



# **Business Case for the purchase and improvements to an Asset of Community Value - the Air Hostess Public House, Tollerton**

## **Purpose of the Report**

1. This report is to provide Council with the final details on the agreed purchase of the Air Hostess Public House, an asset of Community Value and seeks approval for borrowing to fund the purchase and improvements to facilities for the community.

## **Background**

2. Tollerton is a small village based just outside Nottingham in the United Kingdom. It is made up of roughly 900 houses and has a small number of essential local service including a school, a post office, a couple of shops and a pub called the Air Hostess.
3. The Airhostess has been serving the village since the 1960s and is at the heart of the community providing evening activities, facilities for a well established petanque club and sponsors the village football club. The Pub hosts the village Plough Play, a traditional mummer style amateur play performed annually on plough Monday in January. The last performance of the evening is open to the whole community in the pub after three neighbourhood performances in resident's homes around the village.
4. The pub provides events, live music and is a focal point for the community at important occasions in village life such as bank holidays, Christmas and New Year. The pubs also provide support for the local Tollerton Village Fayre, glass recycling facilities, play for children and car parking for the community.
5. Given the local importance placed on the pub as a part of village life the Parish Council successfully applied for it to be listed as an asset of community value as set out in the Localism Act, affording it a special protected status
6. Early in 2019 it was announced that Everards Brewery who owns the pub would be looking for alternative uses for the pub which could include selling the business and property. This triggered the initial asset of community value process.
7. The 2019 Annual Parish Meeting focused on the potential sale of the pub and received reports from Everards and the Parish Council. The Parish Rooms were filled to capacity and those present overwhelmingly supported the proposition that

the Parish Council should give notice of the community's intent to bid to purchase the pub. The Parish Council were instructed to support this intent.

8. In response the Parish applied for 'Community Asset' status which gave the community the opportunity to put together a proposal to purchase the pub as a community.
9. In June 2019 the Parish Council triggered a six month moratorium under the Asset of Community Value provisions of the Localism Act to allow the community to develop a bid for the Pub and explore the options to establish a 'community pub'.
10. Through research the Council identified that most successful community pubs are those owned by and managed through the Community. The Parish Council successfully bid for specialist support from the Plunkett Foundation who have expertise developing community businesses.
11. Councillors and an adviser from the Plunkett Foundation worked with the Tollerton Community Trust to establish a new organisation to lead this work. The Community Trust has set up the Tollerton Community Trust - Tollerton Flying Club Limited, named to maintain the connection with the pub and wider village heritage. It is a community benefit society (CBS), that anyone can become a member of by purchasing shares and its aims are to provide benefit to the wider community. A number of different organisational models were considered and the CBS option viewed as the best fit for this project, supporting ongoing community engagement and ownership of the business.
12. The Parish Council has supported the establishment of the Flying Club and following from a number of detailed discussions around the potential options, in November 2019 the Parish Council and Flying Club agreed in principle to purchase the Air Hostess. An offer to purchase the Air Hostess was accepted by Everard's Brewery and solicitors have been instructed to progress the sale.

## **Proposal**

13. The Council's ambition is that the Air Hostess will be a sustainable community pub owned entirely by the Community, with the Flying Club and the Parish Council each holding a 50% stake in the land and buildings.
14. The Flying Club has developed an ambitious [plan](#) for the future of the Air Hostess based on the views of the community and the commercial choices needed to create a vibrant sustainable pub.
15. The management of the pub will be the responsibility of the Flying Club, reporting back to their members and the wider community. The pub will be run as a business and the Parish Council will not be involved in the day to day running of the Pub – or in the costs of operating the pub.
16. However as joint owner the Parish Council will be represented on the Flying Club Management Group and will be able to provide additional assurance to the community on the way that things are being managed.

