

Dated

200◆



TRAVELODGE HOTELS LIMITED

**LEASE OF PART
of premises at ◆**

ADDLESHAW GODDARD

Contents

| Clause | | Page |
|---------------------|-------------------------------------|-------------|
| 1 | Interpretation..... | 3 |
| 2 | The Demise | 6 |
| 3 | Tenant's Covenants | 6 |
| 4 | Landlord's covenants | 16 |
| 5 | Provisos..... | 19 |
| 6 | Form of Guarantor's covenants | 23 |
| Schedule | | |
| 1 | The Premises..... | 26 |
| 2 | The Rights | 27 |
| 3 | The Exceptions | 28 |
| 4 | The Rent Review Provisions | 29 |
| 5 | The Service Charge | 31 |

LAND REGISTRY REQUIRED WORDING

| | | |
|-----|---------------------------------------|---|
| LR1 | Date of Lease | 200◆ |
| LR2 | Title Number(s) | <p>Landlord's Title Number:</p> <p>◆ (Title number(s) out of which the lease is granted. Leave blank if not registered)</p> <p>Other Title Numbers:</p> <p>[None] or [◆] (Existing title number(s) against which entries of matters referred to in LR9, LR10, LR11 and LR13 are to be made)</p> |
| LR3 | Parties to this Lease | <p>Landlord</p> <p>◆ (Company No. ◆) whose registered office is at ◆</p> <p>Tenant</p> <p>Travelodge Hotels Limited (Company No. 769170) whose registered office is at Sleepy Hollow, Aylesbury Road, Thame, Oxon OX9 3AT</p> <p>Other Parties</p> <p>None</p> |
| LR4 | Property | <p>Land and buildings known as ◆ as more fully described in schedule 1.</p> <p>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.</p> |
| LR5 | Prescribed Statements | None |
| LR6 | Term for which the Property is leased | The term as specified in this lease in clause 1.1 in the definition "Contractual Term" |
| LR7 | Premium | None |

| | |
|--|---|
| LR8 Prohibitions or restriction on disposing of this Lease | This lease contains a provision that prohibits or restricts dispositions |
| LR9 Rights of acquisition. | <p data-bbox="682 304 1367 420">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</p> <p data-bbox="682 462 812 493">Clause 5.10</p> <p data-bbox="682 525 1367 598">LR9.2 Tenant's covenant to (or offer to) surrender this lease</p> <p data-bbox="682 640 747 672">None</p> <p data-bbox="682 714 1367 745">LR9.3 Landlord's contractual rights to acquire this lease</p> <p data-bbox="682 787 747 819">None</p> |
| LR10 Restrictive covenants given in this lease by the Landlord in respect of land other than the Property | Clause 4.7 |
| LR11 Easements | <p data-bbox="682 1081 1367 1155">LR11.1 Easements granted by this lease for the benefit of the Property</p> <p data-bbox="682 1165 812 1197">Schedule 2</p> <p data-bbox="682 1228 1367 1302">LR11.2 Easements granted or reserved by this lease over the Property for the benefit of other property</p> <p data-bbox="682 1333 812 1365">Schedule 3</p> |
| LR12 Estate rent charge burdening the Property | None |
| LR13 Application for standard form of restriction | <p data-bbox="682 1533 1367 1638">The Parties to this lease apply to enter the following standard form of restriction [against the title of the Property] or [against title number]</p> <p data-bbox="682 1669 1367 1701">[None] or [] (<i>insert appropriate form of restriction</i>)</p> |
| LR14 Declaration of trust where there is more than one person comprising the Tenant | Not applicable |

This Lease is made on ♦ 200 ♦

Between

- (1) ♦ [of ♦] [(Company No. ♦) whose registered office is at ♦] (**Landlord**); and
- (2) **Travelodge Hotels Limited** (Company No. 769170) whose registered office is at Sleepy Hollow, Aylesbury Road, Thame, Oxon OX9 3AT (**Tenant**).

It is agreed

1 Interpretation

In this Lease unless the context requires otherwise:

1.1 The following words and expressions mean:

AGA means an authorised guarantee agreement within the meaning of section 16 of the 1995 Act

Agreement for Lease means the Agreement for Lease dated [] made between the Landlord (1) and the Tenant (2)

Car Park means ♦ *[complete an adequate description of the car park by reference to colouring on the Plan if appropriate]*

CDM Regulations means the Construction (Design and Management) Regulations 2007 and any other regulations of a similar nature in force at any time during the Term

Common Parts means all parts of the Estate which at any time during the Term do not form part of the Premises or any other part of the Estate let, designed, capable or intended to be let to any other tenant of the Landlord or beneficially occupied by or on behalf of the Landlord including without limitation:

- (a) all roads and footpaths and all parking, service, access and landscaped areas, fire escapes, all boundary structures and all Pipes other than those demised to the Tenant or any other tenant on the Estate
- (b) the Car Park
- (c) *[insert details of any other Common Parts critical to the Tenant's use so there is no doubt that they are included (e.g. fire escapes, bins/refuse areas)]*

Contractual Term means the term of [25][35] years starting on ♦ and ending on ♦

End of the Term means the end of the Term however that happens

Estate means the Landlord's estate known as ♦ and shown edged blue on the Plan

EPC means an Energy Performance Certificate prepared in accordance with The Energy Performance Buildings (Certificates and Inspections) (England and Wales) Regulations 2007 SI 2007/991 and SI 2007/1669

Exceptions means the exceptions and reservations set out in schedule 3

Group Company means a group company within the meaning of section 42 of the Landlord and Tenant Act 1954

[**Headlease** means a lease dated ♦ and made between ♦]

Insured Risks means fire, lightning, explosion, storm, tempest, flood, bursting and overflowing of water tanks, apparatus or pipes, subsidence, heave, aircraft and other aerial devices, earthquake, riot, civil commotion, labour disturbance, malicious damage, terrorism and any other risks that either the Landlord or the Tenant reasonably considers appropriate at any time subject to the exclusions, reasonable excesses and limitations that are generally applicable in the market place for property such as the Premises at any time and are applicable to the insurance policy effected by the Landlord but excluding any risks for which cover is not generally available in the market place for property such as the Premises at any time and which have been refused by the Landlord's insurers

Interest Rate means three per cent per annum above the base rate from time to time of Barclays Bank plc or any other bank that is a member of the British Banking Association and that the Landlord specifies at any time or, if those base rates cease to exist, such other equivalent rate of interest as the Landlord reasonably specifies at any time both before and after any judgment

Landlord includes the reversioner for the time being immediately expectant on the End of the Term

Landlord's consent means the previous consent of the Landlord by deed

Lease means this Lease and any documents supplemental to it or entered into in accordance with or under it

LF&F means as more particularly defined in the Agreement for Lease

Loss of Rent means loss of the yearly rent reserved by clause 2 of this Lease including any anticipated loss of rent which may follow a rent review, in the amount and for the period being not less than three nor more than five years that the Landlord reasonably requires

Permitted Part means one or more whole floors of the Premises and/or the food and beverage area and/or any part of the Premises used or intended to be used for any ATM or Cash machine, billboard or telecommunication equipment and/or an area for use as an electricity substation serving the Premises [***NB – consider any scope for including roof?***]

Permitted Use means use as a hotel with, if required, ancillary reception, offices, meeting rooms, laundry rooms, breakfast bar, bar/café, kitchen, ATM or Cash machine, billboard or telecommunication equipment and other appropriate facilities or such other use as the Landlord may approve (such approval not to be unreasonably withheld or delayed)

Pipes means pipes, sewers, drains, conduits, gutters, watercourses, wires, cables, channels, ducts, flues, aerials, cisterns, tanks and all other conducting media and ancillary apparatus and any enclosures for them

Plan means the plan[s] annexed to this Lease [numbered 1-♦ and Plan 1, Plan 2 shall be construed accordingly]

Planning Acts means the Town and Country Planning Act 1990, the Planning (Listed Buildings and Conservation Areas) Act 1990, the Planning (Hazardous Substances) Act 1990,

the Planning (Consequential Provisions) Act 1990, the Planning and Compensation Act 1991 and any other statute of a similar nature in force at any time during the Term

Premises means the property described in schedule 1

Rent Days means 25 March, 24 June, 29 September and 25 December in each year

Rent Review Provisions means the rent review provisions set out in schedule 4

Rights means the rights set out in schedule 2

Service Charge means the monies payable by the Tenant for the provision of services in accordance with schedule 5

[**Superior Lessor** means the landlord from time to time under the Headlease]

