services or facilities and all other expenses reasonably incurred by the Landlord incidental to or for the purpose of providing any of the services or facilities to the Building.

Option B. Retail Type Premises within the Station

10. The above together with cleaning the exterior of all glass in the Property and/or the Building.

Option C. Office Premises

11. Fuel, electricity, water (if any of such are supplied) and other outgoings for:
 - 11.1 heating ventilation and/or air conditioning (if any of such are supplied) of the Property and/or the Building;
 - 11.2 cleaning, maintaining, lighting and heating the Common Parts of the Building and the external access ways and car parks and parking spaces where applicable;
 - 11.3 the domestic water supplies;
 - 11.4 providing hot water (if any was provided at the Lease Start Date) to the lavatories, cleaner's rooms and the tea making rooms in the Building;
 - 11.5 the use of any employee or employees of the Landlord employed in the Building who provide a service or services to the Tenant (whether or not the Services are provided to other occupiers of the Building);
 - 11.6 purposes of other services included in this Schedule.
12. Staff wages, insurance contribution and/or any other tax payable in respect of any employees including porters, caretakers, security personnel, lift attendants, boiler men, maintenance staff for cleaners and supervisors and any other persons employed by the Landlord in connection with the provisions of services for the Building or the Property.
13. General rates, water rates and other outgoings in respect of such parts of the Building as are not included in the exclusive occupation of any tenants.
14. Rent, general rates, water rates and other outgoings in respect of the cost of providing any accommodation for service employees.
15. Cleaning equipment and materials and other services for the cleaning and maintenance of the common and service parts of the Building including external access ways and car parks and parking spaces where applicable.
16. Window cleaning of all windows of the Building inside (where appropriate) and outside including glass screens and glass doors comprised in the Common Parts.
17. Maintenance, repairs and decorations for which the Landlord is responsible to any parts of the Building and the services and installations, equipment, fixtures and fittings in them.
18. Lighting of toilets, corridors, landings, staircases, entrances and other Common Parts of the Building including replacements.
19. Lifts (if any existed at the Lease Start Date) including service agreements, operating costs, repairs and maintenance.
20. Other plant and equipment including the provision of security and other equipment service agreements, operating costs, repairs and maintenance.
21. All insurance relating to the Building, public liability and services (to include insurance for loss of rent and reasonable insurance valuation fees).

22. Compliance with statutory requirements relating to the Building except in so far as these are the responsibility of the Tenant under the terms of this Lease.
23. Landlord's management charges (to exclude rent collection), which shall be reasonable and properly calculated and shall not exceed the market norm.
24. Miscellaneous items including toilet paper, roller towels, dustbins, soap dispenser machines, general furnishings, uniforms and overalls for caretakers, cleaning, maintenance and other staff, fire fighting equipment, vermin and rodent control within the Building (but the Tenant shall keep the Property itself free from vermin and rodents), independent contractors and others for the provision of any services or facilities and all other expenses reasonably incurred by the Landlord incidental to or for the purpose of providing any of the services or facilities to the Building.
25. Structural Maintenance.
26. The Landlord's obligation in paragraph 5.2 of the NRMS Letting Conditions.

In relation to this Schedule:

1. The Landlord will provide the Services except insofar as any of these are the responsibility of the Tenant under the terms of this Lease.
2. In relation to any of the Services which consist of repair, maintenance and similar treatment, nothing in this Lease obliges the Landlord to carry out those Services so as to put the subject of the work in a better condition than that at the Standard of Repair Date.

EXECUTED by the Landlord and the Tenant and (where applicable) the Guarantor as a deed on the first date shown in the Particulars

(THE COMMON SEAL OF NETWORK
(RAIL INFRASTRUCTURE LIMITED
(was affixed in the presence of:

(EXECUTED AS A DEED BY [
(]
(acting by
((and by

Director:

Director/Secretary:

[(THE COMMON SEAL OF [] was
(
(affixed in the presence of:

Director:

Secretary:]

THE NETWORK RAIL
MANAGED STATION
LETTING CONDITIONS 2003

THE NETWORK RAIL MANAGED STATION LETTING CONDITIONS 2003

1. DEFINITIONS AND INTERPRETATION

In this Lease unless the context otherwise requires:

- 1.1 The terms defined in the Particulars have the meanings specified there (subject to any amplification set out below).

"Access Agreement" means the track access agreement between the Landlord and the Tenant subsisting from time to time in relation to the use of track leading from or to the Station.

"Act" includes every existing or future Act of Parliament and every existing or future instrument, scheme, rule, regulation, bye-law, order, code of practice, notice, direction, licence, consent or permission made or given under any of them and reference to an Act includes any amendment, extension or re-enactment of it for the time being in force.

"Adjacent Property" means all or any part of the land, buildings, structures or other works (including railway track and other rail infrastructure) not included in this Lease but for the time being adjoining, above, below or near the Property.

"Approval" means approval of a Proposal for Change required or given pursuant to the NRMS Access Conditions, and **"Approved"** shall be construed accordingly.

"Basic Rate" means the base lending rate for the time being of HSBC Bank plc or (if the base rate of HSBC Bank plc shall cease to exist) some other London clearing bank nominated from time to time by the Landlord, or, in the event of base rate being abolished, such other comparable rate of interest as the Landlord shall reasonably specify.

"Building" means any building of which the Property forms part, and includes any part of a Building but does not include the Station.

"Common Parts" means the entrance halls, staircases, passages, toilets, passenger lifts and other internal parts of any Building as shall from time to time be used or available for use by the Tenant in common with any other person.

"Conduits" means cisterns, tanks, pipes, sewers, drains, soakaways, ducts, conduits, downpipes, gutters, wires, cables meters, channels, watercourses, flues, shafts, vents, interceptors, high pressure air systems, trunking and other conducting media and ancillary apparatus and includes any part of them.

"Critical Supplier" means a person who provides services to the Tenant in connection with the Tenant's passenger train services that operate to or from the Station and whose presence on the Station is necessary for the proper and effective provision of such services.

"Current Contracts" means any station access agreement (except the Station Access Agreement) for the time being affecting the rights and/or obligations of the Landlord and/or the Tenant under this Lease.

"Equipment" means all fixtures, fittings, equipment, plant, machinery and apparatus at the Property from time to time except the Tenant's fixtures and fittings and the Excluded Equipment.

"Excluded Equipment" means:

- (A) the Additional Excluded Equipment as defined in the Particulars; and

(B) all fixtures, fittings, equipment, plant, machinery and apparatus at the Property from time to time and used for the time being for the purpose of the Landlord's railway undertaking, including:

- (1) television monitors;
- (2) loud speaker/tannoy systems;
- (3) clocks on "impulse" systems;
- (4) fire alarm systems; and
- (5) the Landlord's telephone systems.

"Excluded Premises" means the parts of any Building not demised by this Lease.

"Fair Proportion" means such proportion as shall be agreed between the Landlord and the Tenant as being fair and equitable in the context of the subject matter or in default of agreement to be determined by arbitration.

"franchise agreement" means any franchise agreement which subsists from time to time relating to the provision by the Tenant of services for the carriage of passengers by railway.

"Insured Risks" means:-

- (A) (to the extent that these are normally insurable in respect of the Property on normal commercial terms with a member of the Association of British Insurers) fire, lightning, explosion, aircraft but not hostile aircraft, subterranean fire, earthquake, riot and civil commotion, malicious damage, impact (including impact by rolling stock of any type) flood, storm, tempest, subsidence and terrorism; and
- (B) such other insurable risks as the Landlord and the Tenant may agree.

"Key Caterer" means a Critical Supplier who provides on-board catering services on passenger train services operated by the Tenant to or from the Station.

"the Landlord" is as stated in the Particulars and includes the person for the time being entitled to the reversion immediately expectant on the determination of the Term.

"Landlord's Group Company" means any company which for the time being is a member of the same group of companies (within the meaning given to that expression in section 42 Landlord and Tenant Act 1954) as the Landlord.

"the Landlord's Surveyor" means the person from time to time appointed by the Landlord in respect of the Property (currently as stated in the Particulars) and may be a person employed by or otherwise connected with the Landlord or any Landlord's Group Company.

"this Lease" means the particular lease which incorporates these NRMS Letting Conditions and any document expressed to be supplemental to this Lease or made pursuant to this Lease whether or not it is expressed to be so.

"LTC Maintenance Item" means anything being part of the Property (but only to the extent it also comprises part of the Station) referred to under the heading "Description" in Appendices 4 or 5 to Annex 1 to the NRMS Access Conditions for the Station against which the word "No" appears under the heading "Maintenance is Qualifying Expenditure".

"LTC Repair Item" means anything being part of the Property (but only to the extent it also comprises part of the Station) referred to under the heading "Description" in Appendices 4 or 5 to Annex 1 to the NRMS Access Conditions for the Station against which the word "No" appears under the heading "Repair is Qualifying Expenditure".

"Passenger Operator" means a passenger service operator with permission to use the Station pursuant to a station access agreement.

"Particulars" means the part of this Lease so entitled.

"Planning Acts" means the planning Acts as defined in section 336 Town and Country Planning Act 1990 and the Planning and Compensation Act 1991 and any other Act of a similar nature.

"Property" is as stated in paragraph 5 of the Particulars and includes:

- (A) the paint, paper and other decorative finishes applied to the interior surfaces of the exterior walls and to the interior structural walls of the Property; and
- (B) the floor screeds/boards and finishes so that the lower limit of the Property (at each level if appropriate) shall include those screeds/boards and finishes but shall not extend to anything below them nor to the Excluded Premises; and
- (C) the false ceiling (if any) and the void between it and the true ceiling; and
- (D) the ceiling finishes so that the upper limit of the Property (at each level if appropriate) shall include those finishes but shall not extend to anything above except for any heating/ventilation plant or Conduits exclusively serving the Property and constructed or placed on the roof/in the roof space of the Property nor shall it include the Excluded Premises; and
- (E) both sides of all windows, window frames, doors and door frames both internal and external to the Property; and
- (F) all non-structural and non-load bearing walls and partitions within the Property and one half (severed vertically) of any internal non-structural walls or partitions dividing the Property from other parts of the Building; and
- (G) the Equipment including any floor coverings provided by or at the expense of the Landlord; and
- (H) all electrical and mechanical installations in the nature of landlord's fixtures and plant, equipment and machinery of like nature in the Property used or intended to be used exclusively for the purposes of the Property including if applicable all heating and ventilation plant and equipment but excluding any hot water radiators which are part of a larger system; and
- (I) all fire fighting equipment and hoses located within the Property from time to time; and
- (J) the Conduits situate within and used or intended to be used exclusively for the purposes of the Property; and
- (K) the shop front, security shutters, skylights, cellar flaps, shutters and external fire escapes (not used jointly with other premises) if any;

and includes any part of the Property

but excludes:

- (A) the Excluded Premises including the structure, external walls, roof space, roofs, foundations and internal load bearing walls of the Building; and
- (B) the area above the ceiling finishes of the Property and below the floor screeds/boards and finishes of the Property (at each level if appropriate); and
- (C) any Conduits solely or jointly serving parts of the Building which are not included in the Property; and
- (D) the Excluded Equipment.

"SRA" means the Strategic Rail Authority established under section 201 of the Transport Act 2000

"Station Access Agreement" means the station access agreement between the Landlord and the Tenant subsisting from time to time in relation to the use of the Station.

"Station" is as stated in the Particulars and has the same meaning as is given to it in the Station Access Agreement, and includes any part of the Station.

"Superior Estate Grant" means any agreement or instrument at the date of this Lease granting any estate, right or interest of any nature:

- (A) under which the Landlord for the time being holds the Property; or
- (B) which for the time being is expectant (whether immediately or mediately) upon the expiration or sooner determination of an estate, right or interest referred to in paragraph (A) of this definition; or
- (C) out of which (whether or not immediately) an estate, right or interest referred to in paragraph (A) of this definition was derived.

"Superior Estate Owner" means any person for the time being entitled to the benefit of a Superior Estate Grant.

"the Tenant" is as stated in the Particulars and includes successors in title.

"the Tenant's Conduits" means those Conduits at or outside the Property used exclusively for the Property (to the extent that they are not or do not become adopted or public Conduits).

"Tenant's Group Company" means any company which for the time being is a member of the same group of companies (within the meaning given to that expression in section 42 Landlord and Tenant Act 1954) as the Tenant.

"the Tenant's Surveyor" means the person from time to time appointed by the Tenant to act as its Surveyor (currently as stated in the Particulars) and may be a person employed by or otherwise connected with the Tenant or any Tenant's Group Company.

"Term" means the term created by this Lease as stated in the Particulars.

"Value Added Tax" means value added tax as provided for in the Value Added Tax Act 1994 and includes any future tax of a similar nature that may be substituted for or added to value added tax.

"Yearly Rent" is as stated in the Particulars (subject to review as provided in this Lease).

