

**DATED**

**2012**

# **LEASE**

**relating to**

**THE CLOCKHOUSE, ROYAL HARBOUR, RAMSGATE, KENT;  
SMEATON'S DRY DOCK, ROYAL HARBOUR, RAMSGATE, KENT;  
UNIT 30 MILITARY ROAD, RAMSGATE**

**between**

**THANET DISTRICT COUNCIL**

**and**

**THE STEAM MUSEUM TRUST LIMITED**

Thanet District Council  
Legal Services  
Corporate & Regulatory Services  
Council Offices  
Cecil Street  
Margate  
Kent  
CT9 1XZ

## **PRESCRIBED CLAUSES**

**LR1. Date of lease**

**2012**

**LR2. Title number(s)**

**LR2.1 Landlord's title number(s)**

K929708

**LR2.2 Other title numbers**

None

**LR3. Parties to this lease**

**Landlord**

THANET DISTRICT COUNCIL of Council Offices Cecil Street Margate Kent

**Tenant**

THE STEAM MUSEUM TRUST LIMITED of Preston Court Court Lane Preston  
Next Wingham Kent CT3 1DH (registered with Company Number 06279263 and  
Charity Number 1129376)

**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 of this lease.

**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.**

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

None.

**LR6. Term for which the Property is leased**

The term as specified in this lease at clause 1.1 in the definition of "Contractual Term".

**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 as specified in clause 4.2 of this lease

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

The easements as specified in clause 5 of this lease.

**LR12. Estate rentcharge burdening the Property**

None.

**LR13. Application for standard form of restriction**

The Parties to this lease apply to enter the following standard form of restriction [against the title of the Property] [against title number ]

None.

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

**THIS LEASE** is dated

2012

**PARTIES**

- (1) **THANET DISTRICT COUNCIL** of Thanet Council Offices, Cecil Street, Margate, Kent (**Landlord**).
- (2) **THE STEAM MUSEUM TRUST LIMITED** incorporated and registered in England and Wales with company number 06279263 and Charity Number 1129376 whose registered office is at Preston Court, Court Lane, Preston Next, Wingham, Kent CT3 1DH (**Tenant**).

**AGREED TERMS**

**1. INTERPRETATION**

- 1.1 The definitions and rules of interpretation set out in this clause apply to this lease.

**Act of Insolvency:**

- (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; or
- (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; or
- (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; or
- (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; or
- (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; or
- (f) the making of a petition for a winding-up order or a winding-up order in respect of the Tenant or any guarantor; or
- (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; or
- (h) the Tenant or any guarantor otherwise ceasing to exist (but excluding where the Tenant or any guarantor dies); or
- (i) the presentation of a petition for a bankruptcy order or the making of a bankruptcy order against the Tenant or any guarantor.

The paragraphs above shall apply in relation to a partnership or limited partnership (as defined in the Partnership Act 1890 and the Limited Partnerships Act 1907 respectively) subject to the modifications referred to in the Insolvent Partnerships Order 1994 (SI 1994/2421) (as amended), and a limited liability partnership (as defined in the Limited Liability Partnerships Act 2000) subject to the modifications referred to in the Limited Liability Partnerships Regulations 2001 (SI 2001/1090) (as amended).

Act of Insolvency 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.

**Annual Rent :**

**(a) in relation to The Clock House:**

from the first day of the Contractual Term until 31 January 2037 a peppercorn per annum (if demanded)

**(b) in relation to Smeaton's Dry Dock:**

from the first day of the Contractual Term until 31 January 2037 a peppercorn per annum (if demanded)

**(c) in relation to Unit 30:**

from the first day of the Contractual Term until 31 January 2037 a peppercorn per annum (if demanded)

**Break Notice:** The provisions for early termination of the Lease set out in Clause 40 hereof.

**Contractual Term:** a term beginning on from 1 April 2012 and ending on and including 31 January 2037

**CDM Regulations:** the Construction (Design and Management) Regulations 2007.

**Default Interest Rate:** four percentage points above the Interest Rate.

**Harbour Master:** such officer of the Landlord as the Landlord shall from time to time appoint as its harbour master for the Port of Ramsgate and the Ramsgate Royal Harbour and Marina.

**Insurance Rent:** the aggregate in each year of the gross cost of the premium before any discount or commission for the insurance of:

- (j) the Property, other than any plate glass, for its full reinstatement cost (taking inflation of building costs into account) against loss or damage by or in consequence of the Insured Risks, including costs of demolition, site clearance, site protection and shoring-up, professionals' and statutory fees and incidental expenses, the cost of any work which may be required under any law and VAT in respect of all those costs, fees and expenses; and,

- (ii) any insurance premium tax payable on the above.

**Insured Risks:** means fire, explosion, lightning, earthquake, storm, flood, bursting and overflowing of water tanks, apparatus or pipes, impact by aircraft and articles dropped from them, impact by vehicles, riot, civil commotion 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:** interest at the base lending rate from time to time of the National Westminster Bank plc or if that base lending rate stops being used or published then at a comparable commercial rate reasonably determined by the Landlord.

**Landlord's Estate:** each and every part of the Property and the Landlord's Neighbouring Property (as hereinafter defined)

**Landlord's Neighbouring Property:** each and every part of the adjoining and neighbouring property in which the Landlord has an interest known as the land and buildings known as Cliff Street and Royal Parade and foreshore lying to the east of Paragon Ramsgate Kent and registered with freehold title number K929708

**LTA 1954:** Landlord and Tenant Act 1954.

**MOA:** the Memorandum of Agreement signed by or in behalf of the Landlord and Tenant a copy of which is annexed hereto

**Necessary Consents:** means all planning permissions, conservation area consents, listed building consents, advertisement consents Harbour Master's consent, consents or restrictions imposed by the Charities Commission (where appropriate) bylaw and building regulation consents, stopping up orders and all other consents or approvals of any competent authority or third party necessary from time to time lawfully enjoy the Permitted Use or prior to carrying out any works;

**Permitted Use:** with respect to the:

The Clock House (including the contiguous metal container) - as a museum or a public cultural facility promoting maritime and local history or such other ancillary uses including but not limited to supporting commercial interests with the prior written consent of the Landlord (such consent not to be unreasonably withheld).

