

EXTRACT FROM THE SERVICES AGREEMENT**Definitions:**

"Licence to Occupy"	the proposed licences between (1) the Council and (2) the Partner pursuant to Part 1 of Schedule 1 (Accommodation Arrangements), a template of which is contained in Part 2 of Schedule 1 (Accommodation);
"Licensed Premises"	the premises licensed by the Council to the Partner pursuant to the Licence to Occupy and such other parts of the Council Premises as may be agreed in writing between the parties from time to time during the course of this Agreement;
"Premises"	the Licensed Premises and/or the Underlet Premises (as applicable)
"Property Document"	the Licence to Occupy and/or the Underleases as applicable
"Underleases"	the proposed underleases between (1) the Council and (2) the Partner pursuant to Part 1 of Schedule 1 (Accommodation Arrangements), a template of which is contained in Part 3a and Part 3b of Schedule 1 (Accommodation);
"Underlet Premises"	the premises underlet by the Council to the Partner pursuant to the Underleases;

27. ACCOMMODATION ARRANGEMENTS

The parties will comply with their obligations in **Schedule 1**.

SCHEDULE 1

Part One

1. Implementation of the Accommodation Arrangements

1.1 The movement or transfer of Personnel within the Council Premises shall not take place without the Council's consent save where the movement is taking place in accordance with the requirements of a Property Document or save where such movement comprises an exchange of work space between Personnel.

2. Licence of access to the Premises prior to the grant of a Property Document

2.1 The Partner will be permitted access to and egress from the Premises for the purpose only of implementation of the Transition Plan from the date of this Agreement until the date of grant of each Property Document. The Partner acknowledges that it shall have no other rights in respect of the Premises during this period.

2.2 The Partner acknowledges that the right of access granted at **paragraph 2.1** above shall be as an invitee only (other than in relation to termination where the provisions of **paragraph 5** shall apply) and that this shall not operate, or be deemed to operate, in any way as a demise of any part of the Premises nor shall the Partner have or be entitled to any estate, right or interest in the Premises or any part thereof.

3. Licence to Occupy the Licensed Premises

3.1 The Council shall grant and the Partner shall take a Licence to Occupy for the use of each of the Licensed Premises subject to the following provisions of this **Schedule 1** and the Partner shall act in accordance with the terms of the Licence to Occupy.

3.2 Completion of the Licence to Occupy shall take place on the Commencement Date.

3.3 The Partner enters into this Agreement with notice of the actual state of repair and condition of the Licensed Premises and takes the Council Premises in their actual physical state.

3.4 The Council is under no obligation to the Partner to deduce its title to the Licensed Premises and the Partner is not to raise any requisitions or enquires in respect of the Council's title to the Licensed Premises.

3.5 The Licensed Premises are licensed subject to all rights and encumbrances affecting the Licensed Premises without any obligation on the Council to disclose them.

- 3.6 No title guarantee is given by the Council on the grant of the Licence to Occupy.
- 3.7 The Council and the Partner have agreed to exclude the provisions of sections 24 to 28 Landlord and Tenant Act 1954 in relation to the tenancy to be created by the Licence to Occupy. The Partner confirms that before the date of this Agreement:-
- 3.7.1 the Council served on the Partner a notice ("the Notice") dated 9 April 2010 in relation to the tenancy to be created by the Licence in a form complying with the requirements of Schedule 1 to the Regulatory Reform (Business Tenancies) (England and Wales) Order 2003;
- 3.7.2 the Partner, or the person duly authorised by the Partner, in relation to the Notice made a statutory declaration ("the Declaration") dated 13 April 2010 in a form complying with the requirements of Schedule 2 to the Regulatory Reform (Business Tenancies) (England and Wales) Order 2003; and
- 3.7.3 where the Declaration was made by a person other than the Partner, a declarant was duly authorised by the Partner to make the Declaration on the Partner's behalf.
- 3.8 If due to a default of the Partner a Licence to Occupy is not completed within twenty (20) Business Days of the Commencement Date (or Transfer Date if applicable) the Council shall be entitled to terminate any rights granted by this **Schedule 1**. By giving written notice to the Partner and upon termination the rights hereby granted shall forthwith cease to be exercisable by the Partner in respect of the Licensed Premises.
- 3.9 The Partner shall comply with the covenants rights and other matters contained within the Council's title to the Council Premises disclosed to the Partner and the Partner indemnifies the Council against all actions, claims, demands and proceedings made against the Council and all Direct Losses incurred by the Council in respect of any breach by the Partner of the terms of any of the said covenants rights and other matters.

4. **Underleases of the Underlet Premises**

- 4.1 The following definitions shall apply to this paragraph 4:

Superior Landlord Wykeland Properties Limited (CRN: 01415535) or its successors in title as immediate landlord of the Superior Leases.

Superior Leases Both a lease dated 10 November 2005 made between (1) Wykeland Properties Limited and (2) North East Lincolnshire Borough Council and a lease dated 18 December 2005 made between (1) Wykeland Properties Limited and (2) North East Lincolnshire

Borough Council together with all deeds and documents varying or supplemental or ancillary to such leases at the date of this Agreement.

“Superior Landlord’s Consent” the formal written consent of the Superior Landlord to the grant of the Underleases

- 4.2 The Council is to:
- 4.2.1 apply to the Superior Landlord for Superior Landlord’s Consent as soon as reasonably practicable after the date of this Agreement and use all reasonable endeavours to obtain it; and
 - 4.2.2 give the Partner written notice as soon as reasonably practicable after Superior Landlord’s Consent has been obtained.
- 4.3 Where the Superior Landlord requires, the Partner is to:
- 4.3.1 use all reasonable endeavours to provide promptly all information and references properly requested by the Superior Landlord;
 - 4.3.2 covenant directly with the Superior Landlord to pay the rents reserved by and comply with the tenant’s obligations and conditions in the Underlease;
 - 4.3.3 use reasonable endeavours to provide guarantees from one or more persons reasonably acceptable to the Superior Landlord of the performance and observance of the tenant’s obligations and conditions in the Underlease, including the payment of the rents reserved by the Underlease.
- 4.4 The Partner is to execute any licence to underlet containing the Superior Landlord’s Consent and return it to the Council as soon as reasonably practicable after it receives the engrossment of the licence.
- 4.5 If the Council reasonably requests and at the cost of the Council, the Partner is to be party to and provide such assistance to the Council as the Partner may reasonably require in any application made by the Council to court for a declaration that the Superior Landlord has unreasonably withheld or delayed Superior Landlord’s Consent.
- 4.6 If Superior Landlord's Consent has not been obtained by 1 July 2010, then either party may instigate the provisions set out in paragraph 5.1 below provided that as at 1 July 2010:
- 4.6.1 the Superior Landlord's Consent has still not been obtained;

- 4.6.2 no declaration has been obtained from the court that Superior Landlord's Consent has been unreasonably withheld or delayed; and
- 4.6.3 the party instigating the provisions set out in **paragraph 5.1** below shall not have been the cause for the Superior Landlord's Consent not having been obtained by 1 July 2010, provided that such party complied with its obligations in respect of **paragraphs 4.1 to 4.5** of this **Part One** of this **Schedule 1**.
- 4.7 Subject to receipt of the Superior Landlord's Consent, the Council shall grant and the Partner shall take an Underlease for the use of each of the Underlet Premises subject to the following provisions of this **Schedule 1** and the Partner shall act in accordance with the terms of the Underlease.
- 4.8 Completion of the underlease shall take place on the later of the Commencement Date and the date the Superior Landlord's Consent is received.
- 4.9 The Partner enters into this Agreement with notice of the actual state of repair and condition of the Underlet Premises and takes the Council premises in their actual physical state.
- 4.10 The Council is under no obligation to the Partner to deduce its title to the Underlet Premises and the Partner is not to raise any requisitions or enquires in respect of the Council's title to the Underlet Premises.
- 4.11 The Underlet Premises are let subject to all rights and encumbrances affecting the Underlet Premises without any obligation on the Council to disclose them.
- 4.12 No title guarantee is given by the Council on the grant of the Underleases.
- 4.13 The Council and the Partner have agreed to exclude the provisions of sections 24 to 28 Landlord and Tenant Act 1954 in relation to the tenancy to be created by the Underleases. The Partner confirms that before the date of this Agreement:-
 - 4.13.1 the Council served on the Partner a notice ("the Notice") dated 21 April 2010 in relation to the tenancy to be created by the Underlease in a form complying with the requirements of Schedule 1 to the Regulatory Reform (Business Tenancies) (England and Wales) Order 2003;
 - 4.13.2 the Partner, or the person duly authorised by the Partner, in relation to the Notice made a statutory declaration ("the Declaration") dated 2010 in a form complying with the requirements of Schedule 2 to the Regulatory Reform (Business Tenancies) (England and Wales) Order 2003; and
 - 4.13.3 where the Declaration was made by a person other than the Partner, a declarant was duly authorised by the Partner to make the Declaration on the Partner's behalf.

4.14 The Partner shall comply with the covenants rights and other matters contained within the Council's title to the Council Premises disclosed to the Partner and the Partner indemnifies the Council against all actions, claims, demands and proceedings made against the Council and all Direct Losses incurred by the Council in respect of any breach by the Partner of the terms of any of the said covenants rights and other matters.

4.15 The Council confirms that during the term of the contractual term of the Underleases:

4.15.1 they will only demand from the Partner the payment of £[REDACTED] per annum (exclusive of VAT) ("The Annual Fee") in respect of each Underlease which will be payable by the Partner to the Council on the Rent Commencement Date (as defined by the Underleases) and on each anniversary of that date.

4.15.2 they will not request from the Partner:

4.15.2.1 payment of the Principal Rent (as defined by the Underleases) (including any such increased amount following a rent review) pursuant to the terms of the Underleases in excess of the Annual Fee ("the Excess");

4.15.2.2 payment of the Additional Rents (as defined by the Underleases);

4.15.2.3 interest on the Excess and/or the Additional Rents as provided for in clause 5.6 of the Underleases;

and further that should the Superior Landlord request payment of such sums or performance of such covenants direct, that the Council shall on demand indemnify the Partner against the same.

4.16 The Partner confirms that it will not exercise its rights in relation to any rent review under the terms of the Underleases and that the Council is hereby appointed as the Partner's agent in respect of any such rent review (and whom has absolute discretion to agree the Principal Rent in compliance with clause 6 of the Underleases on behalf of the Partner) so that any rent review which is agreed or determined pursuant to the terms of the Headleases (as defined by the Underleases) shall automatically form the Principal Rent (as defined by the Underleases).

4.17 Following service by the Council of a written request to do so, the Partner confirms that it will at any time during the contractual term of the Underleases, vacate the Underlet Premises and relocate to alternative premises pursuant to and in accordance with the provisions of **paragraph 5.1** below.