- 1.2 If at any time either the Landlord, the Tenant or the Guarantor consist of more than one person then their respective obligations can be enforced against those constituent persons jointly and against each individually.
- 1.3 Every obligation in this Lease which prohibits the Tenant from doing something includes an obligation by the Tenant not to permit or suffer that thing to be done.
- 1.4 References in the Particulars, the Schedules to this Lease and in these NRMS Letting Conditions to paragraphs are to paragraphs in the same part of this Lease unless the context otherwise requires and references in these NRMS Letting Conditions to Schedules are to Schedules of this Lease.
- 1.5 Words and expressions importing the singular number include the plural and vice versa; words importing the masculine gender include the feminine and neuter genders and vice versa; and the words "include" and "including" are to be construed without limitation.
- 1.6 Words and expressions defined in the Station Access Agreement or in the NRMS Access Conditions bear the same meaning in this Lease.
- 1.7 Signature of this Lease by an individual as a witness to its execution under seal by the Landlord shall also constitute signature by that individual for the purposes of section 2 Law of Property (Miscellaneous Provisions) Act 1989 and the same applies to the signature and execution of the counterpart of this Lease.
- 1.8 References to a consent or approval of the Landlord mean a consent or approval in writing signed for or executed by the Landlord.
- 1.9 References to an after tax basis shall be construed to mean payments of the monies which are the subject of the indemnity after:
 - (A) first, if the cost, loss or other matter in respect of which the monies are to be paid gives rise to any relief from taxation for the beneficiary of the indemnity, by reducing the amount of such payment by the amount of tax saved (or deemed to be saved on the basis of the assumptions set out below) by the beneficiary by virtue of the relief;
 - (B) secondly, if the indemnity is subject to taxation in the hands of the beneficiary, by increasing the amount of the payment after any reduction under paragraph 1.9(A) such that the net amount retained by the beneficiary after the deduction of the tax suffered (or deemed to be suffered on the basis of the assumptions set out below) by the beneficiary in respect of such indemnity payment equals the amount of the payment after any reduction under paragraph 1.9(A);and in applying the above, it shall be assumed that:
 - (C) for the purposes of paragraph 1.9(A) the amount of tax saved shall be the difference between:
 - (1) the amount of tax which would have been payable by the beneficiary in respect of the accounting period of the beneficiary in which relief arises, on the assumption that the beneficiary is liable to tax on its Taxable Profits in such accounting period; and
 - (2) the amount of tax which would have been payable by the beneficiary in respect of such accounting period, on the assumption that the beneficiary is

subject to tax on an amount equal to its Taxable Profits in such accounting period minus the amount of such relief

and, if the beneficiary's Taxable Profits in the relevant accounting period are less than such relief, it shall be assumed for the purposes of both calculations that the Taxable Profits in such accounting period are equal to such relief;

(D) for the purposes of paragraph 1.9(B) the amount of the deduction in respect of any tax suffered shall be the difference between:

- (1) the amount of tax which would have been payable by the beneficiary in respect of the accounting period of the beneficiary in which the indemnity payment is taxable, on the assumption that the beneficiary is liable to tax on its Taxable Profits in such accounting period; and
- (2) the amount of tax which would have been payable by the beneficiary in respect of such accounting period, on the assumption that the beneficiary is subject to tax on an amount equal to its Taxable Profits in such accounting period minus the amount of such indemnity payment as increased under paragraph 1.9(B) (the "grossed up amount")

and, if the beneficiary's Taxable Profits in the relevant accounting period are less than the grossed up amount, it shall be assumed for the purposes of both calculations that the Taxable Profits in such accounting period are equal to the grossed up amount; and

(E) for the purposes of applying the above paragraphs on each occasion that an indemnity payment falls to be made, the beneficiary's "Taxable Profits" in the relevant accounting period shall be deemed to be the beneficiary's profits in such accounting period (as defined in section 6 of the Income and Corporation Taxes Act 1988 ("ICTA")), as reduced by all reliefs other than the relief referred to in paragraph 1.9(A) arising in respect of such occasion and trading losses carried back under sub-section 393A(1)(b) of ICTA but including for the avoidance of doubt charges on income, group relief and trading losses carried forward (to the extent not attributable to the relief referred to in paragraph 1.9(A) arising in respect of such occasion)

and in any case where an indemnity payment falls to be made on an "after tax basis", the adjustments referred to above shall be calculated by the auditors of the beneficiary (acting as experts and not as arbitrators) whose calculations shall be binding on the parties in the absence of manifest error and whose costs shall be borne in equal shares by the beneficiary and the indemnifying party and, if such adjustments cannot be conclusively determined at the time when the indemnity payment is required to be made, the auditors shall provide an estimate of the adjustments which are likely to be required and the indemnity payment shall be made on the basis of such estimate and, as and when such adjustments can be conclusively determined, such payment will be made either by or to the beneficiary as may be required to give effect to the above paragraphs.

2. RIGHTS GRANTED

This Lease includes the following rights which are granted so far as the Landlord may lawfully do so and so as to be in common with the Landlord and any other person from time to time authorised by the Landlord or otherwise entitled.

2.1 Use of Conduits

The right to use any Conduits which now or may in the future serve the Property during any period that they are not adopted or public Conduits and to the extent that they are laid to serve and are capable of serving the Property for the relevant type of service subject, where appropriate, to the Tenant first providing to the reasonable satisfaction of the Landlord all meters and associated separation of the relevant system required by the Landlord, and the cost of providing such meters and associated separation will be shared equally between the Landlord and the Tenant.

2.2 Loading

The right to load and unload vehicles delivering goods to and from the Property over those parts of the Station as the Landlord shall reasonably direct.

2.3 Rights of Way

A right of way on foot only over those parts of the Station which are for the time being open to the public and which provide access to and egress from the Property along such route as the Landlord shall reasonably direct from time to time and over the accesses and passenger lifts comprised in the Common Parts, subject to the rules regulations and directions from time to time made by the Landlord under this Lease.

2.4 Emergency Exit

The right in case of emergency only to pass over the Excluded Premises and the Station along routes specified or to be specified by the Landlord, and the Tenant shall cause the minimum inconvenience disturbance and damage to the Landlord and any other person affected by the exercise of this right, and make good any physical damage (but not economic loss) caused.

2.5 Lavatory Facilities

The right to use such water and lavatory facilities at the Station as the Landlord may from time to time specify at such times as they are available for use subject to payment of the same charges as may from time to time be levied upon any other person authorised to use those facilities but this right does not impose on the Landlord any obligation to provide or maintain those facilities nor any liability for any interruption or suspension of them however this occurs provided always that the Tenant shall not pay in respect of any period of interruption or suspension.

2.6 Advertising

- (A) In this paragraph "the frontage" means any part of the Property which faces an area of the Station (including the concourse and the platforms) from which the public has access to the Property.
- (B) The right to advertise for any purpose on:
 - (1) the inside parts of the Property (except on those parts referred to in paragraph 2.6(B)(2)); and
 - (2) (with the written consent of the Landlord, not to be unreasonably withheld or delayed) on the inside face of any glazed part of the frontage and on the exterior face of any non glazed part of the frontage

to the extent that (in any case) this is consistent with the provisions of advertising concession agreements binding the Landlord at the date of this Lease but this right does not extend to any advertisement, which, in the bona fide opinion (which shall be final and conclusive) of the Landlord does or will cause detriment or damage to the business or any part of it, carried on from time to time by the Landlord provided that consent pursuant to paragraph 2.6(B)(2) shall be deemed to have been given in relation to any advertisement on the frontage that has been professionally prepared, is in good condition and the area occupied by which (when added to the area occupied by other advertisements on the frontage) does not exceed 20% of the area of the frontage.

3. MATTERS EXCEPTED AND RESERVED

3.1 Current Contracts and other rights

This Lease is granted subject to the Current Contracts so far as they affect for the time being the Property or the rights or obligations of the Landlord or the Tenant under this Lease but without the benefit of them and subject to any rights and easements affecting the Property.

3.2 Rights

This Lease is granted so that there are excepted and reserved to the Landlord and any person deriving title through or under the Landlord or authorised by any of them or otherwise entitled the following rights.

(A) Current Contracts

All rights and privileges pursuant to Current Contracts (including the right to re-grant them whether or not to the original grantee).

(B) Entry upon the Property

The right at any reasonable time and upon reasonable notice in writing to the Tenant (but in emergency at any time and without notice) to enter and to remain no longer than is reasonably necessary upon the Property with or without vehicles, plant, machinery, equipment or materials, the Landlord causing as little damage and inconvenience as is reasonably practicable to the Tenant and making good all physical damage (but not economic loss) caused in the exercise of this right:

- (1) in emergency for the purpose of doing anything that may be required to preserve or to protect life or property;
- (2) to exercise any right excepted, reserved or otherwise granted to, or of performing any obligation imposed on, the Landlord by this Lease;
- (3) to inspect the Property and to take inventories of anything to be yielded up at the determination of the Term;
- (4) to inspect, use, repair, maintain, test, develop, build, rebuild, renew, alter, demolish or execute any other works at the Excluded Premises, the Station or any other Adjacent Property, in connection with which there is reserved also the right to build on or into, or erect scaffolding against, any wall of the Property;
- (5) for any purpose connected with valuing, disposing of or creating any interest in the Property or with the security of the Excluded Premises or the Station;

- (6) to install, inspect, use, repair, maintain, test, renew, alter and remove (whether in, bounding or attached to the Property or from the Property) any equipment, appliances, facilities, structures or other works or any signs which in the opinion of the Landlord are necessary for the proper operation of the Landlord's railway undertaking; and
- (7) to install, inspect, use, repair, maintain, test, renew, alter, connect to, demolish or remove any Excluded Equipment or Conduits.

provided always (where this Lease is a Core Facility Lease only) that where the Landlord in exercising this right restricts, suspends or alters the Tenant's right, pursuant to this Lease, to use the Property, it shall use all reasonable endeavours to make timeous and adequate provision for suitable alternative arrangements so as to enable the Tenant to carry on, with minimum disruption, difficulty or inconvenience its lawful business as that business was carried on at the Property (or the relevant part of it) immediately before that restriction, suspension or alteration.

(C) Works upon and use of Adjacent Property

The right from time to time to develop, build, re-build, renew, repair, alter or execute any other works (including demolition) at the Excluded Premises the Station or any other Adjacent Property and to use or otherwise deal with any of them for any purpose and in any manner whatsoever notwithstanding that the access of light or air to the Property is affected.

(D) Variation of Tenant's Rights

The right at any time and from time to time by reasonable notice in writing to the Tenant (but following consultation with the Tenant for such period as is reasonable in all the circumstances and taking into account its reasonable representations) to vary, reduce, modify or extinguish any of the rights expressly granted to the Tenant under this Lease provided that:

- (1) the Landlord shall give the Tenant such alternative rights as may in the circumstances be necessary;
- (2) the alternative rights shall be reasonably comparable to those proposed to be affected and shall not render materially more expensive or materially less convenient the operation of the rights or the Property;
- (3) if the alternative rights do not satisfy those requirements, the Main Rent shall be reduced by a Fair Proportion to reflect the change.

(E) Support

A right of support and protection from the Property for the Excluded Premises and the Adjacent Property.

(F) Use of Conduits

The right to use any Conduits which are now or may in the future be on, in, under or over the Property and full particulars of which shall forthwith be given in writing by the Landlord to the Tenant.

(G) **Rights of Way**

- (1) The right at all times and for any purpose to pass over any hall, staircase, landing, passage or other access within any Common Parts comprised in the Property; and
- (2) the right in case of emergency (or emergency practice) to pass over the Property along appropriate routes.

(H) **Advertising**

The exclusive right to advertise for any purpose on the outside parts (except on (so far as such exception is consistent with the provisions of advertising concession agreements binding the Landlord at the date of this Lease) the frontage as defined in paragraph 2.6(A)) of the Property, to retain the consideration deriving from this and to do all appropriate things required to exercise this right, making good any physical damage (but not economic loss) caused.

(I) **Current Contracts**

Such rights as may reasonably be necessary from time to time to enable the Landlord to comply with any obligation imposed on it under any of the Current Contracts.

4. **TENANT'S OBLIGATIONS**

The Tenant covenants with the Landlord as follows so that in each case the covenant takes effect from the Lease Start Date.

4.1 **Payments**

To pay without deduction (save as required by statute) and when required by the Landlord by Banker's Order:

(A) **Rent**

the Yearly Rent:

- (1) so that the Main Rent (where it is a peppercorn on the grant of this Lease) is paid as a single payment when demanded and (in any other case) is paid to the Landlord in advance by equal quarterly payments on 25 March, 24 June, 29 September and 25 December in every year and:
 - (a) the first payment or proportionate payment from and including the Rent Start Date is to be paid at the Rent Start Date (or now if that date precedes the date of this Lease); and
 - (b) if this Lease ends on a date other than one of those appointed days the Tenant is to make on the last such day a proportionate payment up to the end of the Term; and
- (2) and so that the Other Sums are to be paid to the Landlord on demand from time to time;

(B) **Outgoings**

- (1) promptly (and to the Landlord if the Landlord pays any of these instead) all rates, (including payments in lieu of rates under the Local Government

Finance Act 1988) taxes, charges, duties, impositions, assessments and outgoings whatsoever (even new kinds of these) for the time being relating to the Property, including any assessed against the Landlord and including a Fair Proportion of all such sums which are not separately assessed or payable except that

(2) this shall not oblige the Tenant to pay:

- (a) tax (other than Value Added Tax) assessable on the Landlord in respect of rents and other payments under this Lease; or
- (b) tax assessable on the Landlord in respect of consideration paid to the Landlord in connection with any dealing with its reversionary interest in the Property;

(C) Gas, etc.

promptly (and to the Landlord if the Landlord pays instead) for all gas, electricity, water and other services consumed on the Property (and related meter charges) or a Fair Proportion of the cost to the Landlord in respect of the supply of such services (and related meter charges) to the Property and the Adjacent Property and any other premises and the Tenant shall observe and perform (or reimburse the Landlord for the whole or, as the case may require, a Fair Proportion of the cost incurred by the Landlord in doing so) all present and future regulations and requirements of the supply authorities insofar as they relate to the Property or its use;

(D) Costs

to the Landlord all reasonable and proper costs, charges and expenses incurred by the Landlord in connection with:

- (1) preparing and serving notice under sections 146 or 147 Law of Property Act 1925 and proceedings under that Act (even if forfeiture shall be avoided without a court order) or preparing and serving notice under section 6 Law of Distress Amendment Act 1908;
- (2) preparing and serving notices and schedules relating to breaches of obligations of the Tenant under this Lease and proceedings in respect of those breaches;
- (3) agreeing, inspecting and supervising the works needed to remedy such breaches

in each case whether before or after the end of the Term but only in relation to matters arising during the Term; and

- (4) dealing with any application by the Tenant for a consent or approval in relation to the Property (whether or not it is given unless such consent is unreasonably withheld) including inspecting or supervising any works;

(E) Value Added Tax

to the Landlord upon presentation of a valid Value Added Tax invoice such Value Added Tax as is chargeable in respect of any taxable supply made by the Landlord to the Tenant under the terms of or in connection with this Lease in addition to any payment required for that supply and:

- (1) where under this Lease the Tenant has agreed to reimburse the Landlord in respect of any payment made by the Landlord under the terms of or in connection with this Lease then the Tenant shall also reimburse any Value Added Tax paid by the Landlord on such payment to the extent that it is not recoverable by the Landlord (the certificate of the Landlord as to the amount irrecoverable being conclusive save in the case of manifest error);
- (2) where under this Lease the Tenant covenants to pay an amount of money that amount is exclusive of Value Added Tax;

(F) Interest

to the Landlord interest at 2% above the Basic Rate (both before and after any judgement) on any payment to be made to the Landlord under this Lease when the payment is overdue and unpaid for more than 10 days after demand, but so that where the Tenant is to pay for any costs, charges or expenses which the Landlord has incurred by reason of a breach of the Tenant's obligations then interest shall be payable as from and including the date upon which the Landlord first incurred the costs, charges or expenses or (if later) the date on which payment was made by the Landlord, in each case the interest to be calculated up to the date of actual payment to the Landlord; and

(G) Service Charge

to pay the Service Charge in accordance with paragraph 30.

