

## 20:20 House (Residential Management) Limited

29 November 2021

Castle Special Projects LLP  
46 Broadway  
Swinton,  
Mexborough  
S64 8HF

Dear Sirs

### **Design and construction of replacement non-ACM cladding ("The Works") at 2020 House, Skinner Lane, Leeds ("The Site")**

- 1 We confirm that it is our intention, subject to the provisions of this letter to enter into a contract with you ("the Contract") for the Works in accordance with the documents set out below ("the Documents");
  - a) GWP Architecture design drawings as listed on the schedules attached to this letter.
  - b) Tender price submission in the sum of £1,504,380.01.
  - c) JCT Design and Build Building Contract 2016 Edition, together with the previously agreed bespoke amendments, additions or supplementary conditions as set out in the Schedule of Amendments by Bevan Brittan.
  - d) Fire Safety Report by Fire Prevent dated 18<sup>th</sup> November 2021.
  - e) Employers Requirements by Colin S Charlesworth & Partners Ltd
- 2 The Contract Sum is £1,504,380.01
- 3 No deviation from the Employers Requirement document will be permitted except with the written approval of the Employer's Agent.
- 4 Under the authority of this letter you are to proceed with the placing of orders as is necessary to enable you to comply with the following programme for the Works, subject to the financial limit noted in paragraph 5 below: -

Date of Possession to be: TBC (subject to planning)  
Date for Completion will be: TBC (subject to planning)

- 5 Subject to your compliance with the terms of this letter, we will pay for bone-fide expended third party costs incurred by you pursuant to this letter, subject to a maximum expenditure of **£301,370.13** ('the Maximum Amount'). Application for payment must be supported by sufficient detail as we may reasonably require to enable the Employer's Agent to check that the amount applied for is in accordance with this Letter of Intent. The amount payable for such work, goods and materials shall be calculated, so far as appropriate, in accordance with the Documents but to the extent that the same cannot be priced in accordance with the Documents, we shall pay you a fair and reasonable amount.
- 6 We agree the target date of 20 December 2021, for entering into formal contract referred to in clause 1 and the 'Maximum Amount' reflects this. In the event that the target date is not met the 'Maximum Amount' may need to be increased by agreement.
- 7 This letter of intent confirms authority to progress with the following tasks (within the stated cost constraints) necessary to achieve a start and completion by the dates referred to above:-
  - (a) Site set up/mobilisation
  - (b) Material purchase orders
  - (c) Planning submission
  - (d) The design of the work utilising the design services of the consultants currently engaged and to be employed by you directly under the Design and Build Contract.
  - (e) The design of the work utilising the design services of the sub-contractors currently engaged and to be employed by you directly under the Design and Build Contract.
  - (f) Insurances
- 8 In consideration of us issuing this Letter of Intent, you warrant to us that the Works shall be carried out:
  - (a) in accordance with the terms and conditions of this letter and the Documents;
  - (b) in a good and workmanlike manner;
  - (c) using materials and goods which are new and of sound and satisfactory

quality and using such materials and goods in accordance with any relevant manufacturers' specifications;

- (d) in accordance with good building practice including the relevant provisions of current British Standards and Codes of Practice, and all Applicable Laws;
- (e) (in the case of any design work forming part of the Works) with reasonable skill and care to be expected of an appropriately qualified and competent designer of the relevant discipline as the design experienced in carrying out similar works for developments of a similar size, scope and purpose to the Works.

9 Subject to paragraph 5 above, we will pay you for the Works under this letter of intent as if you were performing them as part of the works under the Contract. Payments under this letter shall be made in accordance with the payment provisions set out in the JCT standard form Design and Build Contract 2016 incorporating the amendments identified in the Documents and you and we shall issue any applications, notices or interim certificates or statements as would be required under the Sub-Contract. The first valuation will be December 2021.

10 We require vesting certification to be provided prior to payment for all material purchases in excess of £10,000.00 in the format attached to this letter.

11 We will not be liable to you for any sum greater than the Maximum Amount.

12 Within 7 days of this letter and before you enter the Site you must provide to the Employers Agent written evidence that you have arranged for satisfactory insurances as follows:-

- a) Professional Indemnity Insurance
- b) Contractors Insurance
- c) Insurance for the Works
- d) Product Liability Insurance
- e) Professional indemnity insurance

Satisfaction of this clause is a condition precedent to any payment becoming due under this letter.

