

**SIGNATURE OF THIS DEED WILL HAVE LEGAL CONSEQUENCES AND YOU SHOULD  
TAKE INDEPENDENT LEGAL ADVICE BEFORE SIGNING IT.**



**Lease for letting the licensed property known as**

**Pub Name**

**Address 1**

**Address 2**

**Address 3**

**Post Code**

**Dated**

# CHAPTER 1 CONTENTS

CHAPTER 1 CONTENTS .....	2
CHAPTER 2 LEASE PARTICULARS AND GRANT OF LEASE .....	3
CHAPTER 3 DEFINED WORDS .....	6
CHAPTER 4 THE PROPERTY .....	12
CHAPTER 5 PAYMENTS .....	14
CHAPTER 6 OPERATING THE BUSINESS .....	17
CHAPTER 7 PROPERTY MAINTENANCE .....	21
CHAPTER 8 OUR SERVICES .....	24
CHAPTER 9 REVIEW OF RENT .....	27
CHAPTER 10 INSURANCE .....	29
CHAPTER 11 LICENCES .....	31
CHAPTER 12 DISPOSAL AND ALTERATIONS .....	32
CHAPTER 13 GUARANTOR .....	35
CHAPTER 14 ENDING THIS LEASE .....	37
CHAPTER 15 DISAGREEMENTS AND DISPUTES .....	40
CHAPTER 16 INTERPRETING THIS LEASE .....	41
CHAPTER 17 GLOSSARY OF WORDS .....	43

## CHAPTER 2 LEASE PARTICULARS AND GRANT OF LEASE

Parties and Property	
"We" "us" or "our"	[ <b>Blue Star Pub Company Limited</b> (Company Registration Number SC366273) whose registered office is at 3-4 Broadway Park South Gyle Broadway Edinburgh EH12 9JZ] OR [ <b>Red Star Pub Company (WR II) Limited</b> (Company Registration Number SC202689) whose registered office is at 3-4 Broadway Park South Gyle Broadway Edinburgh EH12 9JZ] OR [ <b>Red Star Pub Company (WR III) Limited</b> (Company Registration Number 04089947) whose registered office is at Elsley Court 20-22 Great Titchfield Street London W1W 8BE] OR [ <b>Star Pubs &amp; Bars (Property) Limited</b> (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 [edged red] and as further described in this <b>lease</b> (and which includes the buildings situated thereon)

Term	
"Term"	[10] [15] [20] years from and including the <b>term start date</b> and ending on [ ]
"Term start date"	[ ]

Financial Information	
"Rent"	[£ ] per year [(except in the first and second year of the <b>term</b> when the <b>rent</b> shall be [£ ] and £[ ] respectively)] (subject to review as detailed in <b>Chapter 9</b> )
"Deposit"	[£ ]
"Repair fund payment"	[£60 per <b>week</b> ]
"Damages base"	£190 per <b>barrel</b> for <b>tied drinks</b> that are draught products £10 per <b>case</b> for <b>tied drinks</b> that are not draught products

Commercial Information	
"Estimated services package charge"	[£ ] per <b>year</b> or such varied sum applicable to the <b>services package</b> chosen by you
"Inside knowledge fee"	[£ ]

Commercial Information	
"Inside track fee"	[£        ] per year
"OBV discount"	[£        ] per (i) <b>barrel</b> of draught <b>beer</b> and draught <b>cider</b> which is brewed by us or a <b>group company</b> (or such other party as we nominate); and (ii) per <b>composite barrel</b> of packaged <b>cider</b> which is brewed by us or a <b>group company</b> (or such other party as we nominate)
"Non OBV Type 1 discount"	£[    ] per <b>barrel</b> of each brand of draught <b>beer</b> and draught <b>cider</b> which is identified as being a " <b>Non OBV Type 1</b> " brand in the <b>brand list</b>
"Non OBV Type 2 discount"	£[    ] per <b>barrel</b> of each brand of draught <b>beer</b> and draught <b>cider</b> which is identified as being a " <b>Non OBV Type 2</b> " brand in the <b>brand list</b>
"Non OBV Type 3 discount"	£[    ] per <b>barrel</b> of each brand of draught <b>beer</b> and draught <b>cider</b> which is identified as being a " <b>Non OBV Type 3</b> " brand in the <b>brand list</b>
"Tied drinks"	<b>Beer, Cider, Alcopops, Minerals</b>
"Permitted number of machines"	[        ]
"Your machine percentage"	50% of the net <b>machine</b> 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 <b>Chapter 8</b> )
"PPB sale price"	the prices set out alongside each <b>PPB Brand</b> in Part 1 of the Schedule (as varied from time to time in accordance with clause 4.4 of <b>Chapter 8</b> ), being the price per <b>case</b> (exclusive of VAT) at which we (or our nominee) will sell the relevant <b>PPB brand</b> packaged <b>beers</b> 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 <b>Chapter 8</b> )

## 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 (and, in addition, those terms set out in the Lease Particulars at **Chapter 2**) have the meaning set opposite them. The terms then appear in bold in the remainder of this **lease**.

