Template Written Voluntary Arrangement for Commercial Property Guidance

**Letter of Agreement (COVID-19)**

[date]

This letter of agreement is made in accordance with the Guidance issued by the Minister for Commercial Property during the COVID-19 crisis and sets out the terms of the Voluntary Arrangement agreed between the Landlord and Tenant thereunder.

This agreement is made in respect of the commercial premises situate at [address] (the **Property**) and is in addition to the original agreement, lease or arrangement (as varied or renewed from time to time) made between [ ] as Landlord and [ ] as Tenant (the **Original Lease**).

This agreement shall commence on [ ] 2020 and shall expire on [1 November 2020] or if earlier, a month after the date the Government lifts its COVID-related restrictions on businesses, such as the Tenant’s, from trading normally (the **Term**).

This agreement shall vary, for the period of the Term only, the Tenant’s obligation to pay rent and any other payments which fall due under the terms of the Original Lease (**Sums Due**).

The Landlord agrees that all Sums Due shall be [deferred][partially deferred][waived][partially waived] until expiry of the Term.

[A deferral of all Sums Due for the period of the Term shall mean that the Tenant shall pay no Sums Due for the duration of this agreement (the **Deferral**).

The Deferral shall operate as a debt due to the Landlord, repayable in instalments over a period of not less than six months after expiry of the Term to be agreed between the Landlord and Tenant. In the event of any default by the Tenant it shall be payable in full upon demand. Provided the Tenant is not in default of this agreement, no interest shall be payable on the Deferral for the period of the Term only.]

[A partial deferral under this agreement shall mean that the Tenant shall only pay to the Landlord [£ ] of the amount of the Sums Due [each month][each quarter] for the duration of this agreement (the **Deferral**). The Tenant shall be required to pay the remaining balance of the Sums Due in accordance with the terms of the Original Lease.]

The Deferral shall operate as a debt due to the Landlord, repayable in instalments over a period of not less than six months after expiry of the Term to be agreed between the Landlord and Tenant. In the event of any default by the Tenant it shall be payable in full upon demand. Provided the Tenant is not in default of this agreement, no interest shall be payable on the Deferral for the period of the Term only.]

[A partial waiver under this agreement shall mean the Tenant shall only pay the Landlord [£ ] of the amount of the Sums Due [each month][each quarter] for the duration of this agreement. The Tenant shall be required to pay the remaining balance of the Sums Due in accordance with the terms of the Original Lease.]

[A full waiver all Sums Due for the period of the Term under this agreement shall mean the Tenant shall pay the Landlord no Sums Due for the duration of this agreement.]

During the term of this agreement and provided the Tenant complies with the terms under this agreement and all other terms of the Original Lease which are not varied by this agreement, the Landlord agrees it shall not issue any notice of breach of the Lease or seek to recover by any Court process the [Deferral] [any Sums Due under the [waiver][partial waiver] agreed hereunder] or apply for an order for possession or eviction by virtue of such [Deferral][waived Sums Due.]

The Tenant agrees to abide by all other terms of the Original Lease which are not varied hereunder.

After expiry of the Term, this agreement shall terminate, and the terms of the Original Lease shall be reinstated in full. All Sums Due thereafter shall be required to be paid by the Tenant in accordance with the terms of the Original Lease.

This agreement may be used in evidence in any later dispute between Landlord and Tenant. It may also be used for the purposes of any application by either the Landlord or Tenant for any financial support package the Government of Jersey may make available during the COVID-19 crisis and for any proof required by Revenue Jersey for the purpose of tax relief for rent not paid.

We the undersigned below confirm we have read and understood the terms of this agreement and agree to be bound by its terms.

Yours sincerely,

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Landlord

…………………………………………………

Tenant