Smeaton's Dry Dock – as a dock to berth display and repair historic vessels including the Cervia

Unit 30 – to be used in connection with the Permitted Use of The Clock House and Smeaton's Dry Dock and uses ancillary thereto .

**Property:** all that land and buildings known as:

- (i) The Clock House
- (ii) Smeaton's Dry Dock; and
- (iii) Unit 30 located at Military Road and

All located within the Landlord's Estate and shown edged red on Plan No's 1 and 2 bound up herein including everything contained within the red edging.

**Rent Commencement Date:** from the date of this lease.

**Rent Payment Dates:** 1 January, 1 April, 1 July and 1 October

**Reservations:** all of the rights excepted, reserved and granted to the Landlord by this lease.

**Review Date or Review Dates:**

N/A

**Service Media:** all media for the supply or removal of heat, electricity, gas, water, sewage, air conditioning energy, telecommunications, data and all other services and utilities and all structures and support structures, machinery and equipment ancillary to those media.

**Slipway:** that part of the Landlord's Neighbouring Property shown edged blue on the Plan ;

**Third Party Rights:** all rights, covenants and restrictions affecting the Property including the matters referred to at the date of this lease in the property register and charges register of Title Number K929708

**VAT:** value added tax chargeable under the Value Added Tax Act 1994 or any similar replacement or additional tax.

- 1.2 A reference to this **Lease**, except a reference to the date of this lease or to the grant of the lease, is a reference to this deed and any deed, licence, consent, approval or other instrument supplemental to it.
- 1.3 A reference to the **Landlord** includes a reference to the person entitled to the immediate reversion to this lease. A reference to the **Tenant** includes a reference to its successors in title and assigns. A reference to a **guarantor** is to any guarantor of the tenant covenants of this lease including a guarantor who has entered into an authorised guarantee agreement.
- 1.4 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.
- 1.5 The expressions **landlord covenant** and **tenant covenant** each has the meaning given to it by the Landlord and Tenant (Covenants) Act 1995.
- 1.6 Unless the context otherwise requires, a reference to the **Property** is to the whole and any part of it.



- 1.7 A reference to the **term** is to the Contractual Term.
- 1.8 A reference to the **end of the term** is to the end of the term however it ends.
- 1.9 References to the **consent** of the Landlord are to the consent of the Landlord given in accordance with clause 39.4 and references to the **approval** of the Landlord are to the approval of the Landlord given in accordance with clause 39.6.
- 1.10 A **working day** is any day which is not a Saturday, a Sunday, a bank holiday or a public holiday in England.
- 1.11 Unless otherwise specified, a reference to a particular law is a reference to it as it is in force for the time being, taking account of any amendment, extension, application or re-enactment and includes any subordinate laws for the time being in force made under it and all orders, notices, codes of practice and guidance made under it.
- 1.12 A reference to laws in general is to all local, national and directly applicable supra-national laws in force for the time being, taking account of any amendment, extension, application or re-enactment and includes any subordinate laws for the time being in force made under them and all orders, notices, codes of practice and guidance made under them.
- 1.13 Any obligation in this lease on the Tenant not to do something includes an obligation not to agree to or suffer that thing to be done and an obligation to use reasonable endeavours to prevent that thing being done by another person.
- 1.14 Unless the context otherwise requires, where the words **include(s)** or **including** are used in this lease, they are deemed to have the words "without limitation" following them.
- 1.15 A **person** includes a corporate or unincorporated body.
- 1.16 References to **writing** or **written** do not include emails.
- 1.17 Except where a contrary intention appears, a reference to a clause or Schedule, is a reference to a clause of, or Schedule to, this lease and a reference in a Schedule to a paragraph is to a paragraph of that Schedule.

- 1.18 Clause, Schedule and paragraph headings do not affect the interpretation of this lease.

## **2. GRANT**

- 2.1 The Landlord with full title guarantee lets the Property to the Tenant for the Contractual Term, subject to the following provisions:-

- (a) The Tenant covenants with the Landlord:
- (i) Not to commence the carrying out of the works set out in the Schedule of Condition and Specification of Works bound up herein ('the Tenants Works') earlier than 6 April 2013;
  - (ii) Subject to obtaining all the Necessary Consents to first liaise with the Landlord's Conservation Architect and within the period beginning on 6 April 2013 and ending on the 31 March 2017 to commence the carrying out of the Tenants Works;
  - (iii) To carry out the Tenants Works over more than one financial year but nevertheless ensure their completion by 31 March 2020 and in this regard the date of the Certificate of Practical Completion issued by or on behalf of the Landlord in respect of the Tenants Works shall be conclusive as to the date of satisfactory completion of the Tenants Works
- (b) The Tenant shall carry out the Tenant's Works:
- (i) in a good and workman like manner;
  - (ii) using good quality materials;
  - (iii) in compliance with all relevant British or equivalent European Union Standards, codes of practices and good building practice;
  - (iv) in a manner which is not a nuisance and which causes as little disturbance to the Landlord and the Landlord's tenants occupiers owners of the remainder of the Estate or adjoining or neighbouring premises;
  - (v) subject to and in accordance with the Necessary Consents;
  - (vi) to the reasonable satisfaction of the Landlord.

- 2.2 The grant is made together with the ancillary rights set out in clause 4, excepting and reserving to the Landlord the rights set out in clause 5, and subject to the Third Party Rights.

- 2.3 The grant is made with the Tenant paying the following as rent to the Landlord:

- (i) the Annual Rent and all VAT in respect of it;

- (ii) the Insurance Rent; and
- (iii) all interest payable under this lease; and
- (iv) all other sums due and payable under this lease

2.4 Without prejudice to any other right or remedy of the Landlord under this lease in the event that a Certificate of Practical Completion has not been issued in respect of the Tenants Works before the expiry of the period of ten years from the first day of the Contractual Term the Landlord may terminate the Lease by serving a Break Notice on the Tenant in accordance with the provision of clause 40 hereof.

2.5 In carrying out the Tenants Works the Tenant shall not at any time obstruct or interfere with any works by the Landlord or any contractor on the Landlords Neighbouring Property.

2.6 The Tenant shall at all reasonable times allow the Landlord and all persons authorised by it to inspect, test and supervise the Tenants Works.

2.7 The Landlord and the Tenant acknowledge that the Tenant's Works shall be part of the consideration for this agreement and shall not constitute improvements in respect of which any claim may be made by the Tenant at any time (whether the Tenant's Works are completed or not).

