

COMMERCIAL LEASE

IMPORTANT NOTICE

By entering into this lease the parties are undertaking legally binding obligations and should take legal advice before so doing.

It is important that tenants understand that the short-term commercial lease has been designed for property being offered for a relatively short period of occupation. The lease (and the related agreement for lease) provide for the letting to be granted **without security of tenure**. This means that, when the lease expires, the tenant will **not** have the legal right he would normally have under the Landlord and Tenant Act 1954 to apply to the Court for a new tenancy. The removal of this right does not stop the landlord and tenant agreeing to a new lease at the end of the tenancy, but this can only occur if **both** the landlord and the tenant so wish.

Tenants wanting to guarantee that they can remain in the same business premises once the initial lease has expired should consult their professional advisers about seeking other premises where such terms are on offer. In such cases, the terms and conditions in the lease are likely to be substantially different from those in the BPF short-term commercial lease, particularly with regard to the nature and extent of the obligations placed on the tenant.

The BPF short-term commercial lease, and related agreement for lease, have been prepared with the overriding objective of offering a better service to business tenants. A wide-ranging consultation exercise was undertaken before the final versions of these documents were published, and many of those consulted have offered formal statements of support. The names of supporting organisations are set out on the cover. The BPF is confident that the use of this straightforward documentation will do much to enhance the relationship between landlords and tenants.

Landlords and tenants must remember that while the short-term commercial lease has been published as a standard form, it contains clauses which can be amended, or deleted, following amicable discussion between the parties.

Both landlords and tenants are strongly advised, in addition to obtaining legal advice, to consult the pan-industry document *Commercial Property Leases in England and Wales: Code of Practice* (RICS Business Services 2007) before signing this document.



BRITISH PROPERTY FEDERATION

COMMERCIAL LEASE

MAIN TERMS AND DEFINITIONS

- 1 The Landlord is High Gates Foundation whose registered office is at 41 White Church Lane, London E1 7QR and whose company number is: AAECCL56789A.
- 2 The Tenant is Wayne Enterprises UK whose registered office is at 41 White Church Lane, London E1 7QR and whose company number is: PPECC56789K.
- 3 The Premises are 41 White Church Lane, London E1 7QR and are shown edged red on the attached plan.
- 4 The Term of this lease begins immediately and ends on March 31, 2026
- 5 The Rent is £90,000.00 per year (exclusive of Value Added Tax) and is payable in advance by equal monthly payments on every 5th of the Month.
- 6 The Rent begins to be payable on 1st October 2022 and the first payment shall be made on execution of this lease agreement.
- 7 The Tenant has paid a Deposit of £9,000.00 to the Landlord which the Landlord will place in a bank deposit account (whether or not containing other money) on which a reasonable rate of interest is payable. The Landlord will repay the Deposit to the Tenant with accrued interest once the Tenant has vacated the Premises at the end of the Term (however it ends), but less deductions properly made by the Landlord to cover any unpaid Rent and the actual or anticipated cost of remedying any breaches of the Tenant's Obligations under this lease.
- 8 The Permitted Use of the Premises is as {Permitted Use of Premises}.
- 9 The Hours of Use are from 08:00 to 17:30 on Mondays to Fridays; and Saturdays from 09:00 to 17:30; and Sundays from 09:00 to 17:00; and Public Holidays from 09:00 to 17:00.

LETTING AND RIGHTS

- 10 The Landlord lets the Premises to the Tenant at the Rent for the Term.
- 11 The Landlord grants to the Tenant the following rights and makes the following reservations:
 - 11.1 The Premises form only part of a Building. They do not include any part of the main structure, foundations, roof or exterior of that Building but they do include window

frames and glass, doors and door frames, raised floors and suspended ceilings and the voids above and below them, light fittings and other landlord's fixtures and fittings.

- 11.2 The Tenant is granted the shared use, but only during the Hours of Use, of the following Common Parts:

entrances, hallways, passages, staircases, toilets, estate roads, car park, delivery areas, yards, lifts

but must use them in a reasonable and proper manner in accordance with any regulations imposed from time to time by the Landlord.