13 In the event of our proceeding to enter into the Contract, the Employer's Agent will prepare and issue to you the Contract Documents as soon as practicable. You will promptly upon receipt thereof release these to us duly signed and executed.

- 14 The rate of liquidated and ascertained damages is to be a rate of £3,000.00 per week or part thereof.
- 15 You will liaise with the Principal Designer to ensure that the necessary F10 notification is issued and the Construction Phase Health and Safety Plan and Safety Method Statements are in place prior to commencement on Site.
- 16 We may, at any time, suspend performance of part or all of the Works by giving you notice. You shall resume performance of that part or all of the Works as soon as reasonably practicable after receiving a notice from us to do so provided such notice is received within 6 months of the notice to suspend. In the event of a suspension under this paragraph and subject to the Maximum Amount we shall pay you for all works and services performed and for all reasonable third party costs properly incurred prior to the date of the suspension in connection with the carrying out of works or services in connection with this Letter of Intent plus your reasonable demobilisation and cancellation costs and such payment shall be your sole compensation for suspension of the Works.
- 17 We may at any time prior to execution and completion of the Contract by us and without assigning any reason, give to you written instruction to stop work immediately on all or any part of the Works and your rights and obligations to carry out further work are terminated to the extent of the instruction to stop work. Upon receipt of such written instruction you will leave the site or part of the site as we direct as quickly as is reasonably and safely possible and leaving the site safe and secure. In the event of a termination under this paragraph and subject to the Maximum Amount we shall pay you for all works and services performed by you under this letter of intent prior to the date of termination including de-mobilisation and cancellation costs reasonably and properly incurred in consequence of such instruction. Our liability for your bone fide costs between you and any third parties incurred after service of such instruction shall be limited to all sums due and payable under the agreements with such third parties.
- 18 (a) you grant and agree to grant to us an irrevocable non-exclusive royalty free licence to use and reproduce all drawings, calculations and specifications and the designs contained in them ("Designs") hitherto or hereafter prepared by you or on your behalf in connection with the Works for all purposes connected with the Works, but no further; and;
- (b) you agree to supply to us on request a copy of the Designs and warrant that the use of the Designs for the purposes of the Works will not infringe the rights of any third party.
- 19 You agree to indemnify us against all loss or liability due to death or personal injury or

damage to real or personal property (including the site and the Works) arising out of or in connection with the carrying out of the works under or in connection with this letter and to the extent that the same is due to any negligence, breach of statutory duty, omission or default on your part, save to the extent that such loss or liability is due to any act or neglect of ourselves or our agents.

- 20 You accept appointment as Principal Contractor for the purposes of the Construction (Design and Management) Regulations 2015 ("CDM Regulations") and for the purposes of all construction work to be performed pursuant to this letter, and agree to perform and observe the functions and duties under and the requirements and prohibitions imposed upon you by the CDM Regulations and other statutory provisions pertaining to health and safety.
- 21 We shall be under no obligation to you to proceed with the Works or to select you for appointment as contractor for the Works. Our sole financial obligation to you shall be as set out in this Letter of Intent. We shall owe you no further compensation either in respect of work you have performed or in respect of any termination of this letter or your engagement under this Letter of Intent. We will not be liable to you for any loss of profit, or any other consequential loss or cost however so arising in the event of our not entering into the Contract.
- 22 If the Contract is entered into its terms and conditions will supersede this letter of intent and shall govern respectively the work that you have carried out under this letter of intent. Any monies paid to you in respect of any work shall form part of the Contract Sum under the Contract and be treated as "on account" of our payment obligations thereunder.
- 23 This Letter of Intent and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales. The parties irrevocably submit to the exclusive jurisdiction of the courts of England and Wales which shall have jurisdiction to hear and decide any suit, action or proceedings and/or to settle any dispute or claim which may arise out of or in connection with this Letter of Intent or its subject matter or formation (including non-contractual disputes or claims).

We request that you confirm your full acceptance to the terms and conditions listed in this letter by signing the two enclosed copies and returning to this office after which we will sign and return one copy for your records. We shall have no liability to you until you have signed and returned a copy of this letter to us.

Yours faithfully

For and on Behalf of  
20:20 House (Residential Management) Limited

Acceptance of Letter of Intent by the Principal Contractor (Castles LLP)

..... Signed

..... Full Name

.....

Position

.....

Date

Castles LLP