

Ei Group HeadStart Tenancy (Tied)

Summary of Terms (40 week term)

1. THE TENANCY

Term

The term will be for 40 calendar weeks. The Tenancy is not protected by Part II of the Landlord & Tenant Act 1954.

Ending the Tenancy

Our Rights

We will be able to end the Tenancy at any time following the expiry of 3 calendar months of the Term by giving You 3 calendar months' notice. We will also be able to end the tenancy on 1 months' notice if You are in breach of any of Your obligations in the Tenancy. If either We or You serve notice to end the Tenancy We shall be permitted to market the property as available and, should we so require, You shall allow any prospective new tenants to view and visit the property for any purpose in connection with a potential new letting.

Your Rights

Subject to You complying with the terms of the Tenancy You will be able to end the Tenancy at any time for any reason upon giving Us 3 months' notice.

Costs

Each party pays its' own legal costs. If We have to obtain head landlord's consent to the Tenancy a contribution of £750 will be payable by You on acceptance of the offer of a new Tenancy, to be refunded to You only upon legal completion.

2. AGREEMENT FOR TENANCY

The Tenancy may be preceded by an Agreement for Tenancy where head landlord's consent is required. You will be able to occupy the pub on all the terms of the Tenancy as soon as You enter into the Agreement for Tenancy and then We will be bound to grant, and You will be bound to take, (subject to the terms of the Agreement for Tenancy) the Tenancy. The start date of the Tenancy will be the Commencement Date of the Agreement for Tenancy.

3. THE RENT

Rent

Rent will be agreed by negotiation, having regard to the potential profitability of the business and taking into account all of the terms of the Tenancy.

Payment

Rent, including VAT, is paid weekly in advance by Direct Debit or such other means as We may specify. We reserve the right to make administration charges if payments aren't made by Direct Debit.

Outgoings

You will be responsible for all rates and all other outgoings including but not limited to all utilities and You must notify all suppliers of your liability on commencement of the agreement.

Deposit

A cash deposit of £5,000.00 is required on commencement of the Tenancy. Interest is payable on the deposit.

Rent Reviews

There are no rent reviews.

4. PERMITTED USE

The premises may be used as a fully licensed public house for the retail sale of alcoholic and non-alcoholic drinks and the ancillary provision of accommodation, food and other refreshment.

5. INSURANCE

Landlord

We will arrange insurance for the building and for up to two years' loss of rent and recharges. Our insurance costs will be recharged to You weekly in advance together with VAT.

Tenants

You will be required to arrange insurance cover for the contents including trade inventory, stock, all fixed glass, the premises licence and employer's liability. You must also insure against third party and public liability, loss caused by interruption to the business and any loss of money. We may offer this service to You currently at a cost of £1,697.45 (plus VAT) per annum (at a pro-rata cost of £1,305.73 (plus VAT) for the term of the Tenancy), subject to review.

6. TERMS OF TRADING

Trading Tie

A "full wet tie" which requires You to purchase from Us all beers, including cask conditioned and low alcohol or no alcohol ales, all lagers, all ciders, all flavoured alcoholic beverages, all wines, all spirits and all minerals whether in draught or packaged forms.

Payment

Payment for tied products ordered from Your price list will usually be collected on the Rent Day in the next week following Your delivery by way of Direct Debit.

Price List

The price list and any discount structure agreed at the outset will continue throughout the term subject to Our entitlement to update prices and any applicable discounts and qualifying products from time to time.

Gaming and Amusements Machine Tie

There is a prohibition against bringing gaming and amusement machines on to the Premises. We may consent to the installation of such equipment and if so the terms of any consent will be dealt with in a machine consent letter.

Beer Dispense Equipment

Dispense equipment is provided by the nominated suppliers and is maintained and owned by them. Cellar cooling equipment is Your responsibility and You must join Our group servicing scheme to cover this.

Flow Monitoring Equipment

You must allow Us or Our agents, access to the Premises to

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install, inspect and maintain Flow Monitoring Equipment and to use Your electricity supply at Your cost to operate the equipment.

Disclosure

You will be required to provide copies of Your VAT returns & monthly accounts upon request.

7. FIXTURES AND FITTINGS

Tenant

You must rent from Us (on terms to be agreed) the loose trade inventory at valuation and You must repair and replace these items as necessary during the term. You may not sell or charge the inventory to any third party.

Landlord

Landlord's fixtures and fittings remain in Our ownership throughout the Term.

8. REPAIRS

Exterior Structure and Services

We are responsible for all repairs to the exterior, structure and services. You are responsible for notifying Us as soon as You become aware of any required repairs in order that we can mitigate against further consequential damage. You will be responsible for all other repairs and day to day maintenance, including drains, all pipes, toilets and sanitary equipment and to keep all car parks, access ways, gardens, play areas, landscaping or other unbuilt upon areas safe for public access, properly surfaced or cultivated, clean and tidy and free from weeds.

Interior and Non-Structural

You will be responsible for the repair and maintenance of the interior and repair and maintenance, but not replacement, of Our Fixtures and Fittings.

Redecoration

You must ensure that the appearance of the interior of the property in a good state. We will redecorate the Exterior as often as We consider necessary.

Alterations

You may not carry out any structural alterations or non-structural alterations.

Service Charges

We will deal with compliance testing (but not remedial works unless they fall within our obligations) for health & safety, lifting equipment and gas & electrical safety in exchange for a service charge paid to Us weekly in addition to Your rent. The initial charge is currently £1,214 (plus VAT) per annum (at a pro-rata cost of £933.85 (plus VAT) for the term of the Tenancy). That initial charge may be subject to review at any time, based on the actual cost to Us of providing these services. You will pay a maintenance service charge which is currently £319 (plus VAT) per annum (at a pro-rata cost of £245.38 (plus VAT) for the term of the Tenancy) for the cellar cooling maintenance and currently £489 (plus VAT) per annum for the

heating system maintenance (at a pro-rata cost of £376.15 (plus VAT) for the term of the Tenancy).

Accounts and Stocktaking

All tenants are required to ensure that they instruct appropriate third party accounting and stocktaking services from properly qualified suppliers. Upon request, You will be obliged to provide to Us copies of any documentation that they prepare for You as a result of them carrying out these services in respect of the business. The cost of these services will be payable by You direct to the service provider.

9. ASSIGNMENT

You may not assign, underlet or share possession of the premises.

10. TRAINING

We require You to complete Our elearning training modules which are accessed via our applicant channel and attend the BIIAB Award in Beer and Cellar Quality course.

11. PREMISES AND PERSONAL LICENCES

Unless We request otherwise You must obtain by transfer or otherwise and hold throughout the Term a Premises Licence for the Premises. You must also hold a Personal Licence and be named as the Designated Premises Supervisor (DPS) for the Premises, unless We consent to some other person being the DPS.

12. GUARANTORS

We will ask corporate tenants to provide personal guarantees from two of its directors or additional cash deposits in place of personal guarantees.

13. LEGAL & OTHER PROFESSIONAL ADVICE

You must receive independent professional advice in advance of preparing Your marketing plan and cashflow. Before entering into a Tenancy You should receive further independent professional advice about all its terms.

All Ei Group Tenancies have repairing obligations which are 'put and keep' in nature. This means that the property's condition at the commencement of the Tenancy is effectively disregarded when applying the repairing obligations. It is therefore important that You understand the condition of the property at the outset and the obligations that You are entering into.

In all cases We recommend You take specialist advice before entering into a Tenancy which contains repairing obligations further to which you may decide to commission Your own independent building survey.

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