



dated

2018

[]

and

[Capital Letters] Limited

Lease

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draft () dated []

trowers & hamlin

dated []

Parties

- (1) [] of [] (the **Landlord**); and
- (2) **[Capital Letters] Limited** (Company number []) whose registered office is at [] (**Capital Letters**) ; and
- (3) [] of [] (the **Guarantor**)

Introduction

- 1 The Landlord lets and the Capital Letters takes the Premises together with the Rights and
Easements for the Term in consideration of the Rent and of the covenants herein
contained.
- 2 **Interpretation**
- 2.1 Words importing the masculine gender only shall include the feminine and neuter gender
where appropriate;
- 2.2 Words importing the singular number only shall include the plural number and vice versa;
- 2.3 Where a party comprises more than one person, the covenants and obligations entered
into by that party are to be construed as having been made by all such persons jointly and
severally;
- 2.4 Any reference to any statute shall (unless otherwise stated) include any re-enactment,
consolidation and/or renewal thereof for the time being in force and any references to any
statute or statutes in general shall include any order, instrument, plan, regulation,
permission or direction made or issued thereunder or deriving validity therefrom.
- 2.5 The headings are inserted for convenience only and shall not affect the construction or
interpretation of this Lease and references to a clause, sub-clause, schedule or paragraph
are (unless otherwise stated) to a clause or sub-clause in and a schedule to this Lease
and to a paragraph of the relevant schedule.
- 2.6 The following expressions shall have the following meanings:

Building means the building of which the Premises forms part

Incentive Payment means the sum of £ []

Installations mean the gas and electrical installation and any cooking apparatus within the Premises

Insured Risks means fire, lightning, explosion, damage or impact caused by aircraft (including articles dropped therefrom) subsidence, land slip, heave, riot, civil commotion, malicious persons, earthquake, storm, tempest, flood, escape of water from bursting or overflowing water pipes, tanks, sprinkler systems or other apparatus, the breakage or

collapse of communication aerials, falling trees, the escape of oil from a heating system or other apparatus and accidental damage together with such other risks as the Landlord shall from time to time reasonably deem it prudent to insure against or that Capital Letters shall reasonably require.

Landlord's Works means any matter required to be observed or performed by the Landlord under this Lease

Premises all those [freehold/leasehold] [first/second etc] floor premises known as [address of property] which said premises is for identification purpose only delineated on the Plan and shown edged in bold red/coloured blue etc thereon together also with the fixtures and fittings in or about the said premises

Plan means the Land Registry file plan of the Premises attached at the Appendix

Rights & Easements means the following:

The right of shelter and support from other part of any Building of which the Premises forms part

The right in common with the Landlord and other tenants and occupiers of the Building to use its entrance passageways and staircases for the purpose of access to and egress from the Premises; and

The free passage and running of air water soil gas or other piped fuel sewage smoke fumes electricity and telecommunications signals and impulses through the ventilators pipes sewers drains wires cables and conduits and other conducting media serving the Premises which are now or may at any time during the term be in under or upon any part of the Building or the adjoining or adjacent land of the Landlord

Sub Tenancy means the tenancy granted by Capital Letters to the Sub Tenant

Sub Tenant means the person or persons occupying the Premises under a Tenancy Agreement

Tenancy Agreement: means the tenancy agreement for the Sub Tenancy to be entered into between the Capital Letters and the Sub Tenant

Term means [Three (3) / five (5) / [] years] commencing on [].

Rent means []

Rent Commencement means the date of this Lease

Date

Rent Date **Payment** means the [first Working Day / last Working Day of each month]

Use means the provision of temporary housing accommodation in accordance with the provisions of paragraph 6 of Schedule 1 of the Housing Act 1985 or any statutory amendments of the same.

