

(1) THE SHEFFIELD CITY COUNCIL

- and -

(2) AMEY HALLAM HIGHWAYS LIMITED

LEASE
of

Ecclesfield Depot, Station Road, Sheffield

PRESCRIBED CLAUSES

LR1. Date of lease

LR2. Title number(s)

LR2.1 Landlord's title number(s)

SYK115204 SYK2709

LR2.2 Other title numbers

SYK553770

LR3. Parties to this lease

Landlord

THE SHEFFIELD CITY COUNCIL of Town Hall, Sheffield, S1 2HH

Tenant

AMEY HALLAM HIGHWAYS LIMITED (Company Registration Number 08121168)
whose registered office is at The Sherard Building, Edmund Halley Road, Oxford OX4
4DQ

Other parties

None

LR4. Property

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

See the definition of "Premises" in the Definitions section of this lease.

LR5. Prescribed statements etc.

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

None.

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

None.

LR6. Term for which the Property is leased

The term as specified in this lease at clause 3.

LR7. Premium

None.

LR8. Prohibitions or restrictions on disposing of this lease

This lease contains a provision that prohibits or restricts dispositions.

LR9. Rights of acquisition etc.

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

None.

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

None.

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

None.

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

None.

LR11. Easements

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

The easements as specified in Schedule 2 of this lease.

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

The easements as specified in Schedule 3 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

None

HM LAND REGISTRY
Land Registration Acts

County and District : South Yorkshire: Sheffield
Title number : To be allotted
Property : Ecclesfield Depot, Sheffield
Date :

THIS LEASE made

2012

BETWEEN:

- (1) **THE SHEFFIELD CITY COUNCIL** of Town Hall, Sheffield S1 2HH ("**Landlord**")
- (2) **AMEY HALLAM HIGHWAYS LIMITED** (company number 08121168 England) whose registered office is at The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ ("**Tenant**")

WHEREAS:

- A This lease is supplemental to the **Project Agreement**
- B For the purpose of effecting the terms of the **Project Agreement** the Landlord has agreed to grant to the Tenant a lease of the Premises solely for the occupation by the Tenant for the purposes of the **Project Agreement**

WITNESSES as follows:

1. DEFINITIONS

- 1.1 Unless the context otherwise requires the following expressions bear the meanings ascribed to them as follows:

"Commencement Date" shall be the Services Commencement Date as the same is defined in the **Project Agreement**

"Default Interest Rate" shall be the **"Prescribed Rate"** as the same is as defined in the **Project Agreement**

“Depot Strategy” means as defined in the **Project Agreement**

“Expiry Date” means 20 August 2037;

"Tenant" includes the Tenant's successors in title (if any)

"Insured Risks" means (subject to the provisions of clause 4.17) fire, storm, tempest, lightning, explosion, aircraft and articles dropped from them, flood, earthquake, impact by road vehicles, riot, civil commotion, malicious damage, bursting and overflowing of water tanks, apparatus and pipes, landslip, subsidence and heave and such other risks as the Landlord may properly stipulate at any time;

"Insurer" means the insurance company or underwriter with whom the Tenant effects insurance under clause 4.17;

"Landlord" means the estate owner of the reversion immediately expectant on the Term

"Landlords Fixtures and Fittings" means those fixtures and fittings belonging to the Landlord and affixed to and forming part of the Premises

"Legislation" means as defined in the **Project Agreement**

"Major Emergency" means as defined in the **Project Agreement**

"Plan" means the plan annexed

"Premises" means the land described in schedule 1 and each and every part thereof together with the buildings thereon or on any part thereof and includes the Landlord's Fixtures and Fittings therein or thereon

"Project Agreement" means the Agreement dated 31 July 2012 made between the Landlord and the Tenant whereby the Tenant is to carry out services relating to the Sheffield Highways PFI as amended in accordance with its terms

“Senior Lender’s Direct Agreement” means the agreement dated 31 July 2012 made between the Landlord, the Tenant and Lloyds TSB Bank plc

"Term" means the term of this lease hereby granted

"Town and Country Planning Acts" means the Town and Country Planning Act 1990 the Planning (Listed Buildings and Conservation Areas) Act 1990 the Planning (Hazardous Substances) Act 1990 and the Planning (Consequential Provisions) Act 1990 and the Planning and Compensation Act 1991 and any Act or Acts for the time being in force amending or replacing or modifying the same and includes any order instrument regulation direction made or issued thereunder or deriving validity therefrom

"Utilities" means all utilities which are from time to time supplied to or used at the Premises to include (without limitation) sewage and foul water waste drainage rain and other surface water drainage waste disposal electricity water heating oil gas and telecommunications including all conduits cables ducting tanks and all supporting media necessary for the continuous supply of the Utilities

"VAT" means value added tax

"Works" means the works of alteration or improvement to be carried out to the Premises (if any) as detailed in the Depot Strategy in the Project Agreement

2. INTERPRETATION

2.1 In this lease except where the context or its express provisions otherwise require:

2.1.1 words importing a gender includes all genders

2.1.2 headings sub-headings and the index are for ease of reference only and shall not be taken into consideration in the interpretation or construction of this lease

2.1.3 references to a clause or schedule are unless the context otherwise requires references to a clause or schedule of this lease

2.1.4 the singular includes the plural and vice versa

- 2.1.5 any reference to any statute or statutory provision includes reference to any statute or statutory provision which amends extends consolidates or replaces the same or which has been amended extended consolidated or replaced by the same and shall include any orders regulations or other subordinate legislation made under any relevant statute or statutory provision
- 2.1.6 any covenant on the part of the Tenant not to do or omit to do or permit or suffer to be done (as the case may be) any act or thing shall be deemed to include an obligation not to knowingly permit or suffer such act or thing to be done or omitted (as the case may be)
- 2.1.7 "**person**" shall include any individual partnership firm trust body corporate or incorporate government or government body authority or agency and a reference to a person includes a reference to that person's successors and assigns and
- 2.1.8 words and expressions defined and used in the **Project Agreement** shall have the same meaning herein as is ascribed in the **Project Agreement** save where such interpretation would conflict with the express terms hereof
- 2.2 Unless the context otherwise requires this lease shall be construed so that where there is more than one person for the time being included in the expression "**Tenant**" or "**Landlord**" covenants and obligations at any time expressed to be made or assumed by the party in question are made and are to be construed as made by all such persons jointly and severally and covenants and obligations made or assumed by any party shall be binding on and enforceable against his personal representatives

3. **DEMISE**

In consideration of the rent hereinafter reserved and of the covenants on the part of the Tenant and conditions hereinafter reserved and contained the Landlord **hereby demises** unto the Tenant **all that** the Premises **together with** the rights set out in schedule 2 (if any) but subject to the exceptions and reservations in favour of the Landlord and all others entitled thereto as set out in schedule 3 to

hold the same unto the Tenant **provided that** if the **Project Agreement** is determined in accordance with the terms thereof then the Term shall absolutely cease and determine coincidentally with the determination of the Project Agreement and also further provided that this lease may be determined pursuant to clause 4.17.8 but without prejudice to the rights of either party against the other in respect of any antecedent breach of covenant **subject to** the covenants rights exceptions reservations and other matters referred to in the deeds and documents listed in schedule 4 (if any) in so far as the same subsist and affect the Premises and to all other easements rights quasi-easements and privileges to which the Premises are or may be subject for the term commencing on the Commencement Date and terminating on the Expiry Date **yielding and paying therefor** unto the Landlord **firstly** the yearly rent exclusive of VAT of one pound (£1.00) if demanded to be paid in advance on the 1 April in each year and **secondly** as additional rent all VAT (if any) payable pursuant to clause 4.1.3 of this lease

4. TENANTS COVENANTS

The Tenant hereby covenants with the Landlord as follows:

4.1 Payments and Outgoings

4.1.1 To bear pay and discharge from the date of this lease to the expiration or sooner determination of the Term and indemnify the Landlord against all existing and future rates taxes duties charges assessments impositions and outgoings whatsoever (whether parliamentary parochial local or of any other description and whether or not of a capital or non-recurring nature) (save those which relate to a period before the date of this lease) which are now or may at any time hereafter be assessed charged levied or imposed upon or payable in respect of the Premises or any part thereof or assessed charged levied or imposed upon or payable by any estate owner landlord tenant or occupier in respect thereof excluding any tax payable by the Landlord as a result of the grant of this lease or any dealing with the reversion of this lease or upon the receipt of rents

4.1.2 To pay and discharge all costs incurred in respect of the Utilities consumed on the Premises and other services supplied to and

used at the Premises whether in connection with the performance of the **Project Agreement** or otherwise from the date of this lease to the expiration or earlier determination of the Term

4.1.3 To pay to the Landlord by way of additional rent all VAT at the rate for the time being in force which shall be properly payable (whether by statute or as the result of the exercise by the Landlord of a statutory right to waive an exemption or make an election) in respect of the rents and other sums payable by the Tenant hereunder and in every case where the Tenant covenants to pay an amount of money hereunder such amount shall be regarded as being exclusive of VAT

4.2 **Interest**

If at any time during the Term any sums due hereunder from the Tenant to the Landlord shall remain unpaid for more than 14 days after becoming due and payable to pay to the Landlord interest upon the same at the Default Interest Rate calculated on a day to day basis (as well after as before any judgment) from the date upon which the same first became due until the date of actual payment **provided** that nothing herein contained shall entitle the Tenant to withhold or delay payment thereof after the date upon which payment first falls due or in any way prejudice affect or derogate from the rights and remedies of the Landlord hereunder

4.3 **Notices**

To deliver to the Landlord as soon as reasonably practicable free of charge a copy of every notice order requisition direction or proposal given made or issued by a competent authority affecting the Premises or the user of the Premises as soon as the Tenant becomes aware thereof and at the request and cost of the Landlord to make or join in making such objections or representations against or in respect of any such notice order requisition direction or proposal as the Landlord shall reasonably deem expedient

4.4 **Common Matters**

Where there are any such common matters to pay a fair and reasonable proportion (to be determined by the Landlord's surveyor acting reasonably whose decision shall be final and binding save in the case of fraud or manifest error) of the reasonable and proper cost of making repairing and cleansing all party and other walls Utilities and other facilities belonging to or used with the Premises in common with adjoining or neighbouring premises all reasonable and proper amounts due from the Tenant under this clause being payable to the Landlord within 14 days of demand

4.5 Repair and Maintenance

4.5.1 Subject to clause 4.17:

4.5.1.1 to keep the Premises and the Utilities exclusively serving the Premises in such repair and maintained in such condition and decorative order as is up to a standard at least to the equal of the condition and decorative order at the date of this lease; or

4.5.1.2 where the Tenant has undertaken any Works in good and substantial repair and condition;

as shall be applicable, and not to cause or permit any damage to them

4.5.2 To maintain the boundary fences to the Premises and to secure the Premises from unauthorised access so far as reasonably practicable

4.6 Expenses

To pay all reasonable and proper expenses (including without prejudice to the generality thereof Solicitors' Counsel's Architects' Surveyors' and Bailiffs' fees and other professional costs) and value added tax thereon which may be properly incurred by the Landlord:

4.6.1 in or in reasonable contemplation of any proceedings under section 146 or 147 of the Law of Property Act 1925 or any

statutory modification or re-enactment thereof for the time being in force or the preparation and service of any notice under those sections notwithstanding that forfeiture may be avoided otherwise than by relief granted by the Court