<b>Agent</b>	any staff workmen customers or any one acting with the authority (or implied authority) of either you or us (as appropriate);
<b>Alcopops</b>	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 <b>drinks</b> where alcohol is added to a carbonated or still flavoured base with or without fruit juice;
<b>Assignment request</b>	<p>a written request made by you for <b>consent</b> to assign the <b>property</b> as a whole. To be valid an assignment request must:</p> <ul style="list-style-type: none"><li>(a) clearly identify the proposed assignee;</li><li>(b) include copy references demonstrating that the proposed assignee (or if a limited company its directors) is a fit and proper and appropriately qualified person to hold the <b>licences</b> and that the proposed assignee has the financial standing and experience in the licensed trade necessary to operate the <b>business</b> and to fulfil the tenant's obligations under this <b>lease</b>; and</li><li>(c) include copies of the three most recent sets of annual accounts and the management accounts of the <b>business</b> up to the date of the assignment request; and</li><li>(d) include a payment (or solicitors' undertaking) to pay our costs whether or not the proposed assignment proceeds in a sum of not less than £1,000 plus <b>VAT</b>;</li></ul>
<b>Bank</b>	such UK clearing bank which you or we use (as appropriate);
<b>Barrel</b>	a brewer's barrel being 36 imperial gallons in relation to <b>tiered drinks</b> that are draught;
<b>Beer</b>	beer of all types denominations or descriptions (including lagers and stouts) whether packaged or in bulk;
<b>Brand list</b>	means any list which we publish from time to time specifying those brands of <b>beer</b> and <b>cider</b> which are not brewed by us or a group company (or such other party as we may nominate) which will qualify for a <b>non OBV Type 1 discount</b> , a <b>non OBV Type 2 discount</b> or a <b>non OBV Type 3 discount</b> (as applicable);
<b>Business</b>	the use of the <b>property</b> as a public house for the sale of <b>tiered drinks</b> and other <b>drinks</b> (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;
<b>Business plan</b>	your written plan in the format which we provide from time to time including details of methods of operating and managing the <b>business</b> and your proposals for any alterations or changes in the method of operating the <b>business</b> ;

<b>Case</b>	a case of packaged <b>tied drinks</b> comprising 24 containers of the relevant drink (or such other number as shall be reasonably specified by us);
<b>Chapter</b>	a Chapter of this <b>lease</b> ;
<b>Cider</b>	cider of all types denominations or descriptions (including perry) whether packaged or in bulk;
<b>Code of Practice</b>	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 <b>Pubs Code</b> ;
<b>Composite barrel</b>	a brewer's barrel containing 36 imperial gallons (being equivalent to 163.6 litres) of pre-packaged <b>cider</b> ;
<b>Consent</b>	a written permission which we may (but do not have to) give and which may be subject to conditions (including time limits);
<b>Contaminative substance</b>	any substance or thing on beneath or in the vicinity of the <b>property</b> 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;
<b>Cooling off period</b>	the first 90 days of the <b>term</b> ;
<b>Designated premises supervisor</b>	the supervisor of the <b>property</b> within the meaning of Section 19 of the Licensing (Scotland) Act 2005;
<b>Drinks</b>	all beverages;
<b>EPOS</b>	means electronic point of sale equipment connected electronically between the <b>property</b> and such office as we may specify from time to time;
<b>Exit statement</b>	<p>a reconciliation of your account with us showing:</p> <p>(a) such sums as you may owe us under the <b>lease</b>;</p> <p>(b) the <b>deposit</b> (as we may have received from you); together with</p> <p>(c) any <b>interest</b> that may have accrued on the <b>deposit</b>;</p> <p>less all sums rightfully due to you. For the avoidance of doubt any estimated cost of expenditure required to bring the <b>property</b> into the condition as required by this <b>lease</b> and as certified by a <b>surveyor</b> will be a sum deemed rightfully due to us;</p>
<b>Fixtures</b>	any bars back-fittings central heating systems sanitary ware cellar cooling equipment and any other items in the <b>property</b> ordinarily known as landlord's fixtures;
<b>Group company</b>	a company within the same group of companies as defined by Section 42(1) of the Landlord & Tenant Act 1954;
<b>Income</b>	the wholesale profit from selling <b>tied drinks</b> and other profits which we make from the <b>property</b> (excluding <b>rent</b> ) during the 12 <b>months</b> prior to an event occurring which prevents the <b>property</b> being used wholly or in part for the <b>business</b> ;
<b>Index of retail prices</b>	the All-Items Retail Prices Index published by H M Stationery Office the base rate of which was 100 in January 1987 or if that index is no longer published such index as most accurately reflects it and can be used in calculating the <b>inflation index</b> ;

