

21st August 2015

Mrs. A. Gibson
56 Naseby Way
Great Glen
Leicester
LE8 9GS

Dear Mrs Gibson

Merton College – Tur Langton Village Hall

Thank you for your letter dated 1st August. My response to these queries is as follows:-

1. **Rent** – in terms of the opportunity cost the value to the College really commences on the first day of the term and this should therefore be the start of the rent. However, as a compromise I propose that the rent becomes payable on the earlier of the completion of the works or three years from the start of the lease.
2. **Term of the lease** – in the light of the comments particularly from DEFRA and the Big Lottery Fund the College would be prepared to extend the lease to a twenty-one year term.
3. **Insurance** - on re-reading clause 7 I think there is some confusion in that it refers to both the tenant and the landlord insuring. I have therefore redrafted the entire clause making clear the tenant's obligations to insure and the conditions for forfeiture of the lease. I trust that these are now acceptable.
4. **Break clause** – As stated from the outset, the College is concerned about the sustainability of the village hall and were persuaded to agree a new lease on the understanding that the property would be either substantially refurbished or rebuilt. This break clause only comes into effect if the works are not completed and I therefore think that it is reasonable.
5. **Checking of contractors** – I do not agree that the requirements present you with unacceptable liability. The scope of the work is known as it will be detailed in part one of schedule one (the works). The purpose of the control is therefore simply to ensure that those works are carried out satisfactorily. As regards clause 2 of part two of schedule one we could if it would give you some comfort provide some criteria by which we would judge proposed contractors. Your suggestion would remove this element of control from the College and is therefore not acceptable.

John S G Gloag MRICS
COLLEGE LAND AGENT & ESTATES BURSAR



MERTON
COLLEGE
OXFORD

I shall look forward to hearing from you when you have had an opportunity to consider my comments.

Yours sincerely

A handwritten signature in black ink, appearing to read 'J S G Gloag'.

J S G Gloag MRICS

Enc.

- 6.14 The fees and expenses of the Surveyor and the cost of the Surveyor's appointment and any counsel's fees, or other fees, reasonably incurred by the Surveyor shall be payable by the Landlord and the Tenant in the proportions that the Surveyor directs (or if the Surveyor makes no direction, then equally). If the Tenant does not pay its part of the Surveyor's fees and expenses within ten working days after demand by the Surveyor, the Landlord may pay that part and the amount it pays shall be a debt of the Tenant due and payable on demand to the Landlord. The Landlord and the Tenant shall otherwise each bear their own costs in connection with the rent review.

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7. INSURANCE

- 7.1 The Tenant shall effect and maintain insurance of the Property (with reputable insurers) at its own costs in the joint names of the Landlord and the Tenant. Such insurance shall be against loss or damage by any of the Insured Risks for the sum which the Landlord considers to be its full reinstatement cost (taking inflation of building costs into account).

- 7.2 In relation to any insurance effected by the Tenant under this clause 7:

- 7.2.1 The Tenant shall, at the request of the Landlord, supply the Landlord with:

7.2.1.1 a copy of the current insurance policy and schedule;

7.2.1.2 a copy of the application form for the policy; and

7.2.1.3 a copy of the receipt for the current year's premium.

- 7.2.2 notify the Landlord of any change in the scope, level or terms of cover as soon as reasonably practicable after the Tenant has become aware of the change;

- 7.2.3 if requested by the Landlord in writing, use reasonable endeavours to procure that the interest of any Landlord's mortgagee is noted on the insurance policy, either by way of a general noting of mortgagees' interests under the conditions of the insurance policy, or specifically.

- 7.3 The Tenant shall inform the Landlord and inform the insurer of the Property immediately that it becomes aware of:

- 7.3.1 any matter which occurs in relation to the Tenant or the Property that any insurer or underwriter may treat as material in deciding whether or on what terms, to insure or continue insuring the Property;

- 7.3.2 any damage or loss that relates to the Property; and

- 7.3.3 any other event occurs which might affect any insurance policy relating to the Property.