4.6.2 in the recovery or attempted recovery of arrears of rent and additional rent due from the Tenant hereunder

4.6.3 in preparing and serving a schedule of dilapidations at any time during the Term or within 3 months after its expiration or determination

4.6.4 in connection with any consent or approval required to be given by the Landlord

4.7 **Yielding up**

To yield up the Premises unto the Landlord at the expiration or sooner determination of the Term so painted treated repaired cleansed maintained amended and kept in accordance with this lease and in any event to remove any moulding sign writing or painting of the name or business of the Tenant and other persons from the Premises and make good any damage caused to the Premises by such removal or removal of the Tenant's fixtures fittings furniture and effects

4.8 **Inspection**

To permit the Landlord and its agents with or without workmen and others at any reasonable time or times on not less than 48 hours prior notice (save in case of emergency) or otherwise in accordance with the provisions of the Project Agreement to enter and examine the Premises to ensure that nothing has been done or omitted to be done therein which constitutes a breach of any of the covenants contained in this lease or any breach of the provisions of the **Project Agreement** and to examine the state and condition of the Premises

4.9 **Notice to repair**

Without prejudice to the requirements of the **Project Agreement** duly and as soon as reasonably practicable (save in the case of an emergency where it must immediately) to remedy repair and make good all material

breaches of covenant and defects of which prior notice in writing shall be given by the Landlord to the Tenant and which the Tenant shall be liable to remedy repair or make good under the terms of this lease and in case the Tenant shall make default in so doing within two months after the date of any such notice it shall be lawful (but not obligatory) for the Landlord without prejudice to the right of re-entry hereinafter contained to enter upon the Premises and to remedy repair and make good the same at the cost of the Tenant which cost together with the reasonable and proper expenses of the Landlord (including surveyors' and other professional fees) and VAT thereon to be paid within 14 days of demand

4.10 Entry for Works

To permit the Landlord and all persons authorised by it and their agents and workmen and the owners and occupiers of any adjoining or neighbouring premises or their respective agents and workmen at any reasonable time or times upon not less than 48 hours prior written notice save in case of emergency to enter upon the Premises for executing repairs additions or alterations to or upon any adjoining or neighbouring premises or for building on land adjoining the Premises or for laying constructing repairing maintaining renewing making connections with or cleansing or keeping in good order and condition all pipes drains channels watercourses sewers wires cables gutters ditches culverts fences or other conveniences which shall belong to or serve the Premises in common with other premises or be in or upon the Premises and serve other premises and also for the purpose of laying down maintaining repairing renewing and testing drainage gas and water pipes and electric wires or cables or for other similar purposes causing as little damage or inconvenience as possible and the Landlord making good all damage or reasonably foreseeable losses caused

4.11 Entry to view

To permit the Landlord or its agents at any time within six calendar months next before the expiration of the Term to enter upon the Premises upon not less than 48 hours prior written notice and to fix and retain without interference upon any suitable and reasonable part or parts thereof a notice board for re-letting the same and to permit all persons by order in writing of the Landlord or its agents to view the Premises at all

convenient hours in the daytime upon not less than 48 hours prior written notice

4.12 **Alterations**

4.12.1 Save as specifically set out by the Tenant in the **Depot Strategy** and then in accordance with the **Depot Strategy** not to make or permit or suffer to be made any structural alterations additions or improvements of whatsoever nature to the Premises nor to erect anything thereon without the prior written approval of the Landlord pursuant to the provisions of the Project Agreement

4.12.2 Where under the Project Agreement the Tenant is required or resolves to carry out Works to the Premises to carry out those Works in all respects in accordance with the provisions of the Project Agreement contained therein

4.13 **User**

Not to use or permit or suffer the Premises to be used otherwise than in accordance with the **Project Agreement** save with the prior written approval of the Landlord acting in its absolute discretion.

4.14 **Legislation**

At all times during the Term at the Tenant's own expense to observe and comply with:

4.14.1 all Legislation now or hereafter to be passed

4.14.2 all notices directions orders regulations byelaws rules and conditions made or to be made under or by virtue of any Legislation and

4.14.3 all requirements of any public or local authority so far as they relate to or affect the Premises or the contents thereof or the user of the Premises or the employment thereon of any persons

4.15 **Planning Permission**

Save where such matters have already been agreed between the Landlord and the Tenant and/or save where permitted by the Project Agreement subject and without prejudice to clause 4.14 (but subject always to the provisions of the **Project Agreement**) not to make or permit or suffer to be made any application for planning permission without the prior written consent in writing of the Landlord acting in its absolute discretion

4.16 **Environmental**

The Tenant accepts the Premises in their current state and condition and is fully aware of their state and condition. The Tenant will comply with the requirements of environmental Legislation in so far as it relates to the Premises and will indemnify the Landlord against any liability of the Landlord whatsoever arising as a result of the state and condition of the Premises.

4.17 **Insurance**

Provision of insurance

4.17.1 Subject to the provisions of clauses 4.17.3 and 4.17.4 the Tenant will insure against

4.17.1.1 the Insured Risks causing damage to the Premises; and

4.17.1.2 third party liability and public liability for such sum as is contained within the Project Agreement insofar as this insurance has not been satisfied by the Project Insurances (as defined in the Project Agreement).

Such insurance will be effected with an insurer approved by the Landlord (such approval not to be unreasonably withheld or delayed) and will be in the names of the Landlord and the Tenant.

4.17.2 The insurance referred to at clause 4.17.1.1 is to be for the cost of reinstatement at the start of the relevant period of insurance, together with a due allowance for:

4.17.2.1 an increase in building and other costs during the remainder of the relevant period;

4.17.2.2 the cost of demolition, site clearance, security and supporting the damaged part of the Premises;

4.17.2.3 the cost of complying with any Legislation;

4.17.2.4 professional fees; and

4.17.2.5 (if appropriate) VAT on all such sums.

Qualifications on the Tenant's obligation to insure

4.17.3 The Tenant's obligation in clause 4.17.1 is subject to:

4.17.3.1 any conditions, excesses, exclusions and limitations required by the Insurer or as the Tenant may negotiate with the Insurer with the Landlord's consent (not to be unreasonably withheld or delayed); and

4.17.3.2 insurance against any given Insured Risk being generally available in the United Kingdom insurance market on economic terms.

Reinstatement

4.17.4 Subject to clauses 4.17.5 and 4.17.6, if an Insured Risk damages the Premises, the Tenant will procure that the proceeds of the Tenant's insurance are used to reinstate the damage but, if they are insufficient for this purpose, this will not limit the Tenant's obligation to put the Premises into good repair and condition in accordance with the provisions of this lease at its own cost.

Qualifications on the Tenant's obligation to reinstate

4.17.5 The Tenant is not obliged to reinstate the Premises where damage has been caused by an Insured Risk to the extent that:

4.17.5.1 it cannot obtain any necessary consent needed under Legislation; or

4.17.5.2 reinstatement is impossible for any other reason,

provided that where clause 4.17.5.1 or clause 4.17.5.2 applies, the tenant shall (pursuant to the **Project Agreement**) use all reasonable endeavours to agree a revised Depot Strategy with the Landlord that will be capable of implementation in order to reinstate the Premises.

4.17.6 The Tenant may reinstate the Premises in a different form to that existing before the damage occurred where the variation is approved by the Landlord in accordance with the Depot Strategy provisions in the **Project Agreement** (whether in accordance with clause 4.17.5 or otherwise) and :

4.17.6.1 is required either by the Insurer or to comply with Legislation; or

4.17.6.2 reflects good building practice then current; or

and any such variation must not make the Premises materially different in size or less amenable than it was before the damage occurred unless otherwise agreed between the parties.

Tenant's obligations

4.17.7 The Tenant will:

4.17.7.1 effect a professional valuation of the Premises for insurance purposes no later than 5 years from today and again at intervals of no less than every 5 years and each time will provide a copy of each valuation to the Landlord;

- 4.17.7.2 notify the Landlord, if and as soon as the Tenant becomes aware, that the Premises has been damaged by an Insured Risk;
- 4.17.7.3 comply with the Insurer's requirements;
- 4.17.7.4 not do anything to make the insurance effected under clause 4.17.1 less effective; and
- 4.17.7.5 apply the proceeds of any insurance it maintains in relation to the physical condition of the Premises and not effected as an obligation under this lease to make good the damage to which it relates.

Determination

4.17.8 If an Insured Risk damages the Premises so it that is unfit for occupation and/or use and either:

- 4.17.8.1 the Tenant is not obliged to reinstate it in accordance with the provisions of this lease; or
- 4.17.8.2 the Tenant has not completed the reinstatement within 2 years of the date of damage for a reason listed in clauses 4.17.3 and 4.17.4,

then, without prejudice to the obligations of the Tenant to continue to provide the services in accordance with the Project Agreement, this lease may be determined by the Landlord by notice to the Tenant and the Agent (as defined in the Project Agreement).

4.17.9 If this lease is determined under this clause, any money received from the Insurer or pursuant to a policy of the kind described in clause 4.17.7.5 belongs to the Landlord absolutely.

4.18 **Signs and Advertisements**

Save as required or agreed pursuant to the **Project Agreement** not without the consent in writing of the Landlord first obtained (such consent not to be unreasonably withheld or delayed) to affix or display or permit or suffer to be affixed or displayed to or on the Premises any sign fascia

hoarding poster placard skysign flagpole mast lettering or advertisement whatsoever which shall be visible from outside the Premises and in default of obtaining such consent the Landlord may enter and remove the same at the cost of the Tenant.

4.19 Encroachment

To take all steps reasonably necessary to prevent any encroachment upon the Premises or the acquisition of any new right to light passage drainage or other encroachment by a third party over upon or under the Premises and to give notice to the Landlord of any threatened encroachment or attempt to acquire any such easement

4.20 Alienation

4.20.1 Not to assign, underlet, charge, share occupation or otherwise deal with the whole or any part or parts of the Premises save as permitted by the Project Agreement and/or Senior Lender's Direct Agreement and clause 4.20.2 below.

4.20.2 Not to sublet the whole of the Premises other than to Amey LG Limited in accordance with clause 4.20.3 below

4.20.3 The Tenant may sublet the whole of the Premises to Amey LG Limited in the form of the underlease at Schedule 5 without obtaining the consent of the Landlord and the Tenant covenants to enforce the tenant's covenants in any such underlease against Amey LG Limited.

4.20.4 The Tenant may share occupation of the Premises with a company incorporated in England and Wales that is a member of the same group as defined by section 42 of the Landlord and Tenant Act 1954 provided that no tenancy is created and that any such occupation is for the purposes of the use permitted by clause 4.13 only.

