

Date

16th December

2016

- (1) The Council of the City of York
- (2) Friends of York Walls

Lease

of

Postern Tower,
Fishergate,
York

Andrew Docherty,
Assistant Director of Governance and ICT
West Offices,
Station Rise,
York,
YO1 6GA.

LR1. Date of lease

16 December

2016

LR2. Title number(s)

LR2.1 Landlord's title number(s)

NYK390143

LR2.2 Other title numbers

LR3. Parties to this lease

Landlord

The Council of the City of York
West Offices
Station Rise
York
YO1 6GA

Tenant

Friends of York Walls (Charitable Incorporated
Organisation Number 1159300)

c/o MASS Architecture

54 Blossom Street

York Y24 1AP

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.

The premises described in clause 1

LR5. Prescribed statements etc.

LR6. Term for which the Property is leased	The term as specified in this lease in clause 1.
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.	<p>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>None.</p> <p>LR9.2 Tenant's covenant to (or offer to) surrender this lease</p> <p>None.</p> <p>LR9.3 Landlord's contractual rights to acquire this lease</p> <p>None.</p>
LR10. Restrictive covenants given in this lease by the Landlord in respect of land other than the Property	None.
LR11. Easements	<p>LR11.1 Easements granted by this lease for the benefit of the Property</p> <p>The rights specified in part 1 of the first schedule.</p> <p>LR11.2 Easements granted or reserved by this lease over the Property for the benefit of other property</p> <p>The rights specified in part 2 of the first schedule.</p>
LR12. Estate rentcharge burdening the Property	None.

THIS LEASE is made between the parties referred to in clause LR3 and the provisions that follow have effect subject to the provisions contained, and terms used, in clauses LR1 to LR12

1. Definitions and interpretation

1.1 In this lease unless the context otherwise requires the terms defined in this clause and in the Particulars shall have the meanings specified:

- | | |
|----------------------|---|
| "Building Structure" | the foundations load-bearing walls joists roofs roof coverings floor and ceiling slabs external walls and cladding of the Premises the Conducting Media (where they serve the Premises and other premises) external doors and door frames and windows and window frames (but not the glass in them) |
| "Business Day" | means any day from Monday to Friday (inclusive) other than Christmas Day, Good Friday and any statutory Bank Holiday in England |
| "Conducting Media" | all or any sewers drains conduits gutters channels watercourses pipes cables wires ducts and mains and apparatus associated therewith and all equipment and fittings ancillary thereto forming part of or serving the Premises |
| "Group Company" | a company which is either the holding company of the Tenant or a wholly-owned subsidiary of the Tenant or of the Tenant's holding company (as both expressions are defined in section 736 of the Companies Act 1985) |
| "Insurance Costs" | <p>all costs paid or incurred by the Landlord in:</p> <ul style="list-style-type: none">(a) insuring and keeping insured the Premises against the Insured Risks including such allowance as the Landlord thinks fit for (i) inflation during the period of insurance and any planning and reinstatement period (ii) the cost of complying with any statutory or public authority requirements which might apply on reinstatement (iii) the cost of demolition shoring-up and site clearance works (iv) architects' surveyors and such other professional fees as might be incurred in connection with any rebuilding or reinstatement (v) loss of rent for up to three years and (vi) value added tax on any such items(b) insuring third party and public liability risks and(c) the periodic revaluation of the Premises for insurance premises |

"Insurance Rent"	the Insurance Costs and the whole of any increase in the Insurance Costs payable in consequence of any act or omission of the Tenant or any person deriving title from the Tenant or any occupier of the Premises or their respective agents and visitors
"Insured Risks"	fire lightning earthquake explosion aircraft (other than hostile aircraft) and other aerial devices or articles dropped therefrom riot civil commotion malicious damage storm or tempest bursting or overflowing of water tanks apparatus or pipes floods and impact by road vehicles subsidence heave and such other risks or insurance as may from time to time be reasonably required by the Landlord or as may be reasonably required by the Tenant
"Interest Rate"	a yearly rate four per cent above the base rate of HSBC Bank plc (or such other rates by reference to which London clearing banks decide their own rates of interest)
"Landlord"	includes the person for the time being entitled to the reversion immediately expectant on the determination of the Term
"Landlord's Property"	any property from time to time owned by the Landlord which adjoins or is in the vicinity of the Premises
"Perpetuity Period"	the period of 80 years from the date of this lease
"Plan"	the plan or plans annexed to this lease
"Planning Acts"	"the Consolidating Acts" as defined in the Planning (Consequential Provisions) Act 1990 and any other legislation relating to town and country planning in force from time to time
"Permitted Use"	a public visitor attraction facility with associated gift shop and community space and such other uses as meet the objectives of the Tenant under its memorandum of association as may be approved in writing by the Landlord
"Premises"	the property at Fishergate, York known as Postern Tower and shown edged red on the Plan
"Rent Commencement Date"	the date hereof
"Rent Payment Dates"	the date hereof and each anniversary of that date
"Rents"	the Yearly Rent, the Insurance Rent and the Service Charge
"Service Charge"	the lesser of:

