

DRAFT MEMORANDUM OF HEADS OF TERMS OF LEASE AGREEMENT

Subject to Contract

PROPERTY	White Hart Hotel, West Street, Wiveliscombe, Taunton TA4 2JP
1. PARTIES, PREMISES AND DETAILS OF DEMISE	
1.1 Landlord	Zeta Shares Limited, 2 nd Floor Portman Mews South, Marylebone, London W1H 6AY Contact: Marc Jonas T: 0207 7250800 M: 07710 070141 E: marc.jonas@suncap.co.uk
1.2 Landlord Solicitors	Maitland Walker LLP 17 The Crescent, Taunton, Somerset TA1 4EB Contact: Rebecca Loud – Associate Solicitor Associate Solicitor T: 01823745318 E: Rebecca.Loud@maitlandwalker.com
1.3 Tenant	White Hart Wivey Ltd c/o William RS Sitwell Rooks Nest Farm Taunton TA4 3PT

1.4 Tenant Solicitors	Clarke Willmott LLP Blackbrook Gate, Blackbrook Park Avenue, Taunton TA1 2PG Contacts: Sarah Manley – Partner T: 0345 2091690 M: 07917 517648 E: Sarah.Manley@clarkewillmott.com Alfie Carlisle – Solicitor T: 0345 2091431 M: 07393 149669 E: Alfie.Carlisle@clarkewillmott.com Adam Burrage – Partner T: 0345 2091733 M: 07385 379468 E: Adam.Burrage@clarkewillmott.com
1.5 Tenant Agent	Tim Jones FRICS Unit D3, Apollo Court, 4 Neptune Park, Cattedown, Plymouth PL4 0SJ T: 01752 252136 M: 07771 800275 E: tim@plymouthoffice.co.uk
1.6	The Premises will comprise all those premises shown edged red on the TITLE plan ST50399 but excludes the areas edged green annexed to these Heads of Terms.
1.7	The Premises will comprise a lease of the entire operational area of the above premises together with access and parking.
1.8	The premises will have the benefit of all rights needed for the beneficial use and occupation of the Premises
2. CONDITIONS	
2.1 Landlord Conditions	Landlord to provide: • EPC certificate • Fire certificate • Copy of alcohol licence • Copy of current planning consent •
2.2 Tenant Conditions	Tenant to provide:

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	• Schedule of condition • Schedule of proposed tenants works • Landlord will not provide an asbestos survey
2.3 Tenant's rights to determine	There will be a Tenant break clause after 3 years subject to serving 6 months prior notice
2.4 Warranties and professional appointments	If there are any reports upon which the Tenant needs to place reliance these to be assignable for the Tenants benefit or subject to an appropriate warranty or Letter of Reliance.
2.5 Practical completion	Target completion date for vacant possession 1 st December 2025.
2.6 Restrictive Covenant	It is assumed that there will be no restrictions imposed by the Landlord regarding trading activity from the whole of the premises.
3. LEASE TERMS	
3.1 Term	20 years (inside the Act)
3.2 Rent	£42,000 per annum
3.3 Rent Free Period	The Lease will contain a rent-free period up to 31 st August
3.4 Rent Review	• Every 5 years. • Upward only. • Rent to be assessed against Open Market value.
3.5 Rent Payments	• After the expiry of the rent-free period. Rent to be paid monthly in advance, for the first 12 months. • Rent then to revert to quarterly in advance. • There is to be no rent deposit.
3.6 User	The Premises may be used for all purposes within the current scope of activity from the premises including hotel, restaurant, accommodation and associated ancillary activities. In event that there are requirements for short-term residential letting of some of the accommodation either for staff or external uses this will also be permitted.
3.7 Fixtures and fittings	All existing fixtures and fittings to be used by the Tenant at no ingoing charge.
3.8 Repair	• The Tenant to keep the premises in the same state and condition as upon entry. • The current condition to be recorded within a Schedule of Condition which will be prepared by the tenant. • The Tenant to be permitted to undertake Tenants' improvements. • The removal of Tenant's improvements on expiry of the Term to be subject to a valuation to be agreed at the appropriate date.
3.9 Alienation	The following provisions shall apply: • The Tenant shall have the right to assign the whole with Landlord's consent, not to be unreasonably withheld or delayed. The Assignee must provide proof of sustainable trading accounts for a 3-year period and be of comparable financial

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	status to the Tenant. The Tenant will have the ability to assign to group companies, subject to appropriate wording being agreed between solicitors. • The Tenant shall have the right to underlet the whole of the Premises or a Permitted Part with the Landlord's consent, not to be unreasonably withheld or delayed. • The Tenant will be permitted to share with group companies and grant trading concessions without the Landlord's consent.
3.10 Hours of Use	There will be no restriction on any hours of use or any obligation to keep open.
3.11 Alterations	No consent is required for non-structural alterations. Structural alterations may be carried out with consent, not to be unreasonably withheld or delayed. The Tenant shall only be obliged to reinstate any alterations if reasonably required by the Landlord.
3.12 Insurance	To be agreed The reinstatement provision to be maintained at an appropriate level required for full rebuilding of the premises and including any allowance for demolition and upgrades required to any changes to regulations. The policy also to provide for three years rent loss.
3.13 Uninsured Risks	Uninsured Risks are to be excluded from the Tenant's repairing obligations. In addition, the rent suspension provisions will apply on destruction or damage by an Uninsured Risk.
3.14 Latent & Inherent Defects	Landlord to retain responsibility for any latent or inherent defects
4. GENERAL	
4.1 Costs	Each party will be responsible for their own legal, professional and surveying costs.
4.2 Title	The Landlord's solicitor will deduce title to the Tenant's solicitor within 5 working days.
4.3 Conditions	These Heads of Terms are subject to the following conditions: 1. Contract 2. Tenant Board approval 3. Scheme drawings and development programme
4.4 VAT	To be agreed
4.5 Option to Purchase Freehold	This option will be open at any time up to year 3. The trigger figures in year 1 being £650,000 and the trigger figure for years 2 and 3 being £675,000. 6 months prior notice to be served in event of this provision being triggered.