Void Means any period of un-occupation of the Premises by a Sub Tenant for any of the following reasons:-

- Determination of the Tenancy by the Sub Tenant
- Death of a Sub Tenant
- Eviction or abandonment of Premises by the Sub Tenant

Working Day means any day Monday to Friday (inclusive other than bank and public holidays)

3 Demise and Rents

3.1 The Landlord lets and Capital Letters takes the Premises together with the Rights and Easements for the Term and peaceably holds and enjoys the Premises during the Term without any interruption by the Landlord or any person rightfully claiming under or in trust for him or by title paramount in consideration of the Rent which shall be payable as follows:-

3.1.1 Capital Letters will use its reasonable endeavours to make the first Rent payment within [fifteen Working Days] of the first Rent Payment Date following the commencement of the Lease.

3.1.2 The second and each subsequent payment shall be made [weekly/monthly/annually] in [advance/arrears] on each Rent Payment Date.

3.1.3 If there is any excess payment of Rent for any period or periods the Landlord shall pay the excess to Capital Letters within 5 Working Days of demand or (if the Landlord wishes or no payment is received) Capital Letters shall deduct the excess against the next monthly rental payment or payments due to the Landlord.

3.2 The Landlord warrants that he has full power and authority to grant this Lease and that all necessary consents and for the avoidance of doubt including mortgagees and superior landlords (if appropriate) and permissions have been obtained

3.3 [The Landlord hereby confirms and acknowledges that it has on or prior to the date hereof received from Capital Letters the Incentive Payment.]

4 Capital Letters' covenants

4.1 Capital Letters covenants with the Landlord as follows:-

- 4.1.1 To use the Premises only for the purpose of providing temporary housing accommodation in accordance with the provisions of Part VII of the Housing Act 1996 [and/or the provision of a tenancy as a private rental sector offer under sections 193 (7AA – 7AC) Housing Act 1996 in discharge of a local authority's main homelessness duty] or paragraph 6 of Schedule 1 of the Housing Act 1985 (as amended) or the Homelessness Reduction Act 2017 to provide temporary accommodation and / or assistance to applicants who are assessed as homeless or threatened with homelessness as appropriate by granting a Sub Tenancy under a Tenancy Agreement and for the avoidance of doubt the Capital Letters shall not at any time occupy the Premises itself.
- 4.1.2 Not to underlet the Premises other than to a Sub Tenant by way of Tenancy Agreement.
- 4.1.3 To impose a condition in the Tenancy Agreement that Sub Tenant keeps the Premises clean and tidy (fair wear and tear excepted) throughout the term of the Tenancy Agreement.
- 4.1.4 [Not to assign this Lease without the written consent of the Landlord (such consent not to be unreasonably withheld or delayed) **OR** Capital Letters shall not at any time be entitled to assign this Lease except in the following circumstances:
- (a) to any other local authority with the prior written consent of the Landlord not to be unreasonably withheld or delayed
 - (b) To any Registered Provider ("RP") if by operation of legislation Capital Letters shall be required to transfer, devolve or assign its obligations for the provision of temporary housing accommodation to any such RP provided that in the event of such an assignment the assignee shall agree to be bound by all the terms of the Lease and if the assignee shall not so agree then Capital Letters shall be entitled at any time thereafter to determine this lease by giving to the Landlord two months' notice in writing]
- 4.1.5 To permit the Landlord to enter the Premises on [prior written reasonable] notice (except in case of emergency) to inspect the condition of the Premises and or to execute the Landlord's Works
- 4.1.6 Not to make any alterations or additions to the Premises without the Landlord's prior written consent (such consent not to be unreasonably withheld or delayed).
- 4.1.7 To pay the Rent as set out in Clause 4 above.
- 4.1.8 Upon expiry of the Term or earlier determination peacefully to yield up the Premises with vacant possession