Tenant includes its successors in title and assigns

Term means the Contractual Term together with any extension or continuance of it whether by agreement, common law or statute Provided That only the then current Tenant and any then actual guarantor (excluding any guarantor under an AGA) shall be liable for the observance and performance of the covenants on the part of the Tenant after the end of the Contractual Term

Uninsured Risk means any Insured Risk (including damage caused by terrorism) against which the Landlord has not insured because the risk concerned is one for which cover is not generally available in the market place for property such as the Premises at the relevant time and one which has been refused by the Landlord's insurers

Utilities means data transmission, drainage, electricity, energy of any other type, gas, telephone, water and all other services

VAT means Value Added Tax and any tax of a similar nature substituted for it or imposed in addition to it at any time during the Term and any penalties or fines in relation to them

1995 Act means the Landlord and Tenant (Covenants) Act 1995

- 1.2 Any reference to any statute, including any reference in any definition in this clause, includes (unless otherwise stated):
- (a) any amendment, modification, extension or re-enactment of it at any time
 - (b) all instruments, orders, plans, regulations, permissions, directions and any other form of subsidiary legislation at any time made, issued or given under or drawing validity from any statute
 - (c) all European Union law, directives and regulations
- 1.3 Any reference to any form of legal entity includes all other forms of legal entity
- 1.4 Words importing the singular meaning where the context so allows include the plural meaning and vice versa
- 1.5 Words importing any one gender include both other genders and may be used interchangeably

- 1.6 In the following cases references to the Landlord include references to the Superior Lessor:
- (a) Where there is any obligation on the Tenant to obtain the Landlord's consent or approval or any acknowledgement from the Landlord or to carry out any act to the satisfaction of the Landlord (where such consent is required under the terms of the Headlease)
 - (b) Where there is any obligation to pay any costs or fees to the Landlord or to reimburse the Landlord for any payment made or expense incurred
- 1.7 Obligations by more than one person are joint and several and where any party under this Lease at any time is more than one person references to it are to each person individually as well as jointly with the others comprising it
- 1.8 Any obligation on the Tenant or Landlord not to do something is an obligation not to do it or omit it, and to use all reasonable endeavours not to allow it or knowingly suffer it to be done or omitted by any undertenant or any other person under the Tenant's or Landlord's control as the case may be
- 1.9 Rights excepted, reserved or granted to the Landlord are excepted, reserved or granted to the Landlord, any Superior Lessor and everyone authorised by them
- 1.10 Rights granted by the Landlord are, where appropriate, granted in common with the Landlord, the Superior Lessor and everyone authorised by it
- 1.11 The perpetuity period applicable to this Lease is the Contractual Term or 80 years from the start of the Term, whichever is the shorter
- 1.12 The clause and paragraph headings in this Lease are for ease of reference only and are not to be taken into account in the construction or interpretation of any covenant condition or proviso to which they refer

2 The Demise

The Landlord demises the Premises to the Tenant with full title guarantee together with the Rights but excepting and reserving the Exceptions for the Contractual Term subject to and with the benefit of the matters contained, mentioned or referred to in the property and charges registers of Title Number ♦ so far as they relate to the Premises paying throughout the Term the yearly rent of £♦ *[determined in accordance with the Agreement for Lease]* and any increase in that rent payable under the Rent Review Provisions by equal quarterly payments in advance on the Rent Days and so in proportion for any period less than a year, the first payment being a proportionate sum in respect of the period from and including ♦ *[date determined in accordance with the Agreement for Lease]* to the next Rent Day after that date to be paid on that date

3 Tenant's Covenants

The Tenant covenants with the Landlord:

3.1 Payments

- (a) To pay the rent reserved by clause 2 of this Lease as set out in that clause
- (b) To pay to the Landlord on demand as additional rent:

- (i) all reasonable sums reasonably and properly paid by the Landlord for insuring the Premises or, where appropriate, a proper proportion (to be determined by the Landlord acting reasonably) of all reasonable sums reasonably and properly paid by the Landlord for insuring the Estate against the Insured Risks and the Landlord's third party and property owner's liability and if there is any insurance claim the whole or, where appropriate, a proper proportion (to be determined by the Landlord acting reasonably) of any reasonable excess which is usual in the marketplace for properties such as the Premises and which applies
- (ii) all reasonable sums reasonably and properly paid by the Landlord for insuring against Loss of Rent from the Premises
- (c) To pay the Service Charge to the Landlord
- (d) To make all payments referred to in this sub-clause, and all other payments due to the Landlord under this Lease, without any deduction (except as required by law) or counterclaim and without exercising any right of legal or equitable set off

3.2 **Outgoings and Utilities**

- (a) To pay all rates, taxes, assessments, duties, charges, impositions and other outgoings of any type charged, assessed or imposed on or in respect of the Premises or their owner or occupier at any time (including any of a capital or non-recurring nature) except for:
 - (i) any tax payable by the Landlord or any Superior Lessor as a result of any dealing or deemed dealing by the Landlord or any Superior Lessor with any reversionary interest in the Premises
 - (ii) any tax payable by the Landlord in respect of rent and other payments under this Lease, other than VAT
- (b) To pay for all Utilities used at or available to the Premises, including standing charges, and to comply at its own expense with their suppliers' regulations and requirements

3.3 **Insurance**

- (a) To insure the Premises against the Tenant's occupiers' and third party liability risks
- (b) At the Landlord's request (but not more than once in any 12 month period) to produce to it all relevant policies, or satisfactory evidence of their terms, and evidence that the last premium has been paid
- (c) If the Tenant is entitled to the benefit of any insurance on or in respect of the Premises or the Estate which duplicates any insurance effected by the Landlord, other than the insurances required by this Lease, to apply all money received from it in making good the loss or damage for which the money is received

3.4 **Interest**

- (a) If the Landlord does not receive payment of any money due under this Lease within 14 days of the due date to pay interest on the money concerned to the Landlord at the Interest Rate from the due date until the date of actual receipt by the Landlord

- (b) If the Landlord refuses payment of any money due from the Tenant under this Lease whilst there is a material breach of the Tenant's obligations under this Lease to pay interest on that money at 3% below the Interest Rate from the due date until the date on which the Landlord accepts or should properly accept payment

Provided That this sub-clause shall not prejudice any other right or remedy of the Landlord for the recovery of any money due

3.5 **VAT**

To pay and indemnify the Landlord against any VAT chargeable in respect of or levied on:

- (a) any payment due from or any supply made to the Tenant under or in connection with this Lease (subject to the receipt of a valid VAT invoice duly addressed to it) and
- (b) any payment made by or any supply made to the Landlord where the Tenant is liable to reimburse it for that payment or in respect of that supply save to the extent that any VAT is recoverable by the Landlord

in each case in addition to the payment or supply concerned

3.6 **Repair**

- (a) To repair and maintain the Premises and to keep them in good and substantial repair, damage caused by the Insured Risks (unless and to the extent that any relevant insurance policy is prejudiced or invalidated by anything done by the Tenant, any undertenant or any other occupier of the Premises unless any shortfall is made good by the Tenant) or any Uninsured Risk excepted and save where and to the extent the want of repair arises from any inherent or latent defect
- (b) To maintain and keep in good working order and condition all Landlord's fixtures and fittings and to replace any of them which are beyond repair by suitable items of a similar kind
- (c) To carry out all work required under this sub-clause or any other provision of this Lease:
 - (i) in a good and workmanlike manner and
 - (ii) in accordance with good modern practice from time to time, all relevant codes of practice and all British Standards

3.7 **Decoration**

- (a) In every seventh year of the Term and in the three months before the End of the Term to prepare, paint with good quality paint, or otherwise appropriately decorate the outside of the Premises and all additions to them previously or usually decorated
- (b) In every fifth year of the Term and in the three months before the End of the Term to prepare, paint with at least two coats of good quality paint, or otherwise appropriately decorate the inside of the Premises and all additions to them previously or usually decorated

- (c) The Tenant shall not be obliged to carry out any work under clauses 3.7(a) or 3.7(b) more frequently than once in any period of 18 months or in the last year of the Term where it is seeking a renewal of this Lease
- (d) To carry out the work required by this sub-clause:
 - (i) in a good and workmanlike manner
 - (ii) with good quality materials
 - (iii) on the last occasion in a colour and scheme of decoration approved by the Landlord, such approval not to be unreasonably withheld or delayed and not to be required if the colour and scheme of decoration follows the Tenant's, any undertenant's or other occupier's of the Premises nationally or regionally adopted corporate style or requirements from time to time

3.8 **Keep tidy**

- (a) To keep the Premises reasonably clean, tidy and free from litter
- (b) Not to litter or make untidy the Estate or any neighbouring or adjoining property