- 11.3 The Tenant is granted the non-exclusive use of Service Media (meaning any ducts flues gutters pipes drains sewers cables conduits wires or other media for conducting water soil gas electricity and telecommunications) which serve the Premises and which may serve other premises, but must use them in a reasonable and proper manner in accordance with any regulations imposed from time to time by the Landlord;

- 11.4 The Landlord reserves the right to alter or close any Common Parts subject to providing (except in emergencies) reasonably suitable alternative amenities, and reserves the right to use (and repair, alter or renew) any Service Media in the Premises which serve other premises.

- 11.5 The Landlord also reserves the right to enter the Premises for the purposes and on the terms set out elsewhere in this Lease. The right of entry will only be exercised following reasonable notice, except in the case of an emergency.

LANDLORD'S OBLIGATIONS

- 12 The Landlord's Obligations to be observed throughout the Term are:

- 12.1 As long as the Tenant pays the Rent and complies with the Tenant's Obligations, the Landlord will give exclusive possession of the Premises to the Tenant during the Term without interference by the Landlord or any superior landlord or any person deriving title under or in trust for either of them;

- 12.2 The Landlord will use reasonable endeavours to provide the following Landlord's Services:

- (1) keeping the Premises in tenantable condition.
- (2) keeping in tenantable condition the Common Parts and the structure of the building of which the Premises form part.
- (3) keeping Service Media in working order.
- (4) providing during the Hours of Use:

hot water to basins in the Premises, hot water to basins in Common Parts, heating of the Premises, heating of Common Parts, lighting of Common Parts, lift service in Common Parts, caretaking/porterage

but the Landlord is not obliged to:

- (a) remedy damage caused by the Tenant, or
- (b) remedy fair wear and tear, or

- (c) put the Premises or any Common Parts or any Service Media into better condition than at the date of this Lease as described or shown in the attached Schedule of Condition,

and the Landlord is not responsible for interruptions in any of the Landlord's Services due to matters beyond the Landlord's control.

TENANT'S OBLIGATIONS

13 The Tenant's Obligations to be observed throughout the Term are:

- 13.1 the Tenant will pay the Rent immediately it falls due without any deduction or set off and (if required) by bank standing order or credit transfer to the Landlord's bank account;
- 13.2 the Tenant will pay any value added tax chargeable on the Rent and any other sums payable under this Lease, at the same time as the sum on which it is charged;
- 13.3 the Tenant will pay interest on any Rent or other sum payable under this Lease which is overdue for 7 days after its due date, calculated (both before and after any court judgment) at 4% per year above the Bank of England base rate for the period from the due date until payment;
- 13.4 the Tenant will pay all charges for all water, gas, electricity, telephone and similar services consumed on the Premises, and will pay a fair proportion of any which relate to both the Premises and other premises;
- 13.5 the Tenant will use the Premises carefully and will not damage them, but normal fair wear and tear is permitted;
- 13.6 the Tenant will comply with all legislation applicable to the Tenant's use of the Premises; the Tenant will not do anything which may result in a statutory requirement arising for work to be carried out on the Premises or any other premises of the Landlord;
- 13.7 the Tenant will immediately give the Landlord a copy of any notice relating to the Premises or its use which the Tenant receives and will also notify the Landlord of any damage to or want of repair in the Premises or the building of which they form part, as soon as reasonably possible after becoming aware of it;
- 13.8 the Tenant will not make any alteration or addition to the Premises (including displaying any signs, posters, advertisements, etc.) inside or outside, and will remove any unauthorised alterations or additions on demand;
- 13.9 the Tenant will use the Premises only for the Permitted Use and only during the Hours of Use, and will notify the Landlord immediately if the Tenant ceases to occupy the Premises at any time during the Term;
- 13.10 the Tenant will not apply for, or implement, any planning permission in respect of the Premises without the prior written consent of the Landlord;
- 13.11 the Tenant will not do anything which is a nuisance or annoyance to the Landlord or to the owners or occupiers of any adjoining or neighbouring property, or use the Premises for any illegal or immoral purpose, or hold an auction or public exhibition or public or political meeting on the Premises;
- 13.12 the Tenant will not, save in the ordinary course of the Tenant's business (and then only in accordance with all relevant laws and regulations) permit any contaminative or

hazardous substances to be on or to be discharged from the Premises; the Tenant will not otherwise cause contamination or pollution at under or from the Premises;

13.13 Subject to the Tenant having been provided with appropriate details of such policy, the Tenant will not do anything which may invalidate any insurance policy relating to the Premises or other Premises of the Landlord or which may increase the premiums for that insurance;