5 Landlord's general covenants

5.1 The Landlord covenants with Capital Letters as follows:-

- 5.1.1 At the commencement of the Lease to provide a surveyor's report in confirmation that the Premises meets the standards required by Capital Letters setting out the state of repair and condition of the Premises including Installations.
- 5.1.2 To pay all existing and future tax assessments and outgoings imposed or charged upon the Premises other than those to be borne by the Tenant under the Tenancy Agreement
- 5.1.3 To comply with all statutory provisions and obligations imposed by law in regard to the use and occupation of the Premises (for the avoidance of doubt all aspects of Health and Safety requirements) and to indemnify Capital Letters against all actions claims demands and expenses which may be brought made or incurred against or by Capital Letters in consequence of such non-compliance
- 5.1.4 Not to do or permit anyone in his service including any subcontractor to act in any manner as may infringe the provisions of Human Rights Act 1998 or constitute an act of discrimination against any person
- 5.1.5 Not at any time during or after the Term without the agreement in writing of the Capital Letters divulge any details of any Sub Tenant to any person other than to persons approved in writing by Capital Letters
- 5.1.6 To comply with every duty policy and guidance notified to the Landlord by Capital Letters relating to Capital Letters' obligations to the Sub Tenant in respect of the Premises
- 5.1.7 To fit and maintain smoke detectors to the living room, hall and such other areas as may be required during the Term
- 5.1.8 To deliver to Capital Letters two full sets of keys to the Premises
- 5.1.9 To notify Capital Letters in writing of any conveyance transfer dealing with disposition of or grant of any interest out of the Landlord's interest in the Premises and send to Capital Letters a certified copy of any relevant instrument effecting such a transaction Provided that the Landlord shall not dispose of his interest to a person or body who is not capable of complying with the Landlord's Covenants herein contained without the written consent of Capital Letters
- 5.1.10 To observe and perform the covenants and conditions of any head lease and superior lease in respect of the Premises

6 Landlord's insurance covenants

- 6.1 To indemnify Capital Letters against all actions claims demands and expenses which may be brought made or incurred against or by Capital Letters in consequence of Landlord's failure to comply with the Terms of the Lease.

- 6.2 To indemnify and keep indemnified Capital Letters against any liability which it might or does incur to any person by reason of the fact that the Premises is unfit for use as residential accommodation within the meaning of Part VI of the Housing Act 1985
- 6.3 At all times to keep the Premises insured to the full cost of reinstatement and replacement under a policy complying with the terms of this Clause and to produce to Capital Letters on demand the insurance policy effected pursuant to this Clause and the receipt for the last premium paid or (at the option of the Landlord) evidence from the insurers of the full terms of the policy and that the same is still in force and to produce to Capital Letters as soon as received any endorsement varying the terms of the insurance policy or a copy of it
- 6.4 An insurance policy complies with the terms of Clause 7.3 if:-
- (a) It is effected in the name of the Landlord [or superior landlord] and in the names of such other persons interested in the Premises as the Landlord shall from time to time reasonably require;
 - (b) It provides cover against loss or damage by any Insured Risk to the extent that such cover is for the time being available for property of the type of the Building and the Premises together with such other risks against which the Landlord shall from time to time reasonably deem it prudent to insure or Capital Letters may reasonably require but excluding terrorism and war risks;
 - (c) The sum insured includes an appropriate percentage of the rebuilding costs for professional fees incurred in rebuilding or reinstating any building destroyed or damaged by an Insured Risk and for one year's loss of rent; and
 - (d) It is effected at an insurance office of repute which is a member of the Association of British Insurers.
- 6.5 Whenever any part or parts of the Premises are damaged by an Insured Risk forthwith after the insured loss or damage has come to the Landlord's attention to submit a claim for payment under the insurance policy or policies effected pursuant to the terms of this Lease and to make all reasonable efforts to obtain prompt payment of insurance monies from the insurers
- 6.6 [Subject to the requirements and authority of any superior landlord (acting reasonably) or the terms of any superior lease promptly to apply the proceeds of every insurance policy covering the Premises and all additions or fixtures in their rebuilding reinstatement or replacement]
- 7 Landlord's repair and maintenance covenants**
- 7.1 To put and keep the Premises in good and decorative repair order and condition and for the avoidance of doubt the obligation includes complying with all the obligations imposed upon the Landlord by Section 11 of the Landlord and Tenant Act 1985 in respect of :-
- 7.1.1 The structure (including any integral fixture or fitting), roof, windows (including the glass therein), doors and exterior of the Building/Premises including its boundary walls (whether interior or exterior) any load bearing compartmental

or separating walls within the Building/Premises and the supporting structures of the roof, ceiling and floors and interior of the Building/Premises

