RIDGWAY HOUSE NORTHGATE CLOSE ENTERPRISE PARK 3 MIDDLEBROOK BOLTON

PPA Reference	
Tenure	Leasehold
Demised Premises	Ridgway House Northgate Close Enterprise 3 Middlebrook Bolton
Gross Internal Area	
Date of Lease	24 January 1968
New or old lease for the purposes of Landlord and Tenant (Covenants) Act 1995	New
Description	Offices
Use	[Offices]
Registered / Unregistered	[Registered]
Title Number	[ ] [Lease will be registered following completion]
Class of Title	
Landlord	Orbit Investments (Northern) Limited
Term	10 years commencing on 4th November 2005.
User	The Tenant is not to use the demised premises for any purpose other than offices.
Rent	For the first five months one peppercorn. For the next seven months £408,990 per annum. For the second year £343,537.00 per annum. For the next three years the annual rent of £408,990 per annum. Rent to be reviewed at the end of the fifth year. The rent is payable quarterly in advance on the usual quarter days.
Rent Review	The rent is to be reviewed on the fifth anniversary of the commencement date (i.e. 4th November 2010). It is assumed for the purposes of review that 1. the premises and parking spaces are fit and available for immediate occupation and use 2. no work has been carried out which diminishes the rental value of the demised premises or parking spaces

	3. if the premises have been damaged or destroyed they have been fully restored unless the landlord is in breach of its obligations to reinstate following damage by an insured risk 4. that the demised offices may be used for their current purpose or any other purposes in respect of which a licence has been granted prior to the review date 5. that the Tenant covenants in the lease have been complied with 6. that there is a Landlord willing to let the premises without fine or premium to a willing Tenant with vacant possession on the same terms as this lease other than the rent reserved but including the review provisions for a term equal to the unexpired term of the lease. 7. there is to be no reduction of the rent in respect of any rent free in respect of any time period during which fitting out works might take place. Matters disregarded on review are: 1. occupation by the Tenant or any subtenant 2. goodwill attributable to the premises as a result of the Tenant or any subtenant occupying any increase in rental value attributable to the existence of works carried out by the Tenant or a subtenant of the Tenant's costs otherwise than in pursuance of an obligation to the landlord 3. any statute which at the time restricts the level of yearly rent payable 4. the taxable status of the landlord of the tenant for the purposes of VAT or other tax The rent review is upwards only. The parties are to endeavour to agree the reviewed rent by the rent review date. If the parties fail to agree the rent may be determined by an arbitrator upon the application of either party. If the rent is not agreed on the review date then the Tenant is to continue paying the rent at the original rate. Once the reviewed rent is agreed then the Tenant is to pay any shortfall within 14 days of the rent being agreed and is to pay interest to the landlord at base rate on the shortfall amount for the shortfall period.

Service Charge	The landlord is provide the services listed in the lease unless prevented by strikes, lock outs or other causes beyond its control. The full list of services is set out in the schedule to the lease and causes to general estate services including the repair maintenance and management of the estate and the estate roads. The landlord's financial year is initially from 25th March in one year until 24th March in the next year although the landlord can change this. Note that the landlord can collect sums in each year with a view to creating a provision for outgoing which may be incurred in later years. The landlord must act reasonably in this respect and such sums are to be collected to ensure that there are no significant fluctuations in the service charge from year to year. The Tenant is to pay a contribution to the service charge twice yearly. This contribution is to be placed on the landlord's reasonable estimate of the total costs for the year. The lease states that the estimated service charge for the current year will be in the region of [£6,000]. At the end of each financial year the landlord is to provide the tenant with a service charge account. Any overpayment by the Tenant is to be set-off against the following year's service charge. Any underpayment is to be paid to the landlord.
Insurance	The landlord is to insure the building. Insured risks are "loss or damage by fire, storm, tempest, flood, lightning, explosion and (in peace time) aircraft and articles dropped therefrom, riot or civil commotion, malicious damage, impact of vehicles, plant and machinery, subsidence, heave, bursting of pipes and overflowing of tanks, property owners and third party liabilities in relation thereto and liability of the lessor arising out of any matter involving or relating to the demised premises and the lessor's estate including latent defects insurance cover in respect of the demised premises". The tenant is to pay the insurance rent. This is the reasonable costs and expenses properly incurred by the landlord (excluding the cost of latent defects insurance) in the insurance of the demised premises. The landlord is to keep the premises insured in their full reinstatement value. This covers architects' and other professional fees. If there is damage by an insured risk then the landlord is to apply for and seek to obtain the