4.21 Fire Fighting Equipment

To keep the Premises supplied and equipped with all fire fighting and extinguishing appliances as may from time to time be required by law or by the insurers of the Premises or by the Landlord and in such latter case

as notified to the Tenant in writing and also to keep in force regular maintenance contracts for such fire fighting and extinguishing appliances

4.22 Notice of defects

To give notice forthwith on the Tenant becoming aware of the same to the Landlord of any "relevant defect" within the meaning of section 4 of the Defective Premises Act 1972 or any statutory modification or re-enactment thereof in the state of the Premises and at all times to display and maintain all notices (including the wording thereof) and barriers or screens which the Landlord may from time to time properly display or erect or require to be displayed or erected at or in the Premises pursuant to the above

4.23 Title

To observe and perform the covenants rights exceptions reservations and other matters contained mentioned or referred to in schedule 4 (if any) during the Term and to keep the Landlord fully and effectually indemnified at all times and the Tenant hereby indemnifies the Landlord accordingly against all costs claims liabilities actions and expenses arising from any breach non-observance or non-performance of or non-compliance with any of the aforesaid covenants rights exceptions reservations and other matters by the Tenant

4.24 Regulations

To comply with all reasonable regulations promulgated by the Landlord (acting reasonably) in connection with the Premises

4.25 Indemnity

To keep the Landlord indemnified against all actions, proceedings, costs, claims, demands and expenses in respect of any liability or alleged liability in respect of any injury to or the death of any person (however the same may be caused), damage to any property moveable or immovable, Legislation, the infringement, disturbance or destructions of any right easement or privilege and every other liability arising directly or indirectly out of any defect in or the condition or use of the Property or anything done or omitted to be done on them, or any breach of the Tenant's

obligations in this Lease and to notify the Landlord in writing immediately upon any of the events or matters referred to in this clause happening.

4.26 **Use of the Premises in a Major Emergency**

In the event of a Major Emergency the Tenant will make the Premises available for use in accordance with and otherwise observe the provisions of Schedule 11 (Emergency Planning and Response) of the Project Agreement.

5. **LANDLORDS COVENANTS**

The Landlord **hereby covenants** with the Tenant as follows

- 5.1 that the Tenant paying the rents hereby reserved and made payable and performing and observing the several covenants conditions and agreements herein contained and on the Tenant's part to be performed and observed shall and may peaceably and quietly hold and enjoy the Premises during the Term without any lawful interruption or disturbance from or by the Landlord or any person claiming under or in trust for the Landlord.
- 5.2 To ensure that the Landlord and/or any person or persons entering upon the Premises on behalf of the Landlord and/or pursuant to any and/or all of the rights of entry reserved to the Landlord in this lease do so causing as little interference and/or disruption to the Tenant's business and/or the Premises and/or the operation of the **Project Agreement** as reasonably practicable and to make good any damage caused pursuant to the above
- 5.3 (If applicable) subject to payment by the Tenant of the sums due in accordance with clause 4.4 to keep the access road shown coloured brown on the Plan in a reasonable state of repair and condition and fit for the use permitted by this lease

6. EXCLUSION ORDER

6.1 Under section 38A(1) of the 1954 Act, the parties agree that the provisions of sections 24 to 28 (inclusive) of the 1954 Act are excluded in relation to the tenancy created by this lease

6.2 At the appropriate time before the Tenant became contractually bound to enter into the tenancy created by this lease:

6.2.1 the Landlord served the notice ("**Notice**") referred to in section 38A(3)(a) of the 1954 Act on the Tenant in relation to the tenancy created by this lease; and the Tenant or a person duly authorised by the Tenant made the statutory declaration ("**Declaration**") referred to in paragraph 3 of schedule 2 to the Regulatory Reform (Business Tenancies) (England and Wales) Order 2003 in relation to the Notice.

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

6.2.3 in all respects relevant to the agreement to exclude security of tenure the form of this lease is the same as that which was in the parties' contemplation at the time of service of the Notice.

7 IT IS HEREBY AGREED AND DECLARED AS FOLLOWS:

7.1 Notices

Any notice request consent or approval under this lease shall be served in accordance with the provisions contained in the **Project Agreement**

7.2 VAT

7.2.1 In every case where the Tenant has agreed to reimburse the Landlord in respect of any payment made by the Landlord under the terms of or in connection with this lease the Tenant shall also reimburse the Landlord with any VAT properly paid by the

Landlord on such payment to the extent the Landlord is unable to recover the same

7.2.2 Any reference in this lease to VAT shall be deemed to include a reference to any substituted or similar tax

7.3 **Project Agreement**

In the event of any conflict between the terms of this lease and the **Project Agreement** the terms of the **Project Agreement** shall prevail

7.4 **Contracts Third Party Rights**

A person who is not a party to this deed shall have no right under the Contracts (Rights of Third Parties Act) 1999 to enforce any term of this deed This clause does not affect any rights or remedy of any person which exists or is available otherwise pursuant to that Act

7.5 **Disputes**

In the event of any dispute under this lease the matter shall be determined in accordance with the Dispute Resolution Procedure as defined in and contained in the **Project Agreement**

7.6 **Statutory Capacity of Landlord**

For so long as the reversion immediately expectant on the Term shall be vested in The Sheffield City Council or any statutory successor in title nothing herein contained or implied shall prejudice or affect the Landlord's rights powers duties and obligations in the exercise of its functions as a local authority and the rights powers duties and obligations of the Landlord under all statutes regulations and bylaws may be as fully and effectually exercised in relation to the Premises and the buildings or structures to be erected as if they were not the owners of the Premises and this lease had not been executed by the Landlord

7.7 **New Tenancy**

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

7.8 No Implied Easements

Save as stated in schedule 2 this lease does not include any rights over the Landlord's adjoining property (if any) and section 62 of the Law of Property Act 1925 is excluded from this lease

7.9 Jurisdiction

This lease is to be governed by and construed in accordance with the laws of England

IN WITNESS whereof this lease has been executed as a deed by the parties and is intended to be and is hereby delivered on the date which first appears in this deed

SCHEDULE 1

Description of the Premises

All that property situate at Ecclesfield Depot, Station Road, Sheffield shown edged red on the Plan

SCHEDULE 2

Rights granted

1. The right to use and maintain any Utilities and other rights and easements currently benefiting and enjoyed by the Premises and necessary for the proper performance of the Project Agreement

SCHEDULE 3

Rights reserved

1. to the extent reasonably required (but subject to the provisions of the **Project Agreement**) full right and liberty for the Landlord and its surveyors agents workmen and others at all times upon reasonable notice (save in case of emergency) to enter into and upon the Premises and all parts thereof for the purpose of:
 - 1.1. carrying out any obligations of the Landlord under the **Project Agreement** or enforcing any obligations against the Tenant under the **Project Agreement**
 - 1.2. doing effecting operating or carrying out any other operation falling within the Landlord's functions or powers either as Landlord pursuant to the terms of this lease or under the **Project Agreement** or as the relevant statutory or other authority
2. all rights of light air and other easements and rights (but without prejudice to any expressly hereinbefore granted to the Tenant) now or hereafter belonging to or enjoyed by the Premises from or over any adjacent or neighbouring land or buildings of the Landlord or any other Premises
3. the right to build or rebuild or alter any adjacent or neighbouring land or buildings of the Landlord in any manner whatsoever and to let the same for any purpose or otherwise deal therewith notwithstanding the light to the Premises is in any such case thereby diminished or prejudicially affected
4. the right to enter upon the Premises (on reasonable written notice save in the case of emergency) for the purpose of laying inspecting maintaining and connecting to any Utilities and the free passage of services through the same the person or persons so entering causing as little damage and disturbance as practicable and making good all damage or reasonably foreseeable losses thereby occasioned by the Tenant

SCHEDULE 4

Matters affecting title

1. Subject to the covenants conditions exceptions reservations contained in the registers of Title numbers SYK2709 and SYK115204 so far as the same relate to the Premises
2. Subject to the Lease dated 29/07/1974 registered under title number SYK553770 and the covenants conditions therein contained

SCHEDULE 5

Form of Underlease

Executed as a deed by **THE SHEFFIELD**)
CITY COUNCIL by the affixing of its common)
seal in the presence of)

Authorised Signatory

Executed as a Deed by **AMEY HALLAM**
HIGHWAYS LIMITED
acting by
a Director in the presence of:

Signature:

Name:

Address:

N.B. The Eyre Lane Depot lease has been surrendered; but as it made up part of the contract at the time of agreement it has been released for completeness and transparency.

2012

(1) THE SHEFFIELD CITY COUNCIL

- and -

(2) AMEY HALLAM HIGHWAYS LIMITED

LEASE

of

Eyre Lane Depot, Sheffield

PRESCRIBED CLAUSES

LR1. Date of lease

LR2. Title number(s)

LR2.1 Landlord's title number(s)

None

LR2.2 Other title numbers

None

LR3. Parties to this lease

Landlord

THE SHEFFIELD CITY COUNCIL of Town Hall, Sheffield, S1 2HH

Tenant

AMEY HALLAM HIGHWAYS LIMITED (Company Registration Number 08121168)
whose registered office is at The Sherard Building, Edmund Halley Road, Oxford OX4
4DQ

Other parties

None

LR4. Property

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

See the definition of "Premises" in the Definitions section of this lease.

LR5. Prescribed statements etc.

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

None.

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

None.

LR6. Term for which the Property is leased

The term as specified in this lease at clause 3.

LR7. Premium

None.

LR8. Prohibitions or restrictions on disposing of this lease

This lease contains a provision that prohibits or restricts dispositions.

LR9. Rights of acquisition etc.

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

None.

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

None.

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

None.

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

None.

LR11. Easements

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

The easements as specified in Schedule 2 of this lease.

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

The easements as specified in Schedule 3 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

None

HM LAND REGISTRY
Land Registration Acts

County and District : South Yorkshire: Sheffield
Title number : To be allotted
Property : Eyre Lane Depot, Sheffield
Date :

THIS LEASE made

2012

BETWEEN:

- (1) **THE SHEFFIELD CITY COUNCIL** of Town Hall, Sheffield S1 2HH ("**Landlord**")
- (2) **AMEY HALLAM HIGHWAYS LIMITED** (company number 08121168 England) whose registered office is at The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ ("**Tenant**")

WHEREAS:

- A This lease is supplemental to the **Project Agreement**
- B For the purpose of effecting the terms of the **Project Agreement** the Landlord has agreed to grant to the Tenant a lease of the Premises solely for the occupation by the Tenant for the purposes of the **Project Agreement**

WITNESSES as follows:

1. DEFINITIONS

- 1.1 Unless the context otherwise requires the following expressions bear the meanings ascribed to them as follows:

"Commencement Date" shall be the Services Commencement Date as the same is defined in the **Project Agreement**

"Default Interest Rate" shall be the **"Prescribed Rate"** as the same is as defined in the **Project Agreement**

“Depot Strategy” means as defined in the **Project Agreement**

“Expiry Date” means 20 August 2037;

"Tenant" includes the Tenant's successors in title (if any)

"Insured Risks" means (subject to the provisions of clause 4.17) fire, storm, tempest, lightning, explosion, aircraft and articles dropped from them, flood, earthquake, impact by road vehicles, riot, civil commotion, malicious damage, bursting and overflowing of water tanks, apparatus and pipes, landslip, subsidence and heave and such other risks as the Landlord may properly stipulate at any time;

"Insurer" means the insurance company or underwriter with whom the Tenant effects insurance under clause 4.17;

"Landlord" means the estate owner of the reversion immediately expectant on the Term

"Landlords Fixtures and Fittings" means those fixtures and fittings belonging to the Landlord and affixed to and forming part of the Premises

"Legislation" means as defined in the **Project Agreement**

"Major Emergency" means as defined in the **Project Agreement**

"Plan" means the plan annexed

"Premises" means the land described in schedule 1 and each and every part thereof together with the buildings thereon or on any part thereof and includes the Landlord's Fixtures and Fittings therein or thereon

"Project Agreement" means the Agreement dated 31 July 2012 made between the Landlord and the Tenant whereby the Tenant is to carry out services relating to the Sheffield Highways PFI as amended in accordance with its terms

“Senior Lender’s Direct Agreement means the agreement dated 31 July 2012 made between the Landlord, the Tenant and Lloyds TSB Bank plc