<b>Inflation index</b>	<p>the sum determined by the fraction:</p> $\frac{\text{the last published index of retail prices available before the relevant review date}}{\text{the last published index of retail prices available before the most recent previous review date or (if there has been no previous review date) on the term start date}}$
<b>Inside knowledge</b>	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;
<b>Inside track firm</b>	a professionally qualified or accredited licensed trade accountancy firm approved and appointed by us providing <b>inside track services</b> ;
<b>Inside track services</b>	<p>(a) an accountancy and stocktaking package provided to you by an <b>inside track firm</b> providing accountancy and stocktaking services to the <b>business</b> which services include but are not necessarily limited to the provision of:</p> <ul style="list-style-type: none"> <li>(i) monthly management accounts;</li> <li>(ii) 12 wet stock-takes per year or 12 wet and dry stock-takes per year where the <b>business</b> sells food and there is over £500 per week in food sales (in each case at intervals as may be agreed with us);</li> <li>(iii) quarterly <b>VAT</b> returns;</li> <li>(iv) the determination of an accounting year for the <b>business</b>; and</li> <li>(v) the preparation of a year end account for the <b>business</b> within 6 months of the end of each accounting year; and</li> </ul> <p>(b) the provision of <b>EPOS</b> to the <b>property</b>;</p>
<b>Insurance</b>	a policy insuring the <b>property</b> and the <b>licences</b> against loss or damage by fire and such other perils as we consider desirable (including loss of <b>rent</b> and <b>income</b> for 2 <b>years</b> ) in such sum as we think is sufficient to reinstate the <b>property</b> plus sufficient sum to cover all professional fees demolition shoring up and site clearance but subject to a reasonable excess;
<b>Insured risk</b>	the risks against which we decide to insure from time to time;
<b>Interest</b>	3% above the published base rate of our <b>bank</b> or the statutory rate of interest on judgment debts whichever shall be the greater;
<b>Lease</b>	this deed and any document supplemental to it;
<b>Licences</b>	any permit licence or certificate of whatsoever nature whether required by legislation or otherwise which is required or expedient to operate the <b>business</b> at the <b>property</b> ;
<b>Liquidated damages</b>	our estimate of losses suffered by us (or a <b>group company</b> ) as a consequence of you breaching your obligations in clause 2.3 of <b>Chapter 6</b> . We will calculate our losses by multiplying:



- (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

our reasonable administration fee (which will not be less than £360 plus **VAT**);

<b>Listed drinks</b>	such <b>drinks</b> 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 <b>drinks</b> that we offer for sale;
<b>Machines</b>	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 <b>business</b> ;
<b>Manager</b>	any person employed by you to manage the <b>business</b> ;
<b>Minerals</b>	all soft drinks (also called pop, soda, soda pop, fizzy drinks, tonic, minerals) or fruit juices or carbonated beverages that are not <b>alcopops</b> ;
<b>Month</b>	calendar month;
<b>Personal licence</b>	a licence granted to an individual within the meaning of Section 71 of the Licensing (Scotland) Act 2005;
<b>Pubs Code</b>	means the Pub Sector - Scotland Code of Practice effective from 21 July 2016 including any revision or amended version of that document
<b>Premises licence</b>	the licence granted for the <b>property</b> 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 <b>term</b> ;
<b>Price list</b>	any list which we publish from time to time specifying the prices at which we sell any goods or services;
<b>Rates</b>	all business rates council tax or similar local taxes or charges assessed upon the <b>property</b> but not including any tax (other than <b>VAT</b> ) which we pay as a result of receiving <b>rent</b> or out of any dealing by us with the reversion to this <b>lease</b> ;
<b>Rent payment days</b>	[means the first <b>working day</b> in each <b>month</b> (or such other date as we may specify)][means each Tuesday in every week of the term (or such other day as we may specify)];
<b>Repair fund</b>	means the balance of the <b>repair fund payments</b> held by us from time to time in accordance with clause 4 of <b>Chapter 7</b>
<b>Review date</b>	the dates being: <ul style="list-style-type: none"> <li>(a) every fifth anniversary of the <b>term start date</b>; and</li> <li>(b) the day before the date given as the day on which the <b>term</b> ends in <b>Chapter 2</b>; or</li> <li>(c) any date on which your obligation to purchase <b>tied drinks</b> as contained in clause 2.3 of <b>Chapter 6</b> is varied or ends;</li> </ul>
<b>Schedule</b>	means the schedule annexed and executed as relative hereto;

<b>Schedule of Condition</b>	means the schedule of condition prepared by [Lambert Smith Hampton] and dated [ ], a copy of which is annexed and executed as relative to this <b>lease</b> ;
<b>Services package</b>	the package of services you choose to purchase from us from time to time which must as a minimum include the following services (the " <b>maintenance and compliance services package</b> ") <ul style="list-style-type: none"> <li>(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 <b>property</b> as frequently as required to comply with any direction of any statutory authority</li> <li>(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 <b>property</b> and repair of such items when in need of repair but not necessarily more frequently than three times in each year;</li> <li>(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 <b>property</b> as the same may become beyond repair during the <b>term</b>; and</li> <li>(d) Us procuring the inspection of lifts and cellar hoists at the <b>property</b>.</li> </ul>
<b>Services package charge</b>	the amount we periodically and reasonably determine as being the cost of providing the <b>services package</b> ;
<b>Signage</b>	such signs insignia and advertisements attached to or forming part of the <b>property</b> displaying any trademarks and/or the name board of the <b>property</b> ;
<b>Standard conditions</b>	our standard terms and conditions for sale of <b>drinks</b> 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;
<b>Surveyor</b>	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 <b>rent</b> dispute as appointed by the Pubs Independent Rent Review Scheme;
<b>Tenant's fittings</b>	the moveable trade fittings furniture effects stock glassware or other articles used in operating the <b>business</b> ;
<b>Term</b>	the period of [10] [15] [20] years from and including the <b>term start date</b> and (if applicable) any subsequent period during which this <b>lease</b> continues by tacit relocation;
<b>Third party rights</b>	all rights, obligations and restrictions affecting the <b>property</b> including any matters referred to at the date of this <b>lease</b> in our title to the <b>property</b> ;

<b>Trademarks</b>	all or any trademarks whether registered or unregistered which we use from time to time in relation to our business;
<b>VAT</b>	Value Added Tax or any tax of a similar nature;
<b>Working day</b>	any day except a Saturday Sunday or a bank holiday in England or in Scotland; and
<b>Year</b>	any period of 12 <b>months</b> commencing on the <b>term start date</b> or any anniversary of the <b>term start date</b> .

