

DATED

202◆

(1) [BLUE STAR PUB COMPANY LIMITED]  
[RED STAR PUB COMPANY (WR) LIMITED]  
[RED STAR PUB COMPANY (WRH) LIMITED]  
[RED STAR PUB COMPANY (WR II) LIMITED]  
[RED STAR PUB COMPANY (WR III) LIMITED]  
[STAR PUBS & BARS (PROPERTY) LIMITED]  
[PUNCH PARTNERSHIPS (PTL) LIMITED]

- and -

(2) ◆

[- and -

(3) ◆ ]

**LEASE**  
of  
public house at ◆

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## SUMMARY OF LEASE TERMS

<b>Landlord:</b>	◆
<b>Tenant:</b>	◆
<b>Guarantor:</b>	◆
<b>Property:</b>	◆
<b>Term Commencement Date:</b>	◆
<b>Term Expiry Date:</b>	◆
<b>Basic Rent:</b>	◆
<b>Rent Commencement Date:</b>	◆
<b>Tenant's Option to Break:</b>	Yes, on not less than three months' prior written notice
<b>Landlord and Tenant Act 1954:</b>	Excluded
<b>Rent Payment Dates:</b>	[Weekly] [Monthly]

## BACKGROUND AND UNDERSTANDING THIS LEASE

1. The purpose of this note is to assist in the understanding of the structure and commercial rationale of the terms of this lease. Tenants and their advisers remain responsible for reviewing and understanding the lease in full.
2. The Landlord (meaning, in this "Background and Understanding this Lease" section, the landlord named at clause LR3, and which shall include any Group Undertaking of that entity) is a manufacturer and supplier of certain drinks and owns an estate of public houses including the Property. Those public houses are let to tenants who agree to sell from them drinks which are supplied by the Landlord (the obligation to sell those drinks is referred to as a "**Tie**").
3. The lease is split into two parts, as follows:
  - 3.1 the standard lease terms are contained in the provisions up to and including schedule 2 ("**Standard Lease Terms**"); and
  - 3.2 the commercial terms specific to the Tie between the Landlord and Tenant are set out in schedule 3 ("**Tied Lease Terms**").
4. The Tied Lease Terms contain certain purchasing obligations, and other commercial terms, specifically relating to the Tie. The Rent has been fixed having regard to the Tie and accordingly is lower than that which might otherwise be payable under this lease if those obligations did not exist.
5. Given the above, the Standard Lease Terms should be read in conjunction with the Tied Lease Terms which, in line with the Tie between the Landlord and Tenant, modify, or add to, a number of the obligations contained within the Standard Lease Terms.
6. It is important that both the Standard Lease Terms and the Tied Lease Terms are read in full but, to assist you in the understanding of this lease, the table below summarises the **key** Standard Lease Terms which are modified whilst the Tied Lease Terms apply:

<b>Type of Clause</b>	<b>Position under Standard Lease Terms</b>	<b>Position under Tied Lease Terms</b>
[Rent Frequency]	<b>Clause 3.1</b> Monthly rent.	<b>Paragraph 1 of Part 4 of Schedule 3</b>  [Weekly rent.]
Repairing Obligations	<b>Clause 3.4</b> Full repairing.	<b>Part 6 of Schedule 3</b> Internal repairing, subject to a schedule of condition.
Alienation	<b>Clause 3.10</b> Assignment allowed (subject to offer-back provisions).	<b>Part 9 of Schedule 3</b> Dealings prohibited (with no offer-back provisions and associated registration requirements)

Determination	No break options on behalf of either landlord or tenant.	<b>Paragraph 3 and 4 of Part 10 of Schedule 3</b>  Landlord and Tenant break options included.
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**LR1 Date of lease**

◆ 202◆

**LR2 Title number(s)**

**LR2.1 Landlord's title number(s)**

[◆ ][None]

**LR2.2 Other title numbers**

[◆ ][None]

**LR3 Parties to this lease**

**Landlord**

[BLUE STAR PUB COMPANY LIMITED] [RED STAR PUB COMPANY (WR) LIMITED] [RED STAR PUB COMPANY (WRH) LIMITED] [RED STAR PUB COMPANY (WR II) LIMITED] [RED STAR PUB COMPANY (WR III) LIMITED] [STAR PUBS & BARS (PROPERTY) LIMITED][PUNCH PARTNERSHIPS (PTL) LIMITED] (a company registered in [Scotland][England and Wales] with company number [SC366273][SC194006][SC200229] [SC202689] [04089947] [00236608][03512363]) whose registered office is at ◆

**Tenant**

◆ [(a company registered in [Scotland][England and Wales][◆ ] with company number ◆ ) whose registered office is at][of] ◆

**[Other parties**

**[Guarantor][◆ ]**

◆ [(a company registered in [Scotland][England and Wales][◆ ] with company number ◆ ) whose registered office is at][of] ◆ ]

**LR4 Property**

**In the case of a conflict between this clause and the remainder of this lease then, for the purposes of registration, this clause shall prevail.**

[◆ ] as shown edged red on the attached plan numbered [◆ ]

This lease contains a provision relating to the creation or passing of easements – see clause 7.3 (Easements and Rights)

**LR5 Prescribed statements etc**

**LR5.1** [None][◆ ]

- LR5.2** Not applicable
- LR6** **Term for which the Property is leased**  
The Term (as defined in clause 1.1)
- LR7** **Premium**  
None
- LR8** **Prohibitions or restrictions on disposing of this lease**  
This lease contains a provision that prohibits or restricts dispositions.
- LR9** **Rights of acquisition etc**
- LR9.1** **Tenant's contractual rights to renew this lease, to acquire the reversion or another lease of the Property, or to acquire an interest in other land**  
None
- LR9.2** **Tenant's covenant to (or offer to) surrender this lease**  
The obligation contained in clause 3.10.2.1(a)
- LR9.3** **Landlord's contractual rights to acquire this lease**  
None
- LR10** **Restrictive covenants given in this lease by the Landlord in respect of land other than the Property**  
None
- LR11** **Easements**
- LR11.1** **Easements granted by this lease for the benefit of the Property**  
The rights granted by clause 2.2
- LR11.2** **Easements granted or reserved by this lease over the Property for the benefit of other property**  
The rights granted or reserved by clause 2.3
- LR12** **Estate rentcharge burdening the Property**  
None
- LR13** **Application for standard form of restriction**  
The parties to this lease apply to enter the following standard form of restriction against the title of the Property: None

**LR14 Declaration of trust where there is more than one person comprising the Tenant**

[Not applicable][The Tenant is more than one person. They are to hold the Property on trust [for themselves as [tenants in common in equal shares][joint tenants] [◆ ].]



**THIS LEASE** is made on the date set out in clause LR1 **BETWEEN** the parties respectively named in clause LR3.

## 1. DEFINITIONS AND INTERPRETATION

### 1.1 Definitions

In this lease the terms set out in the clauses LR1 to LR14 have the respective meanings given there and:

"**1954 Act**" means the Landlord and Tenant Act 1954;

"**1988 Act Application**" means an application for consent to which the Landlord and Tenant Act 1988 applies;

"**1995 Act**" means the Landlord and Tenant (Covenants) Act 1995;

"**Authorised Guarantee Agreement**" means an authorised guarantee agreement for the purposes of section 16 of the 1995 Act;

"**Base Rate**" means the base rate from time to time of Barclays Bank plc (or, if that rate is not published, such comparable rate as the Landlord shall reasonably specify) but (in either case) if that rate is less than zero, the base rate shall be deemed to be zero;

"**Basic Rent**" means ♦ pounds (£♦ ) each year;

"**Business**" means the use of the Property as a public house for the sale of Drinks (but not as a wine bar or cocktail bar or tea house or coffee shop or restaurant) with (but ancillary to such use) the sale of both hot and cold food and the provision of accommodation for short-term paying guests;

"**Business Day**" means any day from Monday to Friday (inclusive) which is not Christmas Day, Good Friday or a statutory bank holiday;

"**CDM Regulations**" means the Construction (Design and Management) Regulations 2015 together with the recommendations contained in the then official guidance relating to such regulations;

"**Certified Copy**" means a true copy certified as such by a solicitor;

"**Dealing**" means any assignment relating to the Property or this lease;

"**Default Rate**" means (both before and after a judgment or arbitration award) three per cent above the Base Rate;

"**Disclaimer**" means any disclaimer of this lease;

"**Drinks**" means all beverages (including, for the purposes of this lease, water);

"**Existing Guarantor**" means a person who, immediately before a proposed assignment, is either a guarantor of the Tenant's covenants under this lease or a guarantor of the covenants given by a former tenant of this lease under an Authorised Guarantee Agreement;

**"Fixtures"** means any bar back fittings, central heating systems, sanitary ware, cellar cooling equipment and any other items situated on the Property which can ordinarily be classed as landlord's fixtures;

**"Gaming Machines"** means any gaming machine including, but not limited to, mechanical, electrical or electronic amusement with prizes machines, amusement without prizes machines, skill with prizes machines or machines or equipment for gaming and/or gambling and other machines and equipment of a similar nature and pool tables, snooker tables, billiard tables and equipment for use with similar types of games and will also mean any personal or other computer or any other medium for connecting into the internet and/or for transmitting or receiving digital and/or electronic signals or stimuli of any description except for reception equipment not used for interactive games or where solely for the use of the Tenant or its immediate family;

**"Group Company"** means a company which is a member of the same group of companies as the Tenant (as defined in section 42(1) of the 1954 Act);

**"Group Undertaking"** shall have the meaning given to it by s.1161 of the Companies Act 2006;

**"Guarantee Period"** means any time that the Tenant (in this case meaning only the person who is the Tenant at the time the relevant guarantee is entered into and not that person's successors in title) is bound by any obligation in this lease either directly or under an Authorised Guarantee Agreement;

**"Guarantor"** means the party (if any) so referred to in clause LR3 and includes any other person who guarantees any of the Tenant's obligations under this lease at any time (including, where applicable, such party's personal representative);

**"Insolvent"** means, in relation to either the Tenant or the Guarantor, that such party is subject to:

- (a) the entry into, or the making of a proposal for, or being in or continuing to be in, a compromise, composition or arrangement with its creditors (or any of them) or its members (or any of them) in satisfaction or reorganisation of its debts, or for the purpose of eliminating, reducing, preventing or mitigating the effect of any financial difficulties of the Tenant (except for the purposes of a bona fide solvent amalgamation or reconstruction with the prior approval of the Landlord), including a voluntary arrangement within the meaning of part I of the Insolvency Act 1986, or a compromise or arrangement under Part 26 or Part 26A of the Companies Act 2006; or
- (b) the levying of any execution or other similar process on or against, or taking control or possession of, the whole or any part of the Tenant's assets at the Property; or
- (c) (as to an individual) the presentation of a petition or making of an application for a bankruptcy order to be made against him or her, or the making of a bankruptcy order against him or her, or the making of an application under section 252 of the Insolvency Act 1986, or being deemed unable to pay his or her debts within the meaning of section 268 of the Insolvency Act 1986, or the appointment of a receiver of any of his or her assets; or
- (d) (as to a partnership) any steps being taken with a view to entering any form of insolvency procedure contemplated by the Insolvent Partnerships Order 1994, or

the entry into some such procedure, or more than 10 per cent of the number of partners for the time being meeting the criteria set out in this definition; or

- (e) (as to a corporate body) it being deemed unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986, or the convening of a meeting or the presentation of a petition or the making of an order or the passing of an effective resolution (or, in the case of a limited liability partnership, the making of an effective determination) for its winding up, (other than a solvent winding up for the purposes of amalgamation or reconstruction with the prior approval of the Landlord) or the appointment of a receiver, administrator, provisional liquidator, liquidator or administrative receiver of it or any of its assets, or the resolution of any meeting of its directors or members to file a notice of intention to appoint an administrator or a notice of appointment of an administrator or such a notice of intention or such a notice of appointment in relation to it is filed at the court (whether under paragraph 14 or paragraph 22 of schedule B1 to the Insolvency Act 1986), or the making of an application for the appointment of an administrator in relation to it; its dissolution or being struck off the Register of Companies, or (being a corporate body incorporated outside the United Kingdom) its dissolution or its ceasing to exist under the laws of its country or state of incorporation, or any moratorium (including a moratorium under Part A1 of the Insolvency Act 1986) is obtained in respect of it; or
- (f) any event analogous to any of the events listed in paragraphs (a) to (e) of this definition occurring outside England;

**"Insurance Excess"** means £250 (or such other amount or excess as is reasonably and properly required by the Landlord in respect of any claim relating to the insurance and/or cover arranged by it in compliance with clause 5.1);

**"Insurance Rent"** means the cost to the Landlord of complying with clause 5.1 in relation to any period which starts or finishes during the Term;

**"Insured Risks"** means (subject to the provisions of clause 5.2) fire, storm, tempest, lightning, explosion, aircraft and articles dropped from them, flood, earthquake, impact by road vehicles, riot, civil commotion, malicious damage, bursting and overflowing of water tanks, apparatus and pipes, landslip, subsidence and heave and such other risks as the Landlord may properly insure against at any time;

**"Insurer"** means the insurance company or underwriter with whom the Landlord effects insurance under clause 5.1;

**"Invitee"** means persons in the Property with the express or implied consent of the Tenant;

**"Landlord"** means the party so referred to in clause LR3 and includes that party's successors in title to the Landlord's Interest;

**"Landlord's Interest"** means the reversion immediately expectant on the determination of the Term;

**"Legislative Consent"** means a consent or authority required under a Legislative Requirement;

**"Legislative Requirement"** means the requirement of any applicable legislative provision, or any applicable decision, directive or regulation of the European Union or of the government of

the United Kingdom, or any applicable notice or order lawfully made by any other competent authority, or a court order;

**"Liabilities"** means all liabilities (including losses, costs, damages, expenses and liabilities under claims, demands, proceedings and awards) in relation to any matters;

**"Licensing Authorities"** means all or any of the persons and bodies and authorities competent to grant all or any of the Necessary Licences;

