

DATED 25 February

2026

PRISCILLA MARY PADLEY

and

THE SECRETARY OF STATE FOR HOUSING, COMMUNITIES AND LOCAL GOVERNMENT

LEASE

relating to

1 Edward Street, Brighton, East Sussex

CONTENTS

CLAUSE

1.	Interpretation.....	6
2.	Grant	13
3.	Tenant covenants.....	13
4.	Payment of Annual Rent	14
5.	Payment method.....	14
6.	No set-off	14
7.	Interest.....	14
8.	Rates and Taxes.....	15
9.	Utilities	15
10.	Common items.....	15
11.	Costs	15
12.	Assignment and Charging	16
13.	Underletting.....	17
14.	Prohibition of Dealings.....	18
15.	Notification and registration of dealings.....	18
16.	Repair.....	19
17.	Decoration	20
18.	Alterations	20
19.	Signs.....	21
20.	Window cleaning	22
21.	Returning the Property to the Landlord.....	22
22.	Use	23
23.	Exercise of the Rights	24
24.	Allow entry.....	24
25.	Keyholders and emergency contact details	25
26.	Compliance with laws	25
27.	Energy Performance Certificates	26
28.	Third Party Rights.....	27
29.	Registration of this lease.....	27
30.	Closure of registered title and removal of entries in relation to this lease and easements granted by this lease.....	28
31.	Encroachments and preservation of rights	28
32.	Procure guarantor consent	28
33.	Indemnity.....	29

34.	Landlord covenants.....	29
35.	Quiet enjoyment	29
36.	Exercise of right of entry	30
37.	Re-entry and forfeiture	30
38.	Section 62 of the LPA 192 and implied rights.....	31
39.	Power for the Landlord to Deal with Adjoining Property	31
40.	Limitation of liability	31
41.	Breach of repair and maintenance obligation.....	31
42.	Notices	32
43.	Consents and approvals	33
44.	VAT.....	33
45.	Crown Exemption Provisions	34
46.	Joint and several liability.....	36
47.	Entire agreement	36
48.	Contracts (Rights of Third Parties) Act 1999	36
49.	Governing Law	36
50.	Jurisdiction.....	36

SCHEDULE

Schedule 1	Property	38
Schedule 2	Rights	39
Schedule 3	Reservations.....	40
Schedule 4	Third Party Rights.....	41
Schedule 5	Rent review	42
Part 1	Definitions	42
1.	Definitions.....	42
Part 2	Assumptions	42
Part 3	Disregards.....	43
Part 4	Hypothetical Lease	43
Part 5	Review of the Annual Rent	43
1.	Review.....	43
2.	Determination by the Expert.....	44
3.	Late review of Annual Rent	45
4.	Time not of the essence	46
5.	Guarantor.....	46
Schedule 6	Insurance.....	47
1.	Landlord's obligation to insure.....	47

2.	Landlord to provide insurance details	47
3.	Tenant's obligations	48
4.	Rent suspension	49
5.	Landlord's obligation to reinstate following damage or destruction by an Insured Risk	49
6.	Termination if reinstatement impossible or impractical following Property Damage by an Insured Risk.....	50
7.	Property Damage by an Uninsured Risk	50
8.	Termination if reinstatement not complete by expiry of rent suspension	51
9.	Consequences of termination	51
Schedule 7	Guarantee and indemnity	52
1.	Guarantee and indemnity	52
2.	Guarantor's liability	52
3.	Variations and supplemental documents.....	53
4.	Guarantor to take a new lease or make payment	53
5.	Rent at the date of forfeiture or disclaimer	54
6.	Payments in gross and restrictions on the Guarantor	54
7.	Other securities	55

ANNEX

ANNEX A	Plan	57
ANNEX B	Original Schedule.....	60
ANNEX C	Reinstatement Drawings.....	103
ANNEX D	Memorandum Recording Updated Schedule	109

LR1. Date of lease

25 February

2026

LR2. Title number(s)

LR2.1 Landlord's title number(s)

ESX225773

LR2.2 Other title numbers

None

LR3. Parties to this lease

Landlord

Priscilla Mary Padley of 10 Parkway, Nassington, Peterborough, PE8 6QF

Tenant

The Secretary of State for Housing, Communities and Local Government on behalf of the Crown C/O HMCTS Property Directorate, HMCTS Property Team, 102 Petty France, London, SW1H 9AJ

Other parties

None

LR4. Property

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

See the definition of "Property" in Clause 1.1 and Schedule 1 of this lease.

The Property is let without the benefit of any existing easements or other rights which are appurtenant to title number ESX225773.

LR5. Prescribed statements etc.

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

None.

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

None.

LR6. Term for which the Property is leased

The term specified in the definition of "Contractual Term" in Clause 1.1 of this lease.

LR7. Premium

None.

LR8. Prohibitions or restrictions on disposing of this lease

This lease contains a provision that prohibits or restricts dispositions.

LR9. Rights of acquisition etc.

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

None.

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

None.

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

None.

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

None.

LR11. Easements

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

The easements set out in paragraph 1 of Schedule 2 to this lease are granted by this lease for the benefit of the Property.

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

The easements set out in paragraph 1 of Schedule 3 to this lease are granted or reserved over the Property for the benefit of other property.

LR12. Estate rentcharge burdening the Property

None.

LR13. Application for standard form of restriction

None.

~~**LR14. Declaration of trust where there is more than one person comprising the Tenant**~~

This lease is made between:

PARTIES

- (1) **PRISCILLA MARY PADLEY** of 10 Parkway, Nassington, Peterborough, PE8 6QF (**Landlord**); and
- (2) **THE SECRETARY OF STATE FOR HOUSING, COMMUNITIES AND LOCAL GOVERNMENT** on behalf of the Crown, c/o HMCTS Property Directorate, HMCTS Property Team, 102 Petty France, London, SW1H 9AJ (**Tenant**).

BACKGROUND

- (A) The Landlord is the freehold owner of the Property.
- (B) The residue of the term of the Previous Lease is vested in the Tenant.
- (C) The Landlord has agreed to grant a lease of the Property to the Tenant on the terms set out in this lease.

AGREED TERMS

1. Interpretation

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

1.1 Definitions:

Access Road: the access road at the rear of the Property shown for identification purposes cross-hatched in blue on the Plan.

Annual Rent: rent at a rate of:

- a) £299,250.00 per annum for the Concessionary Period; and
- b) £378,500.00 per annum for the period from and including the day after the expiry of the Concessionary Period to and including the Review Date;

and then as revised under Schedule 5 and any interim rent determined under the LTA 1954.

Authorised Person: any:

- a) undertenant or person deriving title under the Tenant;
- b) workers, contractors or agents of the Tenant or of any person referred to in paragraph (a) of this definition; or
- c) person at the Property with the actual or implied authority of the Tenant or any person referred to in paragraph (a) or paragraph (b) of this definition.

Basement Repairs: has the meaning given to this term in the Works Agreement.

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

Concessionary Period: the period from and including the Rent Commencement Date to and excluding the first anniversary of the Rent Commencement Date.

Contractual Term: a term of ten years from and including the date of this lease up to and including 24 February 2036.

Crown Body: any Secretary of State or Minister of the Crown, any department, commission or agency of the government of the United Kingdom or Great Britain and Northern Ireland carrying out the functions of the Crown.

Crown Exemption Period: any part of the Term during which the Tenant is a Crown Body.

Default Interest Rate: a yearly rate of interest at the rate of 3% per annum above the Interest Rate.

Energy Assessor: an individual who is a member of an accreditation scheme approved by the Secretary of State in accordance with regulation 22 of the EPC Regulations.

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

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

Excluded Insurance Items: any:

- a) glass forming part of the Property; and
- b) tenant's fixtures that are installed by or for the Tenant, any undertenant or occupier of the Property and that form part of the Property.

Expert: an independent surveyor:

- a) who is a Member or Fellow of the Royal Institution of Chartered Surveyors;
- b) with at least ten years' post-qualification experience including relevant experience in the subject matter of the dispute; and
- c) appointed in accordance with paragraph 2 of Part 5 of Schedule 5.

Group Company: a company within the same group of companies as the Tenant within the meaning of section 42(1) of the LTA 1954.

Insolvency Event: subject to clause 1.16, any one or more of the following:

- a) the taking of any step in connection with any voluntary arrangement or any other compromise or arrangement for the benefit of any creditors of the Tenant or any guarantor;
- b) the making of an application for an administration order or the making of an administration order in relation to the Tenant or any guarantor;
- c) the giving of any notice of intention to appoint an administrator, or the filing at court of the prescribed documents in connection with the appointment of an administrator, or the appointment of an administrator, in any case in relation to the Tenant or any guarantor;

- d) the appointment of a receiver or manager or an administrative receiver in relation to any property or income of the Tenant or any guarantor;
- e) the commencement of a voluntary winding-up in respect of the Tenant or any guarantor, except a winding-up for the purpose of amalgamation or reconstruction of a solvent company in respect of which a statutory declaration of solvency has been filed with the Registrar of Companies;
- f) the making of a petition for a winding-up order or a winding-up order in respect of the Tenant or any guarantor;
- g) the striking-off of the Tenant or any guarantor from the Register of Companies or the making of an application for the Tenant or any guarantor to be struck-off;
- h) the Tenant or any guarantor otherwise ceasing to exist (but excluding where the Tenant or any guarantor dies);
- i) the making of an application for a bankruptcy order, the presentation of a petition for a bankruptcy order or the making of a bankruptcy order against the Tenant or any guarantor;
- j) the making of an application to court for, or obtaining, a moratorium under Part A1 of the Insolvency Act 1986 in relation to the Tenant or any guarantor;
- k) the levying of any execution or other such process on or against, or taking control or possession of, the whole or any part of the Tenant's assets.

Insurance Rent: the aggregate in each year of:

- a) the gross cost of any premiums that the Landlord expends (before any discount or commission is allowed or paid to the Landlord) and any fees and other expenses that the Landlord reasonably incurs in insuring the Property (excluding the Excluded Insurance Items) against the Insured Risks for the Reinstatement Cost in accordance with this lease;
- b) the gross cost of the premium before any discount or commission for insurance for loss of Annual Rent from the Property for three years; and
- c) any IPT and any VAT (except to the extent that the Landlord obtains credit for such VAT as input tax or otherwise recovers it) payable on any sum set out in paragraphs (a) and (b) of this definition.

Insured Risks: (except to the extent any of the following are Uninsured Risks) fire, explosion, lightning, earthquake, tempest, storm, flood, bursting and overflowing of water tanks, apparatus or pipes, damage to underground water, oil or gas pipes or electricity wires or cables, impact by aircraft and aerial devices and articles dropped from them, impact by vehicles, subsidence, ground slip, heave, riot, civil commotion, strikes, labour or political disturbances, malicious damage, and any other risks against which the Landlord decides to insure against from time to time and **Insured Risk** means any one of the Insured Risks.

Interest Rate: the base rate from time to time of National Westminster Bank plc or, if that base rate stops being used or published, a comparable commercial rate specified by the Landlord (acting reasonably).

Interim Rent: the amount equal to the difference between (i) the Annual Rent of £378,500.00 payable under this Lease following the expiry of the Concessionary Period (calculated on a daily basis for the Interim Period) and (ii) the rent actually paid by the Tenant under the Previous Lease for the Interim Period.

Interim Period: the period starting on and including 17 March 2025 and ending on but excluding the Rent Commencement Date.

IPT: Insurance Premium Tax chargeable under the Finance Act 1994 or any similar replacement or additional tax.

Landlord's Surveyor: COH Surveyors of The Courtyard, 2B Chanctonfold, Horsham Road, Steyning, West Sussex, BN44 3AA or such replacement surveyor as the Landlord may nominate from time to time.

LPA 1925: Law of Property Act 1925.

LTA 1927: Landlord and Tenant Act 1927.

LTA 1954: Landlord and Tenant Act 1954.

LTCA 1995: Landlord and Tenant (Covenants) Act 1995.

Original Schedule: the schedule of condition annexed to the Previous Lease, a copy of which is annexed to this Lease as Annex B.

Permitted Part: any single floor of the Property but excluding any lifts, staircases and other amenities which might properly be intended for shared or common use by the tenants or occupiers of the building.

Permitted Use: use as courts or hearing rooms and / or government or other offices within Use Class E(c) and Use Class E(g)(1) of the Town and Country Planning (Use Classes) Order 1987 (as it applied in England at the date this lease was granted) PROVIDED THAT the Property shall not be used as a public caller office for the payment of social security or unemployment benefit or as a police station.

Practical Completion Notice Date: the date on which the Contract Administrator gives a practical completion certificate to the Tenant in respect of the Basement Repairs in accordance with clause 2.9(c) of the Works Agreement.

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

Previous Lease: a lease of the Property dated 24 March 2000 made between (1) Phillips & Drew Fund Management Limited and (2) The Secretary of State for the Environment, Transport and the Regions including any deed, licence, consent, approval or other instrument supplemental or collateral to it.

Previous Lease Alterations: any alterations undertaken by or for any tenant, undertenant or occupier during or in anticipation of the Previous Lease.

Property: the property described in Schedule 1.

Property Damage: damage to or destruction of the Property (excluding the Excluded Insurance Items) that makes the Property wholly or partially unfit for occupation and use.

Rates and Taxes: in relation to the Property all non-domestic rates (including rates for unoccupied premises) water rates, water charges and all existing and future rates, taxes, charges, assessments, impositions and outgoings whatsoever (whether parliamentary or local) which are now or may at any time be payable charged or assessed on property or the owner or occupier of property but “taxes” in this context does not include value added tax or any taxes imposed by the Landlord in respect of the yearly rent reserved by this Lease or in respect of a disposal of or dealing with the interest in immediate reversion to this Lease.

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

Reinstatement Cost: the full cost of reinstatement of the Property (excluding the Excluded Insurance Items) taking into account inflation of building costs and including any costs of demolition, site clearance, site protection, shoring up, professionals' and statutory fees and incidental expenses and any other work to the Property that may be required by law and any VAT on all such costs, fees and expenses.

Rents: the rents set out in clause 2.2.

Rent Commencement Date: the date of this lease.

Rent Payment Dates: 25 March, 24 June, 29 September and 25 December.

Repaired Basement Elements: those parts of the basement of the Property to which the Basement Repairs are carried out pursuant to the Works Agreement.

Reservations: the rights excepted and reserved in paragraph 1 of Schedule 3.

Rights: the rights granted in paragraph 1 of Schedule 2.

Service Media: all media for the supply or removal of Utilities and all structures, machinery and equipment ancillary to those media.

Signs: signs, fascia, awnings, placards, boards, posters and advertisements.

Tenant Damage: damage or destruction caused by an act or omission of the Tenant or any Authorised Person.

Term: the Contractual Term and any statutory continuation of this lease.

Termination Date: the date on which this lease determines (however it determines).

Third Party Rights: the matters set out in Schedule 4.

Transaction: is:

- a) any dealing with this lease or the devolution or transmission of or parting with possession of any interest in it;
- b) the creation of any underlease or other interest out of this lease or out of any interest or underlease derived from it and any dealing, devolution or transmission of or parting with possession of any such interest or underlease; or
- c) the making of any other arrangement for the occupation of the Property.

Updated Schedule: a photographic schedule of condition showing the state of repair and condition of the Repaired Basement Elements.

Uninsured Risks: any of the risks specified in the definition of Insured Risks where such risks are not insured against at the date of the relevant damage or destruction because of an exclusion imposed by the insurers or insurance for such risks was not available in the London insurance market on reasonable terms acceptable to the Landlord at the time the insurance policy was entered into and **Uninsured Risk** means any one of the Uninsured Risks.

Unsecured Underletting: any underletting of the whole or a Permitted Part of the Property in relation to which the underlessor and the underlessee have entered into an agreement that the provisions of sections 24 to 28 of the LTA 1954 are excluded from applying to the tenancy created by the underlease.

Utilities: electricity, gas, water, sewage, air-conditioning, heating, energy, telecommunications, data and all other services and utilities.

Utility Costs: all costs in connection with the supply or removal of Utilities to or from the Property (or a fair proportion of the total cost if any of those costs are payable in respect of the Property together with any other property).

VAT: value added tax or any equivalent tax chargeable in the UK.

Works Agreement: the agreement dated the same date as this lease and entered in to between the Landlord and the Tenant

- 1.2 A reference to this **lease**, except a reference to the date of this lease or to the grant of this lease, is a reference to this deed and any deed, licence, consent, approval or other instrument supplemental or collateral to it.
- 1.3 The Schedules and Annexes form part of this lease and shall have effect as if set out in full in the body of this lease. Any reference to **this lease** includes the Schedules and Annexes.
- 1.4 As from the date that the Updated Schedule is agreed or determined in accordance with clause 16.3 of this Lease, all references to **this lease** shall include the Updated Schedule.
- 1.5 Unless the context otherwise requires, references to clauses, Schedules and Annexes are to the clauses, Schedules and Annexes of this lease and references to paragraphs are to paragraphs of the relevant Schedule.
- 1.6 Clause, Schedule and paragraph headings shall not affect the interpretation of this lease.
- 1.7 A reference to:
 - (a) the **Landlord** includes a reference to the person entitled to the immediate reversion to this lease;
 - (b) the **Tenant** includes a reference to its successors in title and assigns; and
 - (c) a **guarantor** is a reference to any guarantor of the tenant covenants of this lease including a guarantor who has entered into an authorised guarantee agreement.
- 1.8 In relation to any payment, a reference to a **fair proportion** is to a fair proportion of the total amount payable, determined conclusively (except as to questions of law) by the Landlord.

- 1.9 A **person** includes a natural person, corporate or unincorporated body (whether or not having separate legal personality).
- 1.10 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.
- 1.11 The expressions **authorised guarantee agreement**, **landlord covenant** and **tenant covenant** each has the meaning given to it by the LTCA 1995.
- 1.12 Any obligation on the Tenant not to do something includes an obligation not to allow that thing to be done and an obligation to use best endeavours to prevent that thing being done by another person.
- 1.13 References to:
- (a) the consent of the Landlord are to the consent of the Landlord given in accordance with clause 43.1;
 - (b) the approval of the Landlord are to the approval of the Landlord given in accordance with clause 43.3; and
- any consent or approval required from the Landlord shall be construed as also including a requirement to obtain the consent or approval of any mortgagee of the Landlord.
- 1.14 Unless the context otherwise requires, references to the **Property** are to the whole and any part of it.
- 1.15 Unless the context otherwise requires, any words following the terms **including**, **include**, **in particular**, **for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- 1.16 For the purposes of the definition of **Insolvency Event**:
- (a) where any of the paragraphs in that definition apply in relation to:
 - (i) a partnership or limited partnership (as defined in the Partnership Act 1890 and the Limited Partnerships Act 1907 respectively), that paragraph shall apply subject to the modifications referred to in the Insolvent Partnerships Order 1994 (SI 1994/2421) (as amended); and
 - (ii) a limited liability partnership (as defined in the Limited Liability Partnerships Act 2000), that paragraph shall apply subject to the modifications referred to in the Limited Liability Partnerships Regulations 2001 (SI 2001/1090) (as amended); and
 - (b) **Insolvency Event** includes any analogous proceedings or events that may be taken pursuant to the legislation of another jurisdiction in relation to a tenant or guarantor incorporated or domiciled in such relevant jurisdiction.
- 1.17 A reference to **writing** or **written** excludes fax and email.

