**Coastal Communities Fund – Additional Terms and Conditions for Capital**

**Grants**

1. If any part of the capital grant is to buy or build, refurbish, extend or alter buildings or land (“capital assets”), then we understand that these standard terms and conditions will apply to our grant in addition to all other conditions you have required of us.

1. We understand and accept that you may require confirmation from our solicitors that we have the legal powers under our governing documents to undertake the project and to execute the legal documents associated with our grant. If you have asked for a legal opinion, we understand that you will not pay more than a maximum of 5% of the capital grant until you have received the documents completed to your satisfaction.

1. We do not have any undisclosed loans secured on the capital assets. We will not take out any loans secured on any capital assets funded or part-funded by the capital grant unless we receive your agreement in writing first. Your agreement may be subject to conditions, which we will have to meet.

1. If any part of the capital grant is to buy land (whether freehold, heritable or leasehold land), we will send you when asked the following documents:
   * a surveyor’s report on the condition of the property, its value for the purpose of the project and whether it is suitable for the project;
   * confirmation by our solicitors that all necessary consents for the use of the property for the purposes of the grant have been obtained;
2. If any part of the capital grant is to buy leasehold land, then we will ensure that the lease will be for the following minimum term of years
   * For capital grant of up to and including £100,000: a lease of at least 5 years, without a break clause.
3. If all or part of our capital grant is to be used for **any building work** we understand and accept:
   * that you will keep 95% of the capital grant until we have provided in a satisfactory form:
     + evidence that we have received any necessary planning permission, listed building consent and building regulations consent (or other applicable consents or regulations) required for the building work; and
     + evidence that an EU-compliant competitive tender process has been undertaken with a minimum of three estimates received from three independent builders. If we are to commission the building works under pre-tendered arrangements, we will provide evidence of the tender process undertaken to identify existing contractors;

* + that you will make payments in stages when you receive builders’ invoices or against interim certificates completed on the RIBA (Royal Institute of British Architects) or or other appropriate invoices;

* + that you will keep 5% of the part of the grant for the building works until you receive the certificate of practical completion. We will then send you the making good defects certificate; the final certificate; confirmation that we have obtained the building regulations completion certificate; and confirmation that we have obtained the buildings insurance certificate; and

* + that if we want to make significant changes to the scope of the building works, we must get your permission in writing before going ahead.

1. We understand that if we do not make payment claims for capital grant within three months of incurring the relevant capital expenditure, then you will proportionally reduce our capital grant in line with the actual capital expenditure incurred in the claim period.

1. If we need to use the capital assets to raise further funding, we will first obtain your agreement in writing, which may be subject to conditions and which we will have to meet. You will need to be satisfied that the new lender understands and will put the interests of the beneficiaries of the project first. We undertake that:

* + any loan secured on the capital assets will be used entirely on the project; and

* + the maximum loan will be no higher than the amount of money being put up by the new lender.

1. We will not sell, lease, let, sub-let or otherwise dispose of or change the use of any capital asset without first receiving your written consent, which may contain conditions which we will have to meet. If we sell or dispose of any capital asset within five years, we may have to repay you all or part of the money we have received from you. The amount we repay will be in direct proportion to the share of the project cost that came from you. If, with your consent, we sell any capital asset wholly or partly bought with the grant, it will be at full market value.

1. We understand and accept that a five year asset-monitoring period will start from the date of purchase of the capital asset or the date of completion of the building work, whichever is the later.