

Transfer of 80 Daws Lane, NW7 – Appendix B

HEAD LEASE - HEADS OF TERMS

(Without Prejudice & Subject to Contract)

Proposal for an Agreement to Lease and Contracted out Head Lease of Community Hub, 80 Daws Lane.

- 1 LANDLORD:** The Mayor & Burgesses of The London Borough of Barnet
North London Business Park
Oakleigh Road South
London
N11 1NP

Tel: 020 8359 7356
- 2 LANDLORD'S SOLICITOR:** Legal Services to Barnet and Harrow Council

Harrow Council
PO Box 2
Civic Centre
Station Road
Harrow
HA1 2UH

(DX 30450 HARROW 3)

For the attention of (legal office to be formally instructed following Council approval).
- 3 TENANT:** NW7 HUB
Holcombe Cottage
Holcombe Hill
Mill Hill
London
NW7 4ES
Company No. 10407948
- 4 TENANT'S SOLICITOR:** Wright Hassall LLP
Olympus Avenue
Leamington Spa
CV34 6BF

For the attention of Robert Sprake
Tel: 01926 886688 / 07766 871634
Fax: robert.sprake@wriighthassall.co.uk

5 THE PROPERTY:

The **NW7 Hub** as shown edged red on the attached plan reference:

Area of demise: tbc

The parties shall enter into an Agreement for Lease leading to the grant of a Ground Lease.

The Agreement for Lease will be conditional on:

- NW7 Hub securing sufficient and satisfactory development finance; and
- The grant of satisfactory planning permission which is the immune from third-party challenge.

The Agreement for Lease will allow NW7 Hub to elect whether to the construct an entirely new facility or to refurbish the existing facility.

The Agreement for Lease will impose development obligations on NW7 Hub and will provide for the grant of the Lease once the development (whether that will be the construction of an entirely new facility or the refurbishment of the existing facility) has reached Practical Completion.

The Lease commencement date shall run from the date of practical completion.

6 RENT:

In line with the Local Government Act of 1972, an independent party will assess the building and land to determine value.

The rent rebate shall be determined utilising the CBAT system.

The rent free period shall run from the Lease commencement date and will be calculated to reflect the level of investment made by the NW7 Hub. The initial notional rent will be assessed utilising the

CBAT procedure. Any rent due shall be paid in advance on the usual quarter days.

The rent shall be reviewed upon the 5th Anniversary of the Lease commencement date and thereafter on every 5th anniversary to market rent to which will be assessed via the CBAT.

In the event the CBAT system should cease to exist the rent shall be reviewed by reference to such system that replaces the CBAT rules or RPI. The Base RPI reference point shall be the date of the last rent review that had been undertaken under the CBAT or revised CBAT Rules.

7 TERM:

The term shall be 125 years from the Lease commencement date.

The Lease shall be excluded from sections 24 to 28 of the Landlord and Tenant Act 1954.

8 USER:

The property so demised shall be used and continue to be used in accordance with all the covenants.

The property shall be used in accordance with the General Classes User Order 1987, as amended from time to time. And shall not be varied without Landlords consent such consent shall not be unreasonably withheld.

To use the Property in line with community use D1 and such other uses as agreed with the Landlord prior to the submission of any planning application for change of use.

Such a submission shall be in line with the aims and objectives of the Tenant's constitution, in the spirit of the agreed Declaration as set out at 19 below and in line with the following community purposes being:

1. the advancement of community development; and
2. any other purpose currently recognised as being a community use or which can be recognised as a community use as approved by the Landlord.

The Landlord shall within 7 days of written request be sent copies of all applications from the various applicants requesting to utilise and occupy parts of

the Property together with the Tenant's responses to such applications and any information reasonably requested by the Landlord to enable the Landlord to evaluate as to whether there has been a breach of any of the terms of the user and governance covenants in the Lease.

The Landlord's approval to the terms of agreements regulating the use and occupation by community groups from time to time shall be required to reflect the concessionary rent being applied at the commencement of the term.

The Landlords determination on these matters shall be final.

9 MAINTENANCE AND REPAIR

The Tenant shall put and keep in good and substantial repair all the buildings and grounds within the demise.