- 1.18 Unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular.
- 1.19 A **working day** is any day which is not a Saturday, a Sunday, a bank holiday or a public holiday in England.
- 1.20 Unless expressly provided otherwise in this lease, a reference to legislation or a legislative provision is a reference to it as amended, extended or re-enacted from time to time.
- 1.21 Unless expressly provided otherwise in this lease, a reference to legislation or a legislative provision shall include all subordinate legislation made from time to time under that legislation or legislative provision.
- 1.22 If any provision or part-provision of this lease is or becomes invalid, illegal or unenforceable, it shall be deemed deleted, but that shall not affect the validity and enforceability of the rest of this lease.

2. Grant

- 2.1 The Landlord lets the Property to the Tenant:
- (a) for the Contractual Term;
 - (b) with full title guarantee;
 - (c) together with the Rights;
 - (d) excepting and reserving the Reservations; and
 - (e) subject to the Third Party Rights.
- 2.2 The grant in clause 2.1 is made with the Tenant paying as rent to the Landlord:
- (a) the Annual Rent;
 - (b) the Interim Rent for the Interim Period;
 - (c) the Insurance Rent;
 - (d) all interest payable under this lease;
 - (e) all other sums payable under this lease; and
 - (f) all VAT chargeable on the other rents set out in this clause 2.2.

3. Tenant covenants

The Tenant covenants with the Landlord to observe and perform the tenant covenants of this lease during the Term or (if earlier) until the Tenant is released from the tenant covenants of this lease by virtue of the LTCA 1995.

4. Payment of Annual Rent

4.1 The Tenant must pay the Annual Rent by four equal instalments in advance on or before the Rent Payment Dates except that:

- (a) the Tenant must pay the first instalment of Annual Rent on the Rent Commencement Date; and
- (b) that first instalment of Annual Rent shall be the proportion of the Annual Rent calculated on a daily basis for the period from and including the Rent Commencement Date to and including the day before the next Rent Payment Date after the Rent Commencement Date.

4.2 The Tenant shall, on or before the date of this Lease, pay the Interim Rent together with interest on that amount at the Interest Rate from 17 March 2025 to the date of payment.

5. Payment method

The Tenant must pay the Annual Rent and all other sums payable under this lease by:

- (a) electronic means from an account held in the name of the Tenant to the account notified from time to time to the Tenant by the Landlord; or
- (b) any other method that the Landlord reasonably requires from time to time and notifies to the Tenant.

6. No set-off

The Tenant must pay the Annual Rent and all other sums payable under this lease in full without any set-off, counterclaim, deduction or withholding (other than any deduction or withholding of tax as required by law).

7. Interest

7.1 If any of the Annual Rent or any other sum payable by the Tenant under this lease has not been paid by its due date (whether it has been formally demanded or not), the Tenant must pay to the Landlord interest on that amount at the Default Interest Rate (both before and after any judgment). Such interest shall accrue on that amount on a daily basis for the period beginning on and including its due date to and including the date of payment.

7.2 If the Landlord does not demand or accept any of the Annual Rent or any other sum due from, or tendered by, the Tenant under this lease because the Landlord reasonably believes that the Tenant is in breach of any of the tenant covenants of this lease, then, when that amount is accepted by the Landlord, the Tenant must pay to the Landlord interest on that amount at the Interest Rate. Such interest shall accrue on that amount on a daily basis for the period beginning on and including its due date to and including the date it is accepted by the Landlord.

8. Rates and Taxes

- 8.1 The Tenant must pay all Rates and Taxes.
- 8.2 The Tenant must not make any proposal to alter the rateable value of the Property (or that value as it appears on any draft rating list) without the approval of the Landlord.

9. Utilities

- 9.1 The Tenant must pay all Utility Costs.
- 9.2 The Tenant must comply with all laws and with any recommendations of the relevant suppliers relating to the supply and removal of Utilities to or from the Property.

10. Common items

- 10.1 The Tenant must pay to the Landlord on demand a fair and proper proportion (to be reasonably determined by the Landlord or the Landlord's surveyor) of the reasonably and properly incurred expense of cleaning repairing decorating and maintaining any party walls which may be used by an occupier of the property in common with any person or persons.
- 10.2 The Tenant must pay to the Landlord on demand a fair and proper proportion (to be reasonably determined by the Landlord or the Landlord's surveyor) of the reasonably and properly incurred expense of cleaning lighting repairing (where beyond economic repair) renewing decorating maintaining and (where beyond economic repair) rebuilding any fences gutters drains roadways pavements entranceways stairs and passages accessways and service areas which are or may be used or enjoyed by an occupier of the Property in common with any other person or persons.

11. Costs

The Tenant must pay on demand and on a full indemnity basis the costs and expenses of the Landlord including any solicitors' or other professionals' costs and expenses (whether incurred before or after the Termination Date) in connection with, or in contemplation of, any of the following:

- (a) the enforcement of the tenant covenants of this lease;
- (b) serving any notice or taking any proceedings in connection with this lease under section 146 or 147 of the LPA 1925 (notwithstanding that forfeiture is avoided otherwise than by relief granted by the court);
- (c) serving any notice in connection with this lease under section 17 of the LTCA 1995;
- (d) the preparation and service of a schedule of dilapidations in connection with this lease provided that that schedule is served on or before the date which is six months from and including the Termination Date; or
- (e) any consent or approval applied for under this lease, whether or not it is granted (unless the consent or approval is unreasonably withheld by the Landlord).

12. Assignment and Charging

- 12.1 The Tenant shall not assign or charge part only (as opposed to the whole) of the Property nor underlet part only (as opposed to the whole) of the Property other than a Permitted Part.
- 12.2 The Tenant shall not assign or charge this Lease without the consent of the Landlord not to be unreasonably withheld or delayed, subject to the operation of clause 12.3.
- 12.3 The Landlord and the Tenant agree that, for the purposes of section 19(1A) of the LTA 1927, the Landlord may give its consent to an assignment subject to all or any of the following conditions:
- (a) a condition that the assignor enters into an authorised guarantee agreement in favour of the Landlord which:
 - (i) is in respect of all the tenant covenants of this lease;
 - (ii) is in respect of the period beginning with the date the assignee becomes bound by those covenants and ending on the date when the assignee is released from those covenants by virtue of section 5 of the LTCA 1995;
 - (iii) imposes principal debtor liability on the assignor;
 - (iv) requires (in the event of a disclaimer of this lease) the assignor to enter into a new tenancy for a term equal to the unexpired residue of the Contractual Term; and
 - (v) is otherwise in a form reasonably required by the Landlord;
 - (b) a condition that any guarantor of the assignor (other than a guarantor under an authorised guarantee agreement) enters into a guarantee in favour of the Landlord in a form reasonably required by the Landlord guaranteeing that the assignor will comply with the terms of the authorised guarantee agreement;
 - (c) a condition that a person of standing acceptable to the Landlord (acting reasonably) enters into a guarantee and indemnity of the tenant covenants of this lease in favour of the Landlord in the form set out in Schedule 7 (but with such amendments and additions as the Landlord may reasonably require;
 - (d) a condition that, where the Tenant assigns this Lease to a Group Company, the ultimate holding company (unless it is the assignee or it would itself be giving an authorised guarantee agreement) shall enter into a guarantee in the form set out in Schedule 7 provided that the Landlord may require another substantial Group Company to give the guarantee if the ultimate holding company would otherwise be released from liability.
- 12.4 The Landlord and the Tenant agree that, for the purposes of section 19(1A) of the LTA 1927, the Landlord may refuse its consent to an assignment if the Annual Rent or any other sum due under this lease (where that other sum is not the subject of a genuine dispute with the Landlord) is outstanding.

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

13. Underletting

- 13.1 The Tenant may underlet the whole of the Property or a Permitted Part in accordance with this clause 13 and with the consent of the Landlord (such consent not to be unreasonably withheld or delayed).
- 13.2 The Tenant shall not underlet the Property so as to sub-divide it into more than three units of occupation nor so that any such unit of occupation created or any left remaining comprises less than a Permitted Part.
- 13.3 The Tenant shall not underlet the whole of the Property or a Permitted Part by way of Unsecured Underletting.
- 13.4 On the grant of any underlease of the whole or a Permitted Part of the Property or on the grant of a sub-underlease of the whole of the Property, the Tenant must:
- (a) Include provisions for that review of the rent reserved by the underlease (or the sub-underlease) in an upwards only direction to correspond in time and effect with provisions for the review of rent in this lease;
 - (b) not reserve a fine or premium or reverse premium;
 - (c) reserve a rent which is not less than the market rent at the time of the underlease (assessed in accordance with the provisions of Schedule 5) or, in the case of a Permitted Part, the proportionate part of the market rent of the Property (such proportion to be approved by the Landlord, such approval not to be unreasonably withheld or delayed);
 - (d) include provisions in the underlease to the same effect as those in this clause 13;
 - (e) include such underlessee covenants as are consistent with, and do not impair, the proper performance and observance of the Tenant's covenants under this Lease;
 - (f) procure that any sub-underlease of the whole of the Property prohibits any further sub-sub-underletting of the Property;
 - (g) for a term that will expire by effluxion of time later than three days before the Contractual Term expires by effluxion of time;
 - (h) include a covenant on the part of the undertenant to observe and perform the covenants and conditions on the part of the Tenant contained in this lease in respect of the Property so underlet except:
 - (i) those that involve making payments to the Landlord;
 - (j) those specifically assumed by the Tenant (qua landlord).

- 13.5 The Tenant shall not without the consent of the Landlord, such consent not to be unreasonably withheld or delayed, vary the terms or waive the benefit of any underlessee covenant or conditions in an underlease of the Property.
- 13.6 The Tenant shall not without the consent of the Landlord accept any sum or payment in kind by way of commutation of the rent payable by an underlessee of the Property.
- 13.7 The Tenant shall not accept the payment of rent from an underlessee of the Property otherwise than by regular quarterly (or more frequent) payments in advance.
- 13.8 The Tenant shall diligently and promptly exercise any rights to review the rent reserved under any underlease of the Property and shall not agree a revised rent with the underlessee (except where it results from a determination by an arbitrator or independent expert) without the Landlord's prior written approval, such approval not to be unreasonably withheld or delayed.

14. Prohibition of Dealings

- 14.1 Except as expressly permitted by clause 12 and clause 13, the Tenant must not:
- (a) part with or share possession or occupation of the whole or any part of the Property;
 - (b) grant any rights over the Property to third parties.

15. Notification and registration of dealings

- 15.1 Within one month of any Transaction, the Tenant must:
- (a) give the Landlord notice of the Transaction;
 - (b) deliver a certified copy of any document effecting or evidencing the Transaction to the Landlord (including a certified copy of any notice served under, or any declaration or statutory declaration made in accordance with, section 38A of the LTA 1954 as part of such Transaction); and
 - (c) pay the Landlord's solicitors such fee as they reasonably and properly require for the registration.
- 15.2 In respect of every Transaction that is registrable at HM Land Registry, the Tenant must:
- (a) apply to register a Transaction promptly following completion of that Transaction;
 - (b) respond promptly and properly to any requisitions raised by HM Land Registry in connection with an application to register a Transaction; and
 - (c) send the Landlord official copies of its title (and where applicable of the undertenant's title) within one month of completion of the registration.

For the purpose of clause 15.2, any obligation on the Tenant to do something includes an obligation to procure that the thing is done.

- 15.3 If requested by the Landlord, the Tenant must promptly supply the Landlord with full details of the occupiers of the Property and the terms on which they occupy it.

16. Repair

- 16.1 The Tenant must, subject to clause 16.8, well and substantially repair, maintain and clean the Property and keep it in good and substantial repair and condition, maintained and in a clean condition.
- 16.2 Until the Practical Completion Notice Date, the Tenant shall not be obliged to put or keep the basement of the Property in any better state or condition than that evidenced in the Original Schedule.
- 16.3 The Landlord and the Tenant shall use reasonable endeavours to agree a time and date to attend the Property to prepare the Updated Schedule as soon as reasonably possible following the Practical Completion Notice Date. If the Landlord and the Tenant have not agreed the Updated Schedule within 30 working days following the Practical Completion Notice Date, either party may at any time refer the determination of the Updated Schedule to an Expert in accordance with paragraphs 2.2 to 2.12 of Schedule 5.
- 16.4 Within 20 working days of the Updated Schedule being agreed or determined in accordance with clause 16.3, the Landlord and the Tenant shall execute as a deed the memorandum in the form annexed to this Lease as Annex D with the Updated Schedule annexed. Each party shall bear its own costs of signing the Memorandum. If the Tenant fails to sign the Memorandum within 10 Working Days of being requested in writing to do so, the Landlord may sign the Memorandum on the Tenant's behalf and such signature shall be binding on the Tenant as if given by the Tenant.
- 16.5 With effect from Practical Completion Notice Date:
- (a) in respect of the Repaired Basement Elements, the Tenant shall not be obliged to put or keep them in any better state or condition (including for the avoidance of doubt any weep holes and drainage outlets) than as evidenced in the Updated Schedule;
 - (b) in respect of all other elements of the basement not comprised in the Repaired Basement Elements, the Tenant shall not be obliged to put or keep them in any better state or condition than that evidenced in the Original Schedule.
- 16.6 If there is any inconsistency or overlap between the Updated Schedule and the Original Schedule, the Updated Schedule shall prevail in relation to Repaired Basement Elements, and the Original Schedule shall prevail in relation to all other elements of the basement.
- 16.7 All covenants by the Tenant in this clause 16 shall be construed as if they have been given at the date upon which the Tenant first went into occupation of the Property or (if earlier) the date of commencement of the term of the Previous Lease.
- 16.8 The Tenant shall not be liable to repair the Property (excluding any Excluded Insurance Items) to the extent that any disrepair has been caused by:
- (a) an Insured Risk unless and to the extent that:

- (i) the policy of insurance of the Property has been vitiated or any insurance proceeds withheld in consequence of any act or omission of the Tenant or any Authorised Person (except where the Tenant has paid an amount equal to any insurance money that the insurers refuse to pay in accordance with paragraph 3.3(f) of Schedule 6); or
 - (ii) the insurance cover in relation to that disrepair is limited as referred to in paragraph 1.4 of Schedule 6; or
- (b) Property Damage by an Uninsured Risk unless such Property Damage is Tenant Damage.

17. Decoration

17.1 The Tenant must:

- (a) decorate the interior of the Property in the years 2027 and 2034 and also in the last three months before the Termination Date provided that the Tenant shall not be obliged to carry out such decorations twice in two successive years;
- (b) decorate the exterior of the Property in the years 2029 and 2034 and also in the last three months before the Termination Date provided that the Tenant shall not be obliged to carry out such decorations twice in two successive years;
- (c) carry out all decoration (including all appropriate preparatory work) in a good and proper manner using good quality paint or polish or other suitable material of good quality in a proper and workmanlike manner;
- (d) carry out the decoration of the interior of the Property required in the last three months before the Termination Date in such colours, patterns and materials as the Landlord may reasonably and properly require if different from the colours, patterns and materials then subsisting at the Property;
- (e) not without the consent of the Landlord (such consent not to be unreasonably withheld or delayed) to change any part of the external colour of the Property.

17.2 All covenants by the Tenant in this clause 17 shall be construed as if they have been given at the date upon which the Tenant first went into occupation of the Property or (if earlier) the date of commencement of the term of the Previous Lease.

18. Alterations

18.1 Except as permitted by this clause 18, the Tenant must not make any:

- (a) alteration or addition to or affecting the exterior or adversely affecting the structural integrity of the Property; or
- (b) alterations or additions to or affecting the structure of the Property without the consent of the Landlord, such consent not to be unreasonably withheld or delayed.

18.2 Any alterations permitted by this clause 18 must be carried out in a good and workmanlike manner.

- 18.3 The Tenant may make internal non-structural alterations to the Property with the consent of the Landlord (such consent not to be unreasonably withheld or delayed).
- 18.4 The Tenant may install or remove non-structural demountable partitioning at the Property and consequential adjustments of ducting, ceiling tiles, light fittings, wiring, electrical and computer cabling without the consent of the Landlord provided that the Tenant must deposit the plans of the partitions (or details of the alteration or removal of partitioning) with the Landlord as soon as reasonably practicable following the carrying out of such works.
- 18.5 The Tenant must not install any plant, machinery or equipment on the roof or any other external part of the Property without the consent of the Landlord such consent not to be unreasonably withheld or delayed.
- 18.6 The Tenant must not install or erect any exterior lighting, shade, canopy or awning or other structure in front of or elsewhere outside the Property without the consent of the Landlord such consent not to be unreasonably withheld or delayed.
- 18.7 On the Termination Date to the extent required by the Landlord to reinstate the Property to the condition in which it was in at the grant of the Previous Lease and to the layout shown on the McBains Cooper drawings numbered 48332-018-01, 48332-018-02, 48332-018-03, 48332-018-04 and 48332-018-05 annexed to this Lease as Annex C, such reinstatement to be carried out to the reasonable and proper satisfaction of the Landlord or the Landlord's surveyor.
- 18.8 The Tenant must not carry out any alteration to the Property which would, or may reasonably be expected to, have an adverse effect on the asset rating in any Energy Performance Certificate for the Property.

19. Signs

- 19.1 The Tenant must not:
- (a) display any Signs inside the Property that are visible from the outside; or
 - (b) attach any Signs to the exterior of the Property;
- except, with the consent of the Landlord (such consent not to be unreasonably withheld or delayed).
- 19.2 Subject to clause 19.3, the Tenant must allow the Landlord to fix to and keep at the Property and the Tenant must neither remove nor obscure:
- (a) during the six month period before the Termination Date, any re-letting board as the Landlord reasonably requires except where there is a genuine prospect of the Tenant renewing this lease and the Tenant is genuinely and actively pursuing that renewal; and
 - (b) at any time during the Term, any sale board as the Landlord reasonably requires.
- 19.3 Any letting or sale board fixed to or kept at the Property under clause 19.2 must not obstruct the access of light and air to the Property and the persons entering the Property to fix the said

letting or sale board must give 24 hours' prior notice and cause as little inconvenience as possible to the occupier of the Property and shall comply with such reasonable regulations as may from time to time be made by the Tenant for security reasons and also with any other reasonable directions given by the Tenant.

- 19.4 The Tenant must permit all persons authorised and rising by the Landlord or its agents to view the Property at reasonable and proper hours (upon 24 hours' prior notice) in connection with any such sale or letting provided that the person or persons so entering shall cause as little inconvenience as possible to the occupier of the Property and shall comply with such reasonable regulations as may be made from time to time by the Tenant for security reasons and also with any other reasonable directions given by the Tenant. The Landlord shall have no right to view the Property in connection with a sale or letting without the Tenant's consent, which shall not be unreasonably withheld, if the Tenant has made a valid court application under section 24 of the LTA 1954 or is otherwise legally entitled to remain in occupation or to a new tenancy of the Property.

20. Window cleaning

As often as reasonably necessary, the Tenant must clean the internal and external surfaces of any:

- (a) windows; and
- (b) other glass;

at the Property.

21. Returning the Property to the Landlord

- 21.1 The Tenant must quietly yield up the Property to the Landlord on the Termination Date (with all additions and improvements to the Property and all fixtures in the Property other than tenant's fixtures and fittings which the Tenant may be entitled to remove) repaired, maintained, cleaned and decorated and kept in accordance with the Tenant's covenants in this Lease (except in respect of damage caused by the Insured Risks as allowed for in clause 16.8 .

- 21.2 Subject to clause 21.3, the Tenant must by the Termination Date:

- (a) remove:
 - (i) any tenant's belongings from the Property if so requested by the Landlord, that is to say trade fixtures and fittings;
 - (ii) any alterations to the Property undertaken by or for any tenant, undertenant or occupier during or in anticipation of this lease and any Previous Lease Alterations; and
 - (iii) any Signs erected by the Tenant at the Property; and
- (b) make good any damage caused to the Property by the removal of those items and alterations.

