

GMI Holbeck Land (Malton) Limited

**Middleton House
Westland Road
Leeds
LS11 5UH**

**For attention of the Chief Executive
Ryedale District Council
Ryedale House
Malton
North Yorkshire
YO17 7HH**

15.09.2015

Dear Sirs

Malton: The Wentworth Street Car Park.

We write further to the Briefing meeting of the 15th June 2015 and Members agreement to await the outcome of the Judicial Challenge before committing to a resolution in respect of the contract between Ryedale District Council and GMI Holbeck Land.

The Decision from the Judicial Review to quash the Planning Permission was extremely disappointing with the failings identified outside of our control. Following consideration we decided not to Appeal the Decision as a supporting party to RDC.

Our determination to deliver development and investment for Malton and Norton has not diminished and despite the setback we are undertaking a detailed review of recent changes to food store demand before progressing a new planning application.

The advice from retail consultants remains consistent with confidence that demand for new medium sized store of 45 – 50,000 sq. ft. from major food store operators will return and that we will be able to commence development within a 2 to 3 year horizon. This being conditional upon the resolution of outstanding matters as set out in our earlier letter of the 5th March

More immediate demand is now emerging from convenience store operators who are actively responding to the dynamics of multi store shopping with structural shifts in trading relationships. Sainsbury and Netto are in partnership and Aldi and M&S have forged new development alliances, Morrisons M Local store chain has been sold to a new entrant into the market and Lidl store requirements now include a 26,000 sq. ft. format. The result is that our consultants are now asking that we adapt our designs to include options for sole and shared trading.

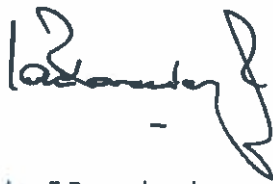
Despite the returning and churning market we remain unable to offer any potential traders a deliverable development on the Wentworth Street Car Park due to highway improvement delays. We have done what we can to facilitate access to the site through the acquisition of necessary land as directed by the Highway's Authority. On the other hand we still await the construction of the essential new Broughton Road /Pasture Lane link road programmed at the time of our agreement for completion in 2013. Potential food store operators will not put resources into a detailed feasibility let alone commit to an agreement without a commitment to the delivery of approved access.

Notwithstanding the determination to deliver and our confidence in the returning market we are reluctant to increase the considerable expenditure of close to £900,000.00 invested to date without an extension of the contract.

Should your Council decide to terminate our contract we will await the outcome of the Council's policy for the future of the car park and the return of our deposit. We will retain the land that we acquired to facilitate redevelopment of the car park and pursue projects remote from Malton and Norton.

Yours faithfully

Regards

A handwritten signature in black ink, appearing to read 'Ian Barraclough', with a stylized flourish at the end.

Ian F Barraclough

For and on behalf of GMI Holbeck Land (Malton) Limited