"Term" means the term of this lease hereby granted

"Town and Country Planning Acts" means the Town and Country Planning Act 1990 the Planning (Listed Buildings and Conservation Areas) Act 1990 the Planning (Hazardous Substances) Act 1990 and the Planning (Consequential Provisions) Act 1990 and the Planning and Compensation Act 1991 and any Act or Acts for the time being in force amending or replacing or modifying the same and includes any order instrument regulation direction made or issued thereunder or deriving validity therefrom

"Utilities" means all utilities which are from time to time supplied to or used at the Premises to include (without limitation) sewage and foul water waste drainage rain and other surface water drainage waste disposal electricity water heating oil gas and telecommunications including all conduits cables ducting tanks and all supporting media necessary for the continuous supply of the Utilities

"VAT" means value added tax

"Works" means the works of alteration or improvement to be carried out to the Premises (if any) as detailed in the Depot Strategy in the Project Agreement

2. INTERPRETATION

2.1 In this lease except where the context or its express provisions otherwise require:

2.1.1 words importing a gender includes all genders

2.1.2 headings sub-headings and the index are for ease of reference only and shall not be taken into consideration in the interpretation or construction of this lease

2.1.3 references to a clause or schedule are unless the context otherwise requires references to a clause or schedule of this lease

2.1.4 the singular includes the plural and vice versa

- 2.1.5 any reference to any statute or statutory provision includes reference to any statute or statutory provision which amends extends consolidates or replaces the same or which has been amended extended consolidated or replaced by the same and shall include any orders regulations or other subordinate legislation made under any relevant statute or statutory provision
- 2.1.6 any covenant on the part of the Tenant not to do or omit to do or permit or suffer to be done (as the case may be) any act or thing shall be deemed to include an obligation not to knowingly permit or suffer such act or thing to be done or omitted (as the case may be)
- 2.1.7 "**person**" shall include any individual partnership firm trust body corporate or incorporate government or government body authority or agency and a reference to a person includes a reference to that person's successors and assigns and
- 2.1.8 words and expressions defined and used in the **Project Agreement** shall have the same meaning herein as is ascribed in the **Project Agreement** save where such interpretation would conflict with the express terms hereof
- 2.2 Unless the context otherwise requires this lease shall be construed so that where there is more than one person for the time being included in the expression "**Tenant**" or "**Landlord**" covenants and obligations at any time expressed to be made or assumed by the party in question are made and are to be construed as made by all such persons jointly and severally and covenants and obligations made or assumed by any party shall be binding on and enforceable against his personal representatives

3. **DEMISE**

In consideration of the rent hereinafter reserved and of the covenants on the part of the Tenant and conditions hereinafter reserved and contained the Landlord **hereby demises** unto the Tenant **all that** the Premises **together with** the rights set out in schedule 2 (if any) but subject to the exceptions and reservations in favour of the Landlord and all others entitled thereto as set out in schedule 3 to

hold the same unto the Tenant **provided that** if the **Project Agreement** is determined in accordance with the terms thereof then the Term shall absolutely cease and determine coincidentally with the determination of the Project Agreement and also further provided that this lease may be determined pursuant to clause 4.17.8 but without prejudice to the rights of either party against the other in respect of any antecedent breach of covenant **subject to** the covenants rights exceptions reservations and other matters referred to in the deeds and documents listed in schedule 4 (if any) in so far as the same subsist and affect the Premises and to all other easements rights quasi-easements and privileges to which the Premises are or may be subject for the term commencing on the Commencement Date and terminating on the Expiry Date **yielding and paying therefor** unto the Landlord **firstly** the yearly rent exclusive of VAT of one pound (£1.00) if demanded to be paid in advance on the 1 April in each year and **secondly** as additional rent all VAT (if any) payable pursuant to clause 4.1.3 of this lease

4. TENANTS COVENANTS

The Tenant hereby covenants with the Landlord as follows:

4.1 Payments and Outgoings

4.1.1 To bear pay and discharge from the date of this lease to the expiration or sooner determination of the Term and indemnify the Landlord against all existing and future rates taxes duties charges assessments impositions and outgoings whatsoever (whether parliamentary parochial local or of any other description and whether or not of a capital or non-recurring nature) (save those which relate to a period before the date of this lease) which are now or may at any time hereafter be assessed charged levied or imposed upon or payable in respect of the Premises or any part thereof or assessed charged levied or imposed upon or payable by any estate owner landlord tenant or occupier in respect thereof excluding any tax payable by the Landlord as a result of the grant of this lease or any dealing with the reversion of this lease or upon the receipt of rents

4.1.2 To pay and discharge all costs incurred in respect of the Utilities consumed on the Premises and other services supplied to and

used at the Premises whether in connection with the performance of the **Project Agreement** or otherwise from the date of this lease to the expiration or earlier determination of the Term

4.1.3 To pay to the Landlord by way of additional rent all VAT at the rate for the time being in force which shall be properly payable (whether by statute or as the result of the exercise by the Landlord of a statutory right to waive an exemption or make an election) in respect of the rents and other sums payable by the Tenant hereunder and in every case where the Tenant covenants to pay an amount of money hereunder such amount shall be regarded as being exclusive of VAT

4.2 **Interest**

If at any time during the Term any sums due hereunder from the Tenant to the Landlord shall remain unpaid for more than 14 days after becoming due and payable to pay to the Landlord interest upon the same at the Default Interest Rate calculated on a day to day basis (as well after as before any judgment) from the date upon which the same first became due until the date of actual payment **provided** that nothing herein contained shall entitle the Tenant to withhold or delay payment thereof after the date upon which payment first falls due or in any way prejudice affect or derogate from the rights and remedies of the Landlord hereunder

4.3 **Notices**

To deliver to the Landlord as soon as reasonably practicable free of charge a copy of every notice order requisition direction or proposal given made or issued by a competent authority affecting the Premises or the user of the Premises as soon as the Tenant becomes aware thereof and at the request and cost of the Landlord to make or join in making such objections or representations against or in respect of any such notice order requisition direction or proposal as the Landlord shall reasonably deem expedient

4.4 **Common Matters**

Where there are any such common matters to pay a fair and reasonable proportion (to be determined by the Landlord's surveyor acting reasonably whose decision shall be final and binding save in the case of fraud or manifest error) of the reasonable and proper cost of making repairing and cleansing all party and other walls Utilities and other facilities belonging to or used with the Premises in common with adjoining or neighbouring premises all reasonable and proper amounts due from the Tenant under this clause being payable to the Landlord within 14 days of demand

4.5 **Repair and Maintenance**

4.5.1 Subject to clause 4.17:

4.5.1.1 to keep the Premises and the Utilities exclusively serving the Premises in such repair and maintained in such condition and decorative order as is up to a standard at least to the equal of the condition and decorative order at the date of this lease; or

4.5.1.2 where the Tenant has undertaken any Works in good and substantial repair and condition;

as shall be applicable, and not to cause or permit any damage to them

4.5.2 To maintain the boundary fences to the Premises and to secure the Premises from unauthorised access so far as reasonably practicable

4.6 **Expenses**

To pay all reasonable and proper expenses (including without prejudice to the generality thereof Solicitors' Counsel's Architects' Surveyors' and Bailiffs' fees and other professional costs) and value added tax thereon which may be properly incurred by the Landlord:

4.6.1 in or in reasonable contemplation of any proceedings under section 146 or 147 of the Law of Property Act 1925 or any

statutory modification or re-enactment thereof for the time being in force or the preparation and service of any notice under those sections notwithstanding that forfeiture may be avoided otherwise than by relief granted by the Court

4.6.2 in the recovery or attempted recovery of arrears of rent and additional rent due from the Tenant hereunder

4.6.3 in preparing and serving a schedule of dilapidations at any time during the Term or within 3 months after its expiration or determination

4.6.4 in connection with any consent or approval required to be given by the Landlord

4.7 **Yielding up**

To yield up the Premises unto the Landlord at the expiration or sooner determination of the Term so painted treated repaired cleansed maintained amended and kept in accordance with this lease and in any event to remove any moulding sign writing or painting of the name or business of the Tenant and other persons from the Premises and make good any damage caused to the Premises by such removal or removal of the Tenant's fixtures fittings furniture and effects

4.8 **Inspection**

To permit the Landlord and its agents with or without workmen and others at any reasonable time or times on not less than 48 hours prior notice (save in case of emergency) or otherwise in accordance with the provisions of the Project Agreement to enter and examine the Premises to ensure that nothing has been done or omitted to be done therein which constitutes a breach of any of the covenants contained in this lease or any breach of the provisions of the **Project Agreement** and to examine the state and condition of the Premises

4.9 **Notice to repair**

Without prejudice to the requirements of the **Project Agreement** duly and as soon as reasonably practicable (save in the case of an emergency where it must immediately) to remedy repair and make good all material

breaches of covenant and defects of which prior notice in writing shall be given by the Landlord to the Tenant and which the Tenant shall be liable to remedy repair or make good under the terms of this lease and in case the Tenant shall make default in so doing within two months after the date of any such notice it shall be lawful (but not obligatory) for the Landlord without prejudice to the right of re-entry hereinafter contained to enter upon the Premises and to remedy repair and make good the same at the cost of the Tenant which cost together with the reasonable and proper expenses of the Landlord (including surveyors' and other professional fees) and VAT thereon to be paid within 14 days of demand

4.10 Entry for Works

To permit the Landlord and all persons authorised by it and their agents and workmen and the owners and occupiers of any adjoining or neighbouring premises or their respective agents and workmen at any reasonable time or times upon not less than 48 hours prior written notice save in case of emergency to enter upon the Premises for executing repairs additions or alterations to or upon any adjoining or neighbouring premises or for building on land adjoining the Premises or for laying constructing repairing maintaining renewing making connections with or cleansing or keeping in good order and condition all pipes drains channels watercourses sewers wires cables gutters ditches culverts fences or other conveniences which shall belong to or serve the Premises in common with other premises or be in or upon the Premises and serve other premises and also for the purpose of laying down maintaining repairing renewing and testing drainage gas and water pipes and electric wires or cables or for other similar purposes causing as little damage or inconvenience as possible and the Landlord making good all damage or reasonably foreseeable losses caused

4.11 Entry to view

To permit the Landlord or its agents at any time within six calendar months next before the expiration of the Term to enter upon the Premises upon not less than 48 hours prior written notice and to fix and retain without interference upon any suitable and reasonable part or parts thereof a notice board for re-letting the same and to permit all persons by order in writing of the Landlord or its agents to view the Premises at all

convenient hours in the daytime upon not less than 48 hours prior written notice

4.12 **Alterations**

4.12.1 Save as specifically set out by the Tenant in the **Depot Strategy** and then in accordance with the **Depot Strategy** not to make or permit or suffer to be made any structural alterations additions or improvements of whatsoever nature to the Premises nor to erect anything thereon without the prior written approval of the Landlord pursuant to the provisions of the Project Agreement

4.12.2 Where under the Project Agreement the Tenant is required or resolves to carry out Works to the Premises to carry out those Works in all respects in accordance with the provisions of the Project Agreement contained therein

4.13 **User**

Not to use or permit or suffer the Premises to be used otherwise than in accordance with the **Project Agreement** save with the prior written approval of the Landlord acting in its absolute discretion.

