Tenancy Agreement for letting the licensed property known as

Pub Name
Address 1
Address 2
Address 3
Post Code

Dated
CHAPTER 1
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# CHAPTER 2
## LEASE PARTICULARS AND GRANT OF LEASE

### Parties and Property

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

### Term

| "Term" | The term of years from the term start date continuing until ended by the provisions of Chapter 14 |
| "Term start date" | [ ] |

### Financial Information

| "Rent" | [£ ] per year (except in the first and second year of the term when the rent shall be [£ ] and £[ ] respectively] (subject to review as detailed in Chapter 9) |
| "Deposit" | [£ ] (which includes any initial deposit and any sums payable as the deposit build up) |
| "Initial deposit" | [£ ] and "deposit build up" means [£ ] per month |
| "Damages base" | £190 per barrel for tied drinks that are draught products £10 per case for tied drinks that are not draught products |

### Commercial Information

| "Estimated services package charge" | [£ ] per month or such varied sum applicable to the services package chosen by you |
### Commercial Information

<table>
<thead>
<tr>
<th><strong>Innside knowledge fee</strong></th>
<th>£</th>
<th>per month</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Innside track fee</strong></td>
<td>£</td>
<td>per month</td>
</tr>
<tr>
<td><strong>“OBV discount”</strong></td>
<td>£</td>
<td>per (i) barrel of draught beer and draught cider which is brewed by us or a group company (or such other party as we nominate); and (ii) per composite barrel of packaged cider which is brewed by us or a group company (or such other party as we nominate)</td>
</tr>
<tr>
<td><strong>Non OBV discount</strong></td>
<td>£25</td>
<td>per barrel of draught beer and draught cider which is not brewed by us or a group company (or such other party as we nominate)</td>
</tr>
<tr>
<td><strong>Tied drinks</strong></td>
<td>Beer, Cider, Alcopops, Minerals</td>
<td></td>
</tr>
<tr>
<td><strong>Permitted number of machines</strong></td>
<td>[ ]</td>
<td></td>
</tr>
<tr>
<td><strong>Your machine percentage</strong></td>
<td>50% of the net machine proceeds</td>
<td></td>
</tr>
</tbody>
</table>

### Premium Packaged Beers

<table>
<thead>
<tr>
<th><strong>“PPB own brands”</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SKU</strong></td>
</tr>
<tr>
<td>DM16</td>
</tr>
<tr>
<td>DM17</td>
</tr>
<tr>
<td>CH40</td>
</tr>
<tr>
<td>CH41</td>
</tr>
<tr>
<td>CJ26</td>
</tr>
<tr>
<td>CJ90</td>
</tr>
<tr>
<td>DM90/DN57</td>
</tr>
<tr>
<td>CD23</td>
</tr>
<tr>
<td>DM93</td>
</tr>
<tr>
<td>CH50</td>
</tr>
<tr>
<td>Product</td>
</tr>
<tr>
<td>--------------</td>
</tr>
<tr>
<td>CJ14 KRON. 1664 PACKAGED</td>
</tr>
<tr>
<td>DM15 KRUSOVICE CERNE PACKAGED</td>
</tr>
<tr>
<td>DM14 KRUSOVICE IMPERIAL PACKAGED</td>
</tr>
<tr>
<td>D181 NEWCASTLE BROWN PACK</td>
</tr>
<tr>
<td>DJ67 SAGRES PACKAGED</td>
</tr>
<tr>
<td>DN02 SOL PACKAGED</td>
</tr>
<tr>
<td>CJ18 THEAKSTON XB PACKAGED</td>
</tr>
<tr>
<td>CI51 TIGER PACKAGED</td>
</tr>
<tr>
<td>CI40 ZYWIEC PACKAGED</td>
</tr>
</tbody>
</table>

* The price per case exclusive of VAT at which we (or our nominee) will sell the PPB own brand packaged beers to you

"PPB blocked brands"

<table>
<thead>
<tr>
<th>Product</th>
<th>Product</th>
</tr>
</thead>
<tbody>
<tr>
<td>Becks Bier Red Flash</td>
<td>Grolsch</td>
</tr>
<tr>
<td>Budvar Budweiser</td>
<td>Holstein Pils</td>
</tr>
<tr>
<td>Budweiser</td>
<td>LCL Pils</td>
</tr>
<tr>
<td>Carlsberg Lager</td>
<td>Miller Genuine Draft</td>
</tr>
<tr>
<td>Carlsberg Special</td>
<td>Peroni Nastro Azzurro</td>
</tr>
<tr>
<td>Corona Extra</td>
<td>Red Stripe</td>
</tr>
</tbody>
</table>