5. **Termination of a Property Document**

- 5.1 In the event that the Council terminates a Property Document otherwise than in accordance with the CAMP or in the event that Superior Landlord's Consent is not obtained pursuant to **paragraph 4** above or upon expiry of the contractual term of each Underlease or upon the Council requesting the Partner to vacate the Underlet Premises pursuant to **paragraph 4.17** above, then the Council shall provide alternative premises to the Partner which the Partner shall be entitled to occupy on like terms to the Property Document which was terminated or in the case of the Underleases, the Partner shall be entitled to occupy such alternative premises on the terms of the Licence to Occupy (if proposed by the Council). For the avoidance of doubt, both parties will be obliged to execute a Property Document in respect of the replacement premises and such premises shall be Premises for the purposes of this Agreement.
- 5.2 Where the Council exercises its right pursuant to **paragraph 5.1** above, the Council will indemnify the Partner against the Partner's actual costs of relocating to such alternative premises provided that:
- 5.2.1 the Partner obtains no less than three quotations for the relocation of the Partner and only contracts with the provider as approved by the Landlord (acting reasonably); and
 - 5.2.2 the Council shall not be obliged to make such payment until it has been provided by the Partner with a certified copy of the relevant invoice or other evidence that the sums requested are due and payable, which are (for the purposes of VAT) to be addressed to the Council where possible; and
 - 5.2.3 the Partner covenants to use its reasonable endeavours to keep any costs of such relocation to a minimum;
- 5.3 Upon termination of a Property Document, the Partner is to return the Premises to the Council with vacant possession, cleaned and repaired in accordance with the terms of the Property Document and is to return all keys and security passes to the Property Document to the Council.

6. **Deed of Grant**

If as part of a Project or a Change the Partner needs to lay and/or install any Cables over, under or through Council Premises for the purposes of performing the Services it shall notify the Council in writing of full details of the proposed Cables and if the Council is satisfied that the proposed Cables are reasonably necessary in connection with the Partner performing the Services and provided that the Council can obtain the prior consent of any landlord of the relevant Council Premises (if applicable) the Partner shall enter into a separate licence agreement with the Council (in such form as the Council shall reasonably require) granting rights of access by way of licence to lay and/or install and thereafter maintain such cables through the Council Premises.

7. **Further Licences**

- 7.1 The Council hereby grants to the Partner for the Term a non-exclusive licence to enter into and perform the Services at the Council Premises from time to time provided that the Partner shall:
- 7.1.1 only exercise this right for the purpose of performing the Services and as expressly authorised by the Council in writing or as expressly or impliedly authorised by the Council under this Agreement;
 - 7.1.2 give reasonable prior notice to the occupants of the Council Premises before attending the premises and only attend during Core Hours on a Service Working Day (except in an emergency);
 - 7.1.3 comply with any security or other special requirements or arrangements of the Council in connection with exercising its rights to enter the Council Premises;
 - 7.1.4 not damage the Council Premises in any way and make good any damage which is caused;
 - 7.1.5 use reasonable endeavours to minimise any disruption or inconvenience to the occupants of the Council Premises;
 - 7.1.6 ensure that any Personnel who enter the Council Premises under this **clause 7.1** behave in a respectable, polite manner, carry personal identification at all times identifying their name and role and identity to the occupants of the premises the purpose of the visit; and
 - 7.1.7 if requested by the Council from time to time, the Partner shall notify the Council of the details of Personnel attending the Council Premises and the Council may (acting reasonably) refuse to allow any individual or individuals access to the Council Premises.
- 7.2 The Council may terminate the licence under **paragraph 7.1** at any time by serving written notice to the Partner.
- 7.3 Nothing in this **paragraph 7** shall operate in any way as a demise of the Council Premises nor shall the Partner have or be entitled to any estate, right or interest in the Council Premises other than that of a bare licensee, pursuant to this clause.
- 7.4 The Partner hereby grants to the Council for the Term a non-exclusive licence to enter any premises from which the Services are provided, for the purposes of the Council enjoying the Services and exercising its rights pursuant to this Agreement.
8. **The Partner's Business Activities**
- 8.1 If the Partner wishes to use any part or all of the Premises or any other Council Premises for any purposes in connection with its business or activities other than performing the Services, it shall first seek the consent of the Council by notifying

the Council of full details of its requirements, including the proposed use. The Council may refuse consent to the proposal and any consent granted shall be on such terms as the Council may impose, including on the basis that the Partner shall enter into a lease in the form reasonably requested by the Council and pay to the Council a commercial rent for the Premises or other Council Premises (or relevant part) and a reasonable proportion of the Council's costs in connection with insurance, utility services and other running costs in relation to the part of the Council Premises used for other business activities.

9. **Access to Council Premises**

9.1 If the Partner requires access outside of the Core Hours to any Council Premises for the purposes of the performance of its obligations under this Agreement then, save in an emergency (where no notice will be required to be provided) it shall provide such prior written notice to the Council as is reasonable in the circumstances. Where the Partner is working outside of Core Hours, it shall ensure that appropriate security measures are taken and shall minimise the use of energy resources.

10. **Security**

10.1 The Partner shall comply with and will not prejudice, all security requirements, procedures and arrangements of the Council whilst on Council Premises and shall procure that all the Partner Parties shall likewise comply with such requirements.

11. **Indemnity**

11.1 (Save where a lease of the Council Premises has been granted pursuant to **paragraph 8** (The Partner's Business Activities)), the Partner shall indemnify the Council from and against all Direct Losses the Council incurs as a result of the Partner claiming any interest in the Council Premises or Premises beyond that which is set out in the Property Document.

PARTICULARS

Date	2010
Owner	NORTH EAST LINCOLNSHIRE BOROUGH COUNCIL of Municipal Offices, Town Hall Square, Grimsby DN31 1HU
Occupier	BALFOUR BEATTY WORKPLACE LIMITED a company registered in England and Wales under company number 00598379 whose registered office is at 10th Floor, Marlowe House, 109 Station Road, Sidcup, Kent, DA15 7BH
Authorised Use	As offices and such ancillary purposes as are reasonably necessary for the provision of services to be performed by the Occupier under the terms of the Service Delivery Agreement
Authorised Hours	00:00 to 23:59 during each Business Day or such other periods as provided for in accordance with the provisions of Clause 2.1 of this Licence
Business Day	As defined in the Service Delivery Agreement
Common Areas	Any parts of the Owner's Property designated by the Owner from time to time for the common use and enjoyment of the occupiers of the Owner's Property
Licence Fee	██████████ per annum
Licence Period	The term of the Service Delivery Agreement (until termination or expiry)
Owner's Property	The property known as [] as shown edged red on the plans attached to this Licence
Payment Day	The 1 July 2010 and the 1 July of each year of the Licence Period thereafter
Premises	The internal non-structural parts of the Owner's Property known as []
Schedule of Condition	The schedule of condition to be prepared in accordance with Clause 6.2 of this Licence.
Service Delivery	Means the agreement titled "SERVICES AGREEMENT" made between (1) the Owner and (2) the Occupier

Agreement

relating to the provision of services by the Occupier to the Owner dated on the same date as this Licence.

THIS LICENCE is made on the date set out in the Particulars

BETWEEN

1. the Owner; and
2. the Occupier.

OPERATIVE PROVISIONS

1. INTERPRETATION

- 1.1 Words and expressions set out in the Particulars are defined terms in this Licence.
- 1.2 In this Licence the clause headings do not affect its interpretation; references to clauses are to clauses of this Licence; references to the Premises and the Owner's Property includes any part of them and references to the end of the Licence Period are to the date on which this Licence ends.
- 1.3 An obligation on the Occupier not to do or omit to do any act or thing includes an obligation not to permit or allow that act or thing to be done or omitted, as the case may be.
- 1.4 The obligations of the Occupier bind the Occupier's employees, agents, workmen and visitors and the Occupier is to be liable for any breach of the terms of this Licence by them. Rights granted to the Occupier may be used by these persons.
- 1.5 Any notice under this Licence is to be given in accordance with section 196 Law of Property Act 1925.
- 1.6 The parties to this Licence do not intend that any of its terms will be enforceable by virtue of the Contracts (Rights of Third Parties) Act 1999 by any person not a party to it.

2. LICENCE

- 2.1 In consideration of the Licence Fee, the Owner grants the Occupier the right during the Licence Period to use the Premises for the Authorised Use during the Authorised Hours. Where the Occupier wishes to use the Premises outside the Authorised Hours it will seek the Owner's approval in writing and any such approval shall be subject to such terms as the Owner deems fit.
- 2.2 The Owner also grants the Occupier the following rights to be enjoyed in common with the Owner and any other occupiers of the Owner's Property during the Authorised Hours:
 - 2.2.1 access to and from the Premises over the Common Areas;

- 2.2.2 to use the Common Areas for the proper use and enjoyment of the Premises and to properly perform the services pursuant to the Service Delivery Agreement;
 - 2.2.3 to use conduits serving the Premises for the passage or transmission of utilities;
 - 2.2.4 to use the toilets within the Common Areas designated by the Owner from time to time;
 - 2.2.5 to deposit normal non-toxic rubbish in any receptacles or waste compactors provided by the Owner for this purpose;
 - 2.2.6 to use the stairs within the Common Areas;
 - 2.2.7 to use all emergency exit routes in the case of any emergency; and
 - 2.2.8 the right (subject to the prior approval of the Owner such approval not to be unreasonably withheld or delayed) to use such of the Owners storage facilities within the Owner's Property as the Owner shall from time to time make available to the Occupier provided that the Occupier accepts that the Owner shall have no responsibility for any loss or damage caused to anything stored within such facilities by the Occupier.
- 2.3 The Owner reserves the following rights for its own benefit and for the benefit of other occupiers of the Owner's Property:
- 2.3.1 to build on, alter, repair, maintain, add to or develop any other part of the Owner's Property and to erect scaffolding outside the Premises so long as access to the Premises is not materially obstructed;
 - 2.3.2 to use conduits passing through the Premises for the passage or transmission of utilities;
 - 2.3.3 support for the Owner's Property from the Premises;
 - 2.3.4 rights of escape through the Premises; and
 - 2.3.5 to access the Premises for the purposes of inspecting the Premises or performing any of its obligations under this Licence.
- 2.4 The Owner will issue to each of the Occupiers employees who requires access to the Premises in connection with the use of the Premises by the Occupier for the Authorised Use one security pass per person in accordance with the terms of Owners security policy as is operated from time to time at the Owner's Property and for the avoidance of doubt the Occupier shall reimburse to the Owner the

proper costs incurred by the Owner in providing replacement passes to any of the Occupiers employees where those passes have been damaged or lost.