	relevant consents to reinstate and, once consents have been obtained, apply the insurance monies to reinstating the premises. If, however, the premises are destroyed so that it would be impracticable or economically unsound to reinstate them then the landlord can terminate the lease on six months' written notice. The landlord is to take such steps as are necessary to ensure that its insurers waive rights of subrogation against the tenant.
Repair	A tenant has a full repairing obligation (damage by insured risks excepted save to the extent that the Tenant has caused insurance money to irrecoverable). This obligation does not extend to uninsured risks unless the damage has been caused by the tenant or any of its servants or agents.
Decoration	The tenant is to redecorate the premises in 2010 and in the last year of the term. Decorating in the last year is to be in colours approved by the landlord (acting reasonably).
Alterations	Structural alterations are absolutely prohibited. Internal non-structural alterations obligations can be carried out with the landlord's approval which is not to be unreasonably withheld or delayed. Internal demountable partitioning may be installed and removed without consent provided that the tenant must provide plans to the landlord when he installs demountable partitioning as soon as reasonably practicable following completion of the installation.
Alienation	The Tenant may assign the whole of the property with the landlord's consent which is not to be unreasonably withheld or delayed. There are, however, pre-conditions and the landlord may withhold its consent (a) unless the proposed assignee is of sufficient financial standing so as to be reasonably expected to comply with the tenant covenants of the lease or is a local authority or government department, (b) if the assignee is an associated company of the tenant (c) if the consent of a superior landlord or mortgagee has not been obtained (d) if the proposed assignee is a limited company created outside England and Wales and in the

	jurisdiction which does not however reciprocal enforcement of court orders (e) if in the landlord's reasonable opinion the investment value of the landlord's estate will diminish if the assignee becomes a tenant and (f) if in the reasonable opinion of the landlord the proposed use by the assignee would lead to a breach of any of the tenant obligations. Furthermore, the grant of consent is subject to an authorized guarantee agreement being provided by the assignor and the provision of other security (if reasonably required by the landlord), of the proposed assignee's obligations either by way of a rent deposit of six months' rent or guarantees. Underletting is permitted of whole floors but not of smaller areas. Again the landlord's written consent is to be obtained. Any underlease must be excluded from the security of tenure provisions contained in the Landlord and Tenant Act 1954. The underlease rent must also be at the higher of the passing rent and the open market rent (although a reverse premium arrangement with a potential underlessee is permitted). If the underlease is for a term of more than five years then it is to: (a) contain a rent review on the same basis as contained in this lease (b) contain provisions for the undertenant to be liable for repair and insurance (c) be in a similar form to the lease and (d) contain restrictions on alienation similar to those in this lease. Note that whilst the tenant is a corporate entity it may share occupation with a group company. Whilst the tenant is government department it may share with other government departments or underlet to a government department or corporate body to whom government department functions have been outsourced without any consent.
Tenant's Covenants	1. The Tenant is to pay the rent service charge and insurance as set out above. The Tenant is also to be responsible for other rates and outgoings in relation

	to the premises. Where VAT is chargeable then the Tenant is to pay all VAT on rents etc. NB – this property is VAT elected and VAT will be payable. 2. All utility supply costs are to be the responsibility of the tenant. 3. The Tenant is also to pay a fair proportion of the costs of maintenance etc of any service media etc which are enjoyed by the demised premises in common with other premises to the extent that they are not covered by the service charge. 4. The Tenant is to maintain all fire fighting etc equipment in the premises. 5. The Tenant is to keep the premises heated provided that whilst the premises are unoccupied there is to be no obligation to keep them heated anymore than is necessary to prevent any physical deterioration. 6. No changes to air-conditioning etc systems are to be permitted without the landlord's consent which is not to be unreasonably withheld or delayed. 7. The Tenant is not to overload the floors. 8. The lease contains an extensive list of prohibited uses. These are fairly standard and including the keeping of noxious substances etc within the premises, causing any obstruction to service media, not causing pollution to be emitted from the premises and not to use the premises for any reason which might prove a nuisance etc to the landlord or neighbouring owners. There are specific prohibitions on the use of the premises as a club for the sale of alcohol and against the sales by auction or public meeting. Furthermore, pets are not allowed. 9. All refuse is to be kept in the refuse compound shown marked yellow on the lease plan. 10. Note also that the Tenant is not to cause any obstruction to the access roads on the estate and is not to allow car parking on any part of the estate other than within the parking spaces. 11. The Tenant is to comply with all statutory requirements relating to the premises and is also to comply with all planning requirements. Note that no application for planning permission may be made without the landlord's prior written consent (which may be withheld in the landlord's absolute discretion). Note, however, that the Tenant is not to