# 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 wayleaves 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 14**.

## 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 [week][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 **Innside 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 [week][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 **Innside 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 15**.

## **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 services referred to in clause 1.10 who is not an **inside track firm** without our **consent**. 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 if we give **consent** to remove the **EPOS** from the **property** or this **lease** otherwise ends prematurely prior to the third anniversary of the **term start date** you shall require to pay us such amount in the reimbursement of any outstanding costs of its supply and installation as we shall notify to you.

### 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 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 and you must make sure that all of the repairs detailed in this **Chapter** are carried out as soon as required.
- 1.2 Put and keep all pipes, running water gutters, downpipes, gullies, drains and sanitary apparatus clear of obstruction and clean. 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** of this lease (however it ends) (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

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); and

(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 REVIEW OF RENT

The purpose of this **Chapter** is to explain changes in the amounts of **rent** and other sums that you may have to pay from time to time.

### 1 Rent review

- 1.1 On any **review date** the **rent** which you will pay will be revised and the amount to be paid will be the revised **rent**.
- 1.2 The parties will start negotiating the amount of the revised **rent 7 months** before the **review date**.
- 1.3 After the revised **rent** has been agreed or determined we and you will sign a memorandum recording that the revised **rent** will be the amount payable.
- 4.8 If we have not agreed the revised **rent** with you by any **review date** then any disagreement as to the amount to be paid as the revised **rent** will be settled in accordance with **Chapter 15**.
- 1.4 The revised **rent** shall be the **rent** likely to be paid for the **property** in the open market without a fine or premium being paid by a willing tenant to a willing landlord;
  - 1.4.1 Assuming:
    - (i) The **property** is let on the relevant **review date** for a term of 10 **years** but otherwise on the same terms as are in this **lease** except for the amount of the **rent** payable but including the provisions for review;
    - (ii) The **property** is vacant and fully fitted out and equipped and ready for immediate occupation and use for the **business** without any restrictions on any planning or other consents or the **licences** available for the **business** and/or the **property**;
    - (iii) The obligations in this **lease** imposed on us and you have been fully complied with;
    - (iv) That you are able to recover all **VAT** payable on any outgoings associated with the **property**;
    - (v) That no reduction in **rent** is to be made to take account of any rental concessions which on a new letting with vacant possession might be granted to an incoming tenant;
    - (vi) That no work has been carried out to the **property** that has reduced the rental value of the **property**; and
    - (vii) If the **property** has been damaged or destroyed by an **insured risk** then it has been restored.
  - 1.4.2 But disregarding:
    - (i) Any increase in the rental value of the **property** attributable to any alteration addition or improvement to the **property** which has been carried out by you or your predecessor or at your or their cost (unless carried out in pursuance of an obligation to us or our predecessors) and which has been carried out with consent where

required and completed less than 21 **years** before the relevant **review date**;

- (ii) Any decrease in the rental value of the **property** attributable to any alteration addition or improvement to the **property** which has been carried out by you or your predecessor or at your or their cost respectively;
  - (iii) Any effect on the rental value of any obligation on you to remove any alteration addition or improvement or to restore or reinstate the **property**;
  - (iv) Any reduction in rental value attributable to any assumption made in clause 1.5.1 being contrary to reality.
- 1.5 If the revised **rent** has not been agreed or decided by the **review date** then you must continue to pay the amount payable immediately before such **review date**. Any balance between the revised **rent** and the **rent** payable before such **review date** must be paid to us (or repaid by us) after the revised **rent** has been agreed or decided and **interest** at the **bank** base rate from the relevant **review date** must be paid in addition.
- 1.6 If there is a statutory prohibition on any increases in any **rent** on the **review date** and if but for such prohibition the revised **rent** would have resulted in an increase in the amount payable, then the review of the **rent** payable will occur immediately after such prohibition is lifted.

## **2 Deposit and Damages base review**

The amount of the **deposit** and the **damages base** will be changed at the same time as the **rent** is reviewed so that the amount specified or payable will be the amount originally specified or payable multiplied by the **inflation index**.

## CHAPTER 10 INSURANCE

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

### 1 **You must:**

- 2.1 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.
- 2.2 Allow us to enter the **property** at any reasonable time to inspect it and value it for **insurance** purposes.
- 2.3 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.
- 2.4 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.
- 2.5 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 10** 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.
- 2.6 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.

### 3 **You must not:**

- 3.1 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.
- 3.2 Insure the **property** or any part of it.

### 4 **We shall:**

- 4.1 Insure the **property** (but not the **business** or the **tenant's fittings**) for the full rebuilding value to cover the **insured risks**.
- 4.2 Unless the provisions of clause 2.1.3 of **Chapter 14** 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**.