4.2 Use

Not to:

- (A) use the Property except for the Permitted Use;
- (B) do anything on the Property which is dangerous, illegal or immoral;
- (C) do anything on the Property which is offensive or which would cause damage or nuisance to the Landlord or any occupier or user of the Excluded Premises, the Station or other Adjacent Property or the public;
- (D) bring onto the Property anything which is or may become noxious, dangerous, offensive, combustible, inflammable, radioactive or explosive;
- (E) overload structural parts of the Property or the works or structures upon which it relies nor to do anything which will exceed the designed capacity of the Property or the Conduits at or used for the Property

provided always that nothing in this paragraph 4.2 shall prevent the lawful bringing on to and lawful keeping at the Property of anything which may reasonably be required for or in connection with the Permitted Use of the Property.

4.3 Legislation

To comply with the requirements of every Act relating to the Property or to anything on or done on the Property or to the exercise of the rights granted to the Tenant by this Lease (whether required of the Landlord, the Tenant or any other person) provided that the Landlord and the Tenant shall share the costs incurred under this paragraph 4.3 in accordance with the following principles and shall where practicable endeavour to agree

this prior to the incurral of the costs but if the Landlord and Tenant fail to agree then the issue shall be determined by arbitration:

- (A) if the costs arise from the Tenant carrying out any new activities or carrying out existing activities in a different way or improperly then the costs shall be wholly borne by the Tenant;
- (B) if the costs arise from other causes and the relevant requirements are such as to constitute something for which this Lease prescribes responsibility elsewhere then those costs shall be borne by the party so responsible;
- (C) in all other cases the costs shall be borne by the Landlord and the Tenant in fair and equitable shares having regard to the respective benefits accruing to each of them from the incurral of costs.

4.4 Planning

- (A) Not to make any application for planning permission or for a determination that planning permission is not required in respect of the Property or in respect of any change of use of the Property without the prior consent in writing of the Landlord (such consent not to be unreasonably withheld or delayed).
- (B) Not to make any alteration or addition to or change of use of the Property (notwithstanding any other consent which may be granted by the Landlord under this Lease) before all necessary planning permissions have been obtained.

4.5 Notice of Disputes

To give notice to the Landlord of any material dispute relating to the Property or any right granted to the Tenant under this Lease immediately the Tenant is aware of the dispute.

4.6 Repair and Decoration

(A) Repair

To repair and keep the Property in no worse a state of repair and condition than that as at the Standard of Repair Date as evidenced by the Statement of Condition (if any) provided that the Tenant shall not be required to carry out any works of Repair or Maintenance to any LTC Repair Items or LTC Maintenance Items.

(B) Decoration

- (1) To paint and redecorate the interior of the Property in the fifth and also in the last year of the Term provided that the Tenant shall not be obliged to paint and redecorate in two consecutive years unless required to do so by the Landlord (acting reasonably) because of the actual state and condition of the Property; and
- (2) when painting and decorating (which includes the application of appropriate preservative treatments) to do so in a good and workmanlike manner with at least two coats of good quality paint and otherwise treat in accordance with good modern decorative practice from time to time prevailing all the interior parts of the Property as have been or are usually painted or require such treatment.

4.7 Equipment

To use reasonable endeavours to procure that the Equipment (except the Excluded Equipment) is used and operated competently and properly in accordance with its nature and performance.

4.8 General Upkeep

(A) Refuse

- (1) Not to allow refuse to accumulate on or around the Property but to remove all refuse and keep the Property and any refuse disposal site in a clean and tidy condition to the reasonable satisfaction of the Landlord's Surveyor, and in case of default the Landlord may carry out the necessary work and recover the cost from the Tenant;
- (2) if and for so long as the Tenant may be permitted to use the Landlord's refuse disposal facilities then to observe and perform the reasonable requirements and directions the Landlord imposes in relation to that use;
- (3) to indemnify the Landlord (on an after tax basis) against all actions, proceedings, costs, claims, demands, expenses, damages and liability which may arise as a result of any breach of the Environmental Protection Act 1990 caused by refuse emanating from the Property;

(B) Windows

to keep clean by regular cleaning all windows and glass comprised in the Property; and

(C) Vermin

to take all reasonable steps to keep the Property free from vermin

but the obligations of the Tenant pursuant to paragraph 4.8 do not apply to the extent that anything referred to in paragraph 4.8 is expressly specified as part of the Services.

4.9 Conduits free from obstruction

To keep the Tenant's Conduits protected from frost (where necessary) and free from obstruction and not to discharge anything into the Conduits forming part of or serving the Property which will damage or obstruct the Conduits, and forthwith to repair and remedy any that occurs.

4.10 Outstanding Disrepair

If the Tenant:

- (A) fails to do any work which this Lease requires it to do and the Landlord gives the Tenant reasonable written notice to do it, the Tenant is to comply within a reasonable time having regard to the nature and extent of the works involved, failing which the Landlord may enter and carry out the work and the Tenant shall pay to the Landlord on demand the reasonable costs and expenses incurred in this;
- (B) becomes aware of any defect or disrepair for which the Landlord may be or become liable under the Defective Premises Act 1972 or for the remedy of which

the Landlord may be responsible, the Tenant shall notify the Landlord in writing forthwith.

4.11 Alterations

- (A) Not to erect any new building or new structure on the Property;
- (B) not to alter or change the height, elevation or external design or appearance of the Property;
- (C) not to merge the Property with any Adjacent Property;
- (D) not to alter, cut into or remove any of the principal or load-bearing walls, floors, beams or columns of the Property;
- (E) not to make any other alteration or addition of a structural nature to the Property without the written consent of the Landlord (such consent not to be unreasonably withheld or delayed) but so that:
 - (1) any such works to which the Landlord has consented shall be carried out in accordance with plans and specifications approved by the Landlord (such approval also not to be unreasonably withheld or delayed) and (if so required by the Landlord) under the superintendence of the Landlord and to the reasonable satisfaction of the Landlord and to the satisfaction of any appropriate authority or body;
 - (2) the Tenant shall on making any alteration or addition to the Property which does not require the Landlord's consent furnish to the Landlord plans, specifications and any other details of such works reasonably requested by the Landlord;
- (F) if prior to the Lease Start Date the Tenant (or franchisee or franchise operator under a previous lease) made any alteration or addition to the Property with the written consent of the Landlord where a condition of that consent was that the Tenant would on or before the expiry of the term of the lease then current reinstate the Property, that condition shall operate as if it had required that reinstatement to be effected on or before the expiration of the Term and shall be treated as an obligation of the Tenant under this Lease; and
- (G) notwithstanding the termination or surrender of the lease (the "former lease") current when the alteration or addition was carried out, any entitlement to remove the alteration or addition which was available to the Tenant under the former lease shall be treated as available to the Tenant under this Lease on the same basis in all respects as it was available under the former lease.

4.12 Encroachments

- (A) Not to stop up or obstruct any window or other opening at the Property other than as necessary for safety or security purposes (when this shall be notified to the Landlord if the window or opening opens onto land not owned by the Landlord);
- (B) to take all reasonable steps to prevent and not to suffer or allow any encroachment upon the Property or the acquisition of any right or easement against the Property;
- (C) not to give to any third party any acknowledgement that the Tenant enjoys the access of light or air to any of the windows or openings in the Property by the consent of that third party or to pay any monies to or enter into any agreement with

that third party for the purpose of inducing or binding him to abstain from obstructing the access of light or air to any such windows or openings;

- (D) immediately the Tenant is (or ought reasonably to be) aware, to give notice in writing to the Landlord of anything done or threatened by a third party which obstructs or would obstruct the access of light or air to any window or opening in the Property and of any encroachment threatened or made or any attempt to acquire any right or easement;
- (E) if the Tenant fails in any respect materially to comply with this paragraph 4.12 then it shall be lawful for the Landlord to enter the Property for the purpose of taking such steps as the Landlord deems expedient and where this is necessary for the Landlord to establish a locus standi or appropriate for any other legal reason to bring all such actions and proceedings as the Landlord thinks fit in the name of the Tenant, provided always that the Landlord shall (where the Tenant has taken such reasonable steps under paragraph 4.12(B) as are open to it) indemnify the Tenant from and against all costs losses or damage which it may suffer by reason of any act or action which the Landlord may do or bring under this paragraph.

4.13 Signs

- (A) Not to display at the Property so as to be visible from any railway belonging to or operated or managed by the Landlord or any Landlord's Group Company any sign, light or other illumination or obstruction which will or may cause confusion or interference with the signals on the railway outside the Property or be likely to do so in the opinion of the Landlord (whose opinion in this respect shall not be open to question by the Tenant) and if any sign, light, illumination or obstruction at the Property shall at any time be found to cause or to be likely to cause such confusion or interference then the Tenant shall immediately on written request (or oral request made by a person with proper authority in case of emergency) by the Landlord cease or adjust its display so that such confusion or interference or likely confusion or interference is prevented;
- (B) (subject as provided in paragraphs 2.6 and 4.13(C)) not to place, write, paint or exhibit any figure, letter, sign, advertisement, inscription, bill or placard whatsoever on any exterior part of the Property or in or on the remainder of the Building including the windows except that the name of the Tenant shall be placed by the Landlord at the cost of the Tenant in any relevant entrance hall and in lift/stair lobbies on the same floor as the Property of such size and character as the parties shall agree;
- (C) paragraph 4.13(B) shall not apply to this Lease where this Lease is a Core Facility Lease or a Non-Core Unit Retail Lease and the following shall apply in its place:
 - (1) no external sign shall be erected on the Property without the Landlord's prior consent (such consent not to be unreasonably withheld or delayed) except a sign previously approved by the Landlord (both as to the size content and design) containing the name of the Tenant and describing the business carried on in the Property;
 - (2) all signs erected with the permission of the Landlord (including for premises identification or those marking entrances, exits, lavatories and other facilities) must be maintained in working order and in clean condition and all illuminated signs must be maintained in a good working order and switched on during the hours in which the Property is open for business or use; and

- (3) the Landlord in permitting any external sign shall consult with the Tenant in determining the quality of material used, design, colour, branding content and style adopted, method of fixing and position.

4.14 Excavations

Not to carry out any continuous unsupported excavation at the Property nor to do anything at the Property which in either case will or might endanger the safety or stability of any railway, the Excluded Premises, the Station or of any other Adjacent Property.

4.15 Excluded Equipment

Not to interfere with or endanger the Excluded Equipment which shall at all times be under the strict control of the Landlord.

4.16 Dealings with or under this Lease

(A)

- (1) Not to assign, charge, mortgage, underlet or part with or share the possession or occupation of the whole or any part of the Property nor to agree to do so nor to hold the Property or any part of it in trust for any other person (in any such case whether in relation to this Lease or any inferior interest) except as provided in paragraphs 4.16(B), 4.16(C) and 4.16(D).

- (2) (Save where this Lease is a Core Facility Lease) the Landlord may by notice in writing given to the Tenant not later than 28 days after receipt by the Landlord of any written application from time to time by or on behalf of the Tenant for consent pursuant to paragraph 4.16(B), determine this Lease and determination under this paragraph 4.16(A)(2) shall take place at the expiration of 28 days (or such other period as the Landlord and the Tenant may agree) after service of the Landlord's notice and shall be without prejudice to any claim by any person in respect of any prior breach of either party's obligations

provided that (where this Lease is a Non-Core Facility Unit Lease), the Landlord shall not give a notice under this paragraph if the prospective assignee requires the Property for a fundamental purpose (being a purpose permitted by this Lease and stated in the written application to the Landlord for consent pursuant to paragraph 4.16(B) connected with its business as that business is to be carried on at the date when the proposed assignment is to take place

provided further that this paragraph 4.16(A)(2) shall not apply where the proposed assignee is the SRA or a company wholly owned by the SRA, or where the SRA has approved or directed the proposed assignment in furtherance of the strategies from time to time of the SRA and the Tenant has provided evidence of this on or before making its application.