- 7.1.2 Whether inside or outside the Building/Premises all Installations for space heating central heating, water heating and sanitation and for the supply and use of water, gas and electricity to or in the Building/Premises and to renew, modernise and replace the same whenever necessary; and
 - 7.1.3 All other parts of the Premises including any sheds, gardens, outbuilding and garage
 - 7.1.4 Where relevant to keep or use his best endeavours to procure the common entrances halls stairways lifts passageways rubbish chutes and any other common parts serving the Premises including electric lighting and entryphone systems are in a good state of repair and fit for the use of the Sub Tenant
- 7.2 To remedy any outbreak of dry or wet rot any rising or penetrating damp whether arising from leaks penetration or failure of damp proofing membrane within a reasonable period of time or at the option of Capital Letters within the period stipulated by Capital Letters in writing
- 7.3 On receipt of any written request by Capital Letters or the Sub Tenant to inspect the Premises promptly and to undertake all necessary repairs and maintenance work to the Premises diligently within a reasonable period of time or at the option of Capital Letters within the period stipulated by Capital Letters in writing except emergency work which shall be attended to immediately
- 7.4 In the event that upon service of written notice by Capital Letters on the Landlord requiring the Landlord to carry out the Landlords Works or any want of repair to the Premises by the Landlord the Landlord fails to carry out the Landlord's Works or comply with its repairing obligations to the reasonable satisfaction of Capital Letters within a period of [28 days] from service of the said notice or within such shorter period as may be appropriate having regard to the seriousness of the breach and as shall be specified in the said notice the provisions of Clause 7.5 shall apply
- 7.5 In any such case as is mentioned in Clause 7.4 (or without notice in the case of emergency) Capital Letters shall be entitled to carry out the Landlord's Works and to recover the full cost of the same together with an administration charge which shall be:
 - 7.5.1 [£25.00; plus
 - 7.5.2 10% of the cost of the works where such cost is in excess of £100.00; plus
 - 7.5.3 any Value Added Tax payable upon such cost]
- 7.6 Sums to be recovered pursuant to Clause 7.5 may be recovered either by deduction from the Rent due or at Capital Letters' option by requiring payment from the Landlord in which case payment shall be made within fourteen days of demand by Capital Letters
- 7.7 That the electricity and gas supply circuits and installations at the Premises and in particular any heating apparatus and cooking apparatus have been serviced by a properly qualified person and for the avoidance of doubt the gas contractor must be registered with

Gas Safe and electricity contractor NICEIC approved or such other regulatory body which replaces them within the last 3 months from the Lease Commencement Date and that the gas and electricity supply and installations will be serviced by such a qualified person at least once in each year during the Term and that the Landlord will provide to Capital Letters a valid annual Gas Safety Certificate and annual Electricity Safety Certificate for each year of the Term

- 7.8 To enter into and maintain throughout the Term a service contract with either [] or other organisation previously approved by Capital Letters in writing (such approval not to be unreasonably withheld) which service contract shall require [] or such other contractor to keep and maintain the Installations for space heating central heating and water heating at the Premises in good and proper working order and to provide to the Capital Letters on demand and at his own cost a copy of such service contract

8 Rent Review

- 8.1 [The parties acknowledge that the Rent for the Premises is set within the guidelines of Local Housing Allowance (LHA) and Department of Works and Pensions (DWP) subsidy levels.
- 8.2 Rent shall be reviewed on 1 April each year in line with LHA rate for January of that year and DWP subsidy levels and shall be adjusted accordingly ("New Rent"). The New Rent shall apply from 1 April each year.
- 8.3 If LHA is replaced by another form of allowance then the Rent shall be calculated on the basis of the new system that replaces LHA from the effective date.]