2.5 The Occupier acknowledges that:

2.5.1 the Owner is entitled to exclusive control and possession of the Premises and may enter and remain on the Premises at any time and for all purposes, subject to causing as little interference with the Occupier's performance of its obligations under the Service Delivery Agreement as reasonably practicable, without any interference by the Occupier;

2.5.2 nothing in this Licence is intended to create a letting of the Premises or to confer any rights on the Occupier, whether under common law or any enactment, greater than a bare licence on the terms of this Licence.

2.6 The Owner and the Occupier agree to exclude the provisions of sections 24 to 28 Landlord and Tenant Act 1954 in relation to any tenancy created by this Licence. The Occupier confirms that before it became contractually bound to enter into this Licence:

2.6.1 the Owner served on the Occupier a notice ("the Notice") dated 9 April 2010 in relation to this Licence in a form complying with the requirements of Schedule 1 to The Regulatory Reform (Business Tenancies) (England and Wales) Order 2003;

2.6.2 the Occupier or a person duly authorised by the Occupier, in relation to the Notice made a statutory declaration ("the Declaration") dated 2010 in a form complying with the requirements of Schedule 2 to The Regulatory Reform (Business Tenancies) (England and Wales) Order 2003; and

2.6.3 where the Declaration was made by a person other than the Occupier, the declarant was duly authorised by the Occupier to make the Declaration on the Occupiers behalf.

2.7 The Owner may end this Licence by serving written notice on the Occupier if the Occupier does not pay any moneys due under this Licence within 10 Business Days of their due dates for payment, even if not formally demanded, if the Occupier commits a material breach of any of the other terms of this Licence or if the Occupier becomes insolvent or subject to insolvency proceedings.

2.8 In addition to the provisions of clause 2.7 the Owner may terminate this Licence in accordance with the termination provisions of the Service Delivery Agreement.

- 2.9 Either the Occupier or the Owner may end this Licence in accordance with the provisions of the CAMP (as defined in the Service Delivery Agreement), in accordance with the terms of a Project (as that term is defined in the Service Delivery Agreement) or on termination of the Service Delivery Agreement at any time by serving not less than one month's prior written notice on the other.
- 2.10 When this Licence ends it will not release either party from any breaches of the terms of this Licence which occurred during the Licence Period or any rights of the other party in respect of those breaches.

3. LICENCE FEE AND OUTGOINGS

- 3.1 The Occupier is to pay the Licence Fee to the Owner in advance on the Payment Days.
- 3.2 The Occupier is to pay to the Owner any value added tax properly charged on the Licence Fee and any other moneys payable by the Occupier to the Owner under this Licence at the same time and in addition to those moneys.
- 3.3 If the Licence Fee or any other moneys payable under this Licence are not paid within fourteen days of the due date for payment, the Occupier is to pay interest on those moneys at the interest rate specified in Clause 36 of the Service Delivery Agreement calculated from the due date of payment to the actual date of payment, both dates inclusive.
- 3.4 The Licence Fee is inclusive of business rates which are to be paid by the Owner.
- 3.5 The Licence Fee is exclusive of telephone charges which are to be paid by the Occupier to the Owner in accordance with the terms and conditions of that supply agreed between the Owner and the Occupier.

4. USE OF THE PREMISES

- 4.1 The Occupier is to use the Premises only for the Authorised Use.
- 4.2 The Occupier is not to use the Premises outside the Authorised Hours without first obtaining the prior written consent of the Owner (such consent to be granted in the Owners absolute discretion) and in the event that consent is granted by the Owner to the Occupier to use the Premises outside of the Authorised Hours the Occupier shall comply with all reasonable requirements which the Owner may impose as part of granting that consent and meet all additional costs which the Owner incurs as a consequence of using the Premises outside of the Authorised Hours.
- 4.3 The Occupier is not to create any nuisance, damage or disturbance arising from its use and occupation of the Premises.

- 4.4 The Occupier is to keep the Premises tidy and not to create any fire or health hazard and generally to behave responsibly in respect of the use of the Premises at all times, particularly as regards noise, cleanliness, security and safety. The Occupier will not cause any obstruction of the Common Areas or any other part of the Owner's Property and will not allow such areas to become untidy by its actions.
- 4.5 No equipment plant apparatus or materials of any description shall be used or stored in the Premises by the Occupier without the prior written consent of the Owner (such consent not to be unreasonably withheld or delayed) provided always that the Occupier shall be permitted to store computers stationery supplies and other office equipment reasonably required in connection with the Authorised Use without the need to obtain the Owners prior written consent.
- 4.6 Notwithstanding the provisions of **clause 4.5** the Occupier is not to bring any hazardous materials onto the Premises.
- 4.7 The Occupier is not to display any signs or notices on the Premises unless permitted to do so in writing by the Owner.
- 4.8 The Occupier is to comply with any requirements and/or regulations made by the Owner governing the use and occupation of the Premises or the exercise of the rights granted to the Occupier by this Licence.
- 4.9 The Occupier may use such of the Use Assets and Controlled Assets (as defined in the Service Delivery Agreement) within the Premises or the Owner's Property as is reasonably necessary for the purposes of performing the Occupiers obligations under the Service Delivery Agreement provided that in using such equipment the Occupier shall satisfy itself that the equipment is suitable for its purposes is safe in all respects and shall indemnify the Owner against any damage caused or loss sustained (whatsoever and howsoever) as a consequence of the use of that equipment.

5. **INSURANCE**

- 5.1 The Occupier is not knowingly to do or omit to do anything which has the effect of making any insurance policy in force in relation to the Owner's Property void or voidable or which increases the insurance premium payable for that insurance.
- 5.2 The Occupier is to comply with any requirements of the insurers which have been notified in writing to it.
- 5.3 The Owner shall have no liability in respect of damage caused to or loss of any item (owned by the Occupier or otherwise) of the Occupier which is located within the Premises.

6. **UPKEEP OF THE PREMISES**

- 6.1 The Owner is to keep the Premises in no better condition than the condition in which the Premises were in at the date of the Service Delivery Agreement, as evidenced by the Schedule of Condition, but should also keep them in no materially worse condition than evidenced by the Schedule of Condition, such that the Premises would not be suitable for the Occupier to make Authorised Use of.
- 6.2 As soon as reasonably practicable after the date of this Licence and in any event no later than 16 May 2010, the Owner is to prepare a photographic schedule of condition of the Premises and deliver it to the Occupier for approval (such approval not to be unreasonably withheld or delayed and further such approval shall be deemed to be given by the Occupier if it does not respond to the contrary within 10 Business Days of its receipt). Further still, if the Occupier does withhold or refuse its consent to such schedule of condition the Occupier is obliged to provide the reasons (acting reasonably) for such consent being withheld or refused and provided that the Owner revises such schedule of condition to satisfy such reasons specified, consent to such revised schedule of condition will be deemed to have been given within 5 Business Days of Delivery to the Occupier. Once consent to such schedule of condition has been provided or deemed to have been provided, the Owner and the Occupier will both sign a Memorandum in the form set out in Appendix B (in duplicate) and will place the Memorandum with the agreed form schedule of condition attached with their completed copy of this Licence.
- 6.3 The Occupier is not to cause any damage to the Premises or to the whole or to any part of the Owner's Property.
- 6.4 The Owner will clean the Premises in accordance with the cleaning arrangements and to the standard that it maintains from time to time in respect of the Owner's Property and the Occupier shall comply with such reasonable requirements that the Owner notifies to the Occupier from time to time to facilitate such cleaning.
- 6.5 The Occupier is not to make any alterations or additions to the Premises or to cause any damage to them without the prior written consent of the Owner (such consent not to be unreasonably withheld or delayed) and any superior landlord. If the consent of any superior landlord is required to such alterations or additions then the Owner will apply for such consent at the request and cost of the Occupier.
- 6.6 If the Occupier does not comply with its obligations in this **clause 6** then it will at the request of the Owner remove any alterations or additions to the Premises and make good any damage caused to the reasonable satisfaction of the Owner.

7. **OCCUPATION OF THE PREMISES**

- 7.1 The Occupier is not to allow any other person to occupy or use the Premises.
- 7.2 This Licence is personal to the Occupier and is not capable of being transferred or assigned to any other person.

8. **STATUTORY REQUIREMENTS**

- 8.1 The Occupier is to comply with the requirements of all statutes and any regulations or by-laws made under them which affect an occupier of the Premises.
- 8.2 If the Occupier receives any notice, order or direction from the local or any other competent authority, it is to provide a copy to the Owner as soon as possible after receipt.

9. **RETURN OF THE PREMISES**

- 9.1 At the end of the Licence Period, the Occupier is to return the Premises to the Owner with vacant possession, cleaned and repaired in accordance with the terms of this Licence and is to return all keys and security passes to the Premises to the Owner.
- 9.2 If the Occupier leaves any goods or materials on the Premises after the end of the Licence Period, the Owner may remove them from Premises, store and then dispose of them if they are not claimed by the Occupier within four weeks after the end of the Licence Period. The costs of removal, storage and disposal are to be paid by the Occupier to the Owner on demand with credit being given for any sums received on their disposal.

10. **INDEMNITY**

- 10.1 Unless covered by any insurance policy maintained by the Owner the Occupier is to indemnify the Owner against any breaches of the terms of this Licence, any loss or damage to property and the death of or injury to persons arising from the use and occupation of the Premises by the Occupier under this Licence.

SIGNING

The parties to this Licence have signed it on the date set out in the Particulars

Signed for and on behalf of the Owner:

Signed for and on behalf of the Occupier:

Appendix A

Plans showing the extent of the Premises



Appendix B

Memorandum for Schedule of Condition

It is hereby agreed that the attached Schedule of Condition is the Schedule of Condition referred to at clause 6.1 of the Licence to Occupy dated2010 and made between (1) North East Lincolnshire Borough Council and (2) Balfour Beatty Workplace Limited.

Signed:.....
For and on behalf of North East Lincolnshire Borough Council (as Owner)

Date:..... 2010

Signed:.....
For and on behalf of Balfour Beatty Workplace Limited (as Occupier)

Date:..... 2010

Part Three - form of Underleases

3a - For Origin One

Dated

2010

- (1) NORTH EAST LINCOLNSHIRE BOROUGH COUNCIL
- (2) BALFOUR BEATTY WORKPLACE LIMITED

Underlease

relating to premises known as office space at Origin 1 at Genesis Park
(Phase I) Europarc, Grimsby

Eversheds LLP
1 Royal Standard Place
Nottingham
NG1 6FZ

Tel 0845 497 9797
Fax 0845 497 7477
Int +44 115 950 7000
DX 10031 Nottingham
www.eversheds.com

CONTENTS

Lease Particulars

Clause		Page
1	INTERPRETATION	1
2	LETTING AND TERM	3
3	RIGHTS AND RESERVATIONS	5
4	HEADLEASE	6
5	RENTS PAYABLE	7
6	RENT REVIEW	8
7	INSURANCE	8
8	CONTINUING OBLIGATIONS.....	8
9	AUTHORISED USE.....	8
10	DEALINGS	9
11	SERVICES.....	10
12	CHANGES TO THE TERMS OF THE HEADLEASE	10
13	UPKEEP OF THE PREMISES	10
14	OTHER MATTERS	10
15	LAND REGISTRY APPLICATIONS	11
16	EXECUTION	11
Schedules		
1	Variations to the terms of the Headlease	12

PARTICULARS

PART 1: LAND REGISTRY PARTICULARS

LR1. Date of lease 2010

LR2. Title number(s)

LR2.1 Landlord's title number(s) HS330071

LR2.2 Other title numbers None

LR3. Parties to this lease

Landlord

NORTH EAST LINCOLNSHIRE BOROUGH COUNCIL of Municipal Offices, Town Hall Square, Grimsby, DN31 1HU.

