

Contact Information Compliance Team
Email foienquiries@aberdeencity.gov.uk
Direct Dial 01224 523827



ABERDEEN CITY COUNCIL

9 March 2017



Information Compliance Team
Office of Chief Executive
Aberdeen City Council
Town House
First Floor Room 24
ABERDEEN
AB10 1AQ

Tel 01224 522000
Minicom 01224 522381
DX 529451, Aberdeen 9
www.aberdeencity.gov.uk

Dear [REDACTED],

Freedom of Information (Scotland) Act 2002

FOI-17-0238 – Sports Village

Thank you for your information request of 9 February 2017. Aberdeen City Council (ACC) has completed the necessary search for the information requested.

How much you are funding Aberdeen Sports Village.

In financial year 2016/17 Aberdeen City Council has provided a grant to Aberdeen Sports Village of £1,093,103.

What percentage this is in comparison to other funders

The Aberdeen Sports Village is a joint partnership between Aberdeen City Council and the University of Aberdeen. Each partner has a 50% shareholding.

A copy of any mutual agreement between the council and the Aberdeen Sports Village

The Joint Venture Agreement between Aberdeen RSF Ltd (now Aberdeen Sports Village), the University of Aberdeen and Aberdeen City Council and the Operating Agreement between Aberdeen Sports Village, the University of Aberdeen and Aberdeen City Council are enclosed with this response.

Please note that third party names and personal details, as well as the names of ACC Officers who are below Head of Service level have been redacted (blacked out) from the attached documents. This is because ACC considers that this information is exempt from disclosure. In order to comply with its obligations under the terms of Section 16 of the FOISA, ACC hereby gives notice that we are refusing your request under the terms of Section 38(1)(b) in conjunction with 38(2)(a)(i) – Personal Information - of the FOISA.

In making this decision ACC considered the following points:

ACC is of the opinion that Section 38(1)(b) applies to the information specified above as the information in question is personal information relating to living individuals, and the applicant is not the data subject.

ANGELA SCOTT
CHIEF EXECUTIVE



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ACC is of the opinion that Section 38(2)(a)(i) applies, as ACC considers that disclosure of this information would be a breach of the first Data Protection Principle (that personal information must be processed fairly and lawfully). Third parties named within the attached document would not expect ACC to release this information about them into the public domain under the FOISA.

Under our duty to advise and assist, we have also enclosed a copy of a Service Level Agreement between Aberdeen University and Aberdeen Sports Village. Please note all redactions in this document have been undertaken by Aberdeen University under Section 33(1)(b) – Commercial Interests. Please contact Aberdeen University if you have any questions about this document.

Your measures to ensure Aberdeen Sports Village treats its members with respect and dignity. This also includes your measures to ensure Aberdeen Sports Village obliges by the Equality Act 2010 and the Human Rights Act 2000. This includes your measures to ensure people with different ethnic backgrounds are treated fairly and not subject to degrading treatment by the Aberdeen Sports Village staff. All are equal before the law and are entitled without any discrimination to Aberdeen Sports Village facilities

Aberdeen Sports Village is obliged by its agreed Operating Agreement to maintain procedures on Equality and Discrimination.

For further information on those procedures, please contact Aberdeen Sports Village. They can be contacted at:

Online: <http://aberdeensportsvillage.com/contactus>

By Phone: 01224 438900

We hope this helps with your request.

Yours sincerely,

Grant Webster
Information Compliance Officer

INFORMATION ABOUT THE HANDLING OF YOUR REQUEST

ACC handled your request for information in accordance with the provisions of the Freedom of Information (Scotland) Act 2002. Please refer to the enclosed PDF for more information about your rights under FOISA.

(1) ABERDEEN RSF LIMITED

and

(2) THE UNIVERSITY COURT OF THE UNIVERSITY OF ABERDEEN

and

(3) ABERDEEN CITY COUNCIL

JOINT VENTURE AGREEMENT

relating to

The Regional Sports Facility and Aberdeen RSF Limited

JOINT VENTURE AGREEMENT

AMONG

- (1) **ABERDEEN RSF LIMITED**, a company incorporated in Scotland with registered number SC327879 and having its registered office at c/o McGrigors LLP, Johnstone House, 52-54 Rose Street, Aberdeen, AB10 1UD (the "Company"); and
- (2) **THE UNIVERSITY COURT OF THE UNIVERSITY OF ABERDEEN**, incorporated under the Universities (Scotland) Act 1889 and having a place of business at King's College, Aberdeen (the "University"); and
- (3) **ABERDEEN CITY COUNCIL**, a local authority constituted and incorporated under the Local Government etc Scotland Act 1994 and having its principal offices at Town House, Aberdeen, AB10 1FY (the "Council").

WHEREAS

- (A) The Shareholders (as defined below) wish to work together to create a regional sports facility in Aberdeen;
- (B) The Shareholders wish to record matters which have been agreed between them and to set out the process which is to be followed as regards those matters which remain to be agreed.
- (C) The Company is a private company limited by shares incorporated in Scotland on 17 July 2007 and has at the time of its execution of this Agreement an authorised share capital of £20,000,000 divided into 10,000,000 A ordinary shares of £1.00 each and 10,000,000 B ordinary shares of £1.00 each of which 10,000,000 A ordinary shares and 10,000,000 B ordinary shares have been issued at par partly paid. Further details of the Company are set out in Part 1 of the Schedule.
- (D) The Shareholders have established the Company in order to construct and then operate the regional sports facility and this Agreement regulates the operation and management of the Company and the relationship between the Shareholders.
- (E) The Company is willing to comply with the terms and conditions of this Agreement insofar as they relate to the Company.
- (F) In consideration of the mutual agreements and covenants contained in this Agreement, the Parties have granted the rights and accepted the obligations contained in this Agreement.

IT IS AGREED as follows:

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement the following expressions shall, unless otherwise specified or the context otherwise requires, have the meanings set opposite them respectively:

"A Director" means a director or directors appointed by the A Shareholder pursuant to the Articles and holding office for the time being;

"A Shareholder" means the holder from time to time of all the A Shares;

"A Shares" means the ordinary shares of £1.00 each in the capital of the Company designated as A Shares;

"Access Protocol" has the meaning given in Clause 7.1.1;

"Articles" means the articles of association adopted by the Company on incorporation and as amended from time to time (and any reference to an Article shall be a reference to that article of such Articles of Association);

"Agreed Draft Lease" has the meaning given to it in Clause 8.1;

"Agreed Programme" has the meaning given to it in Clause 3.1;

"Annual Grant Funding" has the meaning given to it in Clause 11.2;

"Appointment" means any appointment by the Company relating to the Works or the design of such Works, including any novation agreement entered into in respect of an Appointment;

"Auditors" the firm of chartered accountants who are the auditors of the Company from time to time;

"B Director" means a director or directors appointed by the B Shareholder pursuant to the Articles and holding office for the time being;

"B Shareholder" means the holder from time to time of all the B Shares;

"B Shares" means the ordinary shares of £1.00 each in the capital of the Company designated as B Shares;

"Base Date" means September 2007;

"Board" means the board of directors of the Company from time to time;

"Business" means the design, construction and operation of a regional sports facility in Aberdeen;

"Business Plan" means the business plan for the Project as it may be amended from time to time in accordance with this Agreement;

"Contract Year" means:

(a) as regards the first Contract Year, the period commencing on and including the Facility Opening Date until 31 July next following the Facility Opening Date (the "Anniversary Date");

(b) as regards the second Contract Year to the penultimate Contract Year (inclusive), the period of 12 calendar months commencing on and including the day after the Anniversary Date (i.e. commencing on and including 1 August) and each subsequent period of 12 calendar months; and

(c) as regards the last Contract Year, the period commencing on and including the day after the end of the penultimate Contract Year (i.e. commencing on and including 1 August) to the Expiry Date;

"Confidential Information" means all confidential information of the Company from time to time (in whatever medium stored) including all business, financial, operational, customer and marketing information, know-how and trade secrets in relation to the business of the Company and all information in respect of which the Company is bound by an obligation of confidence to a third party;

"Construction Contract" means the contract entered into between the Company and Barr Limited (and for the purposes of Clause 2.1 means that contract in the agreed form);

"Continuing Shareholder" has the meaning given to it in Clause 23.1.5;

"Deadlock" has the meaning given to it in Clause 19.1;

"Delegated SportsScotland Conditions" means the SportsScotland Conditions other than the Reserved SportsScotland Conditions;

"Effective Date" means the last date of execution hereof;

"Employee Liabilities" means any costs, claims, liabilities and expenses (including legal expenses) relating to or arising out of the employment of a person including, without prejudice to the foregoing generality, negligence claims, unfair dismissal, redundancy, unlawful discrimination, breach of contract, claims in relation to pension entitlement, unlawful deduction of wages and equal pay;

"Estimated Completion Date" means the date estimated by Barr Limited (acting reasonably) to be the likely Works Completion Date;

"Existing Assets" means the assets listed in the Inventory;

"Expiry Date" means, subject to Clause 22.2, the 25th anniversary of the Facility Opening Date;

"Expiry Fair Value" has the meaning ascribed to it in Part 7 of the Schedule;

"Facility" means the regional sports facility to be constructed pursuant to the Construction Contract;

"Facility Opening Date" means the date on which the Facility opens to the public;

"Fund" means the Aberdeen City Council pension fund(s) constituted under the various Local Government Superannuation Acts and related regulations, in respect of which the Council is the administering authority;

"Good Industry Practice" means the exercise of that degree of skill, diligence, prudence, foresight and practice which would reasonably and ordinarily be expected from a skilled and experienced person engaged in fulfilling obligations the same as or similar to those set out in Part 3 of the Schedule;

"Information Legislation" means the Freedom of Information (Scotland) Act 2002 and the Environmental Information (Scotland) Regulations 2004;

"Initial Fair Value" has the meaning ascribed to it in Part 7 of the Schedule;

"Insolvency Event" means (i) the commencement of negotiations with all or any class of creditors with a view to the rescheduling of debts, (ii) the entry into of any composition or arrangement with creditors generally, (iii) an order being made or resolution passed, or a notice issued convening a meeting for the purpose of passing a resolution (or the taking of analogous proceedings) for winding-up, administration or dissolution, or (iv) the appointment of any liquidator, receiver, administrative receiver, administrator or similar officer;

"Inventory" means the inventory of assets as set out in Part 10 of the Schedule;

"Lease" means the lease to be entered into between the Council and the Company pursuant to Clause 8;

"Licence" means the licence entered into between the Council and the Company on 20 September 2007;

"Long Term Licence" means the licence to be entered into between the Council and the Company pursuant to Clause 8, in the event that the Lease is not granted;

"NPFPA" means the National Playing Fields Association, a company incorporated by Royal Charter with number 370 (and known as "Fields in Trust");

"Operating Agreement" means the Operating Agreement to be entered into between the Parties pursuant to Clause 7;

"Pitches Land" means the land shown outlined in red on Plan 2 to the extent owned by the Council and not leased or licensed to any third party as at the Effective Date;

"Project" means the project to deliver, commission and operate the Facility;

"Project Funding" means Annual Grant Funding and any mobilisation funding advanced as agreed pursuant to Clause 11.1;

"Parties" means the parties to this Agreement (and Party shall be construed accordingly);

"Plan 1" and **"Plan 2"** means the numbered plans set out in Part 4 of the Schedule;

"Recognised Investment Exchange" shall bear the meaning given to it in Section 285(1) of the Financial Services and Markets Act 2000;

"Required Insurances" means policies of insurance to cover the risks set out in Part 8 of the Schedule (and subject to any conditions, limits, excesses or deductibles set out in that Part of the Schedule)

"Reserved Sportscotland Conditions" means the project specific Sportscotland Conditions numbered 12.1 (in relation to masterplanning) and 14.2 (in relation to the NPFPA consent);

"Revenue Cap" has the meaning given to it in Clause 11.2.3;

"RPIx" means the index published in Table RPO5 (RPI all items – excluding Mortgage Interest Payment (RPDX) reference CHMK published by the Office for National Statistics or failing such publication or in the event of a fundamental change to the index, such other index as the parties may agree, or such adjustments to the index as the parties may agree (in each case with the intention of putting the parties in no better nor worse position than they

would have been had the index not ceased to be published or the relevant fundamental change not been made;

"Sale Shares" has the meaning given to it in Clause 23.1.5

"Scottish Charity Register" means the register with that name kept by the Office of the Scottish Charity Regulator in accordance with the Charities and Trustee Investment (Scotland) Act 2005;

"Seller" has the meaning given to it in Clause 23.1.5

"Site" means the site shown outlined in red on Plan 1;

"Share" means a share in the capital of the Company of whatever class;

"Share Capital Resolution" means the resolution to increase the authorised share capital of the Company in the agreed form;

"Share Subscription Letters" means the letters in the agreed form from the Shareholders to the Company to subscribe for additional Shares;

"Shareholder" means the A Shareholder or the B Shareholder for the time being as the case may be, and "Shareholders" shall be construed accordingly;

"Shared Worker" has the meaning given to it in Clause 10.4;

"sportsotland" means the non-departmental public body with that name (and formerly known as the Scottish Sports Council) established by Royal Charter;

"Sportsotland Conditions" means the conditions imposed by sportsotland contained and referred to in the letter from sportsotland to the Council dated 13 September 2007;

"TUPE Regulations" means the Transfer of Undertakings (Protection of Employment) Regulations 2006;

"University Scheme" means the University Superannuation Scheme (having pension schemes registry number 100201003) or the University of Aberdeen Superannuation & Life Assurance Scheme ("UASLAS"), being the pension scheme offered by the University of Aberdeen for its employees who are not eligible for membership of University Superannuation Scheme;

"VAT" means value added tax payable under the Value Added Tax Act 1994 or under any directives or regulations adopted by the Council of the European Communities which relate to value added tax or any similar tax introduced in substitution therefor;

"Works Completion Date" means the date of completion of the Works pursuant to the Construction Contract; and

"Works" means the works specified in the Construction Contract.

1.2 Interpretation and Construction

1.2.1 In this Agreement, unless otherwise specified or the context otherwise requires:

- (a) words importing the singular only shall include the plural and vice versa;
- (b) words importing one gender shall include all other genders;
- (c) words importing the whole shall be treated as including a reference to any part thereof;
- (d) reference to a Recital or Clause is to the relevant recital or clause of this Agreement;
- (e) reference to the Schedule or to an Annexure is to the schedule or annexure to this Agreement;
- (f) reference to a paragraph is to a paragraph in the Schedule;
- (g) reference to this Agreement or to any other document is a reference to this Agreement or to that other document as modified, amended, varied, supplemented, assigned, novated or replaced from time to time;
- (h) reference to a provision of law is a reference to that provision as extended, applied, amended, consolidated or re-enacted or as the application thereof is modified from time to time and shall be construed as including reference to any order, instrument, regulation or other subordinate legislation from time to time made under it except to the extent that any extension, application, amendment, consolidation, re-enactment modification or construction takes effect after the date of this Agreement and has the effect of increasing or extending any obligation or liability or otherwise adversely affects the rights of, any Party;
- (i) reference to any Scottish legal term for any action, remedy, method of judicial proceeding, legal document, legal status, court, official or any legal concept, state of affairs or thing shall in respect of any jurisdiction other than Scotland be deemed to include that which most approximates in that jurisdiction to the Scottish legal term; and
- (j) reference to a Party to this Agreement includes that Party's permitted successors, transferees and assignees.

1.2.2 Headings used in this Agreement shall not affect its construction or interpretation.

1.2.3 Words and phrases defined in any part of this Agreement bear the same meanings throughout this Agreement.

1.2.4 The Schedule, Annexures and Recitals form part of this Agreement and have the same full force and effect as if expressly set out in their entirety in the main body of this Agreement.

1.2.5 Any action required to be performed by a Party to this Agreement which falls to be performed on a day which is not a business day shall be performed on the immediately following business day.

1.3 Other references

In this Agreement a reference to:

- (a) "writing" or "written" includes faxes, email and any non-transitory form of visible reproduction or words;

- (b) a document being "in the agreed form" means that it shall be in the form agreed by the Parties and initialled and dated by the Parties or their respective solicitors for identification, prior to the execution of this Agreement;
- (c) a "person" includes any individual, firm, company, corporation, body corporate, government, state or agency of state, trust or foundation, or any association, partnership or unincorporated body of two or more of the foregoing (whether or not having separate legal personality and wherever incorporated or established);
- (d) a "business day" means a day, other than a Saturday or a Sunday, on which clearing banks are open for commercial business in Aberdeen; and
- (e) a period of time commencing on a particular day or on the day of an act or event shall be calculated exclusive of that day;
- (f) an obligation to do something includes an obligation to procure it to be done;
- (g) an obligation not to do something includes an obligation not wilfully to allow it to be done;
- (h) the word "including" means "including without limitation"; and
- (i) a reference to "approval" or "consent" shall mean consent in writing.

1.4 Indexation

References to amounts of money expressed to be "indexed" are references to amounts in Base Date prices, which will be adjusted whenever the provision containing the amount is given effect in accordance with this Agreement to reflect the effects of inflation in accordance with the following formula:

$$a = (b \times c / d)$$

Where:

- a: is the adjusted amount of money;
- b is the amount of money in Base Date prices;
- c: is the value of RPIx for the month most recently preceding the date when the provision in question is to be given effect; and
- d: is the value of RPIx in respect of the Base Date

PART A – NATURE OF AGREEMENT AND PROJECT STRUCTURE

2 OTHER DOCUMENTS

2.1 Immediate Documentation

As soon as possible following the execution of this Agreement:

- (a) the Shareholders will execute the Share Capital Resolution;
- (b) Each Shareholder will execute and deliver to the Company the relevant Share Subscription Letter;
- (c) the Company will execute the Construction Contract and deliver it to Barr Limited;
- (d) the Shareholders shall procure that all documents and forms which require to be filed with the Registrar of Companies to reflect the above shall be filed within the time limits prescribed by statute.

The Shareholders hereby waive the unfulfilled conditions set out in Clause 5 of the Project Development Agreement between the Shareholders dated 23 July 2007 to the entry by the Company into the Construction Contract.

2.2 Failure to comply

If either Shareholder does not or cannot comply with any of its obligations under Clause 2.1, the other Shareholder and the Company shall not be obliged to perform any of their respective obligations under that Clause. No Party may rescind this Agreement for any reason whatsoever.

2.3 Future Documentation

In accordance with the terms of this Agreement the Shareholders will negotiate and the Parties will thereafter enter into further agreements, including:

- (a) the Lease in respect of the Site between the Council (as landlord) and the Company (as tenant) as provided for in Clause 8; and
- (b) an Operating Agreement among the Parties as provided for in Clause 7.

2.4 NPFA consent

From the Effective Date, the Council will use reasonable endeavours to obtain from the NPFA its necessary consents to the Project by the date falling 6 months after the Effective Date, and will keep the University updated as to progress.

2.5 Consent to allotment

Pursuant to the Articles, each Shareholder hereby consents to the allotment of shares by the Board subscribed for pursuant to the Share Subscription Letters.

3 AGREED PROGRAMME

3.1 Agreed Programme

Within one month of the Effective Date, the Shareholders shall negotiate and agree a programme of activities, milestones and deliverables for the progression and development of the Project (which, as that programme may be amended from time to time in accordance with Clause 3.2, is referred to as the "Agreed Programme") which shall specify:

- (a) the date (to be agreed) on which negotiations will commence in relation to the Operating Agreement;
- (b) the date (to be agreed) on which negotiations will commence in relation to the Lease;
- (c) the dates (to be agreed) by which the Operating Agreement and the Lease will be agreed and entered into;
- (d) the start and end dates for the material phases of the Works (as determined by the Construction Contract);
- (e) the Works Completion Date (as determined by the Construction Contract); and
- (f) the date (to be agreed) on which the Facility will open to the public.

3.2 Amendments

The Parties will keep the Agreed Programme under review. The Agreed Programme may only be amended with the consent of the Shareholders, acting reasonably. The Company will be responsible for maintaining the Agreed Programme and issuing copies to the Shareholders following changes.

3.3 Compliance

The Parties will fulfil their obligations pursuant to this Agreement so as to deliver the Project in accordance with the Agreed Programme.

PART B – THE BOARD OF THE COMPANY

4 THE BOARD

4.1 Role of the Board

The business and affairs of the Company shall (subject to those matters specifically reserved to Shareholders pursuant to Clause 17) be managed by the Board and, in particular, all policy and management decisions of the Company shall be referred to the Board before implementation.

4.2 Expansion

- (a) No later than the 31 October 2007, the Shareholders will amend the Articles as follows:
 - (i) Article 10 shall be amended such that the number of directors of the Company shall be 4, with the A Shareholder being entitled to appoint and remove two persons as A Directors and the B Shareholder being entitled to appoint and remove two persons as B Directors (as such terms are defined in the Articles);
 - (ii) a provision is added to Article 12 to provide that if the Shareholders are not represented at any meeting of the Board by an equal number of A Directors and B Directors then one of the directors so nominated by the Shareholder which is represented by fewer directors shall be entitled at that meeting to such additional vote or votes as shall result in the directors so representing each Shareholder having in aggregate an equal number of votes; and
 - (iii) Article 10.8 is amended such that the Chairman of the Board shall be elected from time to time by the Board.
- (b) After the amendment of the Articles pursuant to Clause 4.2(a), and in any event no later than 17 December 2007, the A Shareholder will ensure that two A Directors are appointed to the Board and the B Shareholder will ensure that two B Directors are appointed to the Board.
- (c) No later than 31 May 2008, the Shareholders will amend Article 10 of the Articles such that the number of directors of the Company shall be 8, with the A Shareholder being entitled to appoint and remove four persons as A Directors and the B Shareholder being entitled to appoint and remove four persons as B Directors (as such terms are defined in the Articles);
- (d) After the amendment of the Articles pursuant to Clause 4.2(c), and in any event no later than 30 June 2008, the A Shareholder will ensure that four A Directors are appointed to the Board and the B Shareholder will ensure that four B Directors are appointed to the Board.

4.3 Indemnification

Any Shareholder removing a Director pursuant to the Articles shall be responsible for and shall indemnify the other Shareholder and the Company against any claim by such Director for unfair or wrongful dismissal or other compensation arising out of such removal.

4.4 Paid Director

- (a) By 17 December 2007, the Shareholders shall agree the terms of reference and remuneration structure and package for a paid director (which in part will be linked to the profit or turnover of the Company), acting reasonably and in good faith.
- (b) Following the agreement of the terms of reference, the Shareholders shall agree, acting reasonably and in good faith, the most appropriate director from the Board (as expanded pursuant to Clause 4.2) to fulfil that role, and thereafter (and in any event no later than 31 July 2008) the paid director will be put in post.
- (c) If the Shareholders cannot agree whether the paid director should be an A Director or a B Director, there shall be one paid A Director and one paid B Director.

4.5 Disclosure of Information

Each Director shall be entitled to report back to the Shareholder appointing him on the affairs of the Company and to disclose such information concerning the Company as they shall reasonably consider appropriate to such Shareholder.

PART C - CONSTRUCTION

5 DEVELOPMENT OBLIGATIONS

5.1 Compliance with Construction Contract

The Company will comply with its obligations pursuant to the Construction Contract and any other Appointment and enforce compliance with the Construction Contract and any other Appointment by Barr Limited (or the relevant counterparty or counterparties in the case of other Appointments).

5.2 Standard of care

The Company will carry out its obligations under Clause 5.1 exercising the skill, care and diligence reasonably to be expected of a competent developer experienced in the procurement, implementation and funding of works similar to the Works.

5.3 Progress reporting

The Company shall give to the Shareholders at monthly intervals a progress report describing the current status of the Works and such other information relating to the Works as the Shareholders might reasonably require.