3.9 **Alterations**

- (a) Not to make any structural or external alterations or additions to the Premises save that the Tenant may with the Landlord's consent, such consent not to be unreasonably withheld or delayed, carry out minor alterations which tie into the structure of the Estate or to run cabling to and from plant and other equipment provided that the structural integrity of the Estate is not adversely affected
- (b) Not to make any internal non-structural alterations or additions to the Premises without the Landlord's consent, such consent not to be unreasonably withheld or delayed and not to be required for internal partitioning and ancillary works or changes to the configuration of the reception area
- (c) Before carrying out any alterations or additions and at its own cost to:
 - (i) obtain all necessary consents from any competent authority
 - (ii) where the Landlord's consent is required, supply all drawings, specifications and other information that the Landlord reasonably requires in respect of them
 - (iii) where the Landlord's consent is required, enter into any covenants that the Landlord reasonably requires for the execution, supervision and reinstatement of them
- (d) To complete and carry out any permitted alterations or additions:
 - (i) without cost to the Landlord
 - (ii) where the Landlord's consent is required to the Landlord's reasonable satisfaction
 - (iii) in a good and workmanlike manner

- (iv) with good quality materials
 - (v) where the Landlord's consent is required, in accordance with the plans, specifications and details previously approved by the Landlord such approval not to be unreasonably withheld or delayed
 - (vi) in accordance with all statutory requirements
- (e) If the Landlord reasonably requires it by written notice served not later than six months prior to the End of the Term to remove any alterations or additions to the Premises, or any part of them, and to reinstate the Premises, or the appropriate part of them, to their former or proper condition before the End of the Term with all work being done to the Landlord's reasonable satisfaction

3.10 Statutory obligations

- (a) At its own expense to comply with all requirements of, and execute all works required by, any statute or any competent authority in respect of the Premises, any activity at or use of them or the use of any plant, machinery or other equipment in them Provided That the Tenant shall not be liable under this clause 3.10 or any other provision of this Lease in respect of any contamination or pollution in, on or under or emanating from the Premises which is not caused by it, any undertenant or any other occupier of the Premises during the Term (including without limitation in respect of any liability to pay for or undertake remediation)
- (b) To obtain all planning permissions and other consents that are required for the carrying out of any operations on the Premises or any use of them which may constitute development within the meaning of the Planning Acts
- (c) That where any alterations or additions are covered by the CDM Regulations it and not the Landlord will be the client for the purposes of regulation 8 of those regulations and that it will:
 - (i) elect to be treated as the only client for the purposes of the CDM Regulations
 - (ii) comply with the client's obligations under the CDM Regulations
- (d) To supply to the Landlord at its own cost sufficient details in respect of any work done to the Premises, and the Premises as altered by that work, to keep any Health and Safety file maintained under the CDM Regulations in respect of the Premises or the Estate up to date including copies of all relevant plans, specifications and other documents
- (e) Not to carry out any material operation on or any change of use of the Premises before all notices required under the Planning Acts have been served or, where the Landlord's consent is required under any other clause of this Lease for the action concerned, before all relevant notices, planning permissions and other consents have been produced to the Landlord and acknowledged by it in writing as being satisfactory, such acknowledgement not to be unreasonably withheld or delayed
- (f) To carry out and complete before the End of the Term any works which are to be carried out to the Premises by a date after the End of the Term as a condition of any planning permission granted for any development begun during the Term

- (g) To produce to the Landlord as soon as reasonably practicable all notices, orders, proposals, permissions, consents, plans and other evidence which the Landlord reasonably requires in order to be satisfied that this sub-clause has been fully complied with

3.11 **Inspection and notice to repair**

To allow the Landlord and everyone authorised by it to enter the Premises (other than occupied bedrooms) at all times during normal working hours during the Term on reasonable prior notice (except in the case of emergency) to:

- (a) take inventories of fixtures, fittings and other items to be yielded up at the End of the Term
- (b) establish whether the Tenant's obligations under this Lease relating to repair and statutory compliance have been complied with; and:
 - (i) if a breach of any such obligation is found the Landlord may serve written notice on the Tenant requiring it to remedy the breach concerned
 - (ii) if the Tenant does not start to rectify any breach of obligation notified to it within a reasonable time after service of the Landlord's notice or does not complete the rectification within a reasonable time thereafter bearing in mind the nature of the breach, the Landlord may enter the Premises with all necessary workmen and equipment to rectify the breach concerned and the Tenant shall pay to the Landlord all reasonable expenses reasonably and properly incurred by it in doing so Provided That the Landlord shall not be entitled to exercise this right of entry in respect of any breach of covenant which is of a minor and/or decorative nature only or does not give rise to a material diminution in the value of the Landlord's reversionary interest in the Premises
- (c) inspect the Premises in connection with any proposed action under Part II of the Landlord and Tenant Act 1954 or the implementation of any rent review procedure
- (d) inspect and value the Premises, and any items in them, for insurance purposes
- (e) exercise any right of the Landlord under this Lease

3.12 **User**

- (a) Not to do anything at the Premises which causes a legal nuisance or physical injury or damage to the Landlord or any owner or occupier of the Estate
- (b) Not to use the Premises or any part of them for any purpose other than the Permitted Use

3.13 **Aerials, signs and advertisements**

Not to install or display on any part of the outside of the Premises or to or through any window in the Premises any placard, poster, notice, advertisement, name, sign or other writing without the Landlord's consent such consent not to be unreasonably withheld or delayed Provided That no consent shall be required for any

- (a) temporary placards, posters, notices, advertisements or signs of an inoffensive nature

- (b) notices, signs, posters and advertisements showing the name of the Tenant, any undertenant or other occupier of the Premises or the nature of their businesses
- (c) notices, signs, posters and advertisements in accordance with the Tenant's, any undertenant's or other occupier's of the Premises nationally or regionally adopted corporate style or requirements from time to time
- (d) television radio or other telegraphic aerial satellite dish or other apparatus required for the enjoyment of the Premises for the Permitted Use bearing in mind technological advances during the Term and which is in line with the hotel sector (or other appropriate business sector following a change of use of the Premises)

3.14 Insurance obligations

- (a) Not to do anything which prejudices or invalidates any insurance policy in respect of the Premises or the Estate and in respect of which sufficient details have been given to the Tenant to enable it to comply with this clause or which makes or may make any increased or additional premium payable for any of them
- (b) To pay to the Landlord within 10 working days of a written demand the cost of any increased or additional premium which becomes payable in respect of the Premises or the Estate as a result of the occupancy or use of the Premises (including any referred to in clause 3.14(a))
- (c) On becoming aware of the Premises being destroyed or damaged to give immediate notice to the Landlord stating the cause if known
- (d) If the Premises or the Estate are destroyed or damaged and any relevant insurance policy is prejudiced or invalidated by anything done by the Tenant, any undertenant or any other lawful occupier of the Premises to pay the irrecoverable monies to the Landlord on demand

3.15 Notices

Within 14 days of any notice, direction or order from any competent authority being received by it to give full details of it to the Landlord and, if required by and at the cost of the Landlord, to produce it to the Landlord and/or take all steps necessary to comply with it and/or make or join with the Landlord in making any objection or representation against it or in respect of it that the Landlord reasonably requires provided that the Tenant shall not be obliged to take any steps which are contrary to its genuine business interests

3.16 Alienation

- (a) Not to hold on trust for another, assign, underlet or share or part with the possession or occupation of the Premises or any part of them unless:
 - (i) the transaction is not prohibited by clause 3.16(b) and
 - (ii) clauses 3.16(c) to 3.16(g) (inclusive) are first complied with in full where and to the extent that they relate to the transaction in question and
 - (iii) any consent required from the Superior Lessor has been obtained and any conditions reasonably imposed have been satisfied and

- (iv) all monies which are due to the Landlord under this Lease and have been demanded at least 14 days before the relevant transaction are paid up to date

when the following transactions will be allowed with the Landlord's consent, such consent not to be unreasonably withheld or delayed:

- (A) assignments of the Premises as a whole
- (B) underleases of the Premises as a whole or in one or more Permitted Parts

and if the Tenant is a company it may:

- 1) share or part with the occupation of the Premises or any part of them with or to a Group Company without the Landlord's consent for so long only as the company concerned remains a Group Company, no relationship of landlord and tenant is created or security of tenure obtained and
- 2) grant trading concessions to third parties over any part or parts of the Premises which do not exceed 50% of the gross internal area Provided That no relationship of landlord and tenant is created or security of tenure obtained

(b) Not to effect any assignment:

- (i) to any assignee which enjoys diplomatic or state immunity except where the proposed assignee is the Government of a country which is a member of the European Union
- (ii) to any assignee which is not resident in the European Union or in a jurisdiction where a system for the reciprocal enforcement of judgements exists
- (iii) to any assignee which in the Landlord's reasonable opinion is not of sufficient financial standing to enable it to comply with the tenant's obligations under this Lease

