



Business Start Up Agreement for letting the licensed property known as

Pub Name

Address 1

Address 2

Address 3

Post Code

CHAPTER 1
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CHAPTER 2 LEASE PARTICULARS

Parties and Property	
"We" "us" or "our"	[Blue Star Pub Company Limited (Company Registration Number SC366273) whose registered office is at 3-4 Broadway Park South Gyle Broadway Edinburgh EH12 9JZ] OR [Red Star Pub Company (WR II) Limited (Company Registration Number SC202689) whose registered office is at 3-4 Broadway Park South Gyle Broadway Edinburgh EH12 9JZ] OR [Red Star Pub Company (WR III) Limited (Company Registration Number 04089947) whose registered office is at Elsley Court 20-22 Great Titchfield Street London W1W 8BE] OR [Star Pubs & Bars (Property) Limited (Company Registration Number 00236608) whose registered office is at Elsley Court 20-22 Great Titchfield Street London W1W 8BE]
"You"	[] [of] [(company number) whose registered office is at []
"Guarantor"	[] [of]
"Property"	The public house known as[] situated at [] as shown on the attached plan and as further described in this lease (and which includes the buildings situated thereon)

Term	
"Term"	The term of years from the term start date and ending on []
"Term start date"	[]

Financial Information	
"Rent"	£[] per year
"Deposit"	£[]
"Repair Fund Payment"	[£25 per week]
"Damages base"	£190 per barrel for tied drinks that are draught products £10 per case for tied drinks that are not draught products

Commercial Information	
"Estimated services package charge"	£[] per month or such varied sum applicable to the services package chosen by you
"Inside knowledge fee"	£[]
"Inside track fee"	£[] per month
"OBV discount"	£[] per (i) barrel of draught beer and draught cider which is brewed by us or a group company (or such other party as we nominate); and (ii) per composite barrel of packaged cider which is brewed by us or a group company (or such other party as we nominate)

Commercial Information	
"Non OBV Type 1 discount"	£[] per barrel of each brand draught beer and draught cider which is identified as being a " Non OBV Type 1 " brand in the brand list
"Non OBV Type 2 discount"	£[] per barrel of each brand draught beer and draught cider which is identified as being a " Non OBV Type 2 " brand in the brand list
"Non OBV Type 3 discount"	£[] per barrel of each brand draught beer and draught cider which is identified as being a " Non OBV Type 3 " brand in the brand list
"Tied drinks"	Beer, Cider, Alcopops, Minerals
"Permitted number of machines"	[].
"Your machine percentage"	50% of the net machine proceeds

Premium Packaged Beers	
"PPB brands"	the brands set out in Part 1 of the Schedule (as varied from time to time in accordance with clause 4.4 of Chapter 8)
"PPB sale price"	the prices set out alongside each PPB Brand in Part 1 of the Schedule (as varied from time to time in accordance with clause 4.4 of Chapter 8), being the price per case (exclusive of VAT) at which we (or our nominee) will sell the relevant PPB brand packaged beers to you
"PPB blocked brands"	the brands set out in Part 2 of the Schedule (as varied from time to time in accordance with clause 4.4 of Chapter 8)

GRANT OF LEASE

1 Grant of this lease

1.1 We let the **property** to you;

1.1.1 With the rights listed in clause 2 of **Chapter 4**;

1.1.2 Subject to;

(i) any rights we retain set out in clause 3 of **Chapter 4**; and

(ii) any **third party rights**;

for the **term** provided that you pay by way of rent all the sums detailed in **Chapter 5** (and elsewhere in this **lease**) and comply with all of your obligations in this **lease**.

1.2 Both you we and the guarantor agree all the terms of, and will meet our respective obligations in the **Chapters** to this **lease** and will keep to them.

1.3 The guarantor agrees with us to meet with all their obligations set out in **Chapter 12**.

2 The Tie

2.1 We are a wholesaler of certain drinks and we own an estate of public houses including the **property** which estate is let to tenants who agree to retail our drinks in the estate.

2.2 We have provided the **property** with the benefit of **licences** and it is fundamental to this **lease** that you must do everything reasonably possible to protect the **licences** and to promote the sale of **tied drinks**.

2.3 As we are a wholesaler of certain **drinks** this **lease** contains certain purchasing obligations (which having regard to the improved economic efficiency that can be achieved within a chain of production or distribution between participating businesses are believed to be fair and lawful) but the **rent** has been fixed having regard to the purchasing obligations and it is lower than the **rent** which might otherwise have been expected if those obligations did not exist.

2.4 We may at any time suspend remove reinstate or otherwise vary your obligations as contained in clause 2.3 of **Chapter 6** but the remainder of the obligations contained in this **lease** shall remain.

CHAPTER 3 DEFINED WORDS

The purpose of this **Chapter** is to explain and define words used in this **lease** that may have a special meaning. In this **lease** the following terms have the meaning set opposite them. The terms then appear in bold in the remainder of this **lease**.

Agent	any staff workmen customers or any one acting with the authority (or implied authority) of either you or us (as appropriate);
Alcopops	an alcoholic drink also known as flavoured alcoholic beverage, flavoured malt beverage, alcoholic fruit drink, premium packaged spirits, branded alcoholic mixer drink and including any drinks where alcohol is added to a carbonated or still flavoured base with or without fruit juice;
Bank	such UK clearing bank which you or we use (as appropriate);
Barrel	a brewer's barrel being 36 imperial gallons in relation to tied drinks that are draught;
Beer	beer of all types denominations or descriptions (including lagers and stouts) whether packaged or in bulk;
Brand List	means any list which we publish from time to time specifying those brands of beer and cider which are not brewed by us or a group company (or such other party as we may nominate) which will qualify for a non OBV Type 1 discount , a non OBV Type 2 discount or a non OBV Type 3 discount (as applicable);
Business	the use of the property as a public house for the sale of tied drinks and other drinks (but not as a wine bar or cocktail bar or tea house or coffee shop or restaurant) with (but ancillary to such use) the sale of both hot and cold food and the provision of accommodation for short term paying guests;
Business plan	your written plan in the format which we provide from time to time including details of methods of operating and managing the business and your proposals for any alterations or changes in the method of operating the business ;
Case	a case of packaged tied drinks comprising 24 containers of the relevant drink (or such other number as shall be reasonably specified by us);
Chapter	a Chapter of this lease ;
Cider	cider of all types denominations or descriptions (including perry) whether packaged or in bulk;
Code of Practice	the Star Pubs & Bars Code of Practice which we issue and adopt from time to time and which will be a code which complies with the Pubs Code ;
Composite barrel	a brewer's barrel containing 36 imperial gallons (being equivalent to 163.6 litres) of pre-packaged cider ;
Consent	a written permission which we may (but do not have to) give and which may be subject to conditions (including time limits);
Contaminative substance	any substance or thing on beneath or in the vicinity of the property which is dangerous inflammable combustible explosive corrosive or of an

offensive nature or which may in any way cause pollution injury or harm by percolation corrosion contamination migration release or otherwise;

Designated premises supervisor	the premises manager of the property within the meaning of Section 19 of the Licencing (Scotland) Act 2005;
Drinks	all beverages;
EPOS	means electronic point of sale equipment connected electronically between the property and such office as we may specify from time to time;
Exit statement	<p>a reconciliation of your account with us showing:</p> <ul style="list-style-type: none">(a) such sums as you may owe us under the lease;(b) the deposit (as we may have received from you); together with(c) any interest that may have accrued on the deposit; <p>less all sums rightfully due to you. For the avoidance of doubt any estimated cost of expenditure required to bring the property into the condition as required by this lease and as certified by a surveyor will be a sum deemed rightfully due to us;</p>
Fixtures	any bars back-fittings central heating systems sanitary ware cellar cooling equipment and any other items in the property ordinarily known as landlord's fixtures;
Group company	a company within the same group of companies as defined by Section 42(1) of the Landlord & Tenant Act 1954;
Income	the wholesale profit from selling tied drinks and other profits which we make from the property (excluding rent) during the 12 months prior to an event occurring which prevents the property being used wholly or in part for the business ;
Inside knowledge	a specialised and dedicated training programme which we provide designed to provide you with a clear understanding of the management and operation of one of our leased public houses;
Inside track firm	a professionally qualified or accredited licensed trade accountancy firm approved and appointed by us providing inside track services ;
Inside track services	<ul style="list-style-type: none">(a) an accountancy and stocktaking package provided to you by an inside track firm providing accountancy and stocktaking services to the business which services include but are not necessarily limited to the provision of:<ul style="list-style-type: none">(i) monthly management accounts;(ii) 12 wet stock-takes per year or 12 wet and dry stock-takes per year where the business sells food and there is over £500 per week in food sales (in each case at intervals as may be agreed with us);(iii) quarterly VAT returns;(iv) the determination of an accounting year for the business; and