- 21.3 The Tenant shall not install any plant, machinery or equipment on the roof or any other external part of the Property without the consent of the Landlord, such consent not to be unreasonably withheld or delayed.
- 21.4 On or before the Termination Date, the Tenant must remove from the Property all chattels belonging to or used by it.
- 21.5 The Tenant:
- (a) irrevocably appoints the Landlord to be the Tenant's agent to store or dispose of any chattels or items fixed to the Property by the Tenant and left by the Tenant for more than 28 days after being requested in writing by the Landlord to do so; and
 - (b) must indemnify the Landlord in respect of any claim made by a third party in relation to that storage or disposal.

The Landlord shall not be liable to the Tenant by reason of that storage or disposal.

22. Use

- 22.1 The Tenant must not use the Property for any purpose other than the Permitted Use.
- 22.2 The Tenant must not:
- (a) erect nor install in the Property any engine, furnace, plant or machinery which causes noise fumes or vibration which can be heard smelled or felt outside the Property;
 - (b) store any petrol or other specially inflammable explosive or combustible substance in the Property;
 - (c) use the Property for any noxious, noisy or offensive trade or business nor for any illegal or immoral act or purpose;
 - (d) hold any auction at the Property;
 - (e) hold any exhibition or public entertainment in or on the Property, provided that, for the avoidance of doubt, use of the Property for the Permitted Use (subject to the Third Party Rights) shall not constitute a breach of this covenant;
 - (f) permit any vocal or instrumental music in the Property so that it can be heard from outside the Property;
 - (g) permit livestock of any kind to be kept on the Property;
 - (h) do anything in the Property which may be or grow to be a nuisance, annoyance, disturbance, inconvenience or damage to the Landlord or to the owners, tenants and occupiers of adjoining and neighbouring properties;
 - (i) load or use the floors, walls, ceilings or structure of the Property so as to cause strain, damage or interference with the structural parts, load bearing framework, roof, foundations, joists and external walls of the Property;
 - (j) overload the lifts, electrical installation or Service Media in the Property;

- (k) do or omit to do anything which may interfere with or which imposes an additional loading on any ventilation, heating, air conditioning or other plant or machinery serving the Property;
- (l) use the Property as a betting shop or an amusement arcade or otherwise for the purposes of gaming or gambling;
- (m) use the Property for the sale of alcoholic liquor for consumption either on or off the Property;
- (n) allow any person to sleep in the Property nor use the Property for residential purposes;
- (o) at any time place any goods, mats, trade empties, rubbish or other obstruction in the Access Road;
- (p) accumulate trade empties on the Property;
- (q) place, leave or install any articles, merchandise, goods or other things in front of or elsewhere outside the Property other than in areas designated by the Landlord or the local authority for such use;
- (r) allow the drains to become obstructed by oil, grease, or any other harmful substances and shall keep the Property and all drains serving it properly and thoroughly cleaned;
- (s) use any portion of the Access Road forming part of the Property for the parking of vehicles nor to carry out any repairs or maintenance to vehicles on the Access Road.

23. Exercise of the Rights

The Tenant must exercise the Rights:

- (a) only in connection with the Tenant's use of the Property for the Permitted Use; and
- (b) in compliance with all laws relating to the Tenant's use of the Property and any other neighbouring or adjoining property pursuant to the Rights.

24. Allow entry

24.1 The Tenant shall permit the Landlord, and the owners, tenants, or occupiers of any adjoining or neighbouring property, together with their respective agents, contractors, and employees, to enter the Property at reasonable and proper times after giving to the Tenant no less than 48 hours' prior written notice (except in an emergency), but only to the extent that such entry is reasonably and economically necessary for the purposes set out in this sub-clause, and those purposes cannot otherwise be carried out without such entry:

- (a) to alter, maintain or repair the adjoining property or premises of the Landlord or person so entering;
- (b) to alter maintain repair or fix anything serving such property and running through or on the Property;

- (c) to comply with an obligation to any third party having legal rights over the Property;
or
 - (d) in exercise of a right or to comply with an obligation of repair common maintenance or renewal under this Lease.
- 24.2 The Landlord (or other person entering) must exercise the rights specified in clause 24.1 in a reasonable and proper manner, making good any damage caused without unreasonable delay. Any such person shall comply with all reasonable security regulations and other directions given by the Tenant from time to time and shall cause as little inconvenience as practicably possible to the occupier of the Property.

25. Keyholders and emergency contact details

The Tenant must provide to the Landlord in writing the names, addresses and telephone numbers of at least two people who each:

- (a) hold a full set of keys for the Property;
- (b) hold all the access codes for the Tenant's security systems (if any) at the Property;
and
- (c) may be contacted in case of emergency at any time outside the Tenant's usual business hours.

26. Compliance with laws

26.1 The Tenant must comply with all laws relating to:

- (a) the Property and the occupation and use of the Property by the Tenant;
- (b) the use or operation of all Service Media and any other machinery and equipment at or serving the Property whether or not used or operated;
- (c) any works carried out at the Property; and
- (d) all materials kept at or disposed of from the Property.

26.2 Within five working days of receipt of any notice or other communication affecting the Property (and whether or not served pursuant to any law) the Tenant must:

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

26.3 The Tenant must:

- (a) not apply for any planning permission for the Property without the Landlord's consent (such consent not to be unreasonably withheld or delayed);
- (b) not implement any planning permission for the Property if the Landlord makes reasonable and proper objection to any of the conditions subject to which it is granted;

- (c) give the Landlord full particulars in writing of any grant of planning permission for the Property as soon as reasonably practicable;
- (d) carry out and complete any works stipulated to be carried out to the Property (whether before or after the Termination Date) as a condition of any planning permission for the Property that is implemented before the Termination Date by the Tenant, any undertenant or any other occupier of the Property;
- (e) indemnify the Landlord against any reasonable costs or expenses properly incurred as a result of the Property reverting to its previous use following the expiry or revocation of any planning permission obtained pursuant to this clause 26.3; and
- (f) at the request and cost of the Landlord to make or join with the Landlord in making such objections or representations against or in respect of any proposal for such a notice or order as the Landlord may reasonably consider expedient.

26.4 The Tenant must:

- (a) comply with its obligations under the CDM Regulations;
- (b) maintain the health and safety file for the Property in accordance with the CDM Regulations;
- (c) give that health and safety file to the Landlord at the Termination Date;
- (d) procure, and give to the Landlord at the Termination Date, irrevocable, non-exclusive, non-terminable, royalty-free licence(s) for the Landlord to copy and make full use of that health and safety file for any purpose relating to the Property. Those licence(s) must carry the right to grant sub-licences and be transferable to third parties without the consent of the grantor; and
- (e) supply all information to the Landlord that the Landlord reasonably requires from time to time to comply with the Landlord's obligations under the CDM Regulations.

26.5 As soon as reasonably practicable after becoming aware of any defects in the Property which are "relevant defects" for the purpose of section 4 of the Defective Premises Act 1972, the Tenant must give the Landlord notice of them.

27. Energy Performance Certificates

27.1 The Tenant must:

- (a) co-operate with the Landlord so far as is reasonably necessary to allow the Landlord to obtain an Energy Performance Certificate and Recommendation Report for the Property including providing the Landlord with copies of any plans or other information held by the Tenant that would assist in obtaining an Energy Performance Certificate and Recommendation Report at the cost of the Landlord; and
- (b) allow such access to any Energy Assessor appointed by the Landlord as is reasonably necessary to inspect the Property for the purposes of preparing an Energy Performance Certificate and Recommendation Report for the Property.

- 27.2 The Tenant must not commission an Energy Performance Certificate for the Property unless required to do so by the EPC Regulations.
- 27.3 Where the Tenant is required by the EPC Regulations to commission an Energy Performance Certificate for the Property, the Tenant must at the request of the Landlord either:
- (a) commission an Energy Performance Certificate from an Energy Assessor approved by the Landlord; or
 - (b) pay the costs of the Landlord of commissioning an Energy Performance Certificate for the Property.
- 27.4 The Tenant must deliver to the Landlord a copy of any Energy Performance Certificate and Recommendation Report for the Property that is obtained or commissioned by the Tenant or any other occupier of the Property.

28. Third Party Rights

The Tenant must:

- (a) comply with the obligations on the Landlord relating to the Third Party Rights to the extent that those obligations relate to the Property; and
- (b) not do anything that may interfere with any Third Party Right.

29. Registration of this lease

29.1 The Tenant must:

- (a) apply to register this lease at HM Land Registry promptly and in any event within one month following the grant of this lease;
- (b) ensure that any requisitions raised by HM Land Registry in connection with its application to register this lease at HM Land Registry are responded to promptly and properly; and
- (c) send the Landlord official copies of its title within one month of completion of the registration.

29.2 The Tenant must not:

- (a) apply to HM Land Registry to designate this lease as an exempt information document for the purposes of the Land Registration Rules 2003;
- (b) object to an application by the Landlord to HM Land Registry to designate this lease as such an exempt information document; or
- (c) apply for an official copy of any exempt information document version of this lease.

30. Closure of registered title and removal of entries in relation to this lease and easements granted by this lease

30.1 The Tenant must make an application to HM Land Registry to close the registered title of this lease and remove from the Landlord's title any entries relating to this lease and any easements granted by this lease promptly (and in any event within (one month) following the Termination Date.

30.2 The Tenant must:

- (a) ensure that any requisitions raised by HM Land Registry in connection with its application to HM Land Registry pursuant to clause 30.1 are responded to promptly and properly; and
- (b) keep the Landlord informed of the progress and completion of that application.

31. Encroachments and preservation of rights

31.1 The Tenant must not permit any encroachment over the Property or permit any easements or other rights to be acquired over the Property.

31.2 If any encroachment over the Property is made or attempted or any action is taken by which an easement or other right may be acquired over the Property, the Tenant must:

- (a) immediately inform the Landlord and give the Landlord notice of that encroachment or action; and
- (b) at the request and cost of the Landlord, adopt such measures as may be reasonably required or deemed proper for preventing any such encroachment or the acquisition of any such easement or other right.

31.3 The Tenant must preserve all rights of light and other easements enjoyed by the Property.

31.4 The Tenant must not prejudice the acquisition of any right of light or other easement by obstructing any window or opening of the Property or giving any acknowledgement that the right is enjoyed with the consent of any third party or by any other act or default of the Tenant.

31.5 If any person takes or threatens to take any action to obstruct or interfere with any easement or other right enjoyed by the Property or any such easement or right in the course of acquisition, the Tenant must:

- (a) immediately inform the Landlord and give the Landlord notice of that action; and
- (b) at the request and cost of the Landlord, adopt such measures as may be reasonably required or deemed proper for preventing or securing the removal of the obstruction or the interference.

32. Procure guarantor consent

For so long as any guarantor remains liable to the Landlord, the Tenant must, if the Landlord so requests, procure that that guarantor does all or any of the following:

- (a) joins in any consent or approval required under this lease; and
- (b) consents to any variation of the tenant covenants of this lease.

33. Indemnity

The Tenant shall keep the Landlord indemnified against any liability to third parties arising from any breach by the Tenant of its obligations under this Lease PROVIDED THAT:

- (a) the Landlord shall notify the Tenant as soon as reasonably practicable of any claims, actions, proceedings, or demands made or brought against the Landlord in respect of such liability;
- (b) the Landlord shall not admit, settle, or compromise any such claim without the prior consent of the Tenant, such consent not to be unreasonably withheld or delayed;
- (c) the Tenant may, at its own expense, take over the conduct of the defence, settlement, or dispute of any such claim in the name and on behalf of the Landlord, and the Landlord shall, at the Tenant's cost, provide all reasonable assistance required for that purpose; and
- (d) nothing in this clause shall restrict or prejudice any rights the Tenant may have against the Landlord or any third party in respect of contributory negligence.

34. Landlord covenants

The Landlord covenants with the Tenant to observe and perform the landlord covenants of this lease during the Term.

35. Quiet enjoyment

35.1 Subject to the Tenant paying the rents reserved by and performing the Tenant's covenants in this Lease, the Tenant shall have quiet enjoyment of the Property without any interruption by the Landlord or any person claiming through under or in trust for the Landlord.

35.2 The Landlord will not:

- (a) deal with or use or permit any other property adjoining or nearby belonging to the Landlord to be dealt with or used or
- (b) exercise or permit the exercise of any right of entry into or upon the Property

in a manner which will disturb or interfere with or would be likely to disturb or interfere with the Permitted Use.

35.3 At the request and expense of the Tenant, the Landlord shall do all such reasonable acts and things to enforce the rights available to the Landlord as owner of the Property against third parties including (without limitation) the right to enforce guarantees repairing obligations or to receive contributions towards the cost of maintenance repairs and renewal of the Access Road and services and amenities.

35.4 The Landlord shall indemnify and keep indemnified the Tenant against all actions, costs, claims or demands arising from or in connection with the obligations and restrictions contained or referred to in Part II of the Fourth Schedule to the Previous Lease.

35.5 The Landlord will not grant licence or consent to any adjoining development pursuant to the provisions of clause 4(b) of the Grant of Easement dated 5 August 1991 made between Mount Manor Property Development (1) and the Trustees for the Methodist Church Purposes (2) or otherwise without the prior written consent of the Tenant which consent in the case of the said clause 4(b) is not to be unreasonably withheld or delayed.

36. Exercise of right of entry

In exercising any right of entry on to the Property pursuant to paragraph 1.2 of Schedule 3, the Landlord must:

- (a) except in case of emergency (when no notice shall be required), give reasonable notice of its intention to exercise that right to the Tenant;
- (b) where reasonably required by the Tenant, exercise that right only if accompanied by a representative of the Tenant;
- (c) comply with such reasonable regulations as may from time to time be made by the Tenant for security reasons and also with any other reasonable directions given by the Tenant;
- (d) cause as little damage as possible to the Property and to any property belonging to or used by the Tenant;
- (e) cause as little inconvenience as reasonably possible to the Tenant; and
- (f) promptly make good any physical damage caused to the Property by reason of the Landlord or its employees or anyone authorised by the Landlord exercising that right.

37. Re-entry and forfeiture

37.1 The Landlord may re-enter the Property (or any part of the Property in the name of the whole) at any time after any of the following occurs:

- (a) the whole or any part of the Rents is unpaid 21 days after becoming payable (whether it has been formally demanded or not);
- (b) any breach of any condition of, or tenant covenant in, this lease; or
- (c) an Insolvency Event.

37.2 If the Landlord re-enters the Property (or any part of the Property in the name of the whole) pursuant to this clause, this lease shall immediately end but without prejudice to any right or remedy of the Landlord in respect of any breach of covenant by the Tenant or any guarantor.

38. Section 62 of the LPA 192 and implied rights

- 38.1 The grant of this lease does not create by implication any easements or other rights for the benefit of the Property or the Tenant and the operation of section 62 of the LPA 1925 is excluded.
- 38.2 The Property is let without the benefit of any existing easements or other rights which are appurtenant to ESX225773.
- 38.3 Any flow of light to the Property at any time during the Term is enjoyed by the consent of the Landlord in accordance with section 3 of the Prescription Act 1832.

39. Power for the Landlord to Deal with Adjoining Property

Subject to compliance with clause 35.2, the Landlord may use or develop any adjoining or nearby property it owns as it sees fit, including the erection of buildings, provided that such actions do not materially affect or reduce the light or air currently or subsequently enjoyed by the Tenant in relation to the Property.

40. Limitation of liability

The Landlord shall not be liable to the Tenant for any failure of the Landlord to perform any landlord covenant in this lease unless the Landlord knows it has failed to perform the covenant (or reasonably should know this) and has not remedied that failure within a reasonable time.

41. Breach of repair and maintenance obligation

- 41.1 The Tenant shall permit the Landlord and its employees or agents at all reasonable and proper times (upon 48 hours' prior written notice) to enter the property and examine its condition and also to take a schedule of fixtures and fittings in the property, the person or persons so entering causing as little inconvenience as possible to the occupier of the Property and complying with such reasonable regulations as may be made from time to time by the Tenant for security reasons and also with any other reasonable directions given by the Tenant.
- 41.2 If any breach of covenant is found on inspection for which the Tenant is liable then on written notice from the Landlord, the Tenant shall proceed diligently to execute to the reasonable and proper satisfaction of the Landlord or its surveyor such works as are required to remedy such breach and the Tenant shall commence the works within four months of such notice (or such longer period as shall be approved by the Landlord such not to be unreasonably withheld or delayed) and thereafter diligently to proceed with the same.
- 41.3 If the Tenant fails to comply with a notice under clause 41.2, the Landlord may, at reasonable and proper times upon 24 hours' prior notice itself or by its workpeople or agents enter the Property and execute such works as are required to remedy such breach, the person or persons so entering causing as little inconvenience as possible to the occupier of the Property and making good all damage caused in exercise of such works and complying with such

reasonable regulations as may from time to time be made by the Tenant for security reasons and also with any other reasonable directions given by the Tenant.

41.4 Following the service of a notice pursuant to clause 41.1, the Landlord may enter the Property and carry out the required works if the Tenant:

- (a) has not begun any works required to remedy any breach specified in that notice within two months of the notice or, if works are required as a matter of emergency, immediately; or
- (b) is not carrying out the required works with all due speed.

41.5 The reasonable and proper costs incurred by the Landlord in carrying out any works pursuant to clause 41.4 (and any professional fees and any VAT in respect of those costs) shall be a debt due from the Tenant to the Landlord and payable on demand.

42. Notices

42.1 Except where this lease specifically states that a notice need not be in writing, any notice given under or in connection with this lease shall be in writing and given:

- (a) by hand:
 - (i) if the party is a company incorporated in the United Kingdom, at that party's registered office address;
 - (ii) if the party is a company not incorporated in the United Kingdom, at that party's principal place of business in the United Kingdom; or
 - (iii) in any other case, at that party's last known place of abode or business in the United Kingdom; or
- (b) by pre-paid first-class post or other next working day delivery service:
 - (i) if the party is a company incorporated in the United Kingdom, at that party's registered office address;
 - (ii) if the party is a company not incorporated in the United Kingdom, at that party's principal place of business in the United Kingdom; or
 - (iii) in any other case, at that party's last known place of abode or business in the United Kingdom.

42.2 A notice served on the Tenant shall be validly served by being forwarded by registered or recorded delivery post to it C/O HMCTS Property Directorate, HMCTS Property Team, 102 Petty France, London, SW1H 9AJ or such other address as the Tenant shall notify in writing to the Landlord.

42.3 If a notice complies with the criteria in clause 42.1, whether or not this lease requires that notice to be in writing, it shall be deemed to have been received if:

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

- (b) sent by pre-paid first-class post or other next working day delivery service, on the second working day after posting.
- 42.4 This clause does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.
- 43. Consents and approvals**
- 43.1 Where the consent of the Landlord is required under this lease, a consent shall only be valid if it is given by deed unless:
 - (a) it is given in writing and signed by the Landlord or a person duly authorised on its behalf; and
 - (b) it expressly states that the Landlord waives the requirement for a deed in that particular case.
- 43.2 If a waiver is given pursuant to clause 43.1, it shall not affect the requirement for a deed for any other consent.
- 43.3 Where the approval of the Landlord is required under this lease, an approval shall only be valid if it is in writing and signed by or on behalf of the Landlord unless:
 - (a) the approval is being given in a case of emergency; or
 - (b) this lease expressly states that the approval need not be in writing.
- 43.4 If the Landlord gives a consent or approval under this lease, the giving of that consent or approval shall not:
 - (a) imply that any consent or approval required from a third party has been obtained; or
 - (b) obviate the need to obtain any consent or approval from a third party.
- 43.5 Where the Tenant requires the consent or approval any mortgagee to any act or omission under this lease, then (subject to clause 1.13) at the cost of the Tenant the Landlord must use all reasonable endeavours to obtain that consent or approval.
- 43.6 Where:
 - (a) the consent of a mortgagee is required under this lease, a consent shall only be valid if it would be valid as a consent given under the terms of the mortgage; or
 - (b) the approval of a mortgagee is required under this lease, an approval shall only be valid if it would be valid as an approval given under the terms of the mortgage.
- 44. VAT**
- 44.1 All sums payable by either party under or in connection with this lease are exclusive of any VAT that may be chargeable.

