

[NAME] Riding for the Disabled Association Group

(the Group)

HEADS OF TERMS CHECKLIST

LEASE

Property Description	<p>Is the Group's property all or part of the building?</p> <p>If part, check that adequate rights to access the property is given</p>
1954 Act	<p>Is the Group to have an automatic right to renew at the end of the term?</p>
Break Dates	<p>If the Group can negotiate a right to break (either at a break date or a "rolling break") it is best if it is not subject to any conditions. If the right is conditional, it can mean that the Landlord is in a position to say that the Group cannot exercise its break right</p>
Initial Rent	<p>Can the Group obtain a rent-free period?</p> <p>Will the landlord require the Group to pay VAT on the rent?</p>
Rent Review dates	<p>Rent reviews are normal at three/five yearly intervals, and could be either based on increases in the Retail Prices Index, or more likely to any increased market rent at the time</p>
Repair and decoration obligations	<p>Consider suggesting a photographic schedule of condition to evidence the state of the property at lease commencement and negotiating with the Landlord to limit the Group's repair obligation to the state shown in the schedule. Otherwise the Group may have to return the property in good repair even if it is in poor repair when the lease starts</p> <p>If the lease is of part of a building, is the Group's obligation internal and is the Landlord to repair the structure and exterior of the building? It is best to be clear as to who is to do what</p> <p>Internal decoration: usually every 3rd/5th year and in the final year</p> <p>External decoration: usually every 3rd/5th year and in the final year</p>
Insurance	<p>Usually Landlord insures and the Group reimburses the premium.</p> <p>Loss of rent period: usually 3 years</p> <p>Rent Suspension: usually rent is suspended for the period that the property is unable to be used or accessed because of damage caused by</p>

	an insured risk
Restrictions on assignment	Does the Group require the ability to assign the lease? If it has frequent breaks this may not be necessary
Restrictions on subletting	Does the Group require the ability to sublet the whole or part of the Property?
Permitted use	Check to ensure that the specified use permits the property to be used for the intended purpose and is not subject to any restrictions
Restrictions on alterations	<p>Are any works required before the Group occupy the property? If so, the Landlord should be informed, and plans and specification should be finalised promptly</p> <p>After those initial works are done, it is normal for structural alterations to be prohibited and for non-structural alterations to be permitted only with landlord's consent, not to be unreasonably withheld or delayed</p>
Reinstatement	Many leases state that the landlord can require alterations to be reinstated at the end of the Term. Depending on the proposals the Group has for the property this requirement may or may not be reasonable
Other Tenant payments e.g. service charge	<p>The Tenant usually must pay for all utilities consumed at the property</p> <p>If the lease is a lease of part, is there to be any service charge to pay for works of repair carried out by the Landlord to the structure of the building as a whole?</p>
Any other points of concern	<p>A physical inspection should be made</p> <p>If there are any other specific points of concern such as environmental/contamination issues, flooding, mining subsidence, rights of way/access (not an exhaustive list) then these should be raised with the Landlord's agents prior to HoTs being finalised</p> <p>Once instructed a solicitor should then deal with:</p> <p>Searches - usually the basic searches consist of Local Authority search, highways search, chancel search and Land Registry Index Map Search (to check for any registered titles)</p> <p>Landlord's title and replies to standard enquiries (CPSE1 and 3) - review of title and Landlord's responses together with any ancillary documentation</p> <p>Negotiation of draft lease and any licence for alterations and any rent deposit deed (if these additional documents are necessary)</p>