### **3. Practical Completion**

3.1 The Landlord shall give at least 10 working days' notice to the Tenant of the Landlord or Landlord's authorised agent or surveyor's intention to inspect the Tenant's Works for the purpose of issuing the Certificate of Practical Completion and shall allow the Tenant and the Tenant's Surveyor to attend the inspection and make representations either during the inspection or in writing immediately thereafter.

3.2 The issue of a Certificate of Practical Completion shall be conclusive evidence binding on the parties that the Tenant's Works have been completed in accordance with the terms of this Lease.

3.3 In the event that the Landlord serves the Break Notice, the Landlord may require reinstatement of The Clock House within 6 months of the date of the Break Date (as defined in Clause 40 hereof) but only to the condition that obtained at the beginning of the Contractual Term.

#### 4. ANCILLARY RIGHTS

- 4.1 Except as mentioned in clause 4.2, neither the grant of this Lease nor anything in it confers any right over neighbouring property nor is to be taken to show that the Tenant may have any right over neighbouring property, and section 62 of the Law of Property Act 1925 does not apply to this lease.
- 4.2 Throughout the Contractual Term in connection with and ancillary to the Permitted Use of the Property the right to use free of charge a 40' storage Container identified by the number 12 located in the Boatyard at the Port of Ramsgate
- 4.3 In so far as the Landlord is able to grant the same the right in common with the Landlord an all other having a like right:
- (i) to support and protection from the Landlord's Neighbouring Property;
  - (ii) to water soil electricity and gas serving the Property over and along any sewers pipes conduits, cables channels and wires now or within 80 years constructed in or on the Landlord's Neighbouring Property;
  - (iii) the right on giving not less than seven days notice in writing (save in the case of an emergency where no notice shall be required) and subject to causing as little damage and interruption as possible and making good any damage caused as possible at the Tenant's sole expense to enter such part of the Landlord's Neighbouring Property as are not leased or licensed to third parties for the purpose of carrying out inspections repairs and maintenance to the Property and carrying out the Tenant's Works
  - (iv) to pass and re-pass over all private roads, footpaths and ways comprised in the Landlord's Neighbouring Property the in order to gain access and egress to the Property;
  - (v) in relation to Smeaton's Dry Dock a right to and from Smeaton's Dry Dock to and from the Slipway via the harbour and east gully PROVIDED ALWAYS that the Tenant has obtained the Harbour Master's prior written approval and has given evidence of this to the Landlord;
  - (vi) a right to five car parking permits to park on a first come first served basis on the Cross Wall
  - (vii) a right to moor free of charge historic vessels in the harbour in the area shown hatched black on the Plan strictly subject to the prior written approval of the Harbour Master and in compliance with any conditions the Harbour Master may impose in his absolute discretion PROVIDED such moorings shall not be for longer than four (4) weeks in total per annum.

## **5. RIGHTS EXCEPTED AND RESERVED**

5.1 The following rights are excepted and reserved from this Lease to the Landlord for the benefit of the Landlord's Neighbouring Property and to the extent possible for the benefit of any neighbouring or adjoining property in which the Landlord acquires an interest during the term:

- (i) rights of light, air, support and protection to the extent those rights are capable of being enjoyed at any time during the term;
- (ii) the right to use and to connect into Service Media at the Property which are in existence at the date of this lease or which are installed or constructed during the Contractual Term;
- (iii) at any time during the term, the full and free right to develop the Landlord's Neighbouring Property and any neighbouring or adjoining property in which the Landlord acquires an interest during the term as the Landlord may think fit;
- (iv) the right to erect scaffolding at the Property and attach it to any building or structure on the Property in connection with any of the Reservations;
- (v) the right to build on or into any boundary wall of the Property in connection with any of the Reservations; and
- (vi) the right to re-route any Service Media at or serving the Property or re-route any means of access to or egress from the Property

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.

5.2 The Landlord reserves the right to enter the Property on the giving to the Tenant of not less than seven days notice in writing (save in the case of an emergency where no notice shall be required):

5.2.1 to repair, maintain or replace any Service Media or structure relating to any of the Reservations; and

5.2.2 for any other purpose mentioned in or connected with:

- (i) this Lease;
- (ii) the Reservations; and
- (iii) the Landlord's interest in the Property and/or Landlord's Neighbouring Property.

5.3 The Reservations may be exercised by the Landlord and by anyone else who is or becomes entitled to exercise them, and by anyone authorised by the Landlord.

5.4 The Tenant shall allow all those entitled to exercise any right to enter the Property, to do so with their workers, contractors, agents and professional advisors, and to enter the Property at any reasonable time (whether or not during usual business hours) and, except in the case of an emergency, after having given reasonable notice (which need not be in writing) to the Tenant.

5.5 No party exercising any of the Reservations, nor its workers, contractors, agents and professional advisors, shall be liable to the Tenant or to any undertenant or other occupier of or person at the Property for any loss, damage, injury, nuisance or inconvenience arising by reason of its exercising any of those Reservations except for:

5.5.1 physical damage to the Property; or

5.5.2 any loss, damage, injury, nuisance or inconvenience in relation to which the law prevents the Landlord from excluding liability.

## **6 THIRD PARTY RIGHTS**

6.1 The Tenant shall comply with all obligations on the Landlord relating to the Third Party Rights and any stipulations made by the Harbour Master from time to time (insofar as those obligations relate to the Property and any Ancillary Right granted by clause 4) and shall not do anything (even if otherwise permitted by this lease) that may interfere with any Third Party Right or stipulations as the case may be.

6.2 The Tenant shall allow the Landlord and any other person authorised by the terms of the Third Party Right to enter the Property in accordance with its terms.

## **7. THE ANNUAL RENT**

7.1 The Tenant shall pay the agreed Annual Rent and any VAT in respect of it by four equal instalments in arrears on or before the Rent Payment Dates. The

payments shall be made by banker's standing order or by any other method that the Landlord requires at any time by giving notice to the Tenant.

## **8. INSURANCE**

8.1 Subject to clause 8.2 the Landlord shall keep the Property (other than any plate glass at the Property) insured against loss or damage by the Insured Risks for the sum which the Landlord considers to be its full reinstatement cost (taking inflation of building costs into account). The Landlord shall not be obliged to insure any part of the Property installed by the Tenant.

