



Unit 4, Dinas Isaf Industrial Estate

Heads of Terms for Lease Surrender

24 May 2012

Subject to Contract

- 1. Property Address:** Unit 4
Dinas Isaf Industrial Estate
Williamstown
Tonypandy
CF40 1NY
- 2. Landlord:** Lear Investments Ltd
The Coach House
Old Berrow Manor
Ullenhall Lane
Ullenhall
Warwickshire
B95 5PF

Contact: Andrew Smith
Tel No: 01564 741010
- 3. Tenant:** Moulded Foams (Wales) Ltd
c/o Linpac 3180 Park Square
Birmingham Business Park
Birmingham
B37 7YN

Contact: John Thorpe
Tel No: 07721 428078
- 4. Demised Premises:** The Demised Premises are shown outlined red on the attached Title Register and Title Plan – WA826274.
- 5. Lease:** 25 years from 1st August 1996 between the Welsh Development Agency (Landlord) and Moulded Foams (Wales) Ltd (Tenant).
- 6. Lease Surrender:** The Tenant is to surrender the lease to the Landlord.

The Landlord will receive a Surrender Payment of £350,000 plus VAT.

This payment is made up of £250,000 in lieu of dilapidations and £100,000 as a one off payment and will be a full and final payment in consideration of an early surrender of the lease

The significant works included within the surrender payment are:

- Undertaking repairs to the roof to ensure that it is wind and watertight
- Replacing damaged and heavily dirtied translucent roof light panels
- Ensure all damaged guttering is replaced and fully functional
- Repair any damage to external cladding
- Ensure all vehicle access doors are fully operational
- Clean and clear warehouse of all tenants fittings and making good where required
- Ensure all warehouse lighting is in working order and relevant certificates provided
- Ensure gas fired heaters in warehouse are working and relevant certificates provided
- Redecorate office accommodation including new flooring
- Replace damaged windows within the office accommodation
- Service all boilers and provide certificates
- Ensure all electrics are safe and provide relevant certificate

The surrender is to be effective from 24th June 2012 even if it is not documented until after this date.

7. Legal Costs:

Both parties are to pay their own legal costs.

8. Timescales:

The surrender is to take place within 6 weeks of solicitors being instructed or earlier by mutual agreement.

There will be a backstop date of 31st July 2012.

9. Conditions:

The letting is subject to the following:

- Subject to Contract
- Subject to granting a new lease to Techniglass Ltd
- Bank approval
- The surrender is to be effective from 24th June 2012 even if it is not documented until after this date.

10. Landlord's Solicitor:

Keelys Solicitors
28 Dam Street
Lichfield
Staffs

Contact: Sharon Lawrence
Tel No: 01543 420000
Fax No: 01543 416551
Email: slawrence@keelys.co.uk

11. Tenant's Solicitor:

Berwin Leighton Paisner LLP
Adelaide House
London Bridge
London
EC4R 9HA

Contact: Chris Adams
Tel No: 020 3400 2257
Fax No: 020 3400 1000
Email: Chris.Adams@bplaw.com
DX: 92 London/Chancery Lane

12. Landlord's Agent:

Knight Frank LLP
Emperor House
Scott Harbour
Pierhead Street
Cardiff
CF10 4PH

Contact: Neil Francis
Tel No: 029 2049 2492
Fax No: 029 2048 5553
Email: neil.francis@knightfrank.com

13. Tenant's Agent:

DTZ
Marchmount House
Dumfries Place
CARDIFF
CF10 3RJ

Contact: Rob Ladd
Tel No: 029 2026 2254
Fax No: 029 2039 5379
Email: rob.ladd@dtz.com

SUBJECT TO CONTRACT

DATE: 24 May 2012