9 Suspension of Rent

- 9.1 In the event of the Premises or any part of them being rendered unsuitable for any authorised use to which Capital Letters normally puts them or are unsuitable for any use by the Sub Tenant by reason of damage to or destruction of the Building or the Premises or any part of them or the means of access to them or any essential services or any of their contents caused by any Insured Risk of being rendered unfit for human habitation as set out in Section 10 of the Landlord & Tenant Act 1985 the Rent or an appropriate proportion of the Rent shall cease to be payable by Capital Letters (depending on the period during which the Premises are unavailable for use by Capital Letters or the Sub Tenant)
- 9.2 For any period the Premises are unoccupied by the Sub Tenant by reasons of the Landlord's failure to carry out the Landlord's Works or vacant in order to enable the Landlord Works to be carried out the Rent or an appropriate proportion of the Rent shall cease to be payable by Capital Letters (depending on the period during which the Premises are or will be unoccupied by Capital Letters via the Sub Tenant). Rent not to be paid by Capital Letters pursuant to this Clause may be deducted from the Rent due or at Capital Letters' option by requiring payment from the Landlord in which case payment shall be made within fourteen days of demand by Capital Letters.
- 9.3 Capital Letters shall be entitled to stop the Rent for the Premises after expiry of two weeks if the Premises are not available or not fit for subletting following a Void or due to the necessity to carry out works of maintenance and repairs and no Rent shall be paid until

Capital Letters is satisfied the Premises are fit and ready for occupation and a tenancy agreement has been signed with the Sub Tenant

10 Interest

All sums due under this Lease to be paid by the Landlord to Capital Letters and not paid within twenty eight days of written demand shall bear interest on the outstanding amount from the date they were due until the date they were paid at [4%] above the base rate of [] from time to time in force

11 Capital Letters' Right to Extend Lease

11.1 If Capital Letters gives the Landlord written notice at any time before the last month of the expiry of the Term Capital Letters is entitled to a new Lease of the Premises for up to [six / twelve] months (i.e. any period [between one and six / six and twelve] months) starting on the day after the end of the Term such Lease being on the same terms as this Lease.

12 Termination

12.1 If at any time after the expiration of the First year of the Term the Landlord shall desire to determine this Lease and shall give Capital Letters not less than three months prior written notice of such desire (the "Landlord's Determination Notice") pursuant to this sub-clause then on the expiration of the said Determination Notice, the Term shall absolutely cease and determine but without prejudice to the rights and remedies of either party to this Lease in respect of any antecedent claim or breach of covenant relating to this Lease.

12.2 If at any time after the expiration of the First Six Months of the Term Capital Letters shall desire to determine this Lease and shall give the Landlord not less than four weeks prior written notice of such desire (the "Tenant's Determination Notice") pursuant to this sub-clause then on the expiration of the said Determination Notice, the Term shall absolutely cease and determine but without prejudice to the rights and remedies of either party to this Lease in respect of any antecedent claim or breach of covenant relating to this Lease.

12.3 If and whenever during the Term there is a substantial breach or non-observance by the Landlord of a material covenant of this Lease or any document expressed to be supplemental to this Lease which is not remedied within a reasonable period of time then Capital Letters may immediately terminate this Lease by giving written notice to the Landlord and the Lease shall immediately end without prejudice to any right or remedy of Capital Letters in respect of any breach of the terms of this Lease by the Landlord prior to such time [and the Landlord shall within seven days from and including the date of termination repay to Capital Letters such proportion of the Incentive Payment attributable to the period from and including the date of termination to and including the end of the Contractual Term calculated on a pro rata basis].

12.4 In the event of the Landlord being wound up or subject to receivership (including administrative receiver) appointed [or incapacity or the death of the Guarantor] Capital Letters at its discretion either shall be entitled to terminate the Lease with [3 months written notice].