4.14 **Legislation**

At all times during the Term at the Tenant's own expense to observe and comply with:

4.14.1 all Legislation now or hereafter to be passed

4.14.2 all notices directions orders regulations byelaws rules and conditions made or to be made under or by virtue of any Legislation and

4.14.3 all requirements of any public or local authority so far as they relate to or affect the Premises or the contents thereof or the user of the Premises or the employment thereon of any persons

4.15 **Planning Permission**

Save where such matters have already been agreed between the Landlord and the Tenant and/or save where permitted by the Project Agreement subject and without prejudice to clause 4.14 (but subject always to the provisions of the **Project Agreement**) not to make or permit or suffer to be made any application for planning permission without the prior written consent in writing of the Landlord acting in its absolute discretion

4.16 **Environmental**

The Tenant accepts the Premises in their current state and condition and is fully aware of their state and condition. The Tenant will comply with the requirements of environmental Legislation in so far as it relates to the Premises and will indemnify the Landlord against any liability of the Landlord whatsoever arising as a result of the state and condition of the Premises.

4.17 **Insurance**

Provision of insurance

4.17.1 Subject to the provisions of clauses 4.17.3 and 4.17.4 the Tenant will insure against

4.17.1.1 the Insured Risks causing damage to the Premises; and

4.17.1.2 third party liability and public liability for such sum as is contained within the Project Agreement insofar as this insurance has not been satisfied by the Project Insurances (as defined in the Project Agreement).

Such insurance will be effected with an insurer approved by the Landlord (such approval not to be unreasonably withheld or delayed) and will be in the names of the Landlord and the Tenant.

4.17.2 The insurance referred to at clause 4.17.1.1 is to be for the cost of reinstatement at the start of the relevant period of insurance, together with a due allowance for:

- 4.17.2.1 an increase in building and other costs during the remainder of the relevant period;
- 4.17.2.2 the cost of demolition, site clearance, security and supporting the damaged part of the Premises;
- 4.17.2.3 the cost of complying with any Legislation;
- 4.17.2.4 professional fees; and
- 4.17.2.5 (if appropriate) VAT on all such sums.

Qualifications on the Tenant's obligation to insure

4.17.3 The Tenant's obligation in clause 4.17.1 is subject to:

- 4.17.3.1 any conditions, excesses, exclusions and limitations required by the Insurer or as the Tenant may negotiate with the Insurer with the Landlord's consent (not to be unreasonably withheld or delayed); and
- 4.17.3.2 insurance against any given Insured Risk being generally available in the United Kingdom insurance market on economic terms.

Reinstatement

4.17.4 Subject to clauses 4.17.5 and 4.17.6, if an Insured Risk damages the Premises, the Tenant will procure that the proceeds of the Tenant's insurance are used to reinstate the damage but, if they are insufficient for this purpose, this will not limit the Tenant's obligation to put the Premises into good repair and condition in accordance with the provisions of this lease at its own cost.

Qualifications on the Tenant's obligation to reinstate

4.17.5 The Tenant is not obliged to reinstate the Premises where damage has been caused by an Insured Risk to the extent that:

4.17.5.1 it cannot obtain any necessary consent needed under Legislation; or

4.17.5.2 reinstatement is impossible for any other reason,

provided that where clause 4.17.5.1 or clause 4.17.5.2 applies, the tenant shall (pursuant to the **Project Agreement**) use all reasonable endeavours to agree a revised Depot Strategy with the Landlord that will be capable of implementation in order to reinstate the Premises.

4.17.6 The Tenant may reinstate the Premises in a different form to that existing before the damage occurred where the variation is approved by the Landlord in accordance with the Depot Strategy provisions in the **Project Agreement** (whether in accordance with clause 4.17.5 or otherwise) and :

4.17.6.1 is required either by the Insurer or to comply with Legislation; or

4.17.6.2 reflects good building practice then current; or

and any such variation must not make the Premises materially different in size or less amenable than it was before the damage occurred unless otherwise agreed between the parties.

Tenant's obligations

4.17.7 The Tenant will:

4.17.7.1 effect a professional valuation of the Premises for insurance purposes no later than 5 years from today and again at intervals of no less than every 5 years and each time will provide a copy of each valuation to the Landlord;

- 4.17.7.2 notify the Landlord, if and as soon as the Tenant becomes aware, that the Premises has been damaged by an Insured Risk;
- 4.17.7.3 comply with the Insurer's requirements;
- 4.17.7.4 not do anything to make the insurance effected under clause 4.17.1 less effective; and
- 4.17.7.5 apply the proceeds of any insurance it maintains in relation to the physical condition of the Premises and not effected as an obligation under this lease to make good the damage to which it relates.

Determination

4.17.8 If an Insured Risk damages the Premises so it that is unfit for occupation and/or use and either:

- 4.17.8.1 the Tenant is not obliged to reinstate it in accordance with the provisions of this lease; or
- 4.17.8.2 the Tenant has not completed the reinstatement within 2 years of the date of damage for a reason listed in clauses 4.17.3 and 4.17.4,

then, without prejudice to the obligations of the Tenant to continue to provide the services in accordance with the Project Agreement, this lease may be determined by the Landlord by notice to the Tenant and the Agent (as defined in the Project Agreement).

4.17.9 If this lease is determined under this clause, any money received from the Insurer or pursuant to a policy of the kind described in clause 4.17.7.5 belongs to the Landlord absolutely.

4.18 Signs and Advertisements

Save as required or agreed pursuant to the **Project Agreement** not without the consent in writing of the Landlord first obtained (such consent not to be unreasonably withheld or delayed) to affix or display or permit or suffer to be affixed or displayed to or on the Premises any sign fascia

hoarding poster placard skysign flagpole mast lettering or advertisement whatsoever which shall be visible from outside the Premises and in default of obtaining such consent the Landlord may enter and remove the same at the cost of the Tenant.

4.19 Encroachment

To take all steps reasonably necessary to prevent any encroachment upon the Premises or the acquisition of any new right to light passage drainage or other encroachment by a third party over upon or under the Premises and to give notice to the Landlord of any threatened encroachment or attempt to acquire any such easement

4.20 Alienation

4.20.1 Not to assign, underlet, charge, share occupation or otherwise deal with the whole or any part or parts of the Premises save as permitted by the Project Agreement and/or Senior Lender's Direct Agreement and clause 4.20.2 below.

4.20.2 Not to sublet the whole of the Premises other than to Amey LG Limited in accordance with clause 4.20.3 below

4.20.3 The Tenant may sublet the whole of the Premises to Amey LG Limited in the form of the underlease at Schedule 5 without obtaining the consent of the Landlord and the Tenant covenants to enforce the tenant's covenants in any such underlease against Amey LG Limited.

4.20.4 The Tenant may share occupation of the Premises with a company incorporated in England and Wales that is a member of the same group as defined by section 42 of the Landlord and Tenant Act 1954 provided that no tenancy is created and that any such occupation is for the purposes of the use permitted by clause 4.13 only.

4.21 Fire Fighting Equipment

To keep the Premises supplied and equipped with all fire fighting and extinguishing appliances as may from time to time be required by law or by the insurers of the Premises or by the Landlord and in such latter case

as notified to the Tenant in writing and also to keep in force regular maintenance contracts for such fire fighting and extinguishing appliances

4.22 Notice of defects

To give notice forthwith on the Tenant becoming aware of the same to the Landlord of any "relevant defect" within the meaning of section 4 of the Defective Premises Act 1972 or any statutory modification or re-enactment thereof in the state of the Premises and at all times to display and maintain all notices (including the wording thereof) and barriers or screens which the Landlord may from time to time properly display or erect or require to be displayed or erected at or in the Premises pursuant to the above

4.23 Title

To observe and perform the covenants rights exceptions reservations and other matters contained mentioned or referred to in schedule 4 (if any) during the Term and to keep the Landlord fully and effectually indemnified at all times and the Tenant hereby indemnifies the Landlord accordingly against all costs claims liabilities actions and expenses arising from any breach non-observance or non-performance of or non-compliance with any of the aforesaid covenants rights exceptions reservations and other matters by the Tenant

4.24 Regulations

To comply with all reasonable regulations promulgated by the Landlord (acting reasonably) in connection with the Premises

4.25 Indemnity

To keep the Landlord indemnified against all actions, proceedings, costs, claims, demands and expenses in respect of any liability or alleged liability in respect of any injury to or the death of any person (however the same may be caused), damage to any property moveable or immovable, Legislation, the infringement, disturbance or destructions of any right easement or privilege and every other liability arising directly or indirectly out of any defect in or the condition or use of the Property or anything done or omitted to be done on them, or any breach of the Tenant's

obligations in this Lease and to notify the Landlord in writing immediately upon any of the events or matters referred to in this clause happening.

4.26 **Use of the Premises in a Major Emergency**

In the event of a Major Emergency the Tenant will make the Premises available for use in accordance with and otherwise observe the provisions of Schedule 11 (Emergency Planning and Response) of the Project Agreement.

5. **LANDLORDS COVENANTS**

The Landlord **hereby covenants** with the Tenant as follows

- 5.1 that the Tenant paying the rents hereby reserved and made payable and performing and observing the several covenants conditions and agreements herein contained and on the Tenant's part to be performed and observed shall and may peaceably and quietly hold and enjoy the Premises during the Term without any lawful interruption or disturbance from or by the Landlord or any person claiming under or in trust for the Landlord.
- 5.2 To ensure that the Landlord and/or any person or persons entering upon the Premises on behalf of the Landlord and/or pursuant to any and/or all of the rights of entry reserved to the Landlord in this lease do so causing as little interference and/or disruption to the Tenant's business and/or the Premises and/or the operation of the **Project Agreement** as reasonably practicable and to make good any damage caused pursuant to the above
- 5.3 (If applicable) subject to payment by the Tenant of the sums due in accordance with clause 4.4 to keep the access road shown coloured brown on the Plan in a reasonable state of repair and condition and fit for the use permitted by this lease

6. EXCLUSION ORDER

6.1 Under section 38A(1) of the 1954 Act, the parties agree that the provisions of sections 24 to 28 (inclusive) of the 1954 Act are excluded in relation to the tenancy created by this lease

6.2 At the appropriate time before the Tenant became contractually bound to enter into the tenancy created by this lease:

6.2.1 the Landlord served the notice ("**Notice**") referred to in section 38A(3)(a) of the 1954 Act on the Tenant in relation to the tenancy created by this lease; and the Tenant or a person duly authorised by the Tenant made the statutory declaration ("**Declaration**") referred to in paragraph 3 of schedule 2 to the Regulatory Reform (Business Tenancies) (England and Wales) Order 2003 in relation to the Notice.

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

6.2.3 in all respects relevant to the agreement to exclude security of tenure the form of this lease is the same as that which was in the parties' contemplation at the time of service of the Notice.

