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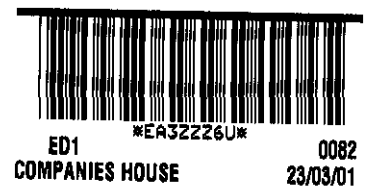
DATED 16 February 2001

- (1) SEVERFIELD ROWEN plc
- AND
- (2) DALTON AIRFIELD PROPERTIES LIMITED

AGREEMENT
for
the Sale and Purchase of the Business of
the property rental business
carried on by the Vendor

We hereby certify this to be a true copy
of the original document

Irwin Mitchell (Irwin Mitchell)
14/3/01 (Dated)



(IM)

Irwin Mitchell Solicitors

THIS AGREEMENT is made the 16 February 2001

BETWEEN:-

- (1) **SEVERFIELD ROWEN plc** (Co. No. 1721262) whose registered office is Dalton Airfield Industrial Estate, Dalton, Thirsk, North Yorkshire, YO7 3JN ("the **Vendor**"); and
- (2) **DALTON AIRFIELD PROPERTIES LIMITED** (Co. No. 4130197) whose registered office is Dalton Airfield Industrial Estate, Dalton, Thirsk, North Yorkshire, YO7 3JN ("the **Purchaser**");

BACKGROUND

The Vendor has agreed to sell and the Purchaser has agreed to purchase the business and certain assets of the Vendor on the terms and subject to the conditions set out in this Agreement.

IT IS HEREBY AGREED AS FOLLOWS:-

1. DEFINITIONS AND INTERPRETATION

- 1.1 In this Agreement the following words and expressions shall have the following meanings:-
- 1.2 The Schedules form part of this Agreement and shall have the same force and effect as if expressly set out in the body of this Agreement and any reference to this Agreement shall include the Schedules.

"Agreed Form"	means a document in a form approved by or on behalf of the parties to this Agreement
"Assets"	means all the property undertaking rights and assets of the Business agreed to be sold and purchased under this Agreement details of which are set out in Clause 2
"Assumed Contracts"	means all contracts, and agreements relating to the Business including all obligations of the Vendor pursuant to leasehold arrangements regarding the Property entered into with members of the Vendor's Group
"Business"	the property rental business of the Vendor comprising, and limited to, the undertaking and assets of that business including the Property, Fixed Plant and the benefit of leasehold arrangements with members of the Vendor's Group
"Completion"	means the completion of the sale and purchase of the Business and Assets in accordance with this Agreement
"Consideration"	means the consideration for the purchase of the Business and Assets set out in Clause 3.1



"Creditors"	means the amounts owed by the Vendor in connection with the Business or in respect of trade creditors arising through normal business transactions as at the Transfer Date
"Debts"	means all the debts due to the Vendor in connection with the Business or in respect of trade debtor accounts arising through normal business transactions at the Transfer Date
"Encumbrance"	means any encumbrance or security interest of any kind whatsoever including (without limitation) a mortgage, charge, pledge, lien, hypothecation, restriction, right to assure, option, conversion right, third party interest, right of set-off or counterclaim, trust arrangement or any other type of preferential arrangement (such as a retention of title arrangement) having similar effect
"Excluded Assets"	means the items set out in Schedule 1
"Fixed Plant"	means the fixed plant and machinery as listed in Annex 1 of Part 2 of Schedule 2 together with any leasehold improvements at the Property owned or used by the Vendor at the Transfer Date not comprising the Excluded Assets
"Goodwill"	means the goodwill of the Business and the right for the Purchaser to represent itself as carrying on the Business in continuation of and in succession to the Vendor;
"Occupational Lease"	means a lease of the Property to be entered into between the Purchaser and the Vendor in the Agreed Form for a term of 35 years at an initial annual rental of £1,361,354
"Property"	means the property details of which are set out in Part 1 of Schedule 2
"Transfer Date"	means the close of business on the date of this Agreement
"VAT"	means Value Added Tax
"VATA"	means Value Added Tax Act 1994
"Vendor's Group"	means the Vendor and its subsidiary undertakings
"Vendor's Solicitors"	means Irwin Mitchell Solicitors of St Peter's House, Hartshead, Sheffield, S1 2EL