	(v) the preparation of a year end account for the business within 6 months of the end of each accounting year; and
	(b) the provision of EPOS to the property ;
Insurance	a policy insuring the property and the licences against loss or damage by fire and such other perils as we consider desirable (including loss of rent and income for 2 years) in such sum as we think is sufficient to reinstate the property plus sufficient sum to cover all professional fees demolition shoring up and site clearance but subject to a reasonable excess;
Insured risk	the risks against which we decide to insure from time to time;
Interest	3% above the published base rate of our bank or the statutory rate of interest on judgment debts whichever shall be the greater;
Lease	this deed and any document supplemental to it;
Liability Period	the period during which you are bound by the tenant's obligations in this lease ;
Licences	any permit licence or certificate of whatsoever nature whether required by legislation or otherwise which is required or expedient to operate the business at the property ;
Liquidated damages	our estimate of losses suffered by us (or a group company) as a consequence of you breaching your obligations in clause 2.3 of Chapter 6 . We will calculate our losses by multiplying: <ul style="list-style-type: none"> (a) the damages base; with (b) our estimate of the number of barrels and/or cases purchased by you in breach of your obligations in clause 2.3 of Chapter 6; and adding (c) our reasonable administration fee (which will not be less than £360 plus VAT);
Listed drinks	such drinks as appear at our discretion in the current list or lists which we produce from time to time listing the types brands and/or denominations and prices of drinks that we offer for sale;
Machines	any vending, games or amusement machine or information retrieval or dissemination machine or automatic telling machine or any such device being electrical electronic or mechanical and awarding prizes or otherwise unless you use such item exclusively and normally for domestic purposes or in managing the business ;
Manager	any person employed by you to manage the business ;
Minerals	all soft drinks (also called pop, soda, soda pop, fizzy drinks, tonic, minerals) or fruit juices or carbonated beverages that are not alcopops ;
Month	calendar month;
Personal licence	a licence granted to an individual within the meaning of Section 71 of the Licensing (Scotland) Act 2005;
Premises licence	the licence granted for the property within the meaning of Section 17 of the Licensing (Scotland) Act 2005 including (for the avoidance of doubt) any variations or substitutes obtained during the term ;
Price list	any list which we publish from time to time specifying the prices at which

we sell any goods or services;

Pubs Code

means the Pub Sector - Scotland Code of Practice effective from 21 July 2016 including any revision or amended version of that document

Rates

all business rates council tax or similar local taxes or charges assessed upon the **property** but not including any tax (other than **VAT**) which we pay as a result of receiving **rent** or out of any dealing by us with the reversion to this **lease**;

Rent payment days

means the first **working day** in each **month** (or such other date as we may specify);

Repair Fund

means the balance of the **repair fund payments** held by us from time to time in accordance with clause 4 of **Chapter 7**;

Schedule

means the schedule annexed and executed as relative hereto;

Schedule of Condition

means the schedule of condition prepared by [Lambert Smith Hampton] and dated [], a copy of which is annexed and executed as relative to this **lease**;

Services package

the package of services you choose to purchase from us from time to time which must as a minimum include the following services (the "**maintenance and compliance services package**")

- (a) Us procuring inspection certification of all relevant fixed gas equipment (but not catering equipment) in compliance with the Gas Safety (Installation and Use) Regulations 1998 and of all relevant electrical equipment and circuitry in compliance with the Health and Safety at Work Act 1974, the Electricity at Work Regulations 1989, and the Provision and Use of Work Equipment Regulations 1998 and to procure your compliance with the Control of Asbestos Regulations (CAR) 2012 and the testing of your emergency lighting and fire alarm systems at the **property** as frequently as required to comply with any direction of any statutory authority;
- (b) Us servicing all fixed gas and oil equipment including cellar cooling equipment (but not portable appliances or catering equipment) which form part of the **property** and repair of such items when in need of repair but not necessarily more frequently than three times in each year;
- (c) Us procuring the servicing replacement or renewal of all heating hot water and cellar cooling equipment and any other electrical installations (but not portable appliances or catering equipment) which form part of the **property** as the same may become beyond repair during the **term**; and
- (d) Us procuring the inspection of lifts and cellar hoists at the **property**;

Services package charge

the amount we periodically and reasonably determine as being the cost of providing the **services package**;

Signage

such signs insignia and advertisements attached to or forming part of the **property** displaying any **trademarks** and/or the name board of the **property**;

Standard conditions

our standard terms and conditions for sale of **drinks** and/or other goods and services which we publish from time to time and which may be set out

	on the rear of our invoices;
Surveyor	a suitably qualified chartered surveyor who shall specialise in the licensed trade and if the parties cannot agree on the identity of a surveyor then either party may ask the president of the Royal Institution of Chartered Surveyors to appoint one or in the case of a rent dispute as appointed by the Pubs Independent Rent Review Scheme;
Tenant's fittings	the moveable trade fittings furniture effects stock glassware or other articles used in operating the business ;
Term	the term of years created by this lease ;
Third party rights	all rights, obligations and restrictions affecting the property including any matters referred to at the date of this lease in our title to the property ;
Trademarks	all or any trademarks whether registered or unregistered which we use from time to time in relation to our business;
VAT	Value Added Tax or any tax of a similar nature;
Working day	any day except a Saturday Sunday or a bank holiday in England or in Scotland; and
Year	any period of 12 months commencing on the term start date or any anniversary of the term start date .

CHAPTER 4

THE PROPERTY

The purpose of this **Chapter** is to describe what rights the **property** benefits from and the rights that are excluded or reserved for the benefit of others.

1 Description

1.1 The name and address of the **property** is described in **Chapter 2** and there is attached to this **lease** a plan which shows the boundaries of the **property**.

1.2 The **property** does not include:

1.2.1 Any of the rights (or similar rights) at the **property** mentioned in clause 3.1.8 of this **Chapter 4**; or

1.2.2 The airspace above or the sub soil (or the minerals or any rights to the minerals) below the **property**.

2 Rights you have

2.1 You can use all rights of way, water, air, drainage, passage of gas and electricity, support and you have use of all sewers, drains, pipes, wires, and cables for those services and any other rights enjoyed by occupiers of the **property** and which are needed in order to use the **property** for the **business** (so far as any of these subsist for the benefit of the **property** and are within our power to grant the same).

2.2 There shall not be implied for the benefit of the **property** any servitudes, wayleave rights or other matters including rights of light or air which would restrict or otherwise limit our right to use any of our adjoining or retained land for any purpose whatsoever.

3 Rights we have

We let the **property** subject to the following reservations in our favour (and in favour of any other persons having relevant rights or requirements):

3.1.1 The right to use all conduits which are now or may in the future be in on over or under the **property**.

3.1.2 All rights including rights of support air and light used and enjoyed in connection with any neighbouring premises to from over or through the **property** as may exist during the **term**.

3.1.3 The right on giving reasonable notice (except in cases of emergency) to enter the **property** to repair clean alter renew and make connections with any conduits or any of them but we will make good any damage caused to the **property** in exercising this right and will cause as little interference to you as is reasonably practicable.

3.1.4 The right to use any of our adjoining premises as we think fit even if your enjoyment of the **property** may be harmed.

3.1.5 The right to pass and re-pass across such parts of the **property** as we may reasonably require (not including any building on the **property**) for the purpose of gaining access to or egress from any adjoining premises for whatever reason.

- 3.1.6 The right on giving reasonable notice (except in cases of emergency) to enter the **property** to build onto or into any boundary of the **property** or carry out repairs alterations or improvements to any of our adjoining premises but we will make good any damage caused to the **property** in exercising this right and will cause as little interference to you as is reasonably practicable.
- 3.1.7 The right to enter the **property** at any time for all purposes relating to any rights or obligations created by this **lease**.
- 3.1.8 The right to:
- (i) Place hoardings and advertisements on any outside walls of the **property** and to install on in or at the **property** any aerials or telecommunications installations or other electronic equipment (together with all associated fixings wirings and electrical installations and connections);
 - (ii) Retain any rent or other income from the equipment detailed in clause 3.1.8(i); and
 - (iii) Install in or at the **property** any **drinks** raising or dispensing equipment or flow meters, **drinks** dispense information equipment and/or any associated equipment;
- together with the right to service maintain repair replace calibrate and renew such items.
- 3.1.9 The right for us our **agents** and invitees to enter the **property** in connection with any reletting or sale of the **property** as detailed in clauses 4.1.1 and 4.1.2 of **Chapter 13**.

CHAPTER 5 PAYMENTS

The purpose of this **Chapter** is to explain how you must pay **rent** and other charges and how we can deal with those payments and our obligations relating to those payments.

1 You must:

- 1.1 Pay us in advance each **month** on the **rent payment days**;
 - 1.1.1 The rent;
 - 1.1.2 The estimated **services package charge** (if applicable);
 - 1.1.3 The **repair fund payment**; and
 - 1.1.4 The **Inside track fee** (unless we give you **consent** under clause 2.1 of **Chapter 6**);

and you must not deduct or set off any amounts which you believe we owe you. Any payment due for a period of less than a **month** will be apportioned.