- 4.3 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 11

## LICENCES

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

### 1 You must:

- 4.4 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.
- 4.5 Ensure that the **property** is managed and operated in a legal, lawful and orderly manner including employment of staff that have **personal licences**.
- 4.6 Ensure that all **licences** including the **premises licence** are not put at risk.
- 4.7 Apply for and keep in force all **licences** that may be necessary to operate the **business** from the **property**.
- 4.8 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.
- 4.9 At your own expense take such steps in connection with the matters referred to in this **Chapter** as we may reasonably direct.
- 4.10 Be or cause your **manager** to be the **designated premises supervisor**.
- 4.11 Employ or cause to be employed in the **business** persons who are holders of **personal licences** to operate the **business** in your absence.
- 4.12 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**.

### 5 You must not:

- 5.1 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.
- 5.2 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 12 DISPOSAL AND ALTERATIONS

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

### **1 You must:**

- 5.3 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.
- 5.4 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**.
- 5.5 Immediately give us any notice or a copy of any notice relating to **rates** (but not ordinary periodic demands).
- 5.6 Within 28 days of any transfer of your interest in this **lease** (except by surrender to or irritancy by us) in accordance with the terms set out in this **Chapter 12**, give notice to us or our solicitors and pay a reasonable fee being not less than £50 plus **VAT**. You must also pay the fees payable to any superior landlord's solicitors for the registration of any transfer and to produce to us or our solicitors a certified copy of any document giving rise to such transfer.

### **6 You must not:**

- 6.1 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.
- 6.2 At any time overload the electrical circuits, floors ceilings or structure of the **property**.
- 6.3 Without our **consent** attach to the outside of the **property** any receiving or broadcasting aerials or satellite dishes.
- 6.4 Serve any purchase notice under the planning acts requiring any local or other competent authority to purchase your interest in the **property**.
- 6.5 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**.
- 6.6 Permit the acquisition of any new rights or servitudes over any part of the **property**.
- 6.7 Obstruct nor permit to be obstructed any window of the **property**.
- 6.8 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.
- 6.9 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.
- 6.10 In relation to the whole or part of the **property**:
  - 6.10.1 Assign;



- 6.10.2 Sublet;
- 6.10.3 Mortgage;
- 6.10.4 Charge;
- 6.10.5 Part with possession;
- 6.10.6 Allow any third party into occupation of; or
- 6.10.7 Allow any third party to use;

unless you are permitted to do so under this **Chapter 12**.

- 6.11 If you are a company the restriction in clause 2.10 extends to prohibiting your shareholders from changing or a **group** company occupying the **property** or operating the **business**.
- 6.12 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).
- 6.13 Assign the whole of the **property** during the first 2 **years** of the **term** nor the last **year** of the **term** or at any time to a person or company (or **group company** of such company) which brews **beer** for sale or who is the owner, and/or operator of more than 10 properties licensed for the sale of alcoholic liquors.
- 6.14 Assign the whole of the **property** without our previous **consent** which will only be valid if it is **consent** by properly executed deed. If you wish to assign the whole of the **property** at any time after the first 2 years of the **term** you must first send us an **assignment request** without which our **consent** need not be given. Following an **assignment request** we will not unreasonably refuse or delay our **consent** but we can withhold our **consent** in any of the circumstances set out in sub-clauses 2.14.1 of this **Chapter 12** and may make any such **consent** subject to the conditions set out in sub-clause 2.14.2 of this **Chapter 12**.
  - 6.14.1 The circumstances in which we may withhold **consent** are where:
    - (i) You are breaching the terms of this **lease** which breach is not rectified before the proposed assignment or where as a result of the proposed assignment there will be a reduction in the value of our interest in the **property**.
    - (ii) The proposed assignee (or where the proposed assignee is a limited company, its directors) fails to attend an interview with our representative.
    - (iii) The proposed assignee fails to produce to us a **business plan** which is reasonably satisfactory to us or if the proposed assignee proposes a method of operating the **business** which we reasonably consider is inappropriate for the **property**.
    - (iv) The proposed assignee (or where the proposed assignee is a limited company, its manager) fails to complete our skills assessment programme to our reasonable satisfaction.
    - (v) The proposed assignee (or where the proposed assignee is a limited company, its directors and its manager) is not a person who could lawfully hold the **licences** and is not the holder of a **personal licence** (or similar).

- (vi) We have not been supplied with such information regarding the terms of the proposed assignation and/or the status or reputation of the proposed assignee and/or any proposed guarantor as we have reasonably requested.
- (vii) The proposed assignee and/or any proposed guarantor enjoys or is able to claim diplomatic sovereign or state immunity or is not resident within the jurisdiction of the Courts of Scotland.
- (viii) The proposed assignee and/or any proposed guarantor is in our reasonable opinion not of sufficient financial standing to enable one or either to comply with the tenant's obligations in this **lease** during the residue of the **term**.

6.14.2 The conditions to which we may make **consent** subject to are:

- (i) That our **consent** is to be documented by formal deed and executed by the assignee and any guarantor.
- (ii) The payment to us of all monies due under this **lease** which are due prior to the date of assignation.
- (iii) Payment by the proposed assignee to us of a sum equal to the **deposit** which sum we shall hold in accordance with this **lease**.
- (iv) That if when receiving an **assignation request** our surveyor should determine that you have not complied with the repairing provisions of this **lease** then we may require a sum equal to our surveyor's estimate of the costs of remedy to be deposited with us together with an undertaking by the proposed assignee to carry out the necessary outstanding works within such time as our surveyor should reasonably stipulate. Such deposited sum shall either be returned to the proposed assignee once the surveyor has certified that the outstanding works have been undertaken or in if the proposed assignee should fail to carry out such works then we may carry out the outstanding works and use such deposited sum to pay for the works.
- (v) That the assignee will if we reasonably require procure a properly executed guarantee from a guarantor reasonably acceptable to us. Where the proposed assignee is a limited company, the assignee must procure such a properly executed guarantee from at least one of its directors such guarantee to be in the terms as set out in **Chapter 13** of this **lease** (with such amendments as required by us).
- (vi) That all of our reasonable costs incidental to the determination of the **assignation request**, the preparation and completion of the form of **consent** and any other ancillary document are paid on a full indemnity basis (whether or not the application is properly refused or is withdrawn).
- (vii) Prior to the preparation of a formal **consent** we shall have received adequate security for the costs referred to in clause (vi) above.