8.2 The Landlord's obligation to insure is subject to:

8.2.1 any exclusions, limitations, excesses and conditions that may be imposed by the insurers; and

8.2.2 insurance being available in the London insurance market on reasonable terms acceptable to the Landlord.

8.3 The Tenant shall pay to the Landlord in arrears

8.3.1 the Insurance Rent;

8.3.2 any amount that is deducted or disallowed by the insurers pursuant to any excess provision in the insurance policy.

8.3.3 If the Landlord insures the Property together with other land, the amount of the Insurance Rent shall be a fair proportion of the total for the Property and the other land

8.4 The Tenant shall:

8.4.1 give the Landlord notice immediately any matter occurs 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;

8.4.2 not do or omit anything as a result of which any policy of insurance of the Property or any neighbouring property may become void or voidable or otherwise prejudiced, or the payment of any policy money may be withheld, nor (unless the Tenant has previously notified the Landlord and has paid any increased or additional premium) anything as a result of which any increased or additional insurance premium may become payable;

8.4.3 comply at all times with the requirements and recommendations of the insurers relating to the Property;

- 8.4.4 give the Landlord immediate notice of the occurrence of any damage or loss relating to the Property arising from an Insured Risk or of any other event that might affect any insurance policy relating to the Property;
  - 8.4.5 not effect any insurance of the Property (except any plate glass) at the Property, but if it becomes entitled to the benefit of any insurance proceeds in respect of the Property (other than in respect of plate glass) pay those proceeds or cause them to be paid to the Landlord; and
  - 8.4.6 pay the Landlord an amount equal to any insurance money that the insurers of the Property refuse to pay by reason of any act or omission of the Tenant or any undertenant, their workers, contractors or agents or any person at the Property with the actual or implied authority of any of them.
- 8.5 The Landlord shall, subject to obtaining all necessary planning and other consents, use all insurance money received (other than for loss of rent) to repair the damage for which the money has been received or (as the case may be) in rebuilding the Property. The Landlord shall not be obliged to:
- (i) provide accommodation identical in layout or design so long as accommodation reasonably equivalent to that previously at the Property is provided; or
  - (ii) repair or rebuild if the Tenant has failed to pay any of the Insurance Rent; or
  - (iii) repair or rebuild the Property after a notice has been served pursuant to clause 8.6.
- 8.6 If, following damage to or destruction of the Property or any part of the Property, the Landlord considers that it is impossible or impractical to reinstate the Property or any part of it, the Landlord may terminate this lease with respect to all or part only of the Property by giving 6 months notice to the Tenant. On the expiry of the notice period this lease shall determine with respect to the whole or part only of the Property (as the case may be) but this shall be without prejudice to any right or remedy of the Landlord in respect of any breach of the tenant covenants of this lease. Any proceeds of the insurance (other than any insurance for plate glass) shall belong to the Landlord.



## **9. RATES AND TAXES**

- 9.1 The Tenant shall pay all present and future rates, taxes and other impositions payable in respect of the Property, its use and any works carried out there, other than:
- (i) any taxes payable by the Landlord in connection with any dealing with or disposition of the reversion to this lease; or
  - (ii) any taxes, other than VAT and insurance premium tax, payable by the Landlord by reason of the receipt of any of the rents due under this lease.
- 9.2 If any rates, taxes or other impositions are payable in respect of the Property together with other property, the Tenant shall pay a fair proportion of the amount payable.
- 9.3 The Tenant shall 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.
- 9.4 If, after the end of the term, the Landlord loses rating relief (or any similar relief or exemption) because it has been allowed to the Tenant, then the Tenant shall pay the Landlord an amount equal to the relief or exemption that the Landlord has lost.

## **10. UTILITIES**

- 10.1 The Tenant shall pay all costs in connection with the supply and removal of electricity, gas, water, sewage, telecommunications, data and other services and utilities to or from the Property.
- 10.2 If any of those costs are payable in relation to the Property together with other property, the Tenant shall pay a fair proportion of all those costs.
- 10.3 The Tenant shall comply with all laws and with any recommendations of the relevant suppliers relating to the use of those services and utilities.

## **11. COMMON ITEMS**

- 11.1 From the date of this Lease the Tenant shall pay the Landlord on demand a fair proportion of all costs payable for the maintenance, repair, lighting, cleaning and renewal of all Service Media used or capable of being used by the Property in common within the Landlord's Estate or Landlord's Adjoining Property.

- 11.2 The Tenant shall comply with all reasonable regulations the Landlord may make from time to time in connection with the use of any of those Service media, structures or other items.

## **12. VAT**

- 12.1 All sums payable by the Tenant are exclusive of any VAT that may be chargeable. The Tenant shall pay VAT in respect of all taxable supplies made to it 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.
- 12.2 Every obligation on the Tenant, under or in connection with this lease, to pay the Landlord or any other person any sum by way of a refund or indemnity, shall include an obligation to pay an amount equal to any VAT incurred on that sum by the Landlord or other person, except to the extent that the Landlord or other person obtains credit for such VAT under the Value Added Tax Act 1994.

## **13. DEFAULT INTEREST AND INTEREST**

- 13.1 If any Annual Rent or any other money payable under this lease has not been paid by the date it is due, whether it has been formally demanded or not, the Tenant shall pay the Landlord interest at the Default Interest Rate (both before and after any judgment) on that amount for the period from the due date to and including the date of payment.
- 13.2 If the Landlord does not demand or accept any Annual Rent or other money due or tendered under this lease because the Landlord reasonably believes that the Tenant is in breach of any of the tenant covenants of this lease, then the Tenant shall, when that amount is accepted by the Landlord, also pay interest at the Interest Rate on that amount for the period from the date the amount (or each part of it) became due until the date it is accepted by the Landlord.

## **14. COSTS**

- 14.1 The Tenant shall pay the costs and expenses of the Landlord including any solicitors' or other professionals' costs and expenses incurred (both during and after the end of the term) in connection with or in contemplation of any of the following:
- (i) the enforcement of the tenant covenants of this lease;
  - (ii) serving any notice in connection with this lease under section 146 or 147 of the Law of Property Act 1925 or taking any proceedings under

either of those sections, notwithstanding that forfeiture is avoided otherwise than by relief granted by the court;

- (iii) serving any notice in connection with this lease under section 17 of the Landlord and Tenant (Covenants) Act 1995; or
- (iv) the preparation and service of a schedule of dilapidations in connection with this lease.