6 CONSTRUCTION COSTS

6.1 Calls on Shares for construction costs

Each Shareholder will pay any sum called for in respect of any share it holds in the Company in accordance with the Articles and the terms of any call made.

6.2 Procedure for cost changes

6.2.1 Subject to Clause 17, the Company may agree to any change to the Construction Contract or issue any architects instruction in respect of the Construction Contract, but the Company will:

- (a) provide a written report to each of the Shareholders, monthly in advance, of forthcoming planned or known changes or architects instructions which may increase the cost payable pursuant to the Construction Contract;
- (b) provide written details to each of the Shareholders immediately upon the Company or any member of the Board becoming aware of any circumstances that will or may increase the cost payable pursuant to the Construction Contract, to the extent that such circumstances were not included in the last report provided pursuant to Clause 6.2.1(a); and
- (c) ensure that the Board consults with appropriate officers of the Shareholders in relation to all changes and architects instructions.

PART D – STEPS LEADING TO OPERATIONAL PHASE

7 OPERATING AGREEMENT

7.1 Access Protocol

7.1.1 From the Effective Date the Shareholders will continue to negotiate in good faith and acting reasonably an access protocol and detailed bookings policy ("the Access Protocol") based on the principles set out in Part 3 of the Schedule, the purpose of which is to allow the facilities management team of the Company to implement the access principles (as set out in Part 3 of the Schedule) on a day to day basis when accepting and considering requests to book or use the Facility.

7.1.2 The Shareholders shall use all reasonable endeavours to conclude negotiations and agree the Access Protocol by 30 June 2008.

7.2 Obligation to Negotiate

On the date specified in the Agreed Programme the Shareholders will negotiate in good faith and acting reasonably an Operating Agreement which shall deal with all operational matters in relation to the Project, including those set out in Part 6 of the Schedule and the Access Protocol.

7.3 Conclusion of Negotiations

The Shareholders shall use all reasonable endeavours to conclude negotiations and enter into the Operating Agreement within six months from the date scheduled for the commencement of those negotiations as set out in the Agreed Programme.

7.4 Commencement

The Operating Agreement will commence on the Works Completion Date, and terminate automatically when this Agreement terminates.

7.5 Company's obligations

A failure to agree the Operating Agreement will not affect the obligation of the Company to comply with Clause 15.

8 LEASE

8.1 Lease

On the date specified in the Agreed Programme, the Parties will negotiate in good faith and acting reasonably a Lease in respect of the Site, in accordance with the agreed heads of terms set out in Part 5 of the Schedule. The agreed draft of the Lease shall be referred to as the "Agreed Draft Lease".

8.2 Scottish Ministers' Consent

8.2.1 Within 1 month of the Effective Date the Council will submit to the Scottish Ministers an application for consent to grant the Lease with an annual passing initial rent of £1 (in accordance with the agreed heads of terms set out in Part 5 of the Schedule).

8.2.2 If the Scottish Ministers notify the Council that they require the Agreed Draft Lease in order to be able to consider that application for consent, the Agreed Programme shall be amended such that the date on which negotiations will commence in relation to the Lease is brought forward to the date of that notification.

8.2.3 The Council will use reasonable endeavours to obtain from the Scottish Ministers their consent to the grant of the Lease with an annual passing initial rent of £1 (in accordance with the agreed heads of terms set out in Part 5 of the Schedule).

8.3 Entry into Lease (or Long Term Licence)

8.3.1 If the Scottish Ministers give their consent to grant the Lease, the Council and the Company shall enter into the Lease in the form of the Agreed Draft Lease.

8.3.2 If by the date falling two months before the Estimated Completion Date the Scottish Ministers have not given their consent to grant the Lease, the Council will not be obliged to enter into the Lease in the form of the Agreed Draft Lease and the University may determine, at its option:

(a) that the Agreed Draft Lease be amended such that rent from the date of entry shall be the open market rental value with rent reviews to the open market rental value every 5 years thereafter, and that the Company and the Council should enter into the Lease in the amended form; or

(b) that the Company and the Council should enter into a licence of the Site for no consideration and with no passing rent in terms otherwise (subject to Clause 8.5) *mutatis mutandis* similar to the Agreed Draft Lease (the "Long Term Licence").

8.3.3 Subject to Clause 8.3.4, the Council and the Company will comply with the University's determination pursuant to Clause 8.3.2.

8.3.4 If the Council, acting reasonably, considers that a separate consent from the Scottish Ministers is required for the grant of the Long Term Licence the Council will use reasonable endeavours to obtain from the Scottish Ministers their consent to the grant of the Long Term Licence.

8.3.5 If by the date falling 5 business days before the Estimated Completion Date the Scottish Ministers have not given their consent to grant the Long Term Licence, the Agreed Draft Lease will be amended such that rent from the date of entry shall be the open market rental value with rent reviews to the open market rental value every 5 years thereafter, and the Company and the Council will enter into the Lease in the amended form.

8.4 Conversion of Long Term Licence

If the Long Term Licence has been entered into by the Council and the Company, the University may determine, at any time while the Long Term Licence remains in force, that the Agreed Draft Lease will be amended such that:

(a) the rent from the date of entry shall be the open market rental value with rent reviews to the open market rental value every 5 years thereafter; and

(b) the term of the lease is the remaining term of the Long Term Licence,

and the Company and the Council will enter into the Lease in the amended form and at the same time shall terminate the Long Term Licence.

8.5 Successors to be bound

The Long Term Licence will contain a provision obliging the Council to make their successors in title bound to the terms of the Licence and oblige the Council to procure that any successor in title is bound by the terms of Clause 8.4 in the same manner as the Council is so bound.

8.6 Registration dues and Stamp Duty Land Tax

The Company shall be responsible for the registration dues and the stamp duty land tax or any other tax due in respect of the grant of the Lease or the execution or delivery of the agreement to Lease.

9 PENSIONS

9.1.1 The Company will use reasonable endeavours to be granted admitted body status (or equivalent) to the Fund and to the UASLAS.

9.1.2 The University and the Company acknowledge that the decision of the Council as to the admission or otherwise of the Company to the Fund will be made by the Council in its statutory capacity as the administering authority of the Fund, and the discretion of the Council in that capacity will in no way be affected by this Agreement.

10 STAFFING

10.1 Structure

10.1.1 The Parties acknowledge that employee issues are important to the success of the Project, and that the structure by which employees of the University will be made available to the Company and the mix of such University employees and those to be directly recruited by the Company have not yet been determined.

10.1.2 ~~The total number of employees (including those to be recruited by the Company or made available by the University) and employment costs will be in accordance with the Business Plan, and subject to this principle, Clause 10.1.3 and compliance with law, the Parties will use reasonable endeavours to implement the methodology determined by the University (acting reasonably) to make available to the Company the relevant employees of the University.~~

10.1.3 The Parties acknowledge that the pension provision is important to the employees of the University. The methodology to be determined by the University to make available to the Company the relevant employees of the University will be affected by its desire to meet staff expectations with regard to pensions. The Parties will use reasonable endeavours to ensure that any relevant employee of the University who was a member of a University Scheme (a "Member Employee"):

- (a) continues to be eligible to be a member of the relevant University Scheme; or, if this cannot be achieved,
- (b) becomes eligible to be a member of the Fund; or if this cannot be achieved,
- (c) subject to Clause 10.1.4, becomes eligible to be a member of an alternative pension scheme which offers broadly equivalent employee benefits to the relevant University Scheme (an "Equivalent Scheme").

10.1.4 In procuring an Equivalent Scheme or more than one Equivalent Scheme, the Company will not commit to an employer contribution of more than double the employer contribution for which it would have been liable had the Company been granted admitted body status to the Fund. Before procuring an Equivalent Scheme or more than one Equivalent Scheme, the University will consider, acting reasonably, whether to determine that the methodology by which the University makes available to the Company the Member Employees will ensure that they continue to be eligible to be members of the relevant University Scheme.

10.2 TUPE consultation

Insofar as the TUPE Regulations are believed to apply to any employees of a Shareholder in relation to this Project:

- (a) that Shareholder and the Company will comply with their respective information and consultation obligations in terms of the TUPE Regulations; and
- (b) that Shareholder will provide employee liability information (as defined in Regulation 11 of the TUPE Regulations) in respect of the relevant employees to the Company at such time before the transfer of employees as the Company may reasonably request.

10.3 TUPE indemnity

If the employment of any employee of a Shareholder transfers to the Company pursuant to the TUPE regulations that Shareholder will indemnify the Company on demand from and against any Employee Liabilities suffered or incurred by the Company in relation to any such employee which relate to or arise out of any act or omission by that Shareholder or any other event or occurrence in each case before the date of transfer for which the Company is or becomes liable by reason of the operation of the TUPE Regulations and/or any judicial decision interpreting the same.

10.4 Shared working

10.4.1 To the extent that the Parties agree that any employee of (or University seconded to) the Company should be seconded (or seconded back) to the University or otherwise be devoted to University related duties for part of that employee's working hours, that employee shall be referred to as a "Shared Worker".

10.4.2 The agreement of the Parties as at the Effective Date as to Shared Workers and the proportion of the Shared Worker's working hours for which they are to be devoted to University related duties is set out in the Business Plan.

10.4.3 In respect of each Shared Worker, a secondment agreement (to the reasonable satisfaction of each Shareholder) will be entered into between the Company and the University which, amongst other things, will provide for a periodic charge to be paid by the University to the Company of a relevant proportion of the Company's employment costs in respect of the Shared Worker for that period. The relevant proportion for the purposes of that calculation will be the proportion of the Shared Worker's working hours in the relevant period for which they are devoted to University related duties (or, in the absence of monitoring information as regards this proportion, the proportion set out in the Business Plan).

10.4.4 If an employee who is a Shared Worker leaves the employment of the University or the Company, it shall be for the Company to determine whether to recruit to fill that post, how to recruit to fulfil that post, and whether the new incumbent should or should not be a Shared Worker.

PART E – FUNDING AND OPERATIONS

11 REVENUE FUNDING

11.1 Mobilisation Funding

11.1.1 The Shareholders will each use reasonable endeavours to secure the internal approvals necessary to each make a contribution to the Company by way of grant of 50% of a sum (to be agreed) to represent the anticipated interim operational costs of the Company to the Facility Opening Date and the costs necessary for the Company to properly and efficiently mobilise in advance of the Facility Opening Date. Each Shareholder's internal approval to pay may be conditional upon the other Shareholder paying the same amount.

11.2 Annual Grant Funding

11.2.1 On the Facility Opening Date and on the first day of every quarter thereafter, each Shareholder shall pay to the Company the Annual Grant Funding, quarterly in advance, in equal instalments. The first instalment of Annual Grant Funding shall be paid to the Company two weeks in advance of the date scheduled in the Agreed Programme for the Facility Opening Date.

11.2.2 The Annual Grant Funding to be paid by each Shareholder in a Contract Year shall be calculated on an annual basis by reference to the Business Plan as at the start of the Contract Year and, subject to Clause 11.2.3, shall be 50% of the net operating cost of the Facility for that Contract Year as projected by the Business Plan. For the avoidance of doubt, the Annual Grant Funding shall not be calculated by reference to the number of users of the facility, nor the price charged to such users.

11.2.3 The Annual Grant Funding to be paid by each Shareholder in a Contract Year shall not exceed the sum of £748,000 (indexed) (the "Revenue Cap"). In the first and last Contract Years, the Revenue Cap shall be reduced proportionately to reflect the duration of the relevant Contract Year.

11.3 Shared Risks

11.3.1 If the payment by a Shareholder of Project Funding to the Company results in VAT being payable on that Project Funding by that Shareholder (the "Taxed Shareholder"), the other Shareholder shall, to the extent permitted by law, pay to the Taxed Shareholder an amount equal to one half of the VAT payable by the Taxed Shareholder in respect of the Project Funding, to the extent that such VAT it is not recoverable as input tax by the Taxed Shareholder from HM Revenue and Customs.

11.3.2 If the NPFA refuse to give the necessary consents to the Project by 31 December 2007 the Shareholders will agree, acting reasonably, the course of action to be followed (including the consideration of the raising or defending of court proceedings). Provided that the Council has complied with its obligation in Clause 2.4, the Company shall pay to the Council the amount equivalent to the amount the Council has to pay to any third party in order to undertake the agreed course of action. The Company shall pay to the University the amount equivalent to the amount the University has to pay to any third party in order to undertake the agreed course of action.

11.4 Mutual Commitment

Each Shareholder undertakes to the other Shareholder to comply with its obligations to the Company pursuant to Clause 11.2.

11.5 Interest on Late Payment

The parties will pay interest on any amount payable under this Agreement not paid on the due date, for the period from that date to the date of payment at a rate equal to 4% above the Bank Rate set from time to time by the Bank of England.

12 THIRD PARTY FUNDING

- 12.1.1 Any contributions received by either Shareholder from any third party (including sportsotland or Scottish Enterprise Grampian) in relation to the Project shall be remitted to the Company within 30 days of receipt.
- 12.1.2 The Council will use reasonable endeavours to comply with the Reserved Sportsotland Conditions.
- 12.1.3 The Company will comply with the Delegated Sportsotland Conditions (and in so doing will ensure that, as regards Sportsotland, the Council complies with the Delegated Sportsotland Conditions).
- 12.1.4 To the extent that any failure by the Company to comply with the Delegated Sportsotland Conditions results in Sportsotland being entitled to repayment from the Council of any financial contribution from Sportsotland, the Company shall pay to the Council the amount equivalent to the amount the Council has to pay to Sportsotland.
- 12.1.5 To the extent that any failure by the Council to comply with the Reserved Sportsotland Conditions results in Sportsotland being entitled to repayment from the Council of any financial contribution from Sportsotland then, provided that the Council has complied with its obligation in Clause 12.1.2, the Company shall pay to the Council the amount equivalent to the amount the Council has to pay to Sportsotland.
- 12.1.6 The University and the Company acknowledge that the decisions of the Council as to planning matters will be made by the Council in its statutory capacity as planning authority, and any decision of the Council in that capacity shall not constitute and shall be deemed not to constitute a breach of any obligation of the Council pursuant to this Agreement to comply with or take steps or use endeavours to procure compliance with a Sportsotland Condition.
- 12.1.7 The Shareholders will use reasonable endeavours to secure the approvals (including internal approvals) necessary to comply with Sportsotland Condition 12.2 in relation to the phase 2 pitches (the "Pitches Condition") on the following principles:
- (a) the costs associated with compliance with the Pitches Condition will be met by the Company;
 - (b) the Shareholders will each advance, by way of grant, 50% of the reasonable capital costs incurred in compliance with the Pitches Condition;
 - (c) to the extent that any reasonable and substantiated costs associated with compliance with the Pitches Condition are borne in the first instance by a Shareholder, the Company shall pay to that Shareholder an amount equivalent to the amount the Shareholder has to pay to any third party;
 - (d) the Council will make available the Pitches Land at no cost to the Company or to the University and the Council and the Company will agree an amendment to the Lease (or the Long Term Licence) to include the Pitches Land within the demise.

- 12.1.8 In meeting the Pitches Condition, the Shareholders will consider a range of options of delivery, including a wider redevelopment of the site adjacent to the Pitches Land currently occupied by the East End Football Club.

13 FUNDRAISING AND NAMING OPPORTUNITIES

13.1 Raising of Funds

The Parties shall each use reasonable endeavours to raise money for and secure contributions to the Project by exploiting fundraising and naming opportunities.

13.2 Remittance

The benefit of any monies raised by or donated to a Shareholder (including, in the case of the University, money remitted to it from the University's charitable trusts including the University of Aberdeen Development Trust) specifically in connection with the Project will be:

- (a) remitted to the Company within 30 days of receipt by the Shareholder; or
- (b) if the Shareholders (acting reasonably) agree, remitted within 30 days of receipt by the Shareholder to an account opened in joint names between the Shareholders for the purpose of depositing monies raised to be remitted by the Shareholders to the Company on the Works Completion Date.

The University will use reasonable endeavours to procure that the benefit of any monies raised by or donated to the University's charitable trusts including the University of Aberdeen Development Trust specifically in connection with the Project will be remitted to the University.

13.3 Exclusion

The benefit of any monies raised by or donated to a Shareholder other than specifically in connection with the Project will not be subject to this Agreement and will be for that Shareholder's sole account.

13.4 Conditional funding

Neither Shareholder will agree to any contribution of funding to the Project from any third party which is conditional in any way which may impact on the Project (including Board representation, naming rights or access arrangements) or agree to any naming rights in connection with the Project which are not a condition to funding, in each case without the prior consent of the other Shareholder, which shall not be unreasonably withheld or delayed.

As regards the Company, paragraph 28 in Part 2 of the Schedule reserves such agreement to the Shareholders pursuant to Clause 17.

14 NON-CASH CONTRIBUTIONS

14.1 Transfer

On the Effective Date the Council will transfer to the Company the Existing Assets, and from that date title to and risk in the Existing Assets will pass to the Company. Delivery of the Existing Assets will be deemed to take place on the Effective Date.

14.2 No warranty

No warranty is given by the Council as to the Existing Assets, in particular as regards their condition, quality, safety or fitness for purpose.

15

COMPANY'S OBLIGATIONS

From the Effective Date, the Company will fulfil the obligations set out in Part 3 of the Schedule.

PART F – MANAGEMENT OF THE COMPANY

16 BUSINESS OF THE COMPANY AND GENERAL MEETINGS

16.1 Exercise of Voting Rights

The Shareholders shall, except as otherwise agreed in writing by them, exercise all voting rights and other powers of control available to them in relation to the Company so as to procure (insofar as they are able by the exercise of such rights and powers) that at all times during the term of this Agreement:

- (a) the business of the Company consists exclusively of the Business;
- (b) the Company carries on and conducts its business and affairs in a proper and efficient manner and for its own benefit;
- (c) the Company complies with its obligations under this Agreement, the Licence, the Lease (or the Long Term Licence, as appropriate) and the Operating Agreement;
- (d) the Company transacts all its business on arm's length terms save as provided to the contrary in the Business Plan;
- (e) the Company maintains an entry on the Scottish Charity Register;
- (f) the Company maintains a valid VAT registration and submits valid and timeous VAT returns;
- (g) the Company does not acquire, dispose of, hire, lease, licence or receive licences of any assets, goods, rights or services otherwise than at the best price reasonably obtainable in the circumstances;
- (h) save as the Board shall otherwise resolve, the Company does not enter into any agreement or arrangement restricting its competitive freedom to provide and take goods and services by such means and from and to such persons as it may think fit;
- (i) all business of the Company, other than routine day-to-day business and business reserved to the Shareholders under Clause 17, is undertaken and transacted by the Board;
- (j) the business of the Company is carried on pursuant to policies (if any) laid down from time to time by the Board;
- (k) the Company maintains with well established and reputable insurers adequate insurance against all risks usually insured against by companies carrying on the same or a similar business and (without prejudice to the generality of the foregoing) the Required Insurances;
- (l) the Company establishes and maintains a set of financial regulations which cover financial control procedures, control over expenditure, income and banking, accounting policies, asset management and risk management;
- (m) the Company keeps proper books of account and therein makes true and complete entries of all its dealings and transactions of and in relation to its business and all Shareholders are entitled to inspect such books on giving the Company reasonable notice;

- (n) the Company prepares such accounts in respect of each accounting reference period as are required by statute and procures that such accounts are audited as soon as practicable and in any event not later than six months after the end of the relevant accounting period;
- (o) if the Company requires any approval, consent or licence for the carrying on of its business in the places and in the manner in which it is from time to time being carried on or proposed to be carried on the Company will use its best endeavours to maintain the same in full force and effect;
- (p) the central management and control of the Company is exercised in the United Kingdom and the Parties shall use their respective best endeavours to ensure that the Company is treated by all relevant authorities as being resident for taxation purposes in the United Kingdom and as not being liable for taxation on the grounds of residence in any other country;
- (q) the Company uses reasonable endeavours to protect the intellectual property rights of the Company and the Confidential Information; and
- (r) the Company will maintain a risk register and report on a regular basis to the Shareholders as to how these risks are being managed.

16.2 Votes at General Meetings

At each general meeting, the A Shareholder and the B Shareholder shall each be entitled to cast one vote for each Share it holds, except that:

- (a) no shares of one class shall confer any right to vote upon a resolution for the removal from office of a director appointed by holders of Shares of the other class under a right to appoint which is a class right; and
- (b) subject to (a) above, in the case of any resolution proposed at a general meeting any Shareholder voting against such resolution (whether on a show of hands or a poll) shall be entitled to cast such number of votes as is necessary to defeat the resolution.

17 MATTERS RESERVED TO SHAREHOLDERS

17.1 Restrictions on activities of Company

The Company agrees, so far as it lawfully may, and the Shareholders agree to procure, so far as is within their powers as Shareholders or under this Agreement, that the Company shall not, unless the Company has received the prior written consent of each of the Shareholders, carry out any of the actions or matters set out in Part 2 of the Schedule.

18 SHAREHOLDER INFORMATION AND BUSINESS PLAN

18.1 Management Accounts

The Company shall prepare monthly management accounts including profit and loss accounts, balance sheet, cashflow statement, rolling cashflow forecast for a period of 12 months and shall send copies to each of the Shareholders within 30 days of the end of the month in question.

18.2 Audited Accounts

The Company shall supply each Shareholder with copies of the Company's audited accounts and any management letters relating to such accounts from the relevant auditors without delay on completion of the audit.

18.3 Accounting Standards

The accounts of the Company including the audited accounts and the management accounts shall be prepared in accordance with UK generally accepted accounting principles and practices, current SSAPs and FRSs the Charities' Statement of Recommended Practice and statements issued by, or with the approval of, the Accounting Standards Board applicable to a United Kingdom company.

18.4 Business Plan

18.4.1 The Business Plan shall be the business plan for the Company prepared by the Company and approved and agreed by the Shareholders. As at the Effective Date the Business Plan is in agreed form, and a summary of that agreed form is included in Part 9 of the Schedule.

18.4.2 The Business Plan shall not be amended without the prior written consent of both Shareholders.

18.4.3 The Business Plan shall be a five year rolling plan and will include the following:

- (a) a projected five year profit and loss account;
- (b) a five year detailed operating budget and balance sheet forecast;
- (c) cash flow projections (for the next financial year only);
- (d) proposed capital expenditure over the next five years;
- (e) provision for an amount to be applied in each Contract Year to a lifecycle reserve account such that the reserve account contains sufficient funds to cover a reasonable estimate of the amount that will required to be spent by the Company periodically to replace or refurbish buildings, equipment and sports surfaces in the period to the Expiry Date;
- (f) a report by the managing director (or equivalent or the Board) giving business objectives for the next year; and
- (g) a report by the finance director (or equivalent or the Board) which shall include an analysis of the results of the Company as shown in its accounts compared with the Business Plan for the previous year, identifying variances in sales revenues, costs and other material items.

