

# LSH Online Auctions

The logo for Lambert Smith Hampton, featuring the company name in white text on a red rectangular background.

## **Biomass CHP/Waste Recycling Complex, Pengarnddu Industrial Estate, Merthyr Tydfil**

Guidance and Requirements for Online Auction Bidders:

### **Online Bidding:**

**Online bidding will open at 11am on Tuesday 14<sup>th</sup> March 2017** – at a starting price of £1

**Online bidding will close at 11am on Wednesday 15<sup>th</sup> March 2017** – it is proposed that for convenience each bid increment amount will be £1,000. Several bid increments may be made at one time. If a bid is received within the final 3 minute period of the sale (for the avoidance of doubt, 3 minutes before the auction is due to close) the bidding period will immediately be extended by another 3 minutes and so on until no more bids are received. The auction will close when a period of 3 minutes has elapsed without a new bid being made, when the last and highest bidder will be declared the purchaser.

Please read the LSH Online Auction Bidding Guide for clarity where appropriate.

### **The Three Year Lease:**

The three year lease that will be granted to the successful bidder will be excluded from the security of tenure provisions under the Landlord and Tenant Act 1954.

This means that the successful bidder, as a tenant will not have any right to extend or renew the three year lease that is to be granted. In order to exclude this security of tenure the prospective tenant must comply with a set statutory procedure which is to ensure that they understand the provisions. This will need to be completed by all of those who intend to bid before doing so.

We would recommend that you take independent legal advice in respect of the implications of the exclusion of security of tenure

### **To Be a Prospective Bidder:**

The prospective bidder must be identified prior to in order that the Council's solicitor can serve the required Warning Notice on them advising that the tenant under the lease will not have security of tenure.

The tenant must then swear a statutory declaration in front of a solicitor confirming that they understand the implications of the exclusion. It is only once this process has been followed and the original statutory declaration has been returned to **Blake Morgan** can the prospective buyer submit a bid.

The exclusion process is extremely prescriptive and the exclusion only works in respect of the specific party who the noticed has been served on and who has sworn the statutory declaration. As a result of this all potential bidders must be absolutely clear as to exactly who the *intended buyer* is, especially in the case of group companies, where the exact company must be correctly identified prior.

### **Important Note:**

The Council will not be able to grant the lease to any third party or subsidiary and can only grant the lease to the company that has following the exclusion procedure.

### **Waste Remediation Obligations:**

The purchaser will be required to remediate the excessive waste that is currently stored upon the site and to ensure that this is carried out to the Council's satisfaction the purchaser will at the point of purchase provide a bond of £1,950,000.

As the waste volume is remediated, and the liability reduced, the retained sum will also be reduced accordingly and will be refunded to the purchaser, thus the retained sum may be used to fund the remediation.

### **Payment:**

Each bidder will be required to provide evidence of their ability to pay the bond/deposit on the 31<sup>st</sup> March 2017.

The Council/vendor may undertake a credit reference and the Bidder should supply a DUNS ID number (Dunn & Bradstreet).