14.2 Where the Tenant is obliged to pay or indemnify the Landlord against any solicitors' or other professionals' costs and expenses (whether under this or any other clause of this lease) that obligation extends to those costs and expenses assessed on a full indemnity basis.

**15. COMPENSATION ON VACATING**

Any right of the Tenant or anyone deriving title under the Tenant to claim compensation from the Landlord on leaving the Property under the LTA 1954 is excluded, except to the extent that the legislation prevents that right being excluded.

**16. NO DEDUCTION, COUNTERCLAIM OR SET-OFF**

The Annual Rent and all other money due under this lease are to be paid by the Tenant or any guarantor (as the case may be) without deduction, counterclaim or set-off.

**17. REGISTRATION OF THIS LEASE**

Promptly following the grant of this Lease, the Tenant shall apply to register this Lease at HM Land Registry. The Tenant shall ensure that any requisitions raised by HM Land Registry in connection with that application are dealt with promptly and properly. Within two month after completion of the registration, the Tenant shall send the Landlord official copies of its title.

**18. ASSIGNMENTS**

18.1 The Tenant shall not assign the whole of this Lease without the prior written consent of the Landlord, such consent not to be unreasonably withheld.

18.2 The Tenant shall not assign part only of this Lease.

18.3 The Landlord and the Tenant agree that for the purposes of section 19(1A) of the Landlord and Tenant Act 1927 the Landlord may give its consent to an assignment subject to a condition that the assignor (and any former tenant who because of section 11 of the Landlord and Tenant (Covenants) Act 1995

has not been released from the tenant covenants of this Lease) enters into an authorised guarantee agreement 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 Landlord and Tenant (Covenants) Act 1995;
- (iii) imposes principal debtor liability on the assignor (and any former tenant);
- (iv) requires (in the event of a disclaimer of liability under this Lease) the assignor (or former tenant as the case may be) 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.

18.4 The Landlord and the Tenant agree that for the purposes of section 19(1A) of the Landlord and Tenant Act 1927 the Landlord may refuse its consent to an assignment if any Annual Rent or other money due under this Lease is outstanding.

18.5 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.

## **19. UNDERLETTINGS**

19.1 The Tenant shall not underlet the whole or any part of the Property except in accordance with the following provisions of this Clause 19, Where an underletting of the whole or any part of the Property is permissible in accordance with the following provisions it shall always be subject to a proviso that the prior consent in writing of the Landlord shall first be obtained such consent not to be unreasonably withheld.

19.2 The Tenant shall not underlet the whole or any part of Unit 30.

19.3 The Tenant shall not underlet part only of the Clock House.

19.4 The Tenant shall not underlet the whole of The Clock House:

19.4.1 together with any property or any right over property that is not included within this Lease;

- 19.4.2 at a fine or premium or reverse premium; nor
- 19.4.3 allowing any rent free period to the undertenant without the consent of the Landlord.
- 19.5 The Tenant shall not underlet the whole of The Clock House unless, before the underlease is granted, the Tenant has given the Landlord:
- 19.5.1 a certified copy of the notice served on the undertenant, as required by section 38A(3)(a) of the LTA 1954, applying to the tenancy to be created by the underlease; and
- 19.5.2 a certified copy of the declaration or statutory declaration made by the undertenant in accordance with the requirements of section 38A(3)(b) of the LTA 1954.
- 19.6 Any underletting by the Tenant shall be by deed and shall include:
- 19.6.1 an agreement between the Tenant and the undertenant that the provisions of sections 24 to 28 of the LTA 1954 are excluded from applying to the tenancy created by the underlease;
- 19.6.2 the reservation of a rent which is not less than the full open market rental value of the Property at the date the Property is underlet and which is payable at the same times as the Annual Rent under this Lease (but this shall not prevent an underlease providing for a rent-free period of a length permitted by clause 19.4.3;
- 19.6.3 a covenant by the undertenant, enforceable by and expressed to be enforceable by the Landlord (as superior landlord at the date of grant) and its successors in title in their own right, to observe and perform the tenant covenants in the underlease and any document that is supplemental or collateral to it and the tenant covenants in this Lease, except the covenants to pay the rents reserved by this Lease; and
- 19.6.4 provisions requiring the consent of the Landlord to be obtained in respect of any matter for which the consent of the Landlord is required under this Lease,
- and shall otherwise be consistent with and include tenant covenants no less onerous (other than as to the Annual Rent) than those in this Lease and in a form previously approved by the Landlord, such approval not to be unreasonably withheld.

- 19.7 In relation to any underlease granted by the Tenant, the Tenant shall:

- 19.7.1 not vary the terms of the underlease nor accept a surrender of the underlease without the consent of the Landlord, such consent not to be unreasonably withheld;
- 19.7.2 enforce the tenant covenants in the underlease and not waive any of them nor allow any reduction in the rent payable under the underlease; and
- 19.7.3 ensure that in relation to any rent review the revised rent is not agreed without the approval of the Landlord, such approval not to be unreasonably withheld.

## **20. SHARING OCCUPATION**

The Tenant may share occupation of the Property with any company that is a member of the same group (within the meaning of section 42 of the LTA 1954) as the Tenant for as long as that company remains within that group and provided that no relationship of landlord and tenant is established by that arrangement and provided further that there is no breach of the Permitted Use.

## **21. CHARGING**

- 21.1 The Tenant shall not charge the whole of this Lease without the consent of the Landlord, such consent not to be unreasonably withheld.
- 21.2 The Tenant shall not charge part only of this Lease.

## **22. PROHIBITION OF OTHER DEALINGS**

Except as expressly permitted by this Lease, the Tenant shall not assign, underlet, charge, part with or share possession or share occupation of this Lease or the Property or hold the Lease on trust for any person (except pending registration of a dealing permitted by this Lease at HM Land Registry or by reason only of joint legal ownership).

## **23. REGISTRATION AND NOTIFICATION OF DEALINGS AND OCCUPATION**

- 23.1 In this clause a **Transaction** is:
  - 23.1.1 any dealing with this Lease or the devolution or transmission of, or parting with possession of any interest in it; or
  - 23.1.2 the creation of any underlease or other interest out of this Lease, or out of any interest, underlease derived from it, and any dealing, devolution or transmission of, or parting with possession of any such interest or underlease; or

23.1.3 the making of any other arrangement for the occupation of the Property.