- 44.2 A party to this lease must pay VAT in respect of all taxable supplies made to that party in connection with this lease on the due date for making any payment or, if earlier, the date on which that supply is made for VAT purposes.
- 44.3 Every obligation on either party, under or in connection with this lease, to pay any sum by way of a refund or indemnity, includes an obligation to pay an amount equal to any VAT incurred on that sum by the receiving party (except to the extent that the receiving party obtains credit for such VAT).

45. Crown Exemption Provisions

- 45.1 This clause 45 overrides all other provisions of this Lease and where there is a conflict between them clause 45 prevails.

45.2 During the Crown Exemption Period:

- 46.2.1 the Tenant is not obliged to pay the rents by banker's standing order or direct debit but may pay by government Payable Order or Banker's automated Credit Scheme;
- 46.2.2 In the event of any rents payable under this lease remaining unpaid for twenty-one days after the same becomes due interest shall be payable by the Tenant on such amount as shall be outstanding at a rate of two percent (2%) above the base lending rate for the time being of HSBC Bank plc;
- 46.2.3 in exercising any rights of entry the person exercising them must comply with the Tenant's reasonable security requirements;
- 46.2.4 no distraint may be made against the Tenant;
- 46.2.5 the Tenant may display such notices or signage as it is by legislation obliged to display and may display such directional and other signs (including to display the identity of any other occupiers) as it from time to time reasonably requires, such signage to be removed on expiry or earlier termination of the Lease;
- 46.2.6 nothing in this Lease obliges the Tenant to do anything in breach of any of its statutory duties;
- 46.2.7 the Tenant is permitted without the consent of the Landlord to:
- (a) assign, underlet or charge this lease or the Property to a Crown Body; and
 - (b) part with or share possession or share occupation of this lease or the Property with a Crown Body; and
 - (c) to hold the lease on trust for a Crown Body;
- provided in the case of a sharing or parting with possession under clause 46.2.7(b), the interest in the Property so created is and remains no more than a tenancy at will and that the possession is immediately terminated if the Tenant or the relevant occupier ceases to be a Crown Body.
- 46.2.8 on any assignment of the Property to a Crown Body the Tenant is not obliged to provide a guarantor (including but not limited to a guarantor under an Authorised

Guarantee Agreement) for that Crown Body and that Crown Body is not obliged to provide a guarantor for itself;

- 46.2.9 the Tenant may use the Property in addition to the Permitted Use as government offices or for any government purpose provided that the Property must not be used as a public caller office for the payment of social security or unemployment benefit nor as a police station;
- 46.2.10 the Tenant is not obliged to disclose inter-governmental communications to the Landlord even if they affect the Property save to the extent that those are formal notices that would result in an entry being made in a public register including but not limited to the local land charges register;
- 46.2.11 the Tenant is not obliged to be engaged or involved in any planning appeal or any proceedings/representations relating to the Property;
- 46.2.12 the Tenant is not obliged to maintain any insurance for public and employer's liability or plate / fixed glass;
- 46.2.13 any notice to be served on the Tenant must be served on it at the address at the front of this Lease or such other address as the Tenant may from time to time notify to the Landlord in writing;
- 46.2.14 the Tenant shall not be obliged to comply with any prohibition on members of the public visiting the Property;
- 46.2.15 the Tenant shall not be required to comply with the provisions in Schedule 6;
- 46.2.16 (except in case of emergency) the time periods in clause 41.4 for the Tenant to carry out repairs in accordance with a notice to repair served by the Landlord shall be extended by a reasonable period where the Tenant is required to obtain tenders or carry out any procurement process;

48.3 Notwithstanding any other provision in this lease that the Landlord will not:

48.3.1 deal with or use or permit any other property adjoining or nearby belonging to the Landlord to be dealt with or used; or

48.3.2 exercise or permit the exercise of any right of entry into or upon the Property,

in a manner which will disturb or interfere with or would be likely to disturb or interfere with the use of the Property for any purpose in connection with the administration of justice or the administration of government business.

48.4 The Tenant shall not be required to indemnify the Landlord except that the Tenant shall reimburse the Landlord on demand for all reasonable liabilities, costs, expenses, damages and losses ("Loss"), including any professional fees and any VAT properly payable thereon, suffered or incurred by the Landlord:

48.4.1 arising from or in connection with any damage or destruction of the Property by an Insured Risk where such damage or destruction is a direct result of an act or omission by the Tenant in breach of the provisions of this Lease and results in the Landlord's insurance being vitiated, except to the extent that such Loss is caused by the Landlord's own act or omission; and

- 48.4.2 arising from or in connection with any uninsured damage or destruction of the Property a direct result of act or omission of the Tenant in breach of the provisions of this Lease or negligence of the Tenant or its employees, agents or contractors; and
- 48.4.3 whether or not the Landlord has effected insurance in respect of the Insured Risk
- 48.5 The Tenant is not liable to comply with any legislation to the extent in law or otherwise it is not obliged to do so.

46. Joint and several liability

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

47. Entire agreement

- 47.1 This lease constitutes the entire agreement between the parties and supersedes and extinguishes all previous and contemporaneous agreements, promises, assurances, and understandings between them, whether written or oral, relating to its subject matter.
- 47.2 Each party acknowledges that in entering into this lease it does not rely on, and shall have no remedies in respect of, any statement, representation, assurance or warranty (whether made innocently or negligently).
- 47.3 Nothing in this lease constitutes or shall constitute a representation or warranty that the Property may lawfully be used for any purpose allowed by this lease.

48. Contracts (Rights of Third Parties) Act 1999

This lease does not give rise to any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this lease.

49. Governing Law

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

50. Jurisdiction

Subject to paragraph 2 of Part 5 of Schedule 5, each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with this lease or its subject matter or formation.

This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

Schedule 1 Property

All that property known as 1 Edward St Brighton East Sussex and registered with title absolute as HM Land Registry under title number ESX225773.

Schedule 2 Rights

1. In common with the Landlord and any other person authorised by the Landlord, the Landlord grants to the Tenant the following easements (for the benefit of the Property) and the following other rights:
 - 1.1 The free and uninterrupted passage of water, steam, soil, air, gas, electricity and telephone communications to it from the property through the Service Media commonly used for those purposes which are now or may in the future be in upon or under any part of the adjoining or neighbouring property.
 - 1.2 The right to affix and maintain, at the entrances to the Property, on the walls of halls and corridors within the Property, and in other suitable locations (including, without limitation, any unbuilt-upon parts of the Property), Signs and a letterbox of such dimensions as may be required by the Tenant.
 - 1.3 The right to run wires and cables including, without limitation, telephone and computer wires and cable pipes and conduits through the Property as may be required and to maintain the same.
 - 1.4 The right to install and maintain in any room of the property any machinery or equipment including, without limitation, computer equipment normally used in offices, courts or hearing rooms which the Tenant may require.
 - 1.5 The right, at any time during the Term or upon its termination (including earlier termination), to remove any fixtures and fittings (including heating equipment) installed by or at the expense of the Tenant or its sub-tenants provided they were not installed in fulfilment of the Tenant's obligations to replace the Landlord's fixtures and fittings and subject to the Tenant promptly making good any damage caused by such removal.
 - 1.6 The rights inserted by the Schedule to the Deed of Variation dated 27 September 2010 and made between (1) John Michael Padley and Barbara Alicia Mary Bodger and (2) the Secretary of State for Communities and Local Government.

Schedule 3 Reservations

1. Subject to paragraph 2 of this Schedule, the Landlord excepts and reserves from this lease the following rights:
 - 1.1 The free and uninterrupted passage of water steam soil air gas electricity and telephone communications from and to any part of any adjoining or neighbouring property through the Service Media commonly used for these purposes which are now or may in the future be in or upon or under the Property
 - 1.2 Subject to the Landlord complying with clause 36, the right to enter the Property for any other purpose mentioned in or connected with:
 - (a) this lease;
 - (b) the Reservations; or
 - (c) the Landlord's interest in the Property or any neighbouring or adjoining property in which the Landlord acquires an interest during the Term.
2. The Reservations:
 - 2.1 Are excepted and reserved notwithstanding that the exercise of any of the Reservations or the works carried out pursuant to them result in a reduction in the flow of light or air to the Property or loss of amenity for the Property.
 - 2.2 May be exercised by:
 - (a) the Landlord;
 - (b) anyone else who is or becomes entitled to exercise them; and
 - (c) anyone authorised by the Landlord.
 - 2.3 Are excepted and reserved to the extent possible for the benefit of any neighbouring or adjoining property in which the Landlord acquires an interest during the Term.

Schedule 4 Third Party Rights

1. All easements and other rights, covenants and restrictions affecting the Property including those set out or referred to in the register entries of title number ESX225773 as at the date of this lease.
2. The rights of any other person to use the Access Road insofar as the same are not contained or referred to in the register entries of title number ESX225773.

Schedule 5 Rent review

Part 1 Definitions

1. Definitions

The following definitions apply in this Schedule 5.

Assumptions: the assumptions set out in Part 2 of this Schedule 5.

Disregards: the disregards set out in Part 3 of this Schedule 5.

Hypothetical Lease: the lease described in Part 4 of this Schedule 5.

Open Market Rent: the annual rent (exclusive of VAT) at which the Property could reasonably be expected to be let:

- a) in the open market;
- b) at the Review Date; and
- c) applying the Assumptions and Disregards.

Review Date: the fifth anniversary of the date of this Lease.

Shortfall Payment Date: the date which is ten working days from and including the date that the revised Annual Rent is agreed or determined.

Part 2 Assumptions

1. The matters to be assumed are:

1.1 The Property is available to let in the open market:

- (a) on the terms of the Hypothetical Lease;
- (b) by a willing landlord to a willing tenant;
- (c) with vacant possession;
- (d) without a fine or a premium; and
- (e) with the benefit of the right of way referred to in paragraph 1.6 of Schedule 2.

1.2 No reduction is to be made to take account of any rental concession which on a new letting with vacant possession might be granted to the incoming tenant for a period within which its fitting out works would take place.

1.3 The Property may lawfully be used, and is in a physical state to enable it to be lawfully used, by the willing tenant (or any potential undertenant or assignee of the willing tenant) as offices and any restriction or qualification which may be imposed on such use by the terms of the user covenants in clause 22.2 of this lease shall be disregarded.

1.4 The Tenant has fully complied with their obligations in this lease.

- 1.5 If the Property or any means of access to it or any Service Media serving the Property has been destroyed or damaged, it has been fully restored.
- 1.6 No work has been carried out on the Property (including any Previous Lease Alterations) that has diminished its rental value other than work carried out in compliance with clause 26.

Part 3 Disregards

1. The matters to be disregarded are:
 - 1.1 Any effect on rent of the fact that the Tenant or any authorised undertenant has been in occupation of the Property.
 - 1.2 Any goodwill attached to the Property by reason of any business carried out there by the Tenant or by any authorised undertenant or by any of their predecessors in business.
 - 1.3 Any effect on rent attributable to any physical improvement to the Property carried out before or after the date of this lease (including any physical improvement to any Service Media servicing the Property), by or at the expense of the Tenant or any authorised undertenant with all necessary consents, approvals and authorisations and not pursuant to an obligation to the Landlord (other than an obligation to comply with any law).
 - 1.4 Any effect on the rent attributable to any Previous Lease Alterations.

Part 4 Hypothetical Lease

1. A lease:
 - 1.1 Of the whole of the Property.
 - 1.2 For a term of years equal to the unexpired residue of the Contractual Term as at the Review Date.
 - 1.3 With a rent review date on the fifth anniversary of the Rent Commencement Date.
 - 1.4 Otherwise on the terms of this lease (other than the amount of the Annual Rent and the provision in this lease for a concessionary rent during the first year of the Contractual Term).

Part 5 Review of the Annual Rent

1. Review

- 1.1 The Annual Rent shall be reviewed on the Review Date to equal:
 - (a) the amount agreed between the Landlord and Tenant at any time (whether or not that amount is the Open Market Rent); or
 - (b) in the absence of such agreement, the greater of:

- (i) the Annual Rent payable immediately before the Review Date (or which would then be payable but for any abatement, suspension, concession or reduction of the Annual Rent or restriction on the right to collect it); and
- (ii) the Open Market Rent agreed or determined pursuant to this Schedule 5.

1.2 The Landlord and Tenant may agree the revised Annual Rent at any time before it is determined by the Expert.

1.3 As soon as practicable after the amount of the revised Annual Rent has been agreed or determined, a memorandum recording the amount shall be signed by or on behalf of the Landlord, the Tenant and the guarantor. The parties shall each bear their own costs in connection with the memorandum.

2. Determination by the Expert

2.1 If the Landlord and Tenant have not agreed the revised Annual Rent by the date three months before the Review Date, then either party may at any time refer the revised Annual Rent for determination by the Expert in accordance with this paragraph 2 of this Part of this Schedule. The Expert can be appointed in accordance with the terms of this lease irrespective of whether the Landlord and Tenant have tried to first reach an agreement on the revised Annual Rent.

2.2 The Landlord and Tenant shall agree on the appointment of an Expert and shall agree with the Expert the terms of their appointment.

2.3 If the Landlord and Tenant are unable to agree on an Expert or the terms of their appointment within 20 working days of either party serving details of a suggested expert on the other, either party shall then be entitled to request the President to appoint an Expert and agree with the Expert the terms of appointment.

2.4 The Expert shall be required to prepare a written decision including reasons and give notice (including a copy) of the decision to the parties within a maximum of 30 working days of the matter being referred to the Expert.

2.5 If the Expert dies or becomes unwilling or incapable of acting, or does not deliver the decision within the time required by this paragraph, then:

- (a) either party may apply to the President to discharge the Expert and to appoint a replacement Expert with the required expertise; and
- (b) this paragraph 2 of this Part of this Schedule shall apply to the new Expert as if they were the first Expert appointed.

2.6 The parties are entitled to make submissions to the Expert including oral submissions and must provide (or procure that others provide) the Expert with such assistance and documents as the Expert reasonably requires for the purpose of reaching a decision.

2.7 To the extent not provided for by this paragraph 2 of this Part of this Schedule, the Expert may in their reasonable discretion determine such other procedures to assist with the conduct of

the determination as they consider just or appropriate including (to the extent considered necessary) instructing professional advisers to assist them in reaching their determination.

- 2.8 The Expert shall act as an expert and not as an arbitrator. The Expert shall determine the matter referred to the Expert under this lease. The Expert may award interest as part of their decision. The Expert's written decision on the matters referred to them shall be final and binding on the parties in the absence of manifest error or fraud.
- 2.9 The Landlord and Tenant must bear their own costs in relation to the reference to the Expert.
- 2.10 The Landlord and Tenant must bear the Expert's fees and any costs properly incurred by them in arriving at their determination (including any fees and costs of any advisers appointed by the Expert) equally or in such other proportions as the Expert shall direct.
- 2.11 If either the Landlord or the Tenant does not pay its part of the Expert's fees and expenses within ten working days of demand by the Expert, then:
- (a) the other party may pay instead; and
 - (b) the amount so paid shall be a debt of the party that should have paid and shall be due and payable on demand to the party that made the payment pursuant to paragraph 2.11(a) of this Part of this Schedule.
- 2.12 The Landlord and Tenant must act reasonably and co-operate to give effect to the provisions of this paragraph and otherwise do nothing to hinder or prevent the Expert from reaching their determination.

3. Late review of Annual Rent

If the revised Annual Rent has not been agreed or determined on or before the Review Date, the Tenant must:

- (a) continue to pay the Annual Rent at the rate payable immediately before that Review Date; and
- (b) on or before the Shortfall Payment Date, pay:
 - (i) the shortfall (if any) between the amount of Annual Rent that the Tenant has paid for the period from and including that Review Date and the amount of Annual Rent for that period that would have been payable had the revised Annual Rent been agreed or determined on or before that Review Date; and
 - (ii) interest at the Interest Rate on that shortfall. That interest shall be calculated on a daily basis by reference to the Rent Payment Dates on which parts of the shortfall would have been payable if the revised Annual Rent had been agreed or determined on or before that Review Date and the Shortfall Payment Date (or, if the Tenant pays the shortfall earlier than the Shortfall Payment Date, the date of that payment).

4. Time not of the essence

Time is not of the essence for the purposes of this Schedule 5.

5. Guarantor

If at any time there is a guarantor, the guarantor shall not have any right to participate in the review of the Annual Rent but will be bound by the revised Annual Rent.

Schedule 6 Insurance

1. Landlord's obligation to insure

- 1.1 The obligations contained in paragraph 1 of this Schedule shall not apply during a Crown Exemption Period.
- 1.2 Subject to paragraph 1.3 and paragraph 1.4 of this Schedule, the Landlord must insure (and keep insured):
- (a) the Property on normal market terms against loss or damage by the Insured Risks for the Reinstatement Cost; and
 - (b) loss of Annual Rent from the Property for three years.
- 1.3 The Landlord shall not be obliged to insure:
- (a) the Excluded Insurance Items or repair any damage to or destruction of the Excluded Insurance Items. References to the Property in this Schedule 6 shall exclude the Excluded Insurance Items;
 - (b) any alterations to the Property that form part of the Property unless:
 - (i) those alterations are permitted or required under this lease;
 - (ii) those alterations have been completed in accordance with this lease and (where applicable) in accordance with the terms of any consent or approval given under this lease; and
 - (iii) the Tenant has notified the Landlord of the amount for which those alterations should be insured and provided evidence of that amount that is satisfactory to the Landlord (acting reasonably); or
 - (c) the Property when the insurance is vitiated by any act or omission of the Tenant or any Authorised Person.
- 1.4 The Landlord's obligation to insure is subject to any limitations, excesses and conditions that may be imposed by the insurers.

2. Landlord to provide insurance details

- 2.1 The obligations contained in paragraph 2 of this Schedule shall not apply during a Crown Exemption Period.
- 2.2 In relation to any insurance effected by the Landlord under this Schedule 6, the Landlord must:
- (a) at the request of the Tenant (such request not to be made more frequently than once a year) supply the Tenant with:
 - (i) full details of the insurance policy;
 - (ii) evidence of payment of the current year's premiums; and
 - (iii) details of any commission paid to the Landlord by the Landlord's insurer;

- (b) procure that the Tenant is informed of any change in the scope, level or terms of cover as soon as reasonably practicable after the Landlord or its agents becoming aware of the change.

3. Tenant's obligations

3.1 The obligations contained in paragraph 3.2 of this Schedule shall not apply during a Crown Exemption Period.

3.2 The Tenant must pay to the Landlord on demand:

- (a) the Insurance Rent;
- (b) any amount that is deducted or disallowed by the insurers pursuant to any excess provision in the insurance policy; and
- (c) any costs that the Landlord incurs in obtaining a valuation of the Property for insurance purposes provided that the Tenant shall not be obliged to contribute towards the costs of any such valuations carried out more frequently than once every two years.

