

**Subject to Contract &
Without Prejudice****HEADS OF TERMS FOR PROPOSED TRANSFER**

Premises:	Stony Stratford Library, 5-7 Church Street, Stony Stratford, Milton Keynes, MK11 1BD.
Vendor:	Milton Keynes Borough Council, Civic Offices, 1 Saxon Gate East, Milton Keynes, MK9 3EJ
Purchaser:	Stony Stratford Town Council, The Library, 5-7 Church Street, Stony Stratford, MK11 1BD.
Property Tenure:	Freehold
Purchase Price:	£1.00
Restrictive Covenants:	A restrictive covenant to be entered into at the time of the purchase preventing the use of the Property for commercial purposes except those supporting and ancillary to the provisions of the primary purpose as specified in the Stage 2 Business Case (for the benefit of the community of Milton Keynes).
Clawback:	Calculated at 100% of the capital value of the Property, assuming a use other than the primary community use, reducing by 2% per annum in the event that the restrictive covenants are breached.
Pre-emption:	In the event that Stony Stratford Town Council decides within 25 years of its purchase to sell the freehold interest or grant a lease of the Property or the property is left vacant for more than one year then the Council has the right to acquire the property at a price of £1.
Grant Funding	The purchaser will be required prior to accepting any grant funding to inform and agree with MKC. Negotiations will need to take place between the purchaser, funding organisation and MKC to ensure minimal impact on the title of the asset.
Condition of transfer:	As a condition of the transfer the acquiring body will be obliged to manage the premises if let in accordance with the MKC Property Strategy and in line with the

	requirements of Commercial Landlords Accreditation Scheme (CLAS).
Statutory Consent:	Unless specified no statutory consents have been granted to the purchaser as part of CAT process and the purchaser will be responsible for undertaking these if and when required.
Costs:	Each side is to be responsible for their own legal and surveying costs associated with the initial sale of the Property.
Access:	Appropriate access rights to enable full and unrestricted use of the building for community purposes to be granted, if required
Service Agreement:	Draft may 2012
Investment fund:	<p>The purchaser will be required to maintain a reinvestment fund operating as follows: the purchaser will:</p> <ul style="list-style-type: none"> - maintain accounts showing all income and costs in relation to the premises; - provide audited accounts of these matters to MKC yearly and allow MKC to carry out its own audit if required; - pay the operating surplus into a separate account and spend it only on the premises, which account shall also be dealt with in the yearly audit mentioned above; - MKC may require to approve items of expenditure. <p>Consideration will be needed as to how long this arrangement will last, whether MKC wishes to be able to suggest works of improvement, and whether MKC should hold the surplus account.</p>