

Draft Heads of Terms of leasehold agreement for the Phase 1 Faith/ Community Land Northstowe

1. Landlord

South Cambridgeshire District Council

Country of incorporation/registration: United Kingdom

Registered office address: South Cambridgeshire Hall, Cambourne Business Park, Great Cambourne, Cambridge, CB23 6EA

2. Tenant

[NAME]

Country of incorporation/registration:

Charity registration number:

Registered office address:

3. Guarantor

[NAME]

Country of incorporation/registration:

Company number:

Registered office address:

4. Property

[DESCRIPTION]. [A plan is attached showing the property edged in red.]

5. Term

The lease will be for a term of 999 years beginning on and including completion of the Lease.

The tenant will have the right to break the lease at the end of the [FIFTH] year of the term, provided the tenant has in all material respects complied with its obligations in the lease. To exercise the right to break, the tenant must give the landlord six months' prior written

notice and there will be an option for the Landlord in its absolute discretion whether to require the Tenant to reinstatement of the Property as a condition of the break.

A break clause in favour of the landlord, also at five years, without access to arbitration. The Landlord's break can be triggered should the tenant not be able to provide evidence by the fifth year of the lease that substantial progress has been made to develop the land in accordance with the agreed project plan. Should the tenant fail to achieve the project milestones, as assessed by annual monitoring (see Section 16) the lease will be forfeited and the landlord will regain full possession of the property.

6. Rent and rent review

The rent will be £1 per annum (on demand), exclusive of VAT, rates, insurance premiums and all other outgoings.

In addition to rent, the tenant must also pay VAT (including any VAT on the rent), rates, insurance premiums and all other outgoings.

There will be no rent-free period.

7. Rent deposit

The tenant will pay a rent deposit of £5,000, which will be held by the landlord.

The deposit will be repaid to the tenant when it assigns the lease with the landlord's consent or the end of the Lease term.

8. Services and service charge

The tenant will pay a service charge. The amount will be based on the floor area of any building constructed on the property and charged at a rate of £1 per square metre. This charge will be reviewed annually – any increase will be on an inflation only basis.

9. Insurance

The Tenant will insure the property. Adequate insurance must be maintained for the duration of the lease.

[The landlord [and the tenant] will be able to terminate the lease if the property is damaged or destroyed by an uninsurable risk so that the tenant cannot occupy the property.]

10. Use

The property can only be used for the benefit of local faith and voluntary groups, or faith/voluntary/community groups associated with Northstowe, and which permitted use may include any and all purposes reasonably ancillary hereto.

The land and any building delivered on the land should accommodate, in addition to any dedicated worship space, shared space to be made available to other community and faith groups without restriction by reason of faith, belief or lifestyle and any hire charges levied by the leaseholder for use of this space should be benchmarked against local equivalents and not set at a unreasonable level so as to deter use by other community and faith groups.

In the event that the tenant ceases to exist, is wound up or liquidated and or the property is no longer able to provide these social benefits the lease will be forfeited, and the landlord will regain possession of the property.

11. Assignments and underleases

The tenant can assign the lease with the landlord's prior written consent, which cannot be unreasonably withheld. The tenant will always be required to give an authorised guarantee agreement in respect of any assignee of the lease.

The assignee must have charitable status.

The tenant can underlet the whole of the property with the landlord's prior written consent, which cannot be unreasonably withheld, providing the community benefits described in Section 10 will be maintained in full. The Tenant is able to share the communal areas of the completed building as per the use set out in clause 10, provided that no Landlord and Tenant relationship is created.

12. Repair

The lease will be a full repairing lease with the tenant responsible for all repairs.

The property must be maintained to a standard commensurate with its landmark status and key location within the Northstowe development.

The tenant will not be obliged to repair damage caused by an uninsurable risk.

13. Alterations

The tenant can develop the land in accordance with a detailed project plan agreed in writing by the Landlord and subject to obtaining the relevant planning permissions.

The tenant can make structural or external alterations to any property delivered on the land with the landlord's prior written consent, which cannot be unreasonably withheld.

The tenant can put up signs on the outside of the property or that would be visible from the outside of the property with the landlord's prior written consent, which cannot be unreasonably withheld.

14. Tenant's works

The tenant must obtain the landlord's written consent before carrying out any works to the property. The landlord requires [3] copies of the drawings and specification showing the proposed works as soon as possible.

The Landlord will be given the option to co-invest in any energy efficiency or generation schemes to be undertaken by the tenant.

15. Landlord's works

The property will be let as seen.

16. Conditions

The grant of the lease will be subject to the following:

The Landlord will be invited to undertake annual monitoring to ensure that the property,

(a) continues to be used for the benefit of the community as set out in this lease in section 10

(b) provides acceptable levels of continued community use

(c) the asset continues to be maintained as per section 12.

Should failings be identified with respect to adherence to these conditions, resolution will be sort by the Landlord.

Should the tenant fail to comply with the conditions detailed in this agreement and where there is a persistent failure to remedy any failings identified over a five year period the tenant will be required to forfeit the lease and the Landlord will recover the property without recompense for any works or investment made in the property by the tenant.

17. Costs

Each party is responsible for its own legal costs in connection with this transaction.

18. Conveyancers

The landlord's conveyancer is [NAME AND ADDRESS], for the attention of [NAME].

The tenant's conveyancer is [NAME AND ADDRESS], for the attention of [NAME].