

WITHOUT PREJUDICE & SUBJECT TO CONTRACT AND COUNCIL APPROVAL PROPOSED NEW LEASE AGREEMENT – DRAFT HEADS OF TERMS

CANOPY 41 KING STREET LEICESTER LE1 6RN

I refer to your application for a tenancy in respect of the above-mentioned property and am writing to confirm that I am prepared to consider the granting of a new lease in accordance with the following main terms, subject to a formal agreement to be prepared by the City Barrister.

1. The tenancy to be granted is in respect of the café area at CANOPY, 41 King Street, LE1 6RN.
2. The internal area of the Property to be leased is shown coloured pink on the attached Plan No. TBC
3. The lease term shall be for 10 years from commencement date TBC.
4. We would like to invite bids of upwards of £20000 pa. This will be exclusive of VAT.
5. The lessee will be responsible for the payment of any applicable general rate charges on the premises, the cost of metered utilities to the kitchen area as well as consumer services and any other taxes or assessments incurred by or imposed upon the premises by virtue of the lessee’s occupation thereof.
6. The lessee will need to complete the required fit out works to the premises within an 8-week period with a target end date of May 30th
7. Upwards only rent reviews to Market Value (MV) or Retail Price Index (RPI) every 3 years (THREE YEARS), whichever is the greater.
8. The property shall only be used for Café/Restaurant and linked events use, under Use Class E. Any permitted change of use will require landlord consent and will be subject to planning.
9. The lessee will be let on a fully repairing and insuring basis (FRI) within the demised areas.
10. The lessee will be liable for a proportionate contribution towards capital maintenance that the lessor will incur.
11. Break clause: The City Council shall have the ability to terminate the lease from the second year of the term onwards and shall give the lessee not less than six months written notice then this lease shall terminate on TBC in the relevant year.

The lessee shall have the ability to terminate the lease and shall give the City Council not less than 12 months written notice at any time to terminate the lease on TBC subject to the following:

* 1. The lessee having paid the rent.
  2. The lessee delivering up the Property with vacant possession.
  3. There being no material breach of the lessee’s repairing covenants and
  4. There is no breach of the lessee’s covenants relating to alienation.

1. The lessee will be responsible for the payment of the City Council’s legal costs of £1750 + VAT in total incurred in the preparation of the lease, including any stamp duty thereon, the counterparts thereto and any renewal thereof, whether such documentation is completed.
2. The lessee shall not at any time during the term hereby granted assign, grant any license in respect of, sublet or part with the possession of the demised premises, or any part or parts thereof, subject to the approval of the Council.
3. The rent and covenants are to be personally guaranteed.
4. The lessee will be responsible for obtaining any necessary planning consents required under the Town and Country Planning Acts and complying with any necessary statutory or bye-law approvals affecting the proposed use of the premises.
5. The lessee will not be permitted to carry out any works of amendment or alteration, addition or improvement to the premises, or erection of fittings thereto, without the prior written consent of the Director of Estates & Building Services.
6. The lease shall be subject to any other reasonable conditions as the Council’s City Barrister & Head of Standards may deem to be necessary.