- 1.2 Pay all **rates** and other charges levied by the providers of any gas, electricity, water, telecommunications or other services to the **property** or the **business**.
- 1.3 Pay us the balance of the **services package charge** within fourteen days of demand after taking into account all accumulated **estimated services package charge** paid during any **year**.
- 1.4 Pay us the **deposit** and the **Inside knowledge fee** on or before the **term start date**. You agree that the **deposit** will be held in our name and belong to us.
- 1.5 Pay us for anything which we supply (whether or not the supply is pursuant to this **lease**) and where anything is supplied by our nominee to pay us or our nominee as we may state. All payments must be in accordance with the **standard conditions** and at the prices specified in the **price list** or by our nominee.
- 1.6 Pay us **liquidated damages** in relation to any **tied drinks** at or dispensed from the **property** which have not been purchased from us or our nominee.
- 1.7 Pay all **VAT** due on all payments due under this **lease**.
- 1.8 Pay us on an indemnity basis all costs, charges, fees and expenses (including solicitors and surveyor's fees) which we or our mortgagee's or any superior landlord incur for the purposes of or incidental to:
 - 1.8.1 The contemplation, preparation, or service of any notice under the terms of this **lease**; or
 - 1.8.2 In connection with recovery of:
 - (i) Possession of the **property**; or
 - (ii) Any monies owing under the terms of this **lease**; or
 - 1.8.3 Rectifying any default by you in complying with this **lease**;

even if irritancy is avoided whether by any order granted by the Court or otherwise.

- 1.9 Pay us on an indemnity basis all costs, charges, fees and expenses (including solicitors and surveyor's fees) which we or our mortgagee's or any superior landlord incur for the purposes of or incidental to any application for a **consent**.
- 1.10 Repay us on demand any costs or expenses which we may incur as a debt due if we elect to carry out any repairs or maintenance under clause 1.8 in **Chapter 7**.
- 1.11 Pay us **interest** on any monies that you owe us and which you do not pay us as they become due.
- 1.12 Pay us within 14 days of demand the cost we incur in taking out and maintaining **insurance** of the **property** together with the amount of any **insurance** excess we may be subject to.

2 Method of payment to us

- 2.1 All payments to us shall be by variable direct debit or as we may otherwise reasonably specify (including cash with order).
- 2.2 We may give less than 10 (but never less than 2) **working days** notice of any sum to be collected by us from your **bank** by variable direct debit.

3 Rent reduction

- 3.1 If part or all of the **property** cannot be used for the **business** because of damage covered by **insurance** the **rent** and other charges under this **lease** shall be cancelled or reduced as appropriate during the relevant period (up to a maximum of 2 years).
- 3.2 The provisions of clause 3.1 shall not apply if the insurers do not pay under the policy because of something done or not done by you or your **agent**.
- 3.3 Any dispute as to how this clause 3 applies will be settled in accordance with **Chapter 14**.

4 Appropriation

- 4.1 We have the right to appropriate any of your money which we may have (or any money we may owe you) to any of your liabilities regardless of whether you have expressed or intended such monies to be paid.
- 4.2 If your account with us is overdue then we may appropriate the whole or part of the **deposit** up to the extent of the overdue indebtedness and in such event the amount so appropriated shall be a debt immediately payable by you.

5 Payments by us

- 5.1 If we have any hoardings, advertisements, aerials, telecommunication installations, electronic equipment or flow meters and associated equipment installed on in or at the **property** then not less frequently than once every quarter we shall pay you (or credit your account with us) such sum as we shall specify by way of a contribution to the cost of providing electricity for operating such items.
- 5.2 If we take samples of any **drinks** or food we will pay you a sum equal to the retail cost of those samples.
- 5.3 Within 28 **working days** of the end of this **lease** (however it ends) we will prepare an **exit statement**. Payment to you of any credit shown on the **exit statement** will be made as soon as reasonably practical after we agree the **exit statement** with you.

- 5.4 Subject to you paying us the **inside track fee** in advance we will:
- 5.4.1 Pay the **inside track firm** for providing the **inside track services** referred to in clause 1.10 of **Chapter 6**; and
- 5.4.2 Arrange for the installation of **EPOS** at the **property** by a supplier nominated by us. You agree with us that after **EPOS** is installed at the **property** that you will:
- (i) Record all sales of goods and services by the **business** through the **EPOS**;
 - (ii) Ensure (at your cost) at all times that the **EPOS** remains connected via a secure electronic information retrieval and dissemination system by which we and you can communicate and to make available to us all books records invoices or receipts of the **business** howsoever generated;
 - (iii) Maintain the **EPOS** (at your cost) in good working order and to ensure it is serviced in accordance with the suppliers recommendations; and
 - (iv) Where you fail to comply with your obligations in this clause 5.4.2 permit us (or the **EPOS** supplier) access to the **property** to inspect maintain and service the **EPOS** when required.

6 **Inside Track fee**

If during the **term** the costs charged by the **inside track firm** for the provision of **inside track services** changes we will give you notice of not less than one month of the new **inside track fee** that will become payable. You must then pay that sum as the new **inside track fee**.

CHAPTER 6 OPERATING THE BUSINESS

The purpose of this **Chapter** is to explain how we require you to run the **business**.

1 You must:

- 1.1 Use the **property** only for the **business** and you must use your best endeavours to promote and develop the **business**.
- 1.2 Properly stock the **property** with **tied drinks** and other appropriate **drinks** and use courteous and efficient staff at the **property** and promote the sale of an appropriate range of food at the **property** having taken into account local operating conditions.
- 1.3 Keep the **property** open for the **business** during all trading hours as we may reasonably specify within the hours permitted by the **premises licence**.
- 1.4 Ensure that all food and **drinks** are served in an appropriately fresh and proper manner and in compliance with all appropriate hygiene requirements and regulations.
- 1.5 Attend at your cost when and where we reasonably require any training courses as we think benefit operators of public houses generally and unless we **consent** to you not doing so you must attend the **inside knowledge** course before the **term start date**.
- 1.6 Provide the services of the **business** (and in particular sell **tied drinks**) at reasonable prices adequately displaying the prices and participate in all reasonable promotion schemes relating to the **business** which we provide.
- 1.7 Give us access at any time to such part of the **property** where **drinks** or food are kept stored or prepared and permit us to take reasonable samples of any **drinks** or food.
- 1.8 Provide electricity to any flow meters and associated equipment and any aerials and/or telecommunication installations and for any hoardings and advertisements on or at the **property**.
- 1.9 Record all sales of all goods and services of the **business** at the **property** in a form which we approve and you must provide such records to your **inside track firm**.
- 1.10 Cooperate with the **inside track firm** which we appoint on your behalf. Even if we do give you **consent** under clause 2.1 to appoint a reputable provider of **inside track services** who is not an **inside track firm** you must require that such firm:
 - 1.10.1 Confirms in writing to us within one month of us providing a **consent** under clause 2.1 that:
 - (i) You are complying with the requirements to record your sales; and
 - (ii) They are providing services equivalent to **inside track services**;
 - 1.10.2 Provides us with copies of all accounts produced and any further financial details as we may reasonably require.
- 1.11 Implement the **business plan** and meet with us as often as we require to discuss its implementation and if necessary review and update the **business plan** to our reasonable satisfaction.
- 1.12 Immediately notify us of any complaint or any notice whatsoever received from any statutory or other authority where such complaint or notice relates to the **property** or the **business**.

- 1.13 Do all things as may be required to comply with any order or direction of any statutory or other authority having power to issue such orders or directions relating to the **property** or the **business** and you must not commit or tolerate any unlawful or illegal acts at the **property**.
- 1.14 Reside in the residential part of the **property** or with our **consent** cause a **manager** to live in the residential part of the **property**
- 1.15 Keep the **signage** clean free from obstruction and properly maintained and illuminated (including illuminating the **property** where relevant) and not alter or in any way interfere with the **signage**.
- 1.16 From no later than the **term start date** purchase the **tenant's fittings**.

