

Heads of Terms

Subject to contract and Council approval

1. Vendor

MK Council
Saxon Court Offices
502 Avebury Boulevard
Central Milton Keynes
MK9 3HS

2. Vendor's Solicitors

TBC

3. Purchaser

Brickhill Estates (MK) Limited c/o City Estates (MK) Limited
Unit 8, Enigma Building
Bilton Road
Bletchley
Milton Keynes
MK1 1HW

4. Purchaser's Solicitors

TBC

5. Property

The land and car park on the east side of the Agora Centre, Wolverton shown edged red on the attached plan.

6. Price

£100,000 plus VAT for the freehold purchase of the above property.

7. Method / Terms of Disposal

- a. That the Council should dispose of the Car Park to the Purchaser by entering into a freehold sale and leaseback, including granting a building lease. The Council disposes of its freehold in the following way:
- b. The Council transfers its freehold interest to the Purchaser for £100,000, at the same time as the Purchaser takes an assignment of the 99-year Car Park lease from the current owner of the lease.
- c. The Purchaser simultaneously grants a leaseback (the headlease) to the Council for 71 years, which is the residue of the current lease.
- d. The Council grants to the Purchaser a licence or sublease (building lease) out of the leaseback, for one week less than the 71-year lease, which licence or

sublease provides for the Purchaser to build out the planning consented scheme, restricting the use of the Council Car Park to car parking as currently, or in accordance with the planning consented scheme.

- e. The Council's 71-year lease ends when the Council is satisfied that the planning consented scheme has been practically completed.
- f. The Purchaser covenants not to seek any other planning consent, or any material variation to the planning consented scheme.
- g. The Purchaser also covenants not to alter the site, other than so as to implement the planning consented scheme, and not to assign the headlease.

8. Conditions – The following conditions are to apply to the disposal:

- a. That the Purchaser will, within 12 months of this decision, substantially and diligently commence construction in accordance with said planning consent, and complete the scheme within 48 months after commencement, in accordance with the planning consent;
- b. That if the Purchaser has not commenced construction within the 12-month period specified above, or if the Purchaser does not complete the scheme within 48 months after commencement, the Council has the option to buy back the freehold interest in the Car Park for the consideration paid to it, less reasonable costs incurred in the disposal and buyback (in which case the headlease and building lease end);
- c. That the Purchaser is to show on or before 31st January 2017 proof of ownership, or binding option for the purchase of the Agora Shopping Centre, and proof of commitment to funding for the total development costs, including payment of the s.106 contributions, **before** the Council enters into a contract to dispose of the Car Park to the Purchaser. This will demonstrate, to the Council's satisfaction, that the Purchaser has an unconditional finance agreement in place with a reputable funder to cover all development costs of the consented scheme, and that the Purchaser's funder has based its decision to fund the development scheme under that finance agreement, on a financial appraisal acceptable to the Council.
- d. That the Purchaser can certify it has not within its group of companies received State aid under the de minimis rules in this or the two previous financial years which in combination with amount of the discount provided by this disposal exceeds the €200,000 limit.

9. Costs – each party to bear their own costs.