At all times during the Term to keep the Property (including for the avoidance of doubt all buildings structures landscaping, any other areas forming part of the demise) clean and tidy and keep in a state of good repair and to make good:

1. any damage it causes to the Property and/or
2. any deterioration to the condition of the Property that may arise from commencement of the Lease

Provided that the Tenant shall not be in breach of this covenant if and for so long as disrepair arises due to damage caused to the Property by any of the Insured Risks and the Tenant is diligently pursuing its insurance claim and reinstating such damage;

To notify the Landlord in writing immediately if any structural damage occurs to the Property.

10 OUTGOINGS:

The Tenant shall be responsible for the payment of all Utilities and all other outgoings including but not limited to the payment of rates.

11 ALTERATIONS:

The Tenant shall not carry out any structural additions or alterations to the Property without the

Landlord's consent. Such consent shall not be unreasonably refused.

Non-structural internal alterations shall be permitted, subject to all necessary statutory compliance.

12 ALIENATION:

Save as detailed below, not to assign, underlet, part with or share possession or occupation, without the prior written consent of the Landlord, such consent shall not be unreasonably withheld. The Lease will provide for the grant of sub Leases and ad hoc occupation on the basis of an agreed form of occupational licence to be approved by the Landlord (approval not to be unreasonably withheld and/or delayed) and on the basis that no third party acquires Landlord and Tenant Act 1954 rights of occupation.

The Tenant shall be entitled to assign the Lease to a successor body with the consent of the Landlord such consent not been raised withheld or delayed.

In the event of any breach regarding compliance the Landlord shall be able to forfeit the Lease.

A breach shall arise where a decision made by the Charities Commission finds the Tenant in breach of any Charities Act requirements

The Tenant shall notify the Landlord in the event that the Tenant wishes to change the legal status of its constitution.

13 INSURANCE:

The Tenant shall insure the Property for the usual insured risks.

14 STATUTORY OBLIGATIONS:

The Tenant shall comply with any/or Statutory Obligations and regulatory issues applicable in respect of running a property for community use.

The Tenant will be obligated to observe the standard equality and diversity obligation as follows:

(a) to perform its obligations under the Lease (including those in relation to the provision of any arrangements or agreements with community users in accordance with:

(i) all applicable equality Law (whether in relation to race, sex, gender reassignment, age, disability, sexual orientation, religion or belief, pregnancy, maternity or otherwise);

(ii) the Landlord's equality and diversity policy as provided to the Tenant from time to time; and

(b) Take all necessary steps, and inform the Landlord of the steps taken, to prevent unlawful discrimination designated as such by any court or tribunal, or the Equality and Human Rights Commission or (any successor organisation).

The Tenant will be obligated to observe the Landlord's current rules relating to Health and Safety together with all applicable rules and regulations relating to such matters and make available to the Landlord its published health and safety policy within 5 days of the request.

15 BREAK CLAUSES:

A break option shall be granted to either party upon the efflux of the repayment period plus 37 years. After which a 5 yearly mutual rolling break will take effect each party serving 12 months' notice upon the other in the prescribed form (such a form to be attached to the lease.)

16 AGREEMENT COSTS:

The Tenant shall cover the Landlord's legal fees (£974) and Surveyors fees (£650) in relation to the preparation of the Lease.

17 OTHER:

Any other terms as reasonably required by the Landlord's Legal Department and such that are usual in such agreements.

The Lease will contain a disputes resolution mechanism whereby any dispute shall be referred to the decision of an independent third party expert

In the event the Tenant has breached the terms of the lease how so ever that is determined the Landlord can terminate this lease upon service of 3 months' written notice, and the tenants shall be given 6 months to rectify the breach. The landlord's decision shall be final.

The tenants shall be properly constituted as a charity required by the Charities Commission and relevant acts appertaining thereto.

PLAN TO BE INSERTED (TO BE FINALISED)

18 FORFIETURE:

The Lease can be terminated inter alia if the Tenant does anything which either directly or indirectly causes or is likely to cause the Landlord's reputation to be brought into disrepute and/or which in the opinion of the Landlord acting reasonably is contrary to the spirit of the Declaration

19. DECLARATION:

The Lease will contain a declaration and acknowledgement that the primary objective in the parties entering into the Lease is to actively promote the sense of community by the provision of facilities available to all engaged in that objective on a universal and un-discriminatory basis and that the parties will use all reasonable endeavours to fulfil and actively assist each other in achieving that objective of wider social /community benefit.

20. **SUBJECT TO:**
1. The Landlord's formal authority.
 2. Planning
 3. Approval of funding.
 4. Contract.
 5. Agreement for Lease.