



RESIDENTIAL CHILDREN CARE PROPERTIES – HEADS OF TERMS

PREMISES TO BE DETERMINED

Subject to Contract & Without Prejudice

Heads of Terms for Sub-Lease:

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| 1 | Landlord | Torbay Council, Town Hall, Castle Circus, Torquay |
| 2 | Tenant | TBC |
| 3 | Property Management Company | TDA, Tor Hill House, Castle Circus, Torquay |
| 4 | Premises | TBC |
| 5 | Term | 10 years less 3 days from and including the commencement date of the lease. The lease is to be contracted outside of the Landlord & Tenant Act 1954 (Sect 24-28) Security of Tenure Provisions. |
| 6. | Break Option | On serving 6 months prior written notice to the other party, either party may terminate the lease on the 5th anniversary of the term. |
| 7 | Rent | Peppercorn. |
| 8 | Outgoings | The Landlord shall be responsible for the payment of <u>all</u> outgoings relating to the use and occupation of the premises including but not limited to, taxes, council tax, utilities and services to and from the Premises including internet / wi-fi / telephone and the cost of any licences and consents required for the lawful use of the premises. |
| 9 | Repair | The Landlord shall be responsible for keeping the premises including any Landlord's fixtures and fittings and any improvements or additions to the premises in good and tenable repair and condition. |

To facilitate this the Landlord shall put in place Service Level Agreements (SLA) with the Property Management Company. The SLA's will cover all

reactive, cyclical and programmed repairs and maintenance for the Premises including grounds, gardens and fences.

The Tenant shall be required to report all matters or wants of repairs as soon as possible to the Property Management Company Helpdesk.

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| 10 | Utilities & Services | The Landlord shall be responsible for the connection, supply and cost of any services required for the use of the premises. The Landlord shall be responsible for the payment of all utilities, standing charges and management costs relating to the use of the premises. |
| 11 | Use | The permitted use shall be as residential property in relation to the placement of children and young people in a care setting. |
| 12 | Parking/Access | The Landlord/ Tenant shall be permitted to park or leave a vehicle at the Premises, if off road parking is available. |
| 13 | Nuisance | The Landlord shall use all reasonable endeavours to procure that the Tenant or other occupiers of the Premises shall not cause any disturbance or nuisance to members of the public or to the owners or occupiers of any adjoining premises. |
| 14 | Statutory Regulations | The Landlord must comply with all relevant statutory obligations and requirements during the term of the lease, including Torbay Council's Bye-Laws and Regulations. The Landlord shall be responsible for obtaining, and complying with, at his own cost, any necessary planning consent or other statutory approval, consents and/or licences, which may at any time become necessary for the operation of his business at the Premises. |
| 15 | Litter & Cleaning | The Landlord is to be responsible for the regular clearance of all litter and refuse from the immediate vicinity of the premises. The Landlord shall be responsible for ensuring all refuse generated from the Premises is removed at regular intervals. |
| 16 | Indemnity | The Tenant shall indemnify and keep indemnified the Landlord from all liability in respect of loss, damage, actions, proceedings, suits, claims, demands, costs, damages, liability and expenses in respect of any damage or injury to any person or property by reason of or arising in any way directly or indirectly out of the use of the premises or the operation of the rights to be granted by the Lease, and take out and maintain third party insurance for all loss or damage however caused. |
| 17 | Health & Safety | The Landlord shall be responsible for Health and Safety at the premises throughout the term of the lease. |
| 18 | Insurance | The Landlord to insure the premises and keep them insured. The Tenant shall take out and maintain third party insurance in a minimum sum of FIVE |

MILLION POUNDS (£5m) for all loss or damage however caused but it shall be the responsibility of the Tenant, having taken any necessary professional advice, to determine the appropriate level of cover reflecting the nature of his business and the perceived level or risk.

Written evidence that such public liability insurance has been effected shall be produced to the Landlord before the commencement of this Lease and the Tenant shall notify the Landlord prior to any change in or on the expiry of or other termination of his insurance cover and will review the level of cover annually and further evidence of cover shall be provided to the Landlord upon request.

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| 19 | Alienation | The Tenant shall not assign or part with possession of the whole or part of the Premises. |
| 20 | Alteration | The Tenant shall not be permitted to make any alteration, addition or improvement to the premises without the Landlord's prior written consent. |
| 21 | Interest on payments | If any amount payable to the Landlord under the Lease is in arrears for more than 21 days from the date on which it is due the Tenant shall be liable to pay interest on the amount owed at the rate of 3% above the National Westminster Bank base rate. |
| 22 | Forfeiture | The Landlord shall reserve the right to forfeit the Lease in the event that the Tenant fails to properly observe its obligations under the Lease. |
| 23 | Yield Up | The Tenant shall surrender and yield up the Premises at the end of the Term or in the event of an earlier determination of the lease with vacant possession. |
| 24 | Landlord Entry | The Tenant shall permit the Landlord and its authorised agents upon giving reasonable previous notice to the Tenant to enter the Premises and examine the condition and where necessary to execute repairs. |
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