2 You must not:

- 2.1 Appoint a provider of the **inside track services** referred to in clause 1.10 who is not an **inside track firm** without our **consent**. We will not be obliged to give such **consent** in the first **year** of the **term** and then we will only give **consent** if:
 - 2.1.1 You have arranged for an alternative reputable provider to be appointed to the **business**;
 - (i) That has experience of working in the licensed trade sector; and
 - (ii) Which provides services that are equivalent to **inside track services**.
 - 2.1.2 No **rent** or payment for goods or services is due to us.
 - 2.1.3 You have paid all of the **deposit**.
 - 2.1.4 You have not breached your obligations to purchase **tied drinks** as contained in clause 2.3 of **Chapter 6**.
 - 2.1.5 You give us not less than two months prior written notice (expiring immediately after one of your **VAT** quarter days) requesting that we terminate the appointment of any already instructed **inside track firm**.
 - 2.1.6 You have complied with all your other obligations under this **lease**.
- 2.2 Change the name of the **property** or the telephone numbers serving the **property** or do anything which might invalidate the **trademarks** (or be inconsistent with our ownership of the **trademarks**) or act in any way which may reduce the residual value in the **trademarks** or that may reduce the value of our interest in the **property**.
- 2.3 Without our **consent** sell or expose for sale in the **property** or bring on to the **property** for any purpose whatsoever any **tied drinks** unless we have sold them to you. The provisions of this sub-clause shall remain in full force and effect whilst you remain in occupation of the **property**, after this **lease** has ended in any way.
- 2.4 Do or allow to happen anything at the **property** which we may reasonably consider offensive, a nuisance, an annoyance or dangerous.
- 2.5 Without our **consent** erect or attach to any part of the **property** any signs whether fascia pictorial fixed free standing illuminated or otherwise and if we give **consent** to the erection of signs then you must repair and maintain such signs to our reasonable satisfaction and remove such signs if we so require.
- 2.6 Sell or in any other way dispose of or charge the **tenant's fittings** or allow anyone to remove them but this restriction does not prevent you replacing the **tenant's fittings** with new or suitable alternatives.

- 2.7 Install any **drinks** dispensing equipment or interfere with disconnect or by-pass any flow meters and associated equipment installed in any **drinks** dispensing or raising equipment at the **property**.
- 2.8 Change the provider of the **inside track services** referred to in clause 1.10 who is not an **inside track firm** and who we have not given consent to you appointing under clause 2.1 above without our **consent** and in any event not more than once in any **year**.
- 2.9 Remove the **EPOS** from the **property** without our **consent** and to leave the **EPOS** in the **property** at the end of the **term**.

3 Machines

- 3.1 Subject to us agreeing the make, model and type of **machines** with you we consent to you installing the **permitted number of machines** at the **property**. You must not install any other **machines** at the **property** unless we give **consent**. We can withdraw our **consent** at any time.
- 3.2 Any **consent** we give you in this **lease** (or otherwise) to you installing and operating **machines** at the **property** is on the following terms and conditions:
- 3.2.1 We consider the list of our approved suppliers of **machines** from time to time. We will notify you of the name and address of our approved suppliers on request.
- 3.2.2 You must only hire **machines** from a supplier approved by us and where you have hired a **machine** from a supplier who is not or is no longer a supplier approved by us you must return the **machine** and re-hire from an approved supplier.
- 3.2.3 You must tell us the name and address of the supplier of any **machine** which you install if we ask.
- 3.2.4 We may require you to change the type or model of any **machine** at the **property** or to remove all or some of the **machines** if we have reasonable grounds to believe that a **machine** is impairing the character and profitability of the **property**.
- 3.2.5 We may require **machines** to be fitted with systems to record the operation of the **machine**.
- 3.2.6 Any **machine** will remain switched on for use and operation when the **property** is open for trade.
- 3.2.7 You will ensure that any hire agreement made between you and any **machine** supplier is capable of being terminated at any time without notice and any hire agreement will only require payment in money.
- 3.2.8 You will permit any approved supplier access to any **machine** at all reasonable times for the purposes of collection repairs installation maintenance and any other proper tasks.
- 3.2.9 All **machines** will be sited in the **property** in positions agreed with us and you will not permit any **machine** to be sited in a different position except for the purposes of complying with any direction of any relevant authority or pursuant to any law.
- 3.2.10 You will not consent to an approved supplier assigning or transferring any hire agreement and if you receive notice of such assignment or transfer by an approved supplier you must immediately notify us.

- 3.2.11 You must ensure that any **machine** is notified to HM Revenue & Customs and/or any **licences** or notifications as may be required to operate **machines** are current and displayed if necessary.
- 3.2.12 Any **machines** shall be emptied by a representative of the approved supplier both periodically and at the end of the hire period. The representative shall distribute the monies in a given **machine** in the following order but shall first reimburse you for all sums paid to customers in response to legitimate claims for a malfunction of a **machine** (proven by the electronic record kept by any **machine**) and (if applicable) replenish the float and then;
- (i) Give to you a sum equal to any duty or tax payable on the remainder of the cash in the **machine** which you will record and account to HM Revenue & Customs for; and then
 - (ii) Reimburse you or us (or retain as appropriate) an appropriate proportion of any annual licence fee paid to the relevant authority in advance for the **machines** but if there shall be insufficient money in any **machines** to pay the appropriate proportion of the annual licence fee then we and you will be liable for half each of any shortfall; and then
 - (iii) Retain the rent inclusive of **VAT** due for the hire but if there shall be insufficient money in the **machine** to pay the rent we and you will be liable for half each of any shortfall; and then
 - (iv) Give to you **your machine percentage** of the final remaining balance and pay to us the final remaining balance.
- 3.2.13 If you owe us any money we may require the approved supplier to pay us any monies which might otherwise be paid to you and in any event at the end of the **term** or in the event that a **machine** is being removed from the **property**, we will require the approved supplier to pay us any monies which might otherwise be paid to you. Such payment will be included in your account with us and this agreement is an irrevocable authority given by you to any approved supplier to that effect.
- 3.2.14 If we do withdraw our **consent** permitting you to install **machines** at the **property** you will immediately terminate any **machine** hire contracts and arrangements. If you do not remove a **machine** when requested we can enter the **property** and remove the **machine** and you will pay us the costs of returning such **machine** to the approved supplier.

CHAPTER 7 PROPERTY MAINTENANCE

The purpose of this **Chapter** is to explain your responsibilities and obligations and the obligations which we may take responsibility for relating to the care of the **property**.

1 **You must:**

- 1.1 Put and keep all interior surfaces at the **property** and **fixtures** in good and substantial repair decoration and condition. The standard of work and types of finishes must be agreed with us and all painting is to be with good quality paint and all wallpaper and wall coverings are to be of good quality. Decoration must be carried out as frequently as may reasonably be required or as we determine. Notwithstanding the limited nature of these obligations you must use the **property** in the manner of a good and caring owner. You accept the **property** as being good repair and fit for the purposes of this **lease**.
- 1.2 Keep all pipes, running water gutters, downpipes, gullies, drains and sanitary apparatus clean and clear of obstruction. Where applicable you must arrange for cess pits, septic tanks, sewage treatment plants and grease traps to be emptied and to be kept lawfully operating.
- 1.3 Keep all equipment used in connection with the **business** in proper repair and properly maintained (except to the extent that we undertake servicing and maintenance). If we request you must provide us with written proof of proper servicing inspection and certification of such equipment and in particular but without limiting your obligation this will include:
 - 1.3.1 Fire fighting, warning and detection equipment.
 - 1.3.2 Emergency lighting equipment.
 - 1.3.3 Catering equipment extractor fans and filtration units.
 - 1.3.4 Cellar hoists sewage pumps and sewage treatment plant.
- 1.4 Renew all cracked or broken glass (including plate glass) with glass of an equivalent and adequate style and quality.
- 1.5 Keep any garden, yard, outbuilding, forecourt, car park, path or roadway in a clean and tidy condition, any hedges properly trimmed, any ditch properly cleared and any garden properly stocked mowed or cultivated.
- 1.6 Choose a **services package** to assist you in maintaining and operating the **property** and in default you must accept the **maintenance and compliance services package**.
- 1.7 Immediately give us written notice when you become aware of the existence of any disrepair for which you are not responsible or contamination at the **property** or land beneath or in the vicinity of the **property** or of any **contaminative substance** at or on the **property**.
- 1.8 Allow us after we have given reasonable notice (except in cases of emergency when no notice shall be required) to enter and inspect the **property**. If we find that you have not complied with your obligations under this **Chapter 7** we may serve notice in writing specifying your failures to comply with such obligations. Within three **months** of any such notice (or by the end of the **term** if sooner) you must make good all defects or failures as specified in our notice and in default you must allow us to enter the **property** and carry out such works or repairs as may be required.

1.9 Give us unrestricted access to any parts of the **property** if we elect to carry out any repairs to the **property** that are in need of repair. You must provide any water and/or electricity and any other reasonable facilities that we may reasonably require in carrying out such works.

1.10 Notwithstanding your obligations in clause 1 of this **Chapter 7**, you will not be required to keep the property in a better condition than that described in the **Schedule of Condition**.

2 You must not:

2.1 Keep place store disturb use or permit to be kept placed stored disturbed or used in or upon or about the **property** any **contaminative substance**.

2.2 Contaminate the **property** or any land beneath or in the vicinity of the **property** and you must carry out all works and actions necessary to remove any **contaminative substance** and restore the **property** if contamination takes place.

3 We may:

Carry out repairs to the **property** under clause 1.8 of this **Chapter 7** but we are under no obligation to do so whether under this clause or clause 1.8 of this **Chapter 7** or otherwise. If we decide to carry out any repairs to the **property** we shall not be liable to you or anyone else for any loss disturbance of inconvenience which you or the **business** may experience during the carrying out of such works.