- (B) Not to assign the whole of the Property provided that if the applicable provisions of paragraph 4.16(B) are complied with the Tenant shall, subject to paragraph 4.16(A)(2), be entitled to assign the whole of the Property in accordance with those

provisions, with the consent of the Landlord, such consent not to be unreasonably withheld or delayed.

- (1) The assignment of the whole of the Property to a company wholly owned by the SRA shall be subject to the following conditions (without prejudice to the operation of section 220 of the Transport Act 2000 where applicable):
 - (a) that the Franchise Agreement shall have come to an end without this Lease having been terminated;
 - (b) that such assignment shall not prevent the Landlord from enforcing any outstanding breach of the Tenant's obligations under this Lease to the extent that the Landlord may lawfully do so; and
 - (c) that as a condition of the Landlord's consent to such assignment it may be required that all payments due from the Tenant are discharged on or before completion of such assignment where such payments relate to the period between the date of any notification to the SRA that the Landlord shall or may seek to exercise termination rights in respect of this Lease and the date of completion of such assignment.
- (2) The assignment of the whole of the Property to a company which is a franchisee or franchise operator under a franchise agreement other than the Franchise Agreement shall be subject to the condition that following assignment, references in this Lease to the Franchise Agreement shall be treated as referring to the relevant franchise agreement, when the context so admits and:
 - (a) the Tenant provides written confirmation from the SRA that the proposed assignment has been directed or approved by the SRA in the furtherance of the strategies from time to time of the SRA; or
 - (b) the circumstances and conditions specified for the purposes of section 19(1A) of the Landlord and Tenant Act 1927 set out in paragraph 4.16(B)(3) below respectively exist and are satisfied but without prejudice to the right of the Landlord to withhold consent on any other ground or grounds where such withholding of consent would be reasonable or to impose any further condition or conditions upon the grant of consent where such imposition would be reasonable.
- (3) The circumstances and conditions referred to in paragraph 4.16(B)(2)(b) are that:
 - (a) prior to any assignment the Landlord receives written evidence satisfactory to the Landlord that the SRA has consented to the proposed assignee (the "Assignee");
 - (b) prior to any assignment the Tenant shall enter into an agreement in this Lease called an "authorised guarantee agreement") with the Landlord (whose costs shall be paid by the Tenant on a full indemnity basis) in the terms (mutatis mutandis) set out in Annex 1 to these NRMS Letting Conditions;
 - (c) if so required by the Landlord, the Tenant shall procure that any person (including the Guarantor) who has covenanted with the Landlord to guarantee the observance and performance of the Tenant's covenants and conditions contained and incorporated in this Lease (whether such

guarantee is contained in this Lease or in any lease expressed to be supplemental to this Lease) enters into the authorised guarantee agreement and covenants with the Landlord as primary obligor (and not merely as guarantor) in the terms (mutatis mutandis) set out in Annex 2 to these NRMS Letting Conditions for the purpose of guaranteeing the observance and performance by the Tenant of its obligations under the authorised guarantee agreement provided that the provisions of this paragraph shall not apply to any person who has covenanted in an authorised guarantee agreement to guarantee the observance and performance of the Tenant's covenants;

- (d) the Tenant shall procure that prior to any assignment the Assignee enters into direct covenants with the Landlord (whose reasonable and proper costs shall be paid by the Tenant) to pay the Yearly Rent, and to perform and observe the covenants by the Tenant and conditions contained and incorporated in this Lease during the residue of the Term or (if a shorter period) until the Assignee shall be released from such covenants and conditions provided that where the Assignee is more than one person or company such covenants shall be entered into jointly and severally;
- (e) if the Landlord shall reasonably so require, the Tenant shall procure that prior to any assignment a guarantor or guarantors resident in the United Kingdom and whose financial standing shall have been approved in writing by the Landlord (such approval not to be unreasonably withheld) as primary obligor (and not merely as guarantor) shall enter into direct covenants with the Landlord (whose reasonable and proper costs shall be paid by the Tenant) in the form (mutatis mutandis) set out in Annex 2 to these NRMS Letting Conditions provided that in considering whether such a guarantor or guarantors will be required, the Landlord shall have regard to whether the Assignee (or, where the Assignee is a franchise operator or franchisee, the relevant franchisee) has guarantee arrangements with the SRA in relation to its franchise or with the Landlord under leases of franchised stations;
- (f) where the Assignee is a person (which for the avoidance of doubt includes a corporation) resident in a jurisdiction other than:
 - (i) one within the United Kingdom; or
 - (ii) one in respect of which there is an applicable treaty for the mutual enforcement of civil judgmentsthe Landlord is reasonably satisfied that a judgment obtained in England and Wales against the Assignee can be enforced in the relevant jurisdiction without difficulty; and
- (g) the Tenant has paid all Yearly Rent due and payable under this Lease at the date of the assignment of this Lease to the Assignee.

(C) Charging

Not to mortgage, charge, or otherwise create any security (whether fixed or floating) in respect of the whole or any part of the Property and/or this Lease:

- (1) in contravention of section 27(3) of the Act; or

- (2) without the prior written consent of the Landlord (such consent not to be unreasonably withheld or delayed).

(D) Underletting

Not to underlet any part or parts or the whole of the Property (whether or not immediately derived out of this Lease) otherwise than subject to the following conditions:

- (1) save in relation to an underletting to a Critical Supplier, the underletting shall be at not less than the then open market rack rent without taking a premium or (if higher) the Main Rent or (in the case of an underletting of part of the Property) a Fair Proportion of the Main Rent and shall provide for rent reviews which shall be at such times and on such terms as those applied in the open market to an underletting of that type;
- (2) the underletting shall not include property not in the Landlord's ownership;
- (3) the underletting shall contain provisions the effect of which shall be that if this Lease is lawfully terminated in relation to the whole or any part of the Property, the underletting shall terminate to the same extent and at the same time;
- (4) the underletting shall prohibit the undertenant from doing or omitting anything which if done or omitted by the Tenant would contravene any of the obligations of the Tenant under this Lease so far as they affect the premises comprised in the underletting;
- (5) the underletting shall include an agreement, authorised by an order of a competent court obtained prior to the grant excluding the provisions of sections 24 to 28 (inclusive) of the Landlord and Tenant Act 1954 in relation to the tenancy granted by the underletting;
- (6) before completing any underlease, to procure that the undertenant and (if the Landlord shall so reasonably require) a guarantor or guarantors resident in the United Kingdom whose financial standing shall have been approved in writing by the Landlord shall as primary obligors (and not merely as guarantors) enter into direct covenants with the Landlord (whose reasonable and proper costs shall be paid by the Tenant) that the undertenant shall perform and observe:
 - (a) all of the Tenant's covenants (other than the covenant to pay the Yearly Rent) and the conditions contained or incorporated in this Lease so far as they relate to the premises comprised in the underletting; and
 - (b) all the lessee's covenants and the conditions to be contained or incorporated in the underlease

provided that, where the undertenant is more than one person or company or there is more than one such guarantor, such covenants shall be entered into jointly and severally;

- (7) the underlease shall contain in favour of the Landlord under this Lease the same restrictions and provisions as to assignment, transfer, underletting, mortgaging, charging, parting with or sharing the possession or occupation of the Property or any part or parts of it and the same provisions for direct covenants by any sub-undertenant (whether mediate or immediate) and by

any assignee of the underlease or of any sub-underlease (whether mediate or immediate) and by guarantors for such persons and registration as are contained in this Lease;

- (8) no premium shall be charged by the Tenant for the grant of the underlease and the underlease shall provide for any rent reserved to be paid not more than one quarter in advance and shall contain a condition for re-entry on breach of any covenant or condition by the undertenant contained in the underlease;
- (9) subject to paragraph 4.16(D)(10), if the provisions of this paragraph 4.16(D) are complied with an underletting of the whole or any part of the Property may be granted (but only to an undertenant who is a Passenger Operator or a Critical Supplier) subject to the consent of the Landlord (which shall not be unreasonably withheld) and provided that the Tenant may underlet the whole or any part of the Property which is reasonably required by a Key Caterer for the proper and effective performance of its catering services to the Tenant, to that Key Caterer without the Landlord's consent;
- (10) (save when this Lease is a Core Facility Lease) the Landlord may by notice in writing given to the Tenant not later than 28 days after receipt by the Landlord of any written application from time to time by or on behalf of the Tenant for consent pursuant to paragraph 4.16(D)(9) determine this Lease in relation to the Property or the part of the Property the subject of the application (as the case requires) and determination under this paragraph 4.16(D)(10) shall take place at the expiration of 28 days (or such other period as the Landlord and the Tenant may agree) after service of the Landlord's notice and shall be without prejudice to any claim by any person in respect of any prior breach of either party's obligations

provided that the Landlord shall not give a notice under this paragraph if the prospective undertenant is a Critical Supplier and requires the Property to properly provide services to the Tenant.

(E) Variations of underlettings

Not to vary or agree to the variation of the terms of any underletting of the whole or any part of the Property (whether or not immediately derived out of this Lease) (including any commutation or reduction of rent) without the consent of the Landlord but the consent of the Landlord shall not be unreasonably withheld in relation to any variation which does not contravene and which is not inconsistent with the requirements of paragraph 4.16(D).

(F) Underletting rent reviews

To use reasonable endeavours to procure that the rent payable under any underletting of the whole or any part of the Property (whether or not immediately derived out of this Lease) is reviewed in accordance with the terms of the underletting.

(G) Registration

In relation to any event referred to in paragraphs 4.16(B), 4.16(C), 4.16(D) and 4.16(E) and any disposition or devolution of the title to this Lease or any interest inferior to it, to give to the Landlord at quarterly intervals and on the date of the expiration or sooner determination of the Term notice of each of them that has not previously been notified to the Landlord under this paragraph with short particulars

of any assignment, transfer, underlease, mortgage, charge, other instrument creating fixed and/or floating security or other instrument which shall effect or evidence such event, disposition or devolution of legal title and, if required by the Landlord a certified copy of the assignment, transfer, underlease, mortgage, charge, other instrument creating fixed and/or floating security or other instrument for retention by the Landlord.

4.17 Notices Received

To supply to the Landlord a copy of any notice, order, direction, licence, consent or permission (or proposal for these) relating to the Property, its use or occupation as soon as reasonably possible after receipt by the Tenant (having regard to its requirements or its stated time limits) and to make or join the Landlord in making such objections or representations against or in respect of any such matters as the Landlord may require unless to do so would have a materially adverse affect on the Tenant's business, but not to make any objection or representation not approved by the Landlord.

4.18 Insurance, Increase of premium or invalidation of policy

(A) The Tenant shall not, and shall procure that its Associates, any undertenant or any person deriving title under or authorised to enter the Property by the Tenant do not, bring onto or do or omit to do at the Property anything which it is aware, or it ought reasonably to be aware, would:-

- (1) invalidate any insurance of the Property, the Station or any Adjacent Property; or
- (2) increase the premium payable for that insurance; or
- (3) render wholly or partly irrecoverable the monies which otherwise would have been payable under that insurance subject to the Tenant receiving notice of any material provision of the insurance of the Adjacent Property which does not apply to insurance of the Property

subject, as regards the Adjacent Property, to the Tenant receiving notice of any material provision of the insurance of the Adjacent Property which does not apply to insurance of the Property.

(B) If there is a breach of paragraph 4.18(A) the Tenant shall pay to the Landlord on demand the amount of :

- (1) any increase in premium referred to in paragraph 4.18(A)(2); and
- (2) any irrecoverable insurance monies referred to in paragraph 4.18(A)(3).

(C) The Tenant shall, if it is not a public service operator, effect and maintain appropriate insurance with a member of the Association of British Insurers or with Lloyd's of London underwriters against third party liability.

(D) The Tenant shall, in respect of any insurance policy to which paragraph 4.18(C) applies, provide the Landlord with suitable evidence, promptly upon receipt of a request from the Landlord for such evidence, that such insurance policy is in full force and effect, that all premiums have been paid up to date and that no circumstances exist which might lead to that policy being avoided and:

- (1) the Tenant shall in relation to any insurance of the Property that may be maintained for the time being by the Tenant procure that the Landlord's

interest is noted on the insurance policy as a joint insured and that the policy includes a clause so that the insurer does not pay out to either the Landlord or the Tenant and then seek to recover from the other, and shall whenever reasonably requested by the Landlord make available to the Landlord such information and documents relating to that insurance as the Landlord reasonably requires;

- (2) if the Tenant becomes entitled to any insurance monies in respect of the risks required to be insured by this paragraph 4.18 or to any other insurance monies relating to the Property then the Tenant shall apply these to the claim, demand, liability or damage in relation to which they were received and in respect of any indemnity for those risks given by the Tenant to the Landlord under this Lease.

4.19 Current Contracts

To comply with and to use reasonable endeavours to procure that any other person at the Property with the express or implied authority of the Tenant complies with the obligations binding on the Landlord and contained or referred to in the Current Contracts so far as the Tenant is aware of them and in so far as they relate to the Property or to the exercise of any of the Tenant's rights in this Lease and:

- (A) not to do anything in breach of those obligations; and
- (B) to keep the Landlord indemnified (on an after tax basis) against all related actions, claims, costs, demands, expenses, liabilities and losses arising out of such breach.