	(i) the cost to the Landlord of providing the Services
	(ii) £500 per annum
"Services"	the repair and maintenance of the Building Structure and the cleaning, painting and decorating of the exterior of the Premises
"Subjections"	the matters affecting the Landlord's freehold title to the Premises
"Term"	30 years from and including the date hereof including where applicable any extension of the Term
"Tenant"	the person in whom the Term is vested for the time being
"VAT"	value added tax and any other tax of a similar nature
"Works"	the works necessary to make the Building Structure wind and water tight and installing utilities to the Premises
"Yearly Rent"	£1 per annum (if demanded)

1.2 The expression "the Premises" includes

1.2.1 all additions and improvements to the Premises

1.2.2 all the Landlord's fixtures and fittings of every kind which shall from time to time be in or upon the Premises (whether originally affixed or fastened to or upon the Premises or otherwise)

1.2.3 all Conducting Media in on under or over the Premises and exclusively serving the Premises

1.2.4 the floors, screeds and floor coverings, plaster, plasterboard and the internal decorative finishes of all walls and ceilings, non-loadbearing internal walls, internal doors and door frames, the glass in all windows, the shop front and fascia but does not include any part of the Building Structure nor the air space above the height of the top of the Premises beyond what is reasonably required for the purposes of access for inspection to comply with the Tenant's obligations under this lease and exercise consents and permissions given under this lease and references to the "the Premises" in the absence of any provision to the contrary shall include any part of the Premises

1.3 any covenant by the Tenant not to do any act or thing shall include an obligation not to permit or suffer such act or thing to be done

1.4 reference to any right of the Landlord to have access to or entry upon the Premises shall be construed as extending to all persons properly authorised by the Landlord including agents professional advisers contractors workmen and others

1.5 any reference to a statute (whether specifically named or not) shall include any amendment or re-enactment of such statute for the time being in force and all instruments

orders notices regulations directions bye-laws permissions and plans for the time being made issued or given thereunder or deriving validity therefrom

1.6 the title headings appearing in this lease are for reference only and shall not affect its construction

1.7 any reference to a clause or schedule shall mean a clause of or schedule to this lease

2. Demise

The Landlord hereby demises to the Tenant with full title guarantee the Premises subject to the Subjections together with (in common with the Landlord and others authorised by the Landlord) the rights specified in part 1 of the Schedule to this lease excepting and reserving to the Landlord and its successors in title and assigns and other the owners and occupiers of the Landlord's Property and all others authorised by it or them the rights specified in Part 2 of the Schedule to this lease to hold the same unto the Tenant for the Term yielding and paying therefor

(a) the Yearly Rent every year and proportionately for any part of a year

(b) as further rent the Insurance Rent and the Service Charge

(c) VAT on the Yearly Rent, the Insurance Rent and the Service Charge to the extent lawfully demanded by the Landlord

the Yearly Rent to be paid on the Rent Payment Dates the first payment to be made on the Rent Commencement Date

3. Tenant's covenants

The Tenant hereby covenants with the Landlord as follows:

3.1 Rents

3.1.1 to pay the Yearly Rent on the Rent Payment Dates whether demanded or not

3.1.2 to pay the Insurance Rent and the Service Charge within ten Business Days after written demand provided that no sum shall be payable in respect of Insurance Rent for the period of 5 years from and including the date hereof

3.1.3 (subject to any statutory right) not to exercise any legal or equitable rights of set-off, deduction, abatement or counterclaim whatsoever to reduce its liability to pay the Rents

3.2 Outgoings

To pay and discharge all existing and future rates taxes duties assessments charges and impositions levies and outgoings whatsoever whether parliamentary local or otherwise including a fair proportion of anything payable in respect of any adjoining property now or hereafter payable by law in respect of the Premises or any part thereof by the owner landlord tenant or occupier thereof other than:

- 3.2.1 any tax in respect of rents and other payments under this lease (other than VAT or other tax thereon intended by statute to be payable by the Tenant)
- 3.2.2 any tax or levy in respect of the grant of and arising solely by reason of this lease (and not by reason of the combined effect of the grant of this lease and of some other act or omission on the part of the Tenant) and
- 3.2.3 any tax in respect of any dealing with the reversion expectant on the Term not arising by reason of some act or omission on the part of the Tenant

3.3 VAT

- 3.3.1 any payment or other consideration to be provided to the Landlord is exclusive of VAT and the Tenant shall (subject to delivery by the Landlord of a valid VAT invoice in respect thereof) in addition pay any VAT chargeable on the date the payment or other consideration is due
- 3.3.2 any obligation to reimburse or pay the Landlord's expenditure extends to irrecoverable VAT on that expenditure and the Tenant shall also reimburse or pay such VAT

3.4 Interest on overdue payments

- 3.4.1 If any of the Rents (whether or not formally demanded), or any other sum of money, payable by the Tenant under this lease has not been paid:
 - (a) in the case of the Yearly Rent (and any VAT), on the date when payment is due; and
 - (b) in the case of any other Rents or sums, within 10 Business Days of written demand;

the Tenant shall pay interest calculated on a daily basis on the unpaid sum at the Interest Rate for the period from and including the date when payment:

- (i) was due (in the case of the Yearly Rent and any VAT); or
- (ii) was demanded (in the case of any other Rents or sums);

until the date the Landlord receives payment (both before and after any judgement).

- 3.4.2 If the Tenant is in material breach of any obligation in this Lease and the Landlord refuses to accept payment of any of the Rents so as not to waive that breach, the Tenant shall pay interest on such sum at the Interest Rate for the period from and including the date when payment:

- (a) was due; or
- (b) would have been due if demanded on the earliest date on which it could have been demanded;

to the date when the Landlord accepts payment. This obligation is without prejudice to any other rights, remedy or power available to the Landlord. If it is subsequently

established that the Tenant is not in material breach of obligation under this Lease, no interest shall be due on any Rents which the Landlord has refused to accept.