**"Loss of Rent"** means loss of the Basic Rent for three years;

**"Necessary Licences"** means all licences, permits, certificates and consents in connection with or ancillary to the Permitted Use carried out at the Property for the maximum hours allowed by law including, for the avoidance of doubt but without prejudice to the generality of the foregoing, a premises licence in accordance with the meaning of section 11 of the Licensing Act 2003 and any personal licence granted to an individual within the meaning of section 111 of the Licensing Act 2003;

**"Permitted Use"** means use of the Property for the operation of the Business and for no other use whatsoever;

**"President"** means the president for the time being of the Royal Institution of Chartered Surveyors or someone acting on his or her behalf;

**"Property"** means the property defined in clause LR4 and includes:

- (a) any part of it;
- (b) all additions and alterations to it;
- (c) any Service Media exclusively serving it so far as these are not owned by a utility company; and
- (d) any Fixtures and any other landlord's fittings in or on it,

but excludes:

- (e) all areas above and below the building standing on the Property at any time;
- (f) any Service Media serving premises other than the Property or owned by a utility company; and
- (g) tenant's fixtures and fittings;

**"Pubs Code"** means the Pubs Code etc Regulations 2016;

**"Rent Commencement Date"** means ◆ 202◆;

**"Rent Days"** means the first day of each month during the Term;

**"Replacement Lease"** means a lease in the same form as this lease but which:

- (a) is granted by the Landlord to the Guarantor;

- (b) expires when the Term would have expired but for Disclaimer; and
- (c) makes payable sums equivalent to those payable under this lease on the day before the Disclaimer from and including the date of Disclaimer and binds the Guarantor from and including the date of Disclaimer;

**"Selected Items"** means such parts of the Tenant's Fittings as the Landlord has selected and purchased in consideration for the Valuation as at the Term Commencement Date;

**"Service Media"** means all conducting media used to supply services to the occupiers of the Property (together with all ancillary equipment including meters) which now are or may in the future be installed;

**"Tenant"** means the party so referred to in clause LR3 and includes that party's successors in title to this lease;

**"Tenant's Fittings"** means the moveable trade fittings, furniture, effects, stock, glassware or other articles used by the Tenant in operating the Business including without limitation any other items or objects used in connection with the Business which either party to this lease brings onto the Property during the Term and which cannot ordinarily be classed as a Fixture (including any addition or replacement thereof);

**"Term"** means five years from and including 2022 ( "**Term Commencement Date**") to and including 2027;

**"Unfit"** means, in relation to the Property, unfit for occupation or use and/or inaccessible;

**"VAT"** means value added tax and includes any similar or substituted tax; and

**"Valuation"** means a valuation agreed or to be agreed between the Landlord and the Tenant in respect of Tenant's Fittings or if they are unable to agree, such amounts as may be or have been decided by a surveyor who will act as an expert;

and terms of similar origin are to be interpreted accordingly.

## 1.2 Interpretation

In this lease:

- 1.2.1 obligations undertaken by a party which comprises more than one person bind those persons jointly and severally;
- 1.2.2 an obligation to do something includes an obligation to procure that it is done and an obligation not to do something includes an obligation not to allow it to be done;
- 1.2.3 each right reserved by the Landlord may be exercised by any superior landlord, any mortgagee of the Landlord's Interest or of any other interest in the Property which is superior to the Landlord's Interest and any person authorised by such persons;
- 1.2.4 any reference to any legislative provision includes any subsequent re-enactment or amending provision;

- 1.2.5 words referring to persons include firms and corporate bodies and vice versa, words in singular form include the plural and vice versa and words with any one gender include either other gender;
- 1.2.6 each of the headings, the "Summary of Lease Terms" section, the "Background and Understanding this Lease" section, contents list and frontsheet is for reference only and is not to be referred to when interpreting this lease;
- 1.2.7 references to a clause, subclause, paragraph, schedule or appendix followed by a number are references to the clause, subclause or paragraph of or the schedule or appendix to this lease so numbered;
- 1.2.8 the rights and remedies provided by this lease for the Landlord do not exclude any rights or remedies that the Landlord may have under the general law;
- 1.2.9 any obligation undertaken by the Landlord is a covenant with the Tenant and any obligation undertaken by either the Tenant or the Guarantor is a covenant with the Landlord by the relevant party;
- 1.2.10 references to the "**determination**" of the Term and words of similar meaning are to the determination of the Term for any reason;
- 1.2.11 the word "**including**" and similar words do not limit the general effect of the words which precede them; and
- 1.2.12 the term "**this lease**" includes this lease, any document which is supplemental to or collateral with it, and any document entered into because this lease requires it.

## **2. LETTING**

### **2.1 Consideration**

In consideration of the obligations undertaken by the Tenant in this lease, the Landlord lets the Property to the Tenant for the Term.

### **2.2 Rights granted**

So far as it can do so, the Landlord grants to the Tenant (in common with the Landlord and those authorised by the Landlord):

- 2.2.1 the benefit of the rights (if any) referred to in the property register of HM Land Registry title number[s] listed at clause LR2.1 insofar as such matters affect the Property; and
- 2.2.2 the rights and use of the Service Media which lie in or under any adjoining premises owned by the Landlord subject to the Tenant contributing a fair proportion of the cost and maintenance and repair of the same.

### **2.3 Rights reserved**

The Landlord reserves the following rights:

- 2.3.1 to use such Service Media which are now or may during the Term be in, on or under the Property as serve or may serve adjoining premises or Gaming Machines

and to enter the Property for the purpose of laying, inspecting, maintaining, repairing, replacing and renewing such Service Media provided that the person exercising such rights will cause as little inconvenience as possible and will make good any damage caused to the Property;

2.3.2 all rights of light, support and air enjoyed by any adjoining premises from and over the Property during the Term;

2.3.3 to enter the Property for the purpose of:

2.3.3.1 viewing the state and condition of the Property and to ascertain whether the Tenant has complied with its covenants in this lease; and

2.3.3.2 carrying out repairs to and/or decoration of the Property or other works which the Tenant fails to carry out although obliged to do so under this lease; and

2.3.3.3 carrying out works of repair, alteration or construction to adjoining premises the person exercising such rights making good any damage caused to the Property; and

2.3.3.4 any sale or re-letting of the Property;

2.3.4 to alter, rebuild or redevelop adjoining premises in any way notwithstanding that the access of light and air to the Property may be diminished;

2.3.5 to erect scaffolding for any purpose in connection with adjoining premises notwithstanding that this may cause temporary restrictions to access the Property;

2.3.6 to keep, place and affix any advertising board on the Property and to receive the income therefrom provided that such advertising boards will not obstruct the access of light and air to the Property;

2.3.7 the right to install or affix:

2.3.7.1 on the exterior of the Property any aerial, mast, dish or other device for transmitting or receiving signals; and

2.3.7.2 on the exterior and/or in the interior of the Property any associated plant and/or equipment,

and together with the rights:

(a) to connect them into any necessary Service Media;

(b) at all times to take from the electricity conduits any supply necessary to operate them;

(c) to receive any income earned from the same; and

(d) to enter the Property to install, maintain, repair, renew and service them;

- 2.3.8 to use any right of way across the Property as benefits any adjoining property of the Landlord;
- 2.3.9 to enter onto the Property to comply with its covenants and to replace, maintain, add, alter or renew the advertising boards, hoardings, signs, boards, lettering and notices existing from time to time at the Property.

## **2.4 Matters to which this lease is subject**

The Property is let on the terms of this lease and subject to and (where appropriate) with the benefit of:

- 2.4.1 any matters which would be disclosed by any searches and enquiries which a prudent prospective tenant would have made before entering into this lease; and
- 2.4.2 the matters (other than financial charges) contained as at today in the property and charges registers of HM Land Registry title number[s] listed at clause LR2.1 insofar as such matters affect the Property.

## **3. TENANT'S OBLIGATIONS**

### **3.1 Basic Rent**

- 3.1.1 The Tenant will pay the Landlord the Basic Rent by equal monthly payments in advance on the Rent Days, whether formally demanded or not.
- 3.1.2 If the Landlord so requires, the Tenant will pay the Basic Rent by standing order or direct debit.
- 3.1.3 The first payment of the Basic Rent relates to the period from and including the Rent Commencement Date to but not including the following Rent Day and is to be made on the Rent Commencement Date.

### **3.2 Outgoings**

- 3.2.1 The Tenant will pay (or indemnify the Landlord against) all outgoings that are imposed on the Property or on its owner or occupier. This obligation does not apply to tax on any actual or deemed dealing by the Landlord with the Landlord's Interest or to tax (apart from VAT) payable by the Landlord on the Basic Rent.
- 3.2.2 If the Landlord loses rating relief because it has been allowed to the Tenant or another occupier of the Property during the Term, the Tenant will make good that loss to the Landlord.
- 3.2.3 The Tenant will pay (or indemnify the Landlord against) a fair proportion of the cost of maintaining things used in common by the Property and other premises. Disputes as to the operation of this clause are to be referred to arbitration.

### **3.3 Interest**

- 3.3.1 If the Tenant either fails to pay the Basic Rent in cleared funds on the due date or is more than 10 Business Days late in paying any other sum due under this lease, the Tenant will pay the Landlord interest at the Default Rate on any outstanding amount.



- 3.3.2 If the Landlord does not demand, or refuses to accept, payment of any sum due under this lease because of a breach of obligation on the part of the Tenant, the Tenant will pay the Landlord interest at the Default Rate on any such sum.
- 3.3.3 Interest is calculated on a daily basis from and including the date payment should have been made to but not including the date payment is received in cleared funds and accepted by the Landlord.

### **3.4 Repair and decoration**

- 3.4.1 The Tenant will keep the Property and Fixtures in good repair and condition but does not have to repair damage caused by an Insured Risk (unless and to the extent that payment of the insurance monies is refused because of something the Tenant or an Invitee has done or not done and/or any of the matters referred to in clause 5.2.2 applies).
- 3.4.2 In the last three months before the determination of the Term, the Tenant will decorate or otherwise treat appropriately all internal and external surfaces of the Property.
- 3.4.3 All work that the Tenant is to carry out pursuant to this clause 3.4 is to be carried out in accordance with good building or property maintenance practice then current.
- 3.4.4 If the Landlord gives the Tenant notice of a breach of an obligation by the Tenant relating to the condition of the Property, the Tenant will remedy such breach. If the Tenant has not done so within two months of such notice being given (or sooner if reasonably required by the Landlord), the Landlord may enter the Property to do so and the Tenant will reimburse the Landlord for the proper costs and expenses it incurs together with interest at the Default Rate from the date of expenditure of each item comprising such costs and expenses to the date of payment by the Tenant. All of such costs, expenses and interest will constitute a debt immediately due and payable to the Landlord.
- 3.4.5 The Tenant will:
- 3.4.5.1 on becoming aware of any defect in the Property that might give rise to a duty on the Landlord, notify the Landlord immediately;
  - 3.4.5.2 display all notices at the Property that the Landlord may reasonably require to be displayed having regard to any duty imposed on the Landlord;
  - 3.4.5.3 maintain all plant exclusively serving the Property in a serviceable condition and replace with an appropriate substitute such plant as may become unfit for use;
  - 3.4.5.4 provide landscaping and gardening services to all relevant areas; and
  - 3.4.5.5 keep the Property clean.

### **3.5 Common facilities**

The Tenant will pay to the Landlord on demand such proportion as the Landlord may from time to time determine of the cost of constructing, repairing, rebuilding, renewing, lighting, cleansing and maintaining all things used in common by the Property and other premises.

### **3.6 Maintenance**

3.6.1 The Tenant will procure the maintenance, inspection, care and servicing of lifts, boilers, beer, engines, beer dispensing equipment, Gaming Machines, cellar flaps, cesspools, septic tanks and any other plant or apparatus at the Property including entry at the cost of the Tenant into any contracts with appropriate and reputable third parties as may be necessary for procurement of the relevant services.

3.6.2 The Tenant will pay to the Landlord on demand the cost to the Landlord of any periodic inspections and repairs and/or improvements which the Landlord may from time to time carry out to the gas and other utility installations and any other plant and equipment at the Property (provided that the presence of this clause will not imply any obligation on the Landlord to do any of these things) and the Tenant will afford the Landlord and its representatives all necessary access and facilities for these purposes.

### **3.7 Alterations**

3.7.1 The Tenant will not:

3.7.1.1 unite the Property with any other premises; or

3.7.1.2 make any alteration to the parts of the Property which provide structural integrity and/or protection from the weather; or

3.7.1.3 make or alter any connection to any Service Media serving other premises; or

3.7.1.4 alter the external appearance of the Property; or

3.7.1.5 make any other alteration to the Property unless:

(a) the Landlord's consent by deed has been obtained; and

(b) the Tenant has executed as a deed and delivered to the Landlord a licence containing such obligations as the Landlord may reasonably require (including those relating to reinstating the Property at the determination of the Term and making good any damage so caused if the Landlord so requires).

3.7.2 The Tenant will not have to reinstate any permitted alterations to the Property pursuant to the terms of such a licence at the determination of the Term if the requisite parties have entered into a binding agreement for the grant of a new lease to take effect on the determination of the Term and containing provisions for

reinstatement of such alterations at the end of the term of such new lease and such new lease is actually entered into.

3.7.3 The Tenant will carry out any work permitted under this lease in accordance with good building practice then current and to the Landlord's reasonable satisfaction.

3.7.4 If the CDM Regulations apply to any work that the Tenant carries out (or has carried out by a person acting with its authority) at the Property, the Tenant will:

3.7.4.1 (in relation to any such work for which the Tenant and the Landlord are both clients for the purposes of the CDM Regulations) be treated as the only client for the purposes of the CDM Regulations and accept sole responsibility for performing the client's duties to the extent that this is allowed by the CDM Regulations;

3.7.4.2 perform such client's duties;

3.7.4.3 provide the Landlord with Certified Copies of all notifications and declarations required to be given by such client under the CDM Regulations and all relevant notices relating to the work it receives from the Health and Safety Executive or other relevant body;

3.7.4.4 promptly on completion of such work give the Landlord a copy of the health and safety file produced in accordance with the CDM Regulations and, as soon as practicable, any information to be added to such file; and

3.7.4.5 take all practicable steps to obtain for the Landlord an unencumbered licence to copy and use all information comprised in or added to such file for any purpose related to the Landlord's Interest and to grant sub-licences and transfer such licence to third parties.