23.2 In respect of every Transaction that is registrable at HM Land Registry, the Tenant shall promptly following completion of the Transaction apply to register it (or procure that the relevant person so applies). The Tenant shall (or shall procure that) any requisitions raised by HM Land Registry in connection with an application to register a Transaction are dealt with promptly and properly. Within two months of completion of the registration, the Tenant shall send the Landlord official copies of its title (and where applicable of the undertenant's title).

23.3 No later than two months after a Transaction the Tenant shall:

23.3.1, give the Landlord's solicitors notice of the Transaction; and

23.3.2 deliver two certified copies of any document effecting the Transaction to the Landlord's solicitors.

23.4 If the Landlord so requests, the Tenant shall promptly supply the Landlord with full details of the occupiers of the Property and the terms upon which they occupy it.

## **24. CLOSURE OF THE REGISTERED TITLE OF THIS LEASE**

Within two months after the end of the term (and notwithstanding that the term has ended), the Tenant shall make an application to close the registered title of this Lease and shall ensure that any requisitions raised by HM Land Registry in connection with that application are dealt with promptly and properly; the Tenant shall keep the Landlord informed of the progress and completion of its application.

## **25. REPAIRS**

25.1 The Tenant shall keep the Property clean and tidy and in good repair and condition although for the avoidance of doubt the obligation to keep Unit 30 in repair shall not extend to the structure or exterior and the standard of repair of Smeaton's Dry Dock shall be by assessed by reference to its condition at the beginning of the Contractual Term. .

25.2 With respect to any uninsured damage caused by the Tenant or its employees or those authorised by it when exercising any of the Ancillary Rights referred to at clause 4 hereof the Tenant shall forthwith at its own cost remedy such damage to the entire satisfaction of the Landlord and Harbour Master.

25.3 The Tenant shall not be liable to repair the Property to the extent that any disrepair has been caused by an Insured Risk, unless and to the extent that:

25.3.1 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, any undertenant or their respective workers, contractors or agents or any person on the Property with the actual or implied authority of any of them; or

25.3.2 the insurance cover in relation to that disrepair is excluded, limited, is unavailable or has not been extended, as mentioned in clause 8.2.

## **26. DECORATION**

26.1 The Tenant shall decorate the outside and the inside of the Property (other than the outside of Unit 30) as often as is reasonably necessary and also in the last three months before the end of the term.

26.2 All decoration shall be carried out in a good and proper manner using good quality materials that are appropriate to the Property and the Permitted Use and shall include all appropriate preparatory work.

26.3 All decoration carried out in the last three months of the term shall also be carried out to the satisfaction of the Landlord and using materials, designs and colours approved by the Landlord.

## **27. ALTERATIONS**

27.1 The Tenant shall not make any external or structural alteration or addition to the Property and shall not make any opening in any boundary structure of the Property.

27.2 The Tenant shall not install any Service Media on the exterior of the Property nor alter the route of any Service Media at the Property without the consent of the Landlord, such consent not to be unreasonably withheld.

27.3 The Tenant shall not make any internal, non-structural alteration to the Property without the consent of the Landlord, such consent not to be unreasonably withheld.

27.4 Notwithstanding the provisions of this clause 27 the Tenant shall at all times first obtain all Necessary Consents.



## **28. SIGNS**

- 28.1 In this clause **Signs** include signs, fascia, placards, boards, posters and advertisements.
- 28.2 The Tenant shall not attach any Signs to the exterior of the Property or display any inside the Property so as to be seen from the outside except Signs of a design, size and number and in a position that are appropriate to the Property and the Permitted Use or are a replacement of existing signs, in all cases subject to first obtaining all the Necessary Consents..
- 28.3 Before the end of the term, the Tenant shall remove any Signs placed by it at the Property and shall make good any damage caused to the Property by that removal.
- 28.4 The Tenant shall allow the Landlord to fix to and keep at the Property any sale or re-letting board as the Landlord reasonably requires.

## **29. RETURNING THE PROPERTY TO THE LANDLORD**

- 29.1 At the end of the term (howsoever determined) the Tenant shall return the Property to the Landlord in the repair and condition required by this Lease.
- 29.2 Unless previously agreed by the Landlord in writing, the Tenant shall remove items it has fixed to the Property, remove any alterations it has made to the Property and make good any damage caused to the Property by that removal.
- 29.3 At the end of the term, the Tenant shall remove from the Property all chattels belonging to or used by it.
- 29.4 The Tenant irrevocably appoints the Landlord to be the Tenant's agent to store or dispose of any Tenant's trade fixtures and fittings (for the avoidance of doubt excluding museum exhibits) to the Property and which have been left by the Tenant on the Property for more than ten working days after the end of the term. The Landlord shall not be liable to the Tenant by reason of that storage or disposal. The Tenant shall indemnify the Landlord in respect of any claim made by a third party in relation to that storage or disposal.
- 29.5 If the Tenant does not comply with its obligations in this clause, then, without prejudice to any other right or remedy of the Landlord, the Tenant shall pay the Landlord an amount equal to the Annual Rent at the rate reserved immediately before the end of the term for the period that it would reasonably

take to put the Property into the condition it would have been in had the Tenant performed its obligations under this clause. The amount shall be a debt due on demand from the Tenant to the Landlord.