18.5 Business Plan – Initial reviews

18.5.1 The Business Plan shall be updated prior to 16 November 2007 to reflect the agreement of the Shareholders that the cost of the following concessions is to be met by the Shareholders through the Annual Grant Funding (regardless of the total number of users or the number of users in any class or the tariffs charged):

- (a) Students: 50% discount on the normal adult rate;

- (b) Children: 50% discount on the normal adult rate;
 - (c) University and Council staff: 25% discount on the normal adult rate;
 - (d) The Council's "access to leisure" users: the generally prevailing discount rate from time to time; and
 - (e) Any other classes of person (including corporate or alumni): discounts as agreed by the Company.
- 18.5.2 Following the completion of the detailed programming of the Facility as agreed between the Parties and recorded in the Operating Agreement, the Business Plan shall be updated for agreement prior to the Estimated Completion Date to reflect any adjustments to the income and expenditure (including utilities costs) projections which result from that programming and to reflect the effect of any inflation.
- 18.5.3 The Company shall have no right to and shall make no claim against the Council for "access to leisure" concession funding, and the Company's only claim against the Council for the concessions listed in Clause 18.5.1 above shall be through the Annual Grant Funding.
- 18.6 **Business Plan – annual reviews**
- 18.6.1 No later than the date falling six months prior to the end of each Contract Year, the Company will update the Business Plan and submit it in draft to the Shareholders for approval and agreement.
- 18.7 **Third party Review**
- 18.7.1 A suitably qualified and experienced independent expert will be appointed jointly by the Shareholders to review the Business Plan:
- (a) at the end of the second Contract Year (and at the end of every fifth Contract Year thereafter);
 - (b) if the Annual Grant Funding payable in respect of one Contract Year exceeds the amount of Annual Grant Funding payable in respect the previous Contract Year by more than 10%;
 - (c) if the Shareholders are required to do so by Clause 18.9.2(b).
- 18.8 **Business Plan for final year**
- The Business Plan for the Contract Year prior to the Expiry Date shall seek to reduce any credits to any general reserve, lifecycle and other accounts of the Company to zero by the Expiry Date, and the contributions to the Company by the Shareholders in that Contract Year shall be adjusted and reduced accordingly.
- 18.9 **Agreement of the Business Plan**
- 18.9.1 Following any review of the Business Plan, or any proposed change to the Business Plan by either Shareholder or by the Company the Shareholders will, subject to Clause 18.9.2:
- (a) each act reasonably in considering changes to and agreeing the draft Business Plan under consideration and will use their respective reasonable endeavours to agree the draft Business Plan or an amended version of it within three months of the completion of the review or the making of the proposal; and

- (b) have due regard to the findings of the independent expert appointed pursuant to Clause 18.7 to review the Business Plan.

18.9.2 If the projected Annual Grant Funding which the draft Business Plan under consideration discloses exceeds the Revenue Cap:

- (a) each Shareholder shall have absolute discretion as to whether to approve the draft Business Plan or not; and
- (b) the Business Plan will be reviewed (or re-reviewed) independently pursuant to Clause 18.7.1.

18.10 Access to Information

The Company shall:

- (a) procure that the Shareholders and their respective auditors (or any of them) are given such information and such access to the officers, employees and premises of the Company as they (or any of them) may reasonably require;
- (b) direct the Auditors to provide direct to the Shareholders and their respective auditors (or any of them) such information as the Shareholders and their respective auditors (or any of them) may reasonably request; and
- (c) furnish the Shareholders and their respective auditors (or any of them) to such extent (and in such form and detail) as they may from time to time require, with particulars of any matters concerned with and arising out of the activities of the Company.

18.11 Notification of Material Matters

Immediately upon the Company or any member of the Board becoming aware of any circumstances that will or might:

- (a) cause any actual or prospective material adverse change in the financial position, prospects or business of the Company;
- (b) materially adversely affect the Company's ability to perform its obligations under this Agreement, the Lease or the Construction Contract; or
- (c) result in any threatened or instituted litigation, arbitration or administrative proceedings or claim adversely affecting the Company,

the Company shall provide written details of the same to each of the Shareholders.

19 DEADLOCK

19.1 Deadlock

The following provisions of this Clause 19 apply in circumstances where:

- (a) a matter has been considered by the Board and an equality of votes for and against such matter has been cast by the A Directors on the one hand and by the B Directors on the other hand; or
- (b) a resolution is proposed at a duly convened meeting of the Board and either:

- (i) there is no quorum at the meeting or any subsequent reconvened meeting (save that there is no deadlock if a meeting or reconvened meeting is inquorate because the person proposing the resolution does not attend); or
- (ii) all the A Directors or all the B Directors vote against or abstain from voting on the resolution (unless one of their number proposed the resolution);

and any such circumstances shall be hereinafter referred to as "Deadlock".

19.2 Effect of Deadlock

Within 5 business days of any Deadlock occurring each Shareholder shall procure that a notice is circulated to the other Shareholder (a "Deadlock Notice") stating in its opinion that a Deadlock has occurred and identifying the facts giving rise to the Deadlock, its position in relation to the Deadlock and the reason why it has adopted such position.

Within 5 business days after service of the Deadlock Notice, each Shareholder shall circulate both Deadlock Notices to its Chief Executive (for the Council) and the Secretary (for the University) who shall meet within 10 business days of receiving such notices and shall:

- (a) agree to remit the Deadlock back to the Board for resolution, with or without additional direction;
- (b) agree to a method of third party dispute resolution or mediation; or
- (c) failing agreement on options (a) or (b), use all reasonable endeavours to resolve the Deadlock.

20 SHAREHOLDER CONSENT

Where this Agreement provides that any particular transaction or matter requires the consent, approval or agreement of any Shareholder such consent, approval or agreement may be given subject to such terms and conditions as that Shareholder may impose provided however that any such terms or conditions shall be stipulated by the relevant Shareholder in good faith having due regard to the spirit and intent of this Agreement.

21 ENFORCEMENT OF THE COMPANY'S RIGHTS

21.1 Breach by A Shareholder of obligations

Notwithstanding anything to the contrary contained in this Agreement or the Articles, if it appears that the A Shareholder (in whatever capacity) is in breach of any obligation which it owes to the Company under this Agreement or has misapplied or retained or become liable or accountable for any money or property of the Company, or has been guilty of any misfeasance or breach of trust in relation to the Company then it is agreed that the prosecution of any right of action of the Company in respect thereof shall be passed to the B Directors who shall have full authority on behalf of the Company to negotiate, litigate, settle any claim or exercise any right of termination arising therefrom.

21.2 Breach by B Shareholder of obligations

Notwithstanding anything to the contrary contained in this Agreement or the Articles, if it appears that the B Shareholder (in whatever capacity) is in breach of any obligation which it owes to the Company under this Agreement or has misapplied or retained or become liable or accountable for any money or property of the Company, or has been guilty of any misfeasance or breach of trust in relation to the Company then it is agreed that the prosecution of any right of action of the Company in respect thereof shall be passed to the A Directors who shall have full authority on behalf of the Company to negotiate, litigate, settle any claim or exercise any right of termination arising therefrom.

PART G – DURATION AND TERMINATION

22 DURATION

22.1 Duration of Agreement

Save as otherwise provided in this Agreement, this Agreement shall continue in full force and effect until the Expiry Date whereupon it will terminate without the necessity of notice of termination being given to or by any Party.

22.2 Extension

The Parties may on any number of occasions agree to extend or shorten the duration of this Agreement, and in so doing will agree a new Expiry Date.

23 TERMINATION ON EXPIRY

23.1.1 No later than 10 business days after the date falling 18 months prior to the Expiry Date, the Shareholders shall meet to agree on the net asset value of the Company as at that date and if the Shareholders:

- (a) agree on the net asset value then that value shall be the Initial Fair Value; but
- (b) if the Shareholders have not been able to agree the net asset value within 15 business days of the first meeting then the Company will forthwith instruct the Auditors to prepare a balance sheet of the Company to determine Initial Fair Value in accordance with Part 7 of the Schedule.

23.1.2 No later than 15 business days after the date falling 12 months prior to the Expiry Date either Shareholder may (but shall not be obliged to) offer to sell all (and not part only) of its shares in the Company to the other Shareholder for a consideration equal to 50% of the Initial Fair Value (as adjusted pursuant to Clause 23.1.5(h)). The offer will be capable of legal acceptance, shall otherwise be unconditional (save for the conditions set out below including the condition concerning deemed withdrawal) and provide for completion on the Expiry Date.

23.1.3 A Shareholder shall be under no obligation to accept an offer made to it by the other Shareholder pursuant to Clause 23.1.2.

23.1.4 If by the date falling 9 months prior to the Expiry Date:

- (a) neither Shareholder has offered to sell its shares in the Company pursuant to Clause 23.1.2; or
- (b) neither Shareholder has validly accepted an offer made to it pursuant to Clause 23.1.2; or
- (c) both Shareholders have validly accepted an offer made to it pursuant to Clause 23.1.2,

then the Shareholders will procure that the Company will be wound up in accordance with its Memorandum of Association and Articles on the Expiry Date (and, in the case of (c) the offers and acceptances will be deemed to have been validly withdrawn).

23.1.5 If by the date falling 9 months prior to the Expiry Date one (and only one) Shareholder has validly accepted an offer made to it pursuant to Clause 23.1.2 to purchase the Shares in the Company of the other Shareholder (the "Sale Shares") then the sale and purchase of the Sale Shares shall take place on the following terms:

- (a) completion of the sale of the Sale Shares shall take place on the Expiry Date at a completion meeting at such place as the Shareholders agree, failing which at the registered office of the Company;
- (b) the Shareholder selling the Sale Shares (the "Seller") shall deliver or procure that there is delivered to the other Shareholder (the "Continuing Shareholder") a duly completed share transfer form transferring the legal and beneficial ownership of the Sale Shares to the Continuing Shareholder together with the relevant share certificates and such other documents as the Continuing Shareholder may reasonably require to show good title to the Shares or to enable it to be registered as the holder of the Shares;
- (c) the Continuing Shareholder shall telegraphically transfer the purchase price to an account notified by it to the Seller for such purpose;
- (d) the Seller shall deliver or procure that there are delivered to the Company resignations from any directors appointed by it to the Board, such resolutions to take effect at completion of the sale of the Sale Shares;
- (e) the Sale Shares shall be sold by the Seller free from any charge, lien or encumbrance and transferred with the benefit of all rights attaching to them;
- (f) the Shareholders shall procure the registration (subject to the due stamping at a cost to the Continuing Shareholder) of the transfers of the Sale Shares and each of them consents to such transfer and registration pursuant to this Agreement and the Articles;
- (g) if the Seller fails or refuses to comply with its obligations in Clause 23.1.5, the Company is irrevocably authorised to appoint any person to execute and deliver the necessary transfer on the Seller's behalf and to do anything else that the Continuing Shareholder may reasonably require to complete the sale and purchase of the Sale Shares. The Company may receive the purchase money in trust for the Seller and cause the Continuing Shareholder to be registered as the holder of the Sale Shares. The receipt of the Company for the purchase money shall be a good discharge to the Continuing Shareholder who shall not be bound to see to the application of those monies;
- (h) No later than 10 business days after the Expiry Date the Shareholders shall meet to agree on the net asset value of the Company as at the Expiry Date and if the Shareholders:
 - (i) agree on the net asset value then that value shall be the Expiry Fair Value; but
 - (ii) if the Shareholders have not been able to agree the net asset value within 15 business days of that meeting then the Company will forthwith instruct the Auditors to prepare a balance sheet of the Company to determine Expiry Fair Value in accordance with Part 7 of the Schedule.

(i) Forthwith upon the agreement or determination of Expiry Fair Value pursuant to clause 23.1.5(h) above:

(i) If Expiry Fair Value exceeds Initial Fair Value, the Continuing Shareholder shall pay to the Seller one half of the difference by way of an adjustment to the purchase price for the Sale Shares; and

(ii) If Initial Fair Value exceeds Expiry Fair Value, the Seller shall pay to the Continuing Shareholder one half of the difference by way of an adjustment to the purchase price for the Sale Shares.

24 REQUIRED INSURANCES

24.1.1 As soon as possible after the Effective Date, the University will put in place the Required Insurances in the name of the Company, for insurance premia and on terms which the University (acting reasonably) consider to represent value for money.

25 TERMINATION AND THE COMPANY

25.1.1 This Agreement may not be terminated by the Company.

25.1.2 This Agreement may not be terminated by either Shareholder on account of any breach by the Company of this Agreement.

25.1.3 If the Company suffers an Insolvency Event, this Agreement may be terminated by either Shareholder by notice in writing to the other Shareholder and the Company. A Shareholder may only terminate the Agreement pursuant to this Clause if it has met in full its obligations to pay the Company pursuant to Clause 11.2 in the 6 month period prior to the date on which it gives notice.

PART H – GENERAL PROVISIONS

26 INTELLECTUAL PROPERTY RIGHTS AND NAME OF THE COMPANY

26.1 Ownership of Intellectual Property Rights

Any intellectual property rights (including patents, trade marks, service marks, registered designs, copyrights, database rights, rights in designs, inventions and confidential information) which arise in the course of the Company's activities and are developed by the Company shall belong to the Company.

26.2 Name of Company

The Shareholders agree to the Company carrying on business under the name "Aberdeen RSF Limited" and that all intellectual property rights in that name are owned by the Company and shall remain the property of the Company.

27 CONFIDENTIALITY

27.1.1 Subject to Clause 27.1.3,

(a) each Shareholder shall at all times keep confidential and shall not disclose to any third party any information of a confidential nature supplied to it by the other Shareholder; and

(b) the Company shall at all times keep confidential and shall not disclose to any third party any information of a confidential nature supplied to it by a Shareholder,

in each case in relation to the subject matter of this Agreement, including the terms of this Agreement.

27.1.2 For the purposes of Clause 27.1.1 the Parties agree that the fact that any information is marked or otherwise designated as confidential will not of itself be sufficient to attribute to that information the necessary quality of confidentiality.

27.1.3 Notwithstanding Clause 27.1.1, a Party shall be entitled to disclose any information supplied by any other Party:

(a) with the consent of that other Party;

(b) to the extent required by law, including the Information Legislation;

(c) for the purpose of the preparation, examination, certification, scrutiny or audit of its accounts;

(d) to its professional advisers and consultants who require disclosure of such information or matters to carry out their duties as professional advisers or consultants;

(e) to the extent that the same has become generally available to the public otherwise than as a result of a breach of this Clause 27 by the Party seeking to disclose the information or matter in question.

27.1.4 A Party receiving a request for information under the Information Legislation which relates to this Agreement shall promptly notify the other Parties and shall have regard to any comments made timeously by those other Parties as to how the request should be responded to.

27.1.5 A Party holding information which relates to this Agreement on behalf of another Party shall co-operate with that Party if a request for such information is made under the Information Legislation.

27.2 Company Information

In so far as permitted by law, the Shareholders may disclose to any third party any information obtained from the Company, with the exception of personal data within the meaning of the Data Protection Act 1998.

Where possible, prior the disclosure to any third party of information obtained from the Company, the Shareholder proposing to make the disclosure will notify the other Shareholder and will have regard to any comments of that other Shareholder in relation to the proposed disclosure.

27.3 No limit of time

The restrictions and rights contained in this Clause 27 shall continue to apply after the termination of this Agreement, without limit in time.

28 SUPREMACY OF THIS AGREEMENT

28.1 Agreement to prevail

If during the continuance of this Agreement, there shall be any conflict between the provisions of this Agreement and the provisions of the Articles then, during such period and the provisions of this Agreement shall prevail.

28.2 Obligation to comply with Articles

Each Shareholder undertakes to promptly observe and comply with the provisions of the Articles to the intent and effect that each and every provision thereof shall be enforceable by them inter se and in whatever capacity.

28.3 No amendment of articles

Nothing contained in this Agreement shall be deemed to constitute an amendment of the Articles.

29 NO FETTER OF DISCRETION

Each Shareholder undertakes that whilst it remains a party to this Agreement it will not (except as expressly provided for in this Agreement) agree to cast any of the voting rights exercisable in respect of any of the Shares held by it in accordance with the directions or subject to the consent of any other person.

30 ASSIGNATION

No Party shall be entitled without the prior written consent of the other Parties to assign or transfer either the benefit or burden of this Agreement or any right or obligation under this Agreement.

31 GENERAL

31.1 Shareholders to give effect to Agreement

Each Shareholder shall exercise all voting rights and other powers of control available to it as a Shareholder or under this Agreement to procure (so far as each is respectively able by the exercise of such rights and powers):

- (a) any amendment to the Articles required to give effect to the provisions of this Agreement; and
- (b) that at all times during the term of this Agreement the provisions of this Agreement are duly and promptly observed and given full force and effect according to its spirit and intention.

31.2 Consents

Any consent given by a Party under any provision of this Agreement shall be effective only in the instance and for the purpose for which it is given and the giving of any such consent in respect of any act or thing shall not operate as a waiver of any requirement on the party to whom the consent is given not to do that or any other act or thing at any time in the future without such consent.

31.3 Terms of Agreement invalid etc

If any provision of this Agreement shall to any extent be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby and each of the provisions of this Agreement shall be valid, legal and enforceable to the fullest extent permitted by law.

31.4 Successors

This Agreement shall be binding on, and shall ensure for the benefit, of any person to whom any right and/or obligation is assigned or transferred pursuant to Clause 30.

31.5 Good Faith

Each of the Shareholders undertakes to the other to co-operate in good faith with the other in relation to the implementation of the Agreement and the Articles.

31.6 No partnership

Nothing in this Agreement shall constitute or be deemed to constitute a partnership between the Shareholders and neither of them shall have any authority to bind the other in any way save as expressly set out herein.

32 NOT USED

33 ENTIRE AGREEMENT

33.1 Entire Agreement

This Agreement and the Articles constitute the entire agreement between the Parties in connection with the Company and the Project and supersedes and extinguishes any prior drafts, agreements, undertakings, understandings, representations, warranties and

arrangements of any nature whatsoever, whether or not in writing between the Parties in relation to the subject matter of this Agreement.

33.2 No reliance

Each of the Shareholders acknowledges and confirms that it has not entered into this Agreement in reliance on any representation, warranty or other undertaking not fully reflected in this Agreement and any warranty, condition or other undertaking implied at law or by custom is expressly excluded.

The Council makes no representation or warranty to the Company or the University as to:

- (a) the physical and other conditions (including the sub-surface and ground conditions) of or affecting the site on which the Facility is to be constructed; or
- (b) any risks, contingencies and other circumstances (including the existence of contamination or environmental hazards) in relation to such physical and other conditions which may influence or affect the design or execution of the Works.

33.3 Waiver

Without limiting the generality of the foregoing, each of the Parties irrevocably and unconditionally waives any right or remedy it may have to claim damages or to rescind this Agreement by reason of any misrepresentation (other than a fraudulent misrepresentation) having been made to it by any person (whether party to this Agreement or not) and on which it has relied in entering into this Agreement.

33.4 Liability for fraud

Nothing in this Agreement operates to exclude any liability or remedy for fraud.

34 RIGHTS OF THIRD PARTIES

34.1 No third party rights

34.1.1 Each Party confirms that it is entering into this Agreement for its own benefit and not for the benefit of any other person. A person who is not a Party to this Agreement has no rights under the principle of *jus quaesitum tertio* or otherwise to enforce, or to enjoy the benefit of, any term of this Agreement.

34.1.2 Notwithstanding any provision of this Agreement, the Parties do not require the consent of any third party to rescind or vary this Agreement.

35 AMENDMENTS, WAIVERS AND REMEDIES

35.1 No amendment etc

No amendment or variation of this Agreement shall be effective unless it is in writing and signed by or on behalf of each of the Parties.

35.2 Rights of parties under agreement

The rights of each Party under this Agreement:

- (a) may be exercised as often as necessary;

- (b) are cumulative and not exclusive of its rights under the general law; and
- (c) may be waived only in writing and specifically.

35.3 Delay

Delay in exercising or non-exercise of any right is not a waiver of that right.

35.4 Rescission

Any right of rescission conferred upon a party by this Agreement shall be in addition to and without prejudice to all other rights and remedies available to him.

36 NOTICES

36.1 Service of notices

Any notice to be given under, or in connection with the matters contemplated by, this Agreement shall be in writing and signed by or on behalf of the Party giving it and shall be served by delivering it personally or sending it by pre-paid recorded delivery or registered post to the address and for the attention of the relevant party set out below (or as otherwise notified by that party hereunder). Any such notice shall be deemed to have been received:

- (a) if delivered personally, at the time of delivery; and
- (b) in the case of pre-paid recorded delivery or registered post, 48 hours from the date of posting; and

Provided that if deemed receipt occurs before 9am on a business day the notice shall be deemed to have been received at 9am on that day and if deemed receipt occurs after 5pm on a business day, or on a day which is not a business day, the notice shall be deemed to have been received at 9am on the next business day.

36.2 Notices to the Company

Any notice served on the Company by a Shareholder shall not be validly served unless, at the same time, a copy of that notice is served on the other Shareholder.

36.3 Proof of notice given

In proving receipt of the notice, it shall be sufficient to show:

- (a) that personal delivery was made; or
- (b) that the envelope containing the notice was properly addressed and posted as a first class pre paid letter; or

36.4 Service of notice

The addresses of the Parties for the purposes of this Clause 36 are:

Aberdeen RSF Limited

Address: The current registered office of the Company

For the attention of: the Directors

The University Court of the University of Aberdeen

Address: King's College, Aberdeen

For the attention of: The Secretary

Aberdeen City Council

Address: The Town House, Aberdeen

For the attention of: The City Solicitor

or such other address in the United Kingdom as may be notified in writing from time to time by the relevant party to the other Parties.

36.5 No notice to be given by e-mail

For the avoidance of doubt, notice given under this Agreement shall not be validly served if sent by e-mail or fax.

37 ANNOUNCEMENTS

37.1 Restrictions on announcements

37.1.1 Subject to Clause 37.1.2, no Party shall issue any public document or statement containing or otherwise disclosing to any person who is not a Party, information which relates to or is connected with or arises out of this Agreement or the matters contained in it (including, for the avoidance of doubt, the fact that the Parties have entered into this Agreement), without the prior written consent of the other Parties (such consent not to be given subject to unreasonable conditions or unreasonably withheld or delayed) as to its content and the manner, timing and extent of its publication.

37.1.2 The provisions of Clause 37.1.1 shall not apply to disclosure of matters required to be made:

- (a) by any court, legal or regulatory authority competent to require the same; or
- (b) by any applicable law or regulation.

38 SURVIVAL ON TERMINATION

The termination of this Agreement shall not affect any of the following:

- (a) the rights or liabilities of any Party accrued prior to and including the date of termination; or
- (b) the continued existence and validity of the rights and liabilities of the Parties under those clauses which are intended expressly or by implication to survive termination or expiry, in particular, but not limited to the provisions of Clause 23 and any other provisions of this Agreement necessary for its interpretation or enforcement.

39 GOVERNING LAW AND JURISDICTION

39.1 Governing law

This Agreement shall be governed by and construed in accordance with the law of Scotland.

39.2 Jurisdiction

Each party hereby irrevocably submits to the exclusive jurisdiction of the Scottish Courts as regards any claim, dispute or matter arising out of or in connection with this Agreement and its implementation and effect.

IN WITNESS WHEREOF these presents consisting of this and the preceding 36 pages and the Schedule in 10 parts annexed are executed as follows:

SUBSCRIBED for and on behalf of ABERDEEN RSF LIMITED

at 11ain House, Aberdeen on 5 October 2007

by

[Redacted Signature]

Director

Neil Dolan

Full Name

[Redacted Signature]

WITNESS
Director

GAIL CAROLINE PENMAN

Full Name

c/o BALGOWNIE 1 AEC ADDRESS
CONFERENCE WAY
ABERDEEN

SUBSCRIBED and SEALED for and on behalf of THE UNIVERSITY COURT OF THE UNIVERSITY OF ABERDEEN

at ABERDEENon 5 October 2007

by

[REDACTED] University Secretary

IANE AMERSON BOWS Full Name

[REDACTED] University Court

STEVEN DOUGLAS LOGAN Full Name

SUBSCRIBED and SEALED for and on behalf of ABERDEEN CITY COUNCIL

at ABERDEENon 5 October 2007

by

[REDACTED] City Solicitor

DIANE CLARKE MACLEOD Full Name



This is the Schedule referred to in the foregoing Joint Venture Agreement among Aberdeen RSF Limited, The University Court of the University of Aberdeen and Aberdeen City Council.