4.20 Fire Safety

The Tenant is:

- (A) to comply with the provisions of any Act relating to fire precautions and safety at the Property or the Building whether these are the responsibility of the Landlord or the Tenant and to indemnify the Landlord (on an after tax basis) against all loss, damages, costs, expenses, actions, claims, demands and liability that the Landlord may sustain or incur by reason of any breach of this paragraph 4.20(A);
- (B) not to obstruct any fire escape routes through any Building/the Station;
- (C) before any work is put in hand or change effected, to notify the Landlord of any material change in the number of persons employed or in the type and extent of materials stored or used in the Property;
- (D) to ensure that all the Tenant's employees are trained to comply with fire regulations relating to the Station, to include if the Landlord so requires and at the Tenant's expense attendance by those employees on training courses designated by the Landlord and to include attendance by them on drills as and when called by the Landlord or any relevant authority. Training, instruction and drills are to be recorded in a log book, which will include the nature of the training, instruction or drill, the date carried out, the duration, the name of the person giving the training or instruction and the names of the persons receiving the training or instruction;
- (E) not to do on the Property anything which would be likely to increase the risk of fire or explosion;

- (F) to ensure that the Property is evacuated by all persons if the Landlord or any person with appropriate authority deems evacuation of the Station necessary by reason of any emergency;
- (G) not to permit smoking or naked lights within the Property where the Fire Precautions (Sub-surface Railway Stations) Regulations 1989 apply and no dispensation exists.

4.21 Notice of termination of Access Agreement, etc

Immediately to notify the Landlord in writing of:

- (A) the termination of the Access Agreement and/or the Station Access Agreement or any other licence or consent required under the Railways Act 1993 to enable the Tenant to operate the Property and/or its business there; and
- (B) the service on the Tenant of any notice terminating or purporting to terminate any of the documents mentioned in paragraph 4.21(A).

4.22 Yielding Up

At the expiration or sooner determination of the Term to yield up to the Landlord the Property with vacant possession in a state of repair and condition which is in accordance with the Tenant's obligations, having first (if so reasonably required by the Landlord) removed:

- (A) if so required by the Landlord for the purpose of its railway undertaking and/or the purpose of any transaction (or prospective transaction) relating to the Property, but not otherwise, any buildings, works, alterations or additions erected or made after the date of this Lease and reinstate the Property to substantially the same condition in which it was before their execution to the Landlord's reasonable satisfaction;
- (B) any indication of the name or business of the Tenant and of any other vacated occupier; and
- (C) all tenant's fixtures, fittings, furniture and effects except as may be agreed by the Landlord

and in each case having made good all physical damage caused by or in such removal and, so far as required, under paragraph 4.6, to replace any of the Landlord's fixtures and fittings which shall be missing damaged or destroyed, with new ones of similar kind and quality or (at the option of the Landlord) pay to the Landlord the cost of replacing them.

4.23 Tenant's fixtures, etc

Not, without replacing them with items of at least the same standard and quality, to remove any of the Tenant's trade fixtures, fittings and furniture and equipment at the Property used in connection with the business carried on there and at all times to keep them in good repair and at the expiration or earlier determination of the Term the Landlord will have the option to purchase any of them at a valuation to be agreed between the Landlord and the Tenant and in default of agreement to be determined by arbitration.

4.24 Regulations

To comply with the reasonable regulations, requirements or directions from time to time made or given by the Landlord in relation to the management security or safety of the railway in general, the Station, any Building or the Property.

4.25 Miscellaneous

- (A) Not to install or use at the Property anything which causes undue noise or vibration affecting any Building;
- (B) not to install any equipment which requires fume extraction outlets;
- (C) to give notice to the Landlord's Station Manager of the address and telephone number of the Tenant's employees who from time to time hold keys to the Property for contact in case of emergency;
- (D) if the Property includes a part not covered by a building to keep that part enclosed and fenced (if reasonably required by the Landlord) to the reasonable satisfaction of the Landlord's Surveyor;
- (E) trolleys or similar equipment used between the Property and any delivery points/remote storage facilities shall be of a type designed not materially to damage floor finishes;
- (F) not to play or use in the Property anything which reproduces music or speech so that it can be heard in the Excluded Premises or outside the Property unless it is part of a public address system approved by the Landlord, and noise from any such thing must not interfere with the operation of the Station;
- (G) not to obstruct the Common Parts;
- (H) not to lay down any alternative floor covering in the Property without ensuring that it will not injure or damage the existing floors.

4.26 Waiver of claims

Not to make any claim or demand whatsoever on the Landlord or its employees or agents in respect of any damage, loss, injury or inconvenience which may be suffered by the Tenant or any other person in consequence of:

- (A) the exercise by the Landlord or any other authorised person of their statutory and other powers without negligence;
- (B) any percolation of water or other liquids or soil, dust or dirt however caused and to indemnify the Landlord its employees and agents against any similar claim made upon them by any person who or whose property is lawfully upon the Property.

5. THE LANDLORD'S OBLIGATIONS

The Landlord covenants with the Tenant.

5.1 Quiet Enjoyment

That, subject to the Tenant paying the Yearly Rent on the due dates and performing and observing its other obligations under this Lease, the Tenant shall quietly enjoy the Property without any interruption by the Landlord or any person lawfully claiming through under or in trust for the Landlord or by title paramount, provided that neither the carrying

on by the Landlord of its undertaking at the Building, the Station or at any other Adjacent Property in exercise of and subject to its statutory and common law powers and obligations nor any permission properly given by the Landlord for any other person to use railway facilities nor the exercise by any person of any right given to the Landlord by this Lease nor the existence or lawful exercise by any person claiming by title paramount of any right discretion or power which has been disclosed to the Tenant before the date of this Lease shall constitute a breach of this covenant nor be in derogation of the Landlord's grant and the Tenant agrees that for the purposes of paragraph 5.1 there has been disclosed to it:

- (A) anything within the actual knowledge of the Tenant;
- (B) everything in this Lease (including in the matters incorporated by clause 2 of this Lease) or in anything referred to in this Lease (including in those incorporated matters); and
- (C) anything disclosed by the Landlord on the grant of the first lease (if any) of the Property to a franchise operator save where the lessee under such first lease or any subsequent lease of the Property granted by the Landlord prior to this Lease ceased at any time to be a franchise operator.

5.2 Excluded Premises

To keep the Excluded Premises in such repair and condition as enables the Property to be used for the Permitted Use, but this does not require the Landlord to put the Excluded Premises in better condition than that at the Standard of Repair Date.

5.3 Insurance and reinstatement

Responsibility for effecting insurance

- (A) The Landlord shall insure and keep insured the Station against the Insured Risks with a member of the Association of British Insurers or with Lloyd's of London underwriters upon reasonable commercial terms provided that the terms of such insurance shall not unreasonably restrict the Tenant's use of the Property.
- (B) The Landlord shall insure against the loss of three years' Main Rent (taking into account such anticipated increases pursuant to the Second Schedule, if applicable, as the Landlord may from time to time reasonably determine).
- (C) The Landlord shall, in respect of any insurance effected pursuant to paragraph 5.3(A), use all reasonable endeavours to procure that such insurance is effected for the Full Replacement Cost (less such excess as shall constitute the Minimum Sum).

5.4 Destruction or Damage to the Station

- (A) If the Property is destroyed or damaged by an Insured Risk then all monies payable under insurance policies effected by the Landlord pursuant to paragraph 5.3(A) shall be applied by the Landlord as soon as reasonably practicable in the repair, reinstatement and making good of the Property subject to the Landlord obtaining all necessary permissions and approvals which the Landlord shall use all reasonable endeavours to obtain as soon as reasonably practicable and agreement pursuant to paragraph 5.4(B).

- (B) As soon as practicable following any destruction of or damage to the Property referred to in paragraph 5.4(A), the Landlord shall consult with the Tenant and shall use all reasonable endeavours to agree:
- (1) the necessary reinstatement works, which in the case of Substantial Damage (and save where required by reason of the listed building or similar status of the Property or by a Superior Estate Owner) shall be the construction of a modern equivalent of the Property; and
 - (2) the programme for the carrying out of such reinstatement works.
- (C) Without prejudice to paragraph 4.18(D), if the monies recovered under any insurance policy maintained by the Landlord pursuant to paragraph 5.3(A) are not sufficient to meet the cost to the Landlord of fulfilling its obligations under paragraph 5.4(A) the Landlord shall bear the shortfall.

5.5 Provision of Documents

- (A) The Landlord so far as it effects any insurance in respect of the Property shall within 30 days of receipt of a request from the Tenant provide the Tenant with:
- (1) a copy of each insurance policy under, or in respect of which, the Tenant has an interest and which relates to the Property; and
 - (2) reasonable details of any claim which shall be made under any such insurance policy if the making of that claim affects or could reasonably be expected to affect the Tenant.

5.6 Maintenance of Insurance

- (A) In respect of each insurance policy to which paragraph 5.5 applies, the Landlord shall procure that:
- (1) if and to the extent that the Tenant has an insurable interest capable of being covered by such policy and to the extent that the Tenant reasonably so requests, the Tenant is named as co-insured under the policy on such terms as shall be reasonable;
 - (2) the policy is maintained and all claims are duly filed, and all proper steps to collect proceeds are duly taken in respect of such policy; and
 - (3) if such insurance policy is not required under a station licence held by the Landlord or the Landlord does not hold a station licence, it shall bear an endorsement to the effect that 30 days' notice shall be given to the Tenant by the insurer or insurance broker of any lapse, or cancellation of, or material change to, the policy and that no such lapse, cancellation or change shall have effect unless such notice shall have been given.

5.7 Rights of Subrogation

The Landlord shall use all reasonable endeavours to procure that any insurance to which paragraph 5.5 applies, shall include a waiver of the relevant insurer's rights of subrogation against the Tenant.

5.8 Provision of Services

Subject to and in accordance with paragraph 4.1(G), to provide the Services in accordance with the Third Schedule.

6. **GUARANTEE**

The Guarantor in consideration of the grant of this Lease and at the request of the Tenant:

- 6.1 covenants with the Landlord (with primary liability and not merely as guarantor) that throughout the Term the Tenant will punctually pay the Yearly Rent and perform and observe the Tenant's obligations contained in this Lease and:
- (A) that in the event of default by the Tenant the Guarantor will indemnify and keep indemnified the Landlord (on an after tax basis), against all actions, claims, costs demands, expenses, liabilities and losses arising or incurred by the Landlord;
 - (B) any neglect or forbearance of the Landlord in enforcing any payment or covenant or condition or any disclaimer of this demise by a liquidator or trustee in bankruptcy or the fact that the Tenant shall be dissolved or cease to exist or the determination of this Lease or the release of any one or more persons for the time being constituting the Guarantor or any other act or thing by which (but for this provision) the Guarantor might or would have been released or the liability of the Guarantor would have been affected shall not release, exonerate or in any way affect the liability of the Guarantor;
- 6.2 agrees that the Guarantor shall not claim in competition with the Landlord in any liquidation, bankruptcy, arrangement, scheme or composition with creditors of or concerning the Tenant and:
- (A) shall pay to the Landlord all monies it shall receive by way of proceeds of any judgement or any distribution from any liquidator trustee in bankruptcy, receiver or administrator of the Tenant and;
 - (B) shall hold for the benefit of the Landlord all security and rights the Guarantor may from time to time have over assets of the Tenant; and
 - (C) the Guarantor shall not be subrogated to any rights of or security held by the Landlord in respect of any liabilities of the Tenant or the Guarantor under this Lease for so long as such liabilities remain unperformed or undischarged; and
- 6.3 waives any right to require the Landlord to proceed against the Tenant or to exercise any other right or remedy whatsoever which might be available to the Landlord before proceeding or exercising any right arising under this paragraph.

7. **SUPERIOR ESTATE GRANT**

Where the Particulars specify there is a Superior Estate Grant the following provisions of this paragraph 7 shall apply.

7.1 **Obligations in Superior Estate Grant**

The Tenant covenants with the Landlord:

- (A) to perform and observe and not to do or omit anything in breach of the covenants, obligations and conditions for the time being contained or referred to in the Superior Estate Grant so far as they affect the Property and bind the Landlord, except the covenants for payment of rent and (to the extent that the Tenant is not required to pay them under this Lease) any other monies payable by the Landlord to the Superior Estate Owner under any Superior Estate Grant;

- (B) the Tenant shall be responsible for and keep the Landlord indemnified (on an after tax basis) from and against all actions claims, losses, damages, costs, expenses and liabilities arising from any breach of paragraph 7.1(A).

7.2 Payment to Superior Estate Owner

The Landlord covenants with the Tenant to pay the rent and (to the extent that the Tenant is not required to pay them under this Lease) any other monies payable by the Landlord to the Superior Estate Owner under any Superior Estate Grant.

7.3 Consent of Superior Estate Owner

Where the consent or approval of the Landlord is required under this Lease it is a condition precedent to the grant of that consent or approval that every consent or approval required from each Superior Estate Owner is first obtained.

8. SINGLE DEMISE OF PROPERTY

The parties declare that:

- 8.1 this Lease is a single demise of the whole of the Property and does not constitute separate demises of parts of the Property; and
- 8.2 the Yearly Rent and each part of it, is reserved out of and charged on the Property as a whole.

9. RE-ENTRY

- 9.1 (Subject to paragraph 27 (where that paragraph applies to this Lease) and (where this Lease is a Core Facility Lease) subject to Approval being obtained (where required)) this Lease is on condition that on the occurrence of any of the events mentioned below it shall be lawful for the Landlord to re-enter upon the Property (or any part of it in the name of the whole), upon which this Lease shall come to an end but without prejudice to any claim by the Landlord in respect of any prior breach of the Tenant's obligations.