3.3 The Tenant must:

- (a) immediately inform the Landlord if any matter occurs in relation to the Tenant or the Property that any insurer or underwriter may treat as material in deciding whether or on what terms to insure or to continue to insure the Property and must also give the Landlord notice of that matter;
- (b) not do or omit to do anything as a result of which:
 - (i) any insurance policy for the Property may become void or voidable or otherwise prejudiced;
 - (ii) the payment of any policy money may be withheld; or
 - (iii) any increased or additional insurance premium may become payable (unless the Tenant has previously notified the Landlord and has paid any increased or additional premium (including any IPT due on that amount));
- (c) comply at all times with the requirements and recommendations of the insurers relating to the Property where written details of those requirements or recommendations have first been given to the Tenant;
- (d) give the Landlord immediate notice of the occurrence of:
 - (i) any damage or loss relating to the Property arising from an Insured Risk or an Uninsured Risk; or
 - (ii) any other event that might affect any insurance policy relating to the Property;
- (e) except for the Excluded Insurance Items, not effect any buildings insurance of the Property but, if the Tenant becomes entitled to the benefit of any buildings

insurance proceeds in respect of the Property, pay those proceeds or cause them to be paid to the Landlord;

- (f) pay the Landlord an amount equal to any insurance money that the insurers of the Property refuse to pay in relation to the Property by reason of any act or omission of the Tenant or any Authorised Person; and
- (g) insure (and keep insured) against public liability of the Tenant in relation to the Property in such amount as the Landlord shall reasonably consider appropriate and, at the request of the Landlord, supply the Landlord with:
 - (i) full details of that insurance policy; and
 - (ii) evidence of payment of the current year's premiums.

4. Rent suspension

- 4.1 The obligations contained in paragraph 4 of this Schedule shall not apply during a Crown Exemption Period.
- 4.2 Subject to paragraph 4.3 of this Schedule, if any Property Damage by an Insured Risk or an Uninsured Risk occurs, payment of the Annual Rent (or a fair proportion of it according to the nature and extent of that Property Damage) shall be suspended until the earlier of:
 - (a) the date on which the Property has been reinstated so that it is fit for occupation and use; and
 - (b) the date which is three years from and including the date on which that Property Damage occurred.
- 4.3 The Annual Rent shall not be suspended under paragraph 4.1 of this Schedule if the Property Damage is caused by:
 - (a) an Insured Risk and:
 - (i) the policy of insurance in relation to the Property has been vitiated in whole or in part as a result of any act or omission of the Tenant or any Authorised Person; and
 - (ii) the Tenant has not complied with paragraph 3.3(f) of this Schedule; or
 - (b) an Uninsured Risk and the Property Damage was Tenant Damage.

5. Landlord's obligation to reinstate following damage or destruction by an Insured Risk

- 5.1 The obligations contained in paragraph 5 of this Schedule shall not apply during a Crown Exemption Period.
- 5.2 Following any damage to or destruction of the Property by an Insured Risk, the Landlord must:
 - (a) use reasonable endeavours to obtain all necessary planning and other consents to enable the Landlord to reinstate the Property; and
 - (b) reinstate the Property except that the Landlord shall not be obliged to:

- (i) reinstate unless all necessary planning and other consents are obtained;
- (ii) reinstate unless the Tenant has paid the sums due under paragraph 3.2(b) and paragraph 3.3(f) of this Schedule;
- (iii) provide accommodation or facilities identical in layout or design so long as accommodation reasonably equivalent to that previously at the Property is provided; or
- (iv) reinstate after a notice to terminate has been served pursuant to this Schedule 6.

5.3 If the Landlord is obliged to reinstate the Property pursuant to paragraph 5.2(b) of this Schedule, the Landlord must:

- (a) use all insurance money received (other than for loss of rent) and all sums received under paragraph 3.2(b) and paragraph 3.3(f) of this Schedule for the purposes of that reinstatement; and
- (b) make up any shortfall out of its own funds.

6. Termination if reinstatement impossible or impractical following Property Damage by an Insured Risk

Following Property Damage by an Insured Risk, if the Landlord (acting reasonably) considers that it is impossible or impractical to reinstate the Property, the Landlord may terminate this lease by giving notice to the Tenant within six months from and including the date on which that Property Damage occurred.

7. Property Damage by an Uninsured Risk

7.1 If the Annual Rent (or a fair proportion of it) is suspended under paragraph 4.1 of this Schedule due to Property Damage by an Uninsured Risk, then, within 12 months from and including the date on which that Property Damage occurred, the Landlord must either:

- (a) terminate this lease by giving notice to the Tenant; or
- (b) notify the Tenant that it intends to reinstate the Property at its own cost.

7.2 If the Landlord notifies the Tenant under paragraph 7.1(b) that it intends to reinstate the Property, then the Landlord must use:

- (a) reasonable endeavours to obtain all necessary planning and other consents to enable the Landlord to reinstate the Property; and
- (b) its own monies to reinstate the Property but the Landlord shall not be obliged to:
 - (i) reinstate unless all necessary planning and other consents are obtained;
 - (ii) provide accommodation or facilities identical in layout or design so long as accommodation reasonably equivalent to that previously at the Property is provided; or

- (iii) reinstate after a notice to terminate has been served pursuant to this Schedule 6.

7.3 If paragraph 7.1 applies but the Landlord has not served a notice under either paragraph 7.1(a) or paragraph 7.1(b) by the date which is 12 months from and including the date on which the relevant Property Damage occurred, the Tenant may at any time thereafter terminate this lease by giving notice to the Landlord provided that such notice is served before the Property is made fit for occupation and use.

8. Termination if reinstatement not complete by expiry of rent suspension

If Property Damage by an Insured Risk or an Uninsured Risk (where the Landlord elected to reinstate under paragraph 7.1(b) of this Schedule) occurs and the Property has not been reinstated so as to make it fit for occupation and use by the date which is three years after the date on which that Property Damage occurred, either party may at any time thereafter terminate this lease by giving notice to the other provided that:

- (a) such notice is served before the Property has been reinstated so as to make it fit for occupation and use; and
- (b) where the Tenant serves the notice, the failure to reinstate so that the Property is fit for occupation and use is not caused by a breach of the Tenant's obligations under clause 16 or this Schedule 6.

9. Consequences of termination

If either party gives a notice to terminate this lease in accordance with this Schedule 6:

- (a) this lease shall terminate with immediate effect from the date of the notice;
- (b) none of the parties shall have any further rights or obligations under this lease except for the rights of any party in respect of any earlier breach of this lease; and
- (c) any proceeds of the insurance for the Property shall belong to the Landlord.

Schedule 7 Guarantee and indemnity

1. Guarantee and indemnity

1.1 The Guarantor guarantees to the Landlord that the Tenant shall:

- (a) pay the Rents and observe and perform the tenant covenants of this lease and that if the Tenant fails to pay any of those Rents or to observe or perform any of those tenant covenants, the Guarantor shall pay or observe and perform them; and
- (b) observe and perform any obligations the Tenant enters into in an authorised guarantee agreement made in respect of this lease (the **AGA**) and that, if the Tenant fails to do so, the Guarantor shall observe and perform those obligations.

1.2 The Guarantor covenants with the Landlord as principal obligor and as a separate and independent obligation and liability from its obligations and liabilities under paragraph 1.1 of this Schedule to indemnify and keep indemnified the Landlord against any failure by the Tenant:

- (a) to pay any of the Rents or any failure to observe or perform any of the tenant covenants of this lease; or
- (b) to observe or perform any of the obligations the Tenant enters into in the AGA.

2. Guarantor's liability

2.1 The liability of the Guarantor under paragraph 1.1(a) and paragraph 1.2(a) of this Schedule shall continue until the Termination Date, or until the Tenant is released from the tenant covenants of this lease by virtue of the LTCA 1995, if earlier.

2.2 The liability of the Guarantor shall not be reduced, discharged or otherwise adversely affected by:

- (a) any time or indulgence granted by the Landlord to the Tenant;
- (b) any delay or forbearance by the Landlord in enforcing the payment of any of the rents or the observance or performance of any of the tenant covenants of this lease (or the Tenant's obligations under the AGA) or in making any demand in respect of any of them;
- (c) any refusal by the Landlord to accept any rent or other payment due under this lease where the Landlord believes that the acceptance of such rent or payment may prejudice its ability to re-enter the Property;
- (d) the Landlord exercising any right or remedy against the Tenant for any failure to pay the Rents or to observe or perform the tenant covenants of this lease (or the Tenant's obligations under the AGA);
- (e) the Landlord taking any action or refraining from taking any action in connection with any other security held by the Landlord in respect of the Tenant's liability to pay the Rents or observe and perform the tenant covenants of the lease (or the Tenant's obligations under the AGA) including the release of any such security;

- (f) a release or compromise of the liability of any one of the persons who is the Guarantor, or the grant of any time or concession to any one of them;
 - (g) any legal limitation or disability on the Tenant or any invalidity or irregularity of any of the tenant covenants of the lease (or the Tenant's obligations under the AGA) or any unenforceability of any of them against the Tenant;
 - (h) the Tenant being dissolved, or being struck off the register of companies or otherwise ceasing to exist, or, if the Tenant is an individual, by the Tenant dying or becoming incapable of managing its affairs;
 - (i) without prejudice to paragraph 4 of this Schedule, the disclaimer of the Tenant's liability under this lease or the forfeiture of this lease;
 - (j) the surrender of the lease in respect of part only of the Property, except that the Guarantor shall not be under any liability in relation to the surrendered part in respect of any period after the surrender; or
 - (k) any other act or omission except an express written release by deed of the Guarantor by the Landlord.
- 2.3 Any sum payable by the Guarantor must be paid without any set-off or counterclaim, deduction or withholding (other than any deduction or withholding of tax as required by law) against the Landlord or the Tenant.
- 3. Variations and supplemental documents**
- 3.1 The Guarantor must, at the request of the Landlord, join in and give its consent to the terms of any consent, approval, variation or other document that may be entered into by the Tenant in connection with this lease (or the AGA).
- 3.2 The Guarantor shall not be released by any variation of the rents reserved by, or the tenant covenants in, this lease (or the Tenant's obligations under the AGA) whether or not:
- (a) the variation is material or prejudicial to the Guarantor;
 - (b) the variation is made in any document; or
 - (c) the Guarantor has consented, in writing or otherwise, to the variation.
- 3.3 The liability of the Guarantor shall apply to the rents reserved by and the tenant covenants in this lease (and the Tenant's obligations under the AGA) as varied except to the extent that the liability of the Guarantor is affected by section 18 of the LTCA 1995.
- 4. Guarantor to take a new lease or make payment**
- 4.1 If this lease is forfeited or the liability of the Tenant under this lease is disclaimed and the Landlord gives the Guarantor notice not later than six months after the forfeiture or the Landlord having received notice of the disclaimer, the Guarantor must enter into a new lease of the Property on the terms set out in paragraph 4.2 of this Schedule.

- 4.2 The rights and obligations under the new lease shall take effect beginning on the date of the forfeiture or disclaimer and the new lease shall:
- (a) be granted subject to the right of any person to have this lease vested in them by the court and to the terms on which any such order may be made and subject to the rights of any third party existing at the date of the grant;
 - (b) be for a term that expires on the same date as the end of the Contractual Term of this lease had there been no forfeiture or disclaimer;
 - (c) reserve as an initial annual rent an amount equal to the Annual Rent payable under this lease at the date of the forfeiture or disclaimer or which would be payable but for any abatement or suspension of the Annual Rent or restriction on the right to collect it (subject to paragraph 5 of this Schedule) and which is subject to review on the same terms and dates provided by this lease;
 - (d) be excluded from sections 24 to 28 of the LTA 1954; and
 - (e) otherwise be on the same terms as this lease (as varied if there has been any variation).
- 4.3 The Guarantor must pay the Landlord's solicitors' costs and disbursements (on a full indemnity basis) and any VAT in respect of them in relation to the new lease and must execute and deliver to the Landlord a counterpart of the new lease within one month of service of the Landlord's notice.
- 4.4 The grant of a new lease and its acceptance by the Guarantor shall be without prejudice to any other rights that the Landlord may have against the Guarantor or against any other person or in respect of any other security that the Landlord may have in connection with this lease.
- 4.5 The Landlord may, instead of giving the Guarantor notice pursuant to paragraph 4.1 of this Schedule but in the same circumstances and within the same time limit, require the Guarantor to pay an amount equal to six months' Annual Rent and the Guarantor must pay that amount on demand.
- 5. Rent at the date of forfeiture or disclaimer**
- 5.1 If at the date of the forfeiture or disclaimer there is a rent review pending under this lease, then the initial annual rent to be reserved by the new lease shall be subject to review on the date on which the term of the new lease commences on the same terms as those that apply to a review of the Annual Rent under this lease, such review date to be included in the new lease.
- 5.2 If paragraph 5.1 of this Schedule applies, then the review for which it provides shall be in addition to any rent reviews that are required under paragraph 4.2(c) of this Schedule.
- 6. Payments in gross and restrictions on the Guarantor**
- 6.1 Any payment or dividend that the Landlord receives from the Tenant (or its estate) or any other person in connection with any insolvency proceedings or arrangement involving the

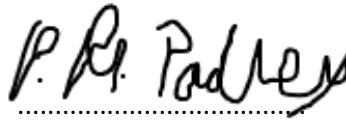
Tenant shall be taken and applied as a payment in gross and shall not prejudice the right of the Landlord to recover from the Guarantor to the full extent of the obligations that are the subject of this guarantee and indemnity.

- 6.2 The Guarantor must not claim in competition with the Landlord in any insolvency proceedings or arrangement of the Tenant in respect of any payment made by the Guarantor pursuant to this guarantee and indemnity. If it otherwise receives any money in such proceedings or arrangement, it must hold that money on trust for the Landlord to the extent of its liability to the Landlord.
- 6.3 The Guarantor must not, without the consent of the Landlord, exercise any right or remedy that it may have (whether against the Tenant or any other person) in respect of any amount paid or other obligation performed by the Guarantor under this guarantee and indemnity unless and until all the obligations of the Guarantor under this guarantee and indemnity have been fully performed.

7. Other securities

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

Signed as a deed by Priscilla Mary Padley
in the presence of:



Priscilla Mary Padley

Paul Tate

.....
SIGNATURE OF WITNESS

.Paul Tate.....
WITNESS NAME

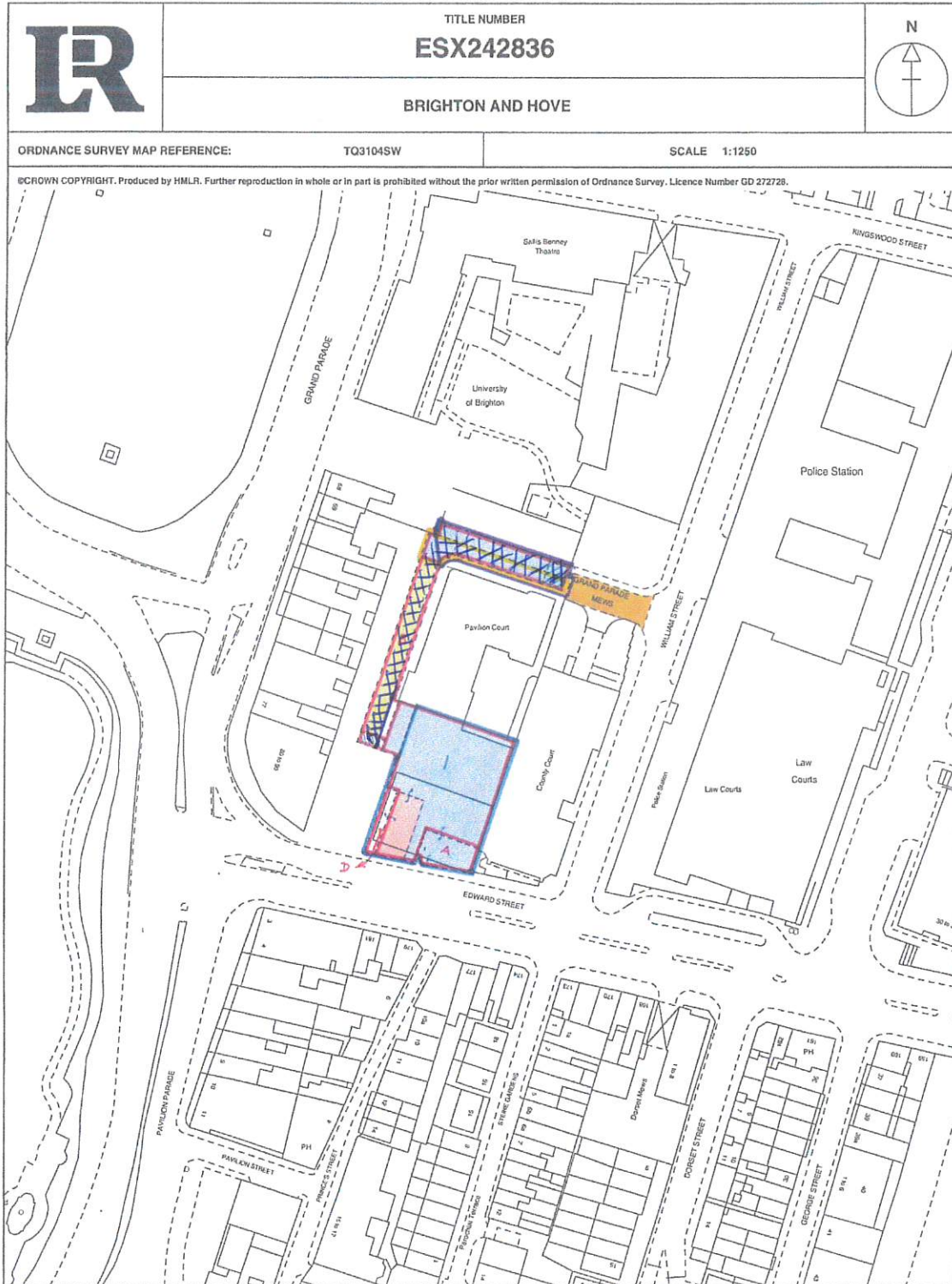
.30..Woodnewton Road..Nassington PE8 6QQ
WITNESS ADDRESS

THE CORPORATE SEAL of
**SECRETARY OF STATE FOR HOUSING,
COMMUNITIES AND LOCAL GOVERNMENT**
hereunto affixed is authenticated by

.....
Authorised by the Secretary of State

ANNEX A Plan

P.R. Padley



ANNEX B – Original Schedule



REPORT

SCHEDULE OF CONDITION

of

GROUND LEVEL
AND BASEMENT
CAR PARK, AND
ACCESS AND
ANCILLARY
ROOMS WITHIN
BASEMENT

at

NO. 1 EDWARD
STREET
BRIGHTON

on behalf of

THE COURT
SERVICE

Prepared by:

McBains Cooper
3 Cavendish Square
London W1M 9HA

Tel No: 020 7612 0700

Fax No: 020 7612 0701

E-Mail: hq@mcbainscooper.com

APRIL 2000

CONTENTS

Item	Description
	INTRODUCTION
Section 1	SCHEDULE OF CONDITION
Section 2	SCHEDULE OF PHOTOGRAPHS
Section 3	INDICATIVE FLOOR PLANS
Section 4	MEMORANDUM

INTRODUCTION

1.0 INTRODUCTION

- An inspection to record the present condition of the basement car park, ground level surface car park, external access stairways, service road and moat area to the front of the building has been conducted.
- P Dunne of McBains Cooper and M Kelly of Chesterton attended site on the morning of 11th April 2000 to undertake the above inspection and to compile a schedule of condition on that date, of the elements listed above.
- The weather at the time of inspection was heavy rainfall for the whole duration of the inspection.