13.14 the Tenant will not assign, sublet, charge, part with possession of, or share the occupation of, the whole or any part of the Premises, except that if the Tenant is a limited company it may (by licence but not subletting) share occupation with another company in its group (as defined in Landlord and Tenant Act 1954 section 42(l));

13.15 the Tenant will allow the Landlord to enter the Premises (with other persons authorised by the Landlord) for the purposes set out in clause 15.2, for performing the Landlord's Obligations under this Lease, and for all other reasonable and proper purposes, at reasonable times after giving the Tenant (except in emergency) reasonable prior notice; the persons entering the Premises must cause as little disturbance as reasonably possible and must make good all damage caused to the Premises;

13.16 during the last 3 months of the Term, the Tenant will allow the Landlord to display a notice for re-letting the Premises in a reasonably suitable place on the Premises;

13.17 the Tenant will, at the end of the Term (however ending), give vacant possession of the Premises to the Landlord in the condition required by this Lease and will remove from the Premises the Tenant's goods and fixtures and fittings including signs and make good all damage caused to the Premises by their removal and will leave the Premises in a tidy condition, free of rubbish;

13.18 the Tenant will pay all reasonable costs and expenses incurred by the Landlord in connection with:

- (a) any application by the Tenant for an approval or consent (whether or not it is given, unless unlawfully withheld); or
- (b) in (or in contemplation of) the preparation and service of any notice of a breach of the Tenant's Obligations under this Lease including statutory notices, even if forfeiture (if applicable) is avoided otherwise than by court order.

BUSINESS RATES

14 It is one of the Landlord's Obligations that the Landlord pay the business rates in respect of the Premises.

BREACH OF TENANT'S OBLIGATIONS

15 If the Landlord serves on the Tenant a written notice specifying anything required to remedy a breach of the Tenant's Obligations under this Lease:

15.1 the Tenant will comply with the notice within one month (or immediately in emergency);

15.2 if the Tenant fails to do so, the Landlord has the right to enter the Premises and remedy the breach and the Tenant will pay to the Landlord on demand, as a debt, all costs and expenses so incurred by the Landlord.

TENANT'S GOODS AT THE PREMISES

- 16 If the Tenant leaves any goods in the Premises at the end of the Term (however it ends), the Tenant authorises the Landlord to sell those goods on behalf of the Tenant. The Landlord shall account to the Tenant for the proceeds less the Landlord's reasonable expenses.

CONSEQUENCES OF DAMAGE OR DESTRUCTION

- 17 If the whole or part of the Premises becomes inaccessible or unfit for use due to damage or destruction (other than as a result of anything the Tenant does or fails to do):
- 17.1 the whole or an appropriate proportion (having regard to the nature and extent of the destruction or damage) of the Rent and other payments under this lease shall cease to be payable until the Premises are fully accessible and fit for use; and
- 17.2 if the damage or destruction affects the whole or a substantial part of the Premises and it is likely to take more than three months to make the Premises again fully accessible and fit for use, either the Landlord or the Tenant may terminate this Lease by giving written notice to the other, in which event this Lease will immediately end and the Landlord need not carry out any repairs or reinstatement.

FORFEITURE

- 18 The Landlord may forfeit this Lease by re-entering the Premises (or part of them as if entering the whole) if:
- (1) any Rent or other sums are overdue for 14 days or more (whether or not demanded), or
 - (2) if any of the Tenant's Obligations under this Lease are not performed or observed, or
 - (3) if the Tenant (being an individual) becomes bankrupt, or
 - (4) if the Tenant (being a company) enters into liquidation whether voluntary or compulsory (unless for the purpose of reconstruction or amalgamation) or has a receiver or administrative receiver appointed over any of its assets or is the subject of a petition for the appointment of an administrator, or
 - (5) if the Tenant enters into an arrangement or composition with creditors,
- and on re-entry the Term will end but the Landlord will retain any accrued rights in respect of breaches of the Tenant's Obligations.

GENERAL PROVISIONS

- 19 Notices relating to this Lease or to the Premises may be served in accordance with Law of Property Act 1925 section 196.
- 20 The Landlord and the Tenant have agreed that Landlord and Tenant Act 1954 sections 24 to 28 do not apply.
- 21 The Landlord has served on the Tenant a notice in the form, or substantially in the form, set out in Schedule 1 to the Regulatory Reform (Business Tenancies) (England and Wales) Order 2003 ("the Order").
- 22 The requirements specified in Schedule 2 to the Order have been met in that the Tenant has made the appropriate declaration in the form, or substantially in the form, set out in Schedule 2 to the Order.