4 Repair Fund

4.1 You agree that the **repair fund** belongs to us and will be held in our name.

4.2 We can use some or all of the repair fund (and any interest that has accrued in respect of the **repair fund**) if we incur any expense or loss as a result of you failing to comply with your obligations in this **Chapter 7**.

4.3 Any part of the repair fund which we use will not be treated as rent (to protect our right to re-enter the **property**) and none of our rights under this **agreement** will be affected.

4.4 As soon as is possible, after the **end date** (except where clause 4.2 above applies), we will repay the **repair fund** with interest to you, but we will be entitled to:

4.4.1 deduct any money owed to us or expense or loss we incur because you have failed to comply with your obligations in this **Chapter 7**;

4.4.2 keep the **repair fund** until we can accurately assess the amount due to us under clause 4.4.1.

4.5 If we sell our interest in the **property**, we will pay the **repair fund** to whoever buys the property from us. They will continue to hold the **repair fund** on the terms of this clause 4 of **Chapter 7**.

4.6 When from time to time you carry out and complete your obligations in clause 1 of this **Chapter 7**, you may ask us in writing to release an amount from the **repair fund** equivalent to the value of the **repair fund** or (if lower) the value of the works which you have carried out at the **property** and provided that:

4.6.1 the amount of the **repair fund** that you have requested is for no lesser sum than £1,000;

4.6.2 you have made no more than two other requests for a release of the **repair fund** within the previous 12 **month** period;

- 4.6.3 you have provided us with costed invoices (or such other supplementary documentation as we may reasonably request from time to time) relating to the works that you have carried out pursuant to clause 1 of this **Chapter 7**); and
- 4.6.4 we have approved (acting reasonably) any such costed invoices and supplementary evidence provided pursuant to clause 4.6.3 of this **Chapter 7** (with an approval, or as the case may be, a reason for rejection to be given by us within 28 days of receipt of such invoices and supplementary evidence),

then we will make a payment to you from the **repair fund** as soon as reasonably practicable.

- 4.7 If the value of any works you carry out at the **property** from time to time in accordance with your obligations in this **Chapter 7** exceeds the value of the **repair fund** at the point at which you ask us to release some or all of the **repair fund** to you then for the avoidance of doubt, you agree and accept that you will need to meet any shortfall between the cost of the works and the amount of the **repair fund** yourself.

CHAPTER 8 OUR SERVICES

This **Chapter** explains the various benefits and services which we will provide during the **term**.

1 Quiet Enjoyment

Provided you comply with your obligations set out in this **lease** we will allow you to use and enjoy the **property** without interference by us unless required by law or by this **lease**.

2 Services which we will provide

- 2.1 We will make available various **services packages** and we will provide the services as are set out in the package that you choose. In default of you choosing a package we will provide the **maintenance and compliance services package**.
- 2.2 We will charge an **estimated services package charge** applicable to the **services package** which you choose.
- 2.3 We will appoint on your behalf an **inside track firm** unless we give you the consent referred to in clause 2.1 of **Chapter 6**.

3 Drinks Supply

3.1 We shall:

- 3.1.1 Provide you with the current **listed drinks** list.
- 3.1.2 Use reasonable endeavours to supply or procure the supply to you of such quantities of **tied drinks** that are **listed drinks** as you may require and be ready and able to pay for.
- 3.1.3 Sell you **tied drinks** at our prices as normally charged by us to tenanted public houses less a discount which will be set by us. The discount will not be less than:
- (i) The **OBV discount** in relation to draught **beer** and draught **cider** which is brewed by us or a **group company** (or such other party as we nominate);
 - (ii) The **OBV discount** in relation to packaged **cider** which is brewed by us or a **group company** (or such other party as we nominate);
 - (iii) The **non OBV Type 1 discount** in relation to those brands of draught **beer** and draught **cider** which are identified as "Type 1" brands in the **brand list**;
 - (iv) The **non OBV Type 2 discount** in relation to those brands of draught **beer** and draught **cider** which are identified as "Type 2" brands in the **brand list**;
 - (v) The **non OBV Type 3 discount** in relation to those brands of draught **beer** and draught **cider** which are identified as "Type 3" brands in the **brand list**;

and in each case supplied to you by us (or such other party as we nominate). For the avoidance of doubt the **OBV discount, non OBV type 1 discount, non OBV type 2 discount** and **non OBV type 3 discount** referred to in clause 3.1.3 (i), clause 3.1.3 (iii), clause 3.1.3 (iv) and clause 3.1.3 (v) above relate to draught **beer** and **cider** only and do not apply to packaged **beer** or **cider**.

- 3.2 If we sell you **drinks** after this **lease** has ended then we do not have to allow you any discount (be it the **OBV discount, non OBV type 1 discount , non OBV type 2 discount, non OBV type 3 discount** or otherwise).

4 Drinks Supply – Premium Packaged Beers

4.1 Subject to clause 4.3 below, we shall sell those **tied drinks** which are **PPB brands** for the **PPB sale price** shown in **Chapter 2** Lease Particulars.

4.2 In return for us agreeing to supply you with the **PPB brands** for the **PPB sale price** you agree that:

4.2.1 The only packaged **beers** you will stock and make available for sale at the **property** will be **PPB brands**;

4.2.2 You will not sell any packaged **beer** at the **property** which is not a **PPB brand**;

4.2.3 You will not:

(i) Bring any **PPB blocked brands** onto the **property**; and

(ii) Display, dispense or sell any **PPB blocked brands** at the **property**.

4.2.4 You will remove any **PPB blocked brands** from the **property**.

4.3 If:

4.3.1 You breach any of the terms of this **lease**; or

4.3.2 We serve you not less than one months' notice;

our obligation to supply **PPB brands** to you for the **PPB sale price** will end and we can then supply **PPB brands** to you for the price specified in our list price that is available at that time. In these circumstances your obligations in relation to **PPB blocked brands** detailed in clause 4.2 above will no longer apply.

4.4 For the avoidance of doubt, we reserve the right to review and change:-

4.4.1 the **PPB brands**;

4.4.2 the **PPB sale price**; and/or

4.4.3 the **PPB Blocked Brands**

from time to time and if we do so we will provide you with notice of any change. We may do this, for example, in the event that we change our standard wholesale price list or there is a change in the alcohol duty rates on **drinks** imposed by HM Revenue & Customs or otherwise.

5 Drinks Supply - Release

5.1 If we fail to supply you with **tied drinks** which are **listed drinks** for a period of time which in all the circumstances is excessive then if you ask us in writing to release you from your obligations to purchase those **tied drinks** from us and if we confirm your release in writing you will be released but only for so long as is necessary.

5.2 We can release you from your obligations to purchase **tied drinks** from us as set out in clause 2.3 of **Chapter 6** at any time.

CHAPTER 9 INSURANCE

The purpose of this **Chapter** is to explain your obligations relating to insurance.

1 You must:

- 1.1 Comply with all requirements from time to time of the insurers of the **property** and of any duly authorised fire prevention building control local or central government officer.
- 1.2 Allow us to enter the **property** at any reasonable time to inspect it and value it for **insurance** purposes.
- 1.3 Insure the **business**, the **tenant's fittings** and any plate glass against loss of or interruption from reasonably foreseeable risks against public and employer's liabilities including product liability of the **business**. Such insurances to be to proper values and insured with a reputable insurer.
- 1.4 Cause our interest to be noted on all policies you hold in compliance with your obligations in this clause 1 and you must require the insurer(s) to notify us in the event of cancellation or threatened cancellation of the insurance.
- 1.5 Produce to us a copy of any current insurance policy (or current schedule to such policy) that you take out in compliance with your obligations in this **Chapter 9** and you must also provide us with details of your insurance provider, policy number and the renewal date of your policy. You must provide this information to us on each occasion during the **term** when your insurance policy is renewed.
- 1.6 Notify us as soon as you are aware of any damage or loss to the **property, fixtures or tenant's fittings**.
- 1.7 Notify us as soon as you are aware of any claims made in relation to the insurances you are obliged to maintain under this **lease**.
- 1.8 Hold any **insurance** monies that you are ever in receipt of relating to the **property, fixtures** or the **tenant's fittings** in trust for us.
- 1.9 Indemnify us on a full indemnity basis for any losses we might incur as a result of you, your agents or employees breaching the provisions of clause 2.1 below.

2 You must not:

- 2.1 Act in a way (nor allow anyone else to do so) which will or may result in the **insurance** of the **property** being made void or voidable in whole or in part or in the premium for it being increased.
- 2.2 Insure the **property** or any part of it.

3 We shall:

- 3.1 Insure the **property** (but not the **business** or the **tenant's fittings**) for the full rebuilding value to cover the **insured risks**.
- 3.2 Unless the provisions of clause 2.1.2 of **Chapter 13** apply, promptly claim all **insurance** monies if the **property** is damaged or destroyed by an **insured risk** and, subject to clause 3.3 below, use them (other than loss of **rent** or **income**) in promptly repairing rebuilding reinstating or replacing the **property** as appropriate. This obligation does not oblige us to rebuild reinstate or replace with substantially identical buildings or **fixtures**.