NO 1 EDWARD STREET

- The property is of reinforced concrete frame construction, standing 5 storeys high with a 2 storey basement, for car park use.
- In addition, there is a surface car park at Ground level to the rear of the property. Under the lease, responsibility for the service road leading to the car park is also the responsibility of the tenant, from the point where adoption of the road by the Local Authority stops. This is shown on the lease plan.
- The vehicle access to the basement is through the adjacent basement car park. There is a right of way for this route within the lease. Secure access is provided to the basement of No 1 Edward Street, via an electrically operated roller shutter.
- The basement is contained on two storeys and is split level on each floor, part beneath the building and part beneath the rear ground level car park.
- Also contained within the basement car park are a number of plant rooms as listed on the schedule.

ADDITIONAL POINTS

- We are advised that waterproofing works were undertaken within the past two years, including coating the internal face of some basement car park walls with Sika render.

- We were advised the guarantee information has been provided by the landlord/agent.

SECTION 1

SCHEDULE OF CONDITION

**The Court Service - No. 1 Edward Street – Schedule of Condition
Basement Car Park & Ancillary Areas, Ground Level Car Park & Service Road
undertaken by P Dunne (McBains Cooper) and M Kelly (Chestertons) 11th April 2000**

Item Plan Ref	Element	Location	Description	Condition	Photo Ref
1	Louvre grills	B2 front elevation	5 no metal louvre grills 3 x 1500 x 1000 2 x 1200 x 100 Painted black	Structurally sound Insect mesh loose on 3 large grills, paintwork chipped and peeling in places to all grills	1
2	Front and side wall	B2 front right hand corner	Blockwork – rendered to height of approx 2.5m. Render painted. Movement joint at intervals.	Generally good condition. Sika render. 1 no hairline crack present to Sika render.	2
3	Wall to lift complex	B2 right hand side	Blockwork wall – painted to front, concrete cast slabs to side	3 nr small holes to be fire stopped where service runs pass through. Marks present to wall surface where conduit removed. Otherwise satisfactory.	
4	Recent block wall	B2 front wall	100mm thick stretcher bond concrete block wall	Satisfactory condition. Efflorescence evident on corner.	4
5	Cast in situ concrete wall	B2 front wall	Cast in situ concrete. Thickness not possible to ascertain.	Minor cracking at low level to centre. 3 points of moisture penetration. Salt deposits evident.	4
6	Original Blockwork	B2 front wall	Blockwork wall to 3.5m height in stretcher bond with movement joints. 7 no. vent bricks 200mm sq approx built on concrete kicker.	Wall generally satisfactory. Evidence of efflorescence all along lowest block course. 3 no. mortar patch repairs. Evidence of water penetration at bottom of wall.	5

**The Court Service - No. 1 Edward Street – Schedule of Condition
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Item Plan Ref	Element	Location	Description	Condition	Photo Ref
7	Side wall	B2 east boundary	Blockwork wall to 4.5m height in stretcher bond with movement joints @ 6m centres. Built on concrete kicker.	Hairline cracks on mortar infill at abutment with front wall. 4 no. redundant wall brackets present. Mortar spots evident to left hand section. Section of movement joint (3 courses missing at high level at abutment with ramp wall.	6
8	Car park ramp wall	B2/B1 abut east end	Front elevation. Blockwork wall to 4.5m height in stretcher bond with movement joints @ 6m centres. Built on concrete kicker.	2 no. cracked blocks above louvre grills. Mortar spots generally across wall.	
9	Car park ramp wall	B2/B1 abut east end	Rear elevation, cast concrete wall	Generally satisfactory. 3 no. louvre vent grills present 1 no. defective.	
10	Side wall	B1 east boundary	Blockwork laid to stretcher bond built off concrete kicker with movement joint to centre	Generally sound. Evidence of sand/cement waste product beneath S.V.P.	7
11	Stair enclosure	B1 east	Concrete panels cast in situ form wall enclosure	Generally sound. No defects noted except poor quality making good round vent duct – requires further making good.	
12	Rear wall	B1 north	Concrete panels cast in situ. Contains power shutter (access to adjacent car park) and 2 no metal louvres grills.	Skim coat evident in places – most likely to cover hairline cracks. Numerous water stain streaks below both louvres. Water evident to side of shutter. Louvres painting requires cleaning and touching in.	8

**The Court Service - No. 1 Edward Street – Schedule of Condition
Basement Car Park & Ancillary Areas, Ground Level Car Park & Service Road
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Item Plan Ref	Element	Location	Description	Condition	Photo Ref
13	Stair enclosure	B1 west	Concrete panels cast in situ form wall enclosure	Minor stain to joints/cracks otherwise sound. Making good required where concrete vent duct passes through wall.	
14	Side wall	B1 west boundary	Concrete panels cast in situ	Efflorescence to bottom course, damp patch 0.5m ² on wall below leaking downpipe.	9
15	Divider wall	B1 & B2 rear face	Concrete panels cast in situ. Contains metal louvres with 6 no. louvre grills	Generally sound condition. Minor staining to joints and hairline cracks. 1 no. louvre grill has slight damage. 5 no. areas of making good where services pass through wall.	
16	Divider wall	B1 & B2 front face	Concrete panels cast in situ. Contains 3 no. louvre grills. No movement joint evident.	All 3 louvre grills loose and have no fixings to wall. General fixing defect with all louvre grills, otherwise generally sound.	
17	Soffit	B2	Concrete slab, ribbed profile with drop beams spanning between columns. Spray application (vermiculite) flock, fire insulation	Insulation removed/not present to following areas. - front west corner - east side - east staircase (adjacent) - west staircase (adjacent) - service way adjacent ramp and east wall to be fire stopped - flock missing in part above mini cable tray adjacent service wall and above main vent duct. All are linear runs of between 3m and 7m length respectively.	10

**The Court Service - No. 1 Edward Street – Schedule of Condition
Basement Car Park & Ancillary Areas, Ground Level Car Park & Service Road
undertaken by P Dunne (McBains Cooper) and M Kelly (Chestertons) 11th April 2000**

Item Plan Ref	Element	Location	Description	Condition	Photo Ref
18	Soffit	B1	Concrete slab. Some cast in situ some pre-cast. No insulation other than that adjacent to divider wall.	Generally sound with the following points: Drop beam parallel to divider wall shows evidence of streaked water stains. Hairline crack and spalling of joint finish, both to whole length of beam. Mortar repairs to 4 no. small areas and an area of 4 linear metres length. To all intermediate beams – evidence of mortar repairs at meet point with soffit to all and general skim over hairline cracks. Painting on system headrack still in situ – at east end Isolated yellow linear staining to joints in slab/casts and isolated yellow circular staining.	11 12 13
19	Floor	B2	Reinforced suspended concrete slab cast in situ. Natural finish.	Moisture patch 0.2 x 0.2m at point where lightning conductor tape passes at front west corner. 2 no. hairline cracks running f/b to drain trench approx 7m length. Isolated areas of corrosion staining – to central portion. Isolated spatters of mortar snots (east wall). Surface corrosion of all gully grates	2 14

**The Court Service - No. 1 Edward Street – Schedule of Condition
Basement Car Park & Ancillary Areas, Ground Level Car Park & Service Road
undertaken by P Dunne (McBains Cooper) and M Kelly (Chestertons) 11th April 2000**

Item Plan Ref	Element	Location	Description	Condition	Photo Ref
20	Movement joint	General	Movement joint in line with rear wall of main building (e/w) and to each gully run.	Isolated areas of corrosion staining – to central portion. Isolated spatters of mortar spots (east wall). Surface corrosion of all gully grates	15
21	Drain trench	B1	Movement joint in line with rear wall of main building (e/w) and to each gully run.	Drain outlet at divider wall/west wall junction is blocked. Drain outlet at west wall adjacent to lightening conductor is blocked. Both infilled with concrete. Hole in slab 50mm diameter, where conductor tape passes.	
22	Services – Rainwater	B1	Cast iron rainwater and S.V.P's	Leaking downpipe above infilled drain. Make good wall behind. Fixing hanger missing to central pipe. Leaching of pipe joints generally throughout B1. All pipes show minor surface corrosion to underside.	16
	Sprinkler Pipes	B1	Cast iron sprinkler pipes	All pipes show minor surface corrosion to underside.	16
23	Services – Rainwater	B2	Cast iron rainwater S.V.P's	All in sound condition except pipe under drop soffit at front which shows leaching at joints and surface corrosion.	17
	Sprinkler Pipes	B2	Cast iron sprinkler pipes	All in sound condition except pipe under drop soffit at front which shows leaching at joints and surface corrosion.	18

**The Court Service - No. 1 Edward Street – Schedule of Condition
Basement Car Park & Ancillary Areas, Ground Level Car Park & Service Road
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Item Plan Ref	Element	Location	Description	Condition	Photo Ref
24	Services – Lighting	B1 & B2	Main lighting is surface fix and track mounted and consists of encased twin lamp fluorescent fittings with prismatic diffusers	3 no. defective to level B2	
24A	Services – Emergency Lighting	B1 & B2	Non maintained bulkhead fittings above each exit door (3 no.) and at ramp	No defects noted	
25	Core wall	B4	Concrete cast panel, painted	Structurally sound – no defects noted	
26	West wall	B4	Blockwork wall to 4.5m height in stretcher bond with movement joints @ 6m centres. Built on concrete kicker.	Efflorescence to bottom 2 courses. Damp to whole of bottom course.	19
27	Front wall	B4	Blockwork wall to 3.5m height in stretcher bond with movement joints. 4 no. vent bricks 200 sq. Wall built on concrete kicker. Concrete cast wall built above blockwork on steel sole plate.	Cracking and spalling of concrete panel, showing staining and stalactite. Cracking also present at east corner – has caused localised corrosion of steel	20
28	Side wall	B4 east	Blockwork wall to 4.5m height in stretcher bond with movement joints @ 6m centres. Built on concrete kicker.	Bottom course of blocks, rear to mid point are damp. Also damp in evidence to 1 st 5 blocks to front east corner. Otherwise sound. 1 no. block replaced.	21
29	Ramp wall	Between B4/B3 Front	Front face. Blockwork wall to 4.5m height in stretcher bond with movement joints @ 6m centres. Built on concrete kicker.	Bottom course – 2 blocks damp. All louvre panels loose.	

**The Court Service - No. 1 Edward Street – Schedule of Condition
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Item Plan Ref	Element	Location	Description	Condition	Photo Ref
30	Ramp wall	Between B4/B3 rear	Rear face - cast concrete panels, jointed to form wall	Generally satisfactory. 3 no. louvre vent grills present. No louvres defective. Skim repairs over joints and hairline cracks.	
31	East wall	B3	Blockwork laid to stretcher bond built off concrete kicker with movement joint to centre	Streak stains passing down from floor above. 2 no. blocks replaced. Minor efflorescence –lime leaching – adjacent to stairs enclosure	22
32	Stair enclosure	B3 East	Concrete panels cast in situ form wall	Minor skim repairs evident over joints and hairline cracks.	
33	Rear wall	B3 rear	Concrete panels cast in situ. 2 no. metal louvres present.	6 no. areas of cracking. Widespread minor mortar repairs. 3 hairline cracks under east louvre – 2 no cracks show corrosion staining from within wall – corrosion of reinforcing bars within wall.	23
34	Staircase enclosure wall	B3 west	Concrete panels cast in situ jointed to form enclosure	Minor stain to joints/cracks otherwise sound. Making good required where concrete vent duct passes through wall.	
35	Boundary wall	B3 west	Concrete panels cast in situ jointed to form enclosure	To southern half of wall – bottom course of block work is damp and shows efflorescence staining. Streaks are present below swan necks of downpipes indicating leaking joints (x 2) corrosion stain (most likely of re-bar) present below drop beam.	24

**The Court Service - No. 1 Edward Street – Schedule of Condition
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Item Plan Ref	Element	Location	Description	Condition	Photo Ref
36	Plant room wall	B3/B2 divider wall	Concrete panels cast in situ and 2 no louvre covers present, 3 rd louvre space blocked up	Generally sound. Overflow pipe added retrospectively. Making good to service pipe rough and coarse finish	
37	Divider wall	B3/B4	Concrete panels cast in situ. 3 louvres present.	Sound condition. Louvres not fixed securely. NOTE	
38	Soffit	B4	Concrete slab. Some cast in situ some pre-cast. No insulation. Other than that adjacent to divider wall.	Widespread hairline cracking throughout shows cracking and staining to soffit underside. Cracks are generally North to South with 2 no. diagonal in direction. Whole length of front face of front beam shows mortar repair at meet point with soffit. Some hairline cracking evident. Soffit above B4/B3 ramp – evidence of repair to central section and widespread stains to ramp surface. Approximately 600 x 300mm.	25 26

NOTE: All small louvre grills have this defect.

CONSTRUCTION
McbainsCooper
AND PROPERTY

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**The Court Service - No. 1 Edward Street – Schedule of Condition
Basement Car Park & Ancillary Areas, Ground Level Car Park & Service Road
undertaken by P Dunne (McBains Cooper) and M Kelly (Chesterstons) 11th April 2000**

Item Plan Ref	Element	Location	Description	Condition	Photo Ref
41	Ramp	B4/B3	Ground bearing concrete slab cast in situ. Natural finish.	Fault lines at slab joint and at movement joint – and crack running at centre of ramp front to back and at abutment with side kerbs. All cracks show salt deposits and brown staining to surrounding concrete.	32
42	Floor	B3	Ground bearing concrete slab cast in situ. Natural finish.	Widespread cracking – random pattern. All show salt deposits to surrounding concrete along whole length of cracks.	33
43	Services – Lighting	B3 & B4	Main lighting is surface fix and track mounted and consists of encased twin lamp fluorescent fittings with prismatic diffusers	7 No. defective in total	
44	Services – Emergency Lighting	B3 & B4	Non-maintained bulkhead fittings above each exit door (3 No) and at ramp.	1 defective (at base of ramp)	
45	Service pipes – Drainage	B3 & B4	Cast iron rainwater S.V.P. Gloss painted.	1 no. downpipe adjacent to plant room capped off. West wall to B3 – 2 No downpipes, both covered in mortar spatters. All other downpipes and S.V.P.'s satisfactory except pipe adjacent to front wall which shows surface corrosion to underside.	34

**The Court Service - No. 1 Edward Street – Schedule of Condition
Basement Car Park & Ancillary Areas, Ground Level Car Park & Service Road
undertaken by P Dunne (McBains Cooper) and M Kelly (Chestertons) 11th April 2000**

Item Plan Ref	Element	Location	Description	Condition	Photo Ref
46	Service pipes – Sprinkler	B3 & B4	Cast iron. Gloss painted.	All pipes satisfactory except pipe adjacent to front wall which shows surface corrosion to underside.	
47	Lightning conductor	General	Copper earthing tapes connect to earth termination points.	Tape to central termination point to front wall not secured to front wall.	34
48	Lift lobby wall	B4	Concrete cast panel plastered and painted in emulsion	Salt deposits along lower section of wall to height of 150mm.	
49	General	Lift motor room	Floor as car park B4 Wall consists of block laid to stretcher bond and cast concrete panels Soffit as car park Section B4	Hairline cracks in floor and soffit. All showing salt deposits on surrounding concrete.	
50	General - Sump Pump room	B4	In situ concrete slab, natural finish. Walls consist of block laid to stretcher bond and cast concrete sections. Soffit of cast concrete. No insulation.	Hairline cracks in floor and soffit. All showing salt deposits to surrounding concrete.	
51	Extract plant room	B2	In situ concrete slab, natural finish. Walls consist of block laid to stretcher bond and cast concrete sections. Soffit of cast concrete. No insulation.	Generally sound – mortar spatters in evidence to walls.	

*The Court Service - No. 1 Edward Street – Schedule of Condition
Basement Car Park & Ancillary Areas, Ground Level Car Park & Service Road
undertaken by P Dunne (McBains Cooper) and M Kelly (Chestertons) 11th April 2000*

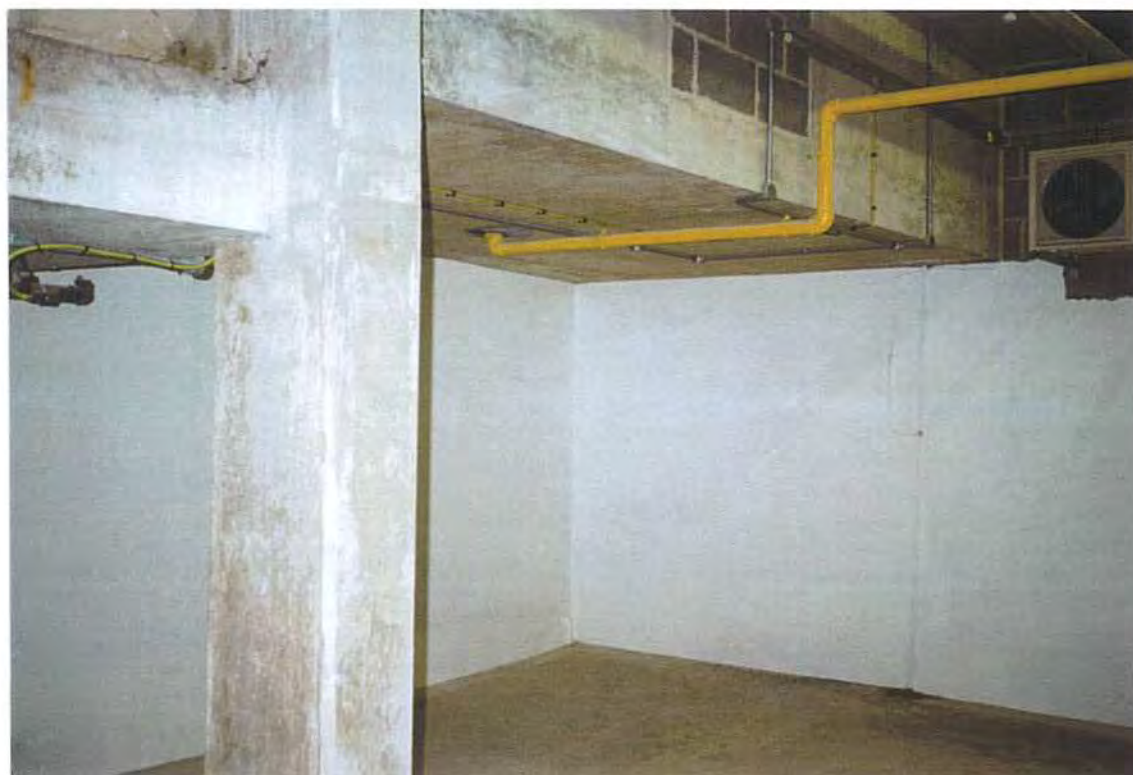
Item Plan Ref	Element	Location	Description	Condition	Photo Ref
52	Electrical switchroom	B2	In situ concrete slab, natural finish. Walls consist of block laid to stretcher bond and cast concrete sections. Soffit of cast concrete. No insulation.	West wall made of blockwork laid in stretcher bond on kicker – bottom course of blocks shows minor damp. Soffit requires fire stopping where services pass through.	
53	Not used				
54	Not used				
55	Exit stairs leading to basement car park	Ground level rear. 2 No. 1 No. each to East end and West end of car park.	Concrete cast steps with concrete walls. No roof – open to the elements	Water streaks evident to ground and basement levels of staircase – water passing through cast stairway floors to lower level through crack in wall/floor abutment.	36
56	Front moat area	B1 front	Concrete slab base with concrete walls to public footpath side, and blockwork to building side. Base lined with asphalt.	Sound condition.	

