

## **SCHEDULE**

### **Approved Heads of Terms**

#### **Marischal Square Aberdeen**

#### **Draft Heads of Terms**

#### **Leisure**

**Updated 23 May 2016**

- 1. Property Address:** Unit A2, Marischal Square, Aberdeen
- 2. Developer:** Muse Developments Limited
- 3. Head Landlord:** Aviva Investors Commercial Assets GP Limited as general partner of and trustee for AVIVA INVESTORS REaLM COMMERCIAL ASSETS LP [Note: a sub lease protection agreement will be available for the benefit of the tenant]
- 4. Landlord:** Aberdeen City Council
- 5. Tenant:** Prezzo Limited (Company No: 03919682)
- 6. Demise:** Ground Floor : 3,300 sq ft  
  
The gross internal area will be subject to measurement at Taking Over (Practical Completion) in accordance with the RICS Code of Measuring Practice. If the floor area diverges +/- 5% from the target area the tenant will have the option to resile from the contract. Within a tolerance of +/- 3% the rent would not be adjusted upwards or downwards. Between +/- 3%-5% the rent would be adjusted downwards but not upwards on a pro-rata basis
- 7. Lease Term:** The premises will be let by way of a full repairing and insuring lease for a period of 25 years from lease commencement. There will be a tenant only break option on the 15<sup>th</sup> year of the lease, the tenant is required to give no less than 6 months prior written notice on their intention to break.
- 8. Agreement to Lease:** The Developer and tenant will enter into an Agreement to Lease, to include in agreed forms; a draft lease, a draft licence for works, a draft warranty package and a detailed specification with associated plans.  
  
The tenant will enter into step in agreements with Aberdeen City Council and Aviva as landlord and head landlord respectively.
- 9. Lease Commencement Date:** Targeted for August 2017 or any earlier such date that can be mutually agreed between both parties.
- 10. Rental:** The annual rental will be £92,400 per annum (£28.00 per sq ft) exclusive of VAT payable quarterly in advance.
- 11. Incentives:** The ingoing tenant will receive a six month rent free period.
- 12. Rent Review:** The rent review mechanism will be upward only every 5 years to open market based on a unit benefiting from Class 3 consent and based upon a shell unit.
- 13. External Areas:** The external seating area (plan to follow highlighting this) will be demised to the tenant for so long as the premises are used as a bar/restaurant, subject to the detailed terms of the lease and management regulations.

The public realm areas within the development (except in so far as demised to bar/restaurant tenants) will be maintained within the service charge regime.

- 14. Alienation:**
  1. The identity of the party permitted to occupy the unit in any capacity other than as provided at 2 below requires to be approved by the Head Landlord.
  2. Sharing of occupation with group companies is permitted.
  3. Partial assignation and subletting are not permitted.
  4. Assignation and subletting are permitted subject to 1 and 3 above and to the consent of ACC as Landlord, such consent not to be unreasonably withheld.
- 15. Alterations:** Structural alterations are at the Landlord's discretion. Other alterations require Landlord's consent which is not to be unreasonably withheld. Certain elements of demountable fit out may not require consent.
- 16. Service Charge:** The tenant will be liable for a pro-rata share of the service charge applicable to the building and of the larger development. Estimate to be confirmed.
- 17. Building Insurance:** The tenant will be responsible for a pro-rata share of the buildings and loss of rent insurance.
- 18. Development Agreement:** The transaction will be subject to a Development Agreement between the Developer and the tenant, which will document an agreed development specification; defects liability; proposed date of taking over; target date and backstop dates; measurement tolerances if applicable; guarantee if applicable and warranties and any other salient information required.
- 19. Specification:** To be agreed between respective technical teams although will include the following:-

Electricity – 140KV<sub>a</sub> with 200 amp cut off phase 3

Gas – 240 Kwh supply on a 25u meter

Water – 1.0 bar pressure

Drainage – 6 pop up points

It is envisaged the unit will be delivered in accordance with Prezzo's standard shell specification requirements although this will be confirmed by the landlords technical team in due course.
- 20. Collateral Warranties:** There will be a full package of collateral warranties in favour of the tenant, from the design team and the contractor.
- 21. Reinstatement:** All tenant alterations, unless otherwise agreed, to be removed and the demise reinstated by the end of the lease term. Specifically excluded is the requirement for the tenant to remove the flooring, walls and ceiling on expiry.
- 22. Legal Fees:** Each party will bear their own legal costs incurred in the transaction.
- 23. LBTT & Registration Fees:** The tenant will be responsible for the payment of LBTT, registration fees and VAT, which may be incurred in the transaction.
- 24. VAT:** All figures quoted are exclusive of VAT.

- 25. Developer's Solicitor:** MacRoberts LLP  
Capella  
60 York Street  
Glasgow  
G2 8JX  
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T: 0141 [REDACTED]
- 26. Tenant's Solicitor:** Brodies  
15 Atholl Crescent  
Edinburgh  
  
Contact: [REDACTED]  
Tele: 0131 [REDACTED]
- 27. Developer's Agent** CBRE Ltd  
Sutherland House  
149 St Vincent Street  
Glasgow  
G2 5NW  
Contact: [REDACTED]  
E: [REDACTED]@cbre.com  
T: 0141 [REDACTED]
- 28. Tenant's Agent** Culverwell Property Consultants  
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EH2 2LT  
Contact: [REDACTED]  
E: [REDACTED]@culverwell.co.uk  
T: 0131 [REDACTED]
- 29. Confidentiality:** These terms and any future negotiations are to remain confidential between the parties involved and their advisors.
- 30. Conditions:** Please note the above Terms are subject to:
- Landlord's Board approval
  - ACC approval
  - Missives to be concluded by no later than 1<sup>st</sup> July 2016
  - A long stop date of June 2018 for handover, failing which either party can resile from the contract.
  - Licence – the ingoing tenant is required to make a provisional license application immediately upon conclusion of missives.
- 31. Disclaimer** In accordance with the terms of the Requirements of Writing (Scotland) Act 1995, this document is neither intended to create nor to be relied upon as creating any contractual relationship or commitment.