- 3.3 Take all reasonable steps to get any permission we need to repair or rebuild the **property** if it is damaged or destroyed by an **insured risk**. After we have received the permission, we will repair the damage or destruction as soon as possible, unless the claim is not paid out due to anything you have done or failed to do. If this is the case, you must pay us the amount the insurer will not pay to us, with **interest**, from the date we should have received the money until we do receive it.

CHAPTER 10 LICENCES

The purpose of this **Chapter** is to explain your obligations relating to **licences**.

1 You must:

- 1.1 Apply for and keep in force the **premises licence** and apply for appropriate variations to it as you agree with us in writing from time to time.
- 1.2 Ensure that the **property** is managed and operated in a legal, lawful and orderly manner including employment of staff that have **personal licences**.
- 1.3 Ensure that all **licences** including the **premises licence** are not put at risk.
- 1.4 Apply for and keep in force all **licences** that may be necessary to operate the **business** from the **property**.
- 1.5 Immediately notify us of any complaints or of any notice of intention to revoke or oppose any **licences** including the **premises licence** or of any arrest charge or conviction of you or of any of your employees.
- 1.6 At your own expense take such steps in connection with the matters referred to in this **Chapter** as we may reasonably direct.
- 1.7 Be or cause your **manager** to be the **designated premises supervisor**.
- 1.8 Employ or cause to be employed in the **business** persons who are holders of **personal licences** to operate the **business** in your absence.
- 1.9 Promptly pay all costs and fees (be they of a recurring nature or otherwise) associated with your obligations regarding the **premises licence** (and any matters ancillary to the **premises licence**) set out in this **lease**.

2 You must not:

- 2.1 Agree to any conditions relating to any **licence** or apply for any different or additional **licences** or remove or surrender any **licences** without our written **consent** which we will not unreasonably withhold.
- 2.2 If we are legally entitled to be the holder of any **licence** and if we give you written notice that we intend to become the holder of such **licence**, oppose such intention.

CHAPTER 11 DISPOSAL AND ALTERATIONS

The purpose of this **Chapter** is to explain your obligations relating to disposing of or altering the **property**.

1 You must:

- 1.1 Comply with any statutory requirement relating to the **property** but otherwise you must not change or alter any part of the **property** and in particular any part of the **property** to which the **licences** relate.
- 1.2 Immediately notify us if you become aware of any trespass encroachment attempt to acquire new rights or servitudes and or obstruction of any window at or of the **property**.
- 1.3 Immediately give us any notice or a copy of any notice relating to **rates** (but not ordinary periodic demands).

2 You must not:

- 2.1 Apply for planning permission for any change of use or any other changes at or to the **property** but if we make a planning application relating to the **property** you must support it.
- 2.2 At any time overload the electrical circuits, floors ceilings or structure of the **property**.
- 2.3 Without our **consent** attach to the outside of the **property** any receiving or broadcasting aerials or satellite dishes.
- 2.4 Serve any purchase notice under the planning acts requiring any local or other competent authority to purchase your interest in the **property**.
- 2.5 Allow any trespass nor any encroachment over any part of the **property** nor without our **consent** allow any market stall or barrow to stand or take place at or on the **property**.
- 2.6 Permit the acquisition of any new rights or servitudes over any part of the **property**.
- 2.7 Obstruct nor permit to be obstructed any window of the **property**.
- 2.8 Interfere with any rights or servitudes which we own and if we require then you must use your best endeavours to ensure that such rights or servitudes are not interfered with.
- 2.9 Make any applications or representations concerning **rates**. If we require then you must use your best endeavours to assist any applications or representations concerning **rates** that we make.
- 2.10 Assign, sublet, mortgage, charge or part with possession or occupation of the **property** or with any part of it and if you are a company this restriction extends to prohibiting your shareholders from changing or a **group company** occupying the **property** or operating the **business**.
- 2.11 If you are a company, cause or permit any new shares to be issued or the existing shares to be transferred or charged whether in law or in equity by any one or more of the shareholders of the company as at the date of this **lease** (whether by gift, sale, legacy or in any other way whatsoever).

CHAPTER 12 GUARANTOR

The purpose of this **Chapter** is to set the obligations of the **guarantor**.

1 Background

- 1.1 The **guarantor's** undertakings to us in this **lease** are given as sole or principal debtor for the time being. They also extend to our successors in title without the need for any express assignation.
- 1.2 The guarantor's obligations under this **lease** will last throughout the **liability period**.

2 The guarantor agrees with us that:

- 2.1 You will:
 - 2.1.1 Punctually pay the **rent** and other payments reserved as rent under this **lease** and **VAT** charged on them.
 - 2.1.2 Observe and perform the obligations and other terms of this **lease**.
- 2.2 If at any time during the **liability period** while you are bound by the tenant's obligations in terms of this **lease** and you default in:
 - 2.2.1 Paying the **rent** or other payments reserved as rent and **VAT** charged on them; or
 - 2.2.2 Observing or performing any of the obligations or other terms of this **lease**;then the **guarantor** will pay the **rent** and other payments reserved as rent and **VAT** and will observe and perform the obligations or terms in respect of which you are in default.
- 2.3 The **guarantor** will make good to us on demand and indemnify us against all losses resulting from your non-payment, non-performance or non-observance of the matters detailed in this **lease** notwithstanding:
 - 2.3.1 Any time or indulgence granted by us to you, or neglect or forbearance of us in enforcing the payment of any sum or the observance or performance of any of the obligations due under this lease;
 - 2.3.2 That the terms of this **lease** or any related agreement may have been varied by agreement between us and you; or
 - 2.3.3 Anything else by which, but for this clause 2, the **guarantor** would be released.

3 The guarantor must:

- 3.1 Accept a new lease from us if before the end of the **term** this **lease** ends prematurely and if we require in writing within three **months** of any date upon which this **lease** ends prematurely ("the **disclaimer date**").
- 3.2 The term of any new lease as detailed in clause 3.1 shall be for a period from the **disclaimer date** to the end of the **term** and shall be in the form of this **lease** as it applies at the **disclaimer date** omitting any provision for the guarantee of the tenant's

obligations (and any reference to any obligation which was been carried before the **disclaimer date**).

3.3 Pay us our costs reasonably incurred in preparing and granting the new lease.

4 Payments following Disclaimer

If this **lease** is disclaimed and we do not require the **guarantor** to accept a new lease of the **property** in accordance with these provisions the **guarantor** must pay to us on demand an amount equal to the difference between:

4.1 Any money received by us for use or occupation of the **property**; and

4.2 The **rent** and other payments reserved as rent by this **lease** plus **VAT**;

for the period commencing with the date of the disclaimer and ending on whichever is the earlier of the date six months after the disclaimer, the date, if any, upon which the **property** is re let and the end of the **term**.

CHAPTER 13

ENDING THIS LEASE

The purpose of this **Chapter** is to explain how this **lease** can be ended and what is to happen at the end of this **lease**.

1 Irritancy

Without in any way limiting our rights caused by you breaching any of the terms of this **lease** or in any way cancelling your outstanding obligations we are entitled to terminate this lease with immediate effect and enter into possession of the property whenever:

- 1.1 You (or your guarantor):
 - 1.1.1 Are 7 days late in paying any **rent** even if not formally demanded.
 - 1.1.2 Fail to pay any other sums or fail to comply with any other obligation contained in this **lease**.
 - 1.1.3 Being an individual (or if more than one either or any of them) signs a trust deed for creditors or apparently insolvent or is sequestrated.
 - 1.1.4 Being a corporation enters into liquidation whether compulsory or voluntary (except for reconstruction or amalgamation) or is the subject of an administration order or has a receiver appointed.
 - 1.1.5 Have any diligence done or execution levied on your goods or if judgement is given against you for a debt.
 - 1.1.6 Having been the holder of the **premises licence** cease to be the holder of a **premises licence** for any reason.
 - 1.1.7 Die.
 - 1.1.8 Are no longer required to purchase **tied drinks** as required by clause 2.3 of **Chapter 6**.
- 1.2 A **premises licence**, which is specified to have effect for a limited period of time, ceases to have effect on the expiry of that limited period of time.
- 1.3 The holder of the **premises licence**:
 - 1.3.1 Dies, becomes mentally incapable, becomes insolvent or is dissolved (all as set out in Section 28 Licensing (Scotland) Act 2005); or
 - 1.3.2 Gives notice or purports to give notice to surrender the premises licence in accordance with the provisions of Section 28 of the Licensing (Scotland) Act 2005.
- 1.4 An application is received by the relevant licensing authority for the review of the **premises licence** (or a relevant licensing authority must review the **premises licence** pursuant to any legal requirement) or the relevant licensing authority takes any steps within the meaning of Sections 36 or 37 of the Licensing (Scotland) Act 2005.
- 1.5 The relevant licensing authority takes steps, pursuant to either:
 - 1.5.1 An application for review of a **premises licence** in accordance with Section 36 Licensing (Scotland) Act 2005; or

1.5.2 An application for review of a **premises licence** following a closure order under Section 97 of the Licensing (Scotland) Act 2005.