SECTION 2

Schedule of Photographs



Photograph 1: Louvre Grills to Front Wall Level B2



Photograph 2: Crack to Sika Render to Front Wall Level B2

NOT USED

Photograph 3:



Photograph 4: Front wall view level B2 showing efflorescence and moisture penetration



Photograph 5: Front wall view level B2 – efflorescence to blockwork and previous repairs



Photograph 6: East Boundary Wall level B2 – Hairline cracks and mortar snots



Photograph 7: Level 1 East Wall – Sand Waste product beneath downpipe



Photograph 8: Level B1 Rear Wall – General View



Photograph 9: Level B1 West Boundary Wall – Efflorescence and Damp to Wall



Photograph 10: Level B2 Soffit – General View



Photograph 11: Level B1 Soffit – Stains to Drop Beam



Photograph 12: Level B1 Soffit – Intermediate Beams View



Photograph 13: Level B1 Soffit – Yellow Stains



Photograph 14: Level B2 Floor – Isolated Areas of Corrosion Staining



Photograph 15: Level B1/2 Floor – Gulley Grate Corrosion and Corrosion Staining



Photograph 16: Level B1 Rainwater Services – General View of Defects



← VIEW.

Photograph 17: Level B2 Services Rainwater – Corrosion to Pipes and Pipe Joints. Front Wall



Photograph 18: Level B2 Services Rainwater – Corrosion to Pipes and Pipe Joints. Front Wall



Photograph 19: Level B4 West Wall – Efflorescence and Damp to Blockwork



Photograph 20: Level B4 Front Wall – Concrete Panel, staining and cracking



Photograph 21: Level B4 East Wall – Damp Blockwork



Photograph 22: Level B3 East Wall – Staining from Floor Above



Photograph 23: Level B3 Rear Wall – Cracking around Louvres



Photograph 24: Level B3 West Wall – Damp and Efflorescence to Wall



Photograph 25: Level 4 Soffit – General Cracking to Soffit



Photograph 26: Level B4 Soffit – Cracking and Repairs to Front Drop Beam



Photograph 27: Level B3 Soffit – Previous Repairs to Drop Beam beneath Rear Wall



Photograph 28: Level B3 Soffit – Staining to Drop Beams



Photograph 29: Level B4 Floor – Lightning Termination Point



Photograph 30: Level B4 Floor – Cracking running front/back



Photograph 31: Level B4 Floor – Cut Channel to Inspection Chamber



Photograph 32: Level 3/4 Ramp – Cracking and Staining to Ramp



Photograph 33: Level B3 Floor – Random Cracking & flooding of rainwater



Photograph 34: Level B3 & 4 – Downpipe View



Photograph 35: Service Road – Gulley Grate



Photograph 36: External Access Stairs to Basement Car Park

SECTION 3

Location/Site Plan and Car Park Layout Plans

DO NOT SCALE FROM THIS DRAWING

- 22 - General location
- 23 - General location
- 24 - General location
- 24A - General location

REF	REVISION	DATE



MCBAIN'S COOPER
CONSTRUCTIVE BUILDING SURVEYING
AND PROPERTY

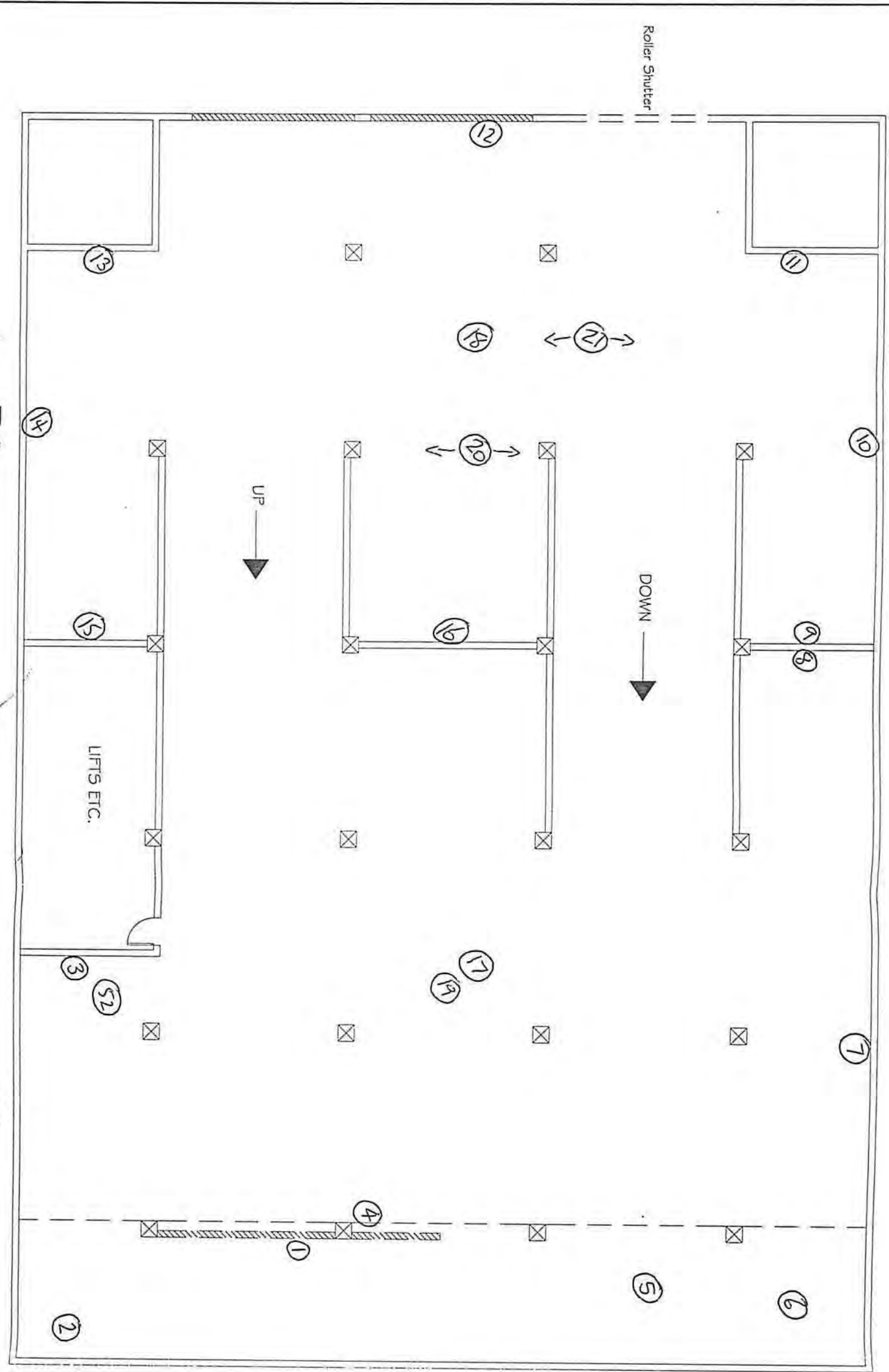
3 CAVENDISH SQUARE
LONDON W1M 9HA
TELEPHONE 020 7612 0700
FACSIMILE 020 7612 0701
EMAIL HO@MCBAINSCOOPER.CO.UK

Client
The Court Service

Project
No. 1 Edward Street, Brighton

Title
Basement Car Park Schedule of Condition.
APPROX: LOCATED PLAN

Scale NTS	Date APRIL'00
Surveyor PAUL DUNNE	Checked
Drawing No. 43236/CP/01	Revision No.



← N

B1 & B2

DO NOT SCALE FROM THIS DRAWING

- 43 - GENERAL LOCATION
- 44 - GENERAL LOCATION
- 45 - GENERAL LOCATION
- 46 - GENERAL LOCATION
- 47 - GENERAL LOCATION

REF	REVISION	DATE
-----	----------	------

CONSTRUCTION
PROPERTY

MCBAIN'S COOPER

• BUILDING SURVEYING

3 CAVENDISH SQUARE
LONDON W1M 9HA
TELEPHONE 020 7612 0700
FACSIMILE 020 7612 0701
EMAIL HQ@MCBAINSCOOPER.CO.UK

Client

The Court Service

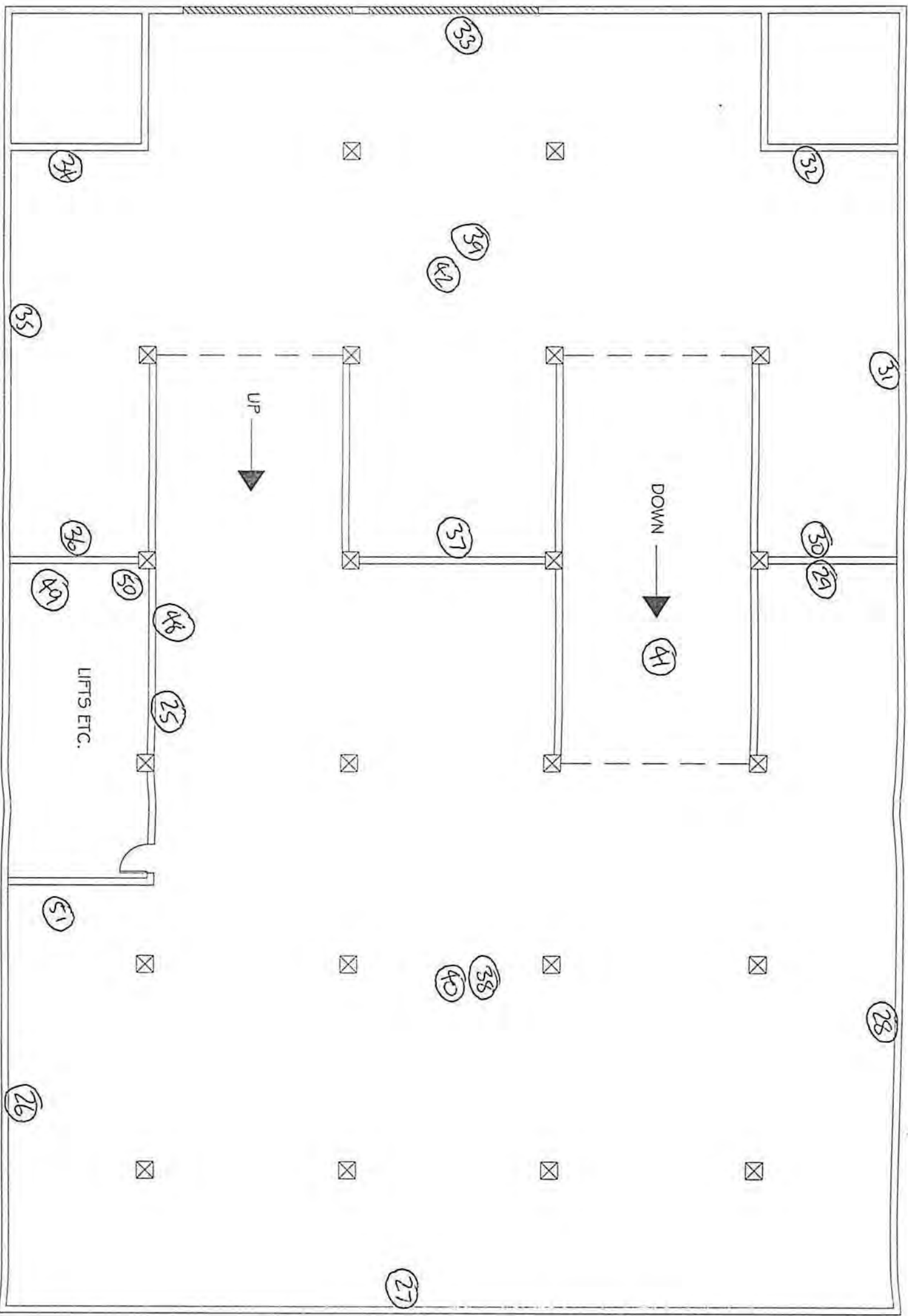
Project

No. 1 Edward Street, Brighton

Title

Basement Car Park Schedule
of Condition.

Scale	NTS	Date	APRIL 00
Surveyor	PAUL DUNNE	Checked	
Drawing No.	43236/CP/02	Revision No.	



B3 & B4

*The Court Service - No. 1 Edward Street – Schedule of Condition
Basement Car Park & Ancillary Areas, Ground Level Car Park & Service Road
undertaken by P Dunne (McBains Cooper) and M Kelly (Chestertons) 11th April 2000*

SECTION 4

MEMORANDUM FOR SC SCHEDULE OF CONDITION

MEMORANDUM

1 EDWARD STREET BRIGHTON

SCHEDULE OF CONDITION TO BASEMENT CAR PARK

DATED: 3 July 2000

LANDLORD: Phillips & Drew Fund Management Ltd

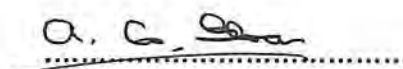
TENANT: The Secretary of State for the Environment, Transport and the Regions

By this Memorandum the Landlord and the Tenant desire to record that the attached schedule of condition is agreed and documents the condition of the basement in the property for the purpose of clause 3.4 of THE LEASE.

THE LEASE:

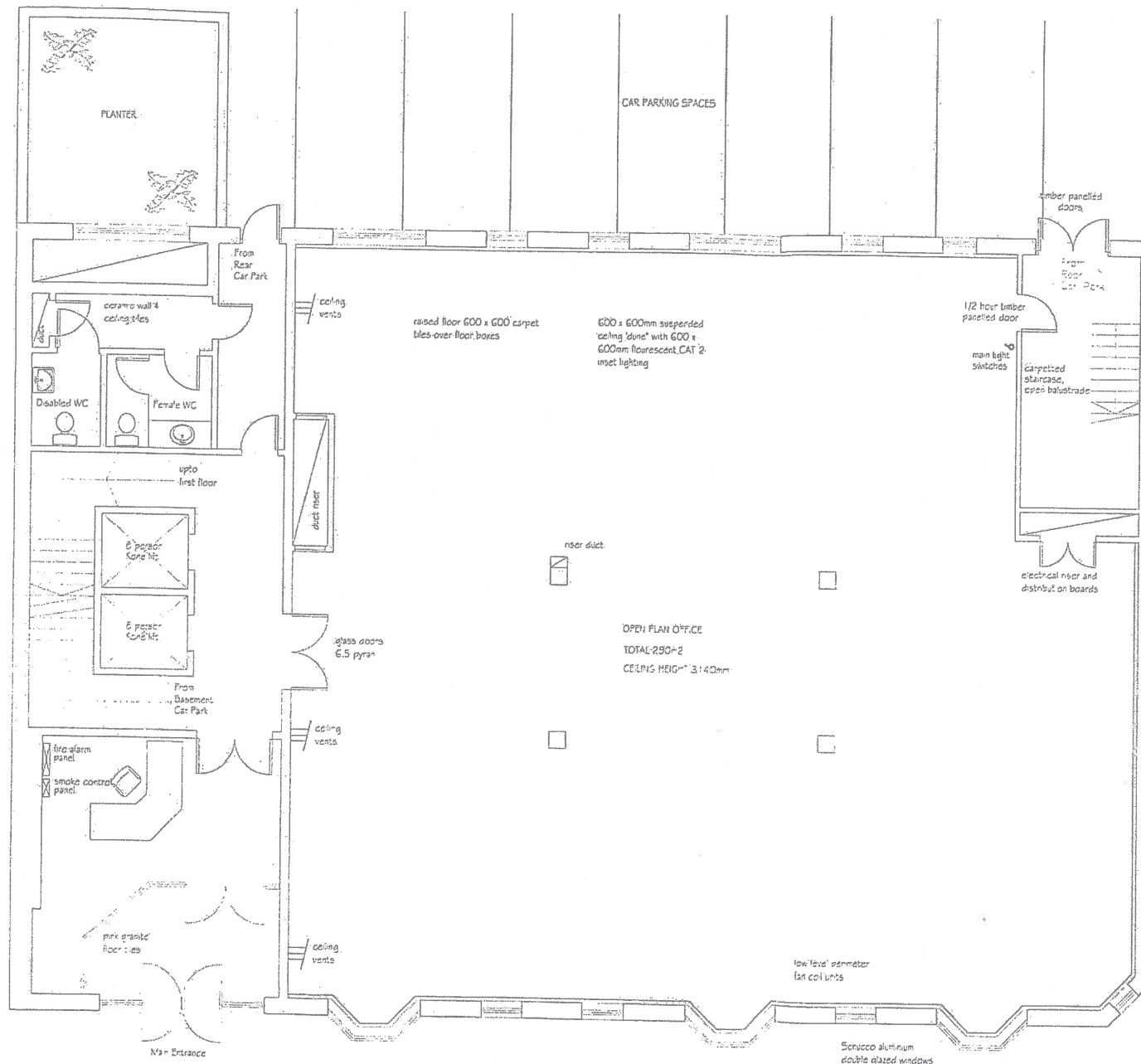
Date	Parties	Property	Term
24 March 2000	1. Phillips & Drew Fund Management Ltd 2. The Secretary of State for The Environment, and The Environment Transport and The Regions	1 Edward Street Brighton East Sussex	25 years from 17 March 2000


Signed for and on behalf of
the Landlord


Signed for and on behalf of
the Tenant

ANNEX C – REINSTATEMENT DRAWINGS

CAR PARK ENTRANCE



Ground floor existing

EDWARD STREET

DO NOT SCALE FROM THIS DRAWING

REF	REVISION	DATE
-----	----------	------

CONSTRUCTION
MCBAIN'S COOPER
PROPERTY



FACILITIES MANAGEMENT

3 CAVENDISH SQUARE
LONDON W1M 9HA
TELEPHONE 0171 612 0700
FACSIMILE 0171 612 0701
INTERNET www.mcbainscooper.co.uk
EMAIL mc@mcbainscooper.co.uk

Client

The Court Service

Project

1 Edward Street
Brighton

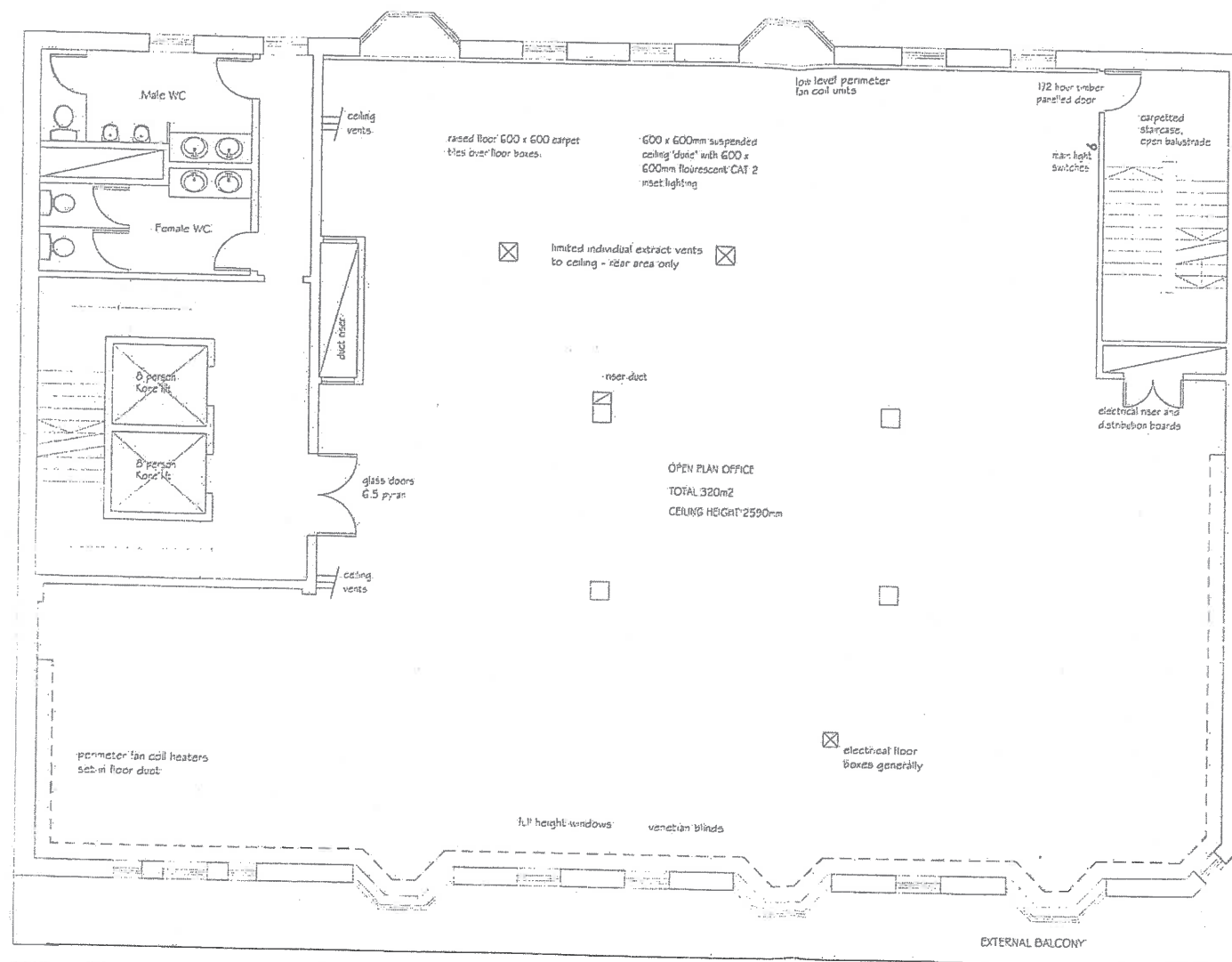
Title

Ground Floor Plan
Existing

Scale 1:100 Date Jan '00

Drawn MWT Checked

Drawing No. 48332-018-01 Revision No.