- 9.2 The events are:

- (A) if any Yearly Rent or related Value Added Tax shall be unpaid for 21 days after becoming payable (whether formally demanded or not); or
- (B) if there shall be a breach in the performance or observance of any covenant on the Tenant's part or conditions contained in this Lease; or
- (C) if the Tenant and/or the Guarantor (being a company) shall have a winding-up petition or a petition for an administration order presented in respect of it, or if it shall itself pass a winding-up resolution (save for the purpose of reconstruction or amalgamation into a solvent company reasonably approved by the Landlord), or if an administration order shall be made in respect of it, or if it shall otherwise enter into liquidation, be wound-up or otherwise cease to exist (save for the purpose of reconstruction or amalgamation into a solvent company reasonably approved by the Landlord), or if a receiver or administrative receiver or receiver and manager shall be appointed in respect of all or any part of its undertaking, or if application is made under section 425 Companies Act 1985 in respect of it, or if it shall call a meeting of or enter into or propose that there be entered into any arrangement, scheme or composition with creditors; or

- (D) if the Tenant and/or the Guarantor (not being a company) shall be unable to pay a debt, or shall have no reasonable prospect of being able to pay a debt within the meaning of section 268 Insolvency Act 1986, or shall make an application to the Court for an interim order under section 254 Insolvency Act 1986, or shall himself present or have presented against him a bankruptcy petition, or shall have a bankruptcy order made against him or shall otherwise be adjudged bankrupt, or shall call a meeting of or enter into any arrangement, scheme or composition with creditors.

10. **NOTICES**

Any notice in writing given under this Lease to the Landlord shall be treated as effectively served if and only if addressed to the Landlord and served by recorded delivery or registered post upon the Landlord's Surveyor at the address given for him in the Particulars or upon such other person at such address as the Landlord may from time to time appoint for that purpose and notify to the Tenant in writing; and any notice in writing that under this Lease is to be given to the Tenant shall be treated as effectively served if and only if addressed to the Tenant and served by recorded delivery upon the Tenant at the address given for him in the Particulars or upon such other person at such address as the Tenant may from time to time appoint for that purpose and notify to the Landlord in writing.

11. **EXCLUSION OF LIABILITY**

No liability shall attach to the Landlord by reason of any supervision, approval or inspection given or made by or on behalf of the Landlord in respect of any alterations, additions or other works (including works of repair or reinstatement) carried out by or on behalf of the Tenant, nor shall any such approval or inspection prejudice or derogate from the obligation of the Tenant to observe and perform the covenants and conditions on the Tenant's part contained in this Lease.

12. **NO WARRANTIES**

The Tenant and the Guarantor confirm that in entering into this Lease neither has relied on any express or implied warranty or representation (whether oral or written) of any kind whatsoever.

13. **NON-ACCEPTANCE OF RENT**

If the Landlord shall because of its belief on reasonable grounds that there has been a material breach by the Tenant of any of the Tenant's obligations under this Lease refrain from demanding and/or accepting the Yearly Rent, then the Tenant shall pay to the Landlord interest at the Basic Rate (both before and after any judgement) on such rent or other monies calculated from the due date for payment for the period during which the Landlord shall so refrain (credit being given for any sums paid by the Tenant and accepted by the Landlord as mesne profits).

14. **ARBITRATION**

(Subject to any express provision to the contrary) where provision is made in this Lease for determination of an issue by arbitration this shall be by a single arbitrator who (failing agreement between the Landlord and the Tenant as to his appointment) shall be nominated on their joint application (or if either of them shall neglect forthwith to concur in the application then on the sole application of the other) by the President for the time being or other appropriate officer of the Royal Institution of Chartered Surveyors and the provisions of the Arbitration Act 1996 shall apply to any such determination.

15. **OTHER PROPERTY AND IMPLIED EASEMENTS**

Nothing in this Lease shall:

- 15.1 confer on the Tenant any right to the benefit of or to enforce any covenant or agreement contained in any other instrument relating to any other property or limit or affect the right of the Landlord to deal with the Excluded Premises, the Station and any other Adjacent Property at any time in such manner as may be thought fit; and
- 15.2 impliedly confer upon or grant to the Tenant any easement, right, liberty, privilege or advantage other than those expressly granted by this Lease, and the provisions of section 62 Law of Property Act 1925 shall not apply in relation to this Lease.

16. **TENANT'S EFFECTS**

The Tenant irrevocably appoints the Landlord to be its agent to store or dispose of any tenant's or trade fixtures, fittings or chattels left by the Tenant on the Property for more than fourteen days after the expiration or sooner determination of the Term or such longer period, if any, as may previously have been agreed in writing between the Landlord and the Tenant, such storage and disposal being on such terms as the Landlord thinks fit and without the Landlord being liable to the Tenant save to account for the proceeds of sale less the cost of storage (if any) and any other expenses reasonably incurred by the Landlord.

17. **GOVERNING LAW AND JURISDICTION**

- 17.1 This Lease shall be governed by and construed in accordance with the laws of England.
- 17.2 Save as otherwise provided in this Lease, any dispute or claim arising out of or in connection with this Lease during any time when the Tenant is a Passenger Operator shall be resolved by agreement at the Industry Committee (save where the parties agree to submit the dispute to mediation instead), followed, if necessary, by referral to such other mechanism as the Industry Committee shall specify, pursuant in each case to the Access Dispute Resolution Rules.

18. **SUSPENSION OF RENT PAYMENTS**

If the Property or any part of it shall be damaged or destroyed by any of the Insured Risks so as to render the Property unfit for use and occupation or inaccessible and the Landlord's insurance has neither been vitiated nor any monies rendered irrecoverable under it in consequence of any act or omission by the Tenant or any of its Associates, any undertenant, or any person deriving title under or authorised to enter the Property by the Tenant, then the Main Rent or a Fair Proportion of it according to the nature and extent of the damage sustained, shall not be payable until the Property or the part damaged or destroyed shall be again rendered fit for use and occupation and accessible or until (if earlier) the expiration of the period during which the Landlord receives loss of rent insurance monies in respect of the relevant damage or destruction.

19. **STATUTORY DEDUCTION OR WITHHOLDING FROM PAYMENT**

All sums due under this Lease shall be paid without deduction or withholding in respect of duties, taxes, or charges otherwise of a taxation nature unless the deduction or withholding is required by law, in which event the payer shall:

- 19.1 ensure that the deduction or withholding does not exceed the minimum amount legally required;

- 19.2 account to the relevant taxation or other authorities within the period for payment permitted by the applicable law for the full amount of the deduction or withholding; and
- 19.3 furnish to the payee within the period for payment permitted by the relevant law either an official receipt of the relevant taxation authorities involved in respect of all amounts so deducted or withheld, or if such receipts are not issued by the taxation authorities concerned, a certificate of deduction or equivalent evidence of the relevant deduction or withholding.

20. **RECOVERY OF YEARLY RENT**

If the Tenant makes default in paying on the due date the Yearly Rent or any part of it, the amount owing (together with all costs of recovery including those incurred in levying distress) may be recovered by the Landlord by action or distress or as liquidated damages.

21. **WAIVER OF BREACH**

No acceptance, demand or receipt for Yearly Rent by the Landlord whether before or after knowledge (actual or implied) by the Landlord or its agents of any breach of any of the covenants, agreements and obligations on the part of the Tenant in or implied in this Lease and no delay by or omission of the Landlord in exercising any right, power, privilege or remedy under this Lease shall operate as a waiver of that breach or so as to impair or waive that or any other right, power, privilege or remedy. Any such breach shall for all purposes of this Lease be a continuing breach and any single or partial exercise of any such right, power, privilege or remedy shall not preclude any other or future exercise of it or the exercise of any other right, power, privilege or remedy.

22. **DISPUTES**

Any material dispute arising as between the Tenant and the tenants or occupiers of the Excluded Premises, any Building or the Station as to any easement, right or privilege in connection with the use of the Property and any other Adjacent Property or as to the walls separating the Property from the Excluded Premises or as to the amount of any contribution towards the expenses of works or services used in common with any other Adjacent Property shall be decided by the Landlord's Surveyor for the time being, whose decision shall be binding on all parties (provided the Landlord's Surveyor shall before making any decision first consult with the Tenant) and whose reasonable costs shall be paid by such of the parties to the dispute and in such manner as he, acting fairly and properly, shall decide.

23. **OPERATION OF THE STATION**

Nothing in this Lease constitutes an obligation of the Landlord to keep the Station open for any business or to maintain any existing or future arrangements relating to railway services or their operation.

24. **DETERMINATION**

24.1 In this paragraph:

(A) "Termination Event" means any of:

- (1) the termination by reason of default by the Tenant and/or the Guarantor of the Access Agreement and/or the Station Access Agreement and/or the franchise agreement;

- (2) the termination for any reason of the Access Agreement and/or Station Access Agreement and/or the franchise agreement if when the relevant document ends it is not replaced at the same time by a document to similar effect;
 - (3) the receipt by the Landlord of notice of the disclaimer of this Lease by a trustee in bankruptcy or liquidator of the Tenant;
 - (4) the receipt by the Landlord of actual notice that the Tenant and/or the Guarantor (being a company) has been dissolved or has otherwise ceased to exist;
 - (5) the requirement of the Tenant to determine this Lease in relation to the whole or any part of the Property;
 - (6) (save where this Lease is a Core Facility Lease) the requirement of the Property or of any part of it by the Landlord for the purpose of carrying out works which are necessary in connection with its railway undertaking at the Station and which cannot reasonably be carried out without obtaining vacant possession of the Property or of the relevant part of it (as to which requirement the bona fide decision of the Landlord shall be final and conclusive);
 - (7) (save where this Lease is a Core Facility Lease) the requirement of the Property or of any part of it by the Landlord for the purpose of any demolition, construction, reconstruction, development, redevelopment, refurbishment or other works (whether or not to be carried out by the Landlord and whether or not after any destruction or damage) of or on the Property, any part of it, the Building or the Station (and the decision of the Landlord as to the requirement shall be final and conclusive);
 - (8) (where this Lease is a Core Facility Lease), any other requirement for the termination of this Lease, in relation to the whole or any part of the Property, described in an Approved Proposal for Change;
- (B) "Tenant's Termination Notice" means in the case of the Termination Event referred to in paragraph 24.1(A)(5) not less than 150 days' notice in writing expiring at any time which, following the relevant Termination Event, the Tenant may give to the Landlord from time to time;
- (C) "Landlord's Termination Notice" means, in the case of the Termination Events referred to in paragraphs 24.1(A)(1), 24.1(A)(2), 24.1(A)(3), 24.1(A)(4), 24.1(A)(6), 24.1(A)(7) or 24.1(A)(8), notice in writing expiring at any time which following the relevant Termination Event the Landlord may give to the Tenant from time to time in relation to the Property or the relevant part of it and the period of which shall be:
- (1) in the case of the Termination Events referred to in paragraphs 24.1(A)(1), 24.1(A)(2), 24.1(A)(3) and 24.1(A)(4), not less than 20 days;
 - (2) (subject to paragraph 24.1(C)(3)) in the case of the Termination Events referred to in paragraphs 24.1(A)(6) and 24.1(A)(7) and 24.1(A)(8) not less than six months;
 - (3) in the case of a Termination Event referred to in paragraph 24.1(A)(6) which relates to an urgent requirement for the carrying out of repairs (whether at the Property or elsewhere), not less than 28 days; and

(D) "Approval Notice" means in the case of the Termination Event referred to in paragraph 24.1(A)(8), the period of notice required by the relevant Approved Proposal for Change, expiring at any time which, following that Approved Proposal for Change, the Landlord or the Tenant (as the Approved Proposal for Change requires) may give to the other from time to time.

24.2 At the expiration of a Tenant's Termination Notice or a Landlord's Termination Notice or an Approval Notice (subject (in the case of an Approval Notice only) to Approval having been obtained) this Lease shall determine in relation to the Property or the relevant part of it (as the case requires) but without prejudice to any claim by any person in respect of any prior breach of either party's obligations.

24.3 In the case of the Termination Events referred to in paragraphs 24.1(A)(6) and 24.1(A)(7), the Landlord shall (if requested by the Tenant) provide suitable alternative accommodation in terms of size, location and layout at the Station, and subject to acceptability by the Tenant (who shall act reasonably in all respects) provided that the alternative accommodation shall not be required by the Tenant to be larger and/or better in any respect than that which it is to replace and the Landlord shall on the date of determination of this Lease grant to the Tenant a lease of the alternative accommodation for a term equal to the then unexpired residue of this Lease and otherwise on the same terms and conditions as this Lease, subject to the Tenant joining in an application (in such form as the Landlord reasonably requires) for and doing all things reasonably required by the Landlord for the purpose of obtaining an order of the court under section 38(4) Landlord and Tenant Act 1954 authorising an agreement for the exclusion of sections 24 to 28 (inclusive) of that Act in relation to the Lease of the alternative accommodation, which agreement shall be incorporated in the Lease (or subject to the Tenant effectively implementing any other procedure from time to time authorised by statute to provide for such exclusion) and the Landlord shall pay to the Tenant by way of indemnity such sums as are fair and reasonable to compensate the Tenant for any material adverse effect of the termination of this Lease and relocation to another part of the Station on its existing and future business (although for the avoidance of doubt, the Tenant shall not be entitled to claim under this indemnity and any indemnity in an Approved Proposal for Change in respect of the same item of loss or expense) provided that this paragraph 24.3 shall cease to have any effect if the Tenant is not or ceases to be a Passenger Operator or if the Property has been lawfully underlet to a person who is not or who ceases to be a Passenger Operator or a Critical Supplier.

24.4 In the case of this Lease determining in respect of part only of the Property the Main Rent shall be reduced by a Fair Proportion to reflect that determination.

25. REMEDIES

25.1 Subject to paragraph 25.3 the Landlord shall (on an after tax basis) indemnify the Tenant and keep it indemnified, against all damage, losses, claims, proceedings, demands, liabilities, costs, damages, orders and out of pocket expenses (including costs reasonably incurred in investigating or defending any claim, proceedings, demand or order and any expenses reasonably incurred in preventing, avoiding or mitigating loss, liability or damage) incurred or suffered by it as a result of any breach of any of the Landlord's obligations under this Lease.