### **3.8 Entry by the Landlord**

3.8.1 The Tenant will allow the Landlord to enter the Property for any proper purpose related to:

3.8.1.1 this lease; or

3.8.1.2 the efficient management of the Property; or

3.8.1.3 the protection of the Landlord's Interest; or

3.8.1.4 the compliance with the Landlord's obligations in this lease;

3.8.1.5 any dealing with the Landlord's Interest; or

3.8.1.6 ensuring compliance by the Tenant with its covenants in this lease,

with such personnel (including any agent or other representative duly appointed by the Landlord for such purpose) and equipment as may be necessary for fulfilling that purpose. The Landlord will promptly make good any damage so caused to the Property or the Tenant's assets in the Property to the Tenant's reasonable

satisfaction. In the case of an emergency, the Tenant will allow the Landlord such access without notice and at any time.

- 3.8.2 The Tenant will cooperate with the Landlord in enhancing the sustainable use of the Property by allowing the Landlord (if it so wishes) to carry out works to the Property which will improve the efficiency of the consumption or use of resources involved in the development, use and/or operation of the Property (including the installation and operation of equipment to measure the consumption of energy, water or other resources). Such works will be carried out at the Landlord's cost, in a reasonable manner and subject to the reasonable requirements of the Tenant.

### **3.9 Use**

- 3.9.1 The Tenant will use the Property only for the Permitted Use and will not use the Property for residential (other than as permitted by clause 3.10.3 and save that the Tenant and the Tenant's family may reside in any ancillary living accommodation at the Property), illegal or immoral purposes or in a way which involves the attendance at the Property of members of the public in relation to the obtaining of state or similar benefits or of any licence or similar documents or the payment of taxes, penalties or similar sums.

- 3.9.2 The Tenant will not:

3.9.2.1 do anything on the Property that is a nuisance to the Landlord or any other person; or

3.9.2.2 allow odours from the Business to enter any adjoining or neighbouring premises;

3.9.2.3 overload any part of the Property which provides structural integrity and/or protection from the weather or overload or misuse any Service Media; or

3.9.2.4 display any signage which is visible from outside the Property without the Landlord's consent other than signage which is erected by the Tenant in connection with the Business in which case no consent shall be required; or

3.9.2.5 obstruct or interfere with any easement which benefits the Property or any other premises; or

3.9.2.6 acquiesce in the acquisition by any person of rights against the Property.

- 3.9.3 The Tenant will notify the Landlord immediately of any attempt by any person to acquire rights against the Property or to obstruct any rights enjoyed by the Property.

- 3.9.4 On receipt at the Property of any correspondence or notice addressed to the Landlord or relating to the Property or its use or to the Landlord's Interest, the Tenant will promptly give the Landlord a copy.

- 3.9.5 The Tenant will take all practicable steps to provide the Landlord with such information as the Landlord may reasonably require for the efficient management

of the Property including information relating to the Tenant's use of energy, water and other resources and/or its handling of waste at the Property.

### **3.10 Dealings generally**

3.10.1 Except to the extent allowed by this lease, the Tenant will not deal in any way (whether as a whole or in part) with any aspect of its interest in this lease or the Property or with its rights to possess or occupy the Property.

3.10.2 The Tenant may assign the whole of the Property with the prior consent of the Landlord given by deed. The parties agree that, for the purposes of section 19(1A) of the Landlord and Tenant Act 1927, the Landlord may:

3.10.2.1 withhold consent to such an assignment if:

- (a) the Tenant is not in full compliance with the provisions of schedule 2;
- (b) the assignee is a Group Company; or
- (c) the assignee enjoys diplomatic or state immunity (but is not the government of the United Kingdom or a department of it); or
- (d) the assignee is an Existing Guarantor; or
- (e) the Landlord is of the reasonable opinion that the assignee intends to use the Property for a purpose other than the Permitted Use; or
- (f) the assignee is not domiciled in a jurisdiction in which a court order obtained in England and Wales may be enforced without consideration of the substance of the case,

and in any other circumstances in which it is reasonable for the Landlord to do so; and

3.10.2.2 grant consent to such an assignment subject to any of the following conditions:

- (a) the entry by the Tenant and every person who by section 11 of the 1995 Act remains bound by the Tenant's obligations under this lease into an Authorised Guarantee Agreement in such form as the Landlord may reasonably require;
- (b) that each person who is an Existing Guarantor of the Tenant under this lease (and, if more than one, jointly and severally) enters into a guarantee with the Landlord of the Tenant's obligations under the Authorised Guarantee Agreement given pursuant to clause 3.10.2.2(a) in such form as the Landlord may reasonably require;
- (c) the Tenant permitting every rent deposit or other security held by the Landlord immediately before the assignment in relation

to any Liabilities of the Tenant under this lease to be held as security for the Liabilities of the Tenant under any Authorised Guarantee Agreement; and

- (d) if the Landlord reasonably requires, either:
- (i) at least one person (who is not an Existing Guarantor) who is acceptable to the Landlord (acting reasonably) entering into a deed guaranteeing to the Landlord that the assignee will fulfil the Tenant's obligations under this lease, the deed being in the terms set out in schedule 1 as if references there to the "Tenant" were references to the assignee and, if more than one person is giving the guarantee, their obligations being joint and several; or
  - (ii) the assignee entering into a rent deposit deed with the Landlord for such amount and in such form as the Landlord may reasonably require and paying the amount set out in such deed by way of cleared funds,

and any other conditions which are reasonable for the Landlord to impose.

3.10.3 Without prejudice to the above, the Tenant (where appropriate) may, with the approval of the Landlord (not to be unreasonably withheld or delayed) allow the holder of the Necessary Licences, together with such person's immediate family, to occupy any ancillary living accommodation at the Property for residential purposes only on the basis of a service occupancy and without creating any security of tenure provided that such person, together with their family, will immediately vacate the Property on ceasing to be the holder of the Necessary Licences.

### **3.11 Registration of dealings**

The Tenant will within one month of any Dealing:

- 3.11.1 give notice of such Dealing to the Landlord's solicitors;
- 3.11.2 supply the Landlord's solicitors with a Certified Copy of any document effecting the Dealing; and
- 3.11.3 pay the Landlord's solicitors a reasonable fee (not being less than £50).

### **3.12 Legislative Requirements and Legislative Consents**

3.12.1 The Tenant will:

- 3.12.1.1 comply with every Legislative Requirement and every condition to any Legislative Consent relating to the Property or its use whether or not the Tenant is the person on whom either the Legislative Requirement or such condition is imposed; and

- 3.12.1.2 complete before the determination of the Term any work required to be done to the Property as a condition to a Legislative Consent that the Tenant has begun to implement.
- 3.12.2 The Tenant will not:
  - 3.12.2.1 do anything on or in relation to the Property that breaches a Legislative Requirement affecting other premises owned or occupied by the Landlord; or
  - 3.12.2.2 enter into a planning obligation under section 106 of the Town and Country Planning Act 1990 in relation to the Property; or
  - 3.12.2.3 serve a notice, or counter-notice, under the Party Wall etc Act 1996; or
  - 3.12.2.4 serve a notice relating to the Property under part VI of the Town and Country Planning Act 1990; or
  - 3.12.2.5 (unless it is required to comply with a Legislative Requirement or to carry out an alteration permitted under this lease or to implement the Permitted Use) apply for a Legislative Consent relating to the Property.
- 3.12.3 In relation to the Necessary Licences, the Tenant will:
  - 3.12.3.1 at all times during the Term procure that the Necessary Licences are in existence and in the name of the Tenant if an individual or in the name of its nominee if otherwise and will apply for and use its best endeavours to obtain renewals of the Necessary Licences and will pay the fees as and when they become payable;
  - 3.12.3.2 observe and perform all undertakings given to the Licensing Authorities in respect of the Property and the Necessary Licences (so far as the same are applicable to the Tenant) and will observe any lawful conditions from time to time attached to the Necessary Licences by the Licensing Authorities;
  - 3.12.3.3 not do (and not fail to do) anything on the Property or elsewhere by which the Tenant (and any agent or employee of the Tenant who holds any of the Necessary Licences) renders itself liable to conviction for any offence which may have an adverse effect on the Necessary Licences and/or the Permitted Use;
  - 3.12.3.4 not do (and not fail to do) on the Property or elsewhere any act which may result in the Necessary Licences becoming forfeit, void, revoked or subject to any other restrictions;
  - 3.12.3.5 where necessary obtain consent from the Licensing Authorities to any works to the Property;
  - 3.12.3.6 not, without the previous consent in writing of the Landlord, transfer or surrender or attempt to transfer or surrender the Necessary Licences or allow them to lapse or attempt to remove them to other premises;

- 3.12.3.7 not give any undertaking relating to the Property or any of the Necessary Licences without the prior consent of the Landlord and if asked to give any such undertaking immediately will give written notice of such request to the Landlord;
  - 3.12.3.8 not, without the prior consent of the Landlord, apply to the Licensing Authorities for the insertion in any Necessary Licence of any conditions or apply for other licences or permits;
  - 3.12.3.9 immediately upon receipt of the same serve notice on the Landlord of any notices (together with copies) which may have an effect on the Necessary Licences and will inform the Landlord of any complaints received by the Tenant in respect of the Property and the Permitted Use;
  - 3.12.3.10 at the end of the Term (however it ends) procure the transfer and handing over of the Necessary Licences to the Landlord or a nominee of the Landlord (other than those licences which are personal within the meaning of section 111 of the Licensing Act 2003);
  - 3.12.3.11 attend when required by the Landlord before the Licensing Authorities and do all other acts and things which may be necessary to transfer the Necessary Licences as in clause 3.12.3.10 or which may be necessary to obtain for the succeeding occupier any order or authority to enable such person to carry out the Permitted Use at the Property as soon as possible.
- 3.12.4 It is agreed that if the Licensing Authorities refuse to renew or transfer the Necessary Licences or if the Tenant refuses or neglects to renew the Necessary Licences or to transfer them to the Landlord or its nominee, it will be lawful for the Landlord or its nominee to do all things necessary to appeal against any refusal by the Licensing Authorities to renew or transfer the Necessary Licences or to effect such renewal or transfer (as the case may be) in the name of the Tenant and, where applicable, as the agent of the Tenant and the Tenant irrevocably appoints the Landlord to do any act or execute any document in the name of and on behalf of the Tenant as the lawfully appointed attorney of the Tenant. Such appointment shall have effect pursuant to section 4 of the Power of Attorney Act 1971 and the Landlord's rights under this clause shall not affect its rights and remedies under this lease and under general law.
- 3.12.5 The Tenant will procure that all persons named as licensees on the Necessary Licences comply with the Tenant's obligations in clauses 3.12.3 and 3.12.4.

### **3.13 Notices relating to Landlord's dealings**

The Tenant will allow the Landlord to fix in a reasonable position on the exterior of the Property a notice relating to any dealing with the Landlord's Interest or any other interest superior to this lease and not remove or obscure it if such notice neither obstructs the Tenant's own signage nor diminishes the access of light and air to the Property in a material way.

### **3.14 New guarantor**

The Tenant will notify the Landlord within 20 Business Days if the Guarantor becomes Insolvent or any Guarantor being an individual (or if individuals any one of them) dies or lacks



capacity for the purposes of section 2 of the Mental Capacity Act 2005. In any such case, if the Landlord requires, the Tenant will procure that within two months of such requirement some other person reasonably acceptable to the Landlord executes as a deed a guarantee in the terms of schedule 1 with such amendments as the Landlord reasonably requires.

### **3.15 Indemnity**

The Tenant will indemnify the Landlord against all Liabilities incurred by the Landlord arising out of:

- 3.15.1 the breach of any obligation undertaken by the Tenant under this lease; or
- 3.15.2 any works carried out to the Property by the Tenant; or
- 3.15.3 any act or default of an Invitee.

### **3.16 Determination**

At the determination of the Term the Tenant will:

- 3.16.1 where it has received notice from the Landlord not less than two months prior to the determination of the Term:
  - 3.16.1.1 reinstate any alterations made to the Property during the Term or during any preceding period of occupation by the Tenant (subject to the provisions of clause 3.7.2);
  - 3.16.1.2 remove from the Property all Tenant's Fittings and everything else that does not belong to the Landlord (except for meters and equipment belonging to providers of utilities); and
  - 3.16.1.3 make good the damage caused in doing so,  
  
and (without lessening the effect of this obligation) the Tenant acknowledges that the Landlord may treat anything left by the Tenant at the Property at the determination of the Term as having been abandoned;
- 3.16.2 hand the Property back to the Landlord:
  - 3.16.2.1 with vacant possession; and
  - 3.16.2.2 in the condition required by the Tenant's obligations in this lease;
- 3.16.3 deliver to the Landlord:
  - 3.16.3.1 all keys and other access devices for the Property;
  - 3.16.3.2 the original of this lease;
  - 3.16.3.3 all assessments and other records created by it or on its behalf in its capacity as a dutyholder (within the meaning of the Control of Asbestos Regulations 2012) and as a responsible person under the Regulatory Reform (Fire Safety) Order 2005 in relation to the Property; and

3.16.3.4 any health and safety file prepared under the CDM Regulations under clause 3.7.4.4; and

3.16.4 (to the extent that it has not already been done) take all practicable steps to obtain for the Landlord an unencumbered licence allowing the Landlord to copy and use all information comprised in the documents referred to in clauses 3.16.3.3 and 3.16.3.4 for any purpose related to the Landlord's Interest and to grant sublicences and transfer such licence to third parties.

### **3.17 VAT**

The Tenant will:

3.17.1 pay the VAT chargeable on sums due from the Tenant and any other consideration to be provided or deemed to be provided by the Tenant under this lease;

3.17.2 where the Tenant agrees in this lease to reimburse the Landlord for a payment made by the Landlord, pay the Landlord an amount equal to the relevant VAT paid by the Landlord unless such VAT is recovered by the Landlord; and

3.17.3 not do anything that would result in any option to tax relating to the Landlord's Interest being disappplied or otherwise ceasing to have effect.

### **3.18 Superior lease**

The Tenant will comply with the obligations of the tenant contained or referred to in any lease which is superior to this lease. This clause does not apply:

3.18.1 where the Landlord expressly agrees in this lease to comply with the relevant obligations; or

3.18.2 to obligations relating either to the payment of rent or to premises other than the Property.