- 1.3 References in this Agreement to statutory provisions shall be construed as references to those provisions as modified or re-enacted from time to time (whether before or after the date of this Agreement) and any subordinate legislation made under such provisions.
- 1.4 The headings use of bold type and underlining in this Agreement are for convenience only and shall not affect the construction of this Agreement.
- 1.5 References to persons shall include bodies corporate unincorporated associations and partnerships and except where the context otherwise requires words denoting the singular include the plural and vice versa and words denoting any gender include all genders.
- 1.6 Any reference in this Agreement to "writing" or cognate expressions includes a reference to cable, fax transmission or comparable means of communication.
- 1.7 Words denoting an obligation on a party to do any act or matter or thing includes an obligation to procure that it be done and words placing a party under a restriction include an obligation not to permit infringement of that restriction.
- 1.8 General words introduced by the word "other" are not to be given a restrictive meaning because they are preceded by words indicating a particular class of acts, matters or things and are not to be given a restrictive meaning because they are followed by particular examples intended to be embraced by the general words.

2. ASSETS TO BE SOLD

- 2.1 The Vendor shall sell with full title guarantee and the Purchaser, shall purchase as a going concern as at and with effect from the Transfer Date the Business and the Assets (other than the Excluded Assets) free of any Encumbrance comprising the Property together with the benefit and burden of the leasehold arrangements between the Vendor and members of the Vendor's Group; together with the Fixed Plant; together with the Goodwill.
- 2.2 Title to each of the Assets will pass to the Purchaser on Completion.
- 2.3 The Property will be sold to the Purchaser in accordance with clause 4.

3. CONSIDERATION

The Consideration for the purchase of the Business and Assets shall be £14,000,000 (fourteen million) and paid in accordance with clause 5.3

4. THE PROPERTY

The Property is sold upon and subject to the conditions and other provisions set out in Part 2 of Schedule 2.

5. COMPLETION

- 5.1 Completion shall take place at the offices of the Vendor's Solicitors immediately after the signature and exchange of this Agreement and all the business referred to in the Clauses 5.2 and 5.3 has been transacted.
- 5.2 At Completion the Vendor shall deliver to the Purchaser:-
 - 5.2.1 possession of those Assets which are transferable by delivery;

- 5.2.2 duly executed conveyances, assignments and other documents in the Agreed Form necessary to vest title in the Property in the Purchaser;
 - 5.2.3 all the title deeds and documents relating to the Property;
 - 5.2.4 third party consents or agreement to the transfer or assignment of the Property; and
 - 5.2.5 a duly executed release or certificate of non-crystallisation in respect of the Charges; and
 - 5.2.6 such other documents and things as the Purchaser may reasonably require to perfect its title to the Assets or to give effect to this Agreement.
- 5.3 At Completion the Purchaser will:-
- 5.3.1 issue to the Vendor 14,000,000 ordinary shares of £1 each fully paid up in the share capital of the Purchaser free of any Encumbrance; and
 - 5.3.2 deliver to the Vendor a share certificate evidencing the Vendor's holding of ordinary shares as specified in clause 5.3.1;
- whereupon the Purchaser will be deemed to have fully satisfied its obligation to pay the Consideration.
- 5.4 Immediately following Completion the Purchaser shall grant and the Vendor shall accept the grant of the Occupational Lease and each party will deliver to the other a duly executed Counterpart of the Occupational Lease immediately following Completion.

6 DEBTORS

- 6.1 The Purchaser hereby undertakes to use reasonable endeavours to collect the Debts as agent for the Vendor (such monies to be kept in a separate account designated as a trust account and held on trust in favour of the Vendor) and shall account to the Vendor on a monthly basis in respect of all monies so received and payments so made.
- 6.2 The Purchaser will not take, or threaten to take, legal proceedings or to terminate any supplies or to apply its own funds in settlement of such Debts without the prior written consent of the Vendor.
- 6.3 During the period of agency the Vendor shall not itself take any step to collect any of the Debts and shall not do anything to hinder their collection by the Purchaser except in accordance with Clause 6.5.
- 6.4 If Vendor receives any communication or payment in respect of any of the Debts, it shall give written details thereof to the Purchaser.
- 6.5 If any of the Debts has been outstanding for a period exceeding three months after Completion the Vendor may take such action and do all such things as it considers necessary to collect the Debts. The Vendor shall not otherwise during the currency of this agency agreement contact any debtor included in the Debts.
- 6.6 At the expiry of six months after Completion the agency of the Purchaser for the collection of the Debts shall cease in respect of this Clause 6.

7. CREDITORS

- 7.1 Nothing in this Agreement shall pass to the Purchaser any liability or obligation which is not expressly assumed by the Purchaser under this Agreement, including any liabilities or obligations relating to the Business or the Assets and outstanding at Completion.
- 7.2 The Vendor shall promptly discharge all debts, liabilities and obligations in connection with the Businesses not expressly assumed by the Purchaser under this Agreement (including, without limitation, the Creditors).
- 7.3 The Purchaser shall be responsible for and shall indemnify the Vendor against all claims actions proceedings demands liabilities costs and expenses which the Vendor may suffer after Completion in respect of any creditor or liability of the Business or the Purchaser arising after Completion.

8. EMPLOYEES

The Vendor confirms that there are no persons who are wholly or substantially employed in the Business and accordingly the Transfer of Undertakings (Protection of Employment) Regulations 1981 will have no effect on the transfer of the undertaking comprising the Business.

9. APPORTIONMENTS

- 9.1 All rents, rates and other periodic outgoings relating to or payable or accruing in respect of the Business down to and including Completion shall be borne by the Vendor and as from Completion shall be borne by the Purchaser. Such outgoings and amounts receivable shall if necessary be apportioned provided that all outgoings specifically referable to the extent of the user of any property or rights shall be apportioned according to the extent of such user.
- 9.2 The apportionments to be made pursuant to this Clause 9 shall be agreed between the Vendor and the Purchaser as soon as practicable after Completion but if there shall be any dispute in relation thereto the same shall be determined by an independent chartered accountant acting as an expert and not as an arbitrator who shall in default of agreement on his identity (within 10 days of any dispute) be appointed on the application of either party by the President for the time being of the Institute of Chartered Accountants in England and Wales. Such expert shall have power to determine by whom and in what proportions his fees shall be paid.

10. ASSUMED CONTRACTS

- 10.1 The Purchaser shall (subject to Clause 10.2) take over from the Vendor the benefit and burden of the Assumed Contracts with effect from Completion.
- 10.2 Insofar as any of the Assumed Contracts cannot be transferred to the Purchaser except by an assignment made with the consent of another party or by an agreement of novation, then (without prejudice to any other rights of the Purchaser) the following provisions shall apply:-
- 10.2.1 this Agreement shall not constitute an assignment or an attempted assignment of the Assumed Contract if the assignment or attempted assignment would constitute a breach of the Assumed Contract;
- 10.2.2 the Vendor shall be responsible (at its own expense) for obtaining, and shall use his best endeavours both before and after Completion to obtain, any such consent or agreement;

- 10.2.3 until such consent or novation is obtained, the Vendor shall do all such acts and things as the Purchaser may reasonably require to provide the Purchaser with the benefits of the Assumed Contract (including enforcement at the cost and for the account of the Purchaser of any right of the Vendor against the other party to the Assumed Contract arising out of its cancellation by the other party or otherwise); and
- 10.2.4 if and to the extent that no arrangement contained in Clauses 10.2.2 and 10.2.3 can be made the parties shall use reasonable endeavours to procure that such Assumed Contract is terminated without liability to either of them and neither the Vendor nor the Purchaser shall have any further obligation to the other relating to such Assumed Contract except that the Vendor shall immediately repay to the Purchaser any amount paid by the Purchaser to the Vendor in respect of such Assumed Contract.

11. VAT

The parties intend that Section 49(1) of the VATA ("Section 49(1)") and Article 5 of the Value Added Tax (Special Provisions) Order 1995 ("Article 5") will apply to the transfer of the business and to that intent:

- 11.1 the Purchaser declares its intention to use the Assets in carrying on the Business;
- 11.2 the Vendor and the Purchaser agree to use all reasonable endeavours to secure that the transfer of the Assets under this Agreement is treated as neither a supply of goods nor a supply of services pursuant to the provisions of Article 5;
- 11.3 the Vendor will on Completion deliver to the Purchaser all records referred to in Section 49 (1) and will not thereafter make a request to H M Customs & Excise for any records delivered to the Purchaser to be taken out of the custody of the Purchaser and the Purchaser agrees to preserve such records for such period as may be required by law and at any time during that period to permit the Vendor (or its nominee) to inspect or make copies thereof; and
- 11.4 the Purchaser and the Vendor agree that no application shall be made pursuant to paragraph 6 of the Value Added Tax Regulations 1995 for the registration number of the Vendor to be transferred to the Purchaser.
- 11.5 if HM Customs & Excise and the HM Customs & Excise confirm in writing that VAT is chargeable on the transfer under this Agreement or on any part of it then:-
- 11.5.1 the Purchaser agrees that the VAT will be payable in addition to the Consideration and the Purchaser will pay the amount of any such VAT five Business Days before the last date upon which the Vendor will be required to account to HM Customs & Excise for the VAT in question or, if later, upon delivery by the Vendor to the Purchaser of an appropriate VAT invoice for the transfer of the Assets and a copy of the confirmation from HM Customs & Excise.
- 11.5.2 the Purchaser shall return to the Vendor records previously delivered under Clause 11.3.

12. CONFIDENTIAL INFORMATION

The Vendor hereby undertakes to the Purchaser that it will not at any time after the date of this Agreement divulge or communicate to any person other than to officers or employees of the Purchaser on the instructions of the Purchaser or to the extent required by law any confidential information concerning the Business or the accounts, finance or contractual

arrangements or other dealings transactions or affairs of or concerning this Agreement or the Business which may be within or may come to its knowledge and it will use its best endeavours to prevent the publication or disclosure of any such confidential information concerning such matters.

13. COSTS

Subject to the provisions of this Agreement the Purchaser and the Vendor shall each pay their own costs in relation to the negotiation, preparation, execution and implementation of this Agreement and each document referred to in this Agreement.

14. ANNOUNCEMENTS

No announcements or communication concerning the transactions referred to in this Agreement shall be made or despatched by any party to this Agreement without the consent of the other party (not to be unreasonably withheld) or unless required by law.

15. VARIATIONS AND WHOLE AGREEMENT

- 15.1 No variation of this Agreement shall be valid unless it is in writing and signed by or on behalf of each of the parties hereto.
- 15.2 This Agreement (together with all documents referred to in it or executed at Completion) shall constitute the entire agreement and understanding between the parties with respect to all matters which are referred to.

16. WAIVER

No failure by the Purchaser to exercise or delay in exercising or enforcing any right or remedy under this Agreement shall constitute a waiver thereof and no single or partial exercise or enforcement of any right or remedy under this Agreement shall preclude or restrict the further exercise or enforcement of any such right or remedy. The rights and remedies of the Purchaser provided in this Agreement are cumulative and not exclusive of any rights and remedies provided by law.

17. GOVERNING LAW AND JURISDICTION

- 17.1 This Agreement shall be governed by and construed in accordance with the laws of England.
- 17.2 The parties hereby submit to the exclusive jurisdiction of the High Court of Justice in England in relation to any proceedings arising out of or in connection with this Agreement.

18. NOTICES

- 18.1 Any notice or process required or permitted to be given hereunder shall be given in writing delivered personally or sent by first class post pre-paid recorded delivery (or if overseas, by pre-paid airmail post) or by facsimile to the party due to receive such notice or process at, in the case of an individual, his address as set out at the beginning of this Agreement or such other address as that party may have notified to the other party in writing.
- 18.2 Any notice or process delivered personally shall be deemed to be received when delivered to the address provided for in Clause 18.1 hereof and any notice or process sent by pre-paid recorded delivery post shall be deemed (in the absence of evidence of earlier receipt) to be received 48 hours after posting (or if sent air mail, 6 days after

posting in the absence of earlier receipt) and any notice or process sent by facsimile shall be deemed to be received on despatch by the party sending it.

19. ASSIGNMENT

This Agreement shall be binding on and enure for the benefit of the personal representatives or successors of the parties but shall not be assignable by either party with the consent of the other.

20. EFFECT OF COMPLETION

This Agreement, insofar as any of its provisions remain to be, or are capable of being performed or observed, shall remain in full force and effect after Completion.

21. INVALIDITY

The invalidity illegality or unenforceability of any provision of this Agreement shall not affect the continuation in force of the remainder of this Agreement.

22. COUNTERPARTS

This Agreement may be executed in any number of counterparts by the different parties hereto on separate counterparts each of which when executed and delivered shall constitute an original but all of which shall together constitute one and the same instrument.

23. STAMP DUTY

The Purchaser hereby acknowledges that it is responsible for the payment of all stamp duty (together with any interest and penalties thereon) which is payable in respect of this Agreement. Further the Purchaser hereby agrees to procure that the original and counterpart of this Agreement are duly stamped in as short a period from the date of this Agreement which in the circumstances is reasonable and promptly deliver to the Vendor the duly stamped counterpart of the Agreement.

IN WITNESS this Agreement was executed as a Deed on the date given above.

SCHEDULE 1

EXCLUDED ASSETS

There are excluded from the sale and transfer under this Agreement the following:-

1. the Debts
2. cash in hand and at the bank used by the Business
3. all liabilities of whatsoever nature (including, without limitation, the Creditors) owing or incurred by the Vendor as at Completion whether or not relating to the Business or the Assets
4. the Vendor's books of records, accounts and accounting records which do not relate exclusively to the Business
5. the benefit of any and all insurance claims and any repayments arising prior to the Transfer Date in relation to the Business
6. all assets (of whatever nature) owned by the Vendor and used in connection with the Business which are not specifically transferred to the Purchaser pursuant to the terms of this Agreement.

SCHEDULE 2

PROPERTY

PART 1 – DESCRIPTION

Firstly all that freehold land and buildings situate at Dalton Airfield Industrial Estate, Thirsk, North Yorkshire being part of the land comprised in Title Number NYK 217523.

Secondly all that leasehold land and buildings situate at Dalton Airfield Industrial Estate, Dalton, Thirsk, North Yorkshire as the same is comprised in Title Number NYK 218009.

Thirdly all that freehold land situate at Dalton Airfield Industrial Estate, Dalton, Thirsk, North Yorkshire as the same is comprised in Title Number NYK 131988.

Fourthly all that freehold land situate at Dalton Airfield Industrial Estate, Dalton, Thirsk, North Yorkshire as the same is comprised in title number NYK 240747.

Fifthly all the freehold land situate at Dalton Airfield Industrial Estate, Dalton, Thirsk, North Yorkshire being part of the land comprised in title number NYK 241848.

Sixthly all that freehold land situate at Dalton Airfield Industrial Estate, Dalton, Thirsk, North Yorkshire comprised in Title Number NYK 196852.

Seventhly all that freehold land situate at Dalton Airfield Industrial Estate, Dalton, Thirsk, North Yorkshire comprised in Title Number NYK 173623.

Eighthly all that freehold land situation at Dalton Airfield Industrial Estate, Dalton Thirsk, North Yorkshire as the same is comprised in title number NYK 235709.

Ninthly all that freehold land situate at Dalton Airfield Industrial Estate, Dalton, Thirsk, North Yorkshire as the same is comprised in title number NYK 175398.

All which freehold and leasehold property is shown for the purposes of identification only shown edged red on the plan attached to Part 3 of Schedule 2.

IT MUST NOT BE REPRODUCED IN ANY MANNER WITHOUT THE WRITTEN PERMISSION OF THE SELLER

PART 2 – PROPERTY CONDITIONS

1 DEFINITIONS AND INTERPRETATION

1.1 In this Schedule:-

"the CAA"	means the Capital Allowances Act 1990;
"the Deed of Exchange"	means a deed of exchange dated 15 day of January 1998 and made between (1) Severfield Reeve Plc and (2) Hambleton Holdings Limited;
"the General Conditions"	means the National Conditions of Sale 20th Edition
"the Leases"	means a Lease dated 15 June 1988 and made between (1) Mr & Mrs C Wilson and (2) Severfield Reeve Structural Engineers Limited and a Supplemental Lease dated 6 February 1989 and made between (1) Mr & Mrs C Wilson and (2) Severfield Reeve Plc;
"the Perpetuity Period"	means 80 years from the date hereof;
"the Property"	means the property described in Part 1 of this Schedule;
"the Title Numbers"	means title numbers NYK 218009, NYK 131988 and NYK 196852, NYK 173623, NYK 217523, NYK 235709, NYK 175398, NYK 231848 and NYK 240747
"the Vendor's Retained Land"	means all the land comprised in Title Number NYK 217523 which is not comprised in the Property;

1.2 In this Schedule the definitions used in the Agreement have the same meaning given to them in the Agreement.

2. POSSESSION

The Property is sold with vacant possession on completion except for the occupation of companies within the Vendor's Group who occupy the property pursuant to informal leasehold arrangements with the Vendor.

3. TITLE

3.1 Save as mentioned in this Agreement title to the Property is registered at HM Land Registry with absolute title under the Title Numbers and title shall be deduced in accordance with the Land Registration Act 1925 Section 110.

3.2 The Purchaser or the Purchaser's Solicitors having been supplied with a copy of the Deed of Exchange and the Transfer of Part shall raise no requisition or objection thereto with regard to the fact that registration of the same has not been completed at HM Land Registry.

4. ENCUMBRANCES

- 4.1 The Property is sold subject to and (where appropriate) with the benefit of the matters contained mentioned or referred to in the Property and Charges Registers of the Title Numbers (except any financial charges).
- 4.2 The Purchaser or the Purchaser's Solicitors having been supplied with office copies of the Property and Charges Registers of the Title Numbers the Purchaser shall be deemed to purchase with full knowledge of the same and shall not raise any requisition or make any objection in relation thereto.
- 4.3 In the Transfer the Purchaser shall covenant with the Vendor by way of indemnity only to thereafter observe and perform all the covenants and conditions contained, mentioned or referred to in the Property and Charges Registers of the Title Numbers in so far as the same are still subsisting and capable of being enforced and indemnify and keep indemnified the Vendor against all future costs, claims, liabilities, expenses and proceedings arising as a result of the future breach or non observance of the same by the Purchaser.

5. MATTERS AFFECTING THE PROPERTY

The Property is sold subject to the following matters:-

- 5.1 All Local Land Charges whether registered or not before the date of this Agreement and all matters capable of registration as Local Land Charges whether or not actually so registered.
- 5.2 All notices served and orders, demands, proposals or requirements made by any local, public or other competent authority whether before or after the date of this Agreement.
- 5.3 All actual or proposed charges, notices, orders, restrictions, agreements, conditions, contraventions or other matters arising under the enactments relating to Town and Country Planning.
- 5.4 All easements, quasi easements, rights, exceptions or other similar matters constituting overriding interests as defined in the Land Registration Act 1925 (as amended) whether or not apparent on inspection or disclosed in any of the documents referred to in this Agreement.
- 5.5 Any other matters of which the Purchaser may have actual knowledge or are capable of being ascertained by a prudent buyer by making the usual searches or enquiries of the Local Authority or other competent authority or authorities.

6. DISCLAIMER

- 6.1 The Purchaser admits that it has inspected the Property and has full knowledge of its actual state and condition and shall take the Property as it stands and the Purchaser admits that he enters into this Agreement solely as a result of its own inspection and on the basis of the terms of this Agreement and not in reliance upon any representation or warranty either written or oral or implied, made by or on behalf of the Vendor save for any representation or warranty contained in written replies given by the Vendor's Solicitors to any written preliminary enquiries raised by the Purchaser or the Purchaser's Solicitors or in correspondence passing between the Vendor's Solicitors and Purchaser's Solicitors.
- 6.2 The Purchaser admits that it has obtained advice and information about the Property independently of the Vendor.

7. DESCRIPTION

The Property is believed and shall be taken to be correctly herein described and the Purchaser having made his own inspections and survey accepts that no warranty whatsoever is given in respect thereof.

8. INCORPORATION OF CONDITIONS OF SALE

The General Conditions shall apply to this Agreement in so far as they are applicable to a sale by private treaty and are not varied by or inconsistent with the terms of this Agreement and shall be amended as follows:-

- 8.1 General Condition 2 shall not apply.
- 8.2 General Condition 3 shall not apply.
- 8.3 In General Condition 13(1) the words "and of a Statutory Declaration to be made (if required) at the Purchasers expense that the Property has been enjoyed according to the Title for at least 12 years" shall be deleted.
- 8.4 General Conditions 15(2), 15(3) and 15(4) shall not apply.
- 8.5 General Condition 21(1) shall not apply.
- 8.6 In General Condition 21(3) the words in the first line "at the expense of" shall be deleted from the words in the second line "...and in such case..." to the end shall be deleted.
- 8.7 In General Condition 22(2) the period of time therein mentioned shall be 10 working days instead of 16 working days.
- 8.8 The prescribed rate of interest under the General Conditions shall be 3% above the Royal Bank of Scotland plc base rate for the time being in force.

9. ENTIRE AGREEMENT

This Schedule represents the entire agreement made between the parties in relation to the Property and incorporates all the terms agreed between the parties for the purpose of Section 2 of the Law of Property (Miscellaneous Provisions) Act 1989 and there are no other terms or provisions agreed prior to the date hereof which have not been incorporated into this Agreement.

10. FORM OF TRANSFER

The transfer of the Property to the Purchaser shall contain:-

- 10.1 A covenant by the Purchaser with the Vendor by way of indemnity only that the Purchaser and its successors in title will from that time and for the residue of the Term perform and observe all the lessee's covenants contained in the Leases.
- 10.2 Declarations that:-
 - 10.2.1 the transfer is made with full title guarantee but the Vendor shall not be liable under any of the covenants set out in Section 3 or Section 4 of the Act for the consequences of any breach of the terms of the Leases concerning the condition of the Property;

10.2.2 for the purpose of Section 6(2)(a) of the Act all matters now recorded in registers open to public inspection (including without limitation the registers at HM Land Registry) and evident or ascertainable from the documents of title are deemed to be within the actual knowledge of the Purchaser notwithstanding the provisions of Section 6(3) of the Act;

10.2.3 in relation to Section 2(1)(b) of the Act the words "the cost of the Purchaser" be substituted with the words "the cost".

10.3 An exception and reservation in favour of the Vendor in the following terms:-

"a right of way with or without vehicles and for all purposes over the Property in order to gain access to and egress from any adjoining or nearby property which the Vendor now or within the Perpetuity Period shall own which is adjoining or nearby the Property using such reasonable route as may from time to time be designated by the Purchaser and contributing a fair and reasonable proportion (to be assessed by the Purchaser on the basis of user) of the cost of maintaining that route".

10.4 A grant in favour of the Purchaser from the owners or occupiers from time to time of the Property and each and every part of it in the following terms:-

10.4.1 a right of way with or without vehicles and for all purposes over the Vendor's Retained Land in order to gain access to and egress from the public highway using such reasonable route as may from time to time be designated by the Vendor and contributing a fair and reasonable proportion (to be assessed by the Vendor on the basis of use) of the cost of maintaining and repairing that route;

10.4.2 a right of free passage and running of services through conduits now or at any time during the Perpetuity Period running under the Vendor's Retained Land together with a right to enter such land in order to connect into, maintain, repair and relay such conduits subject to making good any damage caused to the Vendor's Retained Land by the exercise of this right; and

10.4.3 a right to run surface water from the Property across the Vendor's Retained Land and subject to complying with the requirements from time to time of the relevant statutory undertakers and subject to the rights being available from such statutory undertakers to drain surface water into the River Swale.

11. CAPITAL ALLOWANCES ON MACHINERY AND PLANT

11.1 Joint Election

11.1.1 within 30 days following Completion, the Vendor and the Purchaser shall make a joint election pursuant to S59B CAA in the form set out in Annex 2 of this Schedule to apportion that part of the Consideration to the various items of plant and machinery set out in such election as is set out opposite each item; and

11.1.2 the election is to be signed in duplicate by both the Vendor and the Purchaser.

11.2 The Vendor warrants to the Purchaser that it has claimed allowances under Part II CAA in respect of the plant and machinery set out in Annex 2 of this Schedule and is required to and will bring into account the price specified in the joint election referred to in paragraph 11.1 above as their disposal value on the sale of the Property.

- 11.3 The Vendor warrants to the Purchaser that the disposal value of each item of plant and machinery in Annex 1 of this Schedule does not exceed the capital expenditure incurred by the Vendor on it as taken for the purposes of Part II CAA.
- 11.4 At the Purchaser's cost, the Vendor is to provide such assistance and information as the Purchaser may reasonably require in connection with the Purchaser's claim for capital allowances in respect of the plant and machinery set out in Annex 1 of this Schedule.

12. INDUSTRIAL BUILDINGS ALLOWANCES

- 12.1 The Vendor warrants to the Purchaser that the capital expenditure incurred by it on the buildings comprised in the Property as taken for the purposes of Part I CAA is as set out in Annex 3 of this Schedule.
- 12.2 The Vendor warrants to the Purchaser that:-
- 12.2.1 it has claimed capital allowances under Part I CAA in respect of the expenditure incurred on the buildings comprised in the Property set out in Annex 3 of this Schedule and that none of these buildings has at any time since that expenditure was incurred been used otherwise than as an industrial building or structure (as defined in S18 CAA); and
 - 12.2.2 the buildings were first used (for the purposes of S3(3) CAA) on the dates set out in Annex 3 of this Schedule as regard the expenditure set out opposite each date.
- 12.3 At the Purchaser's cost, the Vendor is to provide such assistance and information as the Purchaser may reasonably require in connection with the Purchaser's claims for industrial building allowances in respect of the buildings as regard the expenditure set out in Annex 3 of this Schedule.

ANNEX 1*Plant and Machinery*

Item	Disposal Value £
Plant - Office extension	
Telephone infrastructure	7,127.00
Electrical installation	7,730.00
Plumbing	1,817.00
Toilets and sanitation	179.00
Fire alarm	1,670.00
Air conditioning	78,750.00
Fire protection	7,914.00
Carpets	17,380.00
Flooring finish	1,874.00
Window blinds	3,909.00
Signs	1,015.00
Total	£ <u>129,365.00</u>

ANNEX 2

Notice of Election

S59B Capital Allowances Act 1990

Particulars:-

Name of Seller	Severfield Rowen plc of Dalton Airfield Industrial Estate, Dalton, Thirsk, North Yorkshire YO7 3JN;
Seller's Tax District and Reference	Ripon District, 601/26010/01436;
Name of Buyer	Dalton Airfield Estate Limited of Dalton Airfield Industrial Estate, Dalton, Thirsk, North Yorkshire, YO7 3JN;
Buyer's District and reference	Inland Revenue, FICO, Fitzroy House, PO Box 46, Nottingham NG2 1BO;
Description of fixed plant and machinery	All the fixed plant and machinery in the Property set out in the list below;
Description of relevant land	<p>The Property at Dalton Airfield Industrial Estate, Dalton, Thirsk, North Yorkshire YO7 3JN comprising:-</p> <ul style="list-style-type: none">(a) freehold land comprising part of Title Number NYK 217523;(b) leasehold land comprising Title Number NYK 218009;(c) freehold land comprising Title Number NYK 131988;(d) freehold land transferred to the Seller by a Deed of Exchange dated 15 January 1998 made between (1) the Seller and (2) Hambleton Holdings Limited;(e) freehold land transferred to the Seller by a Transfer of Part dated 6 July 2000 made between (1) P D Northrop and N Northrop and (2) the Seller.
Interest acquired	As to part, freehold as to part leasehold for the residue of a term of 99 years from 1 June 1998 granted by a Lease dated 15 June 1998 made between (1) C Wilson and E Wilson and (2) the Seller (then called Severfield Reeve Plc) and by a Supplemental Lease dated 6 February 1989 made between (1) C Wilson and E Wilson and (2) the Seller (then called Severfield Reeve Structural Engineers Limited).
Date of exchange of contracts	

Date of completion

Total price £14,000.00

Price of the fixed plant and machinery £129,365.00

Election

The Seller and the Buyer jointly elect in accordance with S59B of the Capital Allowances Act 1990 to treat the sums set out in the list of fixed plant and machinery below as their respective prices for the purposes of that Act and confirm that accordingly £129,365 in total of the Price is attributable to that plant and machinery.

Item	Disposal Value £
Plant - Office extension	
Telephone infrastructure	7,127.00
Electrical installation	7,730.00
Plumbing	1,817.00
Toilets and sanitation	179.00
Fire alarm	1,670.00
Air conditioning	78,750.00
Fire protection	7,914.00
Carpets	17,380.00
Flooring finish	1,874.00
Window blinds	3,909.00
Signs	1,015.00
Total	£ <u>129,365.00</u>

.....
For Severfield Rowen plc

.....
For Dalton Airfield Estate Limited

.....
Date

.....
Date

ANNEX 3

Industrial Buildings

Year of addition

£

Pre	1987	326,494.00
	1984	87,747.00
	1987	158,910.00
	1988	461,320.00
	1989	915,439.00
	1990	73,879.00
	1991	90,311.00
	1992	22,868.00
	1994	594,436.00
	1995	984,901.00
	1996	1,035,357.00
	1997	1,896,269.00
	1998	2,439,568.00
	1999	<u>731,060.00</u>

£ 9,818,559.00

PART 3 - THE PLAN

See the attached document

EXECUTED (but not delivered until
the date hereof) AS A DEED by
SEVERFIELD ROWEN plc

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X JF *GR Kinsella*
Director

X PS *P. J. Janson*
Director/Secretary

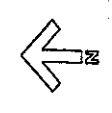
EXECUTED (but not delivered until
the date hereof) AS A DEED by
DALTON AIRFIELD PROPERTIES LIMITED

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)
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X JF *GR Kinsella*
Director

X PS *P. J. Janson*
Director/Secretary

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SEVERFIELD - REEVE DESIGNBUILD.

SEVERFIELD - REEVE PROJECTS LTD. DALTON AIRFIELD INDUSTRIAL ESTATE.
NORTH YORKSHIRE. YO7 3JN. TEL. 01845-578082 FAX. 01845-577942

DRAWING NUMBER P269STEPPLAN SCALE 1:2500.12 FEB 2001