(c) Before any assignment:

- (i) if reasonably required by the Landlord the outgoing Tenant must enter into a deed constituting an AGA (to be prepared by the Landlord's solicitors) in the form of clause 6 of this Lease (but with the reference to the Tenant in clause 6.1 being to the proposed assignee and subject to any variation that may be necessary to produce a valid AGA) to secure the obligations of the proposed assignee to the Landlord
- (ii) if reasonably required by the Landlord any guarantor of the liability of the outgoing Tenant to the Landlord (except any guarantor under an AGA) must enter into a deed (to be prepared by the Landlord's solicitors) in a form reasonably required by the Landlord to jointly and severally guarantee (as principal debtors) the obligations of the outgoing Tenant under the AGA referred to in clause 3.16(c)(i)

- (d) Before any assignment the proposed assignee must enter into a deed (to be prepared by the Landlord's solicitors) in a form reasonably required by the Landlord containing direct covenants with the Landlord to comply with the tenant's obligations under this Lease or the underlease that is being assigned as appropriate
- (e) Before any underlease the proposed undertenant must enter into a deed (to be prepared by the Landlord's solicitors) in a form reasonably required by the Landlord containing direct covenants with the Landlord to comply with the undertenant's obligations under the proposed underlease
- (f) Before any assignment or underlease, if the Landlord reasonably requires it, a guarantor approved by the Landlord, such approval not to be unreasonably withheld, must enter into a deed (to be prepared by the Landlord's solicitors) in the form of clause 6 of this Lease (but with the reference to the Tenant in clause 6.1 being to the proposed assignee or undertenant, as appropriate, and subject to any variation that may be appropriate in the case of a proposed underlease or the assignment of an underlease) to secure the obligations of the proposed assignee of this Lease, the proposed undertenant or the proposed assignee of an underlease, as appropriate, to the Landlord
- (g) That any underlease must:
 - (i) be granted at the full open market rent of the premises to be underlet without any premium or other concession to the undertenant which reduces the rent payable with rent being payable in advance on the Rent Days
 - (ii) contain covenants controlling dealings in accordance with this sub-clause and
 - (iii) contain a re-entry clause in a form equivalent to the re-entry clause in this Lease
- (h) That in respect of any underlease granted it will:
 - (i) take reasonable steps to enforce compliance with the obligations in it and not waive any breach by the undertenant
 - (ii) not vary its terms without the Landlord's consent, such consent not to be unreasonably withheld or delayed
 - (iii) not commute any rent payable under it in whole or part
- (i) On every application for consent under this sub-clause to disclose to the Landlord the information concerning the terms of the proposed transaction that the Landlord reasonably requires
- (j) Where this Lease prohibits or imposes pre-conditions on any particular assignment they:
 - (i) are specified for the purposes of section 19(1A) of the Landlord and Tenant Act 1927 and
 - (ii) do not affect the Landlord's right to withhold consent on any other ground which is reasonable or to impose any further condition which is reasonable in the circumstances

- (k) Within one month of every assignment or underlease to produce a certified copy of all relevant documents to the Landlord's solicitors for registration and to pay their reasonable fee not exceeding £50

3.17 **Rights of light and encroachments**

- (a) Save where consequent upon any permitted signage or alterations not to permanently stop up, darken or obstruct any windows in the Premises or do anything that would cause any easement or other right enjoyed by the Premises to be extinguished or abandoned provided always that for so long as the Premises are being used as a hotel the use of curtains, nets or blinds in the windows of the bedrooms at the Premises shall not be deemed to be a breach of this clause 3.17(a)
- (b) Not to knowingly allow any new window, opening, path, drain or other encroachment or easement to be made or acquired in, against, out of or on the Premises and if any are made or acquired or any attempt is made to acquire or make them to give immediate notice to the Landlord after becoming aware of the facts concerned and at the Landlord's request, but at its own cost, do whatever is reasonably required to prevent the encroachment or the acquisition of the easement concerned

3.18 **Notices of breach and costs**

To pay to the Landlord within 10 working days of receipt of a written demand all reasonable and proper costs, charges and expenses (including solicitors', surveyors', bailiffs' and other professional fees) reasonably and properly incurred by it for the purpose of:

- (a) the preparation and service of a notice under section 146 of the Law of Property Act 1925 even if forfeiture is avoided unless a competent court orders otherwise
- (b) the preparation and service of all notices relating to any failure by it or any guarantor to comply with their obligations under this Lease whether served before or not more than three months after the End of the Term
- (c) any application for any licence or consent under this Lease whether granted or not including where the application is withdrawn unless such consent is unlawfully refused or granted subject to unreasonable conditions in breach of an obligation not to do so
- (d) inspecting and valuing the Premises and any items in them for insurance purposes but so that the Tenant will not be required to reimburse the Landlord for any valuation which is made by the Landlord less than three years after a previous valuation by or for the Landlord unless the valuation is occasioned by any works or activity of the Tenant, any undertenant or other occupier of the Premises

3.19 **Yield up**

At the End of the Term to yield up the Premises in the state and condition required by this Lease

3.20 **Pipes**

Not to knowingly allow any oil or grease or any deleterious, objectionable, dangerous, poisonous or explosive substance to be discharged into any Pipes forming part of or serving the Premises and not to cause any obstruction or deposit in them or any damage to them

Provided that nothing in this clause shall prohibit any discharge carried out in accordance with any environmental consent or other authorisation in accordance with the Permitted User

3.21 Overloading

Not to do anything which strains or damages the Premises beyond which they are designed to bear

3.22 Common Parts

Not to obstruct the Common Parts [provided that this shall not prevent the Tenant loading and/or unloading goods from service vehicles in the designated service areas or loading bays provided for such purpose]

3.23 [Headlease

By way of indemnity only to comply with the lessee's obligations under the Headlease (except the covenant to pay rent) so far as they relate to the Premises]

4 Landlord's covenants

The Landlord covenants with the Tenant:

4.1 Quiet enjoyment

That the Tenant may peaceably and quietly hold and enjoy the Premises during the Term without any unlawful interruption by the Landlord or any person rightfully claiming under or in trust for it or by title paramount

4.2 Insurance

(a) To insure the Premises and the Common Parts serving them or, at the Landlord's option, the Premises and the Common Parts serving them as part of the Estate or any part of it (referred to in this clause 4 as the Insured Parts):

- (i) in their full reinstatement cost
- (ii) against loss or damage by the Insured Risks together with an appropriate addition for the cost of demolition, site clearance and professional fees
- (iii) against Loss of Rent
- (iv) to the extent that insurance is reasonably available with reputable insurers on reasonable terms

but the Landlord shall not be under any obligation to insure any alterations, additions or fixtures and fittings made or installed by the Tenant, any undertenant or any other occupier until notified of them and the amount for which they should be insured

(b) If the Insured Parts are destroyed or damaged by an Insured Risk the Landlord will (unless any relevant insurance policy is prejudiced or invalidated by anything done by the Tenant, any undertenant or other occupier of the Premises unless any such shortfall is made good) use its reasonable endeavours to promptly submit and diligently pursue the claim under the insurance policy use all reasonable endeavours to obtain any consents needed to enable it to reinstate the Insured Parts as soon as

reasonably possible and will when the consents have been obtained lay out the insurance monies received by it in respect of the Insured Parts (except in respect of Loss of Rent, costs and fees) in reinstating the Insured Parts in a form as near as reasonably practicable to the form existing before the destruction or damage making good any shortfall out of its own resources Provided That the Landlord shall

- (i) obtain the Tenant's approval to any variation in the size, configuration or layout of the Premises and the quality and appearance of the finish of the Premises such approval not to be unreasonably withheld or delayed and
 - (ii) procure the issue to the Tenant of collateral warranty deeds in forms agreed by the Tenant (such agreement not to be unreasonably withheld or delayed) from the contractor, professional team and principal subcontractors engaged in the reconstruction work in accordance with the then market practice in respect of new lettings
- (c) To procure that in respect of each policy of insurance effected by it:
- (i) the policy shall contain a tenant's non-invalidation clause
 - (ii) the insurers agree to waive all rights of subrogation against the Tenant, any undertenant and any other occupier of the Premises save in relation to damage arising from any criminal, fraudulent or malicious acts of any of them
 - (iii) the premiums paid are competitive for the relevant type and class of insurance in the insurance market and that the Tenant is given the full benefit of any commission, discount and other payments received by or allowed to the Landlord by the insurers in respect of the insurance in question
 - (iv) the Tenant is promptly notified in writing of any material change in the terms, ambit or quantum of the policy and is supplied (without the need of any request from the Tenant) with a copy of, or sufficient details of, the new form of policy
 - (v) without limiting the Landlord's obligations under this clause the Tenant is, on request, supplied with a copy, or at the Landlord's option, sufficient details of the policy and evidence of payment of the last premium