23 It is also agreed that:

- 23.1 the Tenant will not have any rights over any property of the Landlord or the benefit of any obligations on the part of the Landlord, except as set out in this Lease;
- 23.2 where a party to this Lease comprises two or more persons, they are responsible for all their obligations both jointly and individually;
- 23.3 where this Lease obliges the Tenant not to do something, the Tenant is also obliged not to permit it to be done by any person under the Tenant's control;
- 23.4 headings are given in this Lease for convenience only and do not affect the meaning of the text.

BREAK CLAUSE

- 24 Either the Landlord or the Tenant may give to the other not less than 1 months' written notice to end the Term on the {Finish Date of Notice} or on any later date. Ending the Term will not release the parties from their accrued liabilities down to that date.

CERTIFICATE FOR STAMPING

- 25 There is no written agreement for the grant of this lease.

**THERE ARE ACCOMPANYING GUIDANCE NOTES WHICH DO NOT FORM
PART OF THIS LEASE BUT WHICH YOU ARE STRONGLY
RECOMMENDED TO OBTAIN AND READ BEFORE SIGNING**

SIGNED by the LANDLORD *Landlord Digital Sign*

SIGNED by the TENANT *Tenant Digital Sign*

DATE OF THIS LEASE: **Sept 15, 2022.**

Declaration Prior to Agreement Excluding Security of Tenure

I, *(name of declarant)* of *(address)* declare that –

1. *(name of tenant)* proposes to enter into a tenancy of premises at *(address of premises)* for a term commencing on *(date)*.
2. The tenant proposes to enter into an agreement with *(name of landlord)* that the provisions of sections 24 to 28 of the Landlord and Tenant Act 1954 (security of tenure) shall be excluded in relation to the tenancy.
3. The landlord has, not less than 14 days before the tenant enters into the tenancy, or (if earlier) becomes contractually bound to do so served on the tenant a notice in the form, or substantially in the form, set out in Schedule 1 to the Regulatory Reform (Business Tenancies) (England and Wales) Order 2003. The form of notice set out in that Schedule is reproduced below.
4. The tenant has read the notice referred to in paragraph 3 above and accepts the consequences of entering into the agreement referred to in paragraph 2 above.
5. I am duly authorised by the tenant to make this declaration.

Signed

DECLARED thisday of.....

To: *(Tenant's name and address)*

From: *(Landlord's name and address)*

IMPORTANT NOTICE

You are being offered a lease without security of tenure. Do not commit yourself to the lease unless you have read this message carefully and have discussed it with a professional adviser.

Business tenants normally have security of tenure – the right to stay in their business premises when the lease ends.

If you commit yourself to the lease you will be giving up these important legal rights.

- You will have **no right** to stay in the premises when the lease ends.
- Unless the landlord chooses to offer you another lease, you will need to leave the premises.
- You will be unable to claim compensation for the loss of your business premises, unless the lease specifically gives you this right.
- If the landlord offers you another lease, you will have no right to ask the court to fix the rent.

It is therefore important to get professional advice – from a qualified surveyor, lawyer or accountant - before agreeing to give up these rights.

If you want to ensure that you can stay in the same business premises when the lease ends, you should consult your adviser about another form of lease that does not exclude the protection of the Landlord and Tenant Act 1954.

If you receive this notice at least 14 days before committing yourself to the lease, you will need to sign a simple declaration that you have received this notice and have accepted its consequences, before signing the lease.

But if you do not receive at least 14 days notice, you will need to sign a “statutory” declaration. To do so, you will need to visit an independent solicitor (or someone else empowered to administer oaths).

Unless there is a special reason for committing yourself to the lease sooner, you may want to ask the landlord to let you have at least 14 days to consider whether you wish to give up your statutory rights. If you then decided to go ahead with the agreement to exclude the protection of the Landlord and Tenant Act 1954, you would only need to make a simple declaration, and so you would not need to make a separate visit to an independent solicitor.

FORM OF NOTICE THAT SECTIONS 24 TO 28 OF THE LANDLORD AND TENANT ACT 1954 ARE NOT TO APPLY TO A BUSINESS TENANCY

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