Tenant

BALFOUR BEATTY WORKPLACE LIMITED (registered number 00598379) whose registered office is at 10th Floor, Marlowe House, 109 Station Road, Sidcup, Kent, DA15 7BH.

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 (referred to in this Lease as "the Premises") known as office space on the ground floor and first floor of Origin 1 at Genesis Park (Phase I) Europarc, Grimsby shown edged red on the Plan:

(a) including:

(i) all alterations, improvements and additions made to those premises during the Term;

(ii) landlord's fixtures and conduits serving only those premises

- at any time during the Term;
 - (iii) all internal surfaces of the walls, ceilings and floor slabs;
 - (iv) the whole of any non-structural or non-load bearing walls and columns wholly within the Premises;
 - (v) the inner half, severed vertically, of any non-structural or non-load bearing walls and columns dividing the Premises from any other parts of the Building;
 - (vi) all windows and doors and the glass within them; and
- (b) but excluding:
- (i) the foundation, structure, loadbearing walls, beams and columns, ceiling and floor slabs and the roof of the Building;
 - (ii) the window frames and door frames;
 - (iii) any landlord's fixtures and conduits serving both those premises and other parts of the Building; and
 - (iv) the airspace between the ceiling slabs and the suspended ceilings and the floor slab and the raised floors.

LR5. Prescribed statements etc

LR5.1 Statements prescribed under rules 179 (dispositions in Not applicable.

**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:	Not applicable.
LR6.	Term for which the Property is leased	From and including 2010 (referred to in this Lease as "the Term Commencement Date") To and including 25 October 2015. (This term is referred to in this Lease as "the 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	(a) The rights specified in Part 1 of Schedule 1 of the Headlease as varied by this Lease. (b) The rights specified in clause 3.1 of this Lease.
LR11.2 Easements granted or reserved by this lease over the Property for the benefit of other property	(a) The rights specified in Part 2 of Schedule 1 of the Headlease. (b) The rights specified in clause 3.2 of this Lease.
LR12. Estate rentcharge burdening the Property	None.
LR13. Application for standard form of restriction	None
LR14. Declaration of trust where there is more than one person comprising the Tenant	Not applicable

PART 2: OTHER PARTICULARS

Authorised Use	The use of the Premises as offices.
Authorised Hours	00:00 to 23:59 during each Business Day or such other periods as provided for in accordance with the provisions of clause 9.3 of this Lease
Headlease	A lease dated 10 November 2005 made between (1) Wykeland Properties Limited and (2) North East Lincolnshire Borough Council and includes all deeds and documents varying or supplemental or ancillary to that lease.
Principal Rent	£ [REDACTED] ([REDACTED]) per annum subject to review in accordance with clause 6 .
“Quarter Days”	25 March, 24 June, 29 September and 25 December in each year
Rent Commencement Date	The Term Commencement Date.
Review Dates	Each of the rent review dates defined in the Headlease

which fall after the date of this Lease.

Service Delivery Agreement The agreement titled "Services Agreement" made between (1) the Landlord and (2) the Tenant relating to the provisions of services by the Tenant to the Landlord and dated 2010.

This Lease is a "new tenancy" for the purposes of section 1 Landlord and Tenant (Covenants) Act 1995.

THIS LEASE is made on the date set out in clause LR1 of the Land Registry Particulars

BETWEEN

- (1) the Landlord; and
- (2) the Tenant

BACKGROUND

- (A) The Landlord is the current tenant of the Landlord's Premises by virtue of the Headlease.
- (B) The Landlord has agreed to underlet the Premises to the Tenant on the terms of this Lease, incorporating the terms of the Headlease so far as they are applicable to the letting of the Premises.

OPERATIVE PROVISIONS

1. **INTERPRETATION**

1.1 In this Lease, the following words and expressions have the following meanings:

- | | |
|------------------------------------|---|
| "Additional Rents" | a fair and proper proportion, to be determined by the Landlord acting reasonably, of all sums reserved as rent under the Headlease but excluding the Head Rent |
| "Communal Areas" | (if any) the means of pedestrian access and circulation within the Landlord's Premises and the toilets, and other common circulation areas within the Landlord's Premises designated or provided by the Landlord during the Term for the common use and enjoyment of the tenants and other occupiers of or visitors to the Premises and the Landlord's Premises |
| "Head Landlord" | the landlord of the Headlease, including its successors in title as landlord of the Headlease from time to time |
| "Head Landlord's Covenants" | the obligations, conditions and covenants in the Headlease to be complied with by the Head Landlord |
| "Head Landlord's Property" | the estate defined in the Headlease as the Office Park |

“Head Rent”	the yearly rent payable under the Headlease
“Head Tenant’s Covenants”	the obligations, conditions and covenants in the Headlease to be complied with by the tenant of the Headlease from time to time
“Incorporated Terms”	has the meaning given to it in clause 2.2
“Interest Rate”	the interest rate specified in clause 36 of the Services Delivery Agreement calculated from the due date for payment to the actual date of payment, both dates inclusive.
“Landlord’s Covenants”	the obligations, conditions and covenants to be complied with by the landlord of this Lease including those contained in the Incorporated Terms
“Landlord’s Premises”	the premises let to the Landlord under the Headlease and known as Origin 1 (Phase II) Europarc, Grimsby
“Rents”	the rents reserved and payable under clause 5
“Tenant’s Covenants”	the obligations, conditions and covenants to be complied with by the tenant of this Lease including those contained in the Incorporated Terms
“Term”	the Contractual Term

1.2 Words and expressions defined in the Headlease have the same meanings in this Lease except to the extent that they are defined differently by this Lease.

1.3 Where any obligations or rights in the Headlease are to be complied with or are to be exercised at a time calculated by reference to the start of the Headlease those obligations and rights are, so far as they form part of the Incorporated Terms, to be complied with or exercised at the same time under this Lease.

1.4 In this Lease:

1.4.1 except in relation to the Town and Country Planning (Use Classes) Order 1987, references to any statute or other legislation include references to any subsequent statute or legislation directly or indirectly amending, consolidating, extending, replacing or re-enacting that statute or legislation and to all orders, by-laws, directions and notices made or served under them;

1.4.2 references to the Landlord include their respective successors in title and, in the case of individuals, include their personal representatives;

- 1.4.3 references to the Premises, the Head Landlord's Property, the Landlord's Premises and the Communal Areas include any part of them unless specific reference is made to the whole of them;
- 1.4.4 references to adjoining premises include any premises adjoining or near to the Head Landlord's Property and references to adjoining premises owned by the Landlord include any adjoining premises owned by the Landlord at any time during the Term;
- 1.4.5 references to this Lease include any deed or document which is supplemental to, varies or is ancillary to this Lease from time to time;
- 1.4.6 references to the end of the "Term" include the determination of the Term before the end of the Contractual Term;
- 1.4.7 "including" means "including, without limitation";
- 1.4.8 "indemnify" means to indemnify against all actions, claims, demands and proceedings taken or made against the Landlord and all costs, damages, expenses, liabilities and losses incurred by the Landlord;
- 1.4.9 references to the Tenant include, and the Tenant's covenants bind any other person under the Tenant's or their control including employees, agents, workmen and invitees;
- 1.4.10 any covenant by the Tenant not to do any act or thing includes a covenant not to permit or allow the doing of that act or thing;
- 1.4.11 where the consent of the Landlord is required for any assignment, underletting, change of use or alterations, that consent may be given only by the completion of a licence executed as a deed containing the terms of the consent agreed between the parties unless the Landlord elects in writing to waive this requirement;
- 1.4.12 where two or more people form a party to this Lease, the obligations they undertake may be enforced against them all jointly or against each of them individually; and
- 1.4.13 if any provision is held to be illegal, invalid or unenforceable, the legality, validity and enforceability of the remainder of this Lease is to be unaffected.

1.5 The Particulars form part of this Lease and words and expressions set out in the Particulars are to be treated as defined terms in this Lease.

1.6 The parties to this Lease do not intend that any of its terms will be enforceable by virtue of the Contracts (Rights of Third Parties) Act 1999 by any person not a party to it.

2. **LETTING AND TERM**

2.1 The Landlord lets the Premises to the Tenant for the Contractual Term reserving the Rents.

2.2 This Lease is granted on the same terms as the Headlease as at the date of this Lease and as varied by this Lease (the "Incorporated Terms") so far as they are applicable to a letting of the Premises as if those terms were set out in full in this

Lease with references in those terms to "the Landlord", "the Tenant" and "the Premises" having the meanings given to those expressions in this Lease:

2.2.1 including without limitation:

- 2.2.1.1 the Head Tenant's Covenants;
- 2.2.1.2 the covenant for quiet enjoyment in the Headlease;
- 2.2.1.3 the right of re-entry in the Headlease;
- 2.2.1.4 the rights granted over the Head Landlord's Property and reserved over the Landlord's Premises by the Headlease so far as they benefit the Premises;
- 2.2.1.5 the terms defined in the Headlease;
- 2.2.1.6 the conditions and agreements contained in the Headlease; and
- 2.2.1.7 the rent review provisions contained in the Headlease;

2.2.2 but excluding:

- 2.2.2.1 the obligation to pay the Head Rent;
- 2.2.2.2 the service charge provisions in the Headlease;
- 2.2.2.3 the Head Landlord's Covenants; and
- 2.2.2.4 the contractual term granted by the Headlease.

2.3 In addition to the right of re-entry incorporated into this Lease by the Incorporated Terms, the Landlord may also enter onto the whole or any part of the Premises and by so doing end this Lease if the Tenant breaches any of the Tenant's Covenants.