### **3.19 Land registration**

3.19.1 The Tenant will not apply under rule 81 of the Land Registration Rules 2003 for the registration of an agreed notice against the Landlord's title to the Property in relation to this lease. The Tenant may apply under rule 83 of such Rules for the registration of a unilateral notice in such respect. The Tenant will not disclose this lease or supply any copy of this lease or any details of it (other than those necessary to register such a unilateral notice) to HM Land Registry.

3.19.2 The Tenant will:

3.19.2.1 forthwith procure the registration of a land charge relating to the right granted to the Landlord by clause 3.10.2.1(a) under section 2(4)(iv) of the Land Charges Act 1972;

3.19.2.2 as soon as practicable supply the Landlord with an office copy of such land charge; and

3.19.2.3 not remove such registration whilst this lease subsists.

3.19.3 On the determination of the Term, the Tenant will promptly cancel any note of this lease made in any title at HM Land Registry.

### **3.20 Landlord's title**

The Tenant will comply with all obligations referred to in clause 2.4 so far as any of them are capable of taking effect and relate to the Property or the exercise of rights granted by this lease.

### **3.21 Costs**

The Tenant will pay the Landlord the costs and expenses properly incurred by the Landlord in connection with:

3.21.1 dealing with an application by the Tenant for an approval or consent under this lease (except where such application is held by the court to have been unlawfully refused);

3.21.2 the preparation and completion of a guarantee of the kind referred to in clause 3.14;

3.21.3 enforcing any obligation undertaken by the Tenant in this lease (including preparing and serving a notice under section 146 of the Law of Property Act 1925 and proceedings under section 146 or 147 of that Act, even if forfeiture is avoided without a court order);

3.21.4 the engagement of managing agents in respect of all matters connected with this lease and the management of the Property including the collection of rents and other sums under the lease and monitoring compliance by the Tenant with its covenants under this lease; and

3.21.5 preparing and serving a schedule of dilapidations during the Term or within a period of 3 months after the determination of the Term.

### **3.22 Regulations**

To comply in all respects with any ancillary regulations which the Landlord may impose during the Term in connection with the Permitted Use and where there is a conflict between any regulations so imposed and the terms of this lease, the terms of this lease shall prevail.

### **3.23 Tenant's Fittings**

The Tenant agrees with the Landlord that it will not during the Term dispose of any articles specified in the Tenant's Fittings (whether Selected Items or otherwise) without first offering to sell the same to the Landlord for the Valuation.

## **4. LANDLORD'S OBLIGATIONS**

### **4.1 No unlawful interruptions**

The Landlord will allow the Tenant to enjoy the Property during the Term without any unlawful interruption by the Landlord or any person claiming under or in trust for the Landlord.

## **4.2 Superior lease**

The Landlord will pay the rent payable under any superior lease and comply with the tenant's obligations under it insofar as they are not the responsibility of the Tenant under this lease or relate to premises other than the Property.

## **5. INSURANCE AND REINSTATEMENT**

### **5.1 Provision of insurance**

5.1.1 Subject to the provisions of clause 5.2, the Landlord will insure and/or provide cover against:

5.1.1.1 the Insured Risks causing damage to the Property in the sum referred to at clause 5.1.2;

5.1.1.2 Loss of Rent; and

5.1.1.3 the Landlord's (but not the Tenant's) third party liability, employer's liability and public liability risks in relation to the Property and such other of its risks as the Landlord properly determines from time to time in a sum properly determined by the Landlord

provided that the Landlord may, if it so desires, meet the costs that may arise in relation to the matters referred to in clauses 5.1.1.1 to 5.1.1.3 above from its own resources and where the Landlord chooses to do so, it will be assumed that:

5.1.1.4 the Landlord has met with its obligations in this clause 5.1; and

5.1.1.5 the Property is insured on the Landlord's usual terms of insurance,

and the lease is to be interpreted accordingly.

5.1.2 The insurance and/or cover referred to at clause 5.1.1.1 is to be for the cost of reinstatement of the Property, together with a due allowance for:

5.1.2.1 an increase in building and other costs during the remainder of the relevant period;

5.1.2.2 the cost of demolition, site clearance, security and supporting the damaged part of the Property;

5.1.2.3 the cost of complying with any Legislative Requirement;

5.1.2.4 professional fees; and

5.1.2.5 (if appropriate) VAT on all such sums.

### **5.2 Qualifications on the Landlord's obligation to insure**

The Landlord's obligation in clause 5.1 is subject to:

5.2.1 the insurance and/or cover not being made less effective by an act or omission of the Tenant or an Invitee;

- 5.2.2 any conditions, excesses, exclusions and limitations required by the Insurer or as the Landlord may, acting properly, require or negotiate; and
- 5.2.3 insurance and/or cover against any given Insured Risk being generally available in the United Kingdom insurance market on economic terms.

### **5.3 Evidence of insurance**

The Landlord will produce:

- 5.3.1 when requested to do so:
  - 5.3.1.1 a property certificate of insurance; and
  - 5.3.1.2 a summary of the cover provided; and
- 5.3.2 within 15 Business Days of a transfer of the Landlord's Interest, evidence of its insurance of the Property,

save that the Landlord shall not be required to provide any such documentation more than once in every twelve month period.

### **5.4 Reinstatement**

Subject to clause 5.5, if an Insured Risk damages the Property, the Landlord will procure that the proceeds of the Landlord's insurance (except for Loss of Rent) and any money received from the Tenant under clause 5.6.4 or 5.6.5 are used to reinstate the damage and, if they are insufficient because of the Landlord's act or omission, make up the shortfall itself.

### **5.5 Qualifications on the Landlord's obligation to reinstate**

- 5.5.1 The Landlord is not obliged to reinstate damage caused by an Insured Risk if:
  - 5.5.1.1 the Insurer would be entitled to refuse to pay the whole or any part of the cost of reinstating the damage because of any act or omission of the Tenant or an Invitee, and the Tenant fails to make up the shortfall under clause 5.6.5; or
  - 5.5.1.2 it cannot obtain every necessary Legislative Consent; or
  - 5.5.1.3 a necessary Legislative Consent is granted subject to a lawful condition and it would be unreasonable to expect the Landlord to comply with that condition; or
  - 5.5.1.4 the planning or highway authority insists that as a precondition to giving a necessary Legislative Consent the Landlord must enter into an agreement with the authority containing a term where it would be unreasonable to expect the Landlord to comply with that term; or
  - 5.5.1.5 there is a defect in the site of the Property so that reinstatement could not be carried out or could be carried out only at excessive cost; or
  - 5.5.1.6 it is prevented from reinstating by any other reason outside the Landlord's control.

- 5.5.2 The Landlord may so reinstate the Property in a different form to that existing before the damage occurred where the variation:
- 5.5.2.1 is required either by the Insurer, a third party or to comply with a Legislative Requirement; or
  - 5.5.2.2 reflects good building practice then current; or
  - 5.5.2.3 is reasonably required by the Landlord for some other reason,
- but any such variation must not make the Property materially different in size or less amenable than it was before the damage occurred.
- 5.5.3 The Landlord's obligation to insure the Property does not include an obligation to insure or to reinstate the Tenant's Fittings unless:
- 5.5.3.1 such items have been installed in the Property by the carrying out of alterations made to the Property with the Landlord's consent;
  - 5.5.3.2 the Tenant notifies the Landlord that it has carried out the alterations and includes details of the reinstatement cost of the alterations; and
  - 5.5.3.3 the Tenant pays any increased premium payable as a result of the alterations.

## **5.6 Tenant's obligations**

The Tenant will:

- 5.6.1 pay the Landlord;
  - 5.6.1.1 the Insurance Rent;
  - 5.6.1.2 the Insurance Excess; and
  - 5.6.1.3 the proper costs of any professional valuation of the Property for insurance purposes prepared no later than three years from today and again at intervals of no less than every three years;
- 5.6.2 notify the Landlord of anything within its knowledge material to the insurance and/or cover effected by the Landlord under clause 5.1 and, as soon as the Tenant becomes aware of it, that the Property has been damaged by an Insured Risk;
- 5.6.3 comply with the requirements of the Landlord and the Insurer of which the Tenant has notice;
- 5.6.4 apply the proceeds of any insurance it maintains in relation to the physical condition of the Property to make good the damage to which it relates;
- 5.6.5 (where there is a shortfall in the proceeds of the Landlord's insurance and/or cover because of an act or omission of the Tenant or an Invitee) pay the shortfall to the Landlord; and

- 5.6.6 not make insurance effected by the Landlord under clause 5.1 less effective nor cause the premium the Landlord pays for such insurance to be increased; and
- 5.6.7 where the Landlord is complying with its obligations to reinstate the Property under clause 5.4, not impede the Landlord (and where necessary will vacate the Property and remove its fixtures and goods).

## 5.7 Rent suspension

- 5.7.1 If an Insured Risk damages the Property so that it is Unfit, the Basic Rent will be suspended until:
- 5.7.1.1 the Landlord has reinstated the Property so that it is no longer Unfit in accordance with this lease; or
  - 5.7.1.2 the Landlord's insurance and/or cover against Loss of Rent ends,
- whichever is the sooner, but only a fair proportion of the Basic Rent is to be suspended if:
- 5.7.1.3 the Property is not totally Unfit; or
  - 5.7.1.4 there is a shortfall in the proceeds of the Landlord's insurance because of an act or omission of the Tenant or an Invitee,
- and the Landlord will repay to the Tenant the appropriate proportion of the Basic Rent paid in advance and referable to a period after the date on which the damage occurred and which would otherwise have been suspended under the terms of this clause.
- 5.7.2 Any disputes as to the operation of this clause 5.7 are to be referred to arbitration.

## 5.8 Determination

- 5.8.1 If an Insured Risk damages the Property so that it is Unfit and either:
- 5.8.1.1 the Landlord is not obliged to reinstate it; or
  - 5.8.1.2 the Landlord has not completed the reinstatement by the date which is the third anniversary of the date of destruction or damage,
- then this lease may be determined by the Landlord or (unless clause 5.5.1.1 applies) by the Tenant by notice to the other, unless (in the case of a notice given by the Tenant) the Landlord has reinstated the damage before the notice is given.
- 5.8.2 If this lease is determined under this clause, any money received from the Insurer belongs to the Landlord.

## 5.9 Uninsured Damage

- 5.9.1 In this clause 5.9:
- "Insured Damage"** means damage to the Property by any of the Insured Risks but excluding any Uninsured Damage and any damage in relation to which the

Landlord's insurance is made less effective by the Tenant (unless the Tenant promptly pays to the Landlord the amount of insurance monies so made irrecoverable);

**"Negative Election Notice"** means a notice served by the Landlord on the Tenant under this clause 5.9 stating that the Landlord does not intend to reinstate the Property after the occurrence of Uninsured Damage;

**"Policy Exclusion"** means any condition, exclusion or limitation which may be imposed by the Insurer (but does not include any excess);

**"Positive Election Notice"** means a notice served by the Landlord on the Tenant under this clause 5.9 stating that the Landlord intends to reinstate the Property after the occurrence of Uninsured Damage; and

**"Uninsured Damage"** means damage to the Property (but not of Tenant's Fittings in the Property) by any Insured Risks which:

- (a) makes the Property Unfit; and
- (b) is not insured against because insurance against the risk which caused such damage is not available at all or is not available in the United Kingdom insurance market at economic rates at the relevant time or it is not insured or fully insured by reason of a Policy Exclusion, so that the full cost of reinstatement is not recoverable by the Landlord under the insurance effected by it under clause 5.1,

but does not include any damage in relation to which the Landlord's insurance is made less effective by the Tenant.

5.9.2 If there is Uninsured Damage, then:

5.9.2.1 the Tenant remains responsible to pay the Landlord the Basic Rent until the determination of this lease under clause 5.9.3, clause 5.9.4 or (subject to the provisions of clause 5.9.5.3 relating to rent suspension) clause 5.9.5.5 but will not be obliged to reinstate the Property; and

5.9.2.2 (subject to the provisions of clause 5.9.3) the Landlord will serve either a Positive Election Notice or a Negative Election Notice within 12 months following the date on which the Uninsured Damage occurs.

5.9.3 If, after the expiry of 12 months from the date on which the Uninsured Damage occurs, the Landlord has not served either a Positive Election Notice or a Negative Election Notice, then the Tenant may determine this lease by the service of notice unless, before that occurs, the Landlord serves either a Positive Election Notice (in which case the terms of clause 5.9.5 will apply) or a Negative Election Notice (in which case the terms of clause 5.9.4 will apply).

5.9.4 If the Landlord serves a Negative Election Notice, then this lease will be deemed to have been immediately determined.



- 5.9.5 If the Landlord serves a Positive Election Notice, then:
- 5.9.5.1 the Landlord immediately loses its entitlement to serve a Negative Election Notice;
  - 5.9.5.2 the Landlord will reinstate the Property at its own cost but otherwise subject to the terms of clause 5.4;
  - 5.9.5.3 from the date of service of a Positive Election Notice and until this lease is determined under clause 5.9.5.5, clause 5.7 will have effect as if the Uninsured Damage had been Insured Damage until reinstatement has been carried out to the extent that the Property is in all material respects no longer Unfit;
  - 5.9.5.4 any amounts due from the Tenant under this lease which have been paid to the Landlord in advance at the date of service of a Positive Election Notice and are referable to a period after such date will be promptly refunded to the Tenant; and
  - 5.9.5.5 if, after the expiry of a period of three years from and including the date on which Uninsured Damage occurs, reinstatement has not been completed so that the Property remains Unfit, then the Tenant may determine this lease on three months' notice unless the Landlord will before the expiry of such notice have so completed such reinstatement.
- 5.9.6 The rights and remedies of each of the parties in relation to earlier breaches of obligations under this lease by the other will not be affected by any determination of this lease under this clause 5.9 but, if a Negative Election Notice is served, the Tenant will have no claim against the Landlord for the failure by the Landlord to reinstate the Property.