25.2 Subject to paragraph 25.3 the Tenant shall (on an after tax basis) indemnify the Landlord and keep it indemnified, against all damage, losses, claims, proceedings, demands, liabilities, costs, damages, orders and out of pocket expenses (including costs reasonably incurred in investigating or defending any claim, proceedings, demand or order and any expenses reasonably incurred in preventing, avoiding or mitigating loss, liability or

damage) incurred or suffered by it as a result of any breach of any of the Tenant's obligations under this Lease.

25.3 Limitation on claims

(A) Neither party shall be liable in respect of any breach of this Lease:

- (1) unless notice of it is given by or on behalf of the claimant to the respondent setting out detailed particulars of the grounds on which the relevant claim is based within 6 months after the facts giving rise to such claim first became known by the claimant or could, with reasonable diligence, have become so known;
- (2) arising from any single occurrence or circumstances (or connected series of occurrences or circumstances) if the amount of the relevant claim does not exceed;
 - (a) in the case of a claim against the Landlord, the Landlord's Claim Threshold; and
 - (b) in the case of a claim against the Tenant, the Tenant's Claim Threshold provided that this paragraph 25.3(A)(2)(b) does not apply in the case of a Tenant which is not a Passenger Operator;
- (3) unless the aggregate amount of all claims for which the respondent would otherwise be liable to the claimant exceeds;
 - (a) in the case of a claim against the Landlord, the Landlord's Aggregate Threshold; and
 - (b) in the case of a claim against the Tenant, the Tenant's Aggregate Threshold provided that this paragraph 25.3(A)(3)(b) does not apply in the case of a Tenant which is not a Passenger Operator

in any Service Charge Year, in which case the liability of the respondent to the claimant shall be limited to the amount of the excess over those amounts respectively;

provided that paragraphs 25.3(A)(2) and 25.3(A)(3) shall not apply in respect of any obligation to pay any liquidated sum.

- (B) Neither party may recover or seek to recover from the other any amount in respect of any loss of revenue (including fare revenue, subsidy, access charges to third parties and incentive payments) in connection with the subject matter of this Lease, which is or is alleged to be caused to it by the other party, provided that if the Tenant is not a Passenger Operator this paragraph 25.3(B) does not apply to any loss of revenue sustained by the Landlord.
- (C) The remedies provided for in this Lease, to the extent applicable, shall be the sole remedies available to the parties in respect of any matters for which such remedies are available provided that if the Tenant is not a Passenger Operator this paragraph 25.3(C) does not apply to the Landlord.

25.4 Force Majeure

- (A) "Force Majeure" shall be deemed to occur if and to the extent that there occurs any event or circumstance or any combination of events or circumstances beyond the

reasonable control of either party which is either unforeseeable or, if foreseeable, could not have been avoided by any reasonable means, and which prevents, hinders or delays that party from performing any of its obligations under this Lease. Without prejudice to that generality, "Force Majeure" under this paragraph 25.4(A) shall include subject to paragraph 25.4(A)(2) the following events and circumstances

- (1) war damage, enemy action, terrorism, the act of any government or government instrumentality (provided that such an act shall not be "Force Majeure" if and to the extent that such act is performed by Her Majesty's Government (or any department, minister, official or nominee of it) where acting as shareholder of the party in question or other than pursuant to the Crown prerogative or a statutory function or power), riot, civil commotion, rebellion, storm, tempest, fire, flood, act of God, strike or any industrial action by employees of any person other than the party claiming the benefit of this paragraph 25.4 or of its Affiliates, or the provision by the Landlord of such assistance as may be reasonable to co-operate in alleviating the effects of an incident adversely affecting the safety or security of persons or property;

and shall exclude the following events and circumstances:

- (2) any act of the Regulator, any lack of funds, any strike or other industrial action involving the employees of the party claiming the benefit of this paragraph 25.4 or of its Affiliates, or any accumulation (other than one of exceptional severity or of an exceptional nature) of ice, rain, water, snow or leaves on or affecting railway assets or any breach of a contractual obligation owed to the party claiming the benefit of this paragraph 25.4(A).
- (B) Neither party shall be responsible for any failure to fulfil its obligations under this Lease if, and to the extent that, such failure shall be caused by, or directly or indirectly by reason of, Force Majeure, which makes it impossible or impracticable for that party to comply with such obligations.
- (C) A party affected by Force Majeure shall use all reasonable endeavours to minimise the effects of that Force Majeure upon the performance of its obligations under this Lease.
- (D) As soon as reasonably practicable after commencement of the Force Majeure, the party affected by the Force Majeure shall notify the other party of the occurrence of the Force Majeure, the date of commencement of the Force Majeure and the effects of the Force Majeure on its ability to perform its obligations under this Lease.
- (E) As soon as reasonably practicable after the cessation of the Force Majeure, the party affected by the Force Majeure shall notify the other party of the cessation of the Force Majeure and resume performance of all its obligations under this Lease.

25.5 Mitigation

Nothing in this Lease shall in any way restrict or limit the general principles at law relating to the mitigation of loss or damage resulting from breach of contract.

26. PROPOSAL FOR CHANGE

26.1 This paragraph 26 shall only apply where this Lease is a Core Facility Lease.

- 26.2 To the extent that the performance and/or the exercise by either party of its obligations and/or rights under this Lease require Approval from time to time, then to that extent, those obligations and/or rights shall not be performed or exercised until Approved, and after Approval shall be performed and/or exercised with such modifications as may be required by the Approved Proposal for Change.
- 26.3 To the extent that the Approved Proposal for Change requires the termination of this Lease, (as to the whole or any part of the Property) the variation of the terms of this Lease or the surrender of this Lease (as to whole or any part of the Property) the Landlord and the Tenant agree at the time or times required by the Approved Proposal for Change to enter into and do any instrument or other thing as may be necessary to give effect to those requirements.
- 26.4 In relation to a Proposal for Change, nothing in this Lease prejudices the right of any person to vote, give any notice or exercise any other right as it sees fit.
- 26.5 Subject to paragraph 26.3, any action referred to in paragraph 26.4 shall not prejudice the rights of the Landlord or the Tenant under this Lease.

27. LIMITATION ON RIGHTS OF RE-ENTRY.

- 27.1 This paragraph shall only apply where this Lease is a Core Facility Lease or a Non-Core Facility Unit Lease.
- 27.2 The Landlord shall not peaceably re-enter the Property, nor enforce any judgment which it may obtain for possession of the Property without having given the SRA 3 months' prior written notice of its intention to re-enter the Property peaceably or (in the case of enforcement of a judgment for possession) to serve a writ or summons claiming possession of the Property. In either case the period of 3 months may be reduced to such shorter period as the SRA may from time to time agree in writing.
- 27.3 Should the Landlord at any time serve any notice or take any other proceeding or step to exercise any right of forfeiture (other than referred to in paragraph 27.2) it shall immediately notify the SRA in writing of such notice, proceeding or step.
- 27.4 Subject to paragraph 27.1, any purported exercise of any right of re-entry in contravention of this paragraph 27 shall be void provided that this paragraph 27 shall not have effect during any period in which either the SRA, or any company under its control (within the meaning attributed to that word by section 840 Income and Corporation Taxes Act 1988), is the Tenant.

28. TENANT'S OPTION TO DETERMINE

- 28.1 If the Tenant wishes to determine the Term with effect from 02.00 hours:
- (A) on the day after the date upon which the Franchise Agreement shall expire through the passage of time; or
 - (B) on any subsequent date
- it may do so by giving to the Landlord not less than 2 months' prior notice in writing of such wish and on the date specified in the Tenant's notice the Term shall cease and determine.
- 28.2 Any determination of this Lease pursuant to this paragraph 28 shall be without prejudice to any claim by any party to this Lease in respect of any prior breach of any of the obligations of any other party to this Lease.

29. **PRIOR LEASE**

29.1 In this paragraph:

- (A) "Prior Lease" means any lease made between the Landlord (whether or not then known as Railtrack PLC) and the Tenant (or any predecessor in title of the Tenant being a Passenger Operator) before the date of this Lease in respect of the Property;
- (B) "Future Rights and Liabilities" means the rights and liabilities of the parties arising pursuant to the Prior Lease which accrue with effect from and after the date of this Lease; and
- (C) "Accrued Rights and Liabilities" means the rights and liabilities of the parties arising pursuant to the Prior Lease which accrued before the date of this Lease.

29.2 To the extent relevant, this Lease is granted subject to and with the benefit of the Prior Lease but in relation only to the Future Rights and Liabilities to the intent and with the effect that the Accrued Rights and Liabilities remain the property of and enforceable by and against the relevant party.

29.3 It is agreed and declared that the term of years created by the Prior Lease (but not the Accrued Rights and Liabilities) is merged and extinguished in the Term in respect of the Property, but to the intent and with the effect that the Accrued Rights and Liabilities and the enforcement of them by and against the relevant party are not prejudiced by this Lease or by that merger and extinguishment.

29.4 The Landlord and the Tenant agree that, notwithstanding the merger and extinguishment referred to in Condition 29.3, the Accrued Rights and Liabilities remain the property of and enforceable by and against the relevant party, in the same way in all respects as would have been the case if this Lease had not been granted.

30. **SERVICE CHARGE**

30.1 **Definitions**

In this paragraph 30:

- (A) "Annual Expenditure" means all costs, charges, fees, expenses and outgoings reasonably and properly incurred by the Landlord during a Service Charge Year in or incidental to providing all or any of the Services but shall not include the costs associated in carrying out Repair of LTC Repair Items or Maintenance of LTC Maintenance Items to the extent that the Landlord is remunerated from time to time for carrying out such activities by means of the Long Term Charge;
- (B) "Computing Date" means 31 March in every year of the Term or such other date as the Landlord may from time to time nominate and "Computing Dates" shall be construed accordingly;
- (C) "Service Charge Year" means:
 - (1) the period from the Lease Start Date to and including the next Computing Date and then;
 - (2) each period beginning on the day after a Computing Date and ending on the next Computing Date and then;

- (3) the period beginning on the day after the last Computing Date in the Term, and ending on the determination of the Term;
- (4) and "Service Charge Half Year" means a period of six months beginning at the start of each Service Charge Year; and

(D) "Service Charge" means a Fair Proportion of the Annual Expenditure;

30.2 Performance of the Services

the Landlord shall provide the Services but the Landlord shall not be liable to the Tenant in respect of any failure of or interruption in any of the Services by reason of Force Majeure or the performance of any obligation binding the Landlord from time to time pursuant to a Current Contract subsisting at the date of this Lease or to a regrant of any such Current Contract (whether or not to the original grantee) or to a Current Contract made from time to time in accordance with the directions of the Rail Regulator;

30.3 Payment of Service Charge

- (A) the Landlord shall, promptly after the start of each Service Charge Year notify the Tenant of its best estimate of the Annual Expenditure and Service Charge payable by the Tenant for that Service Charge Year;
- (B) the notice referred to in paragraph 30.3(A) shall include a detailed breakdown of the estimated Annual Expenditure together, where applicable and available, with comparative figures for the preceding Service Charge Year, in each case in sufficient detail to enable the Tenant to make a proper assessment of the charges proposed, the method of their calculation and the costs of the Services in question. Without prejudice to the generality of the foregoing, such breakdown shall:-
 - (1) include a detailed breakdown of the estimated Annual Expenditure; and
 - (2) include details of the assumptions applied in the calculation of the estimated Annual Expenditure;
- (C) the Landlord shall provide the Tenant with such further information and/or clarification relating to the amounts notified to the Tenant pursuant to paragraph 30.3(B) as the Tenant may from time to time reasonably request, promptly upon receipt of such request;
- (D) the Tenant shall pay the Service Charge (which charge shall be in accordance with such bona fide and reasonable estimates as the Landlord notifies to the Tenant in respect of each Service Charge Year) by four weekly instalments in arrears;
- (E) the Landlord shall, as soon as practicable, and in any event within 60 days after the end of each Service Charge Year and each Service Charge Half Year:
 - (1) calculate the Service Charge payable by the Tenant for that Service Charge Year or Service Charge Half Year; and
 - (2) provide to the Tenant a certificate of the Service Charge so calculated (the "Certificate");
- (F) the Certificate shall contain information in relation to each element of the Service Charge in an amount of detail which is at least equal to that required by paragraph 30.3(B);
- (G) any costs incurred in relation to two or more of the following :

- (1) the Property;
- (2) the Common Parts; and
- (3) the Common Station Amenities and Common Station Services,

shall be attributable between them on a fair and equitable basis having regard to generally accepted accounting principles in the United Kingdom;

- (H) if, in relation to any Service Charge Year or Service Charge Half Year, the amount paid by the Tenant pursuant to paragraph 30.3(D) shall have been greater than the amount of the Service Charge for that Service Charge Year or Service Charge Half Year which is certified pursuant to paragraph 30.3(E) the Landlord shall repay to the Tenant an amount equal to:-

- (1) the difference between the amount so paid and the Service Charge so certified; and
- (2) interest on that difference at the Basic Rate;

- (I) if, in relation to any Service Charge Year or Service Charge Half Year, the amount paid by the Tenant pursuant to paragraph 30.3(D) shall have been less than the amount of the Service Charge for that Service Charge Year or Service Charge Half Year which is certified pursuant to paragraph 30.3(E), the Tenant shall pay to the Landlord an amount equal to:-

- (1) the difference between the amount so paid and the Service Charge so certified; and
- (2) interest on that difference at the Basic Rate;

- (J) the Tenant shall be entitled to inspect (or procure that its agents or representatives inspect) the books, records and accounts kept by the Landlord in respect of the Property (including any financial and operational records or data), insofar as they relate to the Services, at any reasonable time upon reasonable notice to the Landlord;

- (K) if, upon or following any inspection in accordance with paragraph 30.3(J) by the Tenant, the amount of the Service Charge in respect of any Service Charge Year or Service Charge Half Year is established to have been less than the amount shown in the relevant Certificate, the Landlord shall, within 5 Business Days of being notified of such discrepancy, repay to the Tenant a sum equal to such shortfall, together with interest at 2% above the Basic Rate from the date which is half way through the Service Charge Year or Service Charge Half Year in question until the date of actual repayment of that sum by the Landlord;

- (L) if the amount of the Service Charge in respect of any Service Charge Year or Service Charge Half Year is established to have been greater than the amount shown in the relevant Certificate:-

- (1) the Tenant shall, within 5 Business Days of being notified of such discrepancy, pay to the Landlord a sum equal to such excess but without interest; and
- (2) the Landlord shall pay the Tenant an amount equal to the Tenant's reasonable costs and expenses (if any) incurred in carrying out or procuring the relevant inspection;

- (M) without prejudice to any obligation of the Landlord under its station licence, the Landlord shall:-
 - (1) keep accounts in respect of the Station which relate solely to the operation of the Station; and
 - (2) maintain such Station accounts in such a way as to enable all material revenue and expenditure relating to the Property to be clearly distinguished and analysed by category or, if appropriate, item in respect of the Services; and
- (N) without prejudice to any obligation of the Landlord under its station licence the accounts to be kept and maintained by the Landlord in accordance with paragraph 30.3(M) shall at all times be kept up to date and to a standard which is at least sufficient to enable the Tenant properly to assess the costs of the Services in respect of which the Service Charge is made.