## **Operating Model**

17. Tollerton Parish Council will purchase a 50% stake in the land and building with a loan from the Public Works Loan Board of HM Treasury, if approved by MHLCG. The loan will allow the Parish Council to purchase the site at a reasonable price from the brewery, and undertake work necessary for successful operation as a public house.
18. The Parish Council will be an owner of the site but will not be involved in the day to day pub business. The Flying Club will hold a premises licence and take the role of commercial landlord for the site, letting the property to a tenant who will operate the public house.
19. The Parish Council will enter into a declaration of trust and a hybrid partnership agreement with the flying club defining the ongoing relationship. This will include payments to be made to the Parish Council. The Flying Club will secure enough rent from a tenant to service payments to the Parish Council and its own borrowing on the property and to maintain a fund for any future improvements to the property that are not part of the tenant's obligations. The acquisition of the pub will have no effect on the council precept.
20. The Flying Club will appoint a tenant and enter into a rental agreement with him/her to run the licensed business selling food and drink in our premises, and to pay an affordable but realistic rent. The rent will be set at a level that gives the tenant the opportunity and incentive to run a thriving pub business. The tenant will run the public house as a commercial venture to make a profit. There is generous 4-bedroomed accommodation on the first floor for the tenant to occupy as part of the tenancy agreement.

## **Rationale**

21. The Parish Council's support for this project should be considered within a number of policy contexts. Councillors should also be aware of views of the community and the powers and rights of Parish Council's in considering the proposal.

## **Community Engagement**

22. For the Parish Council, this has always been a community led project. In May 2019 the largest ever attendance of Tollerton residents at an Annual Parish Meeting provided an overwhelming message that the Parish Council should prepare a bid to buy the Air Hostess.
23. In June 2019 the Parish Council worked with the Community Trust to consult the community. Information was provided to every household in the village, with paper and online questionnaires and face to face engagement at the entrance to the annual village fayre.
24. 397 responses were received, more than any consultation in the last five years. Clear messages were provided, the community wished the pub to be saved and expected the Parish Council to work towards and borrow funding if required to achieve this. A full set of results has previously been provided to Councillors and were shared with the community through the village newsletter and are also available online

## National Policy

25. The Localism Act provided for a number of community rights, many of which are actionable by Parish Council's to support the retention of locally important services and facilities. The national perspective on the use of these powers was clarified on 3 November 2011 by Local Government Minister Grant Shapps:

*"The village shop, pub or post office is often the beating heart of a community. So when one is threatened with closure, often for a reason as simple as the shop owner or pub landlord retiring, I would expect the local parish council to pull out all the stops to keep it going.*

*Some have done this brilliantly, but many have watched local amenities close when the power to save them was within their grasp. This is not about propping up failing businesses; it is often about providing temporary financial assistance or putting new community-run facilities in place, so vital services that people rely on are maintained.*

*So if an important local business is struggling, I would urge the parish council to sit down with their community and explore every option to keep it running for the benefit of local people."*

## Local Policy

26. The messages from the community in 2019 are consistent with the longer term priorities for Tollerton set by residents in the last two community plans. The current [2016 – 2028 Tollerton Community Plan](#) has three priorities; one of which is to *Protect and Enhance Local Facilities*. Of those facilities the first one listed is the Village Pub.

27. The Parish Council is committed to delivering on the priorities of the Community Plan and registered the Air Hostess as *an asset of community value* in 2017. This legal protection provided the village with the opportunity to buy the pub and the owners – Everards – have engaged in the process positively throughout.

28. The Air Hostess holds a pivotal plot in the village centre – a priority area for improvement and regeneration within the Community Plan.

## A sustainable community Pub

29. A sustainable community pub is expected to bring benefits to customers and the wider community in Tollerton. The Flying Club has set community focused objectives to carry on business for the benefit of the community by:

- Transforming the Air Hostess Public House into a thriving, viable and sustainable business owned by community shareholders and run for the benefit of the community that it serves.
- Providing a place to meet and socialise in a venue that is welcoming to all ages offering access to a range of activities and community events that will address cohesion, loneliness and isolation especially for the elderly, disabled and young families in the community.

- Providing a venue for other community businesses to grow.
- Engaging with the community and working with Tollerton Parish Council and the Tollerton Community Trust – to achieve its charitable objectives – to bring wider community benefit.

### **Community Led**

30. The recruitment of volunteers in the village provides a regular challenge, particularly for youth organisations, groups and the Village Fayre. In recent years a successful luncheon club for elderly residents had to close as it had insufficient voluntary chefs to provide the catering it needed. The Parish Council has previously considered that the purchase of the Air Hostess could also provide an opportunity to stimulate community involvement in a different way that also increases awareness and engagement with community needs, events and village life.
31. Following the Annual Parish Meeting the Parish Council and Community Trusts led the formation of a steering group of residents who have led proposals from inception. The steering group have engaged with other residents, clubs and groups in the village through a wide range of communication channels and held a number of events to share progress. This engagement provides an opportunity to build on.
32. Involvement and engagement has been designed into the future operation of the community business. The society will have a management committee, elected by shareholders at an annual meeting and the group is exploring other regular gatherings and events for Members to update on progress and new initiatives. This will offer direct personal involvement for those purchasing shares, direct communication on the work of the Trust and opportunities in the community, and the society has plans for social wifi, apps and social media that support engagement with a wider audience. The data and use of these tools will be owned by the Community Benefit Society, accessible to the Tenant but secured for future use should there be a change in tenants.