## **6. TIED LEASE AGREEMENT**

The parties agree that the provisions of schedule 3 shall apply so as to vary the other provisions of this lease as specified in it and each of the Landlord and the Tenant covenant with the other to observe and perform the obligations on their respective parts contained in schedule 3 [and the Guarantor agrees that its obligations shall be read and construed accordingly].

## **7. AGREEMENTS**

The parties agree as follows:

### **7.1 Forfeiture**

If any sum due to the Landlord from the Tenant under this lease is outstanding for 10 Business Days after it becomes due (in the case of the Basic Rent whether formally demanded or not) or the Tenant breaches any obligation in this lease or the Tenant or the Guarantor (and, if more than one person, any of them) is or becomes Insolvent, then the Landlord may determine this lease by re-entering the Property.

## 7.2 Notices etc

- 7.2.1 Any notice to be given under this lease must be in writing and given by one of the means set out in clause 7.2.2. A notice for the purposes of this clause 7.2 includes a 1988 Act Application.
- 7.2.2 The means of service referred to in clause 7.2.1 are:
- 7.2.2.1 being sent by special delivery post or delivered by hand to the receiving party's registered office (where that party is a corporate body) or to such party's address for service in the United Kingdom as set out in clause LR3 or as notified to the other parties; or
  - 7.2.2.2 being sent by email to the receiving party at an email address notified to the other parties for the purposes of service of notices relating to this lease.
- 7.2.3 For service by special delivery post a paper copy or an electronic copy of a proof of delivery issued by the Royal Mail will be the only acceptable evidence that the relevant notice was served and of the time and date it was served. For service by email the delivery to the sender of an automated response to the effect that either the email cannot be delivered to such address or that the intended recipient is not monitoring incoming email constitutes proof that service has not occurred.
- 7.2.4 If service occurs either on a Business Day after 4.00pm or on a day which is not a Business Day, then service will be deemed to have occurred on the next Business Day.
- 7.2.5 If the Landlord or its agent or employee responds to any 1988 Act Application (otherwise than by way of an automated email response), then that application will be deemed to have been validly served for the purposes of this lease and section 5(2)(a) of that Act even though a means of service specified in clause 7.2.2 has not been used.

### **7.3 Easements and rights**

- 7.3.1 The grant of this lease does not create by implication any easements or other rights for the benefit of the Property or the Tenant and the operation of section 62 of the Law of Property Act 1925 is excluded.
- 7.3.2 The grant of this lease does not include any easements or other rights over any adjoining or other property except for those which are expressly set out in this lease.
- 7.3.3 The Landlord may use or allow to be used or carry out or allow works to nearby premises (including the erection of scaffolding) even if any light or any other facility enjoyed by the Property is adversely affected by them.

### **7.4 Landlord's consents and approvals**

- 7.4.1 The Landlord will not be obliged to consider an application for its consent or approval under this lease until:
  - 7.4.1.1 it has been supplied with all information it properly requires in order to determine the application; and
  - 7.4.1.2 it holds either a solicitor's undertaking to pay the Landlord an amount that the Landlord reasonably estimates its costs and expenses under clause 3.21.1 would be or a payment in cleared funds of such amount to be held by the Landlord on account of such costs.
- 7.4.2 Any consent or approval of the Landlord required under this lease:
  - 7.4.2.1 must be obtained before the matter to which it relates is carried out;
  - 7.4.2.2 is effective only if it is given in writing and, where so specified, by deed;
  - 7.4.2.3 is only effective if any necessary consent from any superior landlord and any mortgagee of the Landlord's Interest or any other interest in the Property superior to this lease has been obtained; and
  - 7.4.2.4 (unless otherwise stated) is not to be unreasonably withheld or delayed but may be issued subject to proper and reasonable conditions.

### **7.5 VAT**

Unless stated otherwise, any sum to be paid or consideration to be provided or deemed to be provided under this lease is exclusive of VAT.

### **7.6 Landlord's liability**

A person who was formerly the Landlord will cease to be liable to observe and perform the obligations on the part of the Landlord contained in this lease with effect from the date of an assignment of the immediate reversion to this lease.

## **7.7 Jurisdiction**

This lease, any document completed or to be completed in accordance with its terms and any matter arising out of or in connection with it (including any non-contractual obligation) is to be governed by and construed in accordance with the law of England and Wales. The parties agree to submit to the exclusive jurisdiction of the courts of England and Wales in relation to this lease, any document completed or to be completed in accordance with its terms and any such matter (including a dispute relating to the existence, validity or termination of this lease).

## **7.8 New tenancy**

For the purposes of the 1995 Act this lease is a new tenancy.

## **7.9 Third party rights**

A person who is not party to this lease has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this lease. This clause does not affect any right or remedy of any person which exists or is available otherwise than under that Act.

## **7.10 Terms as to payments by the Tenant**

All sums due from the Tenant to the Landlord under this lease are payable as rent and are to be paid without any deductions. Sums other than the Basic Rent are payable on demand.

## **7.11 No set-off**

Neither the Tenant nor the Guarantor may withhold rent or exercise any right of set-off.

## **7.12 Accidents**

Except to the extent stipulated by law, the Landlord is not liable for any loss sustained by the Tenant or any Invitee in the Property unless it is due to the direct act or omission of the Landlord or a person acting in accordance with the Landlord's instructions.

## **7.13 Severance**

If any term of this lease is held to be illegal or unenforceable to any extent, then that term will be deemed not to form part of this lease to that extent and the remainder of this lease will be unaffected.

## **7.14 Arbitration**

Any arbitration provided for in this lease is to be conducted in accordance with the Arbitration Act 1996 by an independent chartered surveyor with at least 10 years' experience of managing leasehold premises comparable to the Property. The Landlord and the Tenant are to appoint the surveyor. If they cannot agree on the appointment, either party may ask the President to make the appointment.

## **7.15 Exclusion of warranties**

7.15.1 [Each of the Tenant and the Guarantor][The Tenant] confirms that it is not entering into this lease in reliance on any representation or warranty given by or on behalf of the Landlord other than any made in writing by the Landlord's solicitors to the Tenant's solicitors.

7.15.2 The Landlord does not warrant that the law allows the Property to be used for any purpose (including the Permitted Use) or that the Property is in repair or free from defects or physically capable of being used for any purpose.

## **7.16 Apportionments**

7.16.1 Apportionments of sums under this lease are to be made on the basis that such sums accrue evenly from day-to-day throughout the period to which they relate even if they are payable by instalments.

7.16.2 If the Tenant has paid the Landlord an instalment of any sum due from it under this lease in advance and the Term is determined otherwise than by forfeiture before the period to which such instalment relates has come to an end, then the Tenant will be entitled to a refund of the part of that instalment relating to the part of the period occurring after determination apportioned in accordance with clause 7.16.1 but the Landlord may deduct from that part a sum that it properly believes covers sums due to it under this lease in arrear where such sums are not then ascertainable.

7.16.3 If and for as long as the Tenant fails to pay any sum which is due under this lease in advance, the Tenant's liability to pay such sum apportioned in accordance with clause 7.16.1 is to be treated as arising again each day.

## **7.17 Continuation**

The determination of the Term does not affect the enforceability of any outstanding obligation under this lease.

## **7.18 Data protection**

Where appropriate under the Data Protection Act 2018 the Tenant and [the][any] Guarantor:

7.18.1 acknowledge[s] that information relating to this lease (including information relating to them and/or their respective personnel) may be held in electronic and other systems by the Landlord or by any managing agent retained by the Landlord for the purposes of the administration and enforcement of this lease and the management and disposal of the Landlord's Interest; and

7.18.2 agree[s] that such information may be used and, where necessary, disclosed to third parties for such purposes.

## **7.19 Delivery**

This lease is executed as a deed and the parties intend that it is delivered today.

## **7.20 Exclusion of security of tenure**

7.20.1 Under section 38A(1) of the 1954 Act, the parties agree that the provisions of sections 24 to 28 (inclusive) of the 1954 Act are excluded in relation to the tenancy created by this lease [and in relation to the tenancy to be entered into by the Guarantor pursuant to paragraph 6.2 of schedule 1 of this lease].

7.20.2 The parties confirm that:

7.20.2.1 before entering into this lease:

- (a) the Landlord served the notice ("**Tenant Notice**") referred to in section 38A(3)(a) of the 1954 Act on the Tenant in relation to the tenancy created by this lease; and
- (b) the Tenant or a person duly authorised by the Tenant made the statutory declaration ("**Tenant Declaration**") referred to in paragraph 4 of schedule 2 to the Regulatory Reform (Business Tenancies) (England and Wales) Order 2003 in relation to the Tenant Notice;

7.20.2.2 where the Tenant Declaration was made by a person other than the Tenant, the Tenant confirms that the declarant was duly authorised by the Tenant to make the Tenant Declaration on the Tenant's behalf; and

7.20.2.3 in all respects relevant to the agreement to exclude security of tenure the form of this lease is the same as that which was in the parties' contemplation at the time of service of the Tenant Notice.

7.20.3 The parties confirm that:

7.20.3.1 before the Guarantor became contractually bound to enter into the tenancy to be created pursuant to clause 6 of schedule 1 of this lease:

- (a) the Landlord served the notice ("**Guarantor Notice**") referred to in section 38A(3)(a) of the 1954 Act on the Guarantor in relation to the tenancy to be entered into by the Guarantor pursuant to clause 6 of schedule 1 of this lease; and
- (b) the Guarantor or a person duly authorised by the Guarantor made the statutory declaration ("**Guarantor Declaration**") referred to in paragraph 4 of schedule 2 to the Regulatory Reform (Business Tenancies) (England and Wales) Order 2003 in relation to the Guarantor Notice.

7.20.3.2 where the Guarantor Declaration was made by a person other than the Guarantor, the Guarantor confirms that the declarant was duly authorised by the Guarantor to make the Guarantor Declaration on the Guarantor's behalf.

7.20.3.3 in all respects relevant to the agreement to exclude security of tenure the form of this lease is the same as that which was in the parties' contemplation at the time of service of the Guarantor Notice.

## 8. [GUARANTEE

In consideration of this lease having been granted at the request of the Guarantor the Guarantor will comply with the obligations on its part set out in schedule 1.]

## **SCHEDULE 1: GUARANTEE TERMS**

### **1. Guarantor's Obligation**

The Guarantor, as primary obligor, guarantees to the Landlord that:

- 1.1 the Tenant will comply with its obligations under this lease during the Guarantee Period. If the Tenant does not do so, then the Guarantor will so comply on demand and indemnify the Landlord promptly against all Liabilities incurred as a result of the Tenant's failure; and
- 1.2 it will indemnify the Landlord against all Liabilities incurred as a result of the Tenant proposing or entering into any company voluntary arrangement, scheme of arrangement or other scheme having or purporting to have the effect of impairing, compromising or releasing any or all of the obligations of the Guarantor in this schedule 1.

### **2. Waiver by Guarantor**

The Landlord may proceed against the Guarantor before pursuing any other remedy.

### **3. Insolvency of the Tenant**

The Guarantor will:

- 3.1 not claim in any insolvency of the Tenant in competition with the Landlord;
- 3.2 pay the Landlord any sums it receives from any insolvency practitioner handling the Tenant's affairs; and
- 3.3 hold all security and rights the Guarantor may have over assets of the Tenant for the sole benefit of the Landlord while either the Tenant or the Guarantor remains liable to the Landlord for any amount due under this lease.

### **4. Continuing Liability**

The Guarantor remains liable under this lease for the Guarantee Period even if:

- 4.1 the Landlord does not insist on strict compliance with the terms of this lease; or
- 4.2 the Landlord does not demand, or refuses to accept, payment of any sum due under this lease because of the breach of an obligation by the Tenant; or
- 4.3 the Tenant's dealings with the Landlord are outside its powers; or
- 4.4 the Tenant is subject to any disability, immunity or incapacity; or
- 4.5 the Tenant ceases to exist; or
- 4.6 part of the Property is surrendered (but in that case the Guarantor will not be liable for that part to the extent that the Tenant is released from liability); or
- 4.7 (subject to the 1995 Act) this lease is varied.

## **5. Guarantor to enter into supplemental documents**

Without prejudice to paragraph 4.7, as and when required to do so by the Landlord, the Guarantor shall enter into any documents supplemental to the lease for the purposes of consenting to the Tenant entering into such supplemental documents and confirming that (subject only to section 18 of the Landlord and Tenant (Covenants) Act 1995) the obligations of the Guarantor under this lease will remain in full force and effect.

## **6. Disclaimer**

- 6.1 This paragraph 6 applies if there is a Disclaimer during the Guarantee Period.
- 6.2 If so required by the Landlord within three months of the Landlord receiving notice of the Disclaimer, the Guarantor will enter into a Replacement Lease (by means of executing a counterpart and delivering this to the Landlord).
- 6.3 The Guarantor will pay the Landlord's costs of preparing and completing the Replacement Lease to the extent that those costs are properly incurred.
- 6.4 If the Guarantor is not required to take a Replacement Lease, it will pay the Landlord an amount equal to the sums due under this lease that would have been payable, but for the Disclaimer, for the period of 12 months from and including the date of Disclaimer or (if earlier) until the Property is let by the Landlord to a third party.

## **7. Centre of main interests**

The Guarantor will not take any step whereby its centre of main interests for the purposes of the European Union Council Regulation (EC) 1346/2000 on insolvency proceedings may be moved to a different jurisdiction from that in which it is located today.



## SCHEDULE 2: OFFER-BACK PROVISIONS

### Part 1: Operative Provisions

1. If the Tenant wishes to assign the whole of the Property pursuant to clause 3.10.2 the provisions of this schedule shall apply.
2. The Tenant first must by notice ("**Offer Notice**") to the Landlord offer to surrender this lease.
3. The Offer Notice must:
  - 3.1 be in the form of the notice set out in part 2 of this schedule;
  - 3.2 be in duplicate with both copies signed for and on behalf of the Tenant; and
  - 3.3 be given more than 60 clear days before the proposed completion of the assignment.
4. The Tenant must use best endeavours to supply the Landlord as quickly as practicable with such further information as the Landlord may reasonably require so as to be able to consider properly the offer set out in the Offer Notice ("**Offer**").
5. If the Landlord wishes to accept the Offer, it must confirm such acceptance by signing both copies of the Offer Notice and serving the duplicate Offer Notice on the Tenant.
6. The acceptance of the Offer must be given before the expiry of 30 clear days from the date on which the Offer Notice was given. Otherwise the Offer shall be deemed not to have been accepted by the Landlord.
7. If the Offer is so accepted, this lease shall be surrendered on the date specified for completion of the proposed assignment (or if this is not a working day the next working day after such date).
8. The surrender of the lease shall not affect the rights of the Landlord in relation to any breach of covenant or default on the part of the Tenant prior to such surrender.
9. If the Offer is not so accepted, the Tenant shall for a period of 12 months from the date of the Offer Notice be prohibited from assigning this lease on terms materially less beneficial to the Tenant than those set out in the Offer Notice.