	be obliged to remove any contamination from the site unless it is attributable to an act or omission of the Tenant. 12. The Tenant is not to cause the loss of any rights of light and is not to permit the acquisition of rights of light etc over the premises. 13. Notices etc are prohibited save that the name and business of the Tenant may be displayed on the demised premises in a form which has previously been approved in writing by the landlord (approval not to be unreasonably withheld or delayed). 14. In the event that the landlord requires repairs to be carried out to the premises following an inspection the Tenant is to carry these out. If the Tenant fails to carry this out then the landlord may enter itself, carry out the repairs, and recharge the cost to the Tenant. 15. The Tenant is to be responsible for the landlord's costs incurred in any proceeding relating to breach of lease covenants or forfeiture etc as well as costs of making applications for consent under the lease. 16. The Tenant is to observe the landlord's regulations and is not to allow the premises to be known by any new name and address unless the landlord has approved this. 17. The premises are to be yielded up with vacant possession at the end of the term in an appropriate state of repair having removed any tenant's fixtures and make good any damage.
Landlord's Covenants	1. The Landlord covenants for quiet enjoyment. 2. The Landlord also covenants for services (see above). 3. The Landlord covenants to insure (see above). Note also that if the Tenant gives the Landlord notice of damage caused by latent defects covered by the latent defects insurance policy, or any item relating to the initial construction which has not been remedied, or any other item which would be covered by the building construction contract and which relates to the initial 12 months defects liability period then the landlord is to arrange for the relevant repairs to be carried out (or, where the matter is covered by the latent defects insurance policy is to make a claim on the policy and reinstate in accordance with the insurance provisions in the lease

	as set out above). 4. If there is a defect or damage within the demised premises which is not covered by the latent defects policy and which in the Tenant's reasonable opinion results from a failure of the building contractor to fulfill its original obligations under the building contract then the Landlord is to carry out works in respect of such damage unless the Tenant has been the cause of such damage.
Rights Granted	1. The rights of access across the estate roads both with vehicles and on foot to and from the demised premises and the parking spaces. 2. Use of service media serving the premises. 3. Use of common parts for all other purposes permitted by the lease. 4. Rights of support for the demised premises from the remainder of the estate. 5. Right to store rubbish in the refuse compound. 6. The right to park 130 cars in the parking spaces shown edged green on the lease plan. 7. The right to enter on to the common parts of the estate in order to carry out repairs etc to the demised premises.
Rights Reserved	1. The right to use service media running through the demised premises. 2. The right on 48 hours' prior written notice (or on no notice in the case of emergency) to enter on to the premises to carry out repair and maintenance etc and to comply with the Landlord's covenants. 3. The Tenant is also to permit the Landlord on 48 hours' prior written notice or on no notice in case of emergency to enter the premises to examine the state of repair to take schedules of fixtures, to inspect the premises for the purposes of the Landlord and Tenant Act 1954, for connecting up supplies of services. Note that in all cases of entry by the Landlord onto the premises as little interference etc is to be caused to the Tenant as is reasonably practicable and the Landlord is to make good to the Tenant's satisfaction any damage caused by the exercise of the rights of entry and is at all times to comply with the Tenant's security procedures.
Break Option	There is a Tenant's break on the fifth anniversary of

	commencement of the lease. This is conditional on the Tenant (a) giving no less than six months' prior written notice, (b) having paid the rent under the lease for the period up to the determination date, and, (c) whilst the Tenant is the PPA, having handed back the keys of the premises and having ceased to occupy them as offices. (Note that if the Tenant is no longer the PPA then vacant possession must have been given). Furthermore, the sum of £181,250.00 plus VAT must have been paid to the Landlord on or before the break date.
Forfeiture	The Landlord may forfeit if the rent is unpaid for 14 days or if the Tenant fails to comply with the covenants under the lease or if the Tenant becomes insolvent.
Other	If damage is caused to the premises by an uninsured risk (other than damage caused by the Tenant or its servants or agents) so that the premises cannot be used then the Tenant is to have a rent cesser during the period of non use and if the Landlord has failed to reinstate them within three years then the Tenant may terminate the lease on one month's prior written notice. Known that in the case of such damage the Landlord may terminate straightaway on the damage.