

## **SUBJECT TO CONTRACT**

### **HEADS OF TERMS FOR NEW LEASE OF VALLEY STADIUM, REDDITCH**

1. Landlord  
The Council of The Borough of Redditch  
Town Hall  
Stranz Square  
Redditch  
B98 8AH  
  
FAO: Paul Mclaughlin  
Estates Team Leader – North  
Tel: 07710 067256  
Email:  
paul.mclaughlin@placepartnership.co.uk
2. Landlords Solicitor  
Legal and Democratic Services  
Redditch Borough Council.
3. Tenant  
RUFC
4. Property  
Valley Stadium, Redditch
5. Term  
30 Years from completion.
6. Grant Funding  
The new lease will be subject to the successful application for Football Foundation grant funds for a 3G pitch.
7. Rent  
£2,000 per annum exclusive, quarterly in advance, subject to:  
  
Successful application to RBC by RUFC for a reduction in rent from the Market Rent of £12,000 to £2,000pa on the basis of continued community benefit provided by RUFC throughout the lease term, including:  
  
Installation of 3G pitch as per FA grant conditions within 12 months of lease commencement.  
  
RUFC retains Community Status in accordance with FA requirements throughout the term of the lease and enters into Community Use agreement with the FA if required.  
  
At the end of each football season, RUFC to attend annual meeting with Regional & County FA, Junior Section

representatives and RBC to review community provision performance and agree annual targets. The basis of such performance review will be the numbers of teams supported by RUFC during the 2015/16 football season.

RUFC to provide RBC with audited annual accounts within 30 days of completion.

#### 8. Rent Review

Upon 5<sup>th</sup>, 10<sup>th</sup>, 15<sup>th</sup>, 20<sup>th</sup> and 25<sup>th</sup> anniversary of the lease.

The rent will increase upon the review date by the rate equivalent to the increase in the RPI for the 5 preceding years since the lease commencement or previous review date (whichever was the latter). The new rent will be regarded as the revised rent.

If at a rent review date, RUFC are playing within the National League Step One, the revised rent paid will increase by the equivalent of 50% of the average of any annual profit before tax that RUFC reports during the preceding 5 year period – only those years within the National League Step One will be counted for the basis of this calculation.

Profit Rent Example:

If the average profit is £2400pa, the rent will increase to **y + z**.

**y** being the new revised rent,  
**z** being 50% of the average annual profit.

The rent payable will be capped at the Market Rent as determined by the District Valuer. It is envisaged that a Market Valuation will only likely be required at such time that RUFC enter the National League Step One.

#### 9. Alienation

Assignment or Subletting not permitted.

#### 10. Repairs

At all times during the Term to maintain the premises in good and tenantable repair, including all glass and window and door frames, to the reasonable

satisfaction of the Council and to keep the premises in a clean and tidy condition. But in no worse condition than that defined within the Schedule of Condition annexed to the lease dated 23<sup>rd</sup> March 1994.

Replace the 3G pitch surface every 10 years or earlier if required and maintain in accordance with the manufacturers recommendations.

Replace the 3G pitch upon the termination of the lease if it has not been done so within the last 5 years prior to lease termination.

RUFC to adhere to all FA requirements regarding the provision of a sinking fund and service contracts in relation to the 3G pitch and associated equipment.

11. Alterations

The tenant shall be permitted to carry out alterations subject to formal consent of the Council

12. Permitted Use

As per current planning consent.

13. Insurance

The premises are insured by the Council under comprehensive cover. The premium will be recovered from the tenant by way of insurance rent.

14. Business Rates

The Tenant is responsible for the payment of Business Rates, and all other outgoings.

15. Other Terms

Lease within the protection of LTA 1954 Part II.

Surrender of lease dated 23<sup>rd</sup> March 1994.

16. Costs

RUFC will be responsible for the payment of £330 plus VAT per transaction in respect of the Councils legal costs.

RUFC will be responsible for the payment of £330 plus VAT per transaction in respect of the Councils surveyors costs.

Name.....

Signed.....

Dated.....