4.3 **Services**

To provide the Services set out in schedule 5 but the Landlord shall not be liable to the Tenant for any interruption to any service because of maintenance of, damage to or destruction of any equipment, breakdown, inclement weather, shortage of materials or labour or any other cause at all outside the Landlord's control (unless it is insured for the same) if and to the extent that the Landlord:

- (a) Uses all reasonable care to foresee and avoid any such interruption and
- (b) Uses all reasonable endeavours to restore the relevant service as soon as reasonably practicable

4.4 **[Headlease**

The Landlord covenants with the Tenant that:

- (a) It will use reasonable endeavours to procure the observance and performance by the Superior Lessor of all the covenants and agreements on the Superior Lessor's part contained or referred to in the Headlease
- (b) It will observe and perform all the covenants and conditions on the tenant's part contained in the Headlease and will keep the Tenant fully and effectually indemnified in respect of any breach, non-observance or non-performance of them save where such breach is occasioned by reason of the Tenant's failure to observe or perform any covenant or condition on its part in this Lease
- (c) There are no provisions in or concerning the Headlease which prevent the Landlord from performing its obligations in this Lease or prejudice the ability of the Landlord to exercise any powers or rights available to it in this Lease
- (d) It will take all reasonable steps to obtain the consent of the Superior Lessor whenever the Tenant makes an application for any consent required under this Lease where the consent of both the Landlord and Superior Lessor is required by virtue of this Lease and the Headlease
- (e) [It will provide the Tenant as soon as practicable after receipt by the Landlord with a copy of the [service charge certificate] produced by the Superior Lessor pursuant to the Headlease in respect of each [Financial Year] and a copy of the account or invoice for the Service Charge for the relevant [Financial Year] as produced by the Superior Lessor pursuant to the Headlease]
- (f) [It will on demand procure from the Superior Lessor and produce to the Tenant a copy of the insurance policy maintained by the Superior Lessor in respect of the Estate or other adequate details of and evidence of such insurance and of the payment of the last premium therefor]]

4.5 **Car Park**

To ensure that there are at all times not less than ♦ customer and ♦ staff car parking spaces available within the Estate (unless prevented by circumstances beyond their control)

4.6 **Directory Board**

If there is a directory board at the public entrance to the Estate and if the Landlord proposes to display the names of tenants on such board to display the usual trading names of the Tenant (or Group Company of it) on such directory board

4.7 **Restrictive Covenant**

- (a) Not to use or allow any part of the Estate other than the Premises to be used as a budget hotel
- (b) Not to use or allow any part of the Estate to be used as a nightclub

4.8 **Similar Leases and Enforcement**

To ensure that all other leases within the Estate contain similar covenants on the part of the landlord and similar service charge, repairing, and user provisions (as outlined at clause 3.12(a)) on the tenant to those contained in this Lease and at the request of the Tenant to enforce the covenants on the part of the tenants contained in such other leases

4.9 **Construction/Repair Works**

To procure that while any construction or repair works are carried out during the Term to the Building or the remainder of the Estate or any other adjoining or nearby property of the Landlord:

- (a) such works are carried out during the hours of 8am to 8pm and generally carried out so as to cause as little disturbance and inconvenience as possible to the Tenant or any undertenant or other lawful occupier and their guests and so as not to adversely affect the Tenant's or any undertenant's or other lawful occupier's trade from the Premises;
- (b) all works are screened so as to provide protection and as attractive an appearance as is reasonably practicable;
- (c) any scaffolding necessary for the purposes of the works shall only be in place for as short a time as is reasonably necessary to carry out the works and only then in such a way so as not to obstruct or obscure the main entrance to the Premises, the Tenant's signage and the hotel bedroom windows; and
- (d) all licences in respect of alteration works granted to any tenants of the Building shall contain similar covenants to those contained in this clause 4.9 on the part of the tenant.

4.10 **[Access]**

To keep the Common Parts open and not to materially interfere with or obstruct the means of access and escape through and over the same or the use and enjoyment of the same by the Tenant's employees, customers, occupiers or invitees

5 Provisos

It is agreed that:

5.1 **Re-entry**

If any of the following occur:

- (a) The rent payable under clause 2 of this Lease or any part of it is unpaid for 21 days after it becomes due, whether formally demanded or not or
- (b) The Tenant fails to comply with any of its obligations under this Lease or
- (c) The Tenant (being an individual) becomes bankrupt, has a receivership order made against him or has a receiver appointed under the Mental Health Act 1983 or (being a company) enters into liquidation whether compulsory or voluntary (unless for the purpose of the amalgamation or reconstruction of a solvent company not involving the realisation of assets), has a receiver (including an administrative receiver) or an administrator appointed of its undertaking or any of its assets, has a winding up or an administration order made against it, is struck off the Register of Companies, is dissolved or (being a company incorporated outside Great Britain) ceases to exist under the laws of the country of its incorporation or (in any case) enters into an arrangement or composition for the benefit of its creditors

the Landlord may at any time afterwards, even though any earlier right of re-entry has been waived, re-enter the Premises or any part of them in the name of the whole when this Lease shall end but without prejudice to any antecedent breach

5.2 **Suspension of rent**

If the Premises and/or the Common Parts serving them or any means of access to the Premises and/or the Common Parts are damaged by any Insured Risk or Uninsured Risk so as to render the Premises or any part of them unfit for occupation or use then (unless and to the extent that any insurance policy in respect of Loss of Rent from the Premises is prejudiced or invalidated by anything done by the Tenant, any undertenant or other occupier of the Premises unless any shortfall is made good by the Tenant) the rents reserved by this Lease or a fair proportion of them according to the nature and extent of the damage concerned shall be suspended until the Premises the Common Parts and any means of access to the Common Parts and/or the Premises or the damaged part of them are reinstated so as to render the whole of the Premises fit for occupation or use

5.3 **Determination of the Term**

If the Premises and/or the Common Parts serving them are destroyed or damaged by any Insured Risk or any Uninsured Risk so as to be unfit for occupation and use then:

- (a) The Landlord may, if may if the cause is an Insured Risk and the Premises and/or Common Parts are not reinstated or made fit for occupation and use four months before the date on which its Loss of Rent insurance expires, give the Tenant not less than three months' written notice to determine this Lease and if on the expiration of that notice the Premises and/or Common Parts have not been reinstated and made fit for occupation and use the notice shall be effective to determine this Lease Provided That the Landlord shall not be entitled to serve notice unless it has used all reasonable endeavours to comply with its obligations concerning the reinstatement of the Premises
- (b) The Landlord may, if the cause is an Uninsured Risk, give notice to the Tenant at any time within six months after the date of the destruction or damage that it intends to comply with its obligations under clause 4.2(b) as if the cause were an Insured Risk and if the Landlord does so the damage will for the purposes of this Lease be treated as having been caused by an Insured Risk and the Landlord will comply with its obligations under clause 4.2(b) (to the extent they are applicable)
- (c) The Landlord may, if the cause is an Uninsured Risk and it has not given notice to the Tenant under clause 5.3(b), give notice to the Tenant at any time after the date of the destruction or damage give the Tenant not less than one month's written notice to determine this Lease and in that event the Tenant's responsibilities to the Landlord (including as to the repair and maintenance of the Premises) shall cease to have effect and the Tenant shall have no further liability under them
- (d) The Tenant may if the cause is an Insured Risk (unless and to the extent that any insurance policy in respect of the Premises or the Common Parts serving them is prejudiced or invalidated by anything done by it, any undertenant or any other occupier of the Premises unless any shortfall is made good by the Tenant) if the Premises and/or the Common Parts are not reinstated or made fit for occupation or use four months before the date on which the Landlord's Loss of Rent insurance expires give the Landlord not less than three months' written notice to determine this Lease and if on the expiration of that notice the Premises and the Common Parts

have not been reinstated or made fit for occupation and use the notice shall be effective to determine this Lease

- (e) The Tenant may if the cause is an Uninsured Risk and the Landlord has not given notice to the Tenant under clause 5.3(c), give not less than one month's written notice to the Landlord at any time after the date falling six months after the date of the destruction or damage to determine this Lease and in that event the Tenant's responsibilities to the Landlord (including as to the repair and maintenance of the Premises) shall cease to have effect and the Tenant shall have no further liability under them

and on this Lease being brought to an end under this sub-clause the rights and obligations of the parties shall cease but without prejudice to any claim by either party in respect of any failure by the other to comply with its obligations up to that time and if this Lease is ended under this sub-clause (or if the rebuilding or reinstatement of the Premises and/or the Common Parts serving them is prevented or frustrated by any cause at all) all insurance monies relating to the Premises and/or the Common Parts serving them shall belong to the Landlord

