

Heads of Terms Agreement

This Heads of Terms is made between

Belchamp Walter Parish Council *(The Landlord)*

C/O The Vice Chair

Munt Cottage

Hall Road

Belchamp Walter

Essex CO10 7AT

and

Belchamp Walter Village Hall *(The Tenant)*

C/O The Co Chairs

Belchamp Walter Village Hall

North Waver Cottage,

Gestingthorpe Road,

Belchamp Walter

Essex CO10 7AT

(A Registered Charity in England and Wales number 262403)

Subject to Contract

1. Background:

Belchamp Walter Parish Council (the Council)and **Belchamp Walter Village Hall** Charity No 262403 (the Charity) are interested in entering into a lease arrangement for the Village Hall.

This Heads of Terms statement sets out the principal terms and conditions upon which the parties agree to enter into the proposed agreement.

The property referred to herein covers the Village Hall, its grounds, walls, car park and storage shed (see attached)

2. Status of Heads of Terms

The terms in this Heads of Terms are not exhaustive and expressly ‘Subject to Contract’ until a final written agreement has been entered into. The terms are not meant to be legally binding between the parties except where specifically stated.

3. Timescale and Notice to Terminate

- 3.1 The parties agree to negotiate in good faith with a view to signing the final written Proposed Agreement on or before six months after the Charity has revised its governing document to reflect the Council’s ownership of the property and the document has been filed with the Charities Commission.
- 3.2 Either party may at any time by giving notice to the other party, terminate negotiations for the Proposed Agreement without having to give reasons for doing so.
- 3.3 The party giving notice will not incur any financial liability to any other party unless it has breached a legally binding obligation of these Heads of Terms as set out below.
- 3.4 Upon giving notice of termination, each party must;
 - 3.4.1 Return all of the other parties equipment and materials
 - 3.4.2 Return or destroy any documentation or other data provided by the other party

4 Preconditions to agreement

- 4.1 Any proposed agreement is conditional on;
 - 4.1.1 The parties negotiating, drafting and agreeing the satisfactory terms of the Proposed Agreement governed by English and Welsh law;

- 4.1.2 The approval of and consent to the Proposed Agreement being given by (i) the parties and (ii) any relevant third parties. Any such approvals and consents shall remain in full force and effect until the agreement is signed.
- 4.1.3 No liability shall attach to any person named in this Head of Terms as a Tenant in respect of any breach of the Tenants' obligations or any of them which occur at a time after the term hereby granted has ceased to be vested in such person.
- 4.1.4 The liability of the Tenants' or any member of the Charity in respect of any breach of the Tenants' obligations or any of them shall be limited in amount to the realised value of the charity's assets and nothing contained in this lease shall entitle the landlord to pursue, exercise or enforce any right or remedy in respect of such a breach against the personal estate, property, effects or assets of any person or persons from time to time comprising the Tenants or being a member of the Charity or against any assets for the time being vested in such person which do not form part of the Charity's assets.
- 4.1.5 The liability of the Tenants and of the members of the Charity to observe and perform Tenant's obligations and their liability in respect of any breach of the Tenant's obligations or any of them shall be joint only and not several.

5. Basis of Proposed Agreement

- 5.1 Under the Proposed Agreement, the Landlord's primary obligations are;
 - 5.1.2 To allow the Tenant quiet enjoyment of the property and purpose, that is, to provide a facility for community engagement, events and activities
- 5.2 Under the Proposed Agreement, the Tenant's primary obligations are;
 - 5.2.1 To maintain and keep in good and substantial repair and condition, the property including the foundations and the roof thereof with its gutters and rainwater pipes.
 - 5.2.2 The Tenant will at all times during the said term insure and keep insured the building against loss or damage by fire or such other risks (if any) as the Tenant shall think fit.
 - 5.2.3 To undertake only activities relevant to the charity's stated aims and purpose, as set out in its governing document.
 - 5.2.4 Not to carry on, permit or suffer to be carried on, any part of the premises any offensive, noisy or dangerous trade, business or occupation, nor to permit or suffer the premises to be used as a factory or place of manufacture or for any illegal or immoral purpose or so as to cause nuisance to the Landlord or neighbourhood (save that reasonable use of the premises in accordance with clause 5.1.2 shall not be deemed to be in breach of the covenant contained in this present sub-clause) nor do or permit or suffer to be done upon the premises

nor omit to do on the premises anything the doing or omission of which may invalidate or prejudicially affect any insurance of the premises or which may lead to payment of any policy moneys being refused in whole or in part or cause an increased or extra premium to be paid (save where the Tenants have agreed to pay the relevant increase or extra premium)