**30. USE**

- 30.1 The Tenant shall not use and part of the Property for any purpose other than the Permitted Use pertaining to that part nor any part of the 40' storage Container located in the Boat Yard for any purposes that is not in connection with or ancillary to the Permitted Use of the Property.
- 30.2 The Tenant shall not use the Property for any illegal purpose nor for any purpose or in a manner that would cause loss, damage, injury, nuisance or inconvenience to the Landlord, its other tenants or any other owner or occupier of neighbouring property.
- 30.3 The Tenant shall not overload any structural part of the Property nor any machinery or equipment at the Property nor any Service Media at or serving the Property.
- 30.4 To open the Clock House to the general public by no later than the May Bank Holiday weekend in 2012 and thereafter throughout the term of this lease the Tenant shall use all reasonable endeavours to keep the Property open for the Permitted Use to the general public at appropriate hours and on such days as are usual and in accordance with guidelines issued by or authorisation of the Museums Libraries and Archives Council and the Charity Commission (written evidence of which the Tenant shall provide to the Landlord as and when requested by the Landlord).
- 30.5 The Tenant shall use all reasonable endeavours to display artefacts within 50% of the galleries within the Clock House before the 30 June 2012.
- 30.6 The Tenant shall use all reasonable endeavours to display artefacts within the 90% of the galleries within the Clock House before the 31 December 2012

**31. COMPLIANCE WITH LAWS**

- 31.1 The Tenant shall comply with all laws relating to:
  - (i) the Property and the occupation and use of the Property by the Tenant;
  - (ii) the use of all Service Media and machinery and equipment at or serving the Property;

- (iii) any works carried out at the Property; and
  - (iv) all materials kept at or disposed from the Property
  - (vi) all Necessary Consents.
- 31.2 Without prejudice to any obligation on the Tenant to obtain any consent or approval under this Lease, the Tenant shall carry out all works that are required under any law to be carried out at the Property whether by the owner or the occupier.
- 31.3 Within five working days after receipt of any notice or other communication affecting the Property (and whether or not served pursuant to any law) the Tenant shall:
  - (i) send a copy of the relevant document to the Landlord; and
  - (ii) 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.
- 31.4 The Tenant shall inform the Landlord in writing of any application for Planning Permission.
- 31.5 The Tenant shall comply with its obligations under the CDM Regulations, including all requirements in relation to the provision and maintenance of a health and safety file. The Tenant shall maintain the health and safety file for the Property in accordance with the CDM Regulations and shall give it to the Landlord at the end of the term.
- 31.6 The Tenant shall 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.
- 31.7 The Tenant shall keep the Property equipped with all fire prevention, detection and fighting machinery and equipment and fire alarms which are required under all relevant laws or required by the insurers of the Property or reasonably recommended by them and shall keep that machinery, equipment and alarms properly maintained and available for inspection.

## **32. ENCROACHMENTS, OBSTRUCTIONS AND ACQUISITION OF RIGHTS**

- 32.1 The Tenant shall not grant any right or licence over the Property to a third party.

- 32.2 If a third party makes or attempts to make any encroachment over the Property or takes any action by which a right may be acquired over the Property, the Tenant shall:
- (i) immediately give notice to the Landlord; and
  - (ii) take all steps (including any proceedings) the Landlord reasonably requires to prevent or license the continuation of that encroachment or action.
- 32.3 The Tenant shall not obstruct the flow of light or air to the Property nor obstruct any means of access to the Property.
- 32.4 The Tenant shall not make any acknowledgement that the flow of light or air to the Property or that the means of access to the Property is enjoyed with the consent of any third party.
- 32.5 If any person takes or threatens to take any action to obstruct the flow of light or air to the Property or obstruct the means of access to the Property, the Tenant shall:
- (i) immediately notify the Landlord; and
  - (ii) take all steps (including proceedings) the Landlord reasonably requires to prevent or secure the removal of the obstruction.

### **33. BREACH OF REPAIR AND MAINTENANCE OBLIGATION**

- 33.1 The Landlord may enter the Property upon giving the Tenant reasonable notice (except in the case of emergencies) to inspect its condition and state of repair and may give the Tenant a notice of any breach of any of the tenant covenants in this Lease relating to the condition or repair of the Property.
- 33.2 If the Tenant has not begun any works needed to remedy that breach within three months (except in the case of emergencies where the Landlord will advise of such shorter time period as necessary) following that notice (or if works are required as a matter of emergency, then immediately) or if the Tenant is not carrying out the works with all due speed, then the Landlord may enter the Property and carry out the works needed.
- 33.3 The costs incurred by the Landlord in carrying out any works pursuant to this clause (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.

33.4 Any action taken by the Landlord pursuant to this clause shall be without prejudice to the Landlord's other rights generally or under any other clause of this lease.

**34. INDEMNITY**

The Tenant shall keep the Landlord indemnified against all expenses, costs, claims, damage and loss (including any diminution in the value of the Landlord's interest in the Property and loss of amenity of the Property) arising from any breach of any tenant covenants in this Lease, or any act or omission of the Tenant, any undertenant or their respective workers, contractors or agents or any other person on the Property with the actual or implied authority of any of them.

**35. LANDLORD'S COVENANT FOR QUIET ENJOYMENT**

The Landlord covenants with the Tenant, that, so long as the Tenant pays the rents reserved by and complies with its obligations in this Lease, the Tenant shall have quiet enjoyment of the Property without any interruption by the Landlord or any person claiming under the Landlord except as otherwise permitted by this Lease.

**36. RE-ENTRY AND FORFEITURE**

36.1 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:

- (i) any rent is unpaid 21 days after becoming payable whether it has been formally demanded or not;
- (ii) any breach of any condition of, or tenant covenant, in this Lease;
- (iii) an Act of Insolvency.

36.2 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.

**37. LIABILITY**

37.1 At any time when the Landlord, the Tenant or a guarantor is more than one person, then in each case those persons shall be jointly and severally liable for their respective obligations arising by virtue of this Lease. The Landlord may release or compromise the liability of any one of those persons or grant any time or concession to any one of them without affecting the liability of any other of them.

37.2 The obligations of the Tenant and any guarantor arising by virtue of this Lease are owed to the Landlord and the obligations of the Landlord are owed to the Tenant.

37.3 In any case where the facts are or should reasonably be known to the Tenant, the Landlord shall not be liable to the Tenant for any failure of the Landlord to perform any landlord covenant in this Lease unless and until the Tenant has given the Landlord notice of the facts that give rise to the failure and the Landlord has not remedied the failure within a reasonable time.

**38. ENTIRE AGREEMENT AND EXCLUSION OF REPRESENTATIONS**

38.1 This Lease and the MOA constitutes the entire agreement and understanding of the parties relating to the transaction contemplated by the grant of this Lease.

38.2 The Tenant acknowledges that in entering into this Lease it is not relying on, and shall have no remedy in respect of, any statement or representation made by or on behalf of the Landlord that is not recorded in the MOA..

38.3 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.

38.4 Nothing in this clause shall, however, operate to limit or exclude any liability for fraud.

**39. NOTICES, CONSENTS AND APPROVALS**

39.1 Except where this Lease specifically states that a notice need not be in writing, or where notice is given in an emergency, any notice given pursuant to this Lease shall be in writing.