3.5 Repair

- 3.5.1 (Except for and excluding the Building Structure) to repair the Premises and keep them in good and substantial repair and condition except any damage caused by an Insured Risk (save to the extent that payment of any insurance moneys is withheld because of any act or omission of the Tenant or any person on the Premises with the Tenant's permission (express or implied)).
- 3.5.2 to keep the Premises in a clean and tidy condition;
- 3.5.3 regularly (and when needed) to clean both sides of the windows and window frames and all other glass in the Premises.
- 3.5.4 to make sure all rubbish is stored properly and remove all rubbish from the Premises at least once a week; and
- 3.5.5 to keep all Conducting Media in good condition and clear at all times

3.6 Decoration

- 3.6.1 whenever necessary, but in any event not less than once in every period of five years during the Term and also during the last six months of the Term, in a good and workmanlike manner using good quality materials and in accordance with good practice at the relevant time to prepare and decorate or otherwise treat, as appropriate, all internal parts of the Premises, such decoration and treatment in the last six months of the Term to be executed in colours and materials approved in writing by the Landlord..
- 3.6.2 the Tenant shall not be required under this clause to decorate or treat the Premises more than once in any 12 month period.

3.7 Inspection and entry

- 3.7.1 to permit the Landlord at all reasonable times on reasonable prior notice (or at any time without such notice in case of emergency) to enter the Premises to view their condition and if any defect disrepair or unauthorised alteration is found for which the Tenant is liable then upon service of written notice by the Landlord specifying these to commence and complete the works properly required by that notice within a reasonable period after any such notice (or forthwith in case of emergency).
- 3.7.2 if the Tenant does not comply with the notice within a reasonable time the Landlord may enter into the Premises and execute such works and the Tenant shall pay to the Landlord as a debt and on demand all expenses reasonably and properly incurred in so doing

3.8 Access of Landlord

- 3.8.1 to permit the Landlord at all reasonable times on reasonable prior notice (or at any time without such notice in the case of emergency) to enter upon the Premises for all or any of the following purposes namely:

- (a) taking inventories of the landlord's fixtures and fittings (if any)
- (b) effecting decorations repairs maintenance renewal extension alteration tests or other works to or on any part or parts of the Landlord's Property or tests to the Premises or any matters acts or things which may be requisite under or pursuant to the provisions of this lease or to comply with any Act of Parliament statutory instrument order building regulation or other regulation or local bye-law in relation to the Premises or any part thereof but only to the extent that the same cannot reasonably be carried out without the Landlord securing access to the Premises
- (c) inspecting cleansing maintaining testing repairing altering laying fixing constructing renewing re-laying and connecting up to any Conducting Media used or to be used for or in connection with any part or parts of the Landlord's Property
- (d) enabling prospective purchasers mortgagees or tenants of the Landlord's interest in the Premises to view the Premises or
- (e) for any proper purpose connected with the insurance of the Premises

and for all or any such purposes to erect scaffolding and/or other like apparatus and/or ladders and/or cradles and other like appliances or apparatus upon the Premises or any part thereof or outside the Premises

3.9 Yielding up

To yield up the Premises at the expiry or sooner determination of the Term in a state of repair and condition consistent with the Tenant's covenants in this lease

3.10 Alterations

- 3.10.1 not to make any alteration or addition to the structure or external appearance of the Premises or the Building.
- 3.10.2 not to make any other alteration to the Premises without the Landlord's prior written consent.
- 3.10.3 not to erect or install in or on the Premises any plant machinery or equipment (other than that authorised by this lease) the operation or use of which would have an adverse effect on the Building Structure
- 3.10.4 not to load or use the Premises in any way which would cause strain damage or interference to the Building Structure

3.11 Signs

Not to erect any signs, notices, advertisements, lettering or announcements of any kind, which can be seen from outside the Premises, without the Landlord's prior written consent.

3.12 Reinstatement

Before the end of the Term:

- 3.12.1 to replace any fixtures which are damaged and cannot be repaired or are missing or destroyed with new ones of a similar type and quality
- 3.12.2 to remove any signs and all tenant's fixtures and fittings, furniture and belonging and to repair to the Landlord's reasonable satisfaction all damage caused by removing them
- 3.12.3 (save to the extent reasonably required in writing by the Landlord) to remove and make good any alterations or additions made to the Premises during the Term or any prior period of occupation by the Tenant or its predecessors, and to reinstate the Premises in a good and workmanlike manner to the Landlord's reasonable satisfaction

3.13 Compliance with requirements of statute local and other authorities

To observe and perform all requirements of and to do and execute or cause to be done and executed all such works and things as under or by virtue of any Acts of Parliament local Acts building regulations or bye-laws already or hereafter to be passed and rules and regulations thereunder now are or shall or may be directed or required to be done or executed upon or in respect of the Premises or any part thereof or in respect of the user thereof whether by the owner landlord tenant or occupier thereof and at all times during the Term to indemnify and keep indemnified the Landlord against all claims demands expenses and liability in respect thereof

