

DRAFT HEADS OF TERMS – NEW LEASE

Land and Buildings on the Corner of Convamore Rd and Eleanor Street, Grimsby
(Subject to Contract & Without Prejudice)

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| LANDLORD: | North East Lincolnshire Borough Council Municipal Offices Town Hall Square Grimsby North East Lincolnshire DN31 1HU |
| LANDLORD'S AGENT: | ENGIE Services Limited New Oxford House George Street Grimsby North East Lincolnshire DN31 1HB FAO Estates and Valuation |
| LANDLORD'S SOLICITOR: | Solicitor to the Council Municipal Offices Town Hall Square Grimsby North East Lincolnshire DN31 1HU FAO Legal Admin |
| TENANT: | <to be confirmed> |
| TENANT'S AGENT: | <to be confirmed> |
| TENANT'S SOLICITOR: | <to be confirmed> |
| DEMISED PREMISES: | Land and buildings (to include all boundary features) on the corner of Convamore Road and Eleanor Street, Grimsby, North East Lincolnshire, edged in red on the attached plan. |
| TERM: | 20 years with effect from the date of completion. |
| BREAK CLAUSE: | Landlord and Tenant option to break at each fifth anniversary of the term with the provision of six months' notice in writing. The Lease will be co-terminus with the Nominations Agreement and reflect any further break clauses applicable to this. |
| RENT: | £155,000 (one hundred and fifty five thousand pounds) per annum payable quarterly advance by direct debit). |

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| RENT REVIEW: | The rent will be reviewed every five years on an upward only basis to market rental value or the increase to the All Items Retail Prices Index, whichever is greater. |
| RENTAL DEPOSIT AND GUARANTOR: | Rental Deposit equivalent to three months' rent to be paid on completion and a Guarantor will be required. |
| USE: | Supported Independent Living Accommodation for People with Learning Disabilities |
| BUSINESS RATES, COUNCIL TAX, TAXES AND OTHER OUTGOINGS: | The Tenant to be responsible for the payment of all Council Tax, Business Rates, taxes and other outgoings levied upon the occupation or use of the Demised Premises in connection with the Tenant's occupation. |
| SERVICES & UTILITIES: | The Tenant to be responsible for the payment of all services and utilities to the Demised Premises. |
| ALTERATIONS: | The Tenant will seek permission from the Landlord for any proposed alterations; the Tenant to supply all drawings and specification for any works to the Landlord for approval. |
| REPAIR: | The Tenant to be responsible for all repairs of the Demised Premises including putting and keeping in a tenable state of repair, including all boundary features |
| COMPLIANCE WITH STATUTES: | The Tenant shall be responsible for ensuring that the Demised Premises meets all legal requirements (statutes, regulations, bye-laws etc) in relation to the use and occupation. |
| SITE MAINTENANCE: | The Tenant to keep the Demised Premises in a neat and tidy condition and free of rubbish and graffiti at all times. To decorate on completion as per the Nominations Agreement, and in every third year of the term. |
| ALIENATION: | Absolute prohibition against the Tenant underletting, assigning or otherwise parting with possession of the whole or part of the Demised Premises other than the agreed sublets to the individual tenants, as per the Nominations agreement. There is also a permitted sublet to the Care Provider that is procured by CCG. Assignments to be considered if it includes the Tenant's interest under the Nominations Agreement, and subject to Landlord's consent. |
| SECURITY OF TENURE: | To be contracted out the security of tenure provisions provided by s.24-28 Landlord and Tenant Act 1954 Part II. |
| INSURANCE: | Landlord to be responsible for insuring the Demised Premises to their full reinstatement value. Landlord to Insure against fire, explosion, lightning, earthquake, storm, flood, subsidence and ground slip, bursting and overflowing of water tanks, apparatus or pipes, impact by aircraft and articles dropped from them, impact by vehicles, riot, civil commotion and any other risks against which the Landlord acting reasonably decides to insure against from time to time or in respect of which the Tenant acting reasonably requires insurance against and Insured Risk means any one of the Insured Risks. The cost of this insurance will be recharged to the tenant. |
| INDEMNITY: | The Tenant shall indemnify the Landlord against any loss, damage, liability, claims and costs which arise as a result of, or in connection with, the Tenant's occupation of the Demised Premises. The Tenant to also have public liability insurance in place to the sum of £5 million pounds and should hold a current policy of Insurance in respect of Employer's Liability |

to a minimum of £10 million pounds. The Landlord reserves the right to amend the amounts required with three months' notice in writing.

NUISANCE: Not to permit or suffer to be done anything which may be or may become a nuisance or annoyance or cause damage to the Landlord, the public or any neighbouring property.

RIGHTS RESERVED: Except in the case of emergency, the Tenant to permit the Landlord or its duly authorised agents at any reasonable time with seven days' notice to enter the Demised Premises for the purpose of inspecting the property. If however sensitive Services are being undertaken in the unit by the Tenant at the initial requested time then alternative arrangements are to be agreed between the parties.

COSTS: Each party to bear their own costs.

OTHER TERMS: To be agreed as appropriate.

Dated August 2020

Important Information

Services, fittings and equipment have not been tested and no warranty can be given as to their condition.

All measurements given are approximate. Interested parties are advised to verify all details by inspecting the property themselves or by appointing a suitably qualified professional.

This is a brief summary of the Heads of Terms of the lease and in no way constitutes an offer, contract or acceptance of a lease or a part of the same.

You should be aware that the Code of Practice on Commercial Leases in England and Wales strongly recommends you seek professional advice from a qualified surveyor, solicitor or licensed conveyancer before agreeing or signing a business tenancy agreement.

The Code is available through professional institutions and trade associations or through the website www.leasingbusinesspremises.co.uk.

LOCATION PLAN (Not to Scale):

<Plan to follow>

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