2.4 The Landlord and the Tenant agree to exclude the provisions of sections 24 to 28 Landlord and Tenant Act 1954 in relation to the tenancy created by this Lease. The Tenant confirms that before it became contractually bound to enter into the tenancy created by this Lease:

2.4.1 the Landlord served on the Tenant a notice ("the Notice") dated 21 April 2010 in relation to the tenancy created by this Lease in a form complying with the requirements of Schedule 1 to The Regulatory Reform (Business Tenancies) (England and Wales) Order 2003;

2.4.2 the Tenant, or a person duly authorised by the Tenant, in relation to the Notice made a statutory declaration ("the Declaration") dated 2010 in a form complying with the requirements of Schedule 2 to The Regulatory Reform (Business Tenancies) (England and Wales) Order 2003; and

2.4.3 where the Declaration was made by a person other than the Tenant, the declarant was duly authorised by the Tenant to make the Declaration on the Tenant's behalf.

- 2.5 The Landlord may terminate this Lease in accordance with the termination provisions of the Service Delivery Agreement.
- 2.6 Either the Landlord or the Tenant may end this Lease in accordance with the provisions of the CAMP (as defined in the Service Delivery Agreement) in accordance with the terms of a Project (as defined in the Service Delivery Agreement) or on termination of the Service Delivery Agreement at any time by serving not less than one months prior written notice on the other.
- 2.7 When this Lease ends, it will not release either party from any breaches of the terms of this Lease which occurred during the Contractual Term or any rights of the other party in respect of those breaches.
- 2.8 If the Head Landlord or the Landlord serves a valid notice under Paragraph 4 of the Seventh Schedule of the Headlease to end the Headlease, this Lease will end on the same date as the Headlease. The Landlord is promptly to provide the Tenant with a copy of any such notice served by it or the Head Landlord.

3. **RIGHTS AND RESERVATIONS**

- 3.1 In addition to the rights granted under the Headlease which benefit the Premises, the Premises are let together with the following rights over the Landlord's Premises for the benefit of the Tenant, so far as the Landlord is able to grant them, to be enjoyed in common with the Landlord, the Head Landlord and any others entitled to use them:
 - 3.1.1 to use the Communal Areas for the proper use and enjoyment of the Premises and for access to and from the Premises;
 - 3.1.2 to use all emergency exit routes in the case of an emergency;
 - 3.1.3 support and protection for the Premises from the remainder of the Landlord's Premises;
- 3.2 In addition to the rights reserved under the Headlease to which the Premises are subject, the following rights are reserved out of the letting for the benefit of the Landlord, the Head Landlord and any other person having express or implied authority from the Landlord or the Head Landlord to benefit from them:
 - 3.2.1 to enter and remain upon so much as is necessary of the Premises on not less than 48 hours' prior notice (except in case of emergency) with or without workmen, plant and equipment:
 - 3.2.1.1 to ascertain whether the Tenant has complied with the Tenant's obligations under this Lease;
 - 3.2.1.2 to provide the services set out in **clause 11.1**;
 - 3.2.1.3 to inspect and measure the Premises for any purpose connected with the review of the Principal Rent;
 - 3.2.1.4 to inspect the state of repair and condition of the Premises and prepare any Schedule of condition or dilapidations;
 - 3.2.1.5 to carry out any repairs, remove and make good any unauthorised alterations or carry out any works which the

Tenant should have carried out in accordance with the Tenant's obligations under this Lease;

- 3.2.1.6 to take schedules or inventories of landlord's fixtures and other items to be returned to the Landlord at the end of the Term;
 - 3.2.1.7 to comply with the obligations in paragraphs 3, 4.1 and 6 of the Headlease;
 - 3.2.2 to use all fire escape routes running through the Premises in case of emergency only;
 - 3.2.3 the right during the perpetuity period to connect to and use any conduits within or passing through the Premises for the passage or transmission of utilities to and from any adjoining premises;
 - 3.2.4 the right during the perpetuity period to install new conduits within the Premises and connect to them for the passage or transmission of utilities to and from the remainder of the Landlord's Premises; and
 - 3.2.5 support and protection from the Premises for the remainder of the Landlord's Premises.
- 3.3 The Tenant is to permit the exercise of the rights reserved in **clause 3.2** and is not to obstruct or prevent these rights being exercised in accordance with the terms of this Lease.
- 3.4 The letting is made subject to all rights of light and air and all other legal or equitable easements and rights belonging to or enjoyed by any other property.
- 3.5 This Lease does not confer upon the Tenant any rights or privileges over any other property except as expressly set out in this Lease and any rights implied by section 62 Law of Property Act 1925 or the rule in *Wheeldon v Burrows* are expressly excluded.

4. **HEADLEASE**

- 4.1 The Landlord is to:
- 4.1.1 pay the rents reserved by the Headlease and, so far as they do not form part of the Incorporated Terms to be complied with by the Tenant under this Lease, to comply with the Head Tenant's Covenants; and
 - 4.1.2 at the reasonable request and cost of the Tenant use reasonable endeavours to procure that the Head Landlord complies with the Head Landlord's Covenants.
- 4.2 The Tenant is not to do or omit to do any act or thing which would place the Landlord in breach of the Head Tenant's Covenants.
- 4.3 Without prejudice to the terms of this Lease, where the consent or approval of the Landlord is required to any act or thing:
- 4.3.1 it will be a condition precedent to the grant of that consent or approval that, if required under the Headlease, the consent or approval of Head Landlord is first obtained; and

- 4.3.2 where the Landlord is under an obligation under this Lease not unreasonably to withhold or delay its consent or approval, the Landlord is, at the reasonable request of and at the cost of the Tenant to apply for and use reasonable endeavours to obtain the consent or approval of the Head Landlord where this is required under the Headlease.
- 4.4 References, however expressed, in this Lease:
- 4.4.1 to any matter which is required to be carried out to the satisfaction or with the approval of the Landlord are to be read as including a requirement that the matter is also to be carried out to the satisfaction or with the approval of the Head Landlord where this is required under the Headlease;
- 4.4.2 to an obligation on the Tenant to pay any costs, fees and expenses incurred by the Landlord in relation to any matter are to be read as including an obligation also to pay all costs, fees and expenses incurred in respect of that matter by the Head Landlord; and
- 4.4.3 to an indemnity given to the Landlord are to be read as including an obligation to indemnify the Head Landlord in respect of the subject matter of that indemnity.
- 4.5 Rights of entry and other rights reserved to the Landlord under this Lease may also be exercised by the Head Landlord and any persons authorised by the Head Landlord under the Headlease.
- 4.6 Any covenant in this Lease by the Tenant not to do any act matter or thing to the prejudice of or adversely to affect the Landlord is to be read as including an obligation not to do any such act matter or thing to the prejudice of or adversely to affect any Head Landlord.
- 4.7 Nothing in this Lease imposes any obligation on the Head Landlord to act reasonably in granting any consent or approval or expressing its opinion as to whether any act of the Tenant has been carried out to its satisfaction.
- 4.8 In the event that the term of the Headlease is determined then the Term shall also automatically determine but without prejudice to clause 2.7 of this Lease and the Tenant's compliance of the Tenant's Covenants.

5. **RENTS PAYABLE**

- 5.1 The Tenant is to pay the following Rents to the Landlord during the Term without making any legal or equitable set-off, counterclaim or deduction unless required to do so by law:
- 5.1.1 the Principal Rent, from and including the Rent Commencement Date, to be paid by equal quarterly payments in advance on the Quarter Days; and
- 5.1.2 the Additional Rents, from and including the Term Commencement Date to be paid on demand; and
- 5.1.3 any other sums reserved as rent under this Lease, to be paid on demand.

- 5.2 The first payment of the Rents is to be made on the date of this Lease calculated on a daily basis for the periods for which the Rents are payable but the first payment of the Principal Rent is to be made on the Rent Commencement Date.
- 5.3 The Principal Rent is inclusive of business rates which are paid by the Landlord.
- 5.4 The Principal Rent is exclusive of telephone charges which are to be paid by the Tenant to the Landlord in accordance with the terms and conditions of that supply agreed between the Landlord and the Tenant.
- 5.5 The Rents and any other sums payable under this Lease are exclusive of VAT. Where, under the terms of this Lease, a supply is made that is subject to VAT, the person receiving the supply is to pay the VAT to the person making the supply and a valid VAT invoice is to be issued by the person making the supply.
- 5.6 If the Tenant does not pay any of the Rents or sums due to the Landlord under this Lease, whether or not reserved as rent, within fourteen days of the due date for payment the Tenant is to pay interest on those sums, both after as well as before judgment, at the Interest Rate.

6. **RENT REVIEW**

The Principal Rent is to be reviewed on each Review Date in accordance with the provisions of the Fifth Schedule of the Headlease as it applies to this Lease. In addition to the assumptions and disregards in that clause, on each Review Date it is to be assumed that the Head Landlord has complied with the Head Landlord's Covenants.

7. **INSURANCE**

- 7.1 The Tenant is not to knowingly do or omit to do anything which has the effect of making any insurance policy in force in relation to the Landlord's Premises void or voidable or which increases the insurance premium payable for that insurance.
- 7.2 The Tenant is to comply with any requirements of the insurers which have been notified in writing to it.
- 7.3 The Landlord shall have no liability in respect of damage caused to or loss of any item (owned by the Tenant or otherwise) of the Landlord which is located within the Premises.

8. **CONTINUING OBLIGATIONS**

The Tenant is to comply with the Tenant's Covenants throughout the Term and the Landlord is to comply with the Landlord's Covenants throughout the Term.

9. **AUTHORISED USE**

- 9.1 Notwithstanding the Incorporated Terms, the Tenant is to use the Premises only for the Authorised Use during the Authorised Hours.
- 9.2 The Landlord will issue to each of the Tenant's employees who requires access to the Premises in connection with the use of the Premises for the Authorised Use one security pass per person in accordance with the terms of the Landlord's

security policy as is operated from time to time at the Landlord's Premises and for the avoidance of doubt the Tenant shall reimburse the Landlord the proper costs incurred by the Landlord in providing replacement passes to any of the Tenant's employees where those passes have been damaged or lost. The Tenant shall procure that all security passes to the Premises are returned to the Landlord at the end of the Term

- 9.3 The Tenant is not to use the Premises outside the Authorised Hours without first obtaining the prior written consent of the Landlord (such consent to be granted in the Landlord's absolute discretion and on any such terms as the Landlord deems fit) and in the event that consent (to use the Premises outside of the Authorised Hours) is granted by the Landlord to the Tenant, the Tenant shall comply with all reasonable requirements which the Landlord may impose as part of granting that consent and meet all additional costs which the Landlord incurs as a consequence of using the Premises outside of the Authorised Hours.
- 9.4 The Tenant is not to create any nuisance, damage or disturbance arising from its use and occupation of the Premises.
- 9.5 The Tenant is to keep the Premises tidy and not to create any fire or health hazard and generally to behave responsibly in respect of the use of the Premises at all times, particularly as regards noise, cleanliness, security and safety. The Tenant will not cause any obstruction of the Communal Areas or any other part of the Landlord's Premises and will not allow such areas to become untidy by its actions.
- 9.6 No equipment plant apparatus or materials of any description shall be used or stored in the Premises by the Tenant without the prior written consent of the Landlord (such consent not to be unreasonably withheld or delayed) provided always that the Tenant shall be permitted to store computers stationery supplies and other office equipment reasonably required in connection with the Authorised Use without the need to obtain the Landlord's prior written consent.
- 9.7 Notwithstanding the provisions of **clause 9.6**, the Tenant is not to bring any hazardous materials onto the Premises.
- 9.8 The Tenant is not permitted to display any signs or notices on the Premises unless permitted to do so by the Landlord.
- 9.9 The Tenant is to comply with any requirements and/or regulations made by the Landlord and the Head Landlord governing the use and occupation of the Premises or the exercise of the rights granted by the Tenant by this Lease.
- 9.10 The Tenant may use such of the Use Assets and Controlled Assets (both as defined by the Service Delivery Agreement) within the Premises or the Landlord's Premises (as applicable) as is reasonably necessary for the purposes of performing the Tenant's obligations under the Service Delivery Agreement provided that in using such equipment the Tenant shall satisfy itself that the equipment is suitable for its purpose and is safe in all respects and shall indemnify the Landlord against any damage caused or loss sustained (whatsoever and howsoever) as a consequence of the use of that equipment.