7 IT IS HEREBY AGREED AND DECLARED AS FOLLOWS:

7.1 Notices

Any notice request consent or approval under this lease shall be served in accordance with the provisions contained in the **Project Agreement**

7.2 VAT

7.2.1 In every case where the Tenant has agreed to reimburse the Landlord in respect of any payment made by the Landlord under the terms of or in connection with this lease the Tenant shall also reimburse the Landlord with any VAT properly paid by the

Landlord on such payment to the extent the Landlord is unable to recover the same

7.2.2 Any reference in this lease to VAT shall be deemed to include a reference to any substituted or similar tax

7.3 **Project Agreement**

In the event of any conflict between the terms of this lease and the **Project Agreement** the terms of the **Project Agreement** shall prevail

7.4 **Contracts Third Party Rights**

A person who is not a party to this deed shall have no right under the Contracts (Rights of Third Parties Act) 1999 to enforce any term of this deed This clause does not affect any rights or remedy of any person which exists or is available otherwise pursuant to that Act

7.5 **Disputes**

In the event of any dispute under this lease the matter shall be determined in accordance with the Dispute Resolution Procedure as defined in and contained in the **Project Agreement**

7.6 **Statutory Capacity of Landlord**

For so long as the reversion immediately expectant on the Term shall be vested in The Sheffield City Council or any statutory successor in title nothing herein contained or implied shall prejudice or affect the Landlord's rights powers duties and obligations in the exercise of its functions as a local authority and the rights powers duties and obligations of the Landlord under all statutes regulations and bylaws may be as fully and effectually exercised in relation to the Premises and the buildings or structures to be erected as if they were not the owners of the Premises and this lease had not been executed by the Landlord

7.7 **New Tenancy**

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

7.8 No Implied Easements

Save as stated in schedule 2 this lease does not include any rights over the Landlord's adjoining property (if any) and section 62 of the Law of Property Act 1925 is excluded from this lease

7.9 Jurisdiction

This lease is to be governed by and construed in accordance with the laws of England

7.10 Break Clause

If after the expiry of five (5) years from the date of this lease the Landlord shall desire to determine the Term hereby granted and shall give the Tenant not less than one (1) year's notice in writing of such desire then immediately on expiration of such notice this demise and everything therein contained shall cease and determine but without prejudice to the rights and remedies of either party against the other in respect of any antecedent claim or breach of covenant

IN WITNESS whereof this lease has been executed as a deed by the parties and is intended to be and is hereby delivered on the date which first appears in this deed

SCHEDULE 1

Description of the Premises

All that property situate at Eyre Lane Depot, Sheffield shown edged red on the Plan

SCHEDULE 2

Rights granted

1. The right to use and maintain any Utilities and other rights and easements currently benefiting and enjoyed by the Premises and necessary for the proper performance of the Project Agreement

SCHEDULE 3

Rights reserved

1. to the extent reasonably required (but subject to the provisions of the **Project Agreement**) full right and liberty for the Landlord and its surveyors agents workmen and others at all times upon reasonable notice (save in case of emergency) to enter into and upon the Premises and all parts thereof for the purpose of:
 - 1.1. carrying out any obligations of the Landlord under the **Project Agreement** or enforcing any obligations against the Tenant under the **Project Agreement**
 - 1.2. doing effecting operating or carrying out any other operation falling within the Landlord's functions or powers either as Landlord pursuant to the terms of this lease or under the **Project Agreement** or as the relevant statutory or other authority
2. all rights of light air and other easements and rights (but without prejudice to any expressly hereinbefore granted to the Tenant) now or hereafter belonging to or enjoyed by the Premises from or over any adjacent or neighbouring land or buildings of the Landlord or any other Premises
3. the right to build or rebuild or alter any adjacent or neighbouring land or buildings of the Landlord in any manner whatsoever and to let the same for any purpose or otherwise deal therewith notwithstanding the light to the Premises is in any such case thereby diminished or prejudicially affected
4. the right to enter upon the Premises (on reasonable written notice save in the case of emergency) for the purpose of laying inspecting maintaining and connecting to any Utilities and the free passage of services through the same the person or persons so entering causing as little damage and disturbance as practicable and making good all damage or reasonably foreseeable losses thereby occasioned by the Tenant

SCHEDULE 4

Matters affecting title

1. Subject to the covenants conditions exceptions and reservations (if any) contained in a Conveyance dated 16th June 1967 made between (1) Turners (Eyre Street) Limited and (2) The Lord Mayor Aldermen and Citizens of the City of Sheffield

SCHEDULE 5

Form of Underlease

Executed as a deed by **THE SHEFFIELD**)
CITY COUNCIL by the affiving of its common)
seal in the presence of:)

Executed as a Deed by **AMEY HALLAM**
HIGHWAYS LIMITED
acting by
a Director in the presence of:

Signature:

Name:

Address:

(1) THE SHEFFIELD CITY COUNCIL

- and -

(2) AMEY HALLAM HIGHWAYS LIMITED

LEASE

of

Olive Grove Depot, Sheffield

PRESCRIBED CLAUSES

LR1. Date of lease

LR2. Title number(s)

LR2.1 Landlord's title number(s)

SYK 274549

LR2.2 Other title numbers

SYK 556164 and SYK 582334

LR3. Parties to this lease

Landlord

THE SHEFFIELD CITY COUNCIL of Town Hall, Sheffield, S1 2HH

Tenant

AMEY HALLAM HIGHWAYS LIMITED (Company Registration Number 08121168)
whose registered office is at The Sherard Building, Edmund Halley Road, Oxford OX4
4DQ

Other parties

None

LR4. Property

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

See the definition of "Premises" in the Definitions section of this lease.

LR5. Prescribed statements etc.

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

None.

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

None.

LR6. Term for which the Property is leased

The term as specified in this lease at clause 3.

LR7. Premium

None.

LR8. Prohibitions or restrictions on disposing of this lease

This lease contains a provision that prohibits or restricts dispositions.

LR9. Rights of acquisition etc.

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

None.

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

None.

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

None.

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

None.

LR11. Easements

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

The easements as specified in Schedule 2 of this lease.

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

The easements as specified in Schedule 3 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

None

HM LAND REGISTRY
Land Registration Acts

County and District : South Yorkshire: Sheffield
Title number : To be allotted
Property : Olive Grove Depot, Sheffield
Date :

THIS LEASE made

2012

BETWEEN:

- (1) **THE SHEFFIELD CITY COUNCIL** of Town Hall, Sheffield S1 2HH ("**Landlord**")
- (2) **AMEY HALLAM HIGHWAYS LIMITED** (company number 08121168 England) whose registered office is at The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ ("**Tenant**")

WHEREAS:

- A This lease is supplemental to the **Project Agreement**
- B For the purpose of effecting the terms of the **Project Agreement** the Landlord has agreed to grant to the Tenant a lease of the Premises solely for the occupation by the Tenant for the purposes of the **Project Agreement**

WITNESSES as follows:

1. DEFINITIONS

- 1.1 Unless the context otherwise requires the following expressions bear the meanings ascribed to them as follows:

"Commencement Date" shall be the Services Commencement Date as the same is defined in the **Project Agreement**

"Default Interest Rate" shall be the **"Prescribed Rate"** as the same is as defined in the **Project Agreement**

“Depot Strategy” means as defined in the **Project Agreement**

"Tenant" includes the Tenant's successors in title (if any)

“Expiry Date” means 20 August 2037;

"Insured Risks" means (subject to the provisions of clause 4.17) fire, storm, tempest, lightning, explosion, aircraft and articles dropped from them, flood, earthquake, impact by road vehicles, riot, civil commotion, malicious damage, bursting and overflowing of water tanks, apparatus and pipes, landslip, subsidence and heave and such other risks as the Landlord may properly stipulate at any time;

"Insurer" means the insurance company or underwriter with whom the Tenant effects insurance under clause 4.17;

"Landlord" means the estate owner of the reversion immediately expectant on the Term

"Landlords Fixtures and Fittings" means those fixtures and fittings belonging to the Landlord and affixed to and forming part of the Premises

"Legislation" means as defined in the **Project Agreement**

"Major Emergency" means as defined in the **Project Agreement**

"Plan" means the plan annexed

"Premises" means the land described in schedule 1 and each and every part thereof together with the buildings thereon or on any part thereof and includes the Landlord's Fixtures and Fittings therein or thereon

"Project Agreement" means the Agreement dated 31 July 2012 made between the Landlord and the Tenant whereby the Tenant is to carry out services relating to the Sheffield Highways PFI as amended in accordance with its terms

“Senior Lender’s Direct Agreement means the agreement dated 31 July 2012 made between the Landlord, the Tenant and Lloyds TSB Bank plc

"Term" means the term of this lease hereby granted

"Town and Country Planning Acts" means the Town and Country Planning Act 1990 the Planning (Listed Buildings and Conservation Areas) Act 1990 the Planning (Hazardous Substances) Act 1990 and the Planning (Consequential Provisions) Act 1990 and the Planning and Compensation Act 1991 and any Act or Acts for the time being in force amending or replacing or modifying the same and includes any order instrument regulation direction made or issued thereunder or deriving validity therefrom

"Utilities" means all utilities which are from time to time supplied to or used at the Premises to include (without limitation) sewage and foul water waste drainage rain and other surface water drainage waste disposal electricity water heating oil gas and telecommunications including all conduits cables ducting tanks and all supporting media necessary for the continuous supply of the Utilities

"VAT" means value added tax

"Works" means the works of alteration or improvement to be carried out to the Premises (if any) as detailed in the Depot Strategy in the Project Agreement

2. INTERPRETATION

2.1 In this lease except where the context or its express provisions otherwise require:

2.1.1 words importing a gender includes all genders

2.1.2 headings sub-headings and the index are for ease of reference only and shall not be taken into consideration in the interpretation or construction of this lease

2.1.3 references to a clause or schedule are unless the context otherwise requires references to a clause or schedule of this lease

2.1.4 the singular includes the plural and vice versa

- 2.1.5 any reference to any statute or statutory provision includes reference to any statute or statutory provision which amends extends consolidates or replaces the same or which has been amended extended consolidated or replaced by the same and shall include any orders regulations or other subordinate legislation made under any relevant statute or statutory provision
- 2.1.6 any covenant on the part of the Tenant not to do or omit to do or permit or suffer to be done (as the case may be) any act or thing shall be deemed to include an obligation not to knowingly permit or suffer such act or thing to be done or omitted (as the case may be)
- 2.1.7 "**person**" shall include any individual partnership firm trust body corporate or incorporate government or government body authority or agency and a reference to a person includes a reference to that person's successors and assigns and
- 2.1.8 words and expressions defined and used in the **Project Agreement** shall have the same meaning herein as is ascribed in the **Project Agreement** save where such interpretation would conflict with the express terms hereof
- 2.2 Unless the context otherwise requires this lease shall be construed so that where there is more than one person for the time being included in the expression "**Tenant**" or "**Landlord**" covenants and obligations at any time expressed to be made or assumed by the party in question are made and are to be construed as made by all such persons jointly and severally and covenants and obligations made or assumed by any party shall be binding on and enforceable against his personal representatives

3. **DEMISE**

In consideration of the rent hereinafter reserved and of the covenants on the part of the Tenant and conditions hereinafter reserved and contained the Landlord **hereby demises** unto the Tenant **all that** the Premises **together with** the rights set out in schedule 2 (if any) but subject to the exceptions and reservations in favour of the Landlord and all others entitled thereto as set out in schedule 3 to

hold the same unto the Tenant **provided that** if the **Project Agreement** is determined in accordance with the terms thereof then the Term shall absolutely cease and determine coincidentally with the determination of the Project Agreement and also further provided that this lease may be determined pursuant to clause 4.17.8 but without prejudice to the rights of either party against the other in respect of any antecedent breach of covenant **subject to** the covenants rights exceptions reservations and other matters referred to in the deeds and documents listed in schedule 4 (if any) in so far as the same subsist and affect the Premises and to all other easements rights quasi-easements and privileges to which the Premises are or may be subject for the term commencing on the Commencement Date and terminating on the Expiry Date **yielding and paying therefor** unto the Landlord **firstly** the yearly rent exclusive of VAT of one pound (£1.00) if demanded to be paid in advance on the 1 April in each year and **secondly** as additional rent all VAT (if any) payable pursuant to clause 4.1.3 of this lease