### **Wider Community Benefit**

33. Community Benefit is being sought in two ways – benefits from the operation of a community benefit society and financial benefit for the wider Tollerton Community Trust to support benefit derived from events such as the Village Fayre.
34. The Flying Club is a community benefit society with stated aims set out in the report. The Operation of the community business is particularly intended to provide a place to meet and socialise in a venue that is welcoming to all ages offering access to a range of activities and community events that will address cohesion, loneliness and isolation especially for the elderly, disabled and young families in the community. These obligations will be shared with any potential tenants.
35. The Flying Club forms part of the Tollerton Community Trust family which provides support for local groups and good causes. The Trust's main activity is the organisation and management of the Annual Village Fayre. Community expectations of the village fayre have grown with the success of the Village Fayre and funding of the day provides a challenge for the volunteer organisers. The declaration of trust / partnership agreement between the Parish Council and the

Flying Club the Parish Council will include provision for an annual payment of £2000 to support wider community benefit in Tollerton. This payment will be made to the Parish Council and may be waived at the Council's discretion. The Council will seek to distribute the payment as a grant to the Tollerton Community Trust and other bodies to support wider community events in the village. Some of these events may be held at the Air Hostess putting the money back into the Community Business.

## **Local Economy**

36. As part of the negotiations with potential tenants the Community Benefit Society has expectations that where possible the spending power of the pub will be used to support the local economy. The public house supply chain will include local as well as wider-sourced goods and services and is well placed to take advantage of offerings from local producers and suppliers, thus strengthening the local economy
37. A successful community pub will also be a source of permanent, temporary and seasonal employment within the village, creating opportunities for residents and also potential environmental benefits from green travel options such as walking and cycling which are more practical to achieve with a local workforce.

## **Powers**

38. The Parish Council has not yet approved a resolution to use the General Power of Competence and therefore has to act within the traditional legal framework for town and parish councils.
39. Having taken advice the Parish Council's proposed interpretation of those powers is that it does not include the power to run a pub. This report does not propose that the Council should do so.
40. The Parish Council has clear powers to purchase land (including building) and to provide facilities for the benefit of parishioners. The Council understands these powers to provide the basis for the action proposed in this report.
41. In particular S124 of The Local Government Act 1972, provides for the acquisition of land by agreement by parish and community councils for the purposes of (a) any of their functions under this or any other public general Act, or (b) the benefit, improvement or development of their area. The primary objective of the purchase is not for a function of the Council but is considered to be for the benefit, improvement and development of the area. The benefits are detailed throughout the report including Community Engagement, Community Benefit and Contributions to the local economy. It is considered that the purchase would further the improvement and development of the area as prioritised through the Parish Plan. Secondary uses of the site could be used for Council functions through the provision of community gardens, play, meeting and community facilities/space.

## **Purchase and Financing**

42. The Parish Council and Community Trust have negotiated the purchase of the Air Hostess from Everard's Brewery, with exchange of contracts anticipated on 11 January 2020 and completion by the end of the financial year.

## Value

43. Over the summer of 2019 the Parish Council undertook a market assessment of the value of the Air Hostess. The assessment provided a range for consideration based around an amount of £335,000. The assessment also suggested alternative use value on a range based around £350,000.

44. Negotiations with Everard's concluded with a price of £295,000 + VAT, considerably less than the Parish Council assessment.