SCHEDULE

PART 1

The Company (prior to the changes envisaged by this Agreement)

Name: Aberdeen RSF Limited

Registered Number: SC327879

Registered Office: c/o McGrigors LLP, Johnstone House, 52-54 Rose Street, Aberdeen, AB10 1UD

A Director: Steven John Cannon
B Director: Neil Derek Fletcher

Company Secretary: MD Secretaries Limited

Authorised Share Capital: £20,000,000 divided into 10,000,000 A ordinary shares of £1.00 each and 10,000,000 B ordinary shares of £1.00 each

Issued Share Capital: £20,000,000 divided into 10,000,000 A ordinary shares of £1.00 each (£0.15 paid) and 10,000,000 B ordinary shares of £1.00 each (£0.15 paid)

Shareholders:

- (1) The University Court of the University of Aberdeen - 10,000,000 A Shares
- (2) Aberdeen City Council - 10,000,000 B Shares

Accounting Reference Date: 31 July

PART 2

Shareholder Matters

- 1 permit the registration (upon subscription or transfer) of any person as a member of the Company (other than a person consented to by both Shareholders pursuant to the Articles);
- 2 increase the amount of its authorised or issued share capital save as provided in this Agreement, grant any option or other interest (in the form of convertible securities or in any other form) over or in its share capital, redeem or purchase any of its own shares or reduce its share capital or effect any other reorganisation of its share capital;
- 3 issue any loan capital or enter into any commitment with any person with respect to the issue of any loan capital save as provided in this Agreement;
- 4 make any borrowing;
- 5 apply for the listing of any shares or debt securities on any Recognised Investment Exchange or the alternative investment market or the trading of any of its shares or debt securities on any market;
- 6 pass any resolution for its winding up (unless it shall have become insolvent or is required by this Agreement);
- 7 engage in any business other than the Business or spend any monies other than bona fide for the purposes of or in connection with the carrying on of such business;
- 8 form any subsidiary or acquire shares in any company or participate in any partnership or joint venture (incorporated or not);
- 9 close down or make any material change in the nature, scope or location of any business operation;
- 10 amalgamate or merge with any other company or business undertaking;
- 11 acquire or dispose of any assets of individual value of more than £10,000 (indexed) or aggregate value of more than £100,000 (indexed) or any freehold or leasehold properties.
- 12 vary in any respect its memorandum of association or Articles or the rights attaching to any of the Shares;
- 13 alter its name or re-register as unlimited or as a plc;
- 14 enter into any transaction or arrangement of any nature whatsoever with any of the Company's members or directors or any person who is connected (within the meaning of Section 839 of the Income and Corporation Taxes Act 1988) to any of its members or directors whether or not any other person shall be party to such transaction or arrangement;
- 15 enter into, vary or terminate any commitment by way of a transaction or series of related transactions (including any leasing transaction) which would involve the Company in the payment or receipt of consideration having an aggregate value in excess of £250,000 (indexed);

- 16 enter into any arrangement, contract or transaction which relates to capital expenditure with a value in excess of £250,000 (indexed);
- 17 enter into any arrangement, contract or transaction outside the normal course of its business or otherwise than on arm's length terms;
- 18 without prejudice to any other provision of this Part of the Schedule:
- 18.1 enter into, as lessor or as lessee, any operating lease other than the Lease; or
- 18.2 grant any rights (by licence or otherwise) in or over any intellectual property owned or used by the Company;
- 18.3 create or permit to be created any mortgage, charge, encumbrance or other security interest whatsoever over the whole or any part of the Business, undertaking or assets of the Company or agree to do so other than liens arising in the ordinary course of business or any charge arising by the operation or purported operation of title retention clauses and in the ordinary course of business;
- 18.4 adopt or amend the Business Plan, or enter into any contract or commitment not provided for in the Business Plan under which it may incur costs in excess of £50,000 (indexed) or which may not be fulfilled or completed within the period of one year;
- 19 change:
- (a) its accounting reference date; or
- (b) its registered office; or
- (c) its solicitors; or
- (d) its bankers
- 20 make or permit to be made any material change in the accounting policies and principles adopted by the Company in the preparation of its audited accounts save as may be required to ensure compliance with relevant accounting standards under the Act or any other generally accepted accounting principles in the United Kingdom;
- 21 make any loan (otherwise than by way of deposit with a bank or other institution the normal business of which includes the acceptance of deposits) or grant any credit (other than in the normal course of trading) or give any guarantee (other than in the normal course of trading) or indemnity;
- 22 either:
- (a) open or close any bank account; or
- (b) alter any mandate given to the Company's bankers relating to any matter concerning the operation of the Company's bank accounts other than by the substitution of any person nominated as a signatory by the party entitled to make such nomination;
- 23 factor or assign any of the book debts of the Company;
- 24 adopt or amend any standard terms of business on which the Company is prepared to provide goods or services to third parties;

- 25 establish or amend any pension scheme or grant any pension rights to any employee, former employee, or any member of any such person's family;
- 26 dismiss any employee in circumstances in which it incurs or agrees to bear redundancy or other costs in excess of £50,000 (indexed) in total;
- 27 institute, settle or compromise any material legal proceedings (other than debt recovery proceedings in the ordinary course of business) instituted or threatened against the Company or submit to arbitration any dispute involving the Company.
- 28 agree to any contribution of funding to the Project from any third party which is conditional in any way which may impact on the Project (including Board representation, naming rights or access arrangements) or agree to naming rights which are not a condition to funding.
- 29 amend or waive any provision of the Construction Contract.
- 30 agree to any change to the Construction Contract or issue any architects instruction in respect of the Construction Contract in each case with a value in excess of £25,000 in respect of any individual change or instruction, or in aggregate with all other changes and instructions, in excess of £250,000.
- 31 compromise or settle any dispute pursuant to the Construction Contract.
- 32 terminate the Construction Contract or any Appointment.
- 33 amend the authorised signatory provisions which apply to the Company.
- 34 expenditure other than in accordance with the Business Plan.
- 35 change the charitable status of the Company.
- 36 continue for more than one month a discount scheme relating to the tariffs charged to users of the Facility implemented by the Board (without Shareholder approval) which is having a negative impact on the performance of the Company against the Business Plan.
- 37 implement a discount scheme relating to the tariffs charged to users of the Facility which is similar to one which, in the previous 6 month period, has had a negative impact on the performance of the Company against the Business Plan.

PART 3

Company's Obligations

The Company shall fulfil the obligations set out in this Part 3 of the Schedule, which comprise the operation of the Facility on the basis of minimising the Annual Grant Funding required and, if applicable, maximising any surplus, subject to 1) the operational objectives, 2) the lifecycle requirements and 3) the access principles.

1 OPERATIONAL OBJECTIVES

The operational objectives are that the Facility (once open to the public) is operated to:

- (a) provide recreational sporting facilities for the people of Aberdeen, including students and staff of the University;
- (b) promote an increase in physical activity by the people of Aberdeen, including the staff, students and clubs of the University (the "University Community"), "hard to reach" user groups and the local community in general; and
- (c) promote sports development and sporting excellence.

2 LIFECYCLE REQUIREMENTS

The lifecycle requirements are that the Facility (following completion) is operated and maintained in accordance with Good Industry Practice.

3 ACCESS PRINCIPLES

The access principles are that, in scheduling access to all bookable areas within the Facility, namely the indoor football pitch, outdoor football pitch, indoor athletics, outdoor athletics, squash courts, outdoor hockey pitch, sports hall, and studios, the Company will ensure that:

- 3.1.1 Where there is excess demand for any bookable area of the Facility in any week, equal opportunity for access shall be given to:
- (a) elite sports organisations and user groups for 10 % of available time in that week; as required by the SportsScotland conditions; including previous elite users of the Chris Anderson Stadium ("CAS") at the Site (referred to as "Elite Time");
 - (b) the University Community for 45% of available time in that week (referred to as "University Community Time"); and
 - (c) the people of Aberdeen other than the University Community and elite sports organisations and user groups for 45% of available time in that week (referred to as "General Public Time").

The assessment of "available time" must take into consideration that some time periods will be more popular amongst the users of the Facility than other periods, and the application of the access principles will ensure that the opportunity to access those more popular times will be allocated as between the above categories of users, within their respected allocated percentages of time, and in proportion to those percentages.

- 3.1.2 Wednesday afternoons (12pm – 6pm) during University term time are made available for use by the University student clubs. If there is excess demand for any bookable area of the

Facility in any week, Wednesday afternoon usage will count against University Community Time;

- 3.1.3 As far as reasonably practicable, priority will be given for access to the hockey pitch, outdoor athletics facilities and grass pitch for the elite sports groups who made historic regular bookings of CAS, under similar arrangements as previously available to them at CAS. If there is excess demand for any bookable area of the Facility in any week, usage by such previous historic regular bookings will count against Elite Time.
- 3.1.4 As far as reasonably practicable, priority will be given for access to the hockey pitch, outdoor athletics facilities and grass pitch for the non-elite sports groups who made historic regular bookings of CAS, under similar arrangements as previously available to them at CAS. If there is excess demand for any bookable area of the Facility in any week, usage by such previous historic regular bookings will count against General Public Time.
- 3.1.5 As far as reasonably practicable, priority will be given for access to bookable areas for University Clubs under similar arrangements previously available within University of Aberdeen sports facilities. If there is excess demand for any bookable area of the Facility in any week, usage by such previous historic regular bookings will count against University Community Time.
- 3.1.6 Block bookings for facility time shall be taken by the Company on pre-determined and publicised dates, and considered equitably to endeavour to match the access profile described above.
- 3.1.7 In allocating facility time other than by way of block booking, there shall be equality of opportunity and access as between all of the people of Aberdeen, whether part of the University Community or otherwise. Such "pay and play" bookings will not be taken into account in considering the access profile described in 3.1.1 above.
- 3.1.8 Bookings for special events may impact on the allocation of Elite Time, University Community Time and/or General Public from time to time, but the impact of bookings for special events will be minimised and fairly distributed as far as possible, and where possible alternative times made available to any displaced bookings.
- 3.1.9 Bookings to facilitate the training and recruitment of qualified coaches linked to the facility, and the ongoing training and development of coaches and potential coaches should not take place at peaks times if possible, but to the extent a booking is necessary where there is excess demand for any bookable area of the Facility in any week, such a coaching booking may count against University Community Time or General Public Time. The impact of coaching bookings will be minimised and fairly distributed as far as possible, and where possible alternative times made available to any displaced bookings.

All use of the facility will be for the purpose of sport or physical activity (or directly related to supporting sport and physical activity) unless expressly agreed by both Shareholders.

The Shareholders may by agreement direct the Company to depart from the access principles and may do so in general, in relation to any period of time or in relation to any bookable part of the Facility. In reaching agreement, the Shareholders may agree an alternative position of equality by forgoing the right to opportunity and access in respect to some periods in exchange for preferential rights of access in respect of other periods.

The programme of activities at the Facility will be balanced, taking into consideration the needs of all sectors of the community including removing barriers to those who may be disadvantaged by virtue of age, gender, ethnic origin, religious beliefs, sexual orientation, disability or financial circumstances.

Where the access agreements with sporting bodies as required by the SportsScotland Conditions cannot be met within the allocated Elite Time, the Shareholders may agree to reduce their respective proportions of University Community Time and General Public time (in equal amount) but failing such agreement Clause 12.1.4 of this Agreement will apply.

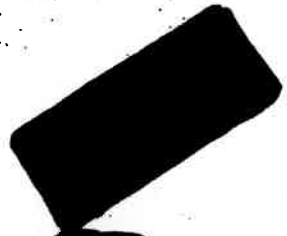
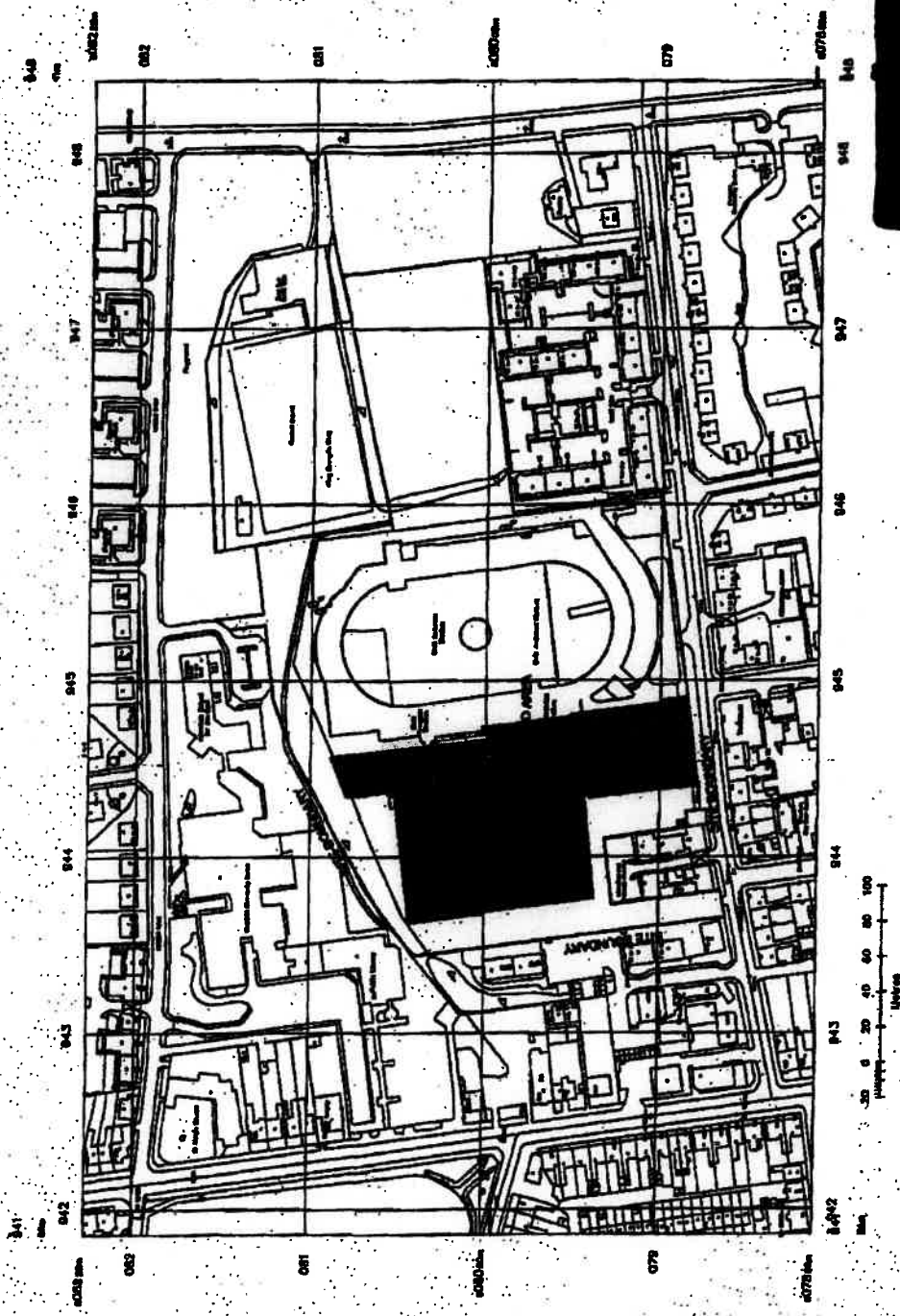
PART 4

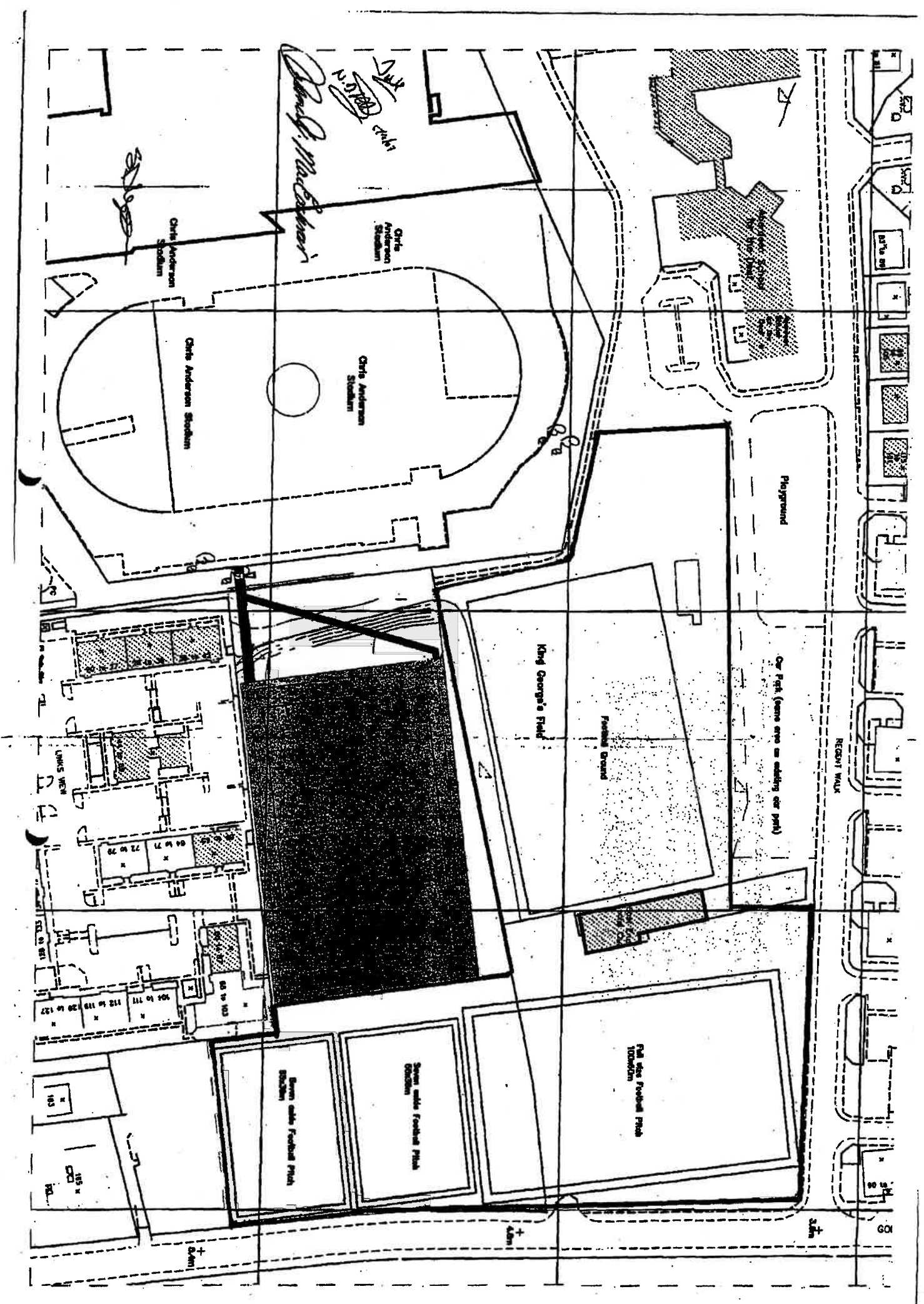
Plans

NOTES

1. ALL DIMENSIONS ARE IN METERS
2. ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE SPECIFIED
3. ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE SPECIFIED

FRASER AND NEAVE ARCHITECTS
100, ROBINSON ROAD, SINGAPORE
TELEPHONE: 235 1111
FACSIMILE: 235 1112
LEAD ARCHITECT
SHEK JIN CHAI
SHEK JIN CHAI





PART 5

Lease Heads of Terms

Landlord: The Council (as trustee, per the title to the Site)

Tenant: The Company

Demise: the Site

Date of entry: Works Completion Date.

Term: 50 years.

Tenant Break: Year 25 and every 5 years thereafter (on giving not less than 3 years' prior notice in the case of break at Year 25 and not less than 18 months' notice in all other cases).

Rent: £1 per annum while the Company remains 50/50. Open market rent if the Company becomes wholly owned by University, with rent review at open market rental value at 5 yearly intervals thereafter.

Nature: FRI – tenant to insure

Permitted Use: Sports Facility and purposes ancillary thereto, including (but not limited to) teaching and research related to sport. Base level of public access mandated.

Alienation: No assignment without consent. No sub-lettings without Landlord's consent, such consent not to be unreasonably withheld or delayed. Parties to agree reasonable "de minimis" sub-letting/licence arrangements, e.g. for physiotherapy services.

Lease expiry: Tenant to remove from Property. Where Tenant considers some or all buildings and/or structure to be functionally and/or economically obsolete, Tenant may (with Landlord's consent, not to be unreasonably withheld) remove the same, otherwise the Tenant shall leave the Property in a condition consistent with its repairing obligation.

PART 6

Operating Agreement

The Operating Agreement will:

- specify in detail the obligations set out in headline terms in Part 3 of the Schedule and the standards and levels required, including maintenance and cleaning, and Facility opening hours;
- provide for the establishment and permitted uses of a lifecycle maintenance reserve account;
- provide for the establishment and permitted uses for a general reserve account;
- provide for the periodic benchmarking of the costs of the fulfilment of the obligations set out in Part 3 of the Schedule and the user tariffs;
- record the tariffs for users of the Facility;
- detail the payment procedures for the Grant Funding;
- identify the list of employees of the University who will be made available to the Company, and provide for agreed changes to that list;
- detail the record keeping and reporting requirements;
- specify whether the support services required by the Company including in relation to payroll and financial book-keeping and accounting will be provided by the University, the Council, by the Company in-house or by a third party (or any combination);
- detail the target skills mix for the Board;
- set out the recruitment process to be followed for the appointment of the paid director(s);
- provide that all operations of the Company will have regard to and comply with all relevant law, codes of practice, policies and operating procedures relating to Health and Safety;
- provide that all operations of the Company will have regard to and comply with best sports management practice;
- prescribe the Company's operating procedures, emergency action procedures and the content of its health and safety manual;
- prescribe the Company's environmental policy, including its recycling policy;
- contain a sports equipment list to be supplied and maintained by the Company for use in the Facility.
- oblige the Company to use reasonable endeavours to secure additional revenue funding through corporate sponsorship etc.

- require all staff at the Facility to be disclosure checked, and to be suitably trained, qualified and experienced.
- require the Company to attain Quest accreditation (or agreed equivalent) within 1 year of the opening of the Facility.
- require the Company to attain IIP (or agreed equivalent) within 2 years of the opening of the Facility.
- detail an effective quality framework self monitoring and evaluation system to be operated by the Company and require the outcomes to be reported to the Shareholders on a regular basis.
- prescribe a range of performance indicators and require the Company to report regularly to the Shareholders on the operation of the facility with reference to these performance indicators.
- require the Company to seek to be represented on the Active Aberdeen Community Planning Forum, and participate in the delivery of the Council's Sports Strategy, including providing information where required such as information on usage and community impact.
- require that the funding support of Aberdeen City Council and the University of Aberdeen to be acknowledged in a prominent place within the Facility and on all marketing materials associated with the Facility (and require the Sportscotland funding to be acknowledged in line with the Sportscotland Conditions).
- require the Company to notify the Shareholders as soon as reasonably practicable as to any publicity or potential publicity in relation to the Company or the facility (both negative and positive).
- require the Company to establish a programming steering group(s) comprising key stakeholders, to recommend on the programming of the facility in relation to community use, sports development, elite sport, and the overall balance and equity of access to key user groups to the facilities programme.