3.14 Planning

- 3.14.1 at all times during the Term to comply in all respects with the provisions and requirements of the Planning Acts and to indemnify and to keep the Landlord indemnified against all liability whatsoever including costs and expenses in respect of such matters and to produce to the Landlord within ten days of receipt by the Tenant of notice thereof any notice order or proposal made given or issued under or by virtue of the Planning Acts affecting or relating to the Premises
- 3.14.2 not without the Landlord's previous consent to:
 - (a) apply for nor to permit any person deriving title under the Tenant to apply for any planning permission relating to the Premises or to any part thereof or to the use thereof or any part thereof and in the event of the Landlord attaching any reasonable conditions to such consent as aforesaid not to apply or permit any application for any such planning permission save in accordance with the said conditions or
 - (b) implement or permit to be implemented any planning permission
- 3.14.3 immediately after the grant thereof to supply to the Landlord a copy of any such planning permission and the application and any correspondence or drawings incidental or relating thereto

3.15 Permitted use

Not to use the Premises otherwise than for the Permitted Use

3.16 Restrictions on use

- 3.16.1 not to store in the Premises any petrol or other inflammable explosive or combustible substance.
- 3.16.2 not to do on the Premises anything which may be or become a nuisance or annoyance or cause damage or inconvenience to the Landlord or the tenants or occupiers of any adjoining or neighbouring property
- 3.16.3 not to use the Premises for any dangerous noxious noisy or offensive trade business or activity nor for any illegal or immoral purpose
- 3.16.4 not to hold or permit or suffer to be held on the Premises any sale by auction or political meeting
- 3.16.5 not to allow to pass into the Conducting Media any noxious or deleterious effluent or other substance which might cause any obstruction or damage to the Conducting Media and to clear and make good any obstruction or damage caused

3.17 Alienation

3.17.1 General restriction

Except as otherwise permitted in this Clause 3.17, not to assign, charge, sublet, part with possession or share the occupation of, permit any person to occupy, nor create any trust in respect of the tenant's interest in, the whole or any part of the Premises.

3.17.2 Assignment of whole

Not to assign the whole of the Premises except to another not for profit organisation with similar objectives to those of the Tenant after obtaining the prior written consent of the Landlord which, subject to clause 3.17.3, shall not be unreasonably withheld.

3.17.3 Assignment conditions

For the purposes of Section 19 (1A) of the Landlord and Tenant Act 1927 it is agreed that any consent of the Landlord to an assignment of the whole of the Premises may be subject to:

- (a) (where reasonable) a condition requiring the proposed assignee to deliver to the Landlord upon completion of the proposed assignment:
 - (i) a bank guarantee in favour of the Landlord from a bank, and in a form, first approved in writing by the Landlord (such approval not to be unreasonably withheld); and/or
 - (ii) a guarantee from a guarantor who is, and in a form which is reasonably acceptable to the Landlord

- (b) a condition that the Tenant shall, prior to completing the proposed assignment, execute and deliver to the Landlord an authorised guarantee agreement, as referred to in Section 16 of the Landlord and Tenant (Covenants) Act 1995 in a form which the Landlord reasonably requires.
- (c) a condition that any guarantor of the Tenant's obligations guarantees to the Landlord, in a form which the Landlord reasonably requires, that the Tenant shall comply with the authorised guarantee agreement and indemnify the Landlord against any breach.
- (d) a condition that all sums payable to the Landlord under the lease are paid prior to the proposed assignment being completed
- (e) such other conditions as may be reasonable in the circumstances

3.17.4 Subletting of whole

Not to sublet the whole of the Premises except to another not for profit organisation with similar objectives to those of the Tenant after obtaining the prior written consent of the Landlord which, subject to clause 3.17.5, shall not be unreasonably withheld.

3.17.5 Sublettings generally

- (a) Before the grant of any permitted sublease, to procure that the subtenant enters into the following direct covenants with the Landlord:-
 - (i) not to assign or charge any part of the premises to be sublet
 - (ii) not to dispose of or share the occupation of or permit any person to occupy the whole or any part of the premises to be underlet save by way of an assignment of the whole of the premises to be sublet
 - (iii) not to assign the whole of the premises to be sublet without the prior written consent of the Landlord (such consent not to be unreasonably withheld);
 - (iv) to perform and observe all the tenant's covenants contained in:
 - (A) this Lease (other than for the payment of the rents) so far as the same are applicable to the premises to be sublet; and
 - (B) the permitted sublease

and that any guarantor for the subtenant guarantees to the Landlord that the subtenant shall comply with such covenants and indemnify the Landlord against any breach.

- (b) Every permitted sublease shall contain:

- (i) provisions for the review of the rent payable under it on a basis corresponding both as to terms and dates with the rent review provisions in this Lease;
- (ii) a covenant by the subtenant (which the Tenant covenants to enforce) prohibiting the subtenant from doing or allowing any act or thing on, or in relation to, the premises sublet inconsistent with, or in breach of this Lease;
- (iii) a condition for re-entry on breach of any covenant by the subtenant; and
- (iv) the same restrictions as to assignment, subletting, charging and parting with or sharing the possession or occupation of the sublet premises, and the same provisions for direct covenants and registration, as are contained in this lease (with any necessary changes).