## Costs

45. The purchase of the Air Hostess has been modelled on the following costs:

	Total Cost	Parish Council	CBS
Vat	60,000	30,000	
<b>Costs</b>			
Stamp Duty*	18,000	9,000	
VAT accountant	1300	650	
Legal fees	3,500	1,750	
Surveys	3000	1,500	
Searches	1,000	500	
Planning Permission	1,500	750	
Loan Fees	119	119	
Insurance	1000	500	
Total purchase costs	29,419	14,769	14,650
<b>Potential Income</b>			
Grant	2500	shared	
Required funds	26,919	<b>13519.25</b>	13400
Contingency		£1,481	
<b>Total required</b>		<b>£15,000</b>	

*\* Advice is being taken on stamp duty and VAT to ensure the correct arrangements are in place. Total cost for Stamp duty may be lower at £4,000, reducing costs to Parish Council by around £7000*

## Financing options

46. In 2017 the Parish Council introduced the Tollerton Development Fund – a dedicated part of the Parish Council budget – set aside to fund improvements such as those in the Tollerton Community Plan. The Fund is included within the Parish Council's Medium Term Financial Plan and the Tollerton Community Plan.

47. Last year the Development budget was used to secure over £100,000 of outside funding for improvements at the Open Space. From next year it is proposed that the Fund help pay for the purchase of the Pub.
48. As a relatively small parish, the Council does not have 100s of thousands tucked away in a bank account. And so following the consultation with residents in the summer, the Parish Council has agreed to use an approved borrowing mechanism – The Public Works Loan Board – to raise its contribution. Public Works Loan Board (PWLb) come with a favourable interest rate and options for long term repayments.
49. The proposed loan will be repaid by using some of the Council’s Development Budget and through rental income from the Flying Club which they will achieve through rental of the pub.

Loan amount	£265,000
Period of loan - months	360
Interest rate 3/12/19	3.26
Annual repayment	£13,857
1/2 yearly instalment	£6,929
Total repayment	£415,710

50. As the loan will be at a fixed rate and paid in annuity the table above shows the amount and equal annual payments.
51. The annual £13857 repayments will be split between a budgeted contribution of £7500 from the Tollerton Development Fund and a payment to be received from the Tollerton Flying Club for use of the Parish Council’s share of the land and buildings. This amount will be set at £6500 and the Flying Club will be expected to maintain a cash reserve of a minimum of one year’s payment. These conditions will be included in the declaration of trust / partnership agreement as appropriate.
52. Detailed analysis of the Parish Council repayments of the Public Works Loan Board funding are included as an appendix to the report showing the amount owed, payments and potential equity in the property.

## **Risk and Financial Recovery**

53. Like all businesses there is a level of risk involved that the Council should consider as well as potential mitigations. The Parish Council will need to pay £13857 a year in two six monthly payments regardless of the pub being opened or tenanted. There are also costs associated with owning the property that will also accrue regardless of whether the business is operational.

### **Minimising Risk**

54. To minimise risk the Parish Council has
- a. Taken specialist Advice and Support
    - i. Plunkett Foundation – including dedicated adviser

- ii. Gosschalks Solicitors – with experience of community pubs
- b. Best practice and learning from other parish councils including Stocking Pelham Parish and Church Fenton Parish Council. Both officers and councillors have spoken with Church Fenton Parish Council who bought their pub, lease it to a CBS and sub-let to a tenant. Learning from this has led to
- i. Parish Council requirement for two seats on CBS management board
  - ii. VAT advice – connection with an experienced advisor
  - iii. The Community Benefit Society to hold a full repairing lease and sub-let the pub to the tenant. Where no tenant in place the CBS will be responsible for paying ongoing costs
  - iv. The CBS raised funds via a share offer to provide working capital. A requirement to hold sufficient funds to be able to pay the parish council for 12 months, reducing the risk to the Council. The CBS payments cover the repayment and interest on the loan so there is no immediate unbudgeted impact on the precept.

## **Financial Recovery**

55. The Flying Club has an ambitious Business Plan which is attracting interest from potential tenants. Should the Flying Club business plan or business model fail, there are a number of options available to cover the borrowing:
- a. New tenant / longer term tenant
  - b. Rent out property as a dwelling approx. income £8000
  - c. Gut the building to create a community hall (and let the Parish Rooms as business accommodation, approx. income £8000)
  - d. Sell off part of the land for development
  - e. Sell off all the land and buildings (£250,000 - £500,000)
  - f. Seek financial redress from the CBS
  - g. Absorb the costs into the parish council budget (see Appendix)
  - h. Raise the precept (see Appendix)

56. As set out above there is a requirement to hold sufficient funds to be able to pay the parish council for 12 months, reducing the short-term risk to the Council. Tenancies are expected to last a minimum of three years which may further reduce the short-term risk to the Council. Detailed analysis of the Parish Council repayments of the Public Works Loan Board funding are included as an appendix to the report showing the amount owed, payments and potential equity in the property.