PART 7

Fair Value calculation

- 1 If the Auditors are instructed to prepare a balance sheet of the Company to determine the Initial Fair Value or the Expiry Fair Value, such balance sheet shall:
- (a) be prepared in draft and issued to the Shareholders and the Company by the Auditors within 30 days of the instruction;
 - (b) take into account, in a manner solely at the Auditor's absolute discretion, any comments made by either Shareholder or the Company in response to the draft balance sheet within 10 business days of the issue of the draft;
 - (c) be prepared and formally issued in final form within 60 days of the instruction;
 - (d) be prepared to the accounting standards referred to in Clause 18.3;
 - (e) be prepared to the accounting principles, practices, policies and procedures applied in the Company's annual statutory accounts for the preceding financial year (to the extent that these are consistent with the accounting standards referred to in Clause 18.3);
 - (f) state the value of any Existing Assets owned by the Company;
 - (g) state the net asset value of the Company being the value of the assets owned by the Company (including cash), less the value of the liabilities (including contingent liabilities), all valued on the bases that:
 - (i) the Company continues as a going concern; and
 - (ii) the Company continues to carry on business on the basis carried out by it immediately prior to the date of the balance sheet,

and subject to paragraphs 2 and 3 below, Initial Fair Value or Expiry Fair Value means the net asset value of the Company as set out in the relevant balance sheet.

- 2 If, pursuant to Clause 23.1.5 of this Agreement, the Council purchases the University's Shares, Initial Fair Value and Expiry Fair Value for that purpose will be reduced by the Existing Asset Adjustment. The Existing Asset Adjustment shall be the value of any Existing Assets owned by the Company at the date of the relevant balance sheet, as set out in the relevant balance sheet (or the new balance sheet prepared by the independent valuer, if such a new balance sheet has been prepared).
- 3 If Initial Fair Value or Expiry Fair Value (as adjusted pursuant to paragraph 3) is less than zero, Initial Fair Value and Expiry Fair Value shall be deemed to be £2.

PART 8

Required Insurances

Public Liability Insurance

Directors' Liability Insurance

Any other insurances required by law

PART 9

Business Plan

	Year 1	Year 2	Year 3	Year 4	Year 5
Income:					
Large Games Hall	139,600	143,840	148,186	152,641	157,207
Squash Courts	29,107	30,199	31,318	32,464	33,640
Indoor Synthetic Pitch	127,098	130,775	134,545	138,408	142,369
Hockey Pitch	19,294	19,776	20,270	20,777	21,297
Indoor Athletics	35,284	36,291	37,324	38,382	39,466
Outdoor Athletics	12,687	12,984	13,308	13,641	13,982
Creche Income	17,287	18,152	19,038	19,946	20,877
Health and Fitness Casual	128,771	131,971	140,689	142,533	150,761
Health & Fitness Memberships	445,753	469,669	490,754	511,836	532,923
Bar and Catering	145,832	153,448	161,475	166,190	177,616
Total Income	1,100,693	1,147,105	1,196,905	1,239,820	1,290,136
Expenditure:					
Staffing Costs					
- Salaries and Wages	864,125	890,049	916,750	944,253	972,581
Other costs					
- Utilities	261,000	267,525	274,213	281,088	288,095
- NNDR	98,200	100,656	103,171	105,751	108,394
- Lifecycle costs	220,000	220,000	220,000	220,000	220,000
- Ongoing Repairs & Maintenance	103,104	156,932	160,855	164,876	168,998
- Marketing	35,626	37,018	38,512	39,800	41,309
- Marketing year 1 launch costs	90,000				
- Insurances	35,337	36,221	37,126	38,054	39,006
- Cleaning	63,950	65,548	67,187	68,867	70,588
- Other supplies and sundry items	24,688	25,849	27,094	28,167	29,424
- Administration costs	63,127	64,706	66,323	67,981	69,681
- Head office support costs	45,000	46,125	47,278	48,460	49,672
- Contingency	49,377	51,897	54,187	56,333	58,649
- Innovation Fund	29,688	30,849	32,094	33,167	34,424
Bar and Catering Costs					
- Staff	65,624	69,052	72,664	76,135	79,927
- Cost of Sales	58,333	61,379	64,590	67,678	71,046
- Other Costs	14,583	16,345	16,148	16,919	17,762
- Equipment Rental	100,000	102,500	105,063	107,689	110,381
Total Expenditure	2,221,764	2,241,449	2,303,256	2,365,196	2,430,138
Net Operating Surplus/(Cost)	(1,121,070)	(1,094,344)	(1,106,350)	(1,125,376)	(1,140,002)
Subsidy Estimate	372,552				
Total Operating Costs	1,493,622				
Cap per partner	746,811				

Part 10
Inventory

ABERDEEN RSF LIMITED

INVENTORY OF EXISTING ASSETS

Ref.	Description	Supplier	Model	Serial Number	Location	Purchase Date/Age	Expected Life	Value	Asset Holder
1	1 Pair Full size Football goals				Grass pitch	2004	15yrs	£486	Cas
2	6 x Outdoor Hockey Goals				Astro pitch	1 set 2004 2 sets 2000	10 yrs	£2100	cas
3	1 x High Jump Landing Area	Stadia Sports	LAH 1	BI566130	Shed No 3	30/05/03	6 years	£1600	cas
4	1 x Consort 2 Safe				Tankroom	Pre 1993	forever	£450	cas
5	19 x Red Chairs	Beach Ballroom			Portacabin	1994	15 years	£425	cas
6	4 x Junior Steeplechase Hurdles	Cantabrian (liquidised)			Trackside	Pre 1993	30 years top changed every years	£2160	cas
7	5 x Adult Steeplechase Hurdles	Cantabrian (liquidised)			Trackside	Pre 1993	30 years	£2376	cas
8	2 x Continental Dugouts				Trackside	Pre 1993	15 years	£1760	cas
9	1 x Hammer Cage	Stadia Sports			On Field	Pre 1993	30 years	£7791	cas
10	1 x Discus Cage	Stadia Sports			On Field	Pre 1993	30 years	£7791	Cas
11	3 x Hurdles Trolleys				Shed no 1	Pre 1993	20 years	£2559.60	cas
12	1 x Starters Podium				Comp shed	Pre 1993	20 years	£232.20	cas
13	4 x Manual Scoreboards				Long store	Pre 1993	20 years	£1660	cas
14	3 x High Jump Landing mats	Stadia Sports			Shed no 3	Pre 1993	15 years	£1350	cas
15	2 x Polevault landing Area	Stadia Sports			Shed no 4	Pre 1993	15 years	£4104	cas
16	1 x Polevault Landing raincover	Stadia Sports			Shed no 4	Pre 1993	15 years	£410.40	cas
17	3 x Polevault Stands	Cantabrian			Shed no 4	1 set 2002 2 sets pre 1993	10 years	£3223.80	cas

Ref.	Description	Supplier	Model	Serial Number	Location	Purchase Date/Age	Expected Life	Value	Asset Holder
18	4 x Heavy Duty Trolleys				Shed no 1	Pre 1993	15 years	£2138.40	cas
19	1 x Winners Podium				Comp shed	Pre 1993	15 years	£450	cas
20	1 x Wind Gauge machine	Cantabrian (liquidised)		4818-16	Comp shed	Pre 1993	20 years	£326.17	cas
21	1 x Equipment weighing machine	Cantabrian (liquidised)			Comp shed	Pre 1993	20 years	£476.60	cas
22	1 x starter microphone system				Changing room 4	1995	15 years	£1324.68	cas
23	1 x High Sided trolley				Shed no 1	Pre 1993	15 years		cas
24	1 x Extra cage netting	Stadia Sports	5mm Knotless net		Long store	22/05/03	4 years	£3415.75	cas
25	p.a system				c.r 4		15 years		cas
26	4 x pairs high jump stands				Shed 3		10 yrs		
27	4 benches				Grass pitch		20 yrs		cas
28	1 pair hockey dugouts				Astro pitch	2004	10 years		cas





(1) ABERDEEN SPORTS VILLAGE LIMITED

and

(2) THE UNIVERSITY COURT OF THE UNIVERSITY OF ABERDEEN

and

(3) ABERDEEN CITY COUNCIL

OPERATING AGREEMENT

relating to

ABERDEEN SPORTS VILLAGE

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OPERATING AGREEMENT

AMONG

ABERDEEN SPORTS VILLAGE LIMITED, a company incorporated in Scotland with registered number 327879 and having its registered office at c/o Maclay Murray & Spens, 66 Queen's Road, Aberdeen, AB15 4YE (the "Company"); and

THE UNIVERSITY COURT OF THE UNIVERSITY OF ABERDEEN, incorporated under the Universities (Scotland) Act 1889 and having a place of business at King's College, Aberdeen, AB24 3FX (the "University"); and

ABERDEEN CITY COUNCIL, a local authority constituted and incorporated under the Local Government etc (Scotland) Act 1994 and having its principal offices at Marischal College, Broad Street, Aberdeen, AB10 1AB (the "Council").

WHEREAS

- A The University and the Council established the Company in order to construct and operate a regional sports facility in Aberdeen, hereafter referred to as 'the Facility' and entered into the tripartite Joint Venture Agreement in order to take forward the Project.
- B Pursuant to Clauses 2.3(b) and 7 of the Joint Venture Agreement, the Shareholders are obliged to negotiate an operating agreement to deal with all operational matters in relation to the Project.
- C This Agreement is that operating agreement.
- D The Company is willing to comply with the terms and conditions of this Agreement insofar as they relate to the Company.
- E The Parties have agreed to include operational matters in relation to the Aquatics Centre within the provisions of this Agreement, notwithstanding the fact that the Joint Venture Agreement did not include reference to this aspect of the facility.

IT IS AGREED as follows:

1 Definitions and Interpretation

1.1 In this Agreement the following expressions shall, unless otherwise specified or the context otherwise requires, have the meanings set out in this Clause:

1.1.1 **"Access Protocol"** has the meaning given in Clause 45;

- 1.1.2 **"Annual Grant Funding"** means the financial contribution made by the Shareholders to the Company in accordance with Clause 11.2 of the Joint Venture Agreement;
- 1.1.3 **"Available Surplus"** means the excess surplus available following transfer to Operating, Lifecycle and other specific reserves as calculated in 7.1.1;
- 1.1.4 **"Business Plan"** means the annually updated document submitted for review by the Company to the Shareholders for approval in accordance with Clause 18.6.1 of the Joint Venture Agreement;
- 1.1.5 **"Change Procedure"** has the meaning outlined in the attached Schedule Part 1;
- 1.1.6 **"City of Aberdeen Sport and Physical Activity Strategy"** and **"City of Aberdeen Aquatic Strategy"** mean the collaborative, city-wide strategies developed in partnership with a range of organisations and stakeholders to improve access to and participation in sport across Aberdeen;
- 1.1.7 **"Commencement Date"** means the Facility Opening Date (notwithstanding the date or dates of execution of this Agreement);
- 1.1.8 **"The Company"** refers to Aberdeen Sports Village Limited, as defined by the Joint Venture Agreement and Clauses 3.4.1 and 3.4.2 below;
- 1.1.9 **"Contract End Date"** means the Expiry Date as provided for in the Joint Venture Agreement, as that date may be changed by the agreement of the Parties in accordance with Clause 22.2 of the Joint Venture Agreement;
- 1.1.10 **"Contract Year"** means each period of 12 calendar months ending 31 July;
- 1.1.11 **"The Facility"** refers to the indoor, outdoor and aquatic sporting facilities as outlined on the map at Part 5;
- 1.1.12 **"General Reserve Account"** means the account opened and maintained in accordance with Clause 8.4;
- 1.1.13 **"Joint Venture Agreement"** means the joint venture agreement between the Shareholders and the Company relating to the Project dated 5 October 2007;
- 1.1.14 **"Lifecycle Reserve Account"** has the meaning given in Clause 22;
- 1.1.15 **"Operating Reserve"** means funds held at hand or in a bank which are available to the Company in support of the daily operation of the facility;
- 1.1.16 **"Parties"** means the parties to this Agreement (and Party shall be construed accordingly);
- 1.1.17 **"Project Documents"** means the Joint Venture Agreement, the Articles and the Lease;

- 1.1.18 **"Quarter Dates"** means 1 August, 1 November, 1 February, and 1 May;
- 1.1.19 **"Reporting Period"** means the quarterly and annual reporting schedule associated with quarterly meetings of the Company's Board of Directors;
- 1.1.20 **"Services"** means the services to be provided by the Company in accordance with this Agreement;
- 1.1.21 **"The Shareholder(s)"** means Aberdeen City Council and the University of Aberdeen;
- 1.1.22 **"Standards"** means any national or international standards applicable to the Facility or the Services (as appropriate);
- 1.1.23 **"Stakeholders"** means the wide range of civic and community groups, sporting organisations and governing bodies, and other partner organisations with which the Company and Shareholders shall wish to engage and consult;
- 1.1.24 **"Working Day"** means any day falling on or between Monday and Friday on which the Scottish clearing banks in Edinburgh are open for business.
- 1.2 If any document, decision or process is referred to as being subject to the "Change Procedure", the procedure set out in Part 1 of the Schedule shall apply.
- 1.3 An obligation to "develop" a document or process includes an obligation to maintain it, keep it under review and update it as and when appropriate.
- 1.4 An obligation to "work with" an organisation means an obligation to co-operate with, to enhance and develop partnerships with, to work in conjunction with, to pro-actively engage with that organisation and to take into account and respond to that organisation's aims and objectives.
- 1.5 Words and phrases defined in the Joint Venture Agreement and not in this Agreement bear the same meaning when used in this Agreement, unless otherwise specified or the context otherwise requires.
- 1.6 The rules of interpretation and construction set out in Clause 1.2 of the Joint Venture Agreement will apply to the interpretation and construction of this Agreement, as if they were repeated in this Agreement.

2 Purpose

- 2.1 The Parties acknowledge that the purpose of this Agreement is to set out the Parties' rights and obligations concerning operational matters in relation to the Project.

3 Relationship to Other Project Documents

- 3.1 The Parties acknowledge that, except as otherwise provided in this Agreement, certain operational matters relating to the Project are regulated by the "Project Documents".
- 3.2 If during the continuance of this Agreement, there shall be any conflict between the provisions of this Agreement and the provisions of any Project Document then, during such period, on operational matters, the provisions of this Agreement shall prevail.
- 3.3 Nothing contained in this Agreement shall be deemed to constitute an amendment of the Articles.
- 3.4 From the Commencement Date, the Joint Venture Agreement shall be amended as follows:
 - 3.4.1 The reference to "Aberdeen Regional Sports Limited" in Clause 26.2 shall be replaced by a reference to Aberdeen Sports Village Limited".
 - 3.4.2 Clause 15 shall be amended such that the Company must fulfil the obligations set out in Part 3 of the Schedule between the Effective Date and the Commencement Date.

4 Business Plan and Policies

- 4.1 The Company will use all reasonable endeavours to comply with the Business Plan.
- 4.2 The Company will use all reasonable endeavours to comply with the plans, strategies, policies, procedures, protocols, programmes, and reports developed pursuant to this Agreement including, those listed in Parts 2 and 3 of the Schedule or elsewhere in this Agreement.
- 4.3 The Company will update the Business Plan and submit it in draft to the Shareholders for approval and agreement no later than six months prior to the end of each Contract Year.

5 Annual Grant Funding

- 5.1 The Shareholders shall continue to pay to the Company the Annual Grant Funding in line with the Business Plan and in accordance with the Joint Venture Agreement.
- 5.2 The Quarter Dates shall apply for the purposes of Clause 11.2 of the Joint Venture Agreement.
- 5.3 The Company acknowledges the receipt of the first instalment of Annual Grant Funding from each Shareholder.

6 Reserves

- 6.1 As the Company does not receive grant funding to cover depreciation costs, the unrestricted funds in its balance sheet will not reflect the ongoing nature of the business. Therefore, it will be the cash figure in the Company's accounts that will be the key determinant in the financial health of the company and its ability to function as a going concern.

6.2 The Company will be able to build up the following reserves:

- 6.2.1 *Operating Reserve:* The Company will be entitled to build up an operating reserve which is up to 6 months of operating costs. Operating costs are defined as expenditure in the latest Business Plan, excluding the contribution to the lifecycle fund and depreciation.
- 6.2.2 *Lifecycle Reserve:* The Company will be entitled to build up funds in a Lifecycle Reserve Account as detailed in Clause 22. This will be used to fund ongoing replacement of buildings, plant and equipment and sports surfaces. The amount to be held in the Lifecycle Reserve Account will be informed by the condition survey of the Company's assets and expected replacement schedule. The value of which should be reviewed and outlined in the annual Business Plan.
- 6.2.3 *Other Specific Reserves:* From time to time, the Company may establish other specific reserves which are required to meet business objectives. The creation of any such reserves will be outlined in the annual Business Plan.

7 Calculating the Reserves

7.1 At the completion of the annual accounts, the Company will undertake the following action:

- 7.1.1 Adjust the cash in the Company's accounts to account for debtors and creditors to calculate the cash available. From this figure, the cash required for the operating reserve, lifecycle fund and any other specific reserves will be deducted and any cash remaining will be designated as the "Available Surplus".

8 Available Surplus

8.1 Should an Available Surplus be shown, the Company will prepare a plan for the use of this surplus including:

- 8.1.1 Increasing access or reducing costs to or for targeted activities or user groups;
- 8.1.2 Increasing the level of services to users of the facility through increased investment in facilities or services;
- 8.1.3 Reducing the annual grant funding for subsequent contract years;
- 8.1.4 Transferring the available surplus (or some part of it) to a specific reserve to finance major capital expenditure as future phases of the facility develop.

- 8.2 The Shareholders shall consider the Available Surplus Plan and within one month of its presentation, or as soon as reasonably practicable, shall meet to seek to agree (each acting reasonably) on the use of the Available Surplus.
- 8.3 If the Shareholders agree on the use of the Available Surplus, they may direct the Company accordingly. Any direction will be subject to the Change Procedure. The Company will update the Business Plan to reflect any direction given pursuant to this Clause.
- 8.4 If the Shareholders do not agree on the use of the Available Surplus the Company will maintain the Available Surplus in a "General Reserve Account".
- 8.5 Where, in any Contract Year, an Available Surplus is declared, the Business Plan for any subsequent year(s) should materially reflect this.

9 Performance Indicators

- 9.1 The Company shall report to the Shareholders on the performance indicators listed in Part 3 of the Schedule ("Performance Indicators and Management Information"), for the reporting periods specified in that Part of the Schedule.
- 9.2 The Company must deliver its report on the Performance Indicators to the Shareholders as soon as practicable after the end of each Reporting Period and in any case within 15 Working Days.
- 9.3 Any proposed change to the Performance Indicators shall be subject to the Change Procedure.
- 9.4 No changes to the Performance Indicators may be proposed in the last 3 months of any Contract Year for that Contract year.
- 9.5 Any change to the Performance Indicators shall take effect from the start of the next Contract Year (or earlier if reasonably practicable).

10 Management Reporting

- 10.1 The Company acknowledges that the Shareholders may from time to time each be required to complete statutory or non-statutory statistical returns, carry out benchmarking exercises and provide information on sports provision to local groups, national bodies or government organisations.
- 10.2 The Company will keep and maintain records of the management information referred to in Part 3 of the Schedule (the "Performance Indicators and Management Information").
- 10.3 Within 15 Working Days of a request made by a Shareholder for any information within the scope of the Management Information, the Company shall provide such information.
- 10.4 Any proposed change to the Management Information shall be subject to the Change Procedure.

10.5 Subject to Clause 10.6, any change to the Management Information shall take effect from the start of the next Contract Year (or earlier if reasonably practicable).

10.6 If during the course of any Contract Year either Shareholder is required by law to produce information which is not within the scope of the Management Information, the limitation in Clause 10.5 will not apply.

11 Record Keeping

11.1 The Company will develop and implement a documentation retention policy which shall comply with all relevant health and safety, legal, accounting and HMRC requirements, and good industry practice.

12 Procurement and Support Services

12.1 In relation to its procurement activities the Company shall develop a procurement policy incorporating best value principles.

12.2 Consistent with thresholds outlined in its Financial Regulations, all contracts entered into by the Company in relation to the purchase or acquisition of goods, services or works must be in writing. This includes any operating support services which may be provided to the Company by staff employed by the Shareholders.

12.3 The Company shall comply with its duties and obligations under the law regulating public procurement.

12.4 If specialist strength or conditioning equipment is to be procured for performance space, the Company shall consult with **sportscotland** in relation to the specification for such equipment.

12.5 The specification for all specialised sporting equipment with a value in excess of £100,000 (including strength or conditioning equipment) and the procurement of services for which additional Shareholder funding will be required, shall be subject to Shareholder involvement.

13 Benchmarking

13.1 The Company shall undertake periodic benchmarking exercises in respect of the services it provides and the services and supplies made to the Company. Such benchmarking will gauge performance comparative to similar facilities and compare the prices charged by its suppliers and contractors against the market price.

13.2 The Company shall undertake periodic benchmarking of the costs of the fulfilment of the obligations as set out in Part 3 of the Schedule to the Joint Venture Agreement and the user tariffs.

13.3 The Company will develop a benchmarking policy which will set out the benchmarking process, the comparator benchmarks, the frequency of the benchmarking exercises, the process for reporting

outcomes of benchmarking exercises to the Shareholders and the steps which will be taken should a benchmarking exercise disclose that best value is not being obtained by the Company.

14 The Aberdeen Sports Village Limited Board

- 14.1 The Company shall develop job descriptions and person specifications for all its director posts, setting out the roles and responsibilities and duties as directors and charity trustees.
- 14.2 The Company shall develop a board of directors skills matrix, reflecting the current expertise within the Board and identifying any additional skills that may be required to meet the present and future objectives of the Company. The board of directors skills matrix should be updated as directors change.
- 14.3 The Company shall:
- 14.3.1 carry out an induction process for any new director;
 - 14.3.2 assess the training requirements for the directors and arrange training accordingly; and
 - 14.3.3 ensure that each director undertakes appropriate ongoing training and that a record of such training is maintained.
- 14.4 The Company will circulate the dates, times, agenda, papers and minutes of Board meetings to Shareholder nominated officers at the University and Council. It will bring to their attention any relevant matters relating to attendance at Board meetings or quorum.
- 14.5 The Shareholders may advise the Board of any items that they consider should be added to an agenda.
- 14.6 An officer observer from each of the Shareholders may be invited to attend meetings by the Board.

15 Selection Process for the Paid Director

- 15.1 The Parties acknowledge that a paid director has been appointed in accordance with Clause 4.4 of the Joint Venture Agreement.
- 15.2 No later than three months prior to the expiry of the appointment of the Chairperson/paid director (or upon the resignation, disqualification, death or incapacity of the Chairperson/paid director) the Company shall select a successor Chairperson/ paid director from within the membership of the Board at the relevant time.
- 15.3 The Company shall advise the Shareholders of its intention to appoint a successor Chairperson/paid director in line with the above timescale and/or, where the resignation of the Chairperson/paid director necessitates the selection of a successor, as soon as this information becomes available to the Company.

15.4 Any changes to the terms of reference and remuneration package for any paid director shall be subject to the Change Procedure. Any proposed change to the terms of reference and remuneration package must be produced in draft by the Company no later than 3 months prior to the date the proposed change is to take effect.

16 Risk Strategy

16.1 The Company shall develop a risk assessment and risk management procedure.

16.2 Changes to the format of the risk assessment or the risk management procedure will be subject to the Change Procedure.

16.3 The Company shall ensure that all relevant staff are appropriately trained on risk assessments and the risk management procedure. Ongoing risk assessment will be the responsibility of the Company.

17 Sponsorship, Advertising and Naming

17.1 The Company shall use its reasonable endeavours to attract sponsorship and advertising for the Facility, parts of the Facility or activities carried out within the Facility with a view to providing an enhanced service to users of the Facility in accordance with the Access Protocol and/or reducing the level of Annual Revenue Grant Funding provided by the Shareholders.