3.17.6 Management of sublettings

The Tenant shall:

- (a) enforce the performance and observance of the covenants by the subtenant contained in any permitted sublease
- (b) not, at any time, either expressly or by implication, waive any breach of them;
- (c) procure that the rent under any permitted sublease is reviewed in accordance with its terms but shall not agree any reviewed rent with the subtenant before the rent review between the Tenant and the Landlord is completed, except in circumstances where the subtenant or the rent review surveyor requires that the rent review is concluded before the rent review between the Tenant and the Landlord is concluded;
- (d) have due regard to the Landlord's representations as to the rent payable following a review under that sublease.
- (e) not vary the terms of any permitted sublease without the prior written consent of the Landlord (such consent not to be unreasonably withheld); and
- (f) procure that the rent payable under any permitted sublease is not commuted or made payable more than one quarter in advance, and shall not permit any reduction of that rent.

3.17.7 Charging

The Tenant may

- (a) with the prior written consent of the Landlord (such consent not to be unreasonably withheld or delayed) charge the whole of the Premises and this Lease by way of fixed charge

- (b) without the consent of the Landlord charge the whole of the Premises and this lease by way of floating charge created in the normal course of the Tenant's business to a Bank of England authorised financial institution

3.17.8 Registrations

Within 15 Business Days of any disposition of or relating to the Premises or any part of it, the Tenant shall provide the Landlord or its solicitors with a certified copy of the document evidencing or effecting such disposition and, on each occasion, shall pay to the Landlord its reasonable registration fee

3.18 Indemnity

To be responsible for and to indemnify the Landlord against any claims proceedings or demands and all damages losses costs and expenses incurred thereby arising out of:

- 3.18.1 any accident loss or damage to persons or property occurring in or upon the Premises save to the extent that any such claims proceedings or demands arise in consequence of any negligence or default of the Landlord
- 3.18.2 any failure or neglect to perform the covenants and obligations on the part of the Tenant contained in this lease and/or any act neglect or default of the Tenant or any occupier of the Premises their servants agents and visitors whether authorised by this lease or not

3.19 To inform Landlord of notices received

As soon as practicable following receipt of notice (whether by advertisement or not) to give full particulars in writing to the Landlord of any permission notice order or proposal for a notice or order made given or issued by any government department local or public authority under or by virtue of any statutory powers affecting or likely to affect the Premises and if so required by the Landlord to produce such permission notice order or proposal for a notice or order to the Landlord and also (but to the extent only that compliance with such notice or order is not the responsibility of the Landlord pursuant to the provisions of this lease) at the Tenant's expense without delay to take all necessary steps to comply with any such notice or order

3.20 Costs

To pay all reasonable and proper costs and expenses (including solicitors' costs and surveyors' fees) properly incurred by the Landlord:

- 3.20.1 incidental to a notice under sections 146 and 147 of the Law of Property Act 1925 (notwithstanding that forfeiture is avoided otherwise than by relief granted by the Court) and
- 3.20.2 incidental to or arising out of any application by the Tenant for consent of the Landlord hereunder whether or not any such application proceeds to formal licence unless the Landlord is held by a Court to have been unreasonably withholding or delaying consent

3.21 Light and air and other easements

- 3.21.1 Not to prejudice the acquisition of any right of light for the benefit of the Premises by obstructing any window or opening or giving any acknowledgement that the right is enjoyed by consent or any other act or default of the Tenant
- 3.21.2 To preserve all rights of light and other easements enjoyed by the Premises and not to permit or suffer anyone to acquire any right of light or other easement or right over the Premises
- 3.21.3 As soon as the Tenant becomes aware of the same to give the Landlord notice if any easement enjoyed by the Premises is obstructed or any new easement affecting the Premises is made or attempted

3.22 Articles of archaeological or historic interest

To give written notice to the Landlord of the discovery of any object, relic or article of archaeological or historic interest unearthed or discovered on the Premises and it is agreed between the parties that any such items shall belong to the Landlord.

3.23 Works

To carry out and complete the Works to the Landlord's reasonable satisfaction subject to the Landlord contributing £20,000 towards the cost of the Works with such works to be previously approved in writing by City of York Council's archaeologist and to be subject to the Tenant obtaining scheduled ancient monument consent and complying with the conditions to such consent

4. Landlord's covenants

The Landlord hereby covenants with the Tenant

- 4.1 that the Tenant paying the rents hereby reserved and performing and observing the covenants on the Tenant's part herein contained shall quietly hold and enjoy the Premises during the Term without interruption by the Landlord or any person rightfully claiming through under or in trust for the Landlord;
- 4.2 to repair and maintain the Building Structure; and
- 4.3 to contribute £20,000 towards the cost of the Works by the Tenant subject to such works being carried out to the Landlord's reasonable satisfaction and subject to such works previously approved in writing by City of York Council's archaeologist and to be subject to the Tenant obtaining scheduled ancient monument consent and complying with the conditions to such consent

5. Insurance

The Landlord and the Tenant each hereby covenant with the other to observe and perform their respective obligations and the conditions set out in this clause 5

5.1 Landlord's insurance obligations

The Landlord shall insure with an insurer of repute (to the extent that insurance may ordinarily be arranged on reasonable terms and conditions and, subject to such exclusions, excesses and limitations as may be imposed by the insurer and as are usual in the London insurance market at the time in respect of the insurance of premises of a similar nature to the Premises)

- (a) the Premises against loss or damage by the Insured Risks in a sum which in the reasonable and proper opinion of the Landlord represents the full replacement cost thereof
- (b) three years loss of Rents; and
- (c) property owner's liability and such other insurances as the Landlord may reasonably require