5.4 **Recovery of payments**

All sums due to the Landlord under this Lease are payable as rent and the Landlord has the same remedies for their recovery as the Landlord has for rent in arrear

5.5 **Exclusion of use warranty**

Nothing in this Lease or in any consent granted by the Landlord under it implies or warrants that the Premises may be used for any use allowed by this Lease either under the Planning Acts or otherwise

5.6 **Notices**

Section 196 of the Law of Property Act 1925, as amended by the Recorded Delivery Service Act 1962, applies to the service of all notices in connection with this Lease except that it shall be deemed to be amended as follows:

- (a) In this sub-clause **Working Day** means any day from Monday to Friday (inclusive) other than bank or public holidays
- (b) The final words of section 196(4) "and that service...be delivered" shall be deleted and replaced with "and that service shall be deemed to be made on the second Working Day after the registered letter has been posted"
- (c) Any notice may be sufficiently served by facsimile when service shall be deemed to be made on the day of transmission if transmitted before 4.00 pm on a Working Day but otherwise on the next following Working Day

Provided Always that all notices to Travelodge Hotels Limited (or a Group Company) will only be validly served if served at its registered office or to such other address as may be notified to the Landlord in writing from time to time

5.7 **Tenant's property**

If at the End of the Term the Tenant leaves any items on the Premises and fails to remove them within 21 days of being requested to do so the Landlord may remove them as the

Tenant's agent and, if the Landlord wishes to, sell them and hold the proceeds of sale, after deduction of proper removal, sale and other costs, to the Tenant's order and the Tenant shall indemnify the Landlord against any liability to any third party whose property is removed or sold by the Landlord in the mistaken belief, which shall be presumed unless the contrary is proved, that it belonged to the Tenant

5.8 **Insurance**

The Tenant may make representations to the Landlord at any time if it receives a quotation for insurance cover which complies with the obligations on the part of the Landlord contained in this Lease which is lower than the cost of insurance effected by the Landlord and the Landlord shall take due regard of any such representations

5.9 **Landlord's Right of Entry**

If the Landlord shall exercise any of the rights of entry onto the Premises conferred by this Lease then in relation to any such entry:

- (a) It will act in a reasonable manner and make good all damage occasioned to the Premises or to the Tenants fixtures, fittings, chattels and stock
- (b) It will cause as little inconvenience and disturbance as reasonably possible
- (c) It will use all reasonable endeavours to minimise any disruption to any business carried on at the Premises and
- (d) Save where entry is required to remedy a breach of Tenant's covenants it shall consider all reasonable alternatives not involving any materially greater cost and shall consult with the Tenant and shall comply with all the Tenant's reasonable and proper requirements which shall not cause material delay or material additional expense.

5.10 **Option to renew**

- (a) In this sub-clause:

Expiry Date means the last day of the Contractual Term

New Lease means a new lease of the Premises for a further term of 25 years from and including the day after the Expiry Date at a rent calculated under this sub-clause [and with an unconditional option for the Tenant to determine the Lease on not less than six months' prior written notice at the expiry of the fifth, tenth, fifteenth and twentieth years of the term of the New Lease] but otherwise on the same terms as this Lease (excluding this option to renew) so far as they are capable of relating to the New Lease

- (b) If the Tenant wishes to take a New Lease and gives written notice of that wish to the Landlord at least six months before the Expiry Date:
 - (i) on the Expiry Date the Landlord shall grant with full title guarantee and the Tenant shall accept and execute a counterpart of the New Lease
 - (ii) the yearly rent payable under the New Lease shall be the Rent calculated under the Rent Review Provisions contained in this Lease as at the Expiry Date, with that day being deemed a Review Date for the purpose

- (iii) the Review Dates under the New Lease shall the fifth, tenth, fifteenth and twentieth anniversaries of the day after the Expiry Date and the Rent Review Provisions in the New Lease shall so provide

5.11 **Jurisdiction and governing law**

This Lease shall be governed by and interpreted in accordance with English law and the parties irrevocably submit to the jurisdiction of the English courts

5.12 **Non-invalidity**

If at any time one or more provisions of this Lease is or becomes invalid illegal or unenforceable in any respect under any law the validity legality and enforceability of the remaining provisions shall not be in any way affected or impaired

5.13 **New Lease**

This Lease is a new tenancy for the purposes of the 1995 Act

5.14 **Contracts (Rights of Third Parties) Act 1999**

A person who is not a party to this Lease has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Lease but this does not affect any right or remedy of a third party which exists or is available apart from that Act

6 Form of Guarantor's covenants

6.1 **Interpretation**

In this clause unless the context requires otherwise the following words and expressions mean:

Liability Period means the period ending at the End of the Term or, if earlier, on the date on which the Tenant is released from its obligations under this Lease by the 1995 Act

Tenant means the specific Tenant in respect of which the relevant guarantee is given only

6.2 **Guarantee and indemnity**

The Guarantor guarantees to the Landlord that the Tenant will pay the rents reserved by this Lease and comply with its other obligations under this Lease throughout the Liability Period and that if the Tenant does not do so that the Guarantor will

6.3 **Preservation of Guarantor's liability**

The Guarantor's liability under clauses 6.1 and 6.2 shall not be affected by:

- (a) any time or indulgence granted to the Tenant or any compromise of the liability of the Tenant or any person comprised in the Tenant
- (b) any failure by the Landlord to obtain or accept payment of rent or other monies or to enforce any of the Tenant's obligations
- (c) any refusal by the Landlord to accept rent or other monies from the Tenant following any default by the Tenant

- (d) the Landlord enforcing any remedy against the Tenant for any failure to comply with its obligations under this Lease
- (e) the Landlord taking, or refraining from taking, any action in connection with any other security held by it in respect of the Tenant's liability under this Lease including the release of any such security
- (f) any release or compromise of the liability of any person comprised in the Guarantor or the grant of any time or concession to any of them
- (g) any legal limitation or disability of the Tenant or any invalidity or irregularity of any of the Tenant's obligations under this Lease or any unenforceability of any of them against the Tenant
- (h) the Tenant being dissolved, 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 his affairs
- (i) without prejudice to clause 6.4 any disclaimer of the Tenant's liability under this Lease, any forfeiture of this Lease or this Lease being prematurely brought to an end in any other way except by surrender or the exercise of any break right
- (j) any licence or consent given under this Lease and in accordance with its terms
- (k) any variation of this Lease which is not prejudicial to the Guarantor
- (l) any surrender of part of the Premises except that the Guarantor will not be under any liability in relation to the surrendered part in respect of any period after the surrender
- (m) any review of the rent payable under this Lease or
- (n) anything else which without this clause would release the Guarantor except an express release under seal by the Landlord

6.4 **Obligation to take a new lease**

- (a) If, during the Liability Period, this Lease is disclaimed, forfeited or prematurely brought to an end in any other way except by surrender or the exercise of any break right or the Tenant is dissolved, struck off the register of companies or otherwise ceases to exist and the Landlord requires it within four months after the relevant event the Guarantor will accept a new lease of the Premises
- (b) The new lease referred to in clause 6.4(a) shall be of the Premises:
 - (i) in their then actual state and condition
 - (ii) subject to any underlease or tenancy or other interest affecting the Premises at the time
 - (iii) for a term equal to the residue of the Contractual Term remaining at the date of the relevant event
 - (iv) at the rent last payable under this Lease (ignoring any abatement of rent) subject to review in accordance with the Rent Review Provisions

- (v) subject to the same obligations as those contained in this Lease but as if this Lease had continued
 - (vi) with effect from the date of the relevant event and
 - (vii) with the Guarantor paying the costs of the new lease (including the Landlord's solicitors' reasonable costs and disbursements) and executing and delivering a counterpart of it to the Landlord
- (c) If the Landlord's right to require the Guarantor to accept a new lease arises under sub-clause 6.4(a) but for any reason the Landlord does not require the Guarantor to do so the Guarantor shall pay to the Landlord on demand an amount equal to the rent and other monies which would have been payable under this Lease for the period starting on the date of the event giving rise to the Landlord's right and ending on the date six months after that date or, if earlier, the date on which the Premises are re-let

