

Mr Richard Samuel
E2999

The following is a summary of the provisions in the Lease documentation ('The Lease') relating to the Landlord's ability to end it upon its proposed redevelopment of the Shopping centre or the Podium;

1. The Landlord (currently Waitrose Limited) has the right to end the Lease on the 10th January 2021 or on each subsequent tenth anniversary if it intends to redevelop the Shopping Centre or the Podium. To do this it must give not more than eighteen months nor less than seven months' notice in writing so therefore to end on the 2021 date it would have to give notice between 10 July 2019 and 10 June 2020.
2. If the Landlord ends the Lease the Tenant is entitled to compensation (or at the Tenant's option) alternative accommodation within the Shopping Centre or the Podium however the Tenant is not able to resist the termination of the Lease provided the notice procedures are correctly followed etc.
3. Before giving notice as above the Landlord must 18 months earlier give an interim notice of its intention to serve a final notice as above giving details of the proposed development and the proposed alternative accommodation (therefore January 2018 at the earliest or December 2018 at the latest for a 2021 termination).
4. If within 6 months of this interim notice the Landlord and Tenant have not agreed the basis of compensation or the terms as to the provision of alternative accommodation then the matter would be determined by a Chartered Surveyor (as an arbitrator under the Arbitration Acts 1950 to 1979) to be nominated on the application of the Landlord or Tenant by the President for the Royal Institution of Chartered Surveyors. The determination would not decide whether compensation or alternative accommodation is the most appropriate option (that is the Tenant's choice) it is concerned with determining the amount of compensation or the terms of the alternative accommodation.
5. Within 4 months of agreement/ determination of compensation the Tenant shall notify the Landlord in writing as to whether it elects to accept the payment of compensation or the provision of alternative accommodation.
6. The Landlord must provide the Tenant with a copy of the detailed planning permission for the proposed redevelopment at least 1 month prior to serving the final notice referred to in 1 above.
7. Within 18 months of the date of the interim notice in 3 above the Landlord must either (a) serve the final notice referred to in 1 above on the Tenant giving effect to the Tenant's choice of compensation or suitable alternative accommodation or (b) give notice to the Tenant in writing that it does not intend to proceed with the redevelopment proposal in which case the interim notice in 3 above is rescinded.
8. The Landlord indemnifies the Tenant for all reasonable and proper costs in connection with the process (including the costs of seeking alternative accommodation outside of the Shopping Centre or the Podium).
9. If the Tenant decides to accept compensation the amount paid shall be a sum that represents the open market value of the property plus 10% of the difference between the open market value and the value to the Landlord as special purchaser (due to its unique ability to use the Property as part of redevelopment).
10. If the Tenant decides to accept alternative accommodation it will be leased on similar terms to the original Lease and the sum of £667,250 (index linked since June 1986) shall be paid to represent initial finishes in the original library works specification incurred at the outset of the original lease and professional costs attributable to such works. Also if the open market value of the alternative accommodation is lower than the current property the Landlord will pay additional compensation to the Tenant. The Tenant may be able to protect further capital expenditure in the event that items giving rise to that expenditure are not capable of being removed to the alternative accommodation provided it gives notice after 11th January 2016 prior to making that expenditure in which case the Landlord will reimburse that expenditure on expiry of the notice in 1 above if not written off. This takes effect provided the interim notice in 3 above is not served within 12 months of the Tenant's notice in this respect and there is no current notice in 1 and 3 above on the date of expenditure.
11. The provision of alternative accommodation shall be entirely free of acquisition and removal costs and other reasonable costs. It shall afford no less useable floor area at least as appropriate for the current uses on no more than two floors at Northgate Street level and above and substantially no more expensive to operate in such location with equivalent rights of access and parking etc. The term shall be for the residue of the current Lease at a peppercorn rent and otherwise on the same terms as the current Lease.
12. If required by the Tenant the Landlord will provide temporary alternative accommodation at its own cost during the carrying out of the development proposal free of charge having substantially no less useable floor area suitable for use as temporary accommodation either within the Podium or the Shopping Centre or within Bath City Centre.

In summary the Landlord has the ability to end the lease if it wishes to redevelop and provided the procedures are followed the Tenant is not able to prevent that termination. As the lease falls within the provisions of the Landlord and Tenant Act 1954 the Landlord would in conjunction with the procedures above have to go through a statutory procedure of serving notice etc. but provided the Landlord is able to show a genuine intention to redevelop the Tenant is not able to prevent termination.