## **Alternative Options Considered**

57. The main alternative would be to lose the village's only pub. After consideration of a range of models, taking of advice and learning from others, the proposal is the preferred option for achieving a sustainable community pub and wider community benefit for Tollerton,

## **Recommendation**

58. The recommendations to Council are that

- a. subject to the completion of due diligence, appropriate checks and searches and the advice of the solicitor the parish council purchase a 50% share of the Air Hostess and surrounding land
- b. the Parish Council enter into a declaration of trust and a hybrid partnership agreement with the Tollerton Community Trust - Tollerton Flying Club Limited defining the relationship between the two entities and the payments due to the parish council
- c. the Parish Council requests a PWLB application for £265,000 loan repayable over 30 years at a total of £415,710
- d. the proper officer and responsible financial officer be authorised to vary the application to reflect any changes in interest rates before borrowing approval is confirmed,
- e. the Parish Council submit an application to become a shareholder at the minimum level
- f. the Parish Council reaffirms the authority of the proper officer and responsible financial officer to continue to receive specialist advice on the proposal
- g. the proper officer, responsible financial officer, chairman and vice – chair be authorised to provide instruction to solicitors, sign the required documentation to implement this decision

## **Supporting Documents**

- Tollerton Community Flying Club Business Plan
- Tollerton Share Offer
- Tollerton Community Plan
- Tollerton Community Consultation 2019
- Valuation Report

## Risk Profile

<b>Total Liability</b>	<b>£415,710</b>		
Budget			
commitment	£7,500	30	£225,000
Remaining liability			<b>£190,710</b>

			£190,710	
Reducing remaining liability			710	
Years of	£6,357	1	£184,353	<- Unbudgeted liability reaches ambitious alt use value*
successful	£6,357	2	£177,996	
trading	£6,357	3	£171,639	<- Unbudgeted liability reaches potential sale value
	£6,357	4	£165,282	
	£6,357	5	£158,925	
	£6,357	6	£152,568	
	£6,357	7	£146,211	<- Unbudgeted liability reaches purchase value**
	£6,357	8	£139,854	
	£6,357	9	£133,497	
	£6,357	10	£127,140	
	£6,357	11	£120,783	
	£6,357	12	£114,426	
	£6,357	13	£108,069	
	£6,357	14	£101,712	
	£6,357	15	£95,355	
	£6,357	16	£88,998	
	£6,357	17	£82,641	
	£6,357	18	£76,284	
	£6,357	19	£69,927	
	£6,357	20	£63,570	
	£6,357	21	£57,213	
	£6,357	22	£50,856	
	£6,357	23	£44,499	
	£6,357	24	£38,142	
	£6,357	25	£31,785	
	£6,357	26	£25,428	
£6,357	27	£19,071		
£6,357	28	£12,714		
£6,357	29	£6,357		
£6,357	30	£0		

			£415,710	
Reducing Total Liability			710	
Years of	£7,500	£6,357	1	£401,853
successful	£7,500	£6,357	2	£387,996
trading	£7,500	£6,357	3	£374,139
	£7,500	£6,357	4	£360,282
	£7,500	£6,357	5	£346,425
	£7,500	£6,357	6	£332,568
	£7,500	£6,357	7	£318,711
	£7,500	£6,357	8	£304,854
	£7,500	£6,357	9	£290,997
	£7,500	£6,357	10	£277,140
	£7,500	£6,357	11	£263,283
	£7,500	£6,357	12	£249,426
	£7,500	£6,357	13	£235,569
	£7,500	£6,357	14	£221,712
	£7,500	£6,357	15	£207,855
	£7,500	£6,357	16	£193,998
	£7,500	£6,357	17	£180,141
	£7,500	£6,357	18	£166,284
	£7,500	£6,357	19	£152,427
	£7,500	£6,357	20	£138,570
	£7,500	£6,357	21	£124,713
	£7,500	£6,357	22	£110,856
	£7,500	£6,357	23	£96,999
	£7,500	£6,357	24	£83,142
	£7,500	£6,357	25	£69,285
	£7,500	£6,357	26	£55,428
£7,500	£6,357	27	£41,571	
£7,500	£6,357	28	£27,714	
£7,500	£6,357	29	£13,857	
£7,500	£6,357	30	£0	