## CHAPTER 13 GUARANTOR

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

### 1 **Background**

The **guarantor's** undertakings with us in this **lease** are given as sole or principal debtor or obligor for the time being. They also extend to our successors in title without the need for any express assignation.

### 2 **The guarantor agrees with us that:**

- 2.1 You will punctually pay the **rent** and other payments reserved as rent under this **lease** and you will observe and perform the tenant's obligations in this **lease** and that if you fail to pay any of those rents or to observe or perform any of those tenant's obligations, the **guarantor** shall pay or observe and perform them.
- 2.2 The **guarantor** will (and for the avoidance of doubt this undertaking is given as a separate and independent primary obligation to us) make good to us on demand and indemnify us against any failure by you to punctually pay the **rent** and other payments reserved as rent under this **lease** or to observe or perform any of the tenant's obligations under this **lease**.

### 2 **Guarantor's liability**

- 2.1 The liability of the **guarantor** under this Chapter 13 shall not be affected by:
  - 2.1.1 Any time or indulgence granted by us to you, or delay or forbearance of us in enforcing the payment of any sum (or demanding any sum) or the observance or performance of your obligations under this **lease**;
  - 2.1.2 Any variation to the terms of this **lease**; or
  - 2.1.3 Any refusal by us to accept any **rent** or other payment due under this **lease** where we believe that the acceptance of such **rent** or payment may prejudice our ability to re-enter the **property**; or
  - 2.1.4 Us:
    - (i) Exercising any right or remedy against you for any failure by you to pay the rents reserved by this **lease** or to observe or perform the tenant's obligations under this **lease**; or
    - (ii) Taking any action or refraining from taking any action in connection with any other security held by us in respect of your liability to pay the rents reserved by this **lease** or observe and perform the tenant's obligations under this **lease** including the release of any such security; or
  - 2.1.5 Any legal limitation or disability on you or any invalidity or irregularity of any of the tenant's obligations under this **lease** or any unenforceability of any of them against you; or
  - 2.1.6 You being dissolved, or being struck off the register of companies or otherwise ceasing to exist, or, if you are an individual, by you dying or becoming incapable of managing your affairs; or

2.1.7 The disclaimer of your liability under this **lease** or the irritancy of this **lease**;  
or

by any other act or omission except an express written and validly executed release of the **guarantor** by us.

2.2 Any sums payable by the **guarantor** shall be paid without any deduction, set-off or counter-claim against the you or us.

### 3 The guarantor must:

6.15 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**").

6.16 The term of any new lease as detailed in clause 4.1 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**).

6.17 Pay us our costs reasonably incurred in preparing and granting the new lease detailed in clause 4.1.

### 7 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:

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

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

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

## CHAPTER 14

### 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 becomes apparently insolvent or is sequestered .
  - 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, is dissolved (all as set out in Section 28 of the 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 of the 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 During the **cooling off period** you can give us 90 days written notice to end the **term** and provided you give us vacant possession of the **property** in compliance with clause 4 of this **Chapter 14** the **term** will end at the end of your notice period.
- 2.1.2 If you want to end the **term** before it expires and provided the **property** is in the condition required by this **lease** and all monies due to us from you are paid up to date then we may be willing to accept a surrender of this **lease**. In these circumstances we will as a condition require that you pay us an amount which we think reasonably compensates us for the loss of the benefit of letting the **property** to you but we are under no obligation to do so.
- 2.1.3 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 2.1.3 of this Chapter 13, this **lease** shall not automatically terminate by reason of the destruction of or damage to, the **property**.
- 2.1.4 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 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 Land Register 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 15 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 15** and if any dispute arises both parties will take account and comply with the **IFC**.
  
- 5 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**.
  
- 2 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:
  - 2.1.1 The Pubs Independent Conciliation and Arbitration Service; or
  - 2.1.2 A **surveyor**.