**GRANT OF LEASE**

1 Grant of this lease

1.1 We let the property to you;

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

1.1.2 Subject to;

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

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

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

1.3 The guarantor agrees with us to meet with all their obligations set out in Chapter 13.

2 The Tie

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

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

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

2.4 We may at any time suspend remove reinstate or otherwise vary your obligations as contained in clause 2.3 of Chapter 6 but the remainder of the obligations contained in this lease shall remain.
CHAPTER 3
DEFINED WORDS

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

Agent any staff workmen customers or any one acting with the authority (or implied authority) of either you or us (as appropriate);

Alcopops an alcoholic drink also known as flavoured alcoholic beverage, flavoured malt beverage, alcoholic fruit drink, premium packaged spirits, branded alcoholic mixer drink and including any drinks where alcohol is added to a carbonated or still flavoured base with or without fruit juice;

Bank such UK clearing bank which you or we use (as appropriate);

Barrel a brewer's barrel being 36 imperial gallons in relation to tied drinks that are draught;

Beer beer of all types denominations or descriptions (including lagers and stouts) whether packaged or in bulk;

Business the use of the property as a public house for the sale of tied drinks and other drinks (but not as a wine bar or cocktail bar or tea house or coffee shop or restaurant) with (but ancillary to such use) the sale of both hot and cold food and the provision of accommodation for short term paying guests;

Business plan your written plan in the format which we provide from time to time including details of methods of operating and managing the business and your proposals for any alterations or changes in the method of operating the business;

Case a case of packaged tied drinks comprising 24 containers of the relevant drink (or such other number as shall be reasonably specified by us);

Chapter a Chapter of this lease;

Cider cider of all types denominations or descriptions (including perry) whether packaged or in bulk;

Code of Practice the Star Pubs & Bars Code of Practice which we issue and adopt from time to time and which will be a code which complies with the IFC;

Composite barrel a brewer's barrel containing 36 imperial gallons (being equivalent to 163.6 litres) of pre-packaged cider;

Consent a written permission which we may (but do not have to) give and which may be subject to conditions (including time limits);

Contaminative substance any substance or thing on beneath or in the vicinity of the property which is dangerous inflammable combustible explosive corrosive or of an offensive nature or which may in any way cause pollution injury or harm by percolation corrosion contamination migration release or otherwise;

Cooling off period the first 90 days of the term;

Designated premises the supervisor of the property within the meaning of Section 15 of the
supervisor Licensing Act 2003;

Drinks all beverages;

EPOS means electronic point of sale equipment connected electronically between the property and such office as we may specify from time to time;

Exit statement a reconciliation of your account with us showing:

(a) such sums as you may owe us under the lease;

(b) the deposit (as we may have received from you); together with

(c) any interest that may have accrued on the deposit;

less all sums rightfully due to you. For the avoidance of doubt any estimated cost of expenditure required to bring the property into the condition as required by this lease and as certified by a surveyor will be a sum deemed rightfully due to us;

Fixtures any bars back-fittings central heating systems sanitary ware cellar cooling equipment and any other items in the property ordinarily known as landlord’s fixtures;

Group company a company within the same group of companies as defined by Section 42(1) of the Landlord & Tenant Act 1954;

IFC the UK Pub Industry Framework Code of Practice for Tied Tenanted and Leased Pubs (December 2011) (Revision 5) including (unless we tell you otherwise) any revision or amended version of that document;

Implied easements those easements and other matters referred to in Section 62 Law of Property Act 1925;

Income the wholesale profit from selling tied drinks and other profits which we make from the property (excluding rent) during the 12 months prior to an event occurring which prevents the property being used wholly or in part for the business;

Index of retail prices the All-Items Retail Prices Index published by H M Stationery Office the base rate of which was 100 in January 1987 or if that index is no longer published such index as most accurately reflects it and can be used in calculating the inflation index;

Inflation index the sum determined by the fraction:

\[
\text{Inflation index} = \frac{\text{the last published index of retail prices available before the relevant review date}}{\text{the last published index of retail prices available before the most recent previous review date or (if there has been no previous review date) on the term start date}}
\]