6.5 Extent of Guarantor's liability

- (a) The Guarantor's liability under this Lease is to the Landlord and its successors in title without any need for an express assignment
- (b) If any of the circumstances specified in sub-clause 6.4(a) occur and there are any outstanding matters under this Lease, including any outstanding rent review, they shall be determined between the Landlord and the Guarantor, as if the Guarantor was the Tenant, for the purposes of the Guarantor's obligations to the Landlord under both this Lease and any new lease entered into by the Guarantor under clause 6.4
- (c) The Guarantor waives any right which it may otherwise have to require the Landlord to enforce any other remedy available it, or to proceed against the Tenant, before proceeding against the Guarantor
- (d) The Guarantor shall not make any claim or exercise any right against the Tenant in competition with the Landlord
- (e) The Guarantor shall not be entitled to participate in, or stand in the Landlord's place in respect of, any other security held by the Landlord in respect of the Tenant's obligations under this Lease

In witness of which the parties to this Deed have duly executed it on the date specified on page one

Executed as a deed by the parties or their duly authorised representatives on but not delivered until the date of this Lease

Schedule 1

The Premises

All that property known as [♦] as shown edged red on the Plan including:

- 1 all Pipes inside and exclusively serving the Premises and
- 2 all additions and improvements to the Premises and all fixtures and fittings of every kind which are at any time in or on the Premises (whether originally fixed or fastened to them or not) except tenant's or trade fixtures and fittings and the LF&F
- 3 all plaster and decorative finishes on the ceilings walls and pillars at or in the Premises and all floor finishes there but not any other part of the floor slabs and ceiling slabs that bound the Premises
- 4 the inner half severed vertically of any internal non-load bearing walls dividing the Premises from any other in the Estate
- 5 all doors and windows at or in the Premises and their frames, furniture and glass

so far as they exist at any time during the Term but excluding all external or structural parts of the Estate.

Schedule 2

The Rights

- 1 The right to pass over all roads, footpaths, service and access areas forming part of the Common Parts to the extent that they serve the Premises at any time in order to gain access to and egress from the Premises
- 2 The right to connect into and pass the Utilities through all Pipes which are now or at any time during the Term in, on or under the Estate to the extent that they serve or are capable of serving the Premises
- 3 The right on giving reasonable prior notice (except in the case of emergency) to the Landlord and the appropriate occupier of the adjoining premises to enter on adjoining premises on the Estate for the purpose of inspecting, laying, maintaining and repairing the Premises and any Pipes serving them causing as little damage disturbance or inconvenience as reasonably practicable and making good all physical damage caused to the reasonable satisfaction of the Landlord and any such adjoining occupier
- 4 The right to use not less than ♦ car parking spaces in the Car Park in the spaces from time to time reasonably designated by the Landlord and agreed by the Tenant, such agreement not to be unreasonably withheld or delayed, for that purpose together with a right of access to and egress from those spaces over the appropriate roads and access areas forming part of the Common Parts
- 5 The right to place a sign or signs showing the Tenant's name and details and such directional and other signage relating to car parking as may reasonably be required by the Tenant on such part or parts of the Estate as may be approved by the Landlord, such approval not to be unreasonably withheld or delayed. *[Consider whether it is appropriate to show the signage locations on a plan]*
- 6 *[The exclusive right to use the loading and unloading area shown [hatched black] on the Plan]*
- 7 The right to erect television radio or other telegraphic aerials satellite dishes or similar in an appropriate position on the roof of the building of which the Premises forms part (or such other part of the Estate as the Landlord shall approve, such approval not to be unreasonably withheld or delayed) so as to obtain a good signal for the benefit and use of the occupiers and guests of the Premises
- 8 The right to erect or install ATM or cash machines, billboards and telecommunication equipment in or on the Premises or in an appropriate position on the roof of the building of which the Premises forms part (or such other part of the Estate as the Landlord shall approve, such approval not to be unreasonably withheld or delayed)
- 9 All rights of light, air, support and shelter and all other easements, quasi-easements and other rights now or at any time during the Term existing or created which benefit the Premises

[Drafting Note: Rights need to be considered on each letting so as to ensure that the lease grants the Premises all rights necessary for the Tenant's intended use]

Schedule 3

The Exceptions

- 1 The right to carry out works to and alter or rebuild the Estate or any building on it at any time and (subject to clause 4.7) to use the Estate as the Landlord wishes Provided That the exercise of any rights granted to the Tenant in this Lease are not materially interfered with, that essential services are maintained and the value, use and enjoyment of the Premises for any use permitted under this Lease including (without limitation) as an hotel shall not be materially diminished
- 2 The right to connect into and pass the Utilities through any Pipes at any time forming part of or serving the Premises which serve or are to serve the remainder of the Estate
- 3 The right of light, air, support and shelter for the benefit of the remainder of the Estate
- 4 The right to enter on the Premises for the purposes, and on the terms, mentioned in this Lease

[Drafting Note: The exceptions and reservations need to be considered on each letting]

Schedule 4

The Rent Review Provisions

1 In this schedule unless the context requires otherwise the following words and expressions mean:

Base Figure means the Index figure last published before the date of this Lease

Index means the "All Items Retail Prices excluding Mortgage Interest Payments" index published by the Office for National Statistics or any successor

President means the President of the Royal Institution of Chartered Surveyors or a person acting on his behalf

Rent means the rent payable under this Lease

Review Figure means the Index figure last published before the relevant Review Date

Review Date means each of the fifth, tenth, fifteenth and twentieth anniversaries of the date of commencement of the Contractual Term *[include twenty fifth and thirtieth anniversaries if 35 year term]*

Surveyor means any arbitrator appointed to determine any dispute under this schedule

2 With effect from each Review Date the Rent shall be the amount which bears the same proportion to the initial rent of £♦ reserved by this Lease as the Review Figure bears to the Base Figure

3 If the reference base used to compile the Index changes then, for the purposes of this schedule, the figure shown in the Index after the change shall be assumed to be the figure which would have been shown in the Index if the reference base current at the date of this Lease had been retained

4 If after the date of this Lease:

(a) it becomes impossible, whether because of any change in the methods used to compile the Index or for any other reason, to calculate the Rent by reference to the Index or

(b) any dispute arises between the Landlord and the Tenant concerning the amount of the Rent or the construction or effect of this schedule

it shall be determined by the Surveyor nominated, in the absence of agreement, by the President on the application of either the Landlord or the Tenant

5 The Surveyor shall act as an arbitrator in accordance with the Arbitration Act 1996 and if he dies, delays or becomes unwilling or incapable of acting the President may, on the application of either the Landlord or the Tenant, discharge him and appoint another in his place

6 The Surveyor shall have power to determine what would have been the increase in the Index had it continued on the basis assumed to be available for the operation of this schedule or, if that determination is impossible, to determine a reasonable increase in the Rent from any relevant Review Date having regard to the purposes and intent of this schedule

- 7 If the Tenant does not pay any costs for which it is liable in respect of any determination by the Surveyor under this schedule within 14 days of the due date the Landlord may pay them and the Tenant shall immediately repay them to the Landlord with interest at the Interest Rate from the date of expenditure by the Landlord to the date of repayment
- 8 If the Rent payable from any Review Date is not settled before that Review Date then:
 - (a) until the new Rent is settled the Tenant shall continue to pay Rent at the rate and manner applicable immediately before the Review Date and
 - (b) any further Rent which may later be found to be payable in respect of the period from the Review Date to the Rent Day immediately after the date of settlement of the Rent shall be paid to the Landlord within 14 days the Rent being settled with interest at 3% below the Interest Rate on a day to day basis from the Rent Day or Days when it or any part of it would have been due if the Rent been settled before the Review Date down to the date of actual payment
- 9 When the Rent payable from any Review Date is settled the Landlord and the Tenant shall sign and exchange memoranda recording its amount and each party shall bear their own costs

Schedule 5

The Service Charge

[Note: To be considered in respect of individual lettings. This may have to reflect any existing service charge arrangements but the clause set out below would generally be satisfactory.]