1.6 You and/or an employee or nominee ceases to be the holder of a **personal licence**.

2 Ending the term

2.1.1 You may end the **term** by giving us not less than 3 months written notice expiring at any time and provided you give us vacant possession of the **property** in compliance with clause 4 of this **Chapter 13** the **term** will end at the end of your notice period.

2.1.2 If the **property** cannot be used for the **business** because of damage or destruction by an **insured risk** then within six **months** of such damage or destruction occurring we can elect in writing not to re-build or reinstate the **property** and this **lease** and the **term** will immediately end. This will not limit the rights of either party as against the other concerning any outstanding breach of the terms of this **lease**. Save as provided for in this clause 2.1.2 of this Chapter 13, this **lease** shall not automatically terminate by reason of the destruction to the **property**.

2.1.3 If this **lease** should vest in your personal representatives then either party may end the **term** by giving not less than 14 days notice to the other party at any time.

3 Waiver and Continued Supply

3.1.1 If we demand **rent** or any other moneys due under this **lease** and/or you pay any money after we have knowledge of anything giving rise to us having a right to terminate this **lease** you shall not be entitled to rely upon any such demand (or payment) to claim that such rights shall have been waived or as a defence to any proceedings.

3.1.2 It is a requirement of clause 2.3 of **Chapter 6** that whilst you occupy the **property** you only sell **tied drinks** which you have purchased from us. If we take any proceedings against you for whatever reason such supply will not affect any rights or act as a waiver of any of our rights if we continue to supply you with **tied drinks**.

3.1.3 If we give you extra time or any concessions concerning compliance with any term of this **lease** it shall not be deemed a waiver of any such breach nor shall it prevent the subsequent enforcement of that term and shall never act as a waiver of any future breach.

4 At the end of the term

4.1 You must:

4.1.1 During the last 4 **months** prior to the end of the **term** allow us and any persons authorised by us to enter and inspect the **property** in connection with any reletting of the **property** and to permit a reasonable letting sign to be placed at or fixed to the **property**.

4.1.2 At any time during the **term** allow us and any persons authorised by us to enter and inspect the **property** in connection with any form of disposal of the **property** and to permit a reasonable for sale sign to be placed at or fixed to the **property**.

- 4.1.3 Give us vacant possession of the **property** (including all **fixtures**) in the repair, order and condition required by the terms of this **lease** and if there shall be any doubt as to whether you have installed **fixtures** you must still leave them and any questions about ownership or compensation will be resolved subsequently.
- 4.1.4 Sell to us the **tenant's fittings** (or such of them as we may specify) at a price to be determined in the manner usual in the licensed trade as between incoming and outgoing tenants. If when you leave the **property** the price has not been agreed you must leave in the **property** such of the **tenant's fittings** as we may specify until the price is agreed and any disagreements as to the amount to be paid will be settled in accordance with **Chapter 14** and after agreement or determination of the price you will sell to us such items of the **tenant's fittings** as we specify.
- 4.1.5 Assign, transfer and hand over ownership to us of any **licences** and of any websites and/or domain names relating to the **business** and all contracts used in the operation of the **business** capable of assignation transfer or handing over. You must do all things that may be required to effect such assignation or transfer including attending before any lawful authority or court.
- 4.1.6 Supply us with copies of all contracts used in the operation of the **business** and all contracts of employment for all persons employed by you to work in the **business**. If no written contracts of employment exist you must supply such information regarding the terms of service of such persons as we may request. If we require you will terminate all contracts of employment of any persons employed by you to work in the **business** and you will indemnify us and keep us indemnified against any actions proceedings claims interest costs expenses damages and liabilities which we may suffer as a result of the Transfer of Undertakings (Protection of Employment) Regulations 2006 becoming applicable to us and such employees.
- 4.1.7 Execute any deed or document that we reasonably require for the purpose of removing any in the Land Register of Scotland entry relating to this **lease**.

4.2 **Compensation**

So far as the law allows you have no rights to claim compensation from us at the end of the **term**.

CHAPTER 14 DISAGREEMENTS AND DISPUTES

The purpose of this **Chapter** is to explain how disagreements and disputes (if there are any) are to be resolved.

- 1 If a dispute arises out of or in connection with this **lease** or the performance validity or enforceability of it (even if after the term has ended) then the parties will follow the dispute resolution procedure set out in this **Chapter 14** and if any dispute arises both parties will take account and comply with the **Pubs Code**.

- 2 If there is a dispute between you and us during the **term** of this **lease** then both you and we will try to resolve the dispute in accordance with the **code of practice**.

- 3 If you and we are unable to resolve the dispute in accordance with clause 2 above then you may refer the matter to be determined by either:
 - 3.1.1 The Pubs Independent Conciliation and Arbitration Service; or
 - 3.1.2 A **surveyor**.

CHAPTER 15

INTERPRETING THIS LEASE

The purpose of this **Chapter** is to explain certain technical requirements which may help you understand this **lease** and help both you and us if disputes or misunderstandings occur in relation to it.

1 Interpretation of this Lease

- 1.1 Each of the provisions of this **lease** and each clause and sub-clause hereof can be construed as independent of every other provision. If any provision shall be determined by a Court of competent jurisdiction to be invalid and unenforceable then such determination shall not affect any other provision of this **lease** all of which other provisions shall remain in full force and effect.
- 1.2 Any references in this **lease** to Acts of Parliament shall be to those Acts as amended or re-enacted or supplemented or their relevant successors.
- 1.3 The index to this **lease** is for reference only and has no effect upon the meaning of this **lease**.
- 1.4 Where this **lease** imposes an obligation on two or more parties then compliance with the obligation can be required individually as well as jointly.
- 1.5 Where it makes sense singular words can be understood as plural and plural as singular and words of one gender include all other genders and person includes a company or other legal body.
- 1.6 Where this **lease** imposes an obligation, that obligation includes making sure that all **agents** comply with the obligation and where the **agent** does not comply the relevant party shall be responsible and where this **lease** gives either party rights they can be exercised by an **agent**.
- 1.7 Any obligation in this **lease** to pay money refers to a sum exclusive of **VAT** and **VAT** chargeable is payable in addition.
- 1.8 In this **lease** the terms set out in **Chapter 2** Lease Particulars have the meaning set opposite them. The terms then appear in bold in the remainder of this **lease**.
- 1.9 If proceedings are commenced by you or us in relation to this **lease** the matter shall be construed in accordance with the laws of Scotland.

2 Miscellaneous

- 2.1 For the purposes of this **lease** any notice or application to be sent to us shall be in writing giving all relevant details and shall be sent by first class recorded delivery post to our registered office marked for the attention of our company secretary. Any notice or application to be sent to you shall be in writing and sent by first class recorded delivery post to the **property**. Any notices or applications served in that way shall be deemed received when it would normally have been delivered.
- 2.2 You agree that all investigations inspections surveys and other enquiries relating to the **property** and the **business** as are prudent have been carried out by you or at your direction and this **lease** has been entered into without you relying on any representations made by us (except any warranties made in writing by us which shall expressly state that they can be relied upon for their accuracy) and that this **lease** and any written warranties contains all of the contract between you and us relating to your occupation of the **property** and management of the **business**.

- 2.3 If we are unable to give you vacant possession of the **property** on the **term start date** then this **lease** shall not start until you are able to take possession of the **property** but dates fixed by reference to the **term start date** shall not be affected by any such delay.
- 2.4 You will comply with the terms and stipulations of any head-lease under which we lease the **property** and of the title deeds of the **property** in each case, insofar as compliance is solely within your control.
- 2.5 In case you neglect or refuse to make any applications give any notices or take any steps or do such things as may be required by this **lease** or in connection with the **licences** and their preservation you irrevocably appoint us (or one of our employees who we nominate) as your attorney or attorneys for and on your behalf and in your name to sign give make and do all proper notices consents applications and acts as may be necessary or expedient to effect such applications notices steps or things.
- 2.6 We and you and the guarantor (if applicable) consent to the registration of this **lease** and any certificate or determination made under this lease, for preservation and execution.
- 2.7 You and we agree:
- 2.7.1 That the obligations and requirements set out in the Pubs Code shall apply to this **lease**.
 - 2.7.2 To observe and perform our respective obligations in the Pubs Code.
 - 2.7.3 That we may rely on the obligations and requirements set out in the Pubs Code as if they were set out in this **lease**.
 - 2.7.4 If there is any inconsistency or conflict between the Pubs Code and this **lease**, the Pubs Code shall take precedence.

