

FOR ITEM 4.3.1 – EXPLANTATION OF SOME OF THE CLAUSES IN THE CONTRACT

The Agreement for Lease

The document is an agreement for lease which gives the Charity access to the site in order to build the hall (clauses 4 and 17). When the hall has been certified complete by the Charitys architect, acting impartially, then the Council has to grant and the Charity have to take a lease of the hall. The form of lease will be annexed to the agreement.

Clause 6 requires the Charity to carry out the works properly.

Clause 7 allows the Council to inspect the works as they progress.

Clauses 8 and 9 require the Charity to make sure that all persons associated with the build are competent.

Clause 10 is the procure for certifying the build as complete. By clause 10.8 the Charity has to deliver collateral warranties to the Council. These enable the Council to sue the building contractor, and architect etc., if there are faults in the building.

Clause 11 Gives either side the option to cancel the agreement if the build overruns for too long. In that case the lease would not go ahead.

Clauses 12 and 13 the Charity will insure the works in progress and is at risk if they get damaged.

Clauses 14,15,16,18, 21 and 22 are conveyancing procedure.

Clause 19 and 20. If the Charity becomes insolvent the Council may cancel the agreement. In that case the lease would not go ahead.

The Lease

Please see clause 5. The Council needs to decide if the Charity would have the right to a new lease at the end of the 125 year term, or if they would have to re-negotiate for a new lease. It may seem a bit academic, but I suggest they should have to re-negotiate.