## Part 2: Form of Offer Notice

**To:**             ◆             [(a company registered in ◆             with company number  
                      ◆             ) whose registered office is at][of] ◆             ("Landlord")

**From:**         ◆             [(a company registered in ◆             with company number  
                      ◆             ) whose registered office is at][of] ◆             ("Tenant")

**Property:**     ◆             ("Property")

**Lease:**         lease of the Property dated ◆             and made between (1) ◆             [and  
                      (2) ◆             [and (3) ◆             ] ("Lease")

This notice incorporates the relevant provisions of the Lease.

1. The Tenant proposes to assign the Lease:
  - 1.1 to ◆             (company number ◆             ) [whose registered office is at][of] ◆             ;
  - 1.2 [with a guarantee provided by ◆             (company number ◆             ) [whose registered office is at][of] ◆             on the following terms: ◆             ;]
  - 1.3 [with a deposit of ◆             pounds (£ ◆             ) to be provided by the assignee to the Tenant to be held on the following terms: ◆             ;]
  - 1.4 for a consideration of ◆             pounds (£ ◆             ) comprising ◆             pounds (£ ◆             ) for the Lease ◆             pounds (£ ◆             ) for the tenant's fixtures on the Property and ◆             pounds (£ ◆             ) for goodwill;
  - 1.5 subject only to contract;
  - 1.6 completion to be on ◆             .
2. The Tenant warrants to the Landlord that the prospective assignee:
  - 2.1 is not connected with the Tenant (and a person is to be treated as connected with the Tenant if they would be so connected for the purposes of the provisions of section 1122 of the Corporation Tax Act 2010);
  - 2.2 has dealt and continues to deal with the Tenant at arm's length; and
  - 2.3 has made the proposal to take an assignment of the Lease on the terms set out in paragraph [4] of this notice and on a bona fide basis.
3. The Tenant will use best endeavours to supply the Landlord as quickly as practicable with such further information as the Landlord may reasonably require so as to be able to consider properly such proposal and the offer set out in paragraph [4] of this notice.
4. The Tenant offers to surrender the Lease to the Landlord:
  - 4.1 for an equivalent consideration to that offered by the prospective assignee and set out in paragraph [1.4] of this notice;

- 4.2 on the date specified in paragraph [1.6];
- 4.3 otherwise:
- 4.3.1 on the same terms as the offer made by the prospective assignee (except that this offer is not conditional and if accepted in the manner set out in the Lease by the Landlord a binding contract will arise); and
- 4.3.2 (except so far as they are varied by or inconsistent with the terms set out in this paragraph [4]) on the terms of the edition of the Standard Commercial Property Conditions current at the date of the Offer Notice or, if there is none, then such other set of conditions for the sale and purchase of commercial property as may be in general use at the time as may be agreed by the Landlord and the Tenant or in the absence of agreement as may be nominated by the Landlord acting reasonably (which shall for the purposes of section 2 of the Law of Property (Miscellaneous Provisions) Act 1989 be deemed to be incorporated into this notice); and
- 4.3.3 by means of a deed of surrender in the form reasonably required by the Landlord.

**DATED:**

**Signed:** ◆

For and on behalf of the Tenant

The Landlord accepts a surrender of the Lease on the terms set out in the notice of which this is a copy and confirms that a binding contract for the surrender of the Lease on such terms has now come into being.

**DATED:**

**Signed:** ◆

For and on behalf of the Landlord

## SCHEDULE 3: TIED RELATIONSHIP

### Part 1: Key Commercial Terms

<b>Services</b>	
<b>"Estimated Services Package Charge"</b>	[£◆ ] per annum or such varied sum applicable to the Services Package chosen by the Tenant in accordance with paragraph 6 of part 6 of this schedule 3
<b>Innside Track</b>	
<b>"Innside Track Fee"</b>	[£◆ ] per annum
<b>Repair Fund</b>	
<b>"Repair Fund Payment"</b>	[£1,300 per annum]
<b>Tied Drinks and Discounts</b>	
<b>"OBV Discount"</b>	[£◆ ] per:  (i) Barrel of draught Beer and draught Cider which is brewed by the Landlord or a Group Company of it (or such other party as the Landlord may nominate); and  (ii) Composite Barrel of packaged Cider which is brewed by the Landlord or a Group Company of it (or such other party as the Landlord may nominate)
<b>"Non OBV Type 1 Discount"</b>	[£◆ ] per Barrel of each brand of draught Beer and draught Cider which is identified as being a "Non OBV Type 1" brand in the Brand List
<b>"Non OBV Type 2 Discount"</b>	[£◆ ] per Barrel of each brand of draught Beer and draught Cider which is identified as being a "Non OBV Type 2" brand in the Brand List
<b>"Non OBV Type 3 Discount"</b>	[£◆ ] per Barrel of each brand of draught Beer and draught Cider which is identified as being a "Non OBV Type 3" brand in the Brand List
<b>"Tied Drinks"</b>	Beer, Cider, Alcopops, Minerals
<b>"Damages Base"</b>	£190 per Barrel for Tied Drinks that are draught products  £10 per Case for Tied Drinks that are not draught products
<b>[Machines</b>	
<b>"Permitted Number Of Machines"</b>	[◆ ]
<b>"Machine Percentage"</b>	50% of the net Gaming Machine proceeds]

<b>Premium Packaged Beers</b>	
<b>"PPB Brands"</b>	the brands set out in Part 1 of Appendix 2 (as varied from time to time in accordance with paragraph 5.4 of part 5 of this schedule 3)
<b>"PPB Sale Price"</b>	the prices set out alongside each PPB Brand in Part 1 of Appendix 2 (as varied from time to time in accordance with paragraph 5.4 of part 5 of this schedule 3), being the price per Case (exclusive of VAT) at which the Landlord (or its nominee) will sell the relevant PPB Brand packaged Beers to the Tenant
<b>"PPB Excluded Brands"</b>	the brands set out in Part 2 of Appendix 2 (as varied from time to time in accordance with paragraph 5.4 of part 5 of this schedule 3)

## Part 2: Definitions

In this schedule 3, the expressions defined in part 1 of this schedule (Key Commercial Terms) shall have the meanings set out there and the following expressions shall have the following meanings:

<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 Drinks where alcohol is added to a carbonated or still base (whether flavoured or otherwise) with or without fruit juice;
<b>Barrel</b>	a brewer's barrel being 36 imperial gallons in relation to draught Tied Drinks;
<b>Beer</b>	beer of all types denominations or descriptions (including but not limited to ales, lagers, porters and stouts) whether packaged or in bulk and which shall include any low or 0% ABV products which are branded as beer;
<b>Brand List</b>	means any list which the Landlord publishes from time to time specifying those brands of Beer and Cider which are not brewed by the Landlord or its Group Company (or such other party as the Landlord nominates) which will qualify for a Non OBV Type 1 Discount, Non OBV Type 2 Discount or Non OBV Type 3 Discount (as applicable);
<b>Business Plan</b>	the Tenant's written plan in a format which the Landlord specifies from time to time including details of methods of operating and managing the Business and the Tenant's proposals for any alterations or changes in the method of operating the Business;
<b>Case</b>	a case of packaged Tied Drinks comprising 24 containers of the relevant drink (or such other number as shall be reasonably specified by the Landlord);
<b>Cider</b>	cider or fruit ciders of all types denominations or descriptions (including but not limited to apple cider, pear cider, perry or other fruit cider of all types) whether packaged or in bulk and which shall include any low or 0% ABV products which are branded as cider;
<b>Composite Barrel</b>	a brewer's barrel containing 36 imperial gallons (being equivalent to 163.6 litres) of pre-packaged Cider;
<b>EPOS</b>	electronic point of sale equipment connected electronically between the Property and such office as the Landlord may specify from time to time;
<b>Exit Statement</b>	a reconciliation of the Tenant's account with the Landlord showing: <ul style="list-style-type: none"><li>(a) such sums as the Tenant owes to the Landlord (whether under this lease or otherwise);</li><li>(b) any sums owing to the Tenant in accordance with the Rent Deposit Deed; and</li><li>(c) any other sums rightfully due to the Tenant,</li></ul>

and any estimated cost of expenditure required to bring the Property into the condition as required by this lease and as certified by a Surveyor will be a sum deemed rightfully due to the Landlord;

**Income** the wholesale profit from selling Tied Drinks and other profits which the Landlord makes from the Property (excluding Rent) during the 12 months prior to an event occurring which prevents the Property being used wholly or in part for the Business;

**Innside Track Firm** a professionally qualified or accredited licensed trade accountancy firm approved and appointed by the Landlord for providing Innside Track Services;

**Innside Track Services** (a) an accountancy and stocktaking package provided to the Tenant by an Innside Track Firm providing accountancy and stocktaking services to the Business which services include but are not necessarily limited to the provision of:

(i) monthly management accounts;

(ii) either:

(A) 12 wet stock-takes per annum; or

(B) where the Business sells food and there is over £500 per week in food sales, 12 wet and dry stock-takes per annum,

in each case at intervals as may be agreed with the Landlord;

(iii) quarterly VAT returns;

(iv) the determination of an accounting year for the Business; and

(v) the preparation of a year-end account for the Business within 6 months of the end of each accounting year; and

(b) the provision of EPOS to the Property;

**[Landlord's Retained Items]** the fixtures and fittings listed in appendix 3;]

**Liability Period** the period during which the Tenant is bound by the Tenant's covenants in this lease;

**Liquidated Damages** the Landlord's estimate of losses suffered by the Landlord (or its Group Company) as a consequence of the Tenant breaching the Tenant's obligations in paragraph 2.3 of part 5 of this schedule 3. The Landlord shall calculate its losses in accordance with the following formula:

$(A \times B) + C$

where:

A	=	the Damages Base;
B	=	the Landlord's estimate of the number of Barrels and/or Cases purchased by the Tenant in breach of its obligations in paragraph 2.3 of part 5 of this schedule 3; and
C	=	the Landlord's reasonable administration fee (which will not be less than £360 plus VAT);
<b>Listed Drinks</b>		such Drinks as appear at the Landlord's discretion in the current list or lists which the Landlord produces from time to time listing the types brands and/or denominations and prices of Drinks that it offers for sale;
<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 Alcopops;
<b>Price List</b>		any list which is published by the Landlord (or its nominee) from time to time specifying the prices at which the Landlord (or its nominee) will sell any goods or provide any services;
<b>Rent Deposit Deed</b>		a deed supplemental to this lease of even date, as made between (1) ◆ , (2) ◆ and (3) ◆ and which relates to the deposit held by the Landlord as security for the Tenant's obligations under this lease;
<b>Repair Fund</b>		the balance of the Repair Fund Payments held by the Landlord from time to time in accordance with paragraph 7 of part 6 of this schedule 3;
<b>Schedule of Condition</b>		the schedule of condition prepared by [Lambert Smith Hampton] and dated ◆ ◆ 202◆, a copy of which is annexed to this lease at Appendix 1;
<b>Services Package</b>		the package of statutory tests and inspections, and cellar cooling maintenance services, as offered to the Tenant by the Landlord and agreed between the Landlord (or its nominee) and the Tenant from time to time in respect of the Property;
<b>Services Package Charge</b>		the amount the Landlord periodically and reasonably determines as being the cost of providing the Services Package to the Tenant;
<b>Signage</b>		such signs, insignia and advertisements attached to or forming part of the Property displaying any Trademarks and/or the name board of the Property;
<b>Tenant's Fittings</b>		means the moveable trade fittings, furniture, effects, stock, glassware, chattels or other articles used by the Tenant in operating the Business including without limitation any other items or objects used in connection with the Business which either party to this lease brings onto the Property during the Term and which cannot ordinarily be classed as a Fixture (including any addition or replacement of such items or objects);
<b>Tied Repairing Obligations</b>		means the repairing obligations relating to the Property imposed upon the Tenant pursuant to clause 3.4.1 of this lease (as modified by the provisions of part 6 of this schedule 3);



**Trademarks**

all or any trademarks whether registered or unregistered which the Landlord uses from time to time in relation to its business;

### **Part 3: Landlord's Rights**

The following right shall be deemed to be included in clause 2.3:

1. The right to:
  - 1.1 install on in or at the Property any solar panels or electric charging points or other electronic equipment (together with all associated fixings, wirings and electrical installations and connections) and to retain the income from such items; and
  - 1.2 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, calibrate and renew such items,

and to enter the Property for those purposes.

## **Part 4: Payments**

### **1. [Weekly Rent**

1.1 The definition of "Rent Days" shall be replaced with the following:

*"Rent Days" means every Tuesday in each week of the Term".*

1.2 Clause 3.1.1 shall be replaced with:

*"The Tenant will pay the Landlord the Basic Rent by equal weekly payments in advance on the Rent Days, whether formally demanded or not." .]*

### **2. Payments by the Tenant**

2.1 The Tenant will pay to the Landlord by equal [weekly][monthly] payments in advance on the Rent Days:

2.1.1 the Estimated Services Package Charge (if applicable);

2.1.2 the Repair Fund Payment; and

2.1.3 the Ininside Track Fee.

2.2 The Tenant will pay the Landlord (or in the case of supplies made by its nominees as provided for in paragraph 2.2.2 of this part 4 of schedule 3, its nominees):

2.2.1 the balance of the Services Package Charge within 14 days of demand after taking into account all accumulated Estimated Services Package Charge paid by the Tenant during any year;

2.2.2 for anything which it (or its nominee) supplies to the Tenant (whether or not the supply is made pursuant to this lease), such payments to be made in accordance with the Standard Conditions and at the prices specified in the Price List;

2.2.3 Liquidated Damages in relation to any Tied Drinks at or dispensed from the Property which have not been purchased from the Landlord (or its nominee).