5.2 Reinstatement

If the Premises or any part of them are damaged or destroyed by any of the Insured Risks then (unless payment of the insurance moneys is refused wholly or partly as a result of any act or default of the Tenant, or any occupier of any part of the Premises, and the Tenant has not complied with clauses 5.9 and 5.11) the Landlord shall:

- 5.2.1 use all reasonable endeavours to obtain any planning permission, bye-law and other approvals which are necessary to enable the Premises to be rebuilt or reinstated and
- 5.2.2 (subject to the Landlord being able to obtain all necessary planning permissions, licences, approvals and consents) rebuild or reinstate the Premises or such parts thereof as shall have been so destroyed or damaged provided that the Tenant shall not object to the rebuilding or reinstatement of the Premises in a form which is not identical to the same immediately prior to such damage or destruction if the Premises as rebuilt or reinstated are of a similar standard and afford similar amenities to those of the Premises prior to such damage or destruction

5.3 Determination following serious damage

If the Premises shall be so damaged by any of the Insured Risks as to necessitate demolition and reconstruction of the whole or a substantial part thereof the Landlord or the Tenant shall be entitled on giving to the other party not less than six months' prior notice in writing to determine the Term and at the expiration of such notice this demise and everything herein contained shall cease and determine (but without prejudice to any accrued right of action by either party against the other) and any insurance moneys shall belong to the Landlord

5.4 Details of insurance

The Landlord shall on request from the Tenant provide the Tenant with such details of the insurance policy and its terms and evidence of payment of the current premium as will enable the Tenant to know the full extent of the premises covered thereby the risks insured against and any exceptions conditions exclusions excesses or limitations to which the policy is subject

5.5 Exclusion from cover

The Landlord shall not be obliged to insure fixed glass tenant's fixtures and fittings nor shall the Landlord be obliged to insure any fixtures or fittings installed by the Tenant or by any person deriving title under the Tenant which may become landlord's fixtures and fittings until the Tenant has notified the Landlord in writing of their reinstatement value

5.6 Limit of liability

The Landlord shall not be liable under the reinstatement obligations contained in clause 5.2 to the extent that the insurance policy has been vitiated or the insurance moneys are otherwise not received due to any act or default of the Tenant or any person deriving title from the Tenant or any occupier of the Premises or any of their respective servants agents or visitors

5.7 Tenant's insurance obligations

The Tenant shall insure with an insurer of repute third party and property owner's liability risk of the Tenant with a limit of indemnity of at least £5 million in respect of any one occurrence or such higher limit as the Landlord shall from time to time reasonably require and to keep all plate glass or other glass in the Premises fully insured against destruction or damage howsoever and whenever so required shall produce to the Landlord details of the kind referred to in clause 5.4 of the policy or policies of insurance

5.8 Vitiating of insurance

5.8.1 the Tenant shall not do anything which would or might prejudice or vitiate the Landlord's insurance policy or policies or cause any premium thereunder to be increased

5.8.2 If the payment of any insurance moneys is refused in consequence of any act or omission of the Tenant or any person deriving title from the Tenant or any occupier of the Premises or any of their respective servants agents or visitors the Tenant shall pay to the Landlord on demand the amount so refused (credit being given for an ex gratia payment of part of the moneys so refused received by the Landlord) with interest thereon at the Interest Rate from the date of such refusal to the date of payment and to pay to the Landlord all sums paid by way of excess premiums payable or incurred by breach of this covenant by the Tenant

5.9 Notification of Damage

The Tenant shall inform the Landlord forthwith of the occurrence of damage to the Premises by any of the Insured Risks

5.10 Payment of excess

Following any damage to the Premises by an Insured Risk the Tenant shall on written demand pay to the Landlord a fair proportion of any uninsured excess to which the Landlord's insurance policy is subject

5.11 Double insurance

The Tenant shall not effect any insurance of the Premises which would permit the Landlord's insurer to average any insurance proceeds or cancel insurance cover

5.12 Insurers' requirements

The Tenant shall comply with the requirements and lawful recommendation of the insurers notified in writing to the Tenant

6. Provisos

It is hereby agreed by and between the parties hereto as follows

6.1 Re-entry

If the Rents hereby reserved or any part thereof shall at any time be unpaid for 21 days after becoming payable (whether formally demanded or not) or if any of the covenants on the part of the Tenant herein contained shall not be performed or observed or if the Tenant shall make or enter into any arrangement composition or assignment with or for the benefit of creditors or shall enter into liquidation whether compulsory or voluntary or shall have a receiver of their assets or any part thereof appointed or if the Tenant shall suffer any distress or execution to be levied on its goods then and in any such case it shall be lawful for the Landlord at any time thereafter to re-enter upon the Premises or any part thereof in the name of the whole and thereupon this demise shall absolutely determine but without prejudice to the rights of action of the Landlord in respect of any antecedent breach of any of the covenants on the part of the Tenant herein contained

6.2 Service of notices

This deed incorporates the regulations respecting notices contained in section 196 of the Law of Property Act 1925 as amended by the Recorded Delivery Service Act 1962

6.3 Contracts (Rights of Third Parties) Act 1999

The Contracts (Rights of Third Parties) Act 1999 shall not apply to this Lease and unless specifically herein provided no person other than the parties to this Lease shall have any rights under it nor shall it be enforceable by any person other than the parties to it.