39.2 A written notice shall be delivered by hand or sent by pre-paid first class post or registered post. A correctly addressed notice sent by pre-paid first class post shall be deemed to have been delivered at the time at which it would have been delivered in the normal course of the post.

39.3 Section 196 of the Law of Property Act 1925 shall otherwise apply to notices given under this Lease.

39.4 Where the consent of the Landlord is required under this Lease, a consent shall only be valid if it is given by deed, unless:

- (i) it is given in writing and signed by a person duly authorised on behalf or the Landlord; and
  - (ii) it expressly states that the Landlord waives the requirement for a deed in that particular case.
- 39.5 If a waiver is given, it shall not affect the requirement for a deed for any other consent.
- 39.6 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:
  - (i) the approval is being given in a case of emergency; or
  - (ii) this Lease expressly states that the approval need not be in writing.
- 39.7 If the Landlord gives a consent or approval under this Lease, the giving of that consent or approval shall not imply that any consent or approval required from a third party has been obtained, nor shall it obviate the need to obtain any consent or approval from a third party.

#### **40. LANDLORD'S BREAK CLAUSE**

- 40.1 In this clause a **Break Notice** means a notice to terminate this Lease.
- 40.2 In the event that the Tenant has failed to complete the Tenant's Works by the expiry of ten years from the first day of the Contractual Term the Landlord may terminate this Lease by serving a Break Notice on the Tenant terminating the Lease as from the date stated in the Break Notice ('the Break Date') being a date not earlier than two (2) months from the date of service of the Break Notice
- 40.3 The Break Notice shall be in writing and for the avoidance of doubt writing does not include facsimile transmission or e-mail.
- 40.4 The Break Notice shall state the Break Date.
- 40.5 The Break Notice shall not purport to terminate the Lease in relation to any part as opposed to the whole of the Property.
- 40.6 The Break Notice shall be signed by or on behalf of the Landlord.

- 40.7 The Break Notice shall be served by delivering it by hand or sending it by pre-paid first class post or recorded delivery to the Tenant at the Property or at it's registered office.
- 40.8 In proving service of the Break Notice it shall be sufficient to prove that delivery by hand was made or that the envelope containing the Break Notice was correctly addressed and posted by pre-paid first class post or recorded delivery as the case may be.
- 40.9 Following service of a Break Notice, this Lease shall terminate on the Break Date specified in the Break Notice, and all or any Tenant's Works carried out by the Tenant shall belong to the Landlord unless the Landlord requires the Tenant to remove them or any part of them within 6 months of the Break Date (in which case the Landlord shall inform the Tenant in writing of such and the Tenant shall diligently proceed to remove such Works at no cost to the Landlord making good any damage caused.
- 40.10 Termination of this Lease pursuant to this clause shall be without prejudice to any right or remedy of the Landlord in respect of any antecedent breach of the tenant covenants of this Lease including any covenants expressed to be complied with before the end of the term.

#### **41. TENANT'S BREAK CLAUSE**

- 41.1 In this clause a **Break Notice** means a notice to terminate this Lease.
- 41.2 On a date after the expiry of ten years from the first day of the Contractual Term the Tenant may terminate the whole of this Lease only by serving a Break Notice on the Tenant terminating the Lease as from the date stated in the Break Notice ('the Break Date') being a date not earlier than two (2) months from the date of service of the Break Notice
- 41.3 The Break Notice shall be in writing and for the avoidance of doubt writing does not include facsimile transmission or e-mail.
- 41.4 The Break Notice shall state the Break Date.
- 41.5 The Break Notice shall not purport to terminate the Lease in relation to any part as opposed to the whole of the Property.
- 41.6 The Break Notice shall be signed by or on behalf of the Tenant.



- 41.7 The Break Notice shall be served by delivering it by hand or sending it by pre-paid first class post or recorded delivery to the Landlord in an envelope addressed to the Chief Executive, Council Offices, Hawley Street Margate, Kent CT9 1XZ
- 41.8 In proving service of the Break Notice it shall be sufficient to prove that delivery by hand was made or that the envelope containing the Break Notice was correctly addressed and posted by pre-paid first class post or recorded delivery as the case may be.
- 41.9 Following service of a Break Notice, this Lease shall terminate on the Break Date specified in the Break Notice, and all or any Tenant's Works carried out by the Tenant shall belong to the Landlord unless the Landlord requires the Tenant to remove them or any part of them within 6 months of the Break Date (in which case the Landlord shall inform the Tenant in writing of such and the Tenant shall diligently proceed to remove such Works at no cost to the Landlord making good any damage caused).
- 41.10 Termination of this Lease pursuant to this clause shall be without prejudice to any right or remedy of the Landlord in respect of any antecedent breach of the tenant covenants of this Lease including any covenants expressed to be complied with before the end of the term.

**42. GOVERNING LAW AND JURISDICTION**

- 42.1 This Lease and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales.
- 42.2 The parties irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this Lease or its subject matter or formation (including non-contractual disputes or claims).

**43. CHARITIES ACT 1993**

The Property will as a result of this Lease be held by a non exempt Charity and the restrictions on disposition imposed by section 36 of the Charities Act 1993 shall apply

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

A person who is not a party to this Lease shall not have any rights under or in connection with it by virtue of the Contracts (Rights of Third Parties) Act 1999.

**45. LANDLORD AND TENANT (COVENANTS) ACT 1995**

This Lease creates a new tenancy for the purposes of the Landlord and Tenant (Covenants) Act 1995.

**IN WITNESS WHEREOF THE PARTIES HERETO HAVE CAUSED THIS LEASE TO BE EXECUTED AS A DEED THE DAY AND YEAR FIRST BEFORE WRITTEN.**

**THE COMMON SEAL of** )  
**THANET DISTRICT COUNCIL** )  
was hereunto affixed )  
in the presence of:- )

Member

Solicitor

Executed as a Deed by )  
**THE STEAM MUSEUM TRUST LIMITED** )  
acting by the hand of Michael List-Brain )  
a director and trustee thereof )  
in the presence of: )

Director and Trustee

Name of Witness:

Address:

Occupation:

**Schedule of Condition  
&  
Specification of Works  
(‘The Tenants Works’)**