

Marischal Square

NEW ABERDEEN

Date: 30 May 2019

Issued By: Savills

1.	Property Address:	Level 4, 2MSq Marischal Square Broad Street Aberdeen AB10 1LP										
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.										
4.	Landlord:	Aberdeen City Council.										
5.	Tenant:	Ernst & Young UK LLP. Suitable financial information will be provided in due course for the Landlord's consideration.										
6.	Demise:	2MSq <table><tr><td>Floor</td><td>NIA sq ft</td><td colspan="2">NIA sq m</td></tr><tr><td>Level 4</td><td>9,507</td><td colspan="2">883.2</td></tr></table> As per Plowman Craven Measurement Report & subject to check measurements undertaken by Tenants agent.			Floor	NIA sq ft	NIA sq m		Level 4	9,507	883.2	
Floor	NIA sq ft	NIA sq m										
Level 4	9,507	883.2										
7.	Car Parking:	12 basement car spaces will be Leased with the subject accommodation.										
8.	Lease Term:	The premises will be let by way of a Full Repairing and Insuring lease for a period of 10 years from lease commencement. The Tenant will benefit from a Tenant only break option on the 5 th anniversary of the date of entry, subject to providing the Landlord with 9 months prior written notice and subject to the break penalty (see below, point 11).										
9.	Lease Commencement Date (Conclusion of AfL):	Solicitors to be instructed by Friday 24 th May 2019 with the aim of concluding missives as soon as possible. Target Date of Entry is 1 July 2019. (Agreement for Lease (AfL) must be signed by end of 28 th June 2019)										
10.	Rental:	The initial annual rental will be based on the following rates, exclusive of VAT. <table><tr><td>Description</td><td>NIA sq ft</td><td>Rate psf pa</td><td>Total pa</td></tr><tr><td>Offices</td><td>9,507</td><td>£30.00</td><td>£285,210</td></tr></table> The rent will be payable quarterly in advance on the normal English quarter dates.			Description	NIA sq ft	Rate psf pa	Total pa	Offices	9,507	£30.00	£285,210
Description	NIA sq ft	Rate psf pa	Total pa									
Offices	9,507	£30.00	£285,210									
11.	Incentives:	The Tenant will benefit from an incentive of 24 months rent free from the Date of Entry.										

		<p>In the event that the tenant exercises their break option, they will pay a break penalty of 12 months rent.</p> <p>In addition the following contributions will be provided:</p> <ul style="list-style-type: none"> - Floorbox Allowance - £100 per floorbox (1 box per 10 sq m) - Carpet Allowance - £20 per sq m
12.	Rent Review:	At the 5 th anniversary, the rent will be reviewed in an upward only direction to open market level, subject to the usual, market recognised, assumptions and disregards.
13.	External Areas:	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:	Assignment in part will be prohibited. Sub-letting in part, assignment and sub-letting of whole will be subject to landlord's consent not to be unreasonably withheld or delayed. Sharing with affiliated companies, sub-letting to group companies will be permitted and will not require landlord's consent.
15.	Alterations:	<p>Alterations will be subject to landlord's consent not to be unreasonably withheld or delayed.</p> <p>All internal, non-structural; minor electrical and statutory works will not require landlord's consent. Provided these works do not involve any of the building systems in which case landlord's approval would be required. Given the multi-let nature of the building the signage will have to comply with the managing agents' signage policy but landlords approval will not be unreasonably withheld.</p>
16.	Service Charge:	<p>The Tenant will be liable for a pro-rata share of the service charge applicable to the building and of the larger development. Annual cost is currently estimated at £5.88 per sq ft for 2MSq.</p> <p>Marischal Square is BREEAM Excellent and Energy Performance Rated 'A', so running costs are extremely low in comparison to alternatives.</p>
17.	Building Insurance:	The Tenant will be responsible for a pro-rata share of the buildings and loss of rent insurance.
18.	Business Rates:	<p>The Tenant will be responsible for all rates incurred as a result of the occupation of the premises and associated car parking spaces with effect from the date of entry.</p> <p>As the office is a new build, the tenant should be entitled to 12 month's Rates exemption from the date of first occupation.</p> <p>The current Rateable Value for Level 4 is £199,000, effective from 1 April 2018. The Rateable Value for car parking is approximately £1,300 per space. Therefore the year 1 Rates saving could be in the order of £110,750 (c.£11.65 per sq ft), based on current large business Rates Pounding of 51.6p/£.</p>

19.	Tenant Fit-out:	Please provide plans of proposed tenant fit out in order that a Licence for Works can be documented.
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.
22.	Exclusivity:	There will be an exclusivity clause which will prohibit the landlord from letting space within 2MSq to any other of the "Big 4" accountancy firms.
23.	Legal Fees:	Each party will bear their own legal costs incurred in the transaction.
24.	LBTT & Registration Fees:	The Tenant will be responsible for the payment of LBTT, registration fees and VAT, which may be incurred in the transaction.
25.	VAT:	All figures quoted are exclusive of VAT.
26.	Landlord's Solicitor:	Macroberts LLP Capella 60 York Street Glasgow G2 8JX Contact: [REDACTED] Tel : 0141 [REDACTED] Email: [REDACTED]@macroberts.com
27.	Tenant's Solicitors:	TBC
28.	Landlord's Agents:	Savills 5 Queen's Terrace Aberdeen AB10 1XL Contact: [REDACTED] Tel: 01224 [REDACTED] Email: [REDACTED]@savills.com
29.	Tenant's Agent:	JLL 7 Exchange Crescent Conference Square Edinburgh EH3 8LL Contact: [REDACTED] Tel: 0131 [REDACTED] Email: [REDACTED]@eu.jll.com
30.	Confidentiality:	These terms and any future negotiations are to remain confidential between the parties involved and their advisors.
31.	Conditions:	Please note the above Terms are subject to:

		<ul style="list-style-type: none"> • Landlord's Board approval • ACC approval • Building survey and associated due diligence carried out at the Tenants cost.
32.	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.
33.	Prepared By:	[REDACTED] Savills
34.	Date:	30 May 2019