## CHAPTER 16 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 consent to 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 17 GLOSSARY OF WORDS

Accounts	page 17	Licences	page 31
Alterations	page 32	Liquidated damages	page 14
Assignment	page 32	Machines	page 19
Cleaning	page 21	Maintenance and Compliance	page 21
Compensation	page 39	Operating the Business	page 17
Contamination	page 22	Notices	page 41
Costs	page 14	Overloading	page 32
Definitions	page 6	Payments	page 14
Disputes	page 40	Pipes	page 21
Disrepair, Notice of	page 21	Planning	page 32
Drinks Tie	page 18	Reletting Notices	page 38
Servitudes	page 12	Rent Review	page 27
Servitudes, Preservation of	page 32	Rent, Suspension of	page 15
Entry by Landlord	page 13	Repair, Your obligations	page 21
Exceptions and Reservations	page 12	Rights reserved	page 12
Irritancy	page 37	Signs	page 18
Guarantor	page 35	Statutory Obligations	page 18
Insurance	page 29	Telephone Numbers and Name	page 18
Interest	page 15	Tenant's fittings	page 18
Interpretation	page 41	Use, Permitted	page 17

**[DRAFTING NOTE: REMEMBER IF LANDLORD IS SCOTTISH & NEWCASTLE LIMITED THEN SP&B DO NOT SIGN UNDER A POWER OF ATTORNEY. THE SIGNING BLOCK WILL NEED TO BE CHANGED IN ORDER TO BE SIGNED BY A DIRECTOR.]**

**IN WITNESS WHEREOF** this lease consisting of this and the [ ] preceding pages together with the plan is executed as follows:-

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

Signature: \_\_\_\_\_  
 \_\_\_\_\_ Attorney

Full Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

By You at \_\_\_\_\_ on \_\_\_\_\_ 201[ ]

before this witness:-

WITNESS:

Signature: \_\_\_\_\_

Full Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

By the Guarantor at \_\_\_\_\_ on \_\_\_\_\_ 201[ ]

before this witness:-

WITNESS:

Signature: \_\_\_\_\_

Full Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

This is the Schedule referred to in the foregoing Lease [between/among] [ ]

**Part 1: PPB Brands**

<b>HUK SKU Code</b>	<b>SKU Name</b>	<b>Size</b>	<b>Units</b>	<b>PPB Brand Pricing</b>
CJ26	CALEY DEUCHARS 500ML NRB X 8	500 ML	8	£13.98
DJ02	COURAGE LIGHT ALE	275 ML	24	£18.24
DQ58	DOOM BAR	500 ML	8	£13.14
DQ61	HOBGOBLIN	500 ML	8	£13.16
D181	NEWCASTLE BROWN ALE	550 ML	12	£18.67
DQ63	OLD SPECKLED HEN (GLUTEN FREE)	500 ML	8	£14.36
CJ18	THEAKSTON XB 500ML NRB X 8	500 ML	8	£14.52
H426	BLIND PIG BOURBON & BLUEBERRY 355ML NRB	355 ML	12	£16.14
H399	BLIND PIG WHISKEY HONEY & APPLE 355MLNRB	355 ML	12	£15.98
H453	BULMERS RED BERRIES & LIME 500ML NRB	500 ML	12	£16.80
GB56	KOPPARBERG MIXED FRUIT	500 ML	15	£30.54
GB57	KOPPARBERG STRAW & LIME	500 ML	15	£30.54
H454	OLD MOUT CIDER KIWI & LIME 500ML NRB	500 ML	12	£19.98
H455	OLD MOUT CIDER PASSION&APPLE 500ML NRB	500 ML	12	£19.98
H456	OLD MOUT CIDER SUMMER BERRIES 500ML NRB	500 ML	12	£19.98
H457	OLD MOUT STRAWBERRY & POMEGRTE 500ML NRB	500 ML	12	£19.98
H482	OLD MOUT 0.0%	500 ML	12	£15.09
H444	ORCHARD THIEVES UK 330 ML CAN 12PK SINGLE	330 ML	12	£15.17
GB77	REKORDERLIG PASSION FRUIT	500 ML	15	£29.82
GB73	REKORDERLIG STRAWBERRY & LIME	500 ML	15	£29.82
GB88	REKORDERLIG WILD BERRIES	500 ML	15	£29.82
GB83	ASPALL DRAUGHT SUFFOLK VICHY	500 ML	12	£22.78
H391	BULMERS ORCHARD CLOUDY APPLE	500 ML	12	£15.35
H393	BULMERS ORCHARD RED APPLE	500 ML	12	£15.35
H390	BULMERS ORIGINAL 500ML NRB	500 ML	12	£13.68
GC29	THATCHERS GOLD CIDER	500 ML	12	£18.25
GB33	THATCHERS KATY	500 ML	12	£18.26
GB75	WYLD WOOD CLASS ORGANIC CIDER	500 ML	12	£22.25
H379	BULMERS PEAR	500 ML	12	£13.68
GB49	KOPPARBERG PEAR CIDER	500 ML	15	£24.29
DQ55	13 GUNS AMERICAN PALE ALE	330 ML	24	£24.84
DP30	ADNAMS MOSAIC	330 ML	12	£13.69
DP99	BLUE MOON LAGER	330 ML	24	£27.38
DQ56	BREWDOG PUNK IPA	330 ML	24	£34.37