10. **DEALINGS**

This Lease is personal to the Tenant and the Tenant is not permitted to part with or share occupation of the whole or any part of the Premises nor to hold the Premises or any part of it on trust for another.

11. **SERVICES**

11.1 The Landlord is throughout the Term and for the benefit of the Premises and the Landlord's Premises:

11.1.1 to maintain and repair the Communal Areas and to decorate the Communal Areas in accordance with the terms of the Headlease or at such other reasonable times as the Landlord deems necessary;

11.1.2 to use reasonable endeavours to light the Communal Areas during such hours as the Landlord deems necessary;

11.1.3 to use reasonable endeavours to provide a supply of hot and cold water and other appropriate services to the lavatories in the Communal Areas during such hours as the Landlord deems necessary;

11.1.4 to use reasonable endeavours to provide heating and air conditioning to the Communal Areas during such hours as the Landlord deems necessary; and

11.1.5 to clean the Premises in accordance with the cleaning arrangements and to the standard that it maintains from time to time pursuant to the terms of the Headlease and the Tenant shall comply with such reasonable requirements that the Landlord notifies to the Tenant from time to time to facilitate such cleaning.

11.2 The Landlord will not be liable to the Tenant in respect of any loss or damage caused by any failure, interruption or delay in the provision of the services under **clause 11.1** arising either from any cause or circumstance beyond the control of the Landlord including mechanical breakdown, failure, malfunction, shortages of fuel or materials or labour disputes or from any necessary maintenance, repair, replacement, renewal, servicing, inspection or testing of the systems used to provide those services.

12. **CHANGES TO THE TERMS OF THE HEADLEASE**

The terms of the Headlease as they are incorporated into this Lease are to be read and interpreted as varied, replaced or omitted by the provisions in **Schedule 1**.

13. **UPKEEP OF THE PREMISES**

The Tenant is not to cause any damage to the Premises or to the whole or to any part of the Landlord's Premises.

14. **OTHER MATTERS**

14.1 If the Tenant leaves any goods or materials on the Premises after the end of the Term, the Landlord may remove them from the Premises, store and then dispose of them if they are not claimed by the Tenant within four weeks after the end of the Term. The cost of removal, storage and disposal are to be paid by the Tenant to the Landlord on demand with credit being given for any sums received on their disposal.

14.2 Unless covered by any insurance policy maintained by the Landlord, the Tenant is to indemnify the Landlord against any breaches of the terms of this Lease, any direct loss or damage to property and the death of or injury to persons arising from the use and occupation of the Tenant under this Lease.

15. **LAND REGISTRY APPLICATIONS**

The Tenant is not to send this Lease or a copy of it to the Land Registry and is not to protect the benefit of this Lease at the Land Registry except by the registration of a Unilateral Notice. The Landlord agrees not to object to the registration of a Unilateral Notice.

16. **EXECUTION**

The Landlord and the Tenant have executed this Lease as a deed and it is delivered on the date set out in **clause LR1** of the Land Registry Particulars.

SCHEDULE 1

Variations to the terms of the Headlease

1. **Omitted clauses**

1.1 The Incorporated Terms are to be read and interpreted as if the following provisions in the Headlease were not incorporated into this Lease:

1.1.1 Paragraphs 3 and 7 of Part 1 of the **First Schedule**;

1.1.2 Paragraphs 1.2, 2.1, 3, 4.1, 4.3, 4.4, 6, 14, 18 and 31 of the **Second Schedule**.



EXECUTED as a deed by affixing)
the common seal of)
NORTH EAST LINCOLNSHIRE)
BOROUGH COUNCIL)
in the presence of:)

Authorised Signatory

SIGNED as a deed by)
BALFOUR BEATTY WORKPLACE)
LIMITED)
acting by a director and its secretary)
or two directors)

Director

Director / Secretary

3b - For Origin Two

Dated

2010

- (3) NORTH EAST LINCOLNSHIRE BOROUGH COUNCIL
- (4) BALFOUR BEATTY WORKPLACE LIMITED

Underlease

relating to premises known as Origin 2 at Genesis Park (Phase II)
Europarc, Grimsby

Eversheds LLP
1 Royal Standard Place
Nottingham
NG1 6FZ

Tel 0845 497 9797
Fax 0845 497 7477
Int +44 115 950 7000
DX 10031 Nottingham
www.eversheds.com

CONTENTS

Lease Particulars

Clause		Page
1	INTERPRETATION	1
2	LETTING AND TERM	3
3	RIGHTS AND RESERVATIONS	5
4	HEADLEASE	6
5	RENTS PAYABLE	7
6	RENT REVIEW	8
7	INSURANCE	8
8	CONTINUING OBLIGATIONS.....	8
9	AUTHORISED USE.....	8
10	DEALINGS	9
11	SERVICES.....	10
12	CHANGES TO THE TERMS OF THE HEADLEASE	10
13	UPKEEP OF THE PREMISES	10
14	OTHER MATTERS	10
15	LAND REGISTRY APPLICATIONS	11
16	EXECUTION	11
Schedules		
1	Variations to the terms of the Headlease	12

PARTICULARS

PART 1: LAND REGISTRY PARTICULARS

LR1. Date of lease 2010

LR2. Title number(s)

LR2.1 Landlord's title number(s) HS357033

LR2.2 Other title numbers None

LR3. Parties to this lease

Landlord

NORTH EAST LINCOLNSHIRE BOROUGH COUNCIL of Municipal Offices, Town Hall Square, Grimsby, DN31 1HU.

Tenant

BALFOUR BEATTY WORKPLACE LIMITED (registered number 00598379) whose registered office is at 10th Floor, Marlowe House, 109 Station Road, Sidcup, Kent, DA15 7BH.

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 (referred to in this Lease as "the Premises") known as Origin 2 at Genesis Park (Phase II) Europarc, Grimsby shown edged red on the Plan:

(c) including:

- (i) all alterations, improvements and additions made to those premises during the Term;
- (ii) landlord's fixtures and conduits serving only those premises at any time during the Term;

- (iii) all internal surfaces of the walls, ceilings and floor slabs;
 - (iv) the whole of any non-structural or non-load bearing walls and columns wholly within the Premises;
 - (v) the inner half, severed vertically, of any non-structural or non-load bearing walls and columns dividing the Premises from any other parts of the Building;
 - (vi) all windows and doors and the glass within them; and
- (d) but excluding:
- (i) the foundation, structure, loadbearing walls, beams and columns, ceiling and floor slabs and the roof of the Building;
 - (ii) the window frames and door frames;
 - (iii) any landlord's fixtures and conduits serving both those premises and other parts of the Building; and
 - (iv) the airspace between the ceiling slabs and the suspended ceilings and the floor slab and the raised floors.

LR5. Prescribed statements etc

LR5.1 Statements prescribed under rules 179 (dispositions in favour of a charity), 180 (dispositions by a charity) or Not applicable.

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:	Not applicable.
LR6.	Term for which the Property is leased	<p>From and including 2010 (referred to in this Lease as "the Term Commencement Date")</p> <p>To and including 25 December 2016.</p> <p>(This term is referred to in this Lease as "the Contractual Term")</p>
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	(e) The rights specified in Part 1 of Schedule 1 of the Headlease as varied by this

	Property	Lease.
		(f) The rights specified in clause 3.1 of this Lease.
LR11.2	Easements granted or reserved by this lease over the Property for the benefit of other property	(g) The rights specified in Part 2 of Schedule 1 of the Headlease. (h) The rights specified in clause 3.2 of this Lease.
LR12.	Estate rentcharge burdening the Property	None.
LR13.	Application for standard form of restriction	None
LR14.	Declaration of trust where there is more than one person comprising the Tenant	Not applicable

PART 2: OTHER PARTICULARS

Authorised Use	The use of the Premises as offices.
Authorised Hours	00:00 to 23:59 during each Business Day or such other periods as provided for in accordance with the provisions of clause 9.3 of this Lease
Headlease	A lease dated 18 December 2006 made between (1) Wykeland Properties Limited and (2) North East Lincolnshire Borough Council and includes all deeds and documents varying or supplemental or ancillary to that lease.
Principal Rent	£ [REDACTED] ([REDACTED]) per annum subject to review in accordance with clause 6 .
"Quarter Days"	25 March, 24 June, 29 September and 25 December in each year
Rent Commencement Date	The Term Commencement Date.
Review Dates	Each of the rent review dates defined in the Headlease which fall after the date of this Lease.
Service Delivery Agreement	The agreement titled "Services Agreement" made

between (1) the Landlord and (2) the Tenant relating to the provisions of services by the Tenant to the Landlord and dated 2010.

This Lease is a "new tenancy" for the purposes of section 1 Landlord and Tenant (Covenants) Act 1995.

THIS LEASE is made on the date set out in clause LR1 of the Land Registry Particulars

BETWEEN

- (1) the Landlord; and
- (2) the Tenant

BACKGROUND

- (A) The Landlord is the current tenant of the Landlord's Premises by virtue of the Headlease.
- (B) The Landlord has agreed to underlet the Premises to the Tenant on the terms of this Lease, incorporating the terms of the Headlease so far as they are applicable to the letting of the Premises.