6.4 Landlord as local authority

The administration by and the rights and powers conferred upon the Landlord in its role as Local Authority will remain unaffected by the terms of this Lease and shall not constitute a derogation from any grant effected hereby

6.5 Articles of archaeological or historic interest

All objects, relics or articles of archaeological or historic interest unearthed or discovered on the Premises shall be the absolute property of the Landlord

6.6 Works

The parties agree that the Landlord shall provide funding of £20,000 to the Tenant towards the costs to be incurred by the Tenant in carrying out the Works subject to the Works being previously approved in writing by City of York Council's archaeologist and to be subject to the Tenant obtaining scheduled ancient monument consent and complying with the conditions to such consent

7. Landlord and Tenant Act 1954

- (a) On ^{27th November 2014} the Landlord served notice on the Tenant pursuant to the provisions of the 1954 Act Section 38A(3) as inserted by the Regulatory Reform (Business Tenancies) (England and Wales) Order 2003 and on ^{22nd January 2016} the Tenant made a simple/statutory declaration pursuant to Schedule 2 of the Regulatory Reform (Business Tenancies) (England and Wales) Order 2003.
- (b) Pursuant to the provisions of the 1954 Act Section 38A(1) as inserted by the Regulatory Reform (Business Tenancies) (England and Wales) Order 2003, the parties agree that the provisions of the 1954 Act Sections 24–28 inclusive are to be excluded in relation to the tenancy created by this Lease.

8 Break Clause

8.1 Either the Landlord or the Tenant may terminate this lease at any time on giving not less than 6 months' notice to the other but subject (in the case of a break notice served by the Tenant) to:

- (i) the Tenant being in substantial compliance with all its obligations under this Lease on the expiry date specified in the notice
- (ii) the Tenant giving vacant possession of the Premises to the Landlord on the expiry date specified in the notice

8.2 If the above conditions are satisfied the lease will terminate on the expiry date specified in the break notice.

8.3 Termination under this clause does not prejudice any pre-existing rights or claims of either party against the other.

9 Charities Act 2011

The Premises will as a result of this lease be held by Friends of York Walls, a non-exempt charitable incorporation organisation, and the restrictions on disposition imposed by sections 117-121 of the Charities Act 2011 will apply to the land (subject to section 117(3) of that Act).

10 Certificate as to agreement

It is hereby certified that there is no agreement for lease to which this lease gives effect

In witness whereof this lease has been executed by the parties as a deed the day and year first above written

The Schedule

Part 1

The Rights

1. The right to pass and repass on foot only over the land coloured yellow on the Plan for the purpose of gaining access and egress from the Premises in connection with the use of the Premises for the Permitted Use
2. in common with the Landlord and all other persons having a like right (but subject to temporary interruption for repair alteration or replacement) to the free passage of water, soil, sewage, gas and electric current through the Conducting Media running to and from the Premises from the adjoining property of the Landlord

Part 2

Rights reserved to the Landlord and others

1. The right in common with the Tenant and all other persons having a like right (but subject to temporary interruption for repair alteration or replacement) to the free passage of water, soil, sewage, gas and electric current through the Conducting Media running to and from any adjoining property of the Landlord
2. The right to use develop rebuild extend increase alter or reconstruct any adjoining property of the Landlord for such purpose to such extent and generally in such manner as they shall think fit
3. Rights of entry to the Premises in the manner and for the purposes of which the Tenant covenants in clauses 3.7 and 3.8 to permit such entry.
4. The right to erect scaffolding on the exterior of the Building notwithstanding that this may cause disturbance or interference to the Tenant or any occupier of the Premises

In exercising any of the rights specified in this part of the Schedule the Landlord or the person or persons exercising the right shall:

- (a) so far as practicable comply with any reasonable requirements of the Tenant in respect of the security of the Premises
- (b) cause as little damage disturbance or inconvenience as reasonably practicable to the Tenant or any occupier or user of any part of the Premises and
- (c) make good as soon as reasonably practicable and to the reasonable satisfaction of the Tenant any damage caused to the Premises

Executed as a Deed by affixing
The Common Seal of the Council of the City
of York in the presence of:

[Handwritten signature]



