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FAX & POST

9 August 1994

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Dear Steve

HOXTON SQUARE DEVELOPMENT

I refer to your letter of 28 July enclosing the letter of 27 July from Nicholson Graham & Jones to Chris Chandler at the BFI. My comments on their comments are:

Agreement for lease

Page 4	Noted.
Page 6	I should have thought our point about overruns is self-explanatory. However, I am not sure what amendment, if any, is required. This is a matter on which legal advice would be needed!
Page 7	
Para 4.2	Proposed amendment seems fine.
Para 5.0	Noted. We probably have to accept.
Page 10	
Para 8.1	I note Chris' comments were solicited. Did he respond?
Para 8.3	Noted.
Page 11	
Para 9.3.3	Noted.
Page 15	I note the Second Schedule is still outstanding.
Page 16	Noted.

Lease (25 year term)

- Page 2
Para 1.7
Para 1.10
I think Nicholson Graham & Jones have misread our comment. We noted the "other commercial uses". Our question was whether the deletion of these would limit the rent review rises. Noted.
- Page 4
Para 4
Para 5
Noted.
I think the Board would feel more comfortable with a "cap".
- Page 14
Para 9
I see Chris Chandler's comments have been sought.
- Page 16
Para 18.4(a)
Noted. Although I think our point was we would like an unrestricted right to sub-let.
- Page 17
Para 18.4(b)
Para 22
Noted.
I note this is a standard clause but I am not sure that it is acceptable.
- Pages 22-25
Aside from the question of a "cap" I think an arbitration clause should be added.
- Page 26
Paras 2.1/2.2/2.3
I note these are standard clauses but I still think they are weighted in the landlord's favour.
- Page 27
Para 3.1
Noted.
- Page 29
Para 2.1.1
Should we seek guidance from a valuer or is the BFI doing this?
- Page 30
Para 2.2.1
I note that Nicholson Graham & Jones have sought clarification on our point. Has this been given? Again, it is a valuation point.

Lease (5 year term)

- Page 7
Para 5.7
I note this is a concession added at the request of Nicholson Graham & Jones. However, it would be helpful to have an explanation of the clause.

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Page 9

Para 4

Noted.

Page 16

Para 18.1

I note guidance has been sought from Chris Chandler. Has this been given?

Para 18.3

I note "this was agreed". However, I am not sure what was agreed.

Page 17

Para 22

See my comment on the 25 year lease.

There are a few other detailed points dealt with in the Nicholson Graham & Jones letter but, as these were not covered in your "minutes" I have not dealt with these.

I note that most serious issues between the Glasshouse and the BFI are resolved and that final drafts will be available shortly. The LFVDA Board will, of course, be primarily interested in the indemnity being sought by it of the BFI. Is this agreed and will a draft of this also be available?

I note your timetable which seems fine.

Kind regards.

Yours sincerely

Linda Clarke

PP L J Chrisfield