OPERATIVE PROVISIONS

1. **INTERPRETATION**

1.1 In this Lease, the following words and expressions have the following meanings:

- "Additional Rents"** a fair and proper proportion, to be determined by the Landlord acting reasonably, of all sums reserved as rent under the Headlease but excluding the Head Rent
- "Communal Areas"** (if any) the means of pedestrian access and circulation within the Landlord's Premises and the toilets, and other common circulation areas within the Landlord's Premises designated or provided by the Landlord during the Term for the common use and enjoyment of the tenants and other occupiers of or visitors to the Premises and the Landlord's Premises
- "Head Landlord"** the landlord of the Headlease, including its successors in title as landlord of the Headlease from time to time
- "Head Landlord's Covenants"** the obligations, conditions and covenants in the Headlease to be complied with by the Head Landlord
- "Head Landlord's Property"** the estate defined in the Headlease as the Office Park

“Head Rent”	the yearly rent payable under the Headlease
“Head Tenant’s Covenants”	the obligations, conditions and covenants in the Headlease to be complied with by the tenant of the Headlease from time to time
“Incorporated Terms”	has the meaning given to it in clause 2.2
“Interest Rate”	the interest rate specified in clause 36 of the Services Delivery Agreement calculated from the due date for payment to the actual date of payment, both dates inclusive.
“Landlord’s Covenants”	the obligations, conditions and covenants to be complied with by the landlord of this Lease including those contained in the Incorporated Terms
“Landlord’s Premises”	the premises let to the Landlord under the Headlease and known as Origin 2 (Phase II) Europarc, Grimsby
“Rents”	the rents reserved and payable under clause 5
“Tenant’s Covenants”	the obligations, conditions and covenants to be complied with by the tenant of this Lease including those contained in the Incorporated Terms
“Term”	the Contractual Term

1.2 Words and expressions defined in the Headlease have the same meanings in this Lease except to the extent that they are defined differently by this Lease.

1.3 Where any obligations or rights in the Headlease are to be complied with or are to be exercised at a time calculated by reference to the start of the Headlease those obligations and rights are, so far as they form part of the Incorporated Terms, to be complied with or exercised at the same time under this Lease.

1.4 In this Lease:

1.4.1 except in relation to the Town and Country Planning (Use Classes) Order 1987, references to any statute or other legislation include references to any subsequent statute or legislation directly or indirectly amending, consolidating, extending, replacing or re-enacting that statute or legislation and to all orders, by-laws, directions and notices made or served under them;

1.4.2 references to the Landlord include their respective successors in title and, in the case of individuals, include their personal representatives;

- 1.4.3 references to the Premises, the Head Landlord's Property, the Landlord's Premises and the Communal Areas include any part of them unless specific reference is made to the whole of them;
- 1.4.4 references to adjoining premises include any premises adjoining or near to the Head Landlord's Property and references to adjoining premises owned by the Landlord include any adjoining premises owned by the Landlord at any time during the Term;
- 1.4.5 references to this Lease include any deed or document which is supplemental to, varies or is ancillary to this Lease from time to time;
- 1.4.6 references to the end of the "Term" include the determination of the Term before the end of the Contractual Term;
- 1.4.7 "including" means "including, without limitation";
- 1.4.8 "indemnify" means to indemnify against all actions, claims, demands and proceedings taken or made against the Landlord and all costs, damages, expenses, liabilities and losses incurred by the Landlord;
- 1.4.9 references to the Tenant include, and the Tenant's covenants bind any other person under the Tenant's or their control including employees, agents, workmen and invitees;
- 1.4.10 any covenant by the Tenant not to do any act or thing includes a covenant not to permit or allow the doing of that act or thing;
- 1.4.11 where the consent of the Landlord is required for any assignment, underletting, change of use or alterations, that consent may be given only by the completion of a licence executed as a deed containing the terms of the consent agreed between the parties unless the Landlord elects in writing to waive this requirement;
- 1.4.12 where two or more people form a party to this Lease, the obligations they undertake may be enforced against them all jointly or against each of them individually; and
- 1.4.13 if any provision is held to be illegal, invalid or unenforceable, the legality, validity and enforceability of the remainder of this Lease is to be unaffected.

1.5 The Particulars form part of this Lease and words and expressions set out in the Particulars are to be treated as defined terms in this Lease.

1.6 The parties to this Lease do not intend that any of its terms will be enforceable by virtue of the Contracts (Rights of Third Parties) Act 1999 by any person not a party to it.

2. **LETTING AND TERM**

2.1 The Landlord lets the Premises to the Tenant for the Contractual Term reserving the Rents.

2.2 This Lease is granted on the same terms as the Headlease as at the date of this Lease and as varied by this Lease (the "Incorporated Terms") so far as they are applicable to a letting of the Premises as if those terms were set out in full in this

Lease with references in those terms to "the Landlord", "the Tenant" and "the Premises" having the meanings given to those expressions in this Lease:

2.2.1 including without limitation:

- 2.2.1.1 the Head Tenant's Covenants;
- 2.2.1.2 the covenant for quiet enjoyment in the Headlease;
- 2.2.1.3 the right of re-entry in the Headlease;
- 2.2.1.4 the rights granted over the Head Landlord's Property and reserved over the Landlord's Premises by the Headlease so far as they benefit the Premises;
- 2.2.1.5 the terms defined in the Headlease;
- 2.2.1.6 the conditions and agreements contained in the Headlease; and
- 2.2.1.7 the rent review provisions contained in the Headlease;

2.2.2 but excluding:

- 2.2.2.1 the obligation to pay the Head Rent;
- 2.2.2.2 the service charge provisions in the Headlease;
- 2.2.2.3 the Head Landlord's Covenants; and
- 2.2.2.4 the contractual term granted by the Headlease.

2.3 In addition to the right of re-entry incorporated into this Lease by the Incorporated Terms, the Landlord may also enter onto the whole or any part of the Premises and by so doing end this Lease if the Tenant breaches any of the Tenant's Covenants.

2.4 The Landlord and the Tenant agree to exclude the provisions of sections 24 to 28 Landlord and Tenant Act 1954 in relation to the tenancy created by this Lease. The Tenant confirms that before it became contractually bound to enter into the tenancy created by this Lease:

2.4.1 the Landlord served on the Tenant a notice ("the Notice") dated 21 April 2010 in relation to the tenancy created by this Lease in a form complying with the requirements of Schedule 1 to The Regulatory Reform (Business Tenancies) (England and Wales) Order 2003;

2.4.2 the Tenant, or a person duly authorised by the Tenant, in relation to the Notice made a statutory declaration ("the Declaration") dated..... 2010 in a form complying with the requirements of Schedule 2 to The Regulatory Reform (Business Tenancies) (England and Wales) Order 2003; and

2.4.3 where the Declaration was made by a person other than the Tenant, the declarant was duly authorised by the Tenant to make the Declaration on the Tenant's behalf.

- 2.5 The Landlord may terminate this Lease in accordance with the termination provisions of the Service Delivery Agreement.
- 2.6 Either the Landlord or the Tenant may end this Lease in accordance with the provisions of the CAMP (as defined in the Service Delivery Agreement) in accordance with the terms of a Project (as defined in the Service Delivery Agreement) or on termination of the Service Delivery Agreement at any time by serving not less than one months prior written notice on the other.
- 2.7 When this Lease ends, it will not release either party from any breaches of the terms of this Lease which occurred during the Contractual Term or any rights of the other party in respect of those breaches.
- 2.8 If the Head Landlord or the Landlord serves a valid notice under Paragraph 4 of the Seventh Schedule of the Headlease to end the Headlease, this Lease will end on the same date as the Headlease. The Landlord is promptly to provide the Tenant with a copy of any such notice served by it or the Head Landlord.

3. **RIGHTS AND RESERVATIONS**

- 3.1 In addition to the rights granted under the Headlease which benefit the Premises, the Premises are let together with the following rights over the Landlord's Premises for the benefit of the Tenant, so far as the Landlord is able to grant them, to be enjoyed in common with the Landlord, the Head Landlord and any others entitled to use them:
 - 3.1.1 to use the Communal Areas for the proper use and enjoyment of the Premises and for access to and from the Premises;
 - 3.1.2 to use all emergency exit routes in the case of an emergency;
 - 3.1.3 support and protection for the Premises from the remainder of the Landlord's Premises;
- 3.2 In addition to the rights reserved under the Headlease to which the Premises are subject, the following rights are reserved out of the letting for the benefit of the Landlord, the Head Landlord and any other person having express or implied authority from the Landlord or the Head Landlord to benefit from them:
 - 3.2.1 to enter and remain upon so much as is necessary of the Premises on not less than 48 hours' prior notice (except in case of emergency) with or without workmen, plant and equipment:
 - 3.2.1.1 to ascertain whether the Tenant has complied with the Tenant's obligations under this Lease;
 - 3.2.1.2 to provide the services set out in **clause 11.1**;
 - 3.2.1.3 to inspect and measure the Premises for any purpose connected with the review of the Principal Rent;
 - 3.2.1.4 to inspect the state of repair and condition of the Premises and prepare any Schedule of condition or dilapidations;
 - 3.2.1.5 to carry out any repairs, remove and make good any unauthorised alterations or carry out any works which the

Tenant should have carried out in accordance with the Tenant's obligations under this Lease;

- 3.2.1.6 to take schedules or inventories of landlord's fixtures and other items to be returned to the Landlord at the end of the Term;
 - 3.2.1.7 to comply with the obligations in paragraphs 3, 4.1 and 6 of the Headlease;
 - 3.2.2 to use all fire escape routes running through the Premises in case of emergency only;
 - 3.2.3 the right during the perpetuity period to connect to and use any conduits within or passing through the Premises for the passage or transmission of utilities to and from any adjoining premises;
 - 3.2.4 the right during the perpetuity period to install new conduits within the Premises and connect to them for the passage or transmission of utilities to and from the remainder of the Landlord's Premises; and
 - 3.2.5 support and protection from the Premises for the remainder of the Landlord's Premises.
- 3.3 The Tenant is to permit the exercise of the rights reserved in **clause 3.2** and is not to obstruct or prevent these rights being exercised in accordance with the terms of this Lease.
- 3.4 The letting is made subject to all rights of light and air and all other legal or equitable easements and rights belonging to or enjoyed by any other property.
- 3.5 This Lease does not confer upon the Tenant any rights or privileges over any other property except as expressly set out in this Lease and any rights implied by section 62 Law of Property Act 1925 or the rule in *Wheeldon v Burrows* are expressly excluded.
4. **HEADLEASE**
- 4.1 The Landlord is to:
- 4.1.1 pay the rents reserved by the Headlease and, so far as they do not form part of the Incorporated Terms to be complied with by the Tenant under this Lease, to comply with the Head Tenant's Covenants; and
 - 4.1.2 at the reasonable request and cost of the Tenant use reasonable endeavours to procure that the Head Landlord complies with the Head Landlord's Covenants.
- 4.2 The Tenant is not to do or omit to do any act or thing which would place the Landlord in breach of the Head Tenant's Covenants.
- 4.3 Without prejudice to the terms of this Lease, where the consent or approval of the Landlord is required to any act or thing:
- 4.3.1 it will be a condition precedent to the grant of that consent or approval that, if required under the Headlease, the consent or approval of Head Landlord is first obtained; and