- 5.2.5 The Tenant undertakes not to keep or to permit to be kept any materials of a dangerous, explosive or inflammable nature or any materials the keeping of which may contravene any Statute or any rule, regulation or bye-law made by any authority, local or otherwise, having power to make rules, regulations or bye-laws, or any materials which constitute an unreasonable nuisance to property in the neighbourhood.
- 5.2.6 The Tenant undertakes to apply for and be responsible for the cost of obtaining a licence where appropriate and to apply for the prior written approval of the Landlord to or permit the use of the premises for the performance of public entertainments in music and dancing, stage plays, boxing, wrestling, gaming or for the sale or supply of intoxicating liquor of any kind or of food for consumption either on or off the premises which now or in the future may require licence or consent under statute.
- 5.2.7 To keep the Landlord fully indemnified against any claims proceedings actions or demands made or brought and all losses damages costs expenses and liabilities reasonably and properly incurred or arising directly or indirectly in respect of or otherwise connected with
 - 5.2.7.1 The use and occupation of the premises
 - 5.2.7.2 The state of repair and condition premises
- 5.2.3 Any act, omission or negligence of the Tenants or any other persons at the premises with the express or implied authority of the Tenants or anyone else deriving authority through the Tenants
- 5.2.4 To permit the Landlord or duly authorised agents and officials and others at all reasonable times and upon reasonable prior notice to enter the premises in order to examine the state and condition thereof.

6. Costs

- 6.1 This paragraph is legally binding
- 6.2.1 Each party is responsible for its own costs in connection with the proposed agreement, whether or not it proceeds including (without limitation) the preparation and negotiation of this Heads of Terms, the negotiation and drafting of the Proposed Agreement and any documents contemplated by it.

7. Other Agreements

- 7.1 This paragraph is legally binding.
- 7.2 Where they exist, any agreements between the parties will continue to apply to this Heads of Terms and shall remain in full force and effect and are not affected by this Heads of Terms.

8. Governing Law and Jurisdiction

- 9.1 This paragraph is legally binding
- 9.2 The agreement constituted by this Heads of Terms shall be governed by the laws of England and Wales, and the courts of England and Wales shall have exclusive jurisdiction for all matters arising under it.
- 9.3 The Tenant, being a registered charity (number 262403) should undertake due diligence to ensure compliance with the regulations of the Charity Commission and compliance with the terms of the Charities Act 2022 or other appropriate legislation.
- 9.4 This lease creates a new tenancy for the purposes of the Landlord and Tenant (Covenants) Act 1995.

9. Commencement

- 10.1 The agreement in this Heads of Terms will remain in effect until superseded by the Proposed Agreement, notice to terminate negotiations or other event equivalent to termination of the agreement in this Heads of Terms (including the insolvency of one of the parties or the performance of the obligations set out above in (5.) Basis of Proposed Agreement

10. Terms of Lease

- 11.1 The length of the lease term is to be Twenty (20) years.
- 11.2 Break clause – There is no provision for a break clause in this lease unless, following discussion between the two parties, the Landlord agrees that the Tenant is unable to continue financially to operate the building or the Tenant is declared insolvent by the statutory authorities.
- 11.3 Rent review - The rent for the hall will be on a peppercorn basis and set at £1 a year unless an alternative agreement between the parties is made. However, due to the nature of the relationship between the two parties there will be no set period for review.
- 11.4 Services and service charge - The Tenant is responsible for the provision of and payment for all services to the Village Hall. No service charge is payable to the Parish Council.
- 11.5 Insurance – The Insurance of the property is to be provided and maintained by the Tenant in the joint names of the Landlord and Tenant. The Tenant will, annually, provide the Landlord a copy of the certificate of insurance.

- 11.6 The use of the property is to be for the use of the community at large. The building may be provided to groups providing services and events that are of benefit to the inhabitants of Belchamp Walter and the wider community and for private events by members of the community. Any proposed usage beyond that for the community, must be discussed with and agreed by, in writing, the Landlord.
- 11.7 The tenant is not permitted to transfer the lease or to sublet to any third party.
- 11.8 Repair – The Tenant is responsible for all maintenance of the property and for ensuring that all required works are carried out in a timely manner and to a professional standard.
- 11.8.1 Where the Tenant wishes to carry out any alterations to the property then the extent of the alterations must be agreed in writing with the Landlord before works are undertaken.

12 Determination of Lease

- 12.1 The Tenants may at any time terminate the lease by giving to the Landlord not less than six months in writing. Any such termination is without prejudice to any claim by either party against any other party in respect of any breach under the lease.