17.2 The Company will notify the Shareholders, without delay, and the Company will not enter into any agreement or arrangement in relation to that opportunity without the prior written consent of the Shareholders (not to be unreasonably withheld) where that sponsorship or advertising opportunity:

17.2.1 has a value in excess of £50,000 (indexed);

17.2.2 would be likely to generate significant media interest;

17.2.3 would be likely to be to the detriment of a "healthy living" ethos or the reputation of the Company or either Shareholder;

17.2.4 would be likely to contravene any of the principles in the sponsorship and advertising guidance policies from time to time notified by either Shareholder to the Company; and/or

17.2.5 involves any proposal that includes naming rights.

17.3 The Parties acknowledge that the Outdoor Athletics Stand, Track and Field forming part of the Facility has been named the "Chris Anderson Stadium". Any change to the name of the Outdoor Athletics Stand, Track and Field from "Chris Anderson Stadium" will be subject to the Change Procedure.

- 17.4 The Company will, within each Business Plan submission outline in appropriate detail its sponsorship and marketing plan for that period which will align with the Company's strategy and objectives for sponsorship and marketing.

18 Shareholder and sportscotland Branding

- 18.1 The Company shall deploy the Shareholders' branding and the branding of **sportscotland** so as to ensure that suitable prominence is given to the contribution of such parties to the Project as funding partners:

18.1.1 throughout the Facility;

18.1.2 in all promotional or marketing materials developed by or on behalf of the Company in connection with the Facility where such materials are intended to have a lifespan greater than six months; and

18.1.3 on the web-site relating to the Facility (on all web pages where this is practicable); and

- 18.2 The Company shall deploy the Shareholders' branding:

18.2.1 in accordance with the branding guidelines from time to time notified by each Shareholder to the Company; and

18.2.2 in a way which ensures that the funding partners are recognised in an equal way, for example in relation to the size and positioning of branding.

- 18.3 The Company shall secure the approval of each Shareholder (which shall not be unreasonably withheld) and (as and when required) the approval of **sportscotland** prior to the printing of any promotional or marketing materials developed by or on behalf of the Company in connection with the Facility which are intended to have a lifespan greater than six months.

- 18.4 If either Shareholder changes its brand or its branding guidelines it may require the Company to withdraw all materials which utilise the previous logo, but if it does so it shall be liable to the Company for all costs incurred by the Company as a result of withdrawing and re-printing the relevant materials (which liability shall be additional to that Shareholder's liability for Annual Grant Funding).

19 Corporate Activities

- 19.1 The Parties acknowledge that although the Facility is a community facility (with the main focus being on providing community based activities) opportunities will arise for corporate business sector activities to take place within the Facility.

- 19.2 The Company shall ensure that where there is an excess of demand for a particular activity or area, including during peak demand times, bookings for corporate activities will be limited to no more than

10% of the available booking time (peak and off peak) for that activity or area whilst such excess demand persists.

19.3 Where there is no such excess demand, the Company may accept bookings for corporate activities without limit.

19.4 For the purpose of Clause 19.5 a "corporate membership" means a membership for the Facility which is taken out for the benefit of an individual who is employed by or works for a company (or other corporate entity) where that company or entity has negotiated access to ASV.

19.5 With the exception of any corporate membership package(s) provided for the Shareholders and notwithstanding Clauses 19.2 and 19.3, the Company shall ensure that the number of corporate memberships for the fitness suite will not exceed 10% of the overall number of memberships available.

20 Memberships

20.1 The Company shall monitor and report on usage of its facilities by all membership categories, and shall develop and ensure the implementation of robust membership procedures and systems to reduce the potential for fraudulent or unauthorised use of the Facilities.

20.2 The Company shall ensure that the following cards are accepted (and, subject to technical compatibility, shall ensure that the leisure management system used in connection with the use of the Facility accepts) as valid membership cards for the Facility:

20.2.1 Council staff identification cards;

20.2.2 "Accord" cards issued by the Council (or equivalent);

20.2.3 University staff identification cards; and

20.2.4 Student identity cards issued by the University.

21 Best Practice

21.1 The Company shall operate the Facility and provide the Services in accordance with:

21.1.1 all applicable law and regulations;

21.1.2 all relevant Standards; and

21.1.3 Good Industry Practice (including any guidance issued by The British Standards Institute, Health and Safety Executive, Quest, and recognised industry advisory organisations e.g. CIMSPA).

21.2 The Company shall ensure that it has in place all appropriate policies and procedures. These policies and procedures should include those listed in Part 2 of the Schedule, with all policies and procedures to be reviewed regularly as indicated in that Part of the Schedule.

22 Lifecycle Analysis and Lifecycle Reserve Account

22.1 The Company shall make provision for an amount to be applied in each Contract Year to a Lifecycle Reserve Account to be maintained for expenditure which is likely to be required for the periodic replacement or refurbishment of the fabric, buildings, plant, equipment and sports surfaces at the Facility in the period prior to the Contract End Date.

22.2 The Company shall develop an appropriate reporting methodology for the conduct of associated condition surveys. This will ensure that ongoing lifecycle analysis and calculation of the necessary Lifecycle Reserve Account provision is considered and reported annually as part of the Business Plan.

22.3 The Company can only utilise the sums set aside in the Lifecycle Reserve Account for items envisaged as part of 22.1 unless specific written agreement is obtained from the Shareholders.

22.4 The Parties acknowledge that the Business Plan for each Contract Year must include an appropriate allowance for day to day planned and reactive maintenance, in addition to the provision for the Lifecycle Reserve Account.

22.5 For the first Contract Year, the Company will apply an amount to the Lifecycle Reserve Account equivalent to 1% of the capital cost of the Facility. In subsequent years it is anticipated that the amount applied will be at least equivalent to 1% of the capital cost of the Facility or will be informed by the condition survey of the Facility's assets and expected replacement schedule.

22.6 The Company should invest the sums held in the Lifecycle Reserve Account in a major clearing bank, and no more than £5m in any one bank.

22.7 This reserve will not be used for any other purposes than the above, without the agreement of both Shareholders.

23 Operating and Maintenance Manuals

23.1 The Company will maintain and comply with all operating and maintenance manuals which have been produced by third parties for the components of the Facility.

23.2 The Company will develop operating and maintenance manuals for any design elements, systems or materials which are critical to the long-term quality and performance of the Facility and to the extent that no operating and maintenance manuals have been produced by third parties.

24 General Maintenance and Operations Obligations

24.1 The Company shall operate and maintain the Facility throughout the term of this Agreement:

24.1.1 in accordance with all applicable law and regulations;

24.1.2 in accordance with all relevant Standards;

24.1.3 in accordance with Good Industry Practice;

24.1.4 so as to maintain the design intention of the Facility to achieve its full working life; and

24.1.5 so as to fulfil the maintenance and handback requirements set out in the Lease referred to in Clause 8 of the Joint Venture Agreement.

25 Maintenance

25.1 The Company shall produce annually a facility maintenance schedule and shall ensure that:

25.1.1 planned and reactive maintenance, inspection and repair activities are carried out by appropriately trained and competent personnel, and in accordance with the timescales set out in the facility maintenance schedule;

25.1.2 maintenance, inspection and repair activities are carried out in such a way as to minimise any adverse effect on the enjoyment of customers of the Facility and reduce the risks to their health or safety to the level which is as low as is reasonably practicable;

25.1.3 specialist surfaces and equipment are inspected and maintained in accordance with manufacturers' instructions and a suitably qualified contractor is employed to carry out the specialist inspections and maintenance in relation to the synthetic pitches forming part of the Facility; and

25.1.4 a comprehensive condition survey for the Facility is carried out on a five-yearly basis throughout the duration of this Agreement.

25.2 The Company's obligations in this Clause 25 are without prejudice to its obligations under Clause 24.

26 Cleaning

26.1 The Company shall:

26.1.1 ensure that the level of cleanliness throughout the Facility is kept to a standard as defined by the Health & Safety Executive's most recent guidance for sports and aquatic facilities;

26.1.2 ensure that high standards of hygiene are maintained in areas where hygiene is critical;

- 26.1.3 ensure that periodic hygiene tests are carried out by a specialist and action taken immediately on any recommendations provided;
 - 26.1.4 follow a planned and documented cleaning regime, with an evidenced process of review; and
 - 26.1.5 incorporate scrutiny of perceived standards within its programme of customer surveying.
- 26.2 The Company's obligations in this Clause 26 are without prejudice to its obligations under Clause 24.

27 Health and Safety

- 27.1 The Company shall develop a comprehensive health and safety policy which shall set out as its overarching aim to control, or avoid, risks to the health and safety of employees, customers, and anyone visiting or working within the Facility.
- 27.2 The Company shall ensure that all employees and directors are aware of their responsibilities in relation to the Health & Safety at Work Act 1974, and all other relevant health and safety legislation, including legislation relating to fire safety.
- 27.3 The Company shall comply, and shall ensure that all employees of the Company comply, with the Health & Safety at Work Act 1974, and all other relevant health and safety legislation, including legislation relating to fire safety.
- 27.4 The Company shall ensure that its risk assessment and risk management procedure developed pursuant to Clause 16 incorporates a comprehensive risk analysis, with the objective of effectively identifying and minimising all hazards arising from the Facility and activities taking place within the Facility.
- 27.5 The Company shall ensure that all employees receive appropriate health and safety information and training.
- 27.6 Where new services or activities are introduced, the Company shall undertake detailed risk assessments, and update its risk assessment and risk management procedure as appropriate in accordance with Clause 16.

28 TUPE

- 28.1 The Parties acknowledge that the contracts of employment of a number of persons transferred under the TUPE regulations from the University to the Company. Details of those individuals are retained separately.

29 Staff Training and Development

- 29.1 The Company shall develop, and ensure compliance with, induction procedures for new employees which shall include:
- 29.1.1 all items in the health and safety policy, Normal Operating Procedures and Emergency Action Plans;
 - 29.1.2 all relevant policies and procedures; and
 - 29.1.3 all duties and responsibilities required to be undertaken by the individual to perform their job effectively.
- 29.2 The Company shall ensure that the training and development needs of employees are assessed and addressed by line managers on a regular basis.
- 29.3 The Company shall take reasonable steps to ensure that each employee has the appropriate qualifications, experience and skill-set to perform their role to the highest standard.
- 29.4 The Company shall ensure that all employees place the highest priority on providing an excellent standard of customer service.
- 29.5 The Company shall ensure that all employees are recognisable as employees of the Facility while on duty (including by provision and required use of suitable clothing and identity badges to employees) and present an excellent image at all times while within the vicinity of the Facility (including whilst off duty).
- 29.6 The Company will develop its staffing structure for the Facility to reflect the priority of improving health, inclusion and education. The Company will at all times employ a sports development manager with an overarching remit to address the priority of improving health, inclusion and education, and a team to support that manager, each with a specific remit to focus on particular areas including children and young people, schools and local community clubs, hard to reach groups and older people.

30 Insurance

- 30.1 The Company shall maintain with established and reputable insurers adequate and appropriate insurance against all risks usually insured against by companies carrying on the same or a similar business to the Company including, but not limited to, the insurances listed in Part 4 of the Schedule.
- 30.2 The Company shall provide evidence that the insurances required by Clause 30.1 are in place (and that the relevant premia have been paid) upon request by either Shareholder.

31 Licenses

- 31.1 The Company shall ensure that it has in place appropriate sporting and other appropriate licences to enable it to operate the full range of facilities provided.

32 Inspection

- 32.1 The Company shall allow representatives of the Shareholders (and their invitees, including representatives of **sportscotland**) to inspect the Facility at any reasonable time.
- 32.2 The Shareholders reserve the right to request independent audits of financial or other controls within the Company which may include the Shareholders' own auditors being asked to undertake assurance reviews.

33 Quality Management Systems

- 33.1 The Company shall apply for and maintain a registration with an appropriate Quality Management System for sports management and sports development. The system will be used as a reference for setting up and operating of relevant procedures in recognition of its endorsement by **sportscotland**.
- 33.2 The Company shall, after achieving accreditation, work continually to improve its performance.

34 Investors in People

- 34.1 The Company shall apply for and maintain a registration with the Investors in People standard scheme (the "IIP Scheme"), and shall properly utilise the IIP Scheme as a reference for setting up and operating relevant procedures in line with the best practice as indicated by the IIP Scheme.
- 34.2 The Company shall, after achieving accreditation, use its reasonable endeavours continually to improve its performance against the IIP Scheme guidance and parameters.

35 Other Accreditations

- 35.1 The Company may elect to propose or utilise additional accreditation schemes which evidence use of validated external review to demonstrate basic qualitative competencies in facility operation and customer care on a consistent basis.

36 Pricing

- 36.1 The Company shall develop a policy for the setting of prices, discounts and maximum charges for the use of the Facility (the "Pricing Policy") and in line with the provisions in Clause 18.5.1 in the Joint Venture Agreement.
- 36.2 The Pricing Policy, and any changes to it, will be subject to the Change Procedure.

- 36.3 A draft of the Pricing Policy for each Contract Year other than the first Contract year must be produced by the Company no later than 3 months prior to the start of that Contract Year.
- 36.4 If any changes to the Pricing Policy are proposed by the Company during a Contract Year, a draft of the revised Pricing Policy must be produced by the Company no later than 3 months prior to the date on which the changes are proposed to take effect.
- 36.5 The Company acknowledges that the Shareholders may consult with **sportscotland** on the Pricing Policy, and that the comments of **sportscotland** may form part of the Change Procedure.
- 36.6 In developing the Pricing Policy, the Company shall as far as reasonably practicable ensure that the prices for use of the Facility are in line with other public service providers in the City of Aberdeen and regional and national providers of facilities similar to the Facility. The Company shall only be entitled to depart from this requirement if:
- 36.6.1 the facilities provided by the Facility are significantly better than those provided in the comparator facilities; or
 - 36.6.2 for sound business reasons the Company requires to price activities at a higher or lower level to ensure the Company meets its Business Plan targets and remains financially viable.

37 Environmental Policy

- 37.1 The Company shall develop, and ensure compliance with, a comprehensive Environmental Policy which shall set out its policy on minimising the impact on the environment of the activities of the Company (the "Environmental Policy").

38 Asset Register

- 38.1 The Company shall develop and maintain a register of all moveable assets with a value in excess of £5000.
- 38.2 The Company acknowledges the consent requirements for asset disposals which are set out in the Joint Venture Agreement.
- 38.3 The Company shall maintain a record of the value of all of its assets. The Company shall produce a report to be issued to the Shareholders in line with the production of the Company's annual accounts, which summarises the asset register and asset values as at the end of that Contract Year.

39 Children and Vulnerable Adults

- 39.1 The Company shall develop, and shall ensure compliance with, a comprehensive Child and Vulnerable Adults Protection Policy which is in line with the requirements of the most recent legislation in respect of this issue. In particular, the Company shall ensure that all relevant personnel and

volunteers shall have been subjected to appropriate Protection of Vulnerable Groups ("PVG") checks. Any personnel who have not undergone appropriate PVG checks must not undertake any work or otherwise come into contact with Vulnerable Groups until such time as the necessary PVG check has been completed.

- 39.2 The Company shall ensure that all employees and volunteers receive appropriate training in accordance with the Child and Vulnerable Adults Protection Policy.

40 Increasing Participation

40.1 The Company shall throughout the term of this Agreement work with relevant third parties including **sportscotland** and sports governing bodies and organisations to increase the participation in sport and physical activity by the people of Aberdeen, in line with the aims of the City of Aberdeen's Sport and Physical Activity Strategy.

40.2 The Company shall use all reasonable endeavours to develop formal access agreements with sports governing bodies with links to the Facility and with the **sportscotland** Institute of Sport (Grampian). Any proposed access agreements (or changes to them) will be made available to the Shareholders on request.

40.3 The Company shall work with the Shareholders and relevant third parties to determine city-wide and local requirements, with a view to identifying and seeking to fill gaps in current provision in respect of individual facilities and sports services, whilst having regard to the specific capacities of the Facility.

40.4 The Company shall appropriately target local residents in any recruitment activities.

41 Quality Systems for Sports Development

41.1 The Company shall, on an ongoing basis, encourage sports clubs operating within the Facility to adopt good practice operating arrangements. The Company shall, as appropriate and at least annually, facilitate this, in conjunction with governing bodies, by providing clubs using the Facility with:

41.1.1 details of appropriate club accreditation schemes;

41.1.2 examples of good practice in club administration and governance, including in the protection of children and vulnerable adults;

41.1.3 appropriate support with relevant health and safety guidelines;

41.1.4 appropriate levels of support to encourage effective governance and practice.

41.2 The Company shall assist a club in its approach to these matters where the good operating practice of a club will enhance the the Company's activity, in particular where that club is deemed to be integral to the delivery of the sporting strategies of the Shareholders.

41.3 The Company shall, subject to meeting the aims of the annual Business Plan, consider the provision of incentives for sports clubs that achieve appropriate club accreditation and maintain high standards of governance. Such incentives may include priority booking, preferential pricing, and/or enhanced promotional opportunities.

41.4 Where the Company considers that a club is failing to give due consideration to issues such as health and safety or the protection of children and vulnerable adults, and where users of the facility may be at risk, the Company will have the right to suspend that club's use of the Facilities until such time as the Company is satisfied that these issues have been adequately resolved.

42 sportscotland Institute of Sport (Grampian)

42.1 The Company shall provide office space at the Facility (up to 3 desk spaces) to the sportscotland Institute of Sport (SIS) (or equivalent) for as long as both Shareholders remain formal partners of SIS and are represented on the SIS Executive (or equivalent). The Shareholders shall notify the Company if this condition ceases to be met.

42.2 The Company shall require SIS to pay a reasonable charge for telephone costs, photocopying and stationery relating to the use of the office accommodation provided to SIS, but there shall be no additional charge for heating and lighting, rates and other office costs. Any proposed change to this charging arrangement shall be subject to the Change Procedure.

42.3 The Company shall ensure that any sports spaces at the Facility used by the SIS are charged at the appropriate rate, taking into account any relevant discounts.

42.4 The Company shall ensure that individual athletes affiliated to the SIS have free access to:

42.4.1 the fitness suite and performance gymnasium within the Facility; and

42.4.2 other sports spaces of the Facility, provided that this does not adversely affect any bookings taken from other customers and the Company would not incur any significant additional costs in allowing that access.

42.5 The Company shall:

42.5.1 record and quantify all in-kind benefits given to SIS; and

42.5.2 as required, produce a summary report to be issued to the Shareholders within one month of the end of each Contract Year which details the extent and quantification of the in-kind benefits given to SIS during that Contract Year.

43 Delivering Partnerships and Strategies

43.1 The Company shall work with the Shareholders and relevant third parties:

- 43.1.1 to support the delivery of local, regional and national strategies relating to health and exercise; including the City of Aberdeen's Sport and Physical Activity Strategy and the City of Aberdeen's Aquatic Strategy;
- 43.1.2 where a mutual interest in health, fitness and performance exists.
- 43.2 The Company shall proactively seek to deliver the targets and objectives of:
 - 43.2.1 the City of Aberdeen's Sport and Physical Activity Strategy and the City of Aberdeen's Aquatic Strategy; and
 - 43.2.2 the Shareholders' strategies and initiatives for sport, health and wellbeing.
- 43.3 The Company shall maintain active membership of the "Active Aberdeen" community planning forum (or equivalent) ("the Forum"), and shall use its reasonable endeavours to ensure that an appropriate representative of the Company (at chief officer level or equivalent) attends all relevant meetings of the Forum.
- 43.4 The Company will develop and deliver an action plan setting out how it will deliver relevant objectives within the City of Aberdeen's Sport and Physical Activity Strategy and the City of Aberdeen's Aquatic Strategy and/or related strategies (the "Strategies").
- 43.5 The Company will report to the Forum at relevant meetings of the Forum on its performance against its action plan.
- 43.6 The Company shall work with the Shareholders and other relevant third parties to deliver the objectives within the Strategies which require multi-party cooperation and delivery.
- 43.7 The Company will develop a development plan which will set out the Company's strategy for developing links between the Facility and key sports governing bodies, national and regional development plans (where available), and the Council's "active schools" programme.
- 43.8 A draft of the development plan for each Contract Year must be produced by the Company no later than 6 months prior to the start of that Contract Year.
- 43.9 The Company shall establish a range of activities and programmes that will, having regard to Facility capacity constraints, respond to:
 - 43.9.1 the outcomes of Local Community Neighbourhood Planning (or equivalent) consultations/events;
 - 43.9.2 substantive localised demands from particular interest groups identified through the Local Community / Neighbourhood Planning process, including the University population, having specialist cultural, social and health requirements;

- 43.9.3 the Shareholders' corporate strategic objectives for physical activity and sport (as notified to the Company from time to time);
- 43.9.4 national objectives for physical activity and sport as defined in the Single Outcome Agreement and other strategic documentation produced by the Scottish Government and **sportscotland**; and
- 43.9.5 the specific requirements of "hard to reach" groups.

44 Accommodation for Shareholders

- 44.1 The Company shall provide, on an equal basis, appropriate office accommodation, including hot-desking space, within the Facility for:
 - 44.1.1 the University (for use by the Sports Union and Sport and Exercise Team); and
 - 44.1.2 the Council (for use, at the Council's discretion but after consultation with the Company, by regional managers of national governing bodies, clubs, and Council officers).
- 44.2 Any difficulties in accommodating such accommodation shall be discussed with the Shareholders.
- 44.3 Each Shareholder shall pay the Company a reasonable additional charge for telephone costs, photocopying and stationery relating to the use of the office accommodation provided to it, but there shall be no additional charge for heating and lighting, rates and other office costs other than required by HMRC.
- 44.4 The Company shall provide meeting spaces within the Facility for Shareholders without charge, subject to availability and where this will not impact on access to the core activity areas to the public. Any request for the use of meeting space and acceptance of such use by the Shareholders shall be administered by the Company through the Company's facility bookings procedure.

45 Access Protocol

- 45.1 The Company shall develop an access protocol and bookings policy (the "Access Protocol") to ensure that the principles set out in Clause 3 of Part 3 of the Schedule to the Joint Venture Agreement are implemented on a day-to-day basis when accepting and considering requests to book or use the Facility.

46 Communications, Marketing and Media

- 46.1 The Company shall develop a Communications and Marketing Strategy to ensure that the Facility reaches its potential. The Company shall ensure that the objectives of the Communications and Marketing Strategy and action plan aligning with the Strategy are reviewed and reflected within each Business Plan submission.

47 City-Wide Programming and Events

- 47.1 The Company shall produce an Annual Events Strategy and shall work with the Shareholders and other sports providers and facilitators within the City with a view to attracting major national and international sports events to the area. The Company will ensure that the focus of this work is to develop a sporting legacy for Aberdeen before, during and after such events.
- 47.2 The Company shall actively work towards holding four key Scottish National Events (as defined in the City of Aberdeen's Sport and Physical Activity Strategy, the City of Aberdeen's Aquatic Strategy, and by the Active Aberdeen Community Planning forum) on an annual basis.
- 47.3 The Company shall work with the Shareholders and other publicly supported sports providers in the City of Aberdeen to ensure that overall participation in sport and physical activity increases over time, but (subject to meeting the Company's financial targets as set out in the Business Plan) the Company shall not actively market the Facility with the intention or effect of competing for market share with other such sports providers.

48 Engagement and Consultation

48.1 The Company shall:

- 48.1.1 employ systems to provide routine opportunities for customers and stakeholders to feedback comments or suggestions on all aspects of the Company's business, while also continuously and pro-actively seeking feedback on specific aspects of the Company's business as required;
- 48.1.2 respond to customer and stakeholder comments and complaints within the agreed timescale;
- 48.1.3 have regular consultative meetings with National Governing Bodies and/or other sporting partners who are key users of the Company's facilities to ensure effective delivery of the City of Aberdeen's Sport and Physical Activity, and Aquatics Strategies;
- 48.1.4 establish short-life groups as consultation forums through which to discuss the Facility's development, new ideas or activities, programming and pricing, or as an opportunity to focus on specific areas of customer concern;
- 48.1.5 provide regular reports to the Company's Board of Directors and the Shareholders on the nature of consultation activity undertaken and on trends in customer and stakeholder feedback.

