

Marston's Pub Company Agreement Summary July 2010

	← 4 core agreement options →				Bolt on options to Base Lease	
LEASE TERMS	RETAIL AGREEMENT (Agency/Franchise)	Tracker (Tenancy)	PATHWAY AGREEMENT (Tenancy)	BASE LEASE – FULLY TIED (Lease)	ADVANCE OPTION HIGH DISCOUNT OPTION	ULTRA ADVANCE FREE OF TIE OPTION
Term of Contract	5 years	3 years	3 or 5 years	5, 10, 15, 20, 25 OR 30 years	A supplemental agreement co-terminus with Base Lease.	3 years
1954 Landlord & Tenant Act	Not covered	Not covered	Not covered	Within Act	Additional side agreement to Base Lease	Additional side agreement to Base Lease
Rents payable to Marston's. (Exclusive of any supplemental charge)	No rent	£75 paid on every barrel purchased. Once 200 barrels have been purchased no rent is charged on volume above this. At least 1 brewer barrel must be purchased per week otherwise a levy fee of £100 is payable.	Payable over 12 months.	Payable over 10 months with no payment in January and February	Not Applicable	Not Applicable
Rent Review Periods	Not Applicable	No rent review	No rent review	5 yearly review to open market value on a tied basis. Rent can move upwards or downwards. If rent cannot be agreed licensee can refer the matter to an RICS Arbitration panel or PIRRS.	Not Applicable	Not Applicable
Rent RPI	Not Applicable	Applicable upwards and downwards. Maximum increase capped at 5% per annum.	Applicable upwards and downwards. Maximum increase capped at 5% per annum.	No RPI	No RPI	No RPI
Supplement Charge	Not Applicable Marston's retain 80% of net turnover plus all machine income. Tenant retains 20% of turnover.	Not Applicable	Not Applicable	Not Applicable	Yes – payable at the same time as rent for Marston's return £3,900 in year 1 and £2,600 thereafter to help pay for charge. Charge reviewed every 3 years with reference to price list.	Yes – payable quarterly in advance. No return payment to help pay for charge.
Discounts Applicable	Not Applicable. Marston's to supply products on a sale or return policy.	£20 for every barrel purchased.	£50 for every barrel purchased over an agreed target.	No discounts.	Free Trade benchmarked prices offered for every barrel purchased.	Free of Tie benchmarked prices offered for every barrel purchased. No purchase required
Price Increase Mechanic	Not Applicable	Full wholesale price increase applies	Full wholesale price increase applies	Full wholesale price increase applies	Price protection mechanic to ensure discounts are not eroded by price rises (excluding duty). 60% of increase value is passed on.	Price protection mechanic to ensure discounts are not eroded by price rises (excluding duty) where products purchased from Marston's. 60% of increased value is passed on.
Tie	Fully Tied	Fully Tied	Fully Tied	Fully Tied	Fully Tied	Free of Tie. Marston's products to be offered at ultra competitive prices.
Assignment	With Marston's consent.	No	No	With Marston's consent. Assignment fee of £6,000. No automatic AGA request.	With Marston's consent.	No
Insurance	Marston's insure structure with no recharge. Tenant insures the business.	Marston's insure structure and recharge £520 p.a. Tenant insures the business. £500 excess to be paid by tenant on a claim	Marston's insure structure and re-charge £520 p.a. Tenant insures the business. £500 excess to be paid by tenant on a claim,	Marston's insure structure and recharge. Tenant insures the business. £500 excess to be paid by tenant on a claim,	Not Applicable.	Not Applicable.
Service Charge	No charge	Applicable	Applicable	Applicable	Not Applicable.	Not Applicable
Cooling Off Period	None	3 months	3 months	3 months	None	None
Break Clause	Tenant and landlord break clause with 6 months notice.	Tenant every 12 months. Landlord Break Clause every 3 months with 3 months notice.	If required landlord/tenant break clause with 3 months notice.	None	None	None

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Gaming Machines	Marston's retain 100% of Machine income.	Fully tied with 100% of income being the tenants after costs.	Fully tied with 50/50 split of income.	Fully tied with 50/50 split of income.	Free of tie - 100% income belongs to Licensee. Charge made for release.	Free of tie - 100% income belongs to Licensee. Charge made for release.
Security Deposit	£5,000	£3,175	£5,000 or 25% whichever is the greater.	£5,000 or 25% of rent whichever is the greater.	None	Base lease deposit topped up by 10% of FOT charge.
F & F	Marston's retain responsibility	Purchase outright. Loan facility from Marston's available.	Purchase outright. Loan facility from Marston's available.	Purchase outright. Loan facility from Marston's available.	Purchase outright. Loan facility from Marston's available.	Purchase outright.
Cellar Cooling	Provided as part of landlord's F&F.	Provided as part of landlord's F&F.	Provided as part of landlord's F&F.	Provided as part of landlord's F&F.	Provided as part of landlord's F&F.	Provided as part of landlord's F&F.
Dispense equipment	Provided and maintained by Marston's at no extra cost	Provided and maintained by Marston's at no extra cost	Provided and maintained by Marston's at no extra cost	Provided and maintained by Marston's at no extra cost.	Provided and maintained by Marston's at no extra cost.	Either the Licensee or the incumbent supplier will be required to purchase and maintain under the terms of Must Buy Must Sell
Repair	Marston's retain responsibility for internal and external repairs.	Marston's retain responsibility for external repairs. Tenant responsible for internal repairs.	Marston's retain responsibility for external repairs. Tenant responsible for internal repairs.	Licensee required to fully repair. Provisions permitting twice yearly inspections by Marston's.	Licensee required to fully repair. Provisions permitting twice yearly inspections by Marston's.	Licensee required to fully repair. Provisions permitting twice yearly inspections by Marston's.
Decoration	Marston's responsibility every 4 years.	Tenant's responsibility every 4 years.	Tenant's responsibility every 4 years.	Licensees responsibility every 4 years.	Licensees responsibility every 4 years.	Licensees responsibility every 4 years.
Decorating Deposit	Not Applicable	Tenant required to pay into monthly deposit. Tenant to draw out as and when required.	Tenant required to pay into monthly deposit. Tenant to draw out as and when required.	Not Applicable	Not Applicable	Not Applicable
Business Plan Requirement	No	Yes	Yes	Yes	Yes (to override base lease business plan)	Yes (to override base lease business plan)
Material Change Support	Financial support available if business begins to fail.	Financial support available if business begins to fail.	Financial support available if business begins to fail.	Financial support available if business begins to fail.	Removal of agreement leaving base lease if business begins to fail.	Removal of agreement leaving base lease if business begins to fail. Payments made up front are non returnable.

The information above is for guidance only and should be fully researched before you commit to an agreement
Legally binding terms and conditions apply to all agreements and may vary from time to time. Please ensure you fully understand the agreement before you enter into it.