4. TENANTS COVENANTS

The Tenant hereby covenants with the Landlord as follows:

4.1 Payments and Outgoings

4.1.1 To bear pay and discharge from the date of this lease to the expiration or sooner determination of the Term and indemnify the Landlord against all existing and future rates taxes duties charges assessments impositions and outgoings whatsoever (whether parliamentary parochial local or of any other description and whether or not of a capital or non-recurring nature) (save those which relate to a period before the date of this lease) which are now or may at any time hereafter be assessed charged levied or imposed upon or payable in respect of the Premises or any part thereof or assessed charged levied or imposed upon or payable by any estate owner landlord tenant or occupier in respect thereof excluding any tax payable by the Landlord as a result of the grant of this lease or any dealing with the reversion of this lease or upon the receipt of rents

4.1.2 To pay and discharge all costs incurred in respect of the Utilities consumed on the Premises and other services supplied to and

used at the Premises whether in connection with the performance of the **Project Agreement** or otherwise from the date of this lease to the expiration or earlier determination of the Term

4.1.3 To pay to the Landlord by way of additional rent all VAT at the rate for the time being in force which shall be properly payable (whether by statute or as the result of the exercise by the Landlord of a statutory right to waive an exemption or make an election) in respect of the rents and other sums payable by the Tenant hereunder and in every case where the Tenant covenants to pay an amount of money hereunder such amount shall be regarded as being exclusive of VAT

4.2 **Interest**

If at any time during the Term any sums due hereunder from the Tenant to the Landlord shall remain unpaid for more than 14 days after becoming due and payable to pay to the Landlord interest upon the same at the Default Interest Rate calculated on a day to day basis (as well after as before any judgment) from the date upon which the same first became due until the date of actual payment **provided** that nothing herein contained shall entitle the Tenant to withhold or delay payment thereof after the date upon which payment first falls due or in any way prejudice affect or derogate from the rights and remedies of the Landlord hereunder

4.3 **Notices**

To deliver to the Landlord as soon as reasonably practicable free of charge a copy of every notice order requisition direction or proposal given made or issued by a competent authority affecting the Premises or the user of the Premises as soon as the Tenant becomes aware thereof and at the request and cost of the Landlord to make or join in making such objections or representations against or in respect of any such notice order requisition direction or proposal as the Landlord shall reasonably deem expedient

4.4 **Common Matters**

Where there are any such common matters to pay a fair and reasonable proportion (to be determined by the Landlord's surveyor acting reasonably whose decision shall be final and binding save in the case of fraud or manifest error) of the reasonable and proper cost of making repairing and cleansing all party and other walls Utilities and other facilities belonging to or used with the Premises in common with adjoining or neighbouring premises all reasonable and proper amounts due from the Tenant under this clause being payable to the Landlord within 14 days of demand

4.5 Repair and Maintenance

4.5.1 Subject to clause 4.17:

4.5.1.1 to keep the Premises and the Utilities exclusively serving the Premises in such repair and maintained in such condition and decorative order as is up to a standard at least to the equal of the condition and decorative order at the date of this lease; or

4.5.1.2 where the Tenant has undertaken any Works in good and substantial repair and condition;

as shall be applicable, and not to cause or permit any damage to them

4.5.2 To maintain the boundary fences to the Premises and to secure the Premises from unauthorised access so far as reasonably practicable

4.6 Expenses

To pay all reasonable and proper expenses (including without prejudice to the generality thereof Solicitors' Counsel's Architects' Surveyors' and Bailiffs' fees and other professional costs) and value added tax thereon which may be properly incurred by the Landlord:

4.6.1 in or in reasonable contemplation of any proceedings under section 146 or 147 of the Law of Property Act 1925 or any statutory modification or re-enactment thereof for the time being

in force or the preparation and service of any notice under those sections notwithstanding that forfeiture may be avoided otherwise than by relief granted by the Court

4.6.2 in the recovery or attempted recovery of arrears of rent and additional rent due from the Tenant hereunder

4.6.3 in preparing and serving a schedule of dilapidations at any time during the Term or within 3 months after its expiration or determination

in connection with any consent or approval required to be given by the Landlord

4.7 Yielding up

To yield up the Premises unto the Landlord at the expiration or sooner determination of the Term so painted treated repaired cleansed maintained amended and kept in accordance with this lease and in any event to remove any moulding sign writing or painting of the name or business of the Tenant and other persons from the Premises and make good any damage caused to the Premises by such removal or removal of the Tenant's fixtures fittings furniture and effects

4.8 Inspection

To permit the Landlord and its agents with or without workmen and others at any reasonable time or times on not less than 48 hours prior notice (save in case of emergency) or otherwise in accordance with the provisions of the Project Agreement to enter and examine the Premises to ensure that nothing has been done or omitted to be done therein which constitutes a breach of any of the covenants contained in this lease or any breach of the provisions of the **Project Agreement** and to examine the state and condition of the Premises

4.9 Notice to repair

Without prejudice to the requirements of the **Project Agreement** duly and as soon as reasonably practicable (save in the case of an emergency where it must immediately) to remedy repair and make good all material breaches of covenant and defects of which prior notice in writing shall be

given by the Landlord to the Tenant and which the Tenant shall be liable to remedy repair or make good under the terms of this lease and in case the Tenant shall make default in so doing within two months after the date of any such notice it shall be lawful (but not obligatory) for the Landlord without prejudice to the right of re-entry hereinafter contained to enter upon the Premises and to remedy repair and make good the same at the cost of the Tenant which cost together with the reasonable and proper expenses of the Landlord (including surveyors' and other professional fees) and VAT thereon to be paid within 14 days of demand

4.10 Entry for Works

To permit the Landlord and all persons authorised by it and their agents and workmen and the owners and occupiers of any adjoining or neighbouring premises or their respective agents and workmen at any reasonable time or times upon not less than 48 hours prior written notice save in case of emergency to enter upon the Premises for executing repairs additions or alterations to or upon any adjoining or neighbouring premises or for building on land adjoining the Premises or for laying constructing repairing maintaining renewing making connections with or cleansing or keeping in good order and condition all pipes drains channels watercourses sewers wires cables gutters ditches culverts fences or other conveniences which shall belong to or serve the Premises in common with other premises or be in or upon the Premises and serve other premises and also for the purpose of laying down maintaining repairing renewing and testing drainage gas and water pipes and electric wires or cables or for other similar purposes causing as little damage or inconvenience as possible and the Landlord making good all damage or reasonably foreseeable losses caused

4.11 Entry to view

To permit the Landlord or its agents at any time within six calendar months next before the expiration of the Term to enter upon the Premises upon not less than 48 hours prior written notice and to fix and retain without interference upon any suitable and reasonable part or parts thereof a notice board for re-letting the same and to permit all persons by order in writing of the Landlord or its agents to view the Premises at all

convenient hours in the daytime upon not less than 48 hours prior written notice

4.12 Alterations

4.12.1 Save as specifically set out by the Tenant in the **Depot Strategy** and then in accordance with the **Depot Strategy** not to make or permit or suffer to be made any structural alterations additions or improvements of whatsoever nature to the Premises nor to erect anything thereon without the prior written approval of the Landlord pursuant to the provisions of the Project Agreement

4.12.2 Where under the Project Agreement the Tenant is required or resolves to carry out Works to the Premises to carry out those Works in all respects in accordance with the provisions of the Project Agreement contained therein

4.13 User

Not to use or permit or suffer the Premises to be used otherwise than in accordance with the **Project Agreement** save with the prior written approval of the Landlord acting in its absolute discretion.

4.14 Legislation

At all times during the Term at the Tenant's own expense to observe and comply with:

4.4.1 all Legislation now or hereafter to be passed

4.4.2 all notices directions orders regulations byelaws rules and conditions made or to be made under or by virtue of any Legislation and

4.4.3 all requirements of any public or local authority so far as they relate to or affect the Premises or the contents thereof or the user of the Premises or the employment thereon of any persons

4.15 Planning Permission

Save where such matters have already been agreed between the Landlord and the Tenant and/or save where permitted by the Project Agreement subject and without prejudice to clause 4.14 (but subject always to the provisions of the **Project Agreement**) not to make or permit or suffer to be made any application for planning permission without the prior written consent in writing of the Landlord acting in its absolute discretion

4.16 Environmental

The Tenant accepts the Premises in their current state and condition and is fully aware of their state and condition. The Tenant will comply with the requirements of environmental Legislation in so far as it relates to the Premises and will indemnify the Landlord against any liability of the Landlord whatsoever arising as a result of the state and condition of the Premises.

4.17 Insurance

Provision of insurance

4.17.1 Subject to the provisions of clauses 4.17.3 and 4.17.4 the Tenant will insure against

4.17.1.1 the Insured Risks causing damage to the Premises; and

4.17.1.2 third party liability and public liability for such sum as is contained within the Project Agreement insofar as this insurance has not been satisfied by the Project Insurances (as defined in the Project Agreement).

Such insurance will be effected with an insurer approved by the Landlord (such approval not to be unreasonably withheld or delayed) and will be in the names of the Landlord and the Tenant.

4.17.2 The insurance referred to at clause 4.17.1.1 is to be for the cost of reinstatement at the start of the relevant period of insurance, together with a due allowance for:

- 4.17.2.1 an increase in building and other costs during the remainder of the relevant period;
- 4.17.2.2 the cost of demolition, site clearance, security and supporting the damaged part of the Premises;
- 4.17.2.3 the cost of complying with any Legislation;
- 4.17.2.4 professional fees; and
- 4.17.2.5 (if appropriate) VAT on all such sums.

Qualifications on the Tenant's obligation to insure

4.17.3 The Tenant's obligation in clause 4.17.1 is subject to:

- 4.17.3.1 any conditions, excesses, exclusions and limitations required by the Insurer or as the Tenant may negotiate with the Insurer with the Landlord's consent (not to be unreasonably withheld or delayed); and
- 4.17.3.2 insurance against any given Insured Risk being generally available in the United Kingdom insurance market on economic terms.

Reinstatement

4.17.4 Subject to clauses 4.17.5 and 4.17.6, if an Insured Risk damages the Premises, the Tenant will procure that the proceeds of the Tenant's insurance are used to reinstate the damage but, if they are insufficient for this purpose, this will not limit the Tenant's obligation to put the Premises into good repair and condition in accordance with the provisions of this lease at its own cost.

Qualifications on the Tenant's obligation to reinstate

4.17.5 The Tenant is not obliged to reinstate the Premises where damage has been caused by an Insured Risk to the extent that:

- 4.17.5.1 it cannot obtain any necessary consent needed under Legislation; or

4.17.5.2 reinstatement is impossible for any other reason, provided that where clause 4.17.5.1 or clause 4.17.5.2 applies, the tenant shall (pursuant to the **Project Agreement**) use all reasonable endeavours to agree a revised Depot Strategy with the Landlord that will be capable of implementation in order to reinstate the Premises.

4.17.6 The Tenant may reinstate the Premises in a different form to that existing before the damage occurred where the variation is approved by the Landlord in accordance with the Depot Strategy provisions in the **Project Agreement** (whether in accordance with clause 4.17.5 or otherwise) and :

4.17.6.1 is required either by the Insurer or to comply with Legislation; or

4.17.6.2 reflects good building practice then current; or

and any such variation must not make the Premises materially different in size or less amenable than it was before the damage occurred unless otherwise agreed between the parties.