49 Quarterly Reviews

- 49.1 The Company shall convene and the Parties shall attend formal review meetings within two months of the end of each Quarter. The purpose of such meetings shall be to assess the Company's performance against this Agreement.
- 49.2 Any issues of non-performance or poor performance ("Failures") by the Company which are identified at the meeting:
- 49.2.1 shall be discussed at the meeting;
 - 49.2.2 shall be logged, with an agreed timescale for completion, if not fully addressed and resolved at the meeting;
 - 49.2.3 if logged, shall be categorised by the Shareholders (acting reasonably) as major and minor having regard to the materiality and impact of the Failure.
- 49.3 All Failures categorised as major must be rectified by the Company in accordance with the timescale agreed between the Parties (each acting reasonably) or, if no agreement is reached, by the next formal review meeting. Should any Failures categorised as major not be so rectified, this shall be reported to a special meeting of the Board, to be convened at the earliest possible date (and in any event within 4 weeks of the relevant formal review meeting).
- 49.4 All Failures categorised as minor must be rectified by the Company in accordance with the timescale agreed between the Parties (each acting reasonably) or, if no agreement is reached, by the second formal review meeting held after the Failure was first discussed. Should any Failures categorised as minor not be so rectified, this shall be reported to the next available Board meeting.

50 Commencement and Duration

- 50.1 This Agreement and the Parties rights and obligations hereunder shall take effect on the Commencement Date and, save as otherwise provided in this Agreement, shall continue in full force and effect until the Contract End Date whereupon the Agreement shall terminate without the necessity of notice of termination being given to or by any Party.

51 Termination

- 51.1 Subject to Clause 51.2, this Agreement may not be terminated prior to the Contract End Date by any Party.
- 51.2 In the event that the Joint Venture Agreement is terminated prior to the Contract End Date, this Agreement shall automatically terminate on the same day.

52 Shareholder Consent

- 52.1 Where this Agreement provides that any particular transaction or matter requires the consent, approval or agreement of either Shareholder such consent, approval or agreement may be given subject to such terms and conditions as that Shareholder may impose provided however that any such terms or conditions shall be stipulated by the relevant Shareholder in good faith having due regard to the spirit and intent of this Agreement.

53 Enforcement of the Company's Rights

- 53.1 Notwithstanding anything to the contrary contained in any Project Document, if it appears that the A Shareholder (in whatever capacity) is in breach of any obligation which it owes to the Company under this Agreement or has misapplied or retained or become liable or accountable for any money or property of the Company, or has been guilty of any misfeasance or breach of trust in relation to the Company then it is agreed that the prosecution of any right of action of the Company in respect thereof shall be passed to the B Directors who shall have full authority on behalf of the Company to negotiate, litigate, settle any claim or exercise any right of termination arising therefrom.
- 53.2 Notwithstanding anything to the contrary contained in any Project Document, if it appears that the B Shareholder (in whatever capacity) is in breach of any obligation which it owes to the Company under this Agreement or has misapplied or retained or become liable or accountable for any money or property of the Company, or has been guilty of any misfeasance or breach of trust in relation to the Company then it is agreed that the prosecution of any right of action of the Company in respect thereof shall be passed to the A Directors who shall have full authority on behalf of the Company to negotiate, litigate, settle any claim or exercise any right of termination arising therefrom.

54 Confidentiality and Freedom of Information

- 54.1 Subject to Clause 54.3,

54.1.1 each Shareholder shall at all times keep confidential and shall not disclose to any third party any information of a confidential nature supplied to it by the other Shareholder; and

54.1.2 the Company shall at all times keep confidential and shall not disclose to any third party any information of a confidential nature supplied to it by a Shareholder,

in each case in relation to the subject matter of this Agreement, including the terms of this Agreement.

- 54.2 For the purposes of Clause 54.1 the Parties agree that the fact that any information is marked or otherwise designated as confidential shall not of itself be sufficient to attribute to that information the necessary quality of confidentiality.

- 54.3 Notwithstanding Clause 54.1, a Party shall be entitled to disclose any information supplied by any other Party:

- 54.3.1 with the consent of that other Party;
 - 54.3.2 to the extent required by law, including the Information Legislation;
 - 54.3.3 for the purpose of the preparation, examination, certification, scrutiny or audit of its accounts;
 - 54.3.4 to its professional advisers and consultants who require disclosure of such information to carry out their duties as professional advisers or consultants; or
 - 54.3.5 to the extent that the same has become generally available to the public otherwise than as a result of a breach of this Clause 54 by the Party seeking to disclose the information in question.
- 54.4 A Party receiving a request for information under the Information Legislation which relates to this Agreement shall promptly notify the other Parties and shall have regard to any comments made timeously by those other Parties as to how the request should be responded to.
- 54.5 A Party holding information which relates to this Agreement on behalf of another Party shall co-operate with that Party if a request for such information is made under the Information Legislation.
- 54.6 In so far as permitted by law, either Shareholder may disclose to any third party any information obtained from the Company, with the exception of personal data within the meaning of the Data Protection Act 1998.
- 54.7 Where possible, prior the disclosure to any third party of information obtained from the Company, the Shareholder proposing to make the disclosure shall notify the other Shareholder and shall have regard to any comments of that other Shareholder in relation to the proposed disclosure.
- 54.8 The restrictions and rights contained in this Clause 54 shall continue to apply after the termination of this Agreement, without limit in time.

55 Assignment

- 55.1 No Party shall be entitled without the prior written consent of the other Parties to assign or transfer either the benefit or burden of this Agreement or any right or obligation under this Agreement.

56 Voting and Consents

- 56.1 Each Shareholder shall exercise all voting rights and other powers of control available to it as a Shareholder or under this Agreement to procure (so far as each is respectively able by the exercise of such rights and powers):
- 56.1.1 any amendment to the Articles required to give effect to the provisions of this Agreement;
 - and

56.1.2 that at all times during the term of this Agreement the provisions of this Agreement are duly and promptly observed and given full force and effect according to its spirit and intention.

56.2 Any consent given by a Party under any provision of this Agreement shall be effective only in the instance and for the purpose for which it is given and the giving of any such consent in respect of any act or thing shall not operate as a waiver of any requirement on the party to whom the consent is given not to do that or any other act or thing at any time in the future without such consent.

57 Interest on Late Payment

57.1 The parties shall pay interest on any amount payable under this Agreement not paid on the due date, for the period from that date to the date of payment at a rate equal to 4% above the Bank Rate set from time to time by the Bank of England.

58 Invalidity

58.1 If any provision of this Agreement shall to any extent be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby and each of the provisions of this Agreement shall be valid, legal and enforceable to the fullest extent permitted by law.

59 Successors

59.1 This Agreement shall be binding on, and shall enure for the benefit, of any person to whom any right and/or obligation is assigned or transferred pursuant to Clause 55.

60 Good Faith

60.1 Each of the Shareholders undertakes to the other to co-operate in good faith with the other in relation to the implementation of this Agreement.

61 No Partnership

61.1 Nothing in this Agreement shall constitute or be deemed to constitute a partnership between the Shareholders and neither of them shall have any authority to bind the other in any way save as expressly set out herein.

62 Entire Agreement

62.1 This Agreement, together with the Project Documents, constitute the entire agreement between the Parties in connection with the Company and the Project and supersede and extinguish any prior drafts, agreements, undertakings, understandings, representations, warranties and arrangements of

any nature whatsoever, whether or not in writing between the Parties, in relation to the subject matter of this Agreement.

- 62.2 Each of the Shareholders acknowledges and confirms that it has not entered into this Agreement in reliance on any representation, warranty or other undertaking not fully reflected in this Agreement and any warranty, condition or other undertaking implied at law or by custom is expressly excluded.

63 Waiver

- 63.1 Each of the Parties irrevocably and unconditionally waives any right or remedy it may have to claim damages or to rescind this Agreement by reason of any misrepresentation (other than a fraudulent misrepresentation) having been made to it by any person (whether party to this Agreement or not) and on which it has relied in entering into this Agreement.

64 Liability for Fraud

- 64.1 Nothing in this Agreement operates to exclude any liability or remedy for fraud.

65 Rights of Third Parties

- 65.1 Each Party confirms that it is entering into this Agreement for its own benefit and not for the benefit of any other person. A person who is not a Party to this Agreement has no rights under the principle of *jus quaesitum tertio* or otherwise to enforce, or to enjoy the benefit of, any term of this Agreement.
- 65.2 Notwithstanding any provision of this Agreement, the Parties do not require the consent of any third party to rescind or vary this Agreement.

66 Amendments, Waivers and Remedies

- 66.1 No amendment or variation of this Agreement shall be effective unless it is in writing and signed by or on behalf of each of the Parties.
- 66.2 The rights of each Party under this Agreement:
- 66.2.1 may be exercised as often as necessary;
 - 66.2.2 are cumulative and not exclusive of its rights under the general law; and
 - 66.2.3 may be waived only in writing and specifically.
- 66.3 Delay in exercising or non-exercise of any right under this Agreement is not a waiver of that right.
- 66.4 Any right of rescission conferred upon a Party by this Agreement shall be in addition to and without prejudice to all other rights and remedies available to it.

67 Notices

67.1 Any notice to be given under, or in connection with the matters contemplated by, this Agreement shall be in writing and signed by or on behalf of the Party giving it and shall be served by delivering it personally or sending it by pre-paid recorded delivery or registered post to the address and for the attention of the relevant party set out below (or as otherwise notified by that party hereunder). Any such notice shall be deemed to have been received:

67.1.1 if delivered personally, at the time of delivery; and

67.1.2 in the case of pre-paid recorded delivery or registered post, 48 hours from the date of posting,

provided that if deemed receipt occurs before 9am on a "Business Day" (Working Day) the notice shall be deemed to have been received at 9am on that day and if deemed receipt occurs after 5pm on a business day, or on a day which is not a Business Day, the notice shall be deemed to have been received at 9am on the next Business Day.

67.2 Any notice served on the Company by a Shareholder shall not be validly served unless, at the same time, a copy of that notice is served on the other Shareholder.

67.3 In proving receipt of any notice given under this Agreement, it shall be sufficient to show:

67.3.1 that personal delivery was made; or

67.3.2 that the envelope containing the notice was properly addressed and posted as a first class pre paid letter.

67.4 The addresses of the Parties for the purposes of this Clause 67 are:

67.4.1 Aberdeen Sports Village Limited

Address: Linksfield Road,

Aberdeen, AB24 5RU

For the attention of: the Directors

67.4.2 The University Court of the University of Aberdeen

Address: King's College,

Aberdeen, AB24 3FX

For the attention of: The University Secretary

67.4.3 Aberdeen City Council

**Address: Marischal College, Broad Street,
Aberdeen, AB10 1AB**

For the attention of: The City Solicitor

or such other address in the United Kingdom as may be notified in writing from time to time by the relevant Party to the other Parties.

67.5 For the avoidance of doubt, notice given under this Agreement shall not be validly served if sent by e-mail or fax.

68 Announcements

68.1 Subject to Clause 68.2, no Party shall issue any public document or statement containing or otherwise disclosing to any person who is not a Party, information which relates to or is connected with or arises out of this Agreement or the matters contained in it (including, for the avoidance of doubt, the fact that the Parties have entered into this Agreement), without the prior written consent of the other Parties (such consent not to be given subject to unreasonable conditions or unreasonably withheld or delayed) as to its content and the manner, timing and extent of its publication.

68.2 The provisions of Clause 68.1 shall not apply to disclosure of matters required to be made:

68.2.1 by any court, legal or regulatory authority competent to require the same; or

68.2.2 by any applicable law or regulation.

69 Survival on Termination

69.1 The termination of this Agreement shall not affect any of the following:

69.1.1 the rights or liabilities of any Party accrued prior to and including the date of termination; or

69.1.2 the continued existence and validity of the rights and liabilities of the Parties under those clauses which are intended expressly or by implication to survive termination or expiry and any other provisions of this Agreement necessary for its interpretation or enforcement.

70 Notification of Publicity

70.1 The Company shall notify the Shareholders as soon as reasonably practicable as to any significant publicity or potential publicity (both negative and positive) in relation to the Company or the Facility.

71 Governing Law and Jurisdiction

71.1 This Agreement shall be governed by and construed in accordance with the law of Scotland.

71.2 Each party hereby irrevocably submits to the exclusive jurisdiction of the Scottish Courts as regards any claim, dispute or matter arising out of or in connection with this Agreement and its implementation and effect.

IN WITNESS WHEREOF this Agreement is executed as follows:

SIGNED for and on behalf of ABERDEEN SPORTS VILLAGE LIMITED

at ABERDEEN on 21/10/2015


by  Director
 Director

George Kenneth Yule Full Name

MICHAEL GRAVES Full Name

JANET GRIFFITHS Full Name

ABERDEEN SPORTS VILLAGE, AB24 5RU Address

Witnessed by: 
on: 21.10.15

SIGNED for and on behalf of THE UNIVERSITY COURT OF THE UNIVERSITY OF ABERDEEN

at UNIVERSITY OF ABERDEEN on 13 OCTOBER 2015


by  University Secretary
 University Court

CAROLINE INGLIS Full Name

JEREMY KILBURN Full Name

FRASER LOVIE Full Name

KING'S COLLEGE, ABERDEEN AB24 3FX Address

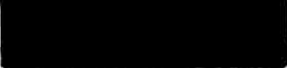
Witnessed by: 
on: 13.10.15

SIGNED for and on behalf of ABERDEEN CITY COUNCIL

at ABERDEEN on 13TH NOVEMBER 2015

by  Proper Officer

PAMELA MARY BURNSIDE Full Name

Witnessed by: 

Richard Hempstead Full Name

on: 13th November 2015

Marschal College
Broad Street, Aberdeen
AB10 1AS Address

This is the Schedule referred to in the foregoing Operating Agreement among Aberdeen Sports Village Limited, the University Court of the University of Aberdeen, and Aberdeen City Council.

SCHEDULE

PART 1: CHANGE PROCEDURE

1 Introduction

- 1.1 This Change Procedure applies if any document, decision, proposal, requirement or process is referred to as being subject to it.
- 1.2 In this Change Procedure, the document, decision, proposal, requirement or process is referred to as the "Review Item".
- 1.3 The Shareholder or the Company in proposing the amendment to the Review Item is referred to as the "Proposer". The other parties are referred to as the "Respondents".

2 Instigation

- 2.1 Either Shareholder or the Company may propose an amendment to the Review Item.
- 2.2 Any amendment proposed to the Review Item must be reasonable.

3 Shareholder Engagement

- 3.1 The Shareholder Respondent must act reasonably in considering whether to agree the amendment to the Review Item.
- 3.2 The Shareholder Respondent must, as soon as reasonably practicable, communicate to the Proposer its decision on the proposed amendment to the Review Item of the proposal being made.

4 Company Engagement

- 4.1 To the extent relevant, a Shareholder Proposer should invite the Company to consult in respect of the Review Item.
- 4.2 If invited to consult, the Company must communicate any comments to the Shareholders within ten Working Days of the invitation.

5 sportscotland Engagement

5.1 To the extent relevant, the Proposer should invite **sportscotland** (or its successor) to consult in respect of the Review Item.

6 Finalisation and Implementation

6.1 If the Respondents agree on any amendment to the Review Item, having had regard to any reasonable comments of the Company and **sportscotland**, they will notify the Proposer of the agreed change and the date from which the Company is to make the change (which shall be consistent with any date specified in the Clause of this Agreement which refers the relevant Review Item to this Change Procedure).

6.2 The Company (and the Shareholders, to the extent relevant) shall comply with the requirements of the amended Review Item from the date specified in the notice of the change.

SCHEDULE

PART 2: POLICIES AND PROCEDURES

Policy or Procedure	Review Date
Operations	
Health and Safety Policy	Annually
Risk Management Procedures	Annually
Normal Operating Procedures (including sections on accidents and first aid, inspection procedures, COSHH, display screen equipment, electricity, manual handling, lone working, working at height, plus other sections as relevant to the Facility)	Annually
Emergency Action Plan	Annually
Business Continuity Plan	Annually
Child and Vulnerable Adult Protection Policy	3 yearly
Environmental Policy	3 yearly
Management	
Financial Regulations	2 yearly
Expenses and Benefits Policy	3 yearly
Access & Lettings Protocol	3 yearly
Pricing Policy	Annually
Membership Procedures	3 yearly
Benchmarking Policy	3 yearly
Procurement Policy	3 yearly
Documentation Retention Policy	3 yearly
Data Protection Policy	3 yearly
Human Resources	
Disclosure Scotland	3 yearly
Staff Induction	3 yearly
Discipline	3 yearly
Grievance	3 yearly
Annual Leave	3 yearly
Probation	3 yearly
Internet and email / information security	3 yearly
Bullying / harassment	3 yearly
Equality / discrimination	3 yearly
Recruitment and Retention	3 yearly

SCHEDULE

PART 3: PERFORMANCE INDICATORS AND MANAGEMENT INFORMATION

Performance Indicators	Report
A Recovery rate (Income/expenditure)	Quarterly
B Income (£/m2)	Quarterly
C Total membership (inc. new members, attrition)	Quarterly
D Membership by category	Quarterly
E Total throughput/admissions (by activity type)	Quarterly
F User profiles (demographics/age/sex/students, etc)	Annual
G Members usage vs. 'pay & play' usage	Annual
H Subsidy per admission	Quarterly
I Staff costs as % of gross income	Quarterly
J Staff costs as % of gross expenditure	Quarterly
K Staff costs as % of net financial position	Quarterly
L Staffing levels (FTE)	Annual
M Staff absence/turnover/accidents	Quarterly
N User accidents/incidents (inc. all reportable accidents)	Quarterly
O Utilisation (% of space available)	Annual
P Hours open (% of hours advertised)	Annual
Q Carbon Footprint	Annual
R Annual Energy Consumption (kWh/m2)	Annual
S Annual Operating Costs (£/per m2)	Annual
T Marketing Expenditure Ratio (% of net expenditure)	Annual
U Income per Marketing Spend	Annual
V Spend per admission	Annual

Management Information	Schedule
------------------------	----------

Strategic	
Strategic Plan (including organisational Strategic Objectives)	Annual
Business Plan (including 3 year plan and detailed 1 year financial plan)	Annual
Skills Matrix (ASV Board) (to be reviewed as vacancies arise)	Three Years

Financial	
Annual Audited Accounts (within 9 months of year end)	Annual
Management Accounts	Quarterly
Reserves Strategy	Annual
Asset Register and Inventory of Equipment	Annual

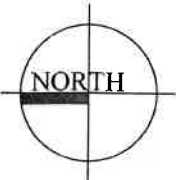
Operational	
Performance Reports	Quarterly / Annual
Charging Schedule	Annual
Opening Hours	Annual
Usage Report (including user profile; individual, corporate, club, school usage; member and pay and play usage)	Quarterly Sample + Annual Report
Customer Comments / Complaints Analysis	Quarterly / Annual
Health and Safety Report	Quarterly / Annual
Communication and Marketing Strategy	Annual
Events Strategy	Annual
Sports Development Plan	Annual
Partnerships Development Plan and Action Plan	Annual
Quality Management System (and Outcomes)	Annual

Facilities	
Facility Maintenance Schedule	Annual
Building Condition Survey	Five Years
Capital and Maintenance Spend / Insurance Replacement Value	Annual

SCHEDULE

PART 4: REQUIRED INSURANCES

Employers' Liability
Buildings Insurance
Contents Insurance
Public Liability
Directors and Officers Liability



SCHEDULE
PART 6: SITE MAP

DUNGAN F. SUGLAK

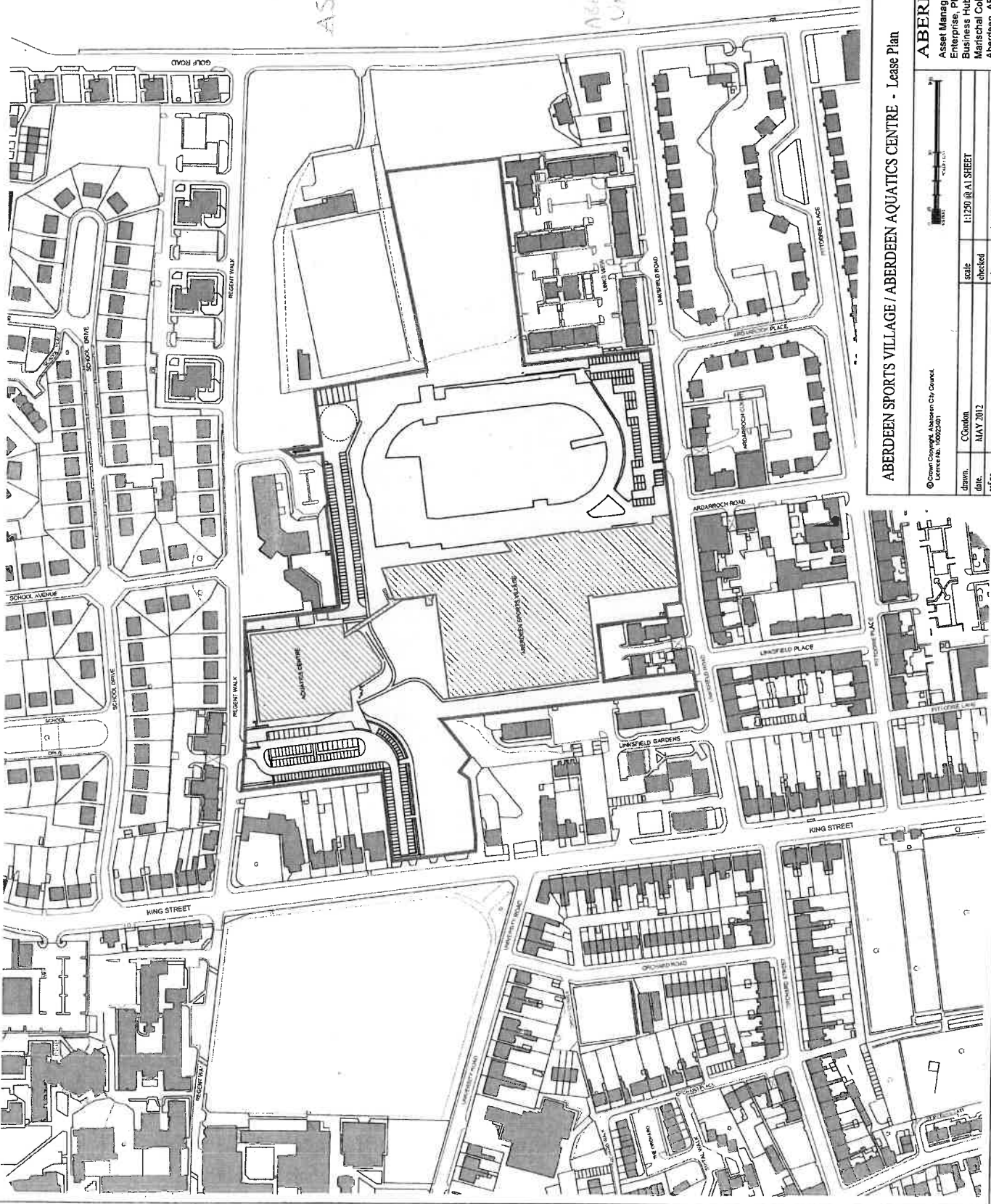


ASV-

Area of ground outlined red and
coloured pink = 82,401m² or thereby.
(8.24 Hectares or thereby)