- 4.3.2 where the Landlord is under an obligation under this Lease not unreasonably to withhold or delay its consent or approval, the Landlord is, at the reasonable request of and at the cost of the Tenant to apply for and use reasonable endeavours to obtain the consent or approval of the Head Landlord where this is required under the Headlease.
- 4.4 References, however expressed, in this Lease:
- 4.4.1 to any matter which is required to be carried out to the satisfaction or with the approval of the Landlord are to be read as including a requirement that the matter is also to be carried out to the satisfaction or with the approval of the Head Landlord where this is required under the Headlease;
- 4.4.2 to an obligation on the Tenant to pay any costs, fees and expenses incurred by the Landlord in relation to any matter are to be read as including an obligation also to pay all costs, fees and expenses incurred in respect of that matter by the Head Landlord; and
- 4.4.3 to an indemnity given to the Landlord are to be read as including an obligation to indemnify the Head Landlord in respect of the subject matter of that indemnity.
- 4.5 Rights of entry and other rights reserved to the Landlord under this Lease may also be exercised by the Head Landlord and any persons authorised by the Head Landlord under the Headlease.
- 4.6 Any covenant in this Lease by the Tenant not to do any act matter or thing to the prejudice of or adversely to affect the Landlord is to be read as including an obligation not to do any such act matter or thing to the prejudice of or adversely to affect any Head Landlord.
- 4.7 Nothing in this Lease imposes any obligation on the Head Landlord to act reasonably in granting any consent or approval or expressing its opinion as to whether any act of the Tenant has been carried out to its satisfaction.
- 4.8 In the event that the term of the Headlease is determined then the Term shall also automatically determine but without prejudice to clause 2.7 of this Lease and the Tenant's compliance of the Tenant's Covenants.

5. **RENTS PAYABLE**

- 5.1 The Tenant is to pay the following Rents to the Landlord during the Term without making any legal or equitable set-off, counterclaim or deduction unless required to do so by law:
- 5.1.1 the Principal Rent, from and including the Rent Commencement Date, to be paid by equal quarterly payments in advance on the Quarter Days; and
- 5.1.2 the Additional Rents, from and including the Term Commencement Date to be paid on demand; and
- 5.1.3 any other sums reserved as rent under this Lease, to be paid on demand.

- 5.2 The first payment of the Rents is to be made on the date of this Lease calculated on a daily basis for the periods for which the Rents are payable but the first payment of the Principal Rent is to be made on the Rent Commencement Date.
- 5.3 The Principal Rent is inclusive of business rates which are paid by the Landlord.
- 5.4 The Principal Rent is exclusive of telephone charges which are to be paid by the Tenant to the Landlord in accordance with the terms and conditions of that supply agreed between the Landlord and the Tenant.
- 5.5 The Rents and any other sums payable under this Lease are exclusive of VAT. Where, under the terms of this Lease, a supply is made that is subject to VAT, the person receiving the supply is to pay the VAT to the person making the supply and a valid VAT invoice is to be issued by the person making the supply.
- 5.6 If the Tenant does not pay any of the Rents or sums due to the Landlord under this Lease, whether or not reserved as rent, within fourteen days of the due date for payment the Tenant is to pay interest on those sums, both after as well as before judgment, at the Interest Rate.

6. **RENT REVIEW**

The Principal Rent is to be reviewed on each Review Date in accordance with the provisions of the Fifth Schedule of the Headlease as it applies to this Lease. In addition to the assumptions and disregards in that clause, on each Review Date it is to be assumed that the Head Landlord has complied with the Head Landlord's Covenants.

7. **INSURANCE**

- 7.1 The Tenant is not to knowingly do or omit to do anything which has the effect of making any insurance policy in force in relation to the Landlord's Premises void or voidable or which increases the insurance premium payable for that insurance.
- 7.2 The Tenant is to comply with any requirements of the insurers which have been notified in writing to it.
- 7.3 The Landlord shall have no liability in respect of damage caused to or loss of any item (owned by the Tenant or otherwise) of the Landlord which is located within the Premises.

8. **CONTINUING OBLIGATIONS**

The Tenant is to comply with the Tenant's Covenants throughout the Term and the Landlord is to comply with the Landlord's Covenants throughout the Term.

9. **AUTHORISED USE**

- 9.1 Notwithstanding the Incorporated Terms, the Tenant is to use the Premises only for the Authorised Use during the Authorised Hours.
- 9.2 The Landlord will issue to each of the Tenant's employees who requires access to the Premises in connection with the use of the Premises for the Authorised Use one security pass per person in accordance with the terms of the Landlord's

security policy as is operated from time to time at the Landlord's Premises and for the avoidance of doubt the Tenant shall reimburse the Landlord the proper costs incurred by the Landlord in providing replacement passes to any of the Tenant's employees where those passes have been damaged or lost. The Tenant shall procure that all security passes to the Premises are returned to the Landlord at the end of the Term

- 9.3 The Tenant is not to use the Premises outside the Authorised Hours without first obtaining the prior written consent of the Landlord (such consent to be granted in the Landlord's absolute discretion and on any such terms as the Landlord deems fit) and in the event that consent (to use the Premises outside of the Authorised Hours) is granted by the Landlord to the Tenant, the Tenant shall comply with all reasonable requirements which the Landlord may impose as part of granting that consent and meet all additional costs which the Landlord incurs as a consequence of using the Premises outside of the Authorised Hours.
- 9.4 The Tenant is not to create any nuisance, damage or disturbance arising from its use and occupation of the Premises.
- 9.5 The Tenant is to keep the Premises tidy and not to create any fire or health hazard and generally to behave responsibly in respect of the use of the Premises at all times, particularly as regards noise, cleanliness, security and safety. The Tenant will not cause any obstruction of the Communal Areas or any other part of the Landlord's Premises and will not allow such areas to become untidy by its actions.
- 9.6 No equipment plant apparatus or materials of any description shall be used or stored in the Premises by the Tenant without the prior written consent of the Landlord (such consent not to be unreasonably withheld or delayed) provided always that the Tenant shall be permitted to store computers stationery supplies and other office equipment reasonably required in connection with the Authorised Use without the need to obtain the Landlord's prior written consent.
- 9.7 Notwithstanding the provisions of **clause 9.6**, the Tenant is not to bring any hazardous materials onto the Premises.
- 9.8 The Tenant is not permitted to display any signs or notices on the Premises unless permitted to do so by the Landlord.
- 9.9 The Tenant is to comply with any requirements and/or regulations made by the Landlord or the Head Landlord governing the use and occupation of the Premises or the exercise of the rights granted by the Tenant by this Lease.
- 9.10 The Tenant may use such of the Use Assets and Controlled Assets (both as defined by the Service Delivery Agreement) within the Premises or the Landlord's Premises (as applicable) as is reasonably necessary for the purposes of performing the Tenant's obligations under the Service Delivery Agreement provided that in using such equipment the Tenant shall satisfy itself that the equipment is suitable for its purpose and is safe in all respects and shall indemnify the Landlord against any damage caused or loss sustained (whatsoever and howsoever) as a consequence of the use of that equipment.

10. **DEALINGS**

This Lease is personal to the Tenant and the Tenant is not permitted to part with or share occupation of the whole or any part of the Premises nor to hold the Premises or any part of it on trust for another.

11. **SERVICES**

11.1 The Landlord is throughout the Term and for the benefit of the Premises and the Landlord's Premises:

11.1.1 to maintain and repair the Communal Areas and to decorate the Communal Areas in accordance with the terms of the Headlease or at such other reasonable times as the Landlord deems necessary;

11.1.2 to use reasonable endeavours to light the Communal Areas during such hours as the Landlord deems necessary;

11.1.3 to use reasonable endeavours to provide a supply of hot and cold water and other appropriate services to the lavatories in the Communal Areas during such hours as the Landlord deems necessary;

11.1.4 to use reasonable endeavours to provide heating and air conditioning to the Communal Areas during such hours as the Landlord deems necessary; and

11.1.5 to clean the Premises in accordance with the cleaning arrangements and to the standard that it maintains from time to time pursuant to the terms of the Headlease and the Tenant shall comply with such reasonable requirements that the Landlord notifies to the Tenant from time to time to facilitate such cleaning.

11.2 The Landlord will not be liable to the Tenant in respect of any loss or damage caused by any failure, interruption or delay in the provision of the services under **clause 11.1** arising either from any cause or circumstance beyond the control of the Landlord including mechanical breakdown, failure, malfunction, shortages of fuel or materials or labour disputes or from any necessary maintenance, repair, replacement, renewal, servicing, inspection or testing of the systems used to provide those services.

12. **CHANGES TO THE TERMS OF THE HEADLEASE**

The terms of the Headlease as they are incorporated into this Lease are to be read and interpreted as varied, replaced or omitted by the provisions in **Schedule 1**.

13. **UPKEEP OF THE PREMISES**

The Tenant is not to cause any damage to the Premises or to the whole or to any part of the Landlord's Premises.

14. **OTHER MATTERS**

14.1 If the Tenant leaves any goods or materials on the Premises after the end of the Term, the Landlord may remove them from the Premises, store and then dispose of them if they are not claimed by the Tenant within four weeks after the end of the Term. The cost of removal, storage and disposal are to be paid by the Tenant to the Landlord on demand with credit being given for any sums received on their disposal.

14.2 Unless covered by any insurance policy maintained by the Landlord, the Tenant is to indemnify the Landlord against any breaches of the terms of this Lease, any direct loss or damage to property and the death of or injury to persons arising from the use and occupation of the Tenant under this Lease.

15. **LAND REGISTRY APPLICATIONS**

The Tenant is not to send this Lease or a copy of it to the Land Registry and is not to protect the benefit of this Lease at the Land Registry except by the registration of a Unilateral Notice. The Landlord agrees not to object to the registration of a Unilateral Notice.

16. **EXECUTION**

The Landlord and the Tenant have executed this Lease as a deed and it is delivered on the date set out in **clause LR1** of the Land Registry Particulars.

SCHEDULE 1

Variations to the terms of the Headlease

1. **Omitted clauses**

1.1 The Incorporated Terms are to be read and interpreted as if the following provisions in the Headlease were not incorporated into this Lease:

1.1.1 Paragraphs 3 and 7 of Part 1 of the **First Schedule**;

1.1.2 Paragraphs 1.2, 2.1, 3, 4.1, 4.3, 4.4, 6, 14, 18 and 31 of the **Second Schedule**.

EXECUTED as a deed by affixing)
the common seal of)
NORTH EAST LINCOLNSHIRE)
BOROUGH COUNCIL)
in the presence of:)

Authorised Signatory

SIGNED as a deed by)
BALFOUR BEATTY WORKPLACE) LIMITED)
acting by a director and its secretary)
or two directors)

Director

Director / Secretary