

Marischal Square Aberdeen

Heads of Terms

Leisure

January 2015

- 1. Property Address:** Unit B, 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:** Mitchells & Butler (No 2) Ltd
- 6. Demise:** Ground Floor : 6,000 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 15th anniversary of the lease with the tenant providing no less than 6 months written notice of 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 June 2017 or any earlier such date that can be mutually agreed between both parties.
- 10. Rental:** The annual rental will be £150,000 per annum exclusive of VAT payable quarterly in advance.
- 11. Incentives:** The ingoing tenant will receive a rent free period of 7.5 months and a capital contribution of £93,750 plus VAT to be paid to the tenant on the date of entry.
- 12. Rent Review:** The rent review mechanism to be fixed uplifts in line with RPI, compounded annually, subject to a collar and cap of 2%-4%.
- 13. External Areas:** **RETAIL:**

Thee external seating area (plan to follow highlighting this) 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:** LF to insert standard alienation clause
- 15. Alterations:** LF to insert standard alienation clause
- 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
- 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. 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
Contact: [REDACTED]
E: [REDACTED]@macroberts.com
T: 0141 [REDACTED]
- 26. Tenant's Solicitor:** Wright Johnston Mackenzie LLP
302 St Vincent Street
Glasgow
G2 5RZ
Contact: [REDACTED]
E: [REDACTED]@wjmk.co.uk
T: 0141 [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

Cushman & Wakefield
223 West George Street
Glasgow
G2 2ND
Contact: [REDACTED]
E: [REDACTED]@eur.cushwake.com
T: 0141 [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
- Licence – the ingoing tenant is required to make a provisional license application immediately upon solicitors being instructed.

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.