ACC



ABERDEEN SPORTS VILLAGE / ABERDEEN AQUATICS CENTRE - Lease Plan

© Crown Copyright, Aberdeen City Council License No. 100220451			
Scale	1:1250 @ A1 SHEET	Checked	Ref. No.
Drawn	CCOdon	Checked	0124-523080
Date	MAY 2012		

ABERDEEN CITY COUNCIL
Asset Management & Operations
Enterprise, Planning & Infrastructure
Business Hub 10, Second Floor South
Marischal College, Broad Street
Aberdeen, AB10 1AB




SUMMARY OF SERVICE LEVEL AGREEMENTS
BETWEEN THE UNIVERSITY AND THE ABERDEEN SPORTS VILLAGE
(Updated November 2013)

SLA	Activity	Current value	Proposed value <i>(from 1/08/13)</i>
Estates	Security Electrical and mechanical trades Maintenance call-outs Grounds Grounds for "special events" Snow clearing/gritting Management and supervisory services		
Finance	Accounts Payable Financial accounting Payroll Planning Systems TOTAL:		
IT Services	Leisure management and finance system IT Services support Telephony Media Services		
Campus services	Catering service / support (actual costs to be borne by ASV)		
Human Resources	General advice Access to CPD courses		
Health and Fitness	staff and music costs		

General Health & Safety & Fire safety advice	<p>Advice support on general H & S issues and fire safety to ASV local Health & Safety Adviser as required.</p> <p>Attendance at University H & S training courses (where spaces available)</p>	

(Signed).....  For University of Aberdeen

(Date)..... 6.1.14

(Signed).....  For Aberdeen Sports Village

(Date)..... 22/11/13

Appendix 1:

ASV SERVICE DEFINITION 2013

<p>IT Services</p>	<p>Leisure Management and Finance System</p> <ul style="list-style-type: none"> • Hosting of XN Dimension on servers, maintenance of these servers and resilience of service • Advice on the interface between Dimension and the student/staff database in accordance with the data sharing agreement • Advice on the integration of student and staff ID cards with the Dimension system • Sage 200 and Albany ePAY BACS, application hosting on specified VM servers with agreed operating system. Software application upgrades to be agreed with IT Services and managed by application suppliers. VM and operating system patching and upgrades to be managed by IT Services • Backup of data disks as per IT Services agreed policy. ASV responsibility to ensure that the data is in a consistent state 	<p>Standard University services defined in Service Catalogue</p> <p>In the event of a disaster an alternative VM server will be available for supplier install and recovery in 72 hours</p> <p>Requests for additional storage/memory/processing will be actioned within 48 hours</p> <p>Requests to restore data during normal operations will be actioned in 48 working hours and following a disaster 96 working hours</p>
	<p>IT Services support</p> <ul style="list-style-type: none"> • Access to University network, servers, data storage and back up for ASV data • Provision of wired and wireless Internet access, including configuration and on-going operation • Creation and maintenance of separate email domains relating to ASV • Management of ASV email with regards to addresses and storage allocation • Support of ASV desktop computing resources • IT Service desk support for all IT related queries • Provision of printing, copying and scanning capability through managed MFD devices 	<p>Standard University services defined in Service Catalogue</p> <p>90% of urgent queries resolved within 1 working day and routine queries within 3 working days</p>
	<p>Telephony</p>	<p>Standard University services defined in Service Catalogue</p>

	<ul style="list-style-type: none"> • Provision of desktop and mobile telephony services, obtaining best configuration/coverage/cost • Support for telephone exchange and reception telephony services 	
	<p>Media Services</p> <ul style="list-style-type: none"> • Advice on procurement, setup and operation of AV & PA systems, which include Onelan, IPTV, PA and music systems • Supplier negotiations and liaison during fault resolution • AV operational support 	<p>Standard University services defined in Service Catalogue</p>

* IT Service and maintenance support to be provided, but actual costs to be borne by ASV.

Appendix 2:

ASV Health and Safety Agreement 2013-14


Mr D Beattie
Chief Executive
Aberdeen Sports Village

Dear Mr Beattie

This letter records the main elements of the agreement between the University of Aberdeen and Aberdeen Sports Village (hereinafter ASV) regarding the health and safety management arrangements of ASV.

- 1 Students and members of staff of the University may use facilities provided by ASV and engage in activities organised by ASV. The relationship between the University and ASV is such that the University needs to be assured that ASV's standards of health and safety and the arrangements that ASV has in place for the management of health and safety are acceptable to the University.
- 2 ASV has requested that the University should provide it with a health and safety advisory service. The service will be provided by the University Safety Adviser and his team. In the course of providing those services, the University Safety Adviser may become aware of deficiencies in ASV's health and safety arrangements. ASV has acknowledged that the University Safety Adviser has a responsibility to bring any such deficiencies to the attention of relevant University managers immediately if, in the opinion of the University Safety Adviser, the matters are sufficiently serious.
- 3 The University Safety Adviser is also required by the University to monitor the health and safety performance of ASV and to report the findings to the University. The monitoring will be carried out in ways and at frequencies which, in the University Safety Adviser's opinion, are proportionate to the risks arising from ASV's activities and which are appropriate in the light of its previous health and safety performance. In carrying out the monitoring, the University Safety Adviser will be entitled to make use of any information gathered in the course of providing the health and safety advisory service to ASV.
- 4 If deficiencies are identified in ASV's health and safety performance, the University and ASV will agree how those deficiencies should be addressed in timescales which are proportionate to the risks.

Yours sincerely

(Signed)  For University of Aberdeen

(Date)..... 6.1.14

(Signed)  For Aberdeen Sports Village

(Date)..... 22/1/13

UNIVERSITY
OF ABERDEEN

ABERDEEN SPORTS VILLAGE

SERVICE LEVEL AGREEMENT
(ESTATES)

CONTENTS

1. Period of Agreement
2. Services Provided
3. Monitoring & Reviewing
4. Liaison
5. Call out Procedure
6. Contractors
7. Costs
8. Payment

1. Period of Agreement

The agreement will commence on 01st April 2015. Unless advised to the contrary the agreement will be deemed to continue for 3 years.

2. Services Provided

Maintenance

The agreement shall include for work associated with day to day reactive and planned preventative maintenance of the facility and its services. Project work and surveys for project work are not included in this service. For the purpose of this SL, day to day maintenance is defined as 'sensible and practical repair, on a like for like basis, for preservation, protection, repair and upkeep of the buildings'

The service provider will use reasonable endeavours to provide the following building maintenance;

- Ensure that all elements of the facility, building services and utilities are fully operational
- Ensure that repairs to damage of the building fabric and services is delivered through a responsive maintenance service, with emergency assistance available 24 hours per day, 365 days per year
- Ensure regular inspection of all elements of the fabric, finishes and building services
- Ensure a rolling programme of planned maintenance, repair and replacement, covering all elements of the structure, fabric, building services and external areas is undertaken
- Ensure that all work undertaken, is at such times and in such a manner, as to comply with all relevant statutory requirements, manufacturers instructions and recommendations, best industry practice, and, cause the minimum risk of injury or damage
- Ensure that all drainage systems are free-flowing and no safety hazards or noxious odours emanate from the drainage system
- Record and report on the results of inspections and testing, report on the progress of any resultant planned and reactive work
- Address any loss of power supply within a scheduled time period and ensure that a plan is in place to deal with emergencies in particular loss of power.

The service provider will use reasonable endeavours to provide the following fixtures, fittings & equipment maintenance;

- Ensure that all fixtures, fittings and equipment provided are fully functional and meet all relevant statutory requirements (excluding sports equipment which will remain the responsibility of ASV)
- Ensure that regular inspection and testing of all fixtures and fittings are in accordance with relevant statutory requirements
- Ensure a rolling programme of planned maintenance and repair of all fixtures fittings and equipment
- Ensure a responsive and user friendly emergency maintenance, repair and replacement service which provides 24 hours per day, 365 days per year
- Ensure that any required non-emergency reactive maintenance and repair is given appropriate priority in order to minimise any health and safety risks and any downtime in respect of non-available facilities (or any specific fixtures, fittings or equipment)
- Ensure that all work is undertaken, is at such a time and in such a manner, as to comply with all relevant statutory requirements, manufacturers instructions and recommendations, best industry practice, and, cause the minimum risk of injury or damage

Item	Description	Response	Resolution
<u>Building Maintenance</u>			
Building/Fabric	Minor building repairs	5 days	14 days
	Structural repairs	5 days	14 days
	Repairs to walls, doors etc	5 days	14 days
General Advice only	Special parts	48 hours	28 days
Doors/Access/Locks	Repairs due to failure of forced entry	24 hours	72 hours
	Easing doors or locks	5 days	14 days
	Replacing doors (no security risk)	14 days	28 days
Glazing/Windows	Repairs to window glass	2 hours	72 hours
	Minor repairs (e.g. draughts)	5 days	14 days
	Replacement of windows (non special)	14 days	28 days
Lifts	Entrapments	2 hours	*
	General failure	24 hours	72 hours
<u>Water, Power, Heating and Lighting</u> (excluding areas dependant upon statutory utility providers)			
Electrical	Failure of supply to building	2 hours	72 hours
	Failure of supply to specific area/essential appliance	24 hours	72 hours
	Lighting failure	24 hours	72 hours
	Replacement lamp (other than high areas)	24 hours	72 hours
	Replacement lamp (high areas)	Monitor and replace annually	
	Minor faults (e.g. faulty switch or socket)	7 days	14 days
	Intruder Alarm	2 hours	48 hours
Fire Detection & Associated Systems	Fire alarm system failure	4 hours	72 hours
	Smoke detection failure	4 hours	72 hours
	Break glass replacement	8 hours	72 hours
	Disabled refuge	24 hours	72 hours
	Emergency lighting failure	24 hours	72 hours
	Deaf Alert	24 hours	72 hours
Heating & Ventilation	Failure of AHU	24 hours	72 hours
	Failure of AHU control system	24 hours	72 hours
	Broken radiator valve	24 hours	72 hours
	Bleeding of radiators	24 hours	72 hours
Water/Plumbing	No water (not utility supplier)	2 hours	72 hours
	Water ingress	24 hours	72 hours
	Major leak	2 hours	72 hours
	Defective/leaking sanitary ware – item unusable	24 hours	72 hours
	Defective sanitary ware – item usable	7 days	14 days
	Drains blocked	2 hours	72 hours
	Minor leak/flood	24 hours	72 hours
	Faulty tap	24 hours	72 hours
	No hot water	2 hours	72 hours
Legionella Risk Assessment actions	14 days	1 Month	

Periodic and Planned Maintenance

Item	Description	Operation	Frequency
<u>Building Maintenance & Services</u>			
External	Roof covering	Visual Inspection	Annually
	Gutters	Inspection & Clean	Annually
	Above and below ground drainage	Check Drainage Flow	Annually
	Doors	Inspect, Adjust & Lubricate	Annually
	Window ironmongery	Inspect, Adjust & Lubricate	Annually
	External walls	Visual Inspection	Annually
Internal walls	Fire seals	Visual Inspection	Annually
	Wall finishes	Visual Inspection	Annually
	All mechanical & electrical fittings	Visual Inspection	Annually
Fire Alarms	Test	Operational Test	Weekly
Emergency Lighting	Test	Operational Tests	Monthly Quarterly Annually
Fixed wiring (EICR)	Test	Testing of Installation	Annually
	Remedial work from tests	Remedial	As required
RCD operation	Test	Functional Test	Quarterly
AHU	Filters change	Filters change	Annual
	Pressure vessels	Thorough Examination	Annual
	Temperature control valves	Inspection	Annual
Legionella	Showers	Cleaning/Disinfection of heads	6 Months
	Water	Temperature	Monthly
	Tank inspections	Check and clean if required	6 Months

Amenity Areas			
Item	Description	Frequency	Hours Per Visit
Labour	To cut grass and remove clippings	14	32
	To cut grass alongside hockey pitch	7	8
	To spray car parks and beds for weeds	7	16
		Total Hrs	616
	[Redacted]		
	Cutting of large hedge		
	General pruning and small hedge cutting		
Materials	Weed killer		
	Waste Disposal		
Total Cost			[Redacted]
<i>Please Note:</i>			
<i>Note:</i>			
<i>1. No allowance is made for snow clearing/gritting this will be charged as and when required @ £16.48/hr</i>			
Soccer Pitch and Athletics area			
Item	Description	Frequency	Hours Per Visit
Labour	To cut grass and remove clippings	31	3
	Apply fertiliser	2	3
	Earth Quake/Roll	12	1
	Spray weeds alongside pitch and running track	7	2
	Pitch Marking	25	1.5
		Total Hrs	162.5
	[Redacted]		
	Selective herbicide application		
Materials	Weed killer		
	Waste Disposal		
Total Cost			[Redacted]
<i>Please Note:</i>			
<i>1. This does not include additional work required for special events which will be charged as and when required @ £16.48/hr</i>			
Grand Total			[Redacted]

Portering and Security

The service provider will use reasonable endeavours to provide the following services;

- To deliver internal mail from the University of Aberdeen and also to uplift and deliver internal mail from the Aberdeen Sports Village to the University of Aberdeen once per day Monday – Friday
- To provide a mobile external patrol service, one visit per night, 365 nights per year
- To provide a key holding service
- To monitor all alarm systems connected to the University of Aberdeen BOLD system 24 hours per day, 365 days per year
- Attendance to site in response to alarm activation whilst premises are unoccupied
- Ad hoc monitoring of CCTV images connected to the University of Aberdeen's CCTV system
- Recording and storage of CCTV images on a rolling basis, current storage capacity ten days
- Provide a call out service to nominated contractors as per agreed protocols
- To provide an ad hoc consultancy service with regards to Security and Cleaning Services. This would be for advice only and not any major undertakings such as a benchmarking exercise or similar.

Item	Description	Operation	Frequency
<u>Portering & Security</u>			
Mail Service	Internal Mail	Pick up and drop off	Once per day am Mon - Fri
Alarms	All alarms connected to the University of Aberdeen's BOLD system	Monitoring and response per agreed protocols	24 hours per day, 365 days per year
CCTV	All CCTV cameras connected to the University of Aberdeen's CCTV system	Monitoring and response per agreed protocols	24 hours per day, 365 days per year
Security	Mobile external patrol	Patrol as per agreed time	Once per night, 365 days per year
Consultancy	Advice on Security and Cleaning functions	Ad hoc requests	As required

Asset and Property Advice and Services

The service provider will use reasonable endeavours to provide the following services;

- To deliver an ,as required, Asset and property advice and service for various circumstances as listed in the table below
- To provide project advice for proposed, new and existing development(s)

Item	Description	Operation	Frequency
<u>Asset and Property Advice and Services</u>			
Project Management	Advice on	Ad hoc requests	As required
Landlord & Tenant Management	Advice on	Ad hoc requests	As required
Ratings Appeals & Payments	Advice on	Ad hoc requests	As required
Asset & Insurance Valuation	Advice on	Ad hoc requests	As required
Property Dispute	Advice on	Ad hoc requests	As required
Transportation	Advice on	Ad hoc requests	As required
Environmental	Advice on	Ad hoc requests	As required
Waste Management & Recycling	Advice on	Ad hoc requests	As required
Post Construction Building Health & Safety	Advice on	Ad hoc requests	As required
Utility Contracts & Energy Efficiency	Advice on	Ad hoc requests	As required
Major Incident Response	Advice on	Ad hoc requests	As required
Staff Training	Advice on	Ad hoc requests	As required

3. Monitoring & Reviewing

The service provider (UoA) and the service client (ASV) will monitor and review performance on an ongoing basis and will meet formally to discuss delivery issues at a monthly meeting. An appointed representative (Assistant Estates Director – Maintenance) or his deputy of the service provider along with the Building Clerk of Works Manager and the Maintenance Manager (M&E) will be in attendance when available.

4. Liaison

Maintenance requests should be raised via the Faultdesk – 01224 27(3333) or using the online form at www.abdn.ac.uk/estates/supportservices/fault_report.shtml. Unless there has been an escalation of urgency, stakeholders should assume that the repair will be effected within the SLA guidelines, and 'hastening' should not be required. If the service provider find themselves unable to meet the timescale because of lack of materials, they must advise the service client of the anticipated delay and the reason, and reschedule the work accordingly. Only in exceptional circumstances will a 'lack of labour' be an acceptable reason for failing to meet the service target.

5. Call Out Procedure (Between 16:00hrs & 08:00hrs)

The service provider operates a call out service between 16:00hrs & 08:00hrs via its directly employed engineers. For emergencies that fall within this time period an engineer can be called out by contacting UoA Security on 01224 273327

6. Contractors

All contractors supplied through this SLA will be either UoA Term Contractors or Non-Term Approved Contractors. All contractors will report to ASV reception desk where they will be required to sign in.

7. Costs



- UoA Term Contractors will be used where applicable with the agreed term rates applying.

Costs will be reviewed annually and subject to pay increases awarded to UoA staff. ASV will be notified, in advance, of any changes to Term Contract rates.

8. Payment

UoA will invoice ASV on a monthly basis for all works carried out in the previous month. UoA will, for maintenance, supply event sheets, labour and material for all work. In the case of contractors, they will invoice to and be paid directly by ASV.
All other services will be invoiced monthly at 1/12th of the agreed annual cost.

Signed (on behalf of UoA).....

Print.....

Date.....

Signed (on behalf of ASV).....

Print.....

Date.....

PROVISION OF HEALTH AND FITNESS SERVICES

BETWEEN

THE UNIVERSITY OF ABERDEEN AND ABERDEEN SPORTS VILLAGE

1. INTRODUCTION

- 1.1 Aberdeen Sports Village (ASV) is the result of a joint venture of the University of Aberdeen (UoA), Aberdeen City Council and sportscotland to create a new sports facility within Aberdeen. ASV is a charity registered in Scotland, and a Company (Limited by Share Capital) which is owned jointly and equally by the University and the City Council.
- 1.2 From August 2009 the Sports Village will be the hub for University sport facilities for both staff and students. The University is to provide all University staff with free corporate (off-peak) membership of ASV. Staff will automatically become members and access to the facilities will be enabled through their staff ID card, upon activation. Students will gain access to the facilities following registration and receipt of their student ID card (and payment of the appropriate membership fee).
- 1.3 The University of Aberdeen Sport & Exercise Team (SET) will be employed by Aberdeen Sports Village (ASV) to deliver health and fitness related services provided by ASV on a 'when required' basis, and also provide any other ancillary health and fitness services when required.

2. SCOPE

- 2.1 The UoA SET will collectively deliver health and fitness related services provided by ASV, on a 'when required' basis. The scope of the services will be agreed between the 2 parties prior to the commencement of each services timetable, and prior to any major change in the service provision.
- 2.2 ASV provides for its customers an exercise class timetable, spanning Monday to Sunday, early morning to late evening. The UoA SET will provide qualified instructors or teachers for the required classes/sessions, directly through their permanent employees of the SET.

3. LENGTH OF AGREEMENT AND TERMINATION PROVISIONS

- 3.1 This agreement will run from 1 August 2014 until further notice.
- 3.2 The agreement can be terminated by mutual consent with a 3 month notice period.

4. ASV'S RESPONSIBILITIES

- To provide accommodation for the UoA SET within the ASV facilities and to pay for any heat, light and associated space costs
- To prepare an exercise class timetable and to consult on this with the UoA SET as appropriate
- Publicise the class timetable as required
- To provide the space for the classes to take place, associated music systems, PPL and other licensing
- To take bookings for the classes

5. UoA RESPONSIBILITIES

- Provide staffing for the required classes and ensuring all staff have current PVG Scheme membership, as appropriate.
- Ensure staff are appropriately trained/qualified and have the necessary ability to deliver the class timetable
- Provide staffing for the classes required in line with the timetable agreed with ASV
- Supply the music to deliver the required exercise classes

6. FINANCIAL RESPONSIBILITIES

- 6.1 ASV will pay directly the following costs:

- All costs associated with the provision of office space, utilities, rates and the costs associated with the operation and maintenance of the areas where classes are delivered
- All costs of providing the necessary music systems, wireless microphones, equipment required for any of the classes and the appropriate licencing costs
- Any costs associated with the set up of sports area for classes ie setting out the spin bikes

6.2 The UoA will pay directly for the following costs:

- Costs of staff to provide the classes/sessions as required by ASV
- Any staffing on costs associated with this, including team supervision and management, training, development and associated continuing professional development
- Costs of the music required to deliver the exercise class timetable

6.3 The following provisions will apply with regard to the charges for the service:

- The basis of the agreement is that the UoA will recover only actual costs incurred in delivering services on behalf of ASV
- These costs will be [redacted] per class & [redacted] per specialist session (such as OTAGO, Cardiac Rehabilitation, special populations, and such like)
- The cost (as above) will include the time required to deliver the class, time for preparation, travelling and liaison with clients after the classes
- The cost will be based on the actual rates paid to UOA staff plus on costs
- ASV will pay [redacted] per hour for any development work on specific services undertaken on their behalf by SET

7. PAYMENT

7.1 SET will invoice ASV on a quarterly basis in arrears for all health & fitness services.

8. MONITORING OF THE AGREEMENT

8.1 Quarterly meetings will be held with named representatives of the ASV and the UoA to discuss any matters arising from the terms and operation of this agreement.

Signed on behalf of the University of Aberdeen

Signed on behalf of Aberdeen Sports Village

Name CAROLINE INGLIS

Name DANIEL BEATTIE

Signature

[Redacted Signature]

Signature

[Redacted Signature]

Date

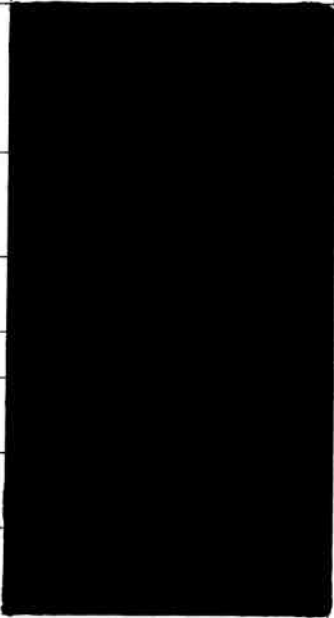


23.6.15


Date

11/6/15

Version: finalised and agreed by ASV MG on 1.4.15

UNIVERSITY OF ABERDEEN
 ABERDEEN SPORTS VILLAGE MONITORING GROUP
SUMMARY OF SERVICE LEVEL AGREEMENTS
BETWEEN THE UNIVERSITY AND THE ABERDEEN SPORTS VILLAGE
(Updated July 2015)

SLA	Activity		Value (1.7.15)
Estates	Security & Mail Services		
	Electrical and mechanical trades		
	Maintenance call-outs		
	Grounds		
	Grounds for "special events"		
	Snow clearing/gritting		
	Management and supervisory services		
	See detailed supplementary Estates document for full range of services. [Propose adding this as Appendix 3].		
Finance	Accounts Payable Financial accounting Payroll		
	Planning Systems		
	TOTAL:		
IT Services	Leisure management and finance system IT Services support Telephony Media Services		Full range of services detailed in Appendix 1 overleaf.
Campus Services	Nominated sole corporate and event catering services		Actual costs to be borne by ASV and external third party event organisers as

	provider for both internal and external events.		required (on an event-by-event basis).
Human Resources	General advice Access to CPD courses		
Health and Fitness	staff and music costs		
General Health & Safety & Fire safety advice	Advice support on general H & S issues and fire safety to ASV local Health & Safety Adviser as required. Attendance at University H & S training courses (where spaces available).		

(Signed)..... For University of Aberdeen

(Date).....

(Signed)..... For Aberdeen Sports Village

(Date).....