

PROPOSED HEADS OF TERMS

between

Joules Brewery Limited

and

Stone Town Council

1 INTRODUCTION

- 1.1 As a part of the Crown Wharf Development Joule’s brewery has purchased the old Fire Station building.
- 1.2 Joules is prepared to offer this building to Stone Town Council for use as a heritage and visitor centre. The following represents the heads of terms related to that offer.

2 DEFINITION OF TERMS

Fire Station	The old fire station building situated on Crown Street, Stone
Lease	A lease to be agreed between Joules and Stone Town Council
Joules	Joules Brewery Limited
STC	Stone Town Council
Tower	The original hose drying tower.
Access Way	The strip of land, around 4m wide to the right of the fire station which will form a pedestrian link from Crown Street to Crown Wharf.
Opening Hours	The hours when the centre will be open to the public agreed between the parties and subject to a minimum.
Crown Wharf Development	Development of Joules brewery tap, Studio Theatre and Heritage centre located at Crown Wharf Stone
Building Shell	The walls, roof, floor, windows and general fabric of the building
Empty Shell	The building with all internal fixtures, fittings, furniture and other non-structural/non-service items removed.

3 JOULES OBLIGATIONS

- 3.1 Complete the external landscaping around the Fire station.
- 3.2 Offer the building to STC as an empty shell on a fully repairing and insuring lease for use as a heritage/visitor/information centre in perpetuity, subject to the terms of this agreement.
- 3.3 Require a peppercorn rent at the rate of £1 per annum from STC for the duration of the agreement.
- 3.4 In agreement with STC, provide signage on the building and the tower which shall be utilised to signpost Crown Wharf alongside, and complementary with, STC's own signage.
- 3.5 Retain use of the access way at all times for public use.

4 STC OBLIGATIONS

- 4.1 Determine, by 30th September 2019, whether it wishes to take up Joules offer of the use of the building as a heritage and visitor centre. Should STC accept this offer, the terms of this agreement would apply from the acceptance date. Should STC decline or fail to make a determination by the specified date, Joules would be free to determine the future use of the building and neither Joules nor STC would be bound by any further terms of this lease.
- 4.2 Restore the building shell into a suitable condition for use as a heritage and visitor centre, to be completed by 30th June 2020 or any other such date as shall be agreed between STC and Joules. This completion is expected to include making the building wind and water tight; retaining the fire station doors; painting, re-roofing and cleaning the building; and providing gas and electrical services to the site. It may also include the provision of an extension suitable for use as a coffee shop facility. This work will be done to a standard expected to endure for the reasonable life of the building, subject to a reasonable maintenance regime. It is anticipated that this work will be undertaken as part of the main project by Joules on behalf of the Council at cost, on an open book accounting basis.
- 4.3 Provide appropriate furniture, fixtures and fittings, as required for the operation of the heritage and visitor centre
- 4.4 Insure and maintain the building during the term of its use.
- 4.5 Open to the public not less than 5 days per week for an average of at least 4 hours per day, unless otherwise agreed between STC and Joules.
- 4.6 Ensure that the building is lit internally and externally during normal Crown Wharf opening hours, whether or not the Centre is open at the time.

- 4.7 Ensure that the building is kept in good order, presentable and attractive to the public.
- 4.8 Present the Joules Brewery story as a part of the history of Stone town and within the exhibition, subject to the exceptional requirements of one off and short term special events.
- 4.9 Recognise Joules Brewery as the founding sponsor on all advertising material.
- 4.10 Retain use of the access way at all times for public use.
- 4.11 Provide a signage point for the Crown Wharf in a prominent position near the exit being 1m wide by 2m high.
- 4.12 In agreement with Joules, provide STC's signage on the building, which shall be complementary with Joules signage on the building and the tower signposting Crown Wharf.
- 4.13 Pay all running costs directly related to the operation of the Centre.

5 TERMINATION

- 5.1 Should STC cease to use the premises as a heritage and visitor centre, or for any alternative use that may have been agreed with Joules, Joules will retain the option to give 12 months' notice to STC to resume activity as specified within this document. Should STC not comply with the request, the contract will be terminated and the building will revert to Joules in accordance with the termination provisions below.
- 5.2 STC can, at any point during the operation of this agreement, give 12 months' notice to Joules that it no longer wishes to make use of the building. After this notice period has expired, the contract will be terminated and the building will revert to Joules in accordance with the termination provisions below
- 5.3 On termination, STC shall return the building to Joules in broadly the condition set out in paragraph 4.2 above, save for reasonable wear and tear.
- 5.4 Should the termination date be within 15 years of the completion date agreed under the provisions of paragraph 4.2 above, the following additional provisions will apply:
 - a. Joules will pay to STC a sum equal to the amount expended by STC under the provisions of paragraph 4.2 above, adjusted by the retail price index since the work was carried out, and discounted by one fifteenth of this amount for each year between the completion date and the termination date including an adjustment for the final part-year, if any. (For example, if the agreement were to be terminated after nine years and six months, the amount would be discounted by 9.5 fifteenths)

- b. Should the works undertaken by the completion date subsequently prove insufficient to meet STC's obligations under paragraph 4.2 above and further work is required beyond normal routine maintenance, Joules will pay to STC a further sum calculated in accordance with the principles established in paragraph 5.4a above, but adjusted to represent the point in time at which the work was completed. (For example, if £10,000 were expended by STC three years after the completion date, and the agreement is terminated after ten years, the sum, plus RPI increases, would be discounted by seven twelfths).
 - c. On termination, STC would be expected to return the building to Joules as an empty shell. Should this not be done, Joules would be entitled to offset against the above amounts its reasonable costs incurred in returning the building to this condition.
- 5.5 From the date of termination, neither STC nor Joules will continue to be bound by the terms of this agreement except so far as they relate to an obligation which should have been completed prior to or on termination.

6 CHANGE OF OWNERSHIP

- 6.1 Should Joules Brewery Limited cease to be the owners of the building, the Town Council would have the option of purchasing the building from the new owners at the lower of the original purchase price adjusted by the retail price index since the date of purchase, or the independently assessed market value of the building for its (then) current use. This option must be exercised within 12 months of the date of the ownership change (or the notification to STC of the ownership change, if later) and will also require a covenant that STC will retain the access to the Crown Wharf site for as long as required by the new owners.
- 6.2 Should this option not be exercised by STC, the terms of this agreement will continue to apply.