DQ57	DEAD PONY CLUB (CAN)	330 ML	24	£31.32
DQ25	GOOSE ISLAND IPA	355 ML	12	£17.27
DQ04	LAGUNITAS DAYTIME 355ML NRB X 24	355 ML	24	£28.41
DQ08	LAGUNITAS IPA 355ML NRB 6PK CLUSTER	355 ML	24	£31.34
DQ64	PUNK IPA (CAN)	330 ML	24	£33.34
DQ66	SHIPYARD AMERICAN IPA	500 ML	8	£12.88
DQ67	SIERRA NEVADA PALE ALE	35 CL	12	£21.73
CA84	ERDINGER WEISSBIER	500 ML	12	£20.27
CA92	LEFFE BLONDE	33 CL	24	£35.49
DL01	ERDINGER ALKOHOLFREI	500 ML	12	£14.14
CN19	HEINEKEN 0.0%	330 ML	24	£13.82
DF53	MARSTON LOW C 275ML NRB	275 ML	24	£24.31
CL47	AMSTEL BIER 300ML NRB 6PK	300 ML	24	£20.83
CM81	BIRRA MORETTI 330 ML NRB	330 ML	24	£24.15
C625	BUDWEISER BUDVAR	33 CL	24	£28.38
DM07	COORS LIGHT	330 ML	24	£23.36
CM53	DESPERADOS	330 ML	24	£25.65
DP98	DESPERADOS DOS 250ML NRB	250 ML	24	£24.29
DJ19	ESTRELLA DAMM	330 ML	24	£25.39
CH50	HEINEKEN	330 ML	24	£22.97
DH82	HOLSTEN PILS	275 ML	24	£32.41
DN15	KINGFISHER 330 ML NRB	330 ML	24	£28.27
CJ14	KRONENBOURG 1664 275ML NRB 6PK	275 ML	24	£19.90
DI99	MILLER GENUINE DRAFT	330 ML	24	£26.39
CM01	RED STRIPE 300ML NRB	300 ML	24	£23.37
DJ67	SAGRES 5% 330 ML NRB	330 ML	24	£26.50
DL30	SINGHA	33 CL	24	£27.39
DN02	SOL	33 CL	24	£20.78
CI51	TIGER BEER	33 CL	24	£24.85
CI40	ZYWIEC	500 ML	20	£32.57
DI59	FOSTERS LAGER	275 ML	24	£20.40
C086	FOSTERS 500ML CAN	500ML	24	£43.10
CI54	TIGER 640ML NRB	640ML	12	£23.66
CJ09	KRONENBOURG 1664 275ML NRB 6PK	275ML	24	£19.90
CK82	DESPERADOS RED 330 ML NRB	330 ML	24	£28.40
CK92	TIGER 330 ML NRB LTD	330 ML	24	£24.85
CL76	RED STRIPE 440ML CAN	440ML	24	£20.68
CL77	RED STRIPE 500ML CAN	550ML	24	£19.17
CL80	BIRRA MORETTI 660ML NRB X 12	660ML	12	£20.68
CL82	BIRRA MORETTI SICILIANA 500ML NRB	500ML	15	£27.44
CM14	BIRRA MORETTI 330 ML CAN 6PK	330 ML	24	£24.15
CM36	HEINEKEN 0.0 330 ML CAN 6PK	330 ML	24	£13.82
CM40	TIGER 4 x 330 ML CAN	330 ML	24	£24.85
CM54	CALEDONIAN THREE HOP 12 X 330 ML NRB	330 ML	12	£16.44
CM83	BIRRA MORETTI 660ML NRB X 12	330 ML	12	£20.68

CM89	RED STRIPE 4X6X330 ML NRB	330 ML	24	£25.26
CN04	MALTSMITHS PILS 330 ML CAN 6PK	330 ML	24	£15.08
DF48	BUDVAR BUDWEISER EX BUDW 500ML NRB	500 ML	20	£31.29
DH81	HOL PILS 5.0% BLK BND 275ML NRB PUB PK	275 ML	24	£31.83
DN26	KINGFISHER 650ML NRB	650 ML	12	£28.27
DP16	WEST INDIES PORTER 500ML NRB X 8	500 ML	8	£14.30
DP48	DESPERADOS 330 ML PET - 800513	330 ML	24	£27.37
DQ10	MALTSMITHS AMERICAN IPA 330 ML NRBx12	330 ML	12	£15.30
DQ11	MALTSMITHS BAVARIAN LAGER 330 ML NRBx12	330 ML	12	£15.30

**Part 2: PPB Blocked Brands**

<b>HUK SKU Code</b>	<b>SKU Name</b>	<b>Size</b>
DQ60	GREENE KING IPA (GLUTEN FREE)+G74	500 ML
DE20	GUINNESS ORIGINAL	330 ML
CA88	YOUNGS LIGHT ALE	275 ML
GC18	KOPPARBERG BLUEBERRY & LIME	500 ML
GB60	KOPPARBERG RASPBERRY CIDER	500 ML
GB76	REKORDERLIG MANGO & RASPBERRY	500 ML
GB39	ADDLESTONES	500 ML
GB98	GREEN GOBLIN	500 ML
GC28	STELLA CIDRE 500ML X 8 NRB	500 ML
GC33	STELLA CIDRE 500ML X 12 NRB	500 ML
GC27	REKORDERLIG PEAR	500 ML
DP79	BROOKLYN LAGER	355 ML
DQ24	GOOSE ISLAND 312	355 ML
DQ23	GOOSE ISLAND HONKERS ALE	355 ML
DQ68	YAKIMA RED	330 ML
DI43	BECKS BLUE	275 ML
DL93	BECKS BIER RED FLASH 4.8% 275ML NRB	275 ML
DQ79	BUDWEISER	33 CL
DL95	COBRA PREMIUM LAGER	33 CL
DM08	CORONA EXTRA	33 CL
DM53	MODELO ESPECIAL	355 ML
DL05	PERONI NASTRO AZZURRO	330 ML
DK38	SAN MIGUEL	33 CL
DN24	STELLA ARTOIS	33 CL
DQ32	CARLSBERG 330ML	330 ML