First floor existing

DO NOT SCALE FROM THIS DRAWING

REF	REVISION	DATE
-----	----------	------

CONSTRUCTION AND PROPERTY
McBAIN'S COOPER



FACILITIES MANAGEMENT

3 CAVENDISH SQUARE
LONDON W1M 9HA
TELEPHONE 0171 612 0700
FACSIMILE 0171 612 0701
INTERNET WWW.MCBAINSCOOPER.CO.UK
EMAIL M@MCBAINSCOOPER.CO.UK

Client

The Court Service

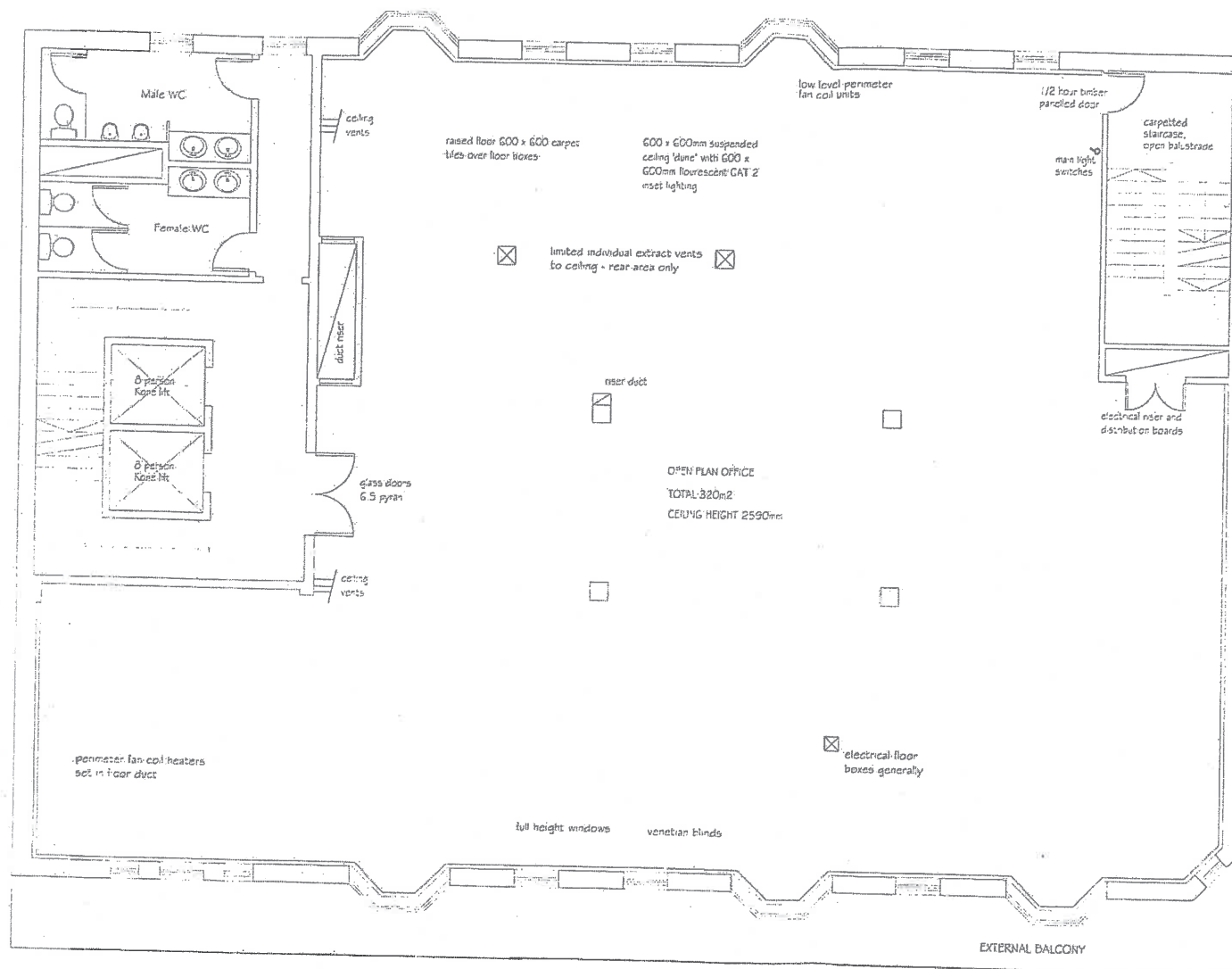
Project

1 Edward Street
Brighton

Title

First Floor Plan
Existing

Scale 1:100	Date Jan '00
Drawn MWT	Checked
Drawing No. 48332-018-02	Revision No.



Second floor existing

DO NOT SCALE FROM THIS DRAWING

REF	REVISION	DATE
-----	----------	------

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MCBAINS COOPER
AND PROPERTY



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3 CAVENDISH SQUARE
LONDON W1M 9HA
TELEPHONE 0171 612 0700
FACSIMILE 0471 612 0701
INTERNET www.mcbainscooper.co.uk
EMAIL hc@mcbainscooper.co.uk

Client

The Court Service

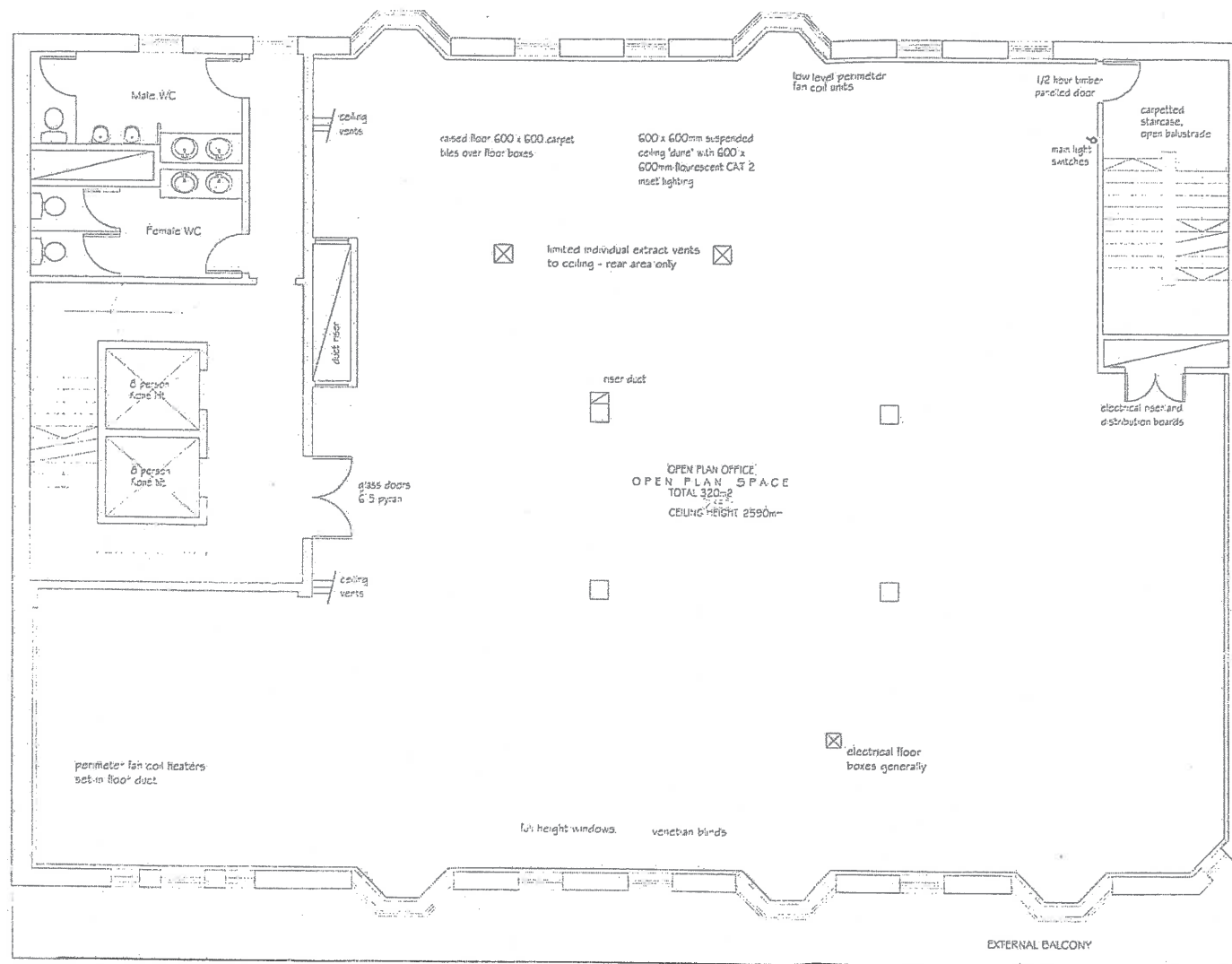
Project

1 Edward Street
Brighton

Title

Ground Floor Plan
Existing.

Scale 1:100	Date Jan '00
Drawn MWT	Checked
Drawing No. 48332-018-03	Revision No.



Third floor existing

DO NOT SCALE FROM THIS DRAWING

REF	REVISION	DATE
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CONSTRUCTION AND PROPERTY
MCBAINS COOPER



FACILITIES MANAGEMENT

3 CAVENDISH SQUARE
LONDON W1M 9HA
TELEPHONE 0171 612 0700
FACSIMILE 0171 612 0701
INTERNET WWW.MCBAINSCOOPER.CO.UK
EMAIL JH@MCBAINSCOOPER.CO.UK

W.C. 11

The Court Service

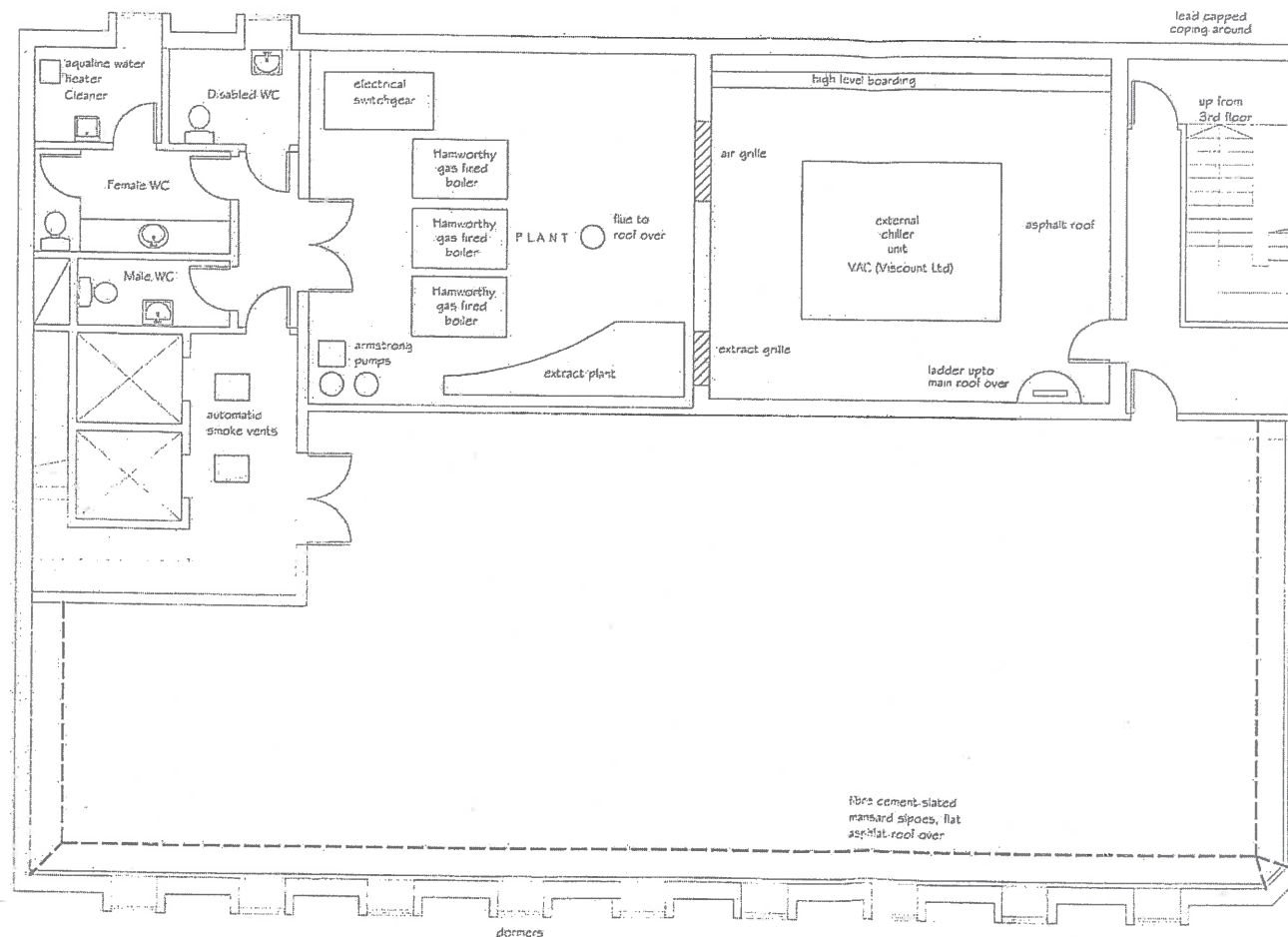
Project

1 Edward Street
Brighton

Title

Third Floor Plan
Existing

Scale 1:100	Date Jan '00
Drawn MWT	Checked
Drawing No. 48332-018-04	Revision No.



Fourth floor existing

DO NOT SCALE FROM THIS DRAWING

REF	REVISION	DATE
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CONSTRUCTION AND PROPERTY
MCBAINS COOPER



• FACILITIES MANAGEMENT •

3 CAVENDISH SQUARE
LONDON W1M 9HA
TELEPHONE 0171 612 0700
FACSIMILE 0171 612 0701
INTERNET WWW.MCBAINSCOOPER.CO.UK
EMAIL MC@MCBAINSCOOPER.CO.UK

Client

The Court Service

Project

1 Edward Street
Brighton

Title

Fourth Floor Plan
Existing

Scale 1:100	Date Jan '00
Drawn MWT	Checked
Drawing No. 48332-018-05	Revision No.

ANNEX D - Memorandum Recording Updated Schedule

MEMORANDUM DATED []

LEASE PARTICULARS AND DEFINITIONS

Lease Date:	[LEASE DATE TO BE INSERTED]
Original Parties:	(1) PRISCILLA MARY PADLEY (2) THE SECRETARY OF STATE FOR HOUSING, COMMUNITIES AND LOCAL GOVERNMENT
Property:	1 Edward Street, Brighton, East Sussex

This memorandum is supplemental to the lease brief details of which are noted above (the "**Lease**").

We, **PRISCILLA MARY PADLEY** (the Landlord) and **THE SECRETARY OF STATE FOR HOUSING, COMMUNITIES AND LOCAL GOVERNMENT** (the Tenant) HEREBY ACKNOWLEDGE today that the schedule of condition annexed to this Memorandum comprises the Updated Schedule defined in clause 1.1 of the Lease shall be annexed to the Lease.

It is further agreed for the avoidance of doubt that the reference to the Updated Schedule in the Lease shall be a reference to the updated schedule of condition annexed to this Memorandum.

ANNEX TO MEMORANDUM: UPDATED SCHEDULE

Signed as a deed by **PRISCILLA MARY
PADLEY** in the presence of:

.....
SIGNATURE OF WITNESS

.....
Priscilla Mary Padley

.....
WITNESS NAME

.....
WITNESS ADDRESS

THE CORPORATE SEAL of
**SECRETARY OF STATE FOR HOUSING,
COMMUNITIES AND LOCAL GOVERNMENT**
hereunto affixed is authenticated by

.....
Authorised by the Secretary of State

Document Information

Document

Title	Lease - SIGNING VERSION - 18.02.26
ID	cfbf96a1-0db2-11f1-9f8e-06e476a07569
Status	Signed
Sender	Lisa Macnab (lisa.macnab@batealbonsolicitors.co.uk)
Dept/business	Deeds
Dept/business ID	304e6c69-bcee-11ed-8764-02dc700d24c2
PDF Certified	True

Recipients

Name	Role	Authentication	Sign time
Priscilla Mary Padley <p.padley62@btinternet.com>	Signer	Email + SMS Text	Fri, 20 Feb 2026 14:29:39 +0000
Paul Tate <ptate6199@gmail.com>	Witness for Priscilla Mary Padley	Email	Fri, 20 Feb 2026 14:31:02 +0000
Linda Chapman <linda.chapman@batealbonsolicitors.co.uk>	Approver	Email + SMS Text	Wed, 25 Feb 2026 14:39:15 +0000

History

Event	Email	IP address	Date/Time
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Ticked checkbox for statement: I understand that accepting the terms of this document creates a legally binding obligation.	p.padley62@btinternet.com	31.52.30.133	Fri, 20 Feb 2026 14:27:49 +0000
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(attachments: lease-signing-version-180226.pdf)		
linda.chapman@batealbonsolicitors.co.uk		
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Linda Chapman		
<linda.chapman@batealbonsolicitors.co.uk>	linda.chapman@batealbonsolicitors.co.uk	Fri, 20 Feb 2026 14:44:22 +0000
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Linda Chapman		
<linda.chapman@batealbonsolicitors.co.uk>	linda.chapman@batealbonsolicitors.co.uk	Wed, 25 Feb 2026 14:00:36 +0000
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<linda.chapman@batealbonsolicitors.co.uk>		
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completed by all recipients.	lisa.macnab@batealbonsolicitors.co.uk	Wed, 25 Feb 2026 14:39:16 +0000