

NICHOLSON GRAHAM & JONES

SOLICITORS

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Our Ref. MDP/B257-60

Your Ref.

Date 14 June 1994

Dear Chris

2-4 Hoxton Square Hackney London

I refer to our recent telephone conversation and enclose as discussed, a copy of an article I have taken from the April 30th Edition of the Estates Gazette dealing with the more flexible approach that lending institutions are taking to commercial tenancies. This is certainly in line with our existing stance to the effect that it is unreasonable for Glasshouse to be insisting on both a twenty-five year term and an inability for the BFI to be released from liability on assignment. I would be interested to hear the outcome of your conversations with David Nicholson in that regard. As discussed, it may well be that the "middle ground" is for the BFI to remain on the hook subsequent to any assignment, subject to the lease term being for a period of say ten years only. There seems little doubt that such a lease, in what will be an impressive new development, would prove satisfactory to any potential investor.

I am currently looking into the position on the VAT and will revert to you shortly.

Yours sincerely



Mark Phillips

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