- 7.4 If any part of the Property is damaged by an Insured Risk and is unfit for occupation and use and the policy or policies of insurance have not been vitiated or payment refused in whole or in part as a result of some act or default of the Tenant then (subject to clause 7.10) a fair proportion of the Annual Rent shall be suspended until the Property is fit for occupation and use or if earlier until the monies received by the Tenant in respect of loss of rent insurance shall have been exhausted and any dispute regarding the suspension of rent shall be referred for determination, to an independent surveyor who is a Member or Fellow of the Royal Institution of Chartered Surveyors and who shall act as an expert.
- 7.5
- 7.5.1 If the Property is damaged by any of the Insured Risks then (subject to clause 7.10 hereof) unless payment of the insurance monies shall be refused in whole or in part by reason of any act or default of the Tenant or anyone under its control and the Tenant does not comply with clause 7.5.2 hereof the Tenant will apply promptly for any planning or other permission necessary for rebuilding or reinstating the Property and promptly upon receipt of all such permissions will lay out the net proceeds of such insurance in reinstating the Property making up any shortfall out of its own monies
- 7.5.2 If the payment of any insurance monies is refused as aforesaid the Tenant will pay to the Landlord on demand with interest the amount so refused
- 7.6 The Tenant will not do anything which may prejudice any policy of insurance for the time being in force in respect of any part of the Property or which may result in such insurance becoming void or voidable or the rate of premium under such insurances being increased and the Tenant will at all times comply with all requirements of the insurers of the Property
- 7.7 In the event that the Landlord shall determine the Contractual Term pursuant to clause 7.10 to execute all such deeds sign all such documents and do all such things as may be required to enable the proceeds of the insurance to be paid to the Landlord absolutely and in the event that any such monies shall be or shall have been paid to the Tenant to remit the same to the Landlord forthwith
- 7.8 The Tenant will keep the Property supplied with such fire fighting equipment as the insurers of the Property and the competent fire authority may require or as the Landlord may reasonably require and maintain such equipment to the satisfaction of all such persons
- 7.9 The Tenant will not store inflammable or explosive substances or goods at the Property or obstruct the access to any fire equipment or the means of escape from or over the Property and in the event of anything happening which might affect any insurance policy relating to the Property forthwith to give notice to the Landlord
- 7.10 Notwithstanding anything herein contained in the event of the Property being either destroyed or damaged so as to necessitate a major rebuilding or reconstruction of the Property during the Contractual Term by reason of any of the Insured Risks and the Property has not been reinstated so as to be fit for occupation and use within three

years of damage or destruction the Landlord may at any time give fourteen days notice in writing to the Tenant determining the Contractual Term and with effect from the date of service on the Tenant of such a notice the Tenant shall (if hereunder but for such notice he would be bound to reinstate the Property) cease to be so bound and the Tenant shall not in any case be entitled (without the written consent of the Landlord) to reinstate the Property and upon the expiration of such a notice the term hereby created shall cease and determine but any such determination shall be subject to the Landlord's rights to recover any rent payable at the time of determination and damages in respect of any then subsisting breaches of covenant

8. RATES AND TAXES

8.1 The Tenant shall pay all present and future rates, taxes and other impositions and outgoings payable in respect of the Property, its use and any works carried out there, other than:

8.1.1 any taxes payable by the Landlord in connection with any dealing with or disposition of the reversion to this Lease; or

8.1.2 any taxes, other than VAT and insurance premium tax, payable by the Landlord by reason of the receipt of any of the rents due under this Lease.

8.2 If any rates, taxes or other impositions and outgoings are payable in respect of the Property together with other property, the Tenant shall pay a fair proportion of the amount payable.

8.3 The Tenant shall not make any proposal to alter the rateable value of the Property or that value as it appears on any draft rating list, without the approval of the Landlord.

8.4 If, after the end of the term, the Landlord loses rating relief (or any similar relief or exemption) because it has been allowed to the Tenant, then the Tenant shall pay the Landlord an amount equal to the relief or exemption that the Landlord has lost.

9. UTILITIES

9.1 The Tenant shall pay all costs in connection with the supply and removal of electricity, gas, water, sewage, telecommunications, data and other services and utilities to or from the Property.

9.2 If any of those costs are payable in relation to the Property together with other property, the Tenant shall pay a fair proportion of all those costs.

9.3 The Tenant shall comply with all laws and with any recommendations of the relevant suppliers relating to the use of those services and utilities.

10. VAT

10.1 All sums payable by the Tenant are exclusive of any VAT that may be chargeable. The Tenant shall pay VAT in respect of all taxable supplies made to it in connection with this Lease on the due date for making any payment or, if earlier, the date on which that supply is made for VAT purposes.