13 It is agreed by both parties as follows:-

- 13.1 Notwithstanding the provisions of clause 12 above, if the Rent or any part of it shall remain unpaid for twenty-eight days after becoming payable (whether formally demanded or not) or if any of Capital Letters' obligations in this Lease shall not be performed or observed the Landlord may re-enter the Premises and this Lease shall end.
- 13.2 All sums due under this Lease not paid within twenty eight days of written demand shall bear interest on the outstanding amount from the date they were due until the date they were paid [at the base rate of [Bank Plc] from time to time in force
- 13.3 The ending of this Lease pursuant to any of its provisions shall be without prejudice to any right of action either party may have against the other in respect of any previous breach of covenant including any breach giving rise to such determination
- 13.4 In the event of the Premises or any part of them being rendered unsuitable for the use permitted by Clause 4.1.1 by reason of damage to or destruction of the Building or the Premises or any part of them the means of access to them any essential services or any of their contents caused by any Insured Risk of being rendered unfit for human habitation as set out in Section 10 of the Landlord & Tenant Act 1985 for any period the Premises are vacant in order to enable the Landlord's to carry out repair works:
- 13.4.1 The Rent or an appropriate proportion of the Rent shall cease to be payable and
- 13.4.2 Any dispute as to the application of this Clause shall be determined in accordance with Clause 13.5
- 13.5 If any dispute arises between the parties as to the application or interpretation of the provisions of this Lease during the Term then if either party so requires the matter may be referred in accordance with the Arbitration Act 1996 to an independent surveyor acting as an expert appointed by agreement between the parties or if no such agreement can be reached to an expert appointed for that purpose on the application of either party by the President for the time being of Royal Institution of Chartered Surveyors and whose decision shall be final and binding on both parties.
- 13.6 That there is no agreement to which this Lease gives effect within the meaning of Section 240 of the Finance Act 1994
- 13.7 That the Contracts (Rights of Third Parties) Act 1999 shall not apply and no persons other than the parties shall be entitled to enforce any of the provisions of this Lease
- 14 **Notice**
- 14.1 Any notice or other document to be served on either of the parties by the other shall be in writing and shall be sent by pre-paid first class or recorded delivery post or delivered in person to the addressee
- 14.2 Any notice so served shall be deemed to have been received by the addressee within [48 hours] of posting if sent in the case of the Landlord at [] or in the case of Capital Letters to [*Insert registered address*]
- 14.3 Any change in the postal address of either party shall be notified forthwith to the other in accordance with this Clause 16.

15 **[The Guarantors' Covenants]**

15.1 The Landlord appoints [] to act as its Guarantor and the Guarantor Covenants with Capital Letters to observe and perform the requirement of this clause

15.1.1 The Landlord must observe and perform the Covenants and other terms of the Lease, and if at any time during the term the Landlord defaults in observing or performing any of the covenants or other terms of this Lease, then the Guarantor must observe and perform the covenants or terms in respect of which the Landlord is in default and make good to Capital Letters on demand, and indemnify Capital Letters against all losses resulting from such non-performance or non-observance

15.1.2 If at any time during the term any trustee in bankruptcy or liquidation of the Landlord disclaims this Lease, the Guarantor must, if so required by notice served by Capital Letters within 60 days of Capital Letters becoming aware of the disclaimer, the Guarantor will (provided that he has sufficient title or interest to do so) grant a lease of the Premises for the residue of the contractual Term as at the date of the disclaimer, at the Rent then payable under the Lease and subject to the same covenants and terms as this Lease]

IN WITNESS whereof this Lease has been executed as a Deed the day and year first above written by the Landlord, [the Guarantor] and Capital Letters.

Signed as a Deed by authorised)
Signatory/s of the Landlord)
in the presence of)

Witness signature:
Full Name:
Occupation:
Address:

[Signed as a Deed by the Guarantor)
in the presence of)

Witness signature
Full Name:
Occupation:
Address:]

Signed as a Deed by a Deed by the authorised)
Signatory/s of Capital Letters)
in the presence of

Witness signature:
Full Name:
Occupation:
Address:

Appendix

Plan