CHAPTER 16 GLOSSARY OF WORDS

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IN WITNESS WHEREOF this lease printed on this and the preceding thirty five pages, [together with the plan annexed as relative hereto, are] executed as follows:-

On behalf of [] at _____ on _____ 201[] by _____ as
 Attorney conform to Power of Attorney granted by [] dated _____

WITNESS:

Signature: _____
_____ Attorney

Full Name: _____

Address: _____

By You at
before this witness:-

on

201[]

WITNESS:

Signature: _____

Full Name: _____

Address: _____

By the guarantor at
before this witness:-

on

201[]

WITNESS:

Signature: _____

Full Name: _____

Address: _____

**This is the Schedule referred to in the foregoing Business Start Up Agreement
[between/among] []**

Part 1: PPB Brands

SKU	Product Name	PPB Sale Price
CJ26	CALEY DEUCHARS 500ML NRB X 8	£13.80
DJ02	COURAGE LIGHT ALE	£18.00
DQ58	DOOM BAR	£13.00
DQ61	HOBGOBLIN	£13.00
D181	NEWCASTLE BROWN ALE	£18.43
DQ63	OLD SPECKLED HEN (GLUTEN FREE)	£13.81
CJ18	THEAKSTON XB 500ML NRB X 8	£14.36
H426	BLIND PIG BOURBON & BLUEBERRY 355ML NRB	£15.71
H399	BLIND PIG WHISKEY HONEY & APPLE 355MLNRB	£15.71
H386	BULMERS RED BERRIES & LIME 500ML NRB	£16.35
GB56	KOPPARBERG MIXED FRUIT	£30.00
GB57	KOPPARBERG STRAW & LIME	£30.00
H185	OLD MOUT CIDER KIWI & LIME 500ML NRB	£19.50
H186	OLD MOUT CIDER PASSION&APPLE 500ML NRB	£19.50
H187	OLD MOUT CIDER SUMMER BERRIES 500ML NRB	£19.50
H296	OLD MOUT STRAWBERRY & POMEGRTE 500ML NRB	£19.50
H444	ORCHARD THIEVES UK 330ML CAN 12PK SINGLE	£14.99
GB77	REKORDERLIG PASSION FRUIT	£29.50
GB73	REKORDERLIG STRAWBERRY & LIME	£29.50
GB88	REKORDERLIG WILD BERRIES	£29.50
GB83	ASPALL DRAUGHT SUFFOLK VICHY	£22.50
H391	BULMERS ORCHARD CLOUDY APPLE	£15.09
H393	BULMERS ORCHARD RED APPLE	£15.09
H388	BULMERS ORIGINAL 500ML NRB	£13.43

GC29	THATCHERS GOLD CIDER	£18.00
GB33	THATCHERS KATY	£18.00
GB75	WYLD WOOD CLASS ORGANIC CIDER	£22.00
H389	BULMERS PEAR	£13.43
GB49	KOPPARBERG PEAR CIDER	£24.00
DQ55	13 GUNS AMERICAN PALE ALE	£24.50
DP30	ADNAMS MOSAIC	£13.50
DP99	BLUE MOON LAGER	£27.00
DQ56	BREWDOG PUNK IPA	£34.00
CM55	CALEDONIAN COAST TO COAST 12 x 330ML NRB	£17.51
CM54	CALEDONIAN THREE HOP 12 X 330ML NRB	£16.23
DQ57	DEAD PONY CLUB (CAN)	£31.00
DQ59	FLYING DOG PALE ALE	£35.50
DQ25	GOOSE ISLAND IPA	£17.00
DQ04	LAGUNITAS DAYTIME 355ML NRB X 24	£28.06
DQ08	LAGUNITAS IPA 355ML NRB 6PK CLUSTER	£30.88
DP69	LIEFMANS FRUITESSE	£31.50
DQ10	MALTSMITHS AMERICAN IPA 330ML NRBx12	£15.08
DQ11	MALTSMITHS BAVARIAN LAGER 330ML NRBx12	£15.08
DN99	MONTEITHS BOHEMIAN PILSNER 330ML 6PK	£30.65
DN89	MONTEITHS IPA 330ML NRB 6PK	£30.59
DP01	MONTEITHS SOUTHERN PA 330ML NRB 6PK	£30.63
DP02	MONTEITHS SUMMER ALE 330ML NRB 6PK	£30.63
DQ64	PUNK IPA (CAN)	£33.00
DQ66	SHIPYARD AMERICAN IPA	£12.75
DQ67	SIERRA NEVADA PALE ALE	£21.50
CA84	ERDINGER WEISSBIER	£20.00
CA92	LEFFE BLONDE	£35.00
DL01	ERDINGER ALKOHOLFREI	£14.00

CM35	HEINEKEN 0.0%	£13.50
CN19	HEINEKEN 0.0%	£13.50
DF53	MARSTON LOW C 275ML NRB	£24.00
CL47	AMSTEL BIER 300ML NRB 6PK	£20.52
CM81	BIRRA MORETTI 330ML NRB	£23.78
C625	BUDWEISER BUDVAR	£28.00
DM07	COORS LIGHT	£23.00
CK81	DESPERADOS	£25.30
DP98	DESPERADOS DOS 250ML NRB	£24.00
CK82	DESPERADOS RED 330ML NRB	£28.03
DJ19	ESTRELLA DAMM	£25.00
CH50	HEINEKEN	£22.61
DH82	HOLSTEN PILS	£32.00
DN15	KINGFISHER 330ML NRB	£27.92
CJ14	KRONENBOURG 1664 275ML NRB 24PK	£19.53
DI99	MILLER GENUINE DRAFT	£26.00
CM01	RED STRIPE 300ML NRB	£22.96
DJ67	SAGRES 5% 330ML NRB	£26.10
DL30	SINGHA	£27.00
DN02	SOL	£20.43
CI51	TIGER BEER	£24.46
CI40	ZYWIEC	£32.16
DI59	FOSTERS LAGER	£35.62
H385	BULMERS BLUEBERRY & LIME	£16.35
DQ28	LAGUNITAS LITTLE SUMPIN 355ML NRB	£35.70
CM33	MALTSMITHS AMERICAN IPA 330ML CAN X 12	£15.08

Part 2: PPB Blocked Brands

SKU	Product Name
DQ60	GREENE KING IPA (GLUTEN FREE)+G74
DE20	GUINNESS ORIGINAL
CA88	YOUNGS LIGHT ALE
GC18	KOPPARBERG BLUEBERRY & LIME
GB60	KOPPARBERG RASPBERRY CIDER
GB76	REKORDERLIG MANGO & RASPBERRY
GB39	ADDLESTONES
GB98	GREEN GOBLIN
GC28	STELLA CIDRE 500ML X 8 NRB
GC33	STELLA CIDRE 500ML X 12 NRB
GC27	REKORDERLIG PEAR
DP79	BROOKLYN LAGER
DQ24	GOOSE ISLAND 312
DQ23	GOOSE ISLAND HONKERS ALE
DQ68	YAKIMA RED
DI43	BECKS BLUE
DL93	BECKS BIER RED FLASH 4.8% 275ML NRB
DQ79	BUDWEISER
DL95	COBRA PREMIUM LAGER
DM08	CORONA EXTRA
DM53	MODELO ESPECIAL
DL05	PERONI NASTRO AZZURRO
DK38	SAN MIGUEL
DN24	STELLA ARTOIS
DQ32	CARLSBERG 330ML
DK67	BRAINS REV JAMES 500ML NRB X 8

DF48	BUDWEISER BUDVAR
DN33	COURAGE BEST BTR 3.6% 500ML NRB X 8
DJ90	COURAGE DIRECTORS 500ML NRB X 8
DP15	GUINNESS DUBLIN PORTER
DI73	GUINNESS SURGER 520ML CAN
DP16	GUINNESS WEST INDIES PORTER
DQ62	INNIS & GUNN ORIGINAL
DQ70	JOKER IPA
GC17	KOPPARBERG ALC FREE STRA & LIM
GC32	KOPPARBERG MIX FRUIT ALC FREE
GB90	KOPPARBERG SPICED APPLE 8 X 500ML NRB
DM95	LCL PILS 4.5% 275ML NRB
GB45	MAGNERS ORIGINAL
GB46	MAGNERS PEAR
DK29	MANNS BROWN ALE
DL78	MCEWANS EXPORT 500ML CAN
GB74	ORCHARD PIG REVELLER 500ML NRB
GC16	REKORDERLIG SPICED PLUM
DQ73	SAN MIGUEL 00% 330ml x 24 NRB
DN53	SAN MIGUEL FRESCA
DQ39	SKINNY BRAND SKINNY LAGER 330ML NRB
G028	TAUNTON NATURAL DRY 500ML CAN
GC34	THATCHERS SOMERSET HAZE 500ML X 12 NRB
DQ47	Timmermans Kriek 330ml x 12 NRB
DQ48	Timmermans Strawberry 330ml x 12 NRB