### **3. Payments by the Landlord**

3.1 Subject to the Tenant paying the Landlord the Ininside Track Fee in advance, the Landlord will:

3.1.1 pay the Ininside Track Firm for providing the Ininside Track Services; and

3.1.2 arrange for the installation of EPOS at the Property by a supplier nominated by the Landlord.

4. **Innside Track Fee**

If during the Term, the costs charged by the Innside Track Firm for the provision of Innside Track Services change:

- 4.1 the Landlord will give the Tenant not less than one month's notice of the new Innside Track Fee that will become payable; and
- 4.2 the Tenant will pay that sum as the new Innside Track Fee.

## **Part 5: Operating the Business**

### **1. Tenant's Positive Obligations**

The Tenant will:

- 1.1 do everything reasonably possible to protect the Necessary Licences and to promote the sale of Tied Drinks;
- 1.2 use its best endeavours to promote and develop the Business;
- 1.3 having taken into account local operating conditions:
  - 1.3.1 properly stock the Property with Tied Drinks and other appropriate Drinks;
  - 1.3.2 use courteous and efficient staff at the Property; and
  - 1.3.3 promote the sale of an appropriate range of food at the Property;
- 1.4 keep the Property open for the Business during all trading hours as the Landlord may reasonably specify within the hours permitted by the Necessary Licences;
- 1.5 if the Landlord reasonably requires, attend at the Tenant's cost such training courses as the Landlord reasonably believes will benefit a tenant of a public house;
- 1.6 provide the services of the Business (and in particular, effect the sale of Tied Drinks):
  - 1.6.1 at reasonable prices; and
  - 1.6.2 adequately displaying the prices of any food and Drinks sold at the Property;
- 1.7 participate in all reasonable promotion schemes relating to the Business which the Landlord may provide;
- 1.8 allow access to the Landlord at any time to such part of the Property where Drinks or food are kept, stored or prepared;
- 1.9 provide electricity to any equipment that the Landlord has the right to install and/or use at the Property pursuant to this lease;
- 1.10 record all sales of all goods and services of the Business at the Property in a form approved by the Landlord (acting reasonably) and provide such records to the Ininside Track Firm;
- 1.11 co-operate with the Ininside Track Firm appointed by the Landlord on behalf of the Tenant;
- 1.12 implement the Business Plan and:
  - 1.12.1 meet and discuss with the Landlord as often as the Landlord reasonably requires in relation to all matters concerning the implementation and operation of the Business Plan; and
  - 1.12.2 if required by the Landlord, review and update the Business Plan to a form reasonably acceptable to the Landlord;

- 1.13 notwithstanding the provisions of clause 3.9.2.4 of this lease, 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; and
- 1.14 on or before the Term Commencement Date, purchase any of the Tenant's Fittings that are situated on the Property at the Term Commencement Date.

## **2. Tenant's Negative Obligations**

The Tenant will not:

- 2.1 change the name of the Property or the phone numbers serving the Property;
- 2.2 do anything which might invalidate the Trademarks (or be inconsistent with the Landlord's ownership of the Trademarks) or act in any way which may reduce the residual value in the Trademarks;
- 2.3 sell or expose for sale in the Property or bring on to the Property for any purpose whatsoever any Tied Drinks, unless sold to the Tenant by the Landlord;
- 2.4 place any tables, chairs or other furniture or equipment on the pavements or other areas outside the Property or allow customers to take drinks or food onto those areas;
- 2.5 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; and
- 2.6 change the provider of the Ininside Track Services without the Landlord's consent.

## **3. Landlord's Services**

- 3.1 The Landlord will:
- 3.1.1 make available the Services Package(s) to the Tenant for selection by the Tenant;
- 3.1.2 provide the services set out in the Services Package chosen by the Tenant; and
- 3.1.3 charge an Estimated Services Package Charge applicable to the Services Package chosen by the Tenant.
- 3.2 The Landlord will appoint an Ininside Track Firm on behalf of the Tenant.

## **4. Drinks Supply**

- 4.1 The Landlord will:
- 4.1.1 provide the Tenant with the then current Listed Drinks list;
- 4.1.2 use reasonable endeavours to supply or procure the supply to the Tenant of such quantities of Tied Drinks that are Listed Drinks as the Tenant may require and be ready and able to pay for;

- 4.1.3 sell to the Tenant Tied Drinks at the prices normally charged by the Landlord to tenanted public houses less a discount which will be set by the Landlord, such discount being no less than:
- 4.1.3.1 the OBV Discount in relation to draught Beer and draught Cider which is brewed by the Landlord or a Group Company of the Landlord (or such other party as nominated by the Landlord);
  - 4.1.3.2 the OBV Discount in relation to packaged Cider which is brewed by the Landlord or a Group Company of the Landlord (or such other party as nominated by the Landlord);
  - 4.1.3.3 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;
  - 4.1.3.4 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;
  - 4.1.3.5 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 by the Landlord (or such other party as it nominates) to the Tenant.

- 4.2 The OBV Discount, Non OBV Type 1 Discount, Non OBV Type 2 Discount and Non OBV Type 3 Discount referred to in paragraphs 4.1.3.1 to 4.1.3.5 of this part 5 of schedule 3 above relate to draught Beer and draught Cider only and do not apply to packaged Beer or Cider.
- 4.3 If the Landlord sells drinks to the Tenant after this lease has ended then it shall not be obliged to allow the Tenant any discount (be it the OBV Discount, Non OBV Type 1 Discount, Non OBV Type 2 Discount, Non OBV Type 3 Discount or otherwise).

## **5. Drinks Supply – Premium Packaged Beers**

- 5.1 Subject to paragraph 5.3 of this part 5 of schedule 3 below, the Landlord shall supply those Tied Drinks which are PPB Brands for the PPB Sale Price.
- 5.2 In return for the Landlord agreeing to supply the Tenant with the PPB Brands for the PPB Sale Price, the Tenant agrees that:
- 5.2.1 the only packaged Beers that it shall stock and make available for sale at the Property will be PPB Brands;
  - 5.2.2 it will not:
    - 5.2.2.1 sell any packaged Beer at the Property which is not a PPB Brand;
    - 5.2.2.2 bring any PPB Excluded Brands onto the Property; and
    - 5.2.2.3 display, dispense or sell any PPB Excluded Brands at the Property;

5.2.3 it will remove any PPB Excluded Brands from the Property.

5.3 If:

5.3.1 the Tenant breaches any of the terms of this lease; or

5.3.2 the Landlord serves the Tenant with not less than one months' notice,

the Landlord's obligation to supply PPB Brands to the Tenant for the PPB Sale Price will end and the Landlord may (at its discretion) supply PPB Brands to the Tenant for the price specified in its then-current list price. In these circumstances the Tenant's obligations in relation to PPB Excluded Brands detailed in paragraph 5.2 of this part 5 of schedule 3 will no longer apply.

5.4 The Landlord reserves the right to review and change:

5.4.1 the PPB Brands;

5.4.2 the PPB Sale Price; and/or

5.4.3 the PPB Excluded Brands,

from time to time and if the Landlord does so, it will provide the Tenant with notice of any change. By way of example (but without limitation), the Landlord may do this in the event that it changes its standard wholesale price list or there is a change in the alcohol duty rates on Drinks imposed by HM Revenue & Customs.

## **6. Drinks Supply - Release**

The Landlord may release the Tenant (temporarily or otherwise) from its obligations to purchase Tied Drinks from the Landlord at any time by notice in writing to the Tenant.

## **7. Gaming Machines**

7.1 Subject to the Landlord agreeing the make, model and type of Gaming Machines with the Tenant, the Tenant may install the Permitted Number Of Machines at the Property.

7.2 The Tenant will not install any other Gaming Machines (in excess of the Permitted Number of Machines) at the Property without the consent of the Landlord (which the Landlord may withdraw at its discretion, at any time).

7.3 Any Gaming Machines installed at the Property shall be subject to the following terms and conditions:

7.3.1 all Gaming Machines shall be hired from a supplier approved by the Landlord;

7.3.2 the Tenant will on request provide the Landlord with full contact details of the supplier of any Gaming Machine installed at the Property;

7.3.3 where the Tenant has hired a Gaming Machine from a supplier who is not or is no longer a supplier approved by the Landlord, the Tenant will return the Gaming Machine and re-hire from a supplier approved by the Landlord;

7.3.4 the Landlord may require the Tenant to change the type or model of any Gaming Machine at the Property or to remove all or some of the Gaming Machines if it



- reasonably believes that a Gaming Machine is impairing the character and profitability of the Property;
- 7.3.5 the Landlord may require that any Gaming Machines are fitted with systems to record the operation of the Gaming Machine;
- 7.3.6 any Gaming Machine will remain switched on for use and operation when the Property is open for trade;
- 7.3.7 the Tenant will ensure that any hire agreement made between it and any Gaming Machine supplier:
- 7.3.7.1 is capable of being terminated at any time without notice; and
- 7.3.7.2 only requires payment in money;
- 7.3.8 the Tenant will permit any approved supplier access to any Gaming Machine at all reasonable times for the purposes of collection, repairs, installation, maintenance, removal and any other proper tasks relating to the operation of the Gaming Machine;
- 7.3.9 all Gaming Machines will be sited in the Property in positions agreed with the Landlord and the Tenant will not permit any Gaming Machine to be sited in a different position except where required to comply with any Legislative Requirement;
- 7.3.10 the Tenant will not consent to an approved supplier assigning or transferring any hire agreement and if the Tenant receives notice of such assignment or transfer by an approved supplier it will immediately notify the Landlord;
- 7.3.11 the Tenant will ensure that:
- 7.3.11.1 any Gaming Machine is notified to HM Revenue & Customs; and/or
- 7.3.11.2 any Necessary Licences or notifications as may be required to operate Gaming Machines are current and (if necessary) displayed;
- 7.3.12 any Gaming Machines shall be emptied by a representative of the approved supplier both periodically and at the end of the hire period;
- 7.3.13 the distribution of monies in any Gaming Machine shall be effected by the representative of the approved supplier in the following order:
- 7.3.13.1 firstly, the Tenant shall be provided with a sum equal to any duty or tax payable on the remainder of the cash in the Gaming Machine which the Tenant will record and account to HM Revenue & Customs for;
- 7.3.13.2 secondly, the Landlord and the Tenant shall be reimbursed (or, if appropriate, shall retain) an appropriate proportion of any annual licence fee paid to the relevant authority in advance for the Gaming Machine but if there shall be insufficient money in any Gaming Machines to pay the appropriate proportion of the annual licence fee then each of the Landlord and the Tenant will be liable for half of any shortfall;

7.3.13.3 thirdly, the rent (inclusive of VAT) due for the hire shall be retained but if there shall be insufficient money in the Gaming Machine to pay that rent then each of the Landlord and the Tenant will be liable for half of any shortfall;

7.3.13.4 fourthly, the Tenant shall be provided with the Machine Percentage of the remaining balance; and

7.3.13.5 fifthly, the Landlord shall be provided with the remainder,

provided that notwithstanding the above order of distribution, the representative of the approved supplier shall first reimburse the Tenant for all sums properly paid to customers in response to legitimate claims for a malfunction of a Gaming Machine (proven by the electronic record kept by any Gaming Machine) and (if applicable) replenish the float;

7.3.14 the Landlord may require the approved supplier to pay to it any monies which might otherwise be due to the Tenant:

7.3.14.1 in the event that the Tenant owes the Landlord any sums in respect of this lease (or otherwise); and/or

7.3.14.2 at the end of the Term; and/or

7.3.14.3 in the event that a Gaming Machine is being removed from the Property,

and such payment will be included in the Tenant's account with the Landlord, with this agreement acting as irrevocable authority given by the Tenant to any approved supplier to that effect;

7.3.15 if the Landlord withdraws its consent to the installation of any Gaming Machine at the Property:

7.3.15.1 the Tenant will immediately terminate any Gaming Machine hire contracts and arrangements relating to that Gaming Machine; and

7.3.15.2 if the Tenant does not remove a Gaming Machine when requested to do so, the Landlord may enter the Property and remove the Gaming Machine and the Tenant will pay to the Landlord the costs of returning such Gaming Machine to the approved supplier.

## **8. EPOS**

In the event that EPOS is installed at the Property pursuant to the Landlord's obligation in paragraph 3.1.2 of part 4 of this schedule 3, the Tenant will:

8.1 record all sales of goods and services by the Business through the EPOS;

8.2 ensure (at the Tenant's cost) that at all times the EPOS remains connected via a secure electronic information retrieval and dissemination system by which the Landlord and the Tenant can communicate;

- 8.3 make available to the Landlord all books records invoices or receipts relating to the Business howsoever generated;
- 8.4 maintain (at the Tenant's cost) the EPOS in good working order and ensure that it is serviced in accordance with the suppliers recommendations; and
- 8.5 in the event that the Tenant fails to comply with its obligations in this paragraph to permit the Landlord (or the EPOS supplier) access to the Property to inspect maintain and service the EPOS when required (and the cost of doing so shall constitute a debt payable by the Tenant to the Landlord or the EPOS supplier (as appropriate) on demand).
- 8.1 not remove the EPOS from the Property without the Landlord's consent provided that if:
  - 8.1.1 the Landlord provides such consent; or
  - 8.1.2 the Lease ends prematurely prior to the third anniversary of the Term Commencement Date,

the Tenant shall be required to pay to the Landlord within seven days of demand such amounts as shall reflect the full reimbursement of any outstanding costs relating to the supply and installation of the EPOS as are notified to the Tenant by the Landlord.

## **Part 6: Maintenance of the Property**

### **1. Internal Repair**

- 1.1 Notwithstanding clause 3.4.1 of this lease, the Tenant shall be required in respect of any buildings on the Property to keep in good repair and condition only the interior surfaces of such buildings.
- 1.2 Notwithstanding the provisions of paragraph 1.1 of this part 6 of schedule 3, the Tenant will in respect of any buildings on the Property be required to:
  - 1.2.1 renew or replace all cracked, missing or broken glass (including plate glass) with glass of an equivalent and adequate style and quality;
  - 1.2.2 keep all pipes, running water gutters, downpipes, gullies, drains and sanitary apparatus clean, maintained and clear of obstruction; and
  - 1.2.3 clean the windows of the Property both inside and out as often as reasonably necessary.