31. AGREEMENT FOR SURRENDER OR ASSIGNMENT

- 31.1 This paragraph 31 shall only apply where this Lease is a Non-Core Facility Unit Lease.
- 31.2 In this paragraph "Cessation Event" means the cessation of the use of the Property in accordance with paragraph 4.2 for a period of 6 consecutive months other than:
 - (A) cessation arising from Force Majeure (as defined in paragraph 25.4) operating on the Tenant; or
 - (B) cessation caused by a breach of any obligation owed by the Landlord to the Tenant.
- 31.3 The Tenant shall notify the Landlord if at any time the cessation of the use of the Property in accordance with paragraph 4.2 continues for a period of longer than 3 consecutive months.
- 31.4 If a Cessation Event occurs, the Landlord may give not less than 28 days' notice (the "Cessation Event Notice") requiring completion of either a surrender or an assignment of this Lease as the Landlord may specify, and if the Landlord requires completion of an assignment of this Lease, it shall specify the party to whom this Lease shall be assigned.
- 31.5 Subject to the Landlord giving a valid Cessation Event Notice in accordance with paragraph 31.4, and depending on the provisions of that notice, the Tenant agrees either to:
 - (A) surrender free from any mortgage, charge or other security interest, and the Landlord agrees to accept a surrender of this Lease with completion to take place by operation of law on the date specified in such notice; or
 - (B) assign its interest under this Lease to such party (if any) as the Landlord shall have specified in its notice, such assignment to take place on the date specified in such notice provided that paragraph 4.16(B) shall not apply to any assignment pursuant to this paragraph 31.5.
- 31.6 Regardless of whether the Tenant shall have given notice under paragraph 31.3, if at any time the Landlord reasonably considers that:
 - (A) there has been a cessation of the use of the Property in accordance with paragraph 4.2 for a period of longer than 3 consecutive months; or

- (B) the Property is not being fully or efficiently utilised in accordance with paragraph 4.2 and a third party who is a Passenger Operator has indicated to the Landlord that it has a requirement for property which the Landlord reasonably considers could be satisfied by permitting it to occupy the Property

then the Landlord may carry out a review of both the current use of the Property and its use over the 3 months preceding such review (having regard to the availability to the Tenant of other property similar to the Property and to the use and occupation of that other property) in which review the Tenant shall participate and shall co-operate with the Landlord in supplying it with such information and evidence of its use and occupation of both the Property and any other property referred to in this paragraph as the Landlord shall reasonably require.

- 31.7 If, following the review referred to in paragraph 31.6, the use of the Property has ceased, or the Property is not being fully or efficiently utilised in accordance with paragraph 4.2, then the Landlord may serve a Cessation Event Notice in accordance with paragraph 31.4 as if such cessation or failure to use the Property fully or efficiently were a Cessation Event and following such notice paragraph 31.5 shall apply and the question of whether the Landlord is entitled to serve a Cessation Event Notice pursuant to this paragraph and any dispute relating to any such Cessation Event Notice may be referred by either the Landlord or the Tenant for determination pursuant to paragraph 17.2.
- 31.8 Upon actual completion of any surrender or assignment in accordance with paragraph 31.5, the Landlord and the Tenant shall be released from any liability under their respective covenants in this Lease, but without prejudice to any subsisting breaches.
- 31.9 After the events or circumstances which gave rise to or constituted a Cessation Event have ceased to apply and/or subsist, a notice in accordance with this paragraph 31 may not be given in respect of it or them.

ANNEX 1 : AUTHORISED GUARANTEE AGREEMENT BY WAY OF DEED

to be given by Tenant - see paragraph 4.16(B) of these NRMS Letting Conditions

References in this Annex to the Lease include all variations, consents and other documents made supplemental to it. References to the Landlord, the Tenant and the Assignee mean (respectively) the Landlord, the Tenant and the Assignee for the time being under this Lease.

1. GUARANTEE

The Tenant covenants with the Landlord so as to be liable as a principal and not merely as a surety, that the Assignee shall at all times during the period from the date of completion of the assignment to the Assignee until the Assignee is released from the tenant's covenants of the Lease by virtue of section 5 of the Landlord and Tenant (Covenants) Act 1995 ("the 1995 Act") pay the rent reserved by the Lease and observe and perform the covenants and conditions on the part of the Tenant contained in the Lease.

2. INDEMNITY

The Tenant agrees with the Landlord, as a primary obligation, to keep the Landlord indemnified against all losses, damages, costs and expenses incurred as a result of any failure by the Assignee to comply with any of the terms of the Lease or as a result of any obligation of the Assignee being or becoming unenforceable.

3. DISCLAIMER OF LEASE

In the event of the Lease being disclaimed and provided that the SRA shall not have indicated that any new lease is to be granted to the SRA or its nominee, the Tenant shall (if so required by the Landlord by the service of written notice within six months after such disclaimer):

- (A) enter into a new lease upon the same terms and conditions as are contained in this Lease at the date of the disclaimer (mutatis mutandis) for the residue of the Term; and
- (B) pay upon demand the Landlord's reasonable costs of and in connection with the grant of the new lease.

4. SUPPLEMENTARY PROVISIONS

(Subject to section 17 of the 1995 Act) none of the following shall release or otherwise affect the Tenant's liability or the Landlord's rights and remedies under this Agreement:

- (A) any delay or forbearance on the part of the Landlord in obtaining payment of rents or in enforcing the obligations of the Assignee under the Lease;
- (B) any refusal by the Landlord to accept rents tendered at a time when the Landlord was entitled (or would after service of the appropriate statutory notice have been entitled) to re-enter the Property;
- (C) any surrender by the Assignee of part of the Property, in which event the liability of the Tenant shall continue in respect of the part of the Property not so surrendered after making any necessary apportionments under section 140 of the Law of Property Act 1925;
- (D) (subject to section 18 of the 1995 Act) any variation of the terms of the Lease after assignment to the Assignee;

(E) the liquidation, administration or bankruptcy (as the case may be) of either the Tenant or the Assignee;

5. **COSTS**

For the avoidance of doubt, the Tenant shall be liable for any costs and expenses incurred by the Landlord in enforcing the Tenant's obligations under this Deed.

ANNEX 2 : GUARANTEE PROVISIONS BY WAY OF DEED

to be given by Guarantor - see paragraph 4.16(B) of these NRMS Letting Conditions

References in this Annex to the Lease include all variations, consents and other documents made supplemental to it. References to the Landlord and the Tenant mean (respectively) the Landlord and the Tenant for the time being under this Lease.

1. GUARANTEE AND INDEMNITY

The Guarantor as primary obligor (and not merely as guarantor) in consideration of this demise and at the request of the Tenant hereby covenants with the Landlord that:

- (A) throughout the Term (save and to the extent that the Tenant is released by virtue of the Landlord and Tenant (Covenants) Act 1995) the Tenant will punctually pay the Yearly Rent and other sums payable under this Lease and will perform and observe the Tenant's covenants and conditions contained and incorporated in this Lease; and
- (B) (as far as permitted by law and notwithstanding paragraph 7 of this Annex) throughout the Term (save and to the extent that the Tenant is released by virtue of the Landlord and Tenant (Covenants) Act 1995) the Tenant will observe and perform the obligations of the Tenant (whether as primary obligor or guarantor) contained in any authorised guarantee agreement

and that in the event of default by the Tenant, the Guarantor will indemnify and keep indemnified the Landlord against all actions, claims, costs, demands, expenses, liabilities and losses arising or incurred by the Landlord in consequence of such default provided that any neglect, time or forbearance of the Landlord in enforcing any payment or covenant or condition or any disclaimer of this demise by a liquidator or by a trustee in bankruptcy or the fact that the Tenant (being a company) shall be dissolved or shall otherwise cease to exist or the determination of this demise or the release of any one or more persons for the time being constituting the Guarantor or any other act or thing (including, without limitation, the Landlord refraining from demanding or accepting any rent or other moneys due under this Lease, the surrender of any part of the Property and any variation of the terms of this Lease) whereby (but for this provision) the Guarantor might or would have been released or the liability of the Guarantor would have been affected shall not release, exonerate or in any way affect the liability of the Guarantor under this Annex.

2. POSTPONEMENT OF RIGHTS OF GUARANTOR

The Guarantor shall not claim in competition with the Landlord in any liquidation, bankruptcy, arrangement, scheme or composition with creditors of or concerning the Tenant and shall pay to the Landlord all moneys it shall receive by way of proceeds of any judgment or any distribution from any liquidator, trustee in bankruptcy, receiver or administrator of the Tenant and shall hold for the benefit of the Landlord all security and rights the Guarantor may from time to time have over assets of the Tenant and the Guarantor shall not be subrogated to any rights of or security held by the Landlord in respect of any liabilities of the Tenant or the Guarantor under this Lease for so long as such liabilities remain unperformed or undischarged.

3. WAIVER

The Guarantor hereby waives any right to require the Landlord to proceed against the Tenant or to exercise any other right or remedy whatsoever which might be available to the Landlord before proceeding or exercising any right arising pursuant to this Annex.

4. **DISCLAIMER, ETC**

If so required by the Landlord by written notice to the Guarantor within 3 months after an Insolvency Event, and provided that the SRA shall not have indicated that any new lease is to be granted to the SRA or its nominee, then the Guarantor will take from the Landlord a grant of another lease of the Property for the residue of the Term unexpired at the date of such Insolvency Event. Such lease is to be at the same rents as are reserved by this Lease (including any revised rent agreed or determined under this Lease) and subject to the like covenants, provisos and conditions in all respects (including the proviso for re-entry) as are contained in this Lease, but so that the times (if any) at which the Landlord shall be entitled to revise the Yearly Rent shall be the same times as are specified in this Lease. The Guarantor will join in an application (in such form as the Landlord reasonably requires) for and do all things reasonably required by the Landlord for the purpose of obtaining an order of the Court under section 38(4) Landlord and Tenant Act 1954 (or effectively implementing any procedure from time to time authorised by statute to provide for this) authorising an agreement for the exclusion of sections 24 to 28 (inclusive) of that Act in relation to such further lease, which agreement shall be incorporated in the lease. The Guarantor will indemnify and keep indemnified the Landlord (and any other person as mentioned above) on a full indemnity basis against all solicitors' costs and disbursements and also surveyors' fees incurred by the Landlord in connection with the giving of such notice, the grant of such lease and the grant of any such licence and will on the execution of such further lease execute and deliver to the Landlord a counterpart.

5. **IF NO NEW LEASE**

If an Insolvency Event occurs as a result of which the Guarantor ceases to be liable under paragraph 1 of this Annex and for any reason the Landlord does not require the Guarantor to accept a new lease of the Station as is mentioned in paragraph 4 of this Annex then the Guarantor shall pay to the Landlord on demand amounts equal to the Yearly Rent reserved by this Lease and which would have been payable by the Tenant during the period mentioned below but for any Insolvency Event and indemnify the Landlord from and against the costs and expenses arising or incurred by the Landlord in performing and observing the Tenant's covenants and conditions contained and incorporated in this Lease for the period commencing with the date of such Insolvency Event and ending on whichever is the earlier of the date 6 months after the date of such Insolvency Event and the date (if any) upon which the Property is re-let.

6. **BENEFIT OF GUARANTEE AND INDEMNITY**

All the provisions of this Annex shall enure for the benefit of the successors and assigns of the Landlord under this Lease or any other person for the time being entitled in reversion immediately expectant upon the tenancy granted by this Lease without the necessity for any assignment.

7. **AUTHORISED GUARANTEE AGREEMENT**

Without prejudice to paragraph 1(B) of this Annex, the Guarantor covenants with the Landlord and by way of a separate covenant with the Tenant that it will at the request of the Landlord enter into the authorised guarantee agreement referred to in paragraph 4.16(B)(3)(c) prior to any assignment of the Property and will covenant with the Landlord as primary obligor (and not merely as guarantor) in the terms (mutatis mutandis) set out in this Annex for the purpose of guaranteeing the observance and performance by the Tenant of its obligations in the authorised guarantee agreement.

8. **JOINT AND SEVERAL LIABILITY**

Where the Guarantor consists of more than one person, any covenant by them shall take effect as a joint and several covenant.

9. **INSOLVENCY EVENT**

In this Annex "Insolvency Event" in respect of the Tenant means each of the events listed or referred to in paragraphs 9.2(A) to (D), inclusive.