Tenant's obligations

4.17.7 The Tenant will:

4.17.7.1 effect a professional valuation of the Premises for insurance purposes no later than 5 years from today and again at intervals of no less than every 5 years and each time will provide a copy of each valuation to the Landlord;

4.17.7.2 notify the Landlord, if and as soon as the Tenant becomes aware, that the Premises has been damaged by an Insured Risk;

4.17.7.3 comply with the Insurer's requirements;

4.17.7.4 not do anything to make the insurance effected under clause 4.17.1 less effective; and

4.17.7.5 apply the proceeds of any insurance it maintains in relation to the physical condition of the Premises and not effected as an obligation under this lease to make good the damage to which it relates.

Determination

4.17.8 If an Insured Risk damages the Premises so it that is unfit for occupation and/or use and either:

4.17.8.1 the Tenant is not obliged to reinstate it in accordance with the provisions of this lease; or

4.17.8.2 the Tenant has not completed the reinstatement within 2 years of the date of damage for a reason listed in clauses 4.17.3 and 4.17.4,

then, without prejudice to the obligations of the Tenant to continue to provide the services in accordance with the Project Agreement, this lease may be determined by the Landlord by notice to the Tenant and the Agent (as defined in the Project Agreement).

4.17.9 If this lease is determined under this clause, any money received from the Insurer or pursuant to a policy of the kind described in clause 4.17.7.5 belongs to the Landlord absolutely.

4.18 Signs and Advertisements

Save as required or agreed pursuant to the **Project Agreement** not without the consent in writing of the Landlord first obtained (such consent not to be unreasonably withheld or delayed) to affix or display or permit or suffer to be affixed or displayed to or on the Premises any sign fascia hoarding poster placard skysign flagpole mast lettering or advertisement whatsoever which shall be visible from outside the Premises and in default of obtaining such consent the Landlord may enter and remove the same at the cost of the Tenant.

4.19 Encroachment

To take all steps reasonably necessary to prevent any encroachment upon the Premises or the acquisition of any new right to light passage drainage or other encroachment by a third party over upon or under the Premises and to give notice to the Landlord of any threatened encroachment or attempt to acquire any such easement

4.20 Alienation

4.20.1 Not to assign, underlet, charge, share occupation or otherwise deal with the whole or any part or parts of the Premises save as permitted by the Project Agreement and/or Senior Lender's Direct Agreement and clause 4.20.2 below.

4.20.2 Not to sublet the whole of the Premises other than to Amey LG Limited in accordance with clause 4.20.3 below

4.20.3 The Tenant may sublet the whole of the Premises to Amey LG Limited in the form of the underlease at Schedule 5 without obtaining the consent of the Landlord and the Tenant covenants to enforce the tenant's covenants in any such underlease against Amey LG Limited.

4.20.4 The Tenant may share occupation of the Premises with a company incorporated in England and Wales that is a member of the same group as defined by section 42 of the Landlord and Tenant Act 1954 provided that no tenancy is created and that any such occupation is for the purposes of the use permitted by clause 4.13 only.

4.21 Fire Fighting Equipment

To keep the Premises supplied and equipped with all fire fighting and extinguishing appliances as may from time to time be required by law or by the insurers of the Premises or by the Landlord and in such latter case as notified to the Tenant in writing and also to keep in force regular maintenance contracts for such fire fighting and extinguishing appliances

4.22 Notice of defects

To give notice forthwith on the Tenant becoming aware of the same to the Landlord of any "relevant defect" within the meaning of section 4 of the

Defective Premises Act 1972 or any statutory modification or re-enactment thereof in the state of the Premises and at all times to display and maintain all notices (including the wording thereof) and barriers or screens which the Landlord may from time to time properly display or erect or require to be displayed or erected at or in the Premises pursuant to the above

4.23 Title

To observe and perform the covenants rights exceptions reservations and other matters contained mentioned or referred to in schedule 4 (if any) during the Term and to keep the Landlord fully and effectually indemnified at all times and the Tenant hereby indemnifies the Landlord accordingly against all costs claims liabilities actions and expenses arising from any breach non-observance or non-performance of or non-compliance with any of the aforesaid covenants rights exceptions reservations and other matters by the Tenant

4.24 Regulations

To comply with all reasonable regulations promulgated by the Landlord (acting reasonably) in connection with the Premises

4.25 Indemnity

To keep the Landlord indemnified against all actions, proceedings, costs, claims, demands and expenses in respect of any liability or alleged liability in respect of any injury to or the death of any person (however the same may be caused), damage to any property moveable or immovable, Legislation, the infringement, disturbance or destructions of any right easement or privilege and every other liability arising directly or indirectly out of any defect in or the condition or use of the Property or anything done or omitted to be done on them, or any breach of the Tenant's obligations in this Lease and to notify the Landlord in writing immediately upon any of the events or matters referred to in this clause happening.

4.26 Use of the Premises in a Major Emergency

In the event of a Major Emergency the Tenant will make the Premises available for use in accordance with and otherwise observe the

provisions of Schedule 11 (Emergency Planning and Response) of the Project Agreement.

5. LANDLORDS COVENANTS

The Landlord **hereby covenants** with the Tenant as follows

- 5.1 that the Tenant paying the rents hereby reserved and made payable and performing and observing the several covenants conditions and agreements herein contained and on the Tenant's part to be performed and observed shall and may peaceably and quietly hold and enjoy the Premises during the Term without any lawful interruption or disturbance from or by the Landlord or any person claiming under or in trust for the Landlord.
- 5.2 To ensure that the Landlord and/or any person or persons entering upon the Premises on behalf of the Landlord and/or pursuant to any and/or all of the rights of entry reserved to the Landlord in this lease do so causing as little interference and/or disruption to the Tenant's business and/or the Premises and/or the operation of the **Project Agreement** as reasonably practicable and to make good any damage caused pursuant to the above
- 5.3 (If applicable) subject to payment by the Tenant of the sums due in accordance with clause 4.4 to keep the access road shown coloured brown on the Plan in a reasonable state of repair and condition and fit for the use permitted by this lease

6. EXCLUSION ORDER

- 6.1 Under section 38A(1) of the 1954 Act, the parties agree that the provisions of sections 24 to 28 (inclusive) of the 1954 Act are excluded in relation to the tenancy created by this lease
- 6.2 At the appropriate time before the Tenant became contractually bound to enter into the tenancy created by this lease:
 - 6.2.1 the Landlord served the notice ("**Notice**") referred to in section 38A(3)(a) of the 1954 Act on the Tenant in relation to the tenancy created by this lease; and the Tenant or a person duly authorised by the Tenant made the statutory declaration ("**Declaration**") referred to in paragraph 3 of schedule 2 to the Regulatory

Reform (Business Tenancies) (England and Wales) Order 2003 in relation to the Notice.

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

6.2.3 in all respects relevant to the agreement to exclude security of tenure the form of this lease is the same as that which was in the parties' contemplation at the time of service of the Notice.

7 IT IS HEREBY AGREED AND DECLARED AS FOLLOWS:

7.1 Notices

Any notice request consent or approval under this lease shall be served in accordance with the provisions contained in the **Project Agreement**

7.2 VAT

7.2.1 In every case where the Tenant has agreed to reimburse the Landlord in respect of any payment made by the Landlord under the terms of or in connection with this lease the Tenant shall also reimburse the Landlord with any VAT properly paid by the Landlord on such payment to the extent the Landlord is unable to recover the same

7.2.2 Any reference in this lease to VAT shall be deemed to include a reference to any substituted or similar tax

7.3 Project Agreement

In the event of any conflict between the terms of this lease and the **Project Agreement** the terms of the **Project Agreement** shall prevail

7.4 Contracts Third Party Rights

A person who is not a party to this deed shall have no right under the Contracts (Rights of Third Parties Act) 1999 to enforce any term of this

deed This clause does not affect any rights or remedy of any person which exists or is available otherwise pursuant to that Act

7.5 Disputes

In the event of any dispute under this lease the matter shall be determined in accordance with the Dispute Resolution Procedure as defined in and contained in the **Project Agreement**

7.6 Statutory Capacity of Landlord

For so long as the reversion immediately expectant on the Term shall be vested in The Sheffield City Council or any statutory successor in title nothing herein contained or implied shall prejudice or affect the Landlord's rights powers duties and obligations in the exercise of its functions as a local authority and the rights powers duties and obligations of the Landlord under all statutes regulations and bylaws may be as fully and effectually exercised in relation to the Premises and the buildings or structures to be erected as if they were not the owners of the Premises and this lease had not been executed by the Landlord

7.7 New Tenancy

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

7.8 No Implied Easements

Save as stated in schedule 2 this lease does not include any rights over the Landlord's adjoining property (if any) and section 62 of the Law of Property Act 1925 is excluded from this lease

7.9 Jurisdiction

This lease is to be governed by and construed in accordance with the laws of England

IN WITNESS whereof this lease has been executed as a deed by the parties and is intended to be and is hereby delivered on the date which first appears in this deed

SCHEDULE 1

Description of the Premises

All that property situate at Olive Grove Depot, Sheffield shown edged red on the Plan

SCHEDULE 2

Rights granted

1. The right to use and maintain any Utilities and other rights and easements currently benefiting and enjoyed by the Premises and necessary for the proper performance of the Project Agreement

SCHEDULE 3

Rights reserved

1. to the extent reasonably required (but subject to the provisions of the **Project Agreement**) full right and liberty for the Landlord and its surveyors agents workmen and others at all times upon reasonable notice (save in case of emergency) to enter into and upon the Premises and all parts thereof for the purpose of:
 - 1.1. carrying out any obligations of the Landlord under the **Project Agreement** or enforcing any obligations against the Tenant under the **Project Agreement**
 - 1.2. doing effecting operating or carrying out any other operation falling within the Landlord's functions or powers either as Landlord pursuant to the terms of this lease or under the **Project Agreement** or as the relevant statutory or other authority
2. all rights of light air and other easements and rights (but without prejudice to any expressly hereinbefore granted to the Tenant) now or hereafter belonging to or enjoyed by the Premises from or over any adjacent or neighbouring land or buildings of the Landlord or any other Premises
3. the right to build or rebuild or alter any adjacent or neighbouring land or buildings of the Landlord in any manner whatsoever and to let the same for any purpose or otherwise deal therewith notwithstanding the light to the Premises is in any such case thereby diminished or prejudicially affected
4. the right to enter upon the Premises (on reasonable written notice save in the case of emergency) for the purpose of laying inspecting maintaining and connecting to any Utilities and the free passage of services through the same the person or persons so entering causing as little damage and disturbance as practicable and making good all damage or reasonably foreseeable losses thereby occasioned by the Tenant

SCHEDULE 4

Matters affecting title

1. Subject to the covenants conditions exceptions and reservations (if any) contained within the registers of title number SYK 274549
2. Subject to the covenants conditions exceptions reservations contained in a lease dated 13th August 2008 more particularly referred on the registers of title number SYK 556164
3. Subject to the caution shown on the register of title number SYK 582334
4. Subject to the covenants conditions exceptions and reservations (if any) contained within a conveyance dated 9th February 1895 so far as the same relate

SCHEDULE 5

Form of Underlease

EXECUTED as a deed by **THE SHEFFIELD CITY COUNCIL** whose common seal was hereunto affixed in the presence of:

Authorised Signatory

EXECUTED as a Deed by **AMEY HALLAM HIGHWAYS LIMITED**
acting by
a Director in the presence of:

Signature:

Name:

Address: