

23rd January 2007

DW

Great James

Grant Fischer

1672

Ext:
1672

Capital Ring Ltd
46 Camden Road
London
NW1 9DR


daniela.wong@camden.gov.uk

SUBJECT TO CONTRACT

Dear Edwin

RE: Rear of 16 Great James Street, WC1

I am writing to confirm that we have accepted your offer on the above property and are now in a position to instruct our legal department to prepare the draft lease. Outlined below are the main terms of the lease. The remainder of the terms will be contained in the Council's standard commercial lease, which is to be accepted without substantial amendment.

Property : Rear of Great James Street, WC1

Tenant : Big Red Services Ltd

Rent : The commencing rent will be £15,000 per annum exclusive. The rent is to be paid quarterly in advance by banker's standing order. The first six months rent, landlord's costs will be payable in advance by bankers draft. These amounts will be collected on completion of the lease.

The property will be under offer to you for a period of twenty-eight days from the date of the Borough Solicitor despatches the draft lease. It is in your interest to agree the terms and complete the lease as quickly as possible as although the Council will not solicit further offers during the twenty-eight day period, any other offers that are received, the Council is under a financial duty to consider.

Term of Lease : 5 Years outside of the Landlord & Tenant Act 1954 Part II

Break Clause : Mutual option to determine the lease at anytime after the first 12 months into the lease, with 6 months prior written notice.

Rent Review : 3 Yearly Upwards

Permitted Use : Subject to confirmation with you as to the precise nature of the business, the permitted use will be **hand car wash**. This use will not be able to be change without the Council's prior written consent.

Insurance : The landlord will provide building insurance and recover a premium from you. You should take separate insurance cover for your stock, equipment, lighting and fittings, plate glass and for any other potential risks arising from any other business activity at the premises. Please note that there is a current excess of £250.00 on all claims against the Council's building insurance.

Repairs : The lessee is to be responsible for all internal repairs, decorations and maintenance, including all windows and doors both internal and external and the entire shop front area. You will also be responsible for all fixtures and fittings in the unit.

For the avoidance of doubt, ingoing lessees take on the subject premises in the condition existing at the time of completion and that have been given the opportunity to view and undertake any appropriate surveys costing exercises for fitting out another maintenance or repair works required.

Opening Hours : The unit will be expected to be open for trading / business during the normal trading / working hours and any extensions, these terms will be set out explicitly in the lease and will be the subject of local consultation.

Mains Services : You will be responsible for ensuring that the gas electrical installations comply with all the appropriate regulations throughout the period of the lease. You will be responsible for providing the Council with all relevant test certificates in this respect. Please note that you should make all appropriate checks in respect of the condition of the ingoing services, as the Council does not indemnify you against any failure to confirm that these services are adequate for the use proposed.

Trade Refuse Collection : You are responsible for making your own arrangements for the disposal of trade refuse which must be kept indoors until collection day. You must contact the Helpline Street Environment Services on 0207 974 6914/5.

Alienation : No sub-letting will be allowed whatsoever. The assignment will only be permitted the written consent of the Council. In the event of an application for licence to assign the lease, you will pay the Council's legal surveyors whether or not the licence to assign is granted. Together, we set reasonable costs as are incurred in the preparation and service of any schedule of dilapidations and the supervision or completion of work arising.

Legal Fees : **The lessee is to pay minimum of £450 towards the landlord's legal cost. Before we can instruct our Legal Department to prepare the draft lease, we require you to pay a non-refundable deposit of £175.00. Cheques should be made payable to London Borough of Camden. On completion, the balance of the legal fees will be £275.00.**

Rent Deposit : On the subject to the paragraph above, in any event, the rent deposit will be collected upon or prior to completion of the lease. An amount equivalent to three months annual rent which will be held throughout the term length of the lease and in any holding over period. An interest is not payable. The deposit maybe drawn upon in any event of any rent arrears and/or non-compliance with any of the lease covenants. The deposit will

be re-payable on an assignment of the lease. **Guarantor to be Edvin Brione.**

- Business Rates** : You have verified for yourself with the Council's tax and business rates department (0207 974 6460) the rateable value and rates payable figures for the subject premises.
- Data Protection Act 1984, 19880** : The information provided by you is confidential. However, we may pass on information to the Benefits Agency Employment Services and other Departments of the Council and the Rent Officer. We may also use the information to prevent and detect fraud. Certain lease details may also be provided as comparable evidence to other commercial landlords/tenants and/or their related advisors.
- Credit Checks** : The Council reserves the right to undertake credit status/address checks on all parties, referees and guarantors in addition to the references already provided.
- Planning** : A change of use will be required to allow the use of a car wash. Water source and drainage to be arranged by the ingoing lessees.

This offer sets out head of terms, as discussed, the Council will be willing to accept, subject to contract. This letter does not permit the Council to proceed with you and you should be aware that timescales set out in the letter for completion. Please confirm within seven days of the above terms are acceptable so that I can instruct the Council's solicitor to prepare the draft lease.

Yours sincerely

Grant Fischer BSc (Hons) MRICS
Lettings Manager