1 In this schedule unless the context requires otherwise the following words and expressions mean:

Services means the services listed in paragraph 8 of this schedule

Expenditure means all reasonable and proper costs, expenses and outgoings reasonably incurred by the Landlord in providing or procuring the provision of all or any of the Services including:

- (a) the reasonable fees of the Landlord for any of the Services undertaken by the Landlord or an employee of the Landlord and not by a third party
- (b) any VAT payable on any costs, expenses or outgoings in respect of the Services or any other supply to the Landlord in connection with the Services to the extent that the Landlord cannot reclaim it

Surveyor any independent person or firm appointed under this schedule who

- (a) Shall not be an employee of the Landlord or the person or firm appointed by the Landlord to manage the Estate and
- (b) Shall be a member of the Royal Institution of Chartered Surveyors acting in a professional capacity

Tenant's Proportion means ♦ per cent or such other percentage or percentages as the Landlord reasonably decides, or if there is a dispute the Surveyor at any time decides, is the percentage of the Expenditure properly attributable to the Premises as opposed to any other premises in the Estate based on the proportion that the rateable value of the Premises bears to the total rateable value of the whole Estate, but which may be a different percentage of the separate services forming part of the Services according to the requirement for them, the use of them and the benefit from them

Account Year the annual period nominated by the Landlord at any time for the purposes of this schedule

2 The Tenant shall pay a provisional sum in respect of the Tenant's Proportion for each Account Year to be reasonably determined by the Landlord or, in the case of dispute determined by the Surveyor, by equal payments in advance on the Rent Days the first payment, being a proportionate sum in respect of the period from the [commencement date of the Term] [access date] to the Rent Day immediately after the date of this Lease, to be paid on the execution of this Lease

3 The Landlord will arrange for proper records to be kept in respect of the Expenditure and promptly after the end of each Account Year will arrange for the preparation and submission to the Tenant of an account showing a full summary of the Expenditure for that Account Year together with a calculation of the Tenant's Proportion and the proportions payable in respect of the other parts of the Estate and if there is any dispute as to whether any Services were or should have been provided or the appropriate standard of them, whether any sums are

properly included in the account or whether the Tenant's Proportion is properly calculated it shall be determined by the Surveyor

4 The Landlord shall keep full and proper records of the Expenditure including copies of vouchers and receipts and competitive quotations and shall allow the Tenant upon prior appointment (which appointment the Landlord shall not unreasonably withhold its consent to make) to inspect the said records and at the Tenants cost take copies thereof

5 When the Tenant's Proportion for each Account Year is finally fixed:

(a) if it exceeds the provisional sum paid by the Tenant the excess shall be paid to the Landlord within 14 days of demand

(b) if it is less than the provisional sum paid by the Tenant the overpayment shall be shall be paid to the Tenant within 14 days of demand

6

(a) Any dispute which arises under this schedule shall be referred to the Surveyor who shall act as an expert and be appointed, in the absence of agreement, on the application of either party by or on behalf of the President for the time being of the Royal Institution of Chartered Surveyors (**President**)

(b) The Surveyor shall give the parties an opportunity to make written representations to him and also an opportunity to make written counter-representations on any representations made to him by the other but will not be in any way limited or fettered by any representations or counter-representations but will be entitled to rely on his own judgment and opinion

(c) The Surveyor's fees and expenses, including the cost of his appointment, shall be paid by the parties equally who shall otherwise each bear their own costs

(d) The Surveyor's decision shall be final and binding in respect of all matters of fact save in the case of manifest error

(e) If any Surveyor appointed under this clause dies, delays, is unwilling to act or is incapable of acting, the President or a person acting on his behalf may, on the application of either party, discharge him and appoint another in his place

7 This schedule shall continue to apply even though the Term has come to an end but only in respect of the period down to the End of the Term

8 The Services:

(a) Inspecting, maintaining, repairing, renewing (when the item concerned is beyond economic repair) and reinstating and, where appropriate, decorating, treating, cleaning and lighting the Common Parts

(b) The provision, maintenance, repair, renewal (when the item concerned is beyond economic repair) and operation of any:

(i) mechanical, electrical, lighting, security, CCTV, emergency, fire detection, fire prevention, fire fighting, alarm systems and equipment and any other systems, equipment or plant of any type

- (ii) notice boards, signage and marking out (whether to areas used by vehicles or otherwise) of any type

on the Common Parts that are at any time for the benefit of the occupiers on the Estate and are reasonably required in the interests of good estate management

- (c) Contributing (under any obligation existing at the date of this Lease) to the cost of making, repairing, maintaining, amending, altering, renewing, rebuilding (where such renewal or rebuilding is in the nature of a repair) or cleaning anything used in common by the Estate with any neighbouring or adjoining property
- (d) Paying all existing and future rates, taxes, assessments, duties, charges, impositions and outgoings of any type charged, assessed or imposed on the Common Parts including any of a capital or non-recurring nature except for:
 - (i) any tax payable by the Landlord or any Superior Lessor as a result of any dealing or deemed dealing by the Landlord or any Superior Lessor with any reversionary interest in the Estate
 - (ii) any tax payable by the Landlord in respect of rent and other payments under this Lease or any other lease of premises on the Estate, other than VAT
- (e) Keeping books of account and management records in respect of the Services and the preparation and auditing of those accounts and the preparation and service of all notices and statements in respect of the Services
- (f) Employing the Surveyor and any other surveyor, accountant, agent, solicitor or other professional or adviser reasonably employed or retained in connection with the Services or anything arising in relation to them other than any dispute with the Tenant or any other person contributing towards the cost of the Services
- (g) Employing managing agents in respect of the Estate, provided that the cost does not exceed 10% of the cost of the other Services (excluding VAT and these costs)
- (h) Inspecting and valuing the Common Parts and any items on them for insurance purposes not more frequently than once every three years
- (i) [The removal of refuse and the provision and maintenance of refuse disposal equipment]
- (j) The making and promulgation of any regulations for, or in connection with, the proper use of the Common Parts and the enforcement of them
- (k) Abating any private or public nuisance on the Common Parts
- (l) Complying with any notice, regulation or order of any competent authority or any requirement of any statute in respect of the Common Parts

9 The following shall be excluded from the Service Charge:

- (a) The costs (howsoever incurred) of the initial construction refurbishment equipping and fitting out the Estate and the initial provision of any items necessary to provide the Services described in this schedule including without prejudice to the generality of the foregoing close circuit television cleaning equipment and clothing

- (b) Any costs and expenses incurred relating to the rebuilding (except where such works are in the nature of a repair) of the structure of the Estate and the Common Parts
- (c) The cost of making good defects in the Estate to the extent that they arise as a result of faulty materials workmanship or design in any construction and/or refurbishment of the Estate
- (d) Any fees and expenses attributable to disputes not relating to Common Parts with other tenants or occupiers of the Estate or attributable to any action or proceedings relating to the Landlord's title to the Estate or a superior title
- (e) The costs of any works to be carried out to the Estate as a result of the Estate having been constructed on land containing toxic waste or any other deleterious materials or substances
- (f) Leasing commissions lawyers fees costs disbursements and other expenses incurred in connection with negotiations or disputes with tenants or leasing renovating or improving space for tenants or other occupiers in the Estate in connection with any dispute with any tenant or other occupier of the Estate and costs for permits licences and inspection fees incurred in renovating or otherwise improving or decorating painting or redecorating vacant space or spaces for other tenants or other occupiers of the Estate
- (g) Expenses in connection with services or other benefit of a type that are not provided by the Tenant but which are provided to other tenants or occupiers
- (h) Any amount attributable to any unlet lettable areas in the Estate
- (i) The cost of any improvement modernisation or refurbishment extension and addition to or of the Estate or any part thereof (provided that the Tenant shall not object to a reasonable element of betterment consequent upon repair)
- (j) The provision of any new plant or machinery or services save where such provision is of by way of replacement or renewal of existing plant or machinery or services (and replacement and/or renewal is in the nature of a repair)
- (k) Service costs attributable to any part of the Estate which has been let but where the relevant tenant has not paid such costs (whether or not the Landlord has taken legal proceedings to recover such costs)
- (l) The costs of collecting rents reviewing rents and letting or re-letting any part of the Estate
- (m) Promotional or advertising costs save as approved by the Tenant
- (n) Any sums paid in relation to security or CCTV on the Estate
- (o) Any sums paid for the repair maintenance resurfacing and/or renewal of the Estate car park
- (p) The costs of making good any damage caused by any of the Insured Risks (save for any insurance excesses and to the extent that the insurance monies are irrecoverable in whole or part in consequence of any act or default or omission of the Tenant or the Tenant's agents employees or other lawful occupiers and the shortfall has not been paid by the Tenant) and/or any Uninsured Risk

- (q) Any depreciation of buildings, plant and machinery
- (r) Any costs which the Landlord is entitled to be reimbursed from another source (including insurers)
- (s) Any costs and expenses incurred relating to the initial or any subsequent EPC relating to the Premises or any part of the Estate

On Original

The common seal of)
♦ **Limited/plc**)
was affixed to this deed in the presence of)

.....
Director

.....
Director/Secretary

OR

Executed as a deed by)
♦ **Limited/plc**)
acting by a director in the presence of) Director

.....
Signature of witness

Name

Address

.....

On Counterpart

Executed as a deed by)
Travelodge Hotels Limited)
acting by a director in the presence of) Director

.....
Signature of witness

Name

Address

.....