CBS expected to hold minimum of one year funds  
 CBS expected to minimum contract tenant for 3 years  
 <- Likely worst case scenario (3 years completed)

<- All liability reaches ambitious alt use sale value\*

<- All liability reaches potential sale value

<- All liability reaches purchase value

*Note*  
 \*Ambitious alternative use value based on a potential sale of around £400,000 Less a 25% overage to Everards Brewery Additional costs may be incurred if planning permission needs to be secured to unlock the value of the land.  
 \*\*Flying Club planned borrowing over 7 years repaid by this point

## Risk Funding Profile

<b>Total Liability</b>			<b>£415,710</b>
Asset value at purchase			£147,500
Budget commitment	£7,500	30	£225,000
<b>Remaining liability</b>			<b>£43,210</b>

<b>Reducing remaining liability</b>			<b>£43,210</b>
Years of successful trading	£6,357	1	£36,853
	£6,357	2	£30,496
	£6,357	3	£24,139
	£6,357	4	£17,782
	£6,357	5	£11,425
	£6,357	6	£5,068
	£6,357	7	<b>-£1,289</b>

Reducing Total Liability			Total liability	Total liability	Annual	Already	Remainder
Payments	made	Years	£415,710	if pub sold*	Payment	budgeted	to find
£7,500	£6,357	1	£401,853	£254,353	<b>£8,770.79</b>	£7,500.00	<b>£1,270.79</b>
£7,500	£6,357	2	£387,996	£240,496	<b>£8,589.14</b>	£7,500.00	<b>£1,089.14</b>
£7,500	£6,357	3	£374,139	£226,639	<b>£8,394.04</b>	£7,500.00	<b>£894.04</b>
£7,500	£6,357	4	£360,282	£212,782	<b>£8,183.92</b>	£7,500.00	<b>£683.92</b>
£7,500	£6,357	5	£346,425	£198,925	<b>£7,957.00</b>	£7,500.00	<b>£457.00</b>
£7,500	£6,357	6	£332,568	£185,068	<b>£7,711.17</b>	£7,500.00	<b>£211.17</b>
£7,500	£6,357	7	£318,711	£171,211	<b>£7,443.96</b>	£7,500.00	
£7,500	£6,357	8	£304,854	£157,354	<b>£7,152.45</b>	£7,500.00	
£7,500	£6,357	9	£290,997	£143,497	<b>£6,833.19</b>	£7,500.00	
£7,500	£6,357	10	£277,140	£129,640	<b>£6,482.00</b>	£7,500.00	
£7,500	£6,357	11	£263,283	£115,783	<b>£6,093.84</b>	£7,500.00	
£7,500	£6,357	12	£249,426	£101,926	<b>£5,662.56</b>	£7,500.00	
£7,500	£6,357	13	£235,569	£88,069	<b>£5,180.53</b>	£7,500.00	
£7,500	£6,357	14	£221,712	£74,212	<b>£4,638.25</b>	£7,500.00	
£7,500	£6,357	15	£207,855	£60,355	<b>£4,023.67</b>	£7,500.00	
£7,500	£6,357	16	£193,998	£46,498	<b>£3,321.29</b>	£7,500.00	
£7,500	£6,357	17	£180,141	£32,641	<b>£2,510.85</b>	£7,500.00	
£7,500	£6,357	18	£166,284	£18,784	<b>£1,565.33</b>	£7,500.00	
£7,500	£6,357	19	£152,427	£4,927	<b>£447.91</b>	£7,500.00	
£7,500	£6,357	20	£138,570	-\$8,930			
£7,500	£6,357	21	£124,713	-\$22,787			
£7,500	£6,357	22	£110,856	-\$36,644			
£7,500	£6,357	23	£96,999	-\$50,501			
£7,500	£6,357	24	£83,142	-\$64,358			
£7,500	£6,357	25	£69,285	-\$78,215			
£7,500	£6,357	26	£55,428	-\$92,072			
£7,500	£6,357	27	£41,571	-\$105,929			
£7,500	£6,357	28	£27,714	-\$119,786			
£7,500	£6,357	29	£13,857	-\$133,643			
£7,500	£6,357	30	£0	-\$147,500			

CBS expected to hold minimum of one year

CBS expected to minimum contract tenar

<- Likely worst case scenario (3 years com

per year for remainder of 30 years

Note

\*Sale is based on purchase price  
Value may go up or  
down