### **2. Schedule of Condition**

The obligation in clause 3.4.1 shall not require the Tenant to keep the Property in any better state of repair or condition than that described in the Schedule of Condition.

### **3. Internal Decoration**

Notwithstanding clause 3.4.2, the Tenant will not be required to redecorate the external surfaces of the Property.

### **4. Equipment**

The Tenant will keep all equipment used in connection with the Business in good repair and properly maintained (except to the extent that the Landlord undertakes servicing and maintenance) and to provide to the Landlord upon request written proof of the proper servicing inspection and certification of such equipment.

### **5. Landlord's Repairs**

- 5.1 The Tenant must give immediate notice to the Landlord when it becomes aware of the existence of any disrepair at or on the Property for which it is not responsible.
- 5.2 The Landlord may carry out repairs to the Property but shall be under no obligation to do so. If the Landlord decides to carry out any repairs to the Property, it shall not be liable to the Tenant or anyone else for any loss, disturbance or inconvenience which the Tenant or the Business may experience during the carrying out of such works.
- 5.3 The Tenant will provide the Landlord with unrestricted access to any parts of the Property if the Landlord elects to carry out any repairs to the Property that are in need of repair pursuant to paragraph 5.2 of this part 6 of schedule 3. The Tenant must provide any water and/or electricity and any other reasonable facilities that the Landlord may reasonably require in carrying out such repairs.

## **6. Services Package**

The Tenant must choose a Services Package on or before the date of this lease (save that nothing shall prevent the Landlord and Tenant from agreeing an alternative Services Package from time to time during the Term).

## **7. Repair Fund**

7.1 The Tenant agrees that the Repair Fund belongs to the Landlord and will be held in the Landlord's name.

7.2 The Landlord may use some or all of the Repair Fund (and any interest that has accrued in respect of the Repair Fund) if it incurs any expense or loss as a result of the Tenant failing to comply with the Tied Repairing Obligations.

7.3 Any part of the Repair Fund which the Landlord uses will not be treated as rent (to protect the Landlord's right to re-enter the Property) and none of the Landlord's rights under this lease will be otherwise affected.

7.4 At the end or sooner determination of the Term, the Landlord will as soon as reasonably practicable repay the Repair Fund with accrued interest to the Tenant, but the Landlord will be entitled to:

7.4.1 deduct any money owed to it or expense or loss it incurs or will incur because the Tenant has failed to comply with its Tied Repairing Obligations; and

7.4.2 keep the Repair Fund until it can accurately assess the amount due to it under paragraph 7.4.1 of this part 6 of schedule 3.

7.5 If the Landlord sells the Landlord's Interest, it will pay the Repair Fund to whoever buys the Property. The buyer of the Property will continue to hold the Repair Fund on the terms of paragraph 7 of this part 6 of schedule 3.

7.6 When from time to time the Tenant carries out and completes its Tied Repairing Obligations, it shall be entitled to ask the Landlord 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 it has carried out at the Property, and provided that:

7.6.1 the amount that the Tenant has requested from the Repair Fund is not less than £1,000;

7.6.2 the Tenant has made no more than two other requests for a release of the Repair Fund within the previous 12 month period;

7.6.3 the Tenant has provided the Landlord with costed invoices (or such other supplementary documentation as the Landlord may reasonably request) relating to the works that it has carried out pursuant to its Tied Repairing Obligations;

7.6.4 the Landlord has approved (acting reasonably) any such costed invoices and supplementary evidence provided pursuant to paragraph 7.6.3 of this part 6 of schedule 3 (with an approval, or as the case may be, a reason for rejection to be given by the Landlord within 28 days of receipt of such invoices and supplementary evidence),

then the Landlord will make a payment to the Tenant from the Repair Fund as soon as reasonably practicable.

7.7 If:

7.7.1 the Tenant requests that the Landlord releases some or all of the Repair Fund in accordance with the provisions of paragraph 7.6 of this part 6 of schedule 3; and

7.7.2 the value of the works for which payment from the Repair Fund is requested exceeds the value of the Repair Fund at the point at which such request is made,

then the Tenant shall be solely liable to meet any shortfall between the cost of the works and the amount of the Repair Fund.

## Part 7: Disposals

### 1. Dealings and Offer Back

1.1 The following provisions shall be substituted for clause 3.10:

#### *"3.10 Dealings*

*3.10.1 Except to the extent expressly allowed by this lease, the Tenant will not deal in any way (whether as a whole or in part) with any aspect of its interest in this lease or the Property or with its rights to possess or occupy the Property.*

*3.10.2 Where the Tenant is a corporate body it will not:*

*3.10.2.1 change the shareholders of the company;*

*3.10.2.2 permit a Group Company from occupying the Property or operating the Business; or*

*3.10.2.3 cause or permit any new shares in the capital of the Tenant to be issued or any existing shares in the capital of the Tenant to be transferred or charged whether in law or in equity by any one or more of the shareholders of the Tenant as at the date of this lease (whether by gift, sale, legacy or in any other way whatsoever)."*

1.2 The provisions of:

1.2.1 clause 3.19.2; and

1.2.2 schedule 2 (Offer Back),

will not apply.

## **Part 8: Ending this Lease**

### **1. Continued Supply**

If the Landlord continues to supply the Tenant with Tied Drinks notwithstanding any proceedings commenced by the Landlord against the Tenant for any breach by the Tenant of its obligations under this lease, such continuation of supply shall not:

- 1.1 constitute a defence by the Tenant to any such proceedings or in any way affect the Landlord's ability to pursue the same; nor
- 1.2 be deemed to be a waiver of or otherwise adversely affect the Landlord's rights in respect of any such breach.

### **2. End of the Term**

- 2.1 In addition to the requirements of clause 3.16, at the determination of the Term the Tenant will:

2.1.1 in respect of the Tenant's Fittings:

2.1.1.1 sell to the Landlord the Tenant's Fittings (or such of them as the Landlord may specify) at a price to be determined in the manner usual in the licensed trade as between incoming and outgoing tenants; and

2.1.1.2 if when the Tenant leaves the Property and a price for the Tenant's Fittings specified by the Landlord in accordance with paragraph 2.1.1.1 of this part 8 of schedule 3 has not been agreed, the Tenant shall leave such Tenant's Fittings at the Property and following agreement or determination of the price, the Tenant will sell to the Landlord such of the Tenant's Fittings as the Landlord shall specify,

provided that if the Tenant leaves any of the Tenant's Fittings at the Property which have not been specified by the Landlord for sale in accordance with paragraph 2.1.1.1 of this part 8 of schedule 3, then the Tenant acknowledges that the Landlord may treat such Tenant's Fittings as having been abandoned;

2.1.2 at the Tenant's cost, assign, transfer and hand over ownership and/or control to the Landlord of all websites, domain names, social media accounts and any other intellectual property relating to the Business and all contracts used in the operation of the Business capable of assignment transfer or handing over and shall do all things that may be required to effect such assignment or transfer or handing over including attending before any lawful authority or court;

2.1.3 at the Tenant's cost:

2.1.3.1 supply the Landlord with copies of all contracts used in the operation of the Business and all contracts of employment for all persons employed by the Tenant to work in the Business;

2.1.3.2 (if written contracts of employment do not exist) supply such information regarding the terms of employment/service of such persons as the Landlord may reasonably request; and



2.1.3.3 (if requested to do so by the Landlord) terminate all contracts of employment of any persons employed by the Tenant to work in the Business and to indemnify and keep indemnified the Landlord against any actions, proceedings, claims, interest, costs, expenses, damages and liabilities which the Landlord may suffer as a result of the Transfer of Undertakings (Protection of Employment) Regulations 2006 becoming applicable to the Landlord and such employees.

2.2 Upon determination of the Term, if there shall be any doubt as to whether the Tenant has installed Fixtures at the Property, such Fixtures must be left at the Property and any questions about ownership or compensation will be resolved subsequently. Disputes as to the operation of this clause are to be referred to arbitration.

### **3. Tenant's Break Clause**

3.1 The Tenant may serve a notice on the Landlord indicating its desire to terminate this lease at any time on not less than three months' prior written notice ("**Termination Notice**").

3.2 If at the date specified by the Tenant in a Termination Notice ("**Termination Date**"), the Tenant has:

3.2.1 paid all sums due from it under this lease for the part of the Term up to and including the Termination Date (insofar as they are then ascertainable and have previously been demanded by the Landlord); and

3.2.2 ceased to occupy the Property and determined any interest deriving out of this lease,

then:

3.2.3 this lease will determine on the Termination Date but this will not affect the rights of any party for any prior breach of an obligation in this lease; and

3.2.4 the Landlord will repay the Tenant any amounts paid to it by the Tenant before the Termination Date which relate to a period after the Termination Date but the Landlord may deduct from those amounts a sum that it properly believes covers sums due to it under this lease in arrear where such sums are not then ascertainable.

3.3 The Landlord may waive any of the pre-conditions set out in paragraph 3.2.1 and 3.2.2 of this part 8 of schedule 3 at any time before the Termination Date by written notice to the Tenant.

### **4. Landlord's Break Clause**

4.1 In the event that:

4.1.1 there are three or more breaches of the Tenant's obligations pursuant to paragraph 2.3 of part 5 of this schedule 3 which have been notified to the Tenant in writing; or

4.1.2 the Tenant is in breach of its obligations to pay the Basic Rent for a period of in excess of three months,

then the Landlord may serve notice on the Tenant indicating its desire to terminate this lease at any time on not less than three months' prior written notice and upon the expiry of such notice ("**Break Date**"):

- 4.1.3 this lease will determine on the Break Date but this will not affect the rights of any party for any prior breach of an obligation in this lease; and
- 4.1.4 the Landlord will repay the Tenant any amounts paid to it by the Tenant before the Break Date which relate to a period after the Break Date but the Landlord may deduct from those amounts a sum that it properly believes covers sums due to it under this lease in arrear where such sums are not then ascertainable.

## **5. Exit Statement**

Within 28 Business Days after the end of this lease (however it ends), the Landlord will prepare an Exit Statement and any credit shown on the Exit Statement will be paid to the Tenant as soon as reasonably practicable after the Landlord and the Tenant have agreed the Exit Statement.

## Part 9: General Provisions

### 1. Pubs Code

The Landlord and the Tenant agree that:

- 1.1 the obligations and requirements set out in the Pubs Code shall apply to this lease;
- 1.2 they will each observe and perform their respective obligations in the Pubs Code;
- 1.3 that they may rely on the obligations and requirements set out in the Pubs Code as if they were set out in this lease; and
- 1.4 if there is any inconsistency or conflict between the Pubs Code and this lease, the Pubs Code shall take precedence.

### 2. [Retained Fixtures and Fittings

The Landlord and the Tenant agree that:

- 2.1 the definition of "Fixtures" shall be replaced with the following:

*"Fixtures" means any bar back fittings, central heating systems, sanitary ware, cellar cooling equipment and any other items situated on the Property which can ordinarily be classed as landlord's fixtures (and, insofar as they are present at the Property at the date of this lease, the Landlord's Retained Items);" and*

the definition of "Landlord's Retained Items" in part 2 of this schedule shall be deemed to be included in clause 1.1;

- 2.2 the Tenant shall be granted use of the Landlord's Retained Items as part of the Property;
- 2.3 in the event that this schedule 3 no longer applies:
  - 2.3.1 the Tenant will no longer be permitted to have use of the Landlord's Retained Items;
  - 2.3.2 the Landlord's Retained Items will not form part of the Fixtures; and
  - 2.3.3 the Tenant will be required to purchase the Landlord's Retained Items from the Landlord if it wishes to continue to use them but otherwise the Landlord shall be entitled to take back possession of the Landlord's Retained Items.]

### 3. Data Protection

For the purposes of the Data Protection Act 2018, the EU General Data Protection Regulation ((EU) 2016/679 ("**GDPR**")), any successor legislation to the GDPR or the Data Protection Act or otherwise, the Tenant acknowledges that any personal data relating to this lease will be held and used by the Landlord or the Landlord's managing agent and disclosed to third parties for the purposes of general administration and/or enforcement of the Lease, the management of the Landlord's Interest or the insurance and/or maintenance of the Property or is necessary to conform with recognised industry practice in the management and letting of property or otherwise as described in any privacy notice made available by the Landlord.



Executed as a deed by [BLUE STAR PUB )  
COMPANY LIMITED] [RED STAR PUB )  
COMPANY WR LIMITED] [ RED STAR )  
PUB COMPANY WRH LIMITED] [RED )  
STAR PUB COMPANY (WR II) )  
LIMITED] [RED STAR PUB COMPANY )  
(WR III) LIMITED] [STAR PUBS & BARS )  
(PROPERTY) LIMITED][PUNCH )  
PARTNERSHIPS (PTL) LIMITED] by its )  
Attorney in the presence of a witness: )

Signature .....

Name (block capitals) .....

**as Attorney for**



Witness signature .....

Witness name .....

(block capitals)

Witness address .....

.....

.....

Executed as a deed[, but not delivered until the )  
first date specified on page 1,] by )  
[◆ **NAME OF TENANT**] by a )  
director in the presence of a witness: )

Signature .....

Name (block capitals) .....

**Director**

Witness signature .....

Witness name .....

(block capitals)

Witness address .....

.....

.....

Signed as a deed[, but not delivered until the )  
first date specified on page 1,] by [◆NAME )  
**OF TENANT INDIVIDUAL**] in the presence )  
of a witness: )

Signature .....

Witness signature .....

Witness name  
(block capitals) .....

Witness address  
.....  
.....  
.....

Signed as a deed[, but not delivered until the )  
first date specified on page 1,] by [◆NAME )  
**OF GUARANTOR INDIVIDUAL**] in the )  
presence of a witness: )

Signature .....

Witness signature .....

Witness name  
(block capitals) .....

Witness address  
.....  
.....  
.....

**APPENDIX 1: SCHEDULE OF CONDITION**

## **APPENDIX 2: PPB BRANDS**



**APPENDIX 3: [LANDLORD'S RETAINED ITEMS]**