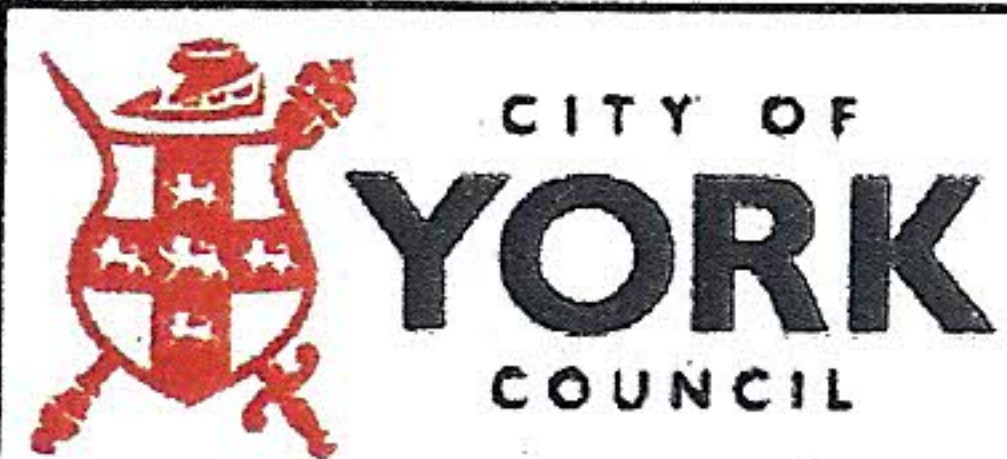
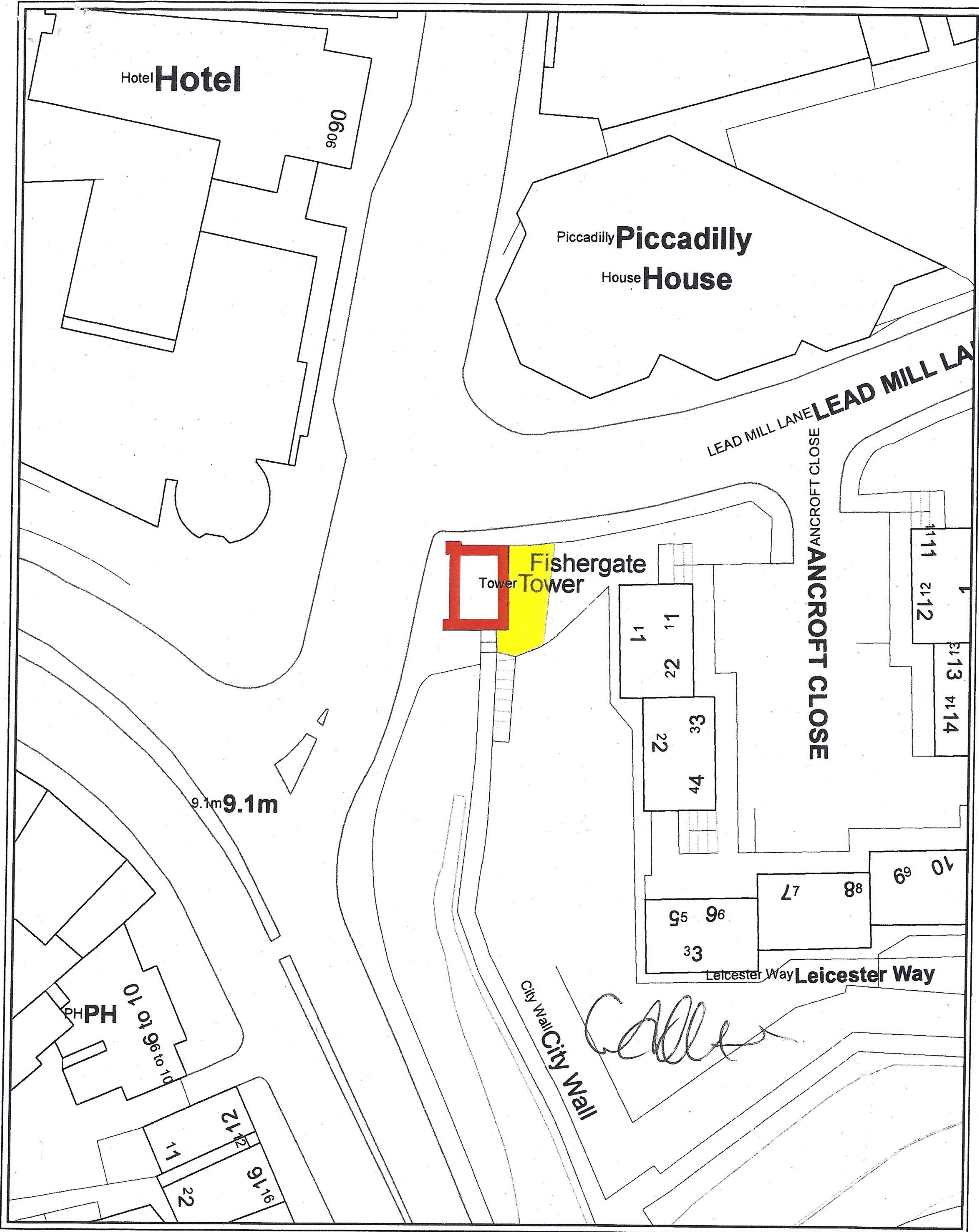
9903

Legal and ⁴ Authorised signatory for Assistant Director of
Governance and ~~ICT~~ ⁴

Executed as a deed by
Friends of York Walls
acting by two of its trustees:

[Handwritten signature]
Trustee

[Handwritten signature]
Trustee



CBSS
Asset & Property
Management

Fishergate Postern Tower

SCALE 1:500

DRAWN BY: CC

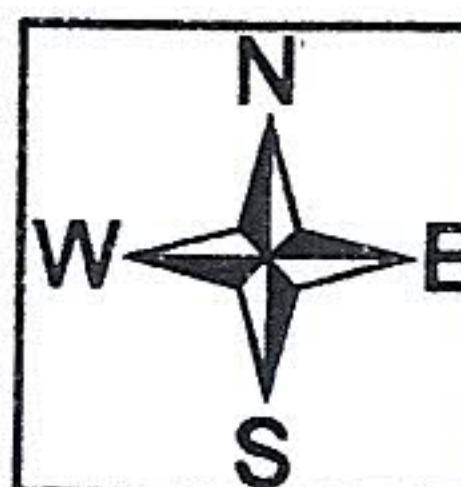
Originating Group:

Asset & Property Management

DATE: 18/03/2014

Drawing No.

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