Innside knowledge a specialised and dedicated training programme which we provide designed to provide you with a clear understanding of the management and operation of one of our leased public houses;

Innside track firm a professionally qualified or accredited licensed trade accountancy firm approved and appointed by us providing Innside track services;

Innside track services (a) an accountancy and stocktaking package provided to you 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) 12 wet stock-takes per year or 12 wet and dry stock-takes per year where the business sells food and there is over £500 per week in food sales (in each case at intervals as may be agreed with us);

(iii) quarterly VAT returns;

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

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

(b) the provision of EPOS to the property;

Insurance

a policy insuring the property and the licences against loss or damage by fire and such other perils as we consider desirable (including loss of rent and income for 2 years) in such sum as we think is sufficient to reinstate the property plus sufficient sum to cover all professional fees demolition shoring up and site clearance but subject to a reasonable excess;

Insured risk

the risks against which we decide to insure from time to time;

Interest

3% above the published base rate of our bank or the statutory rate of interest on judgment debts whichever shall be the greater;

Lease

d this deed and any document supplemental to it;

Liability Period

the period during which you are bound by the tenant's covenants in this lease;

Licences

any permit licence or certificate of whatsoever nature whether required by legislation or otherwise which is required or expedient to operate the business at the property;

Liquidated damages

our estimate of losses suffered by us (or a group company) as a consequence of you breaching your obligations in clause 2.3 of Chapter 6. We will calculate our losses by multiplying:

(a) the damages base; with

(b) our estimate of the number of barrels and/or cases purchased by you in breach of your obligations in clause 2.3 of Chapter 6; and adding

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

Listed drinks

such drinks as appear at our discretion in the current list or lists which we produce from time to time listing the types brands and/or denominations and prices of drinks that we offer for sale;

Machines

any vending, games or amusement machine or information retrieval or dissemination machine or automatic telling machine or any such device being electrical electronic or mechanical and awarding prizes or otherwise unless you use such item exclusively and normally for domestic purposes
or in managing the business;

Manager any person employed by you to manage the business;

Minerals all soft drinks (also called pop, soda, soda pop, fizzy drinks, tonic, minerals) or fruit juices or carbonated beverages that are not alcopops;

Month calendar month;

Personal licence a licence granted to an individual within the meaning of Section 111 of the Licensing Act 2003;

Premises licence the licence granted for the property within the meaning of Section 11 of the Licensing Act 2003 including (for the avoidance of doubt) any variations or substitutes obtained during the term;

Price list any list which we publish from time to time specifying the prices at which we sell any goods or services;

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

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

Review date means each fifth anniversary of the term start date or any date on which your obligation to purchase tied drinks as contained in clause 2.3 of Chapter 6 is varied or ends;

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

(a) Us procuring inspection certification of all relevant fixed gas equipment (but not catering equipment) in compliance with the Gas Safety (Installation and Use) Regulations 1998 and of all relevant electrical equipment and circuitry in compliance with the Health and Safety at Work Act 1974, the Electricity at Work Regulations 1989, and the Provision and Use of Work Equipment Regulations 1998 and to procure your compliance with the Control of Asbestos Regulations (CAR) 2012 and the testing of your emergency lighting and fire alarm systems at the property as frequently as required to comply with any direction of any statutory authority;

(b) Us servicing all fixed gas and oil equipment including cellar cooling equipment (but not portable appliances or catering equipment) which form part of the property and repair of such items when in need of repair but not necessarily more frequently than three times in each year;

(c) Us procuring the servicing replacement or renewal of all heating hot water and cellar cooling equipment and any other electrical installations (but not portable appliances or catering equipment) which form part of the property as the same may become beyond repair during the term; and

(d) Us procuring the inspection of lifts and cellar hoists at the property;
Services package charge  the amount we periodically and reasonably determine as being the cost of providing the services package;

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

Standard conditions  our standard terms and conditions for sale of drinks and/or other goods and services which we publish from time to time and which may be set out on the rear of our invoices;

Surveyor  a suitably qualified chartered surveyor who shall specialise in the licensed trade and if the parties cannot agree on the identity of a surveyor then either party may ask the president of the Royal Institution of Chartered Surveyors to appoint one or in the case of a rent dispute as appointed by the Pubs Independent Rent Review Scheme;

Tenant's fittings  the moveable trade fittings furniture effects stock glassware or other articles used in operating the business;

Term  the term of years created by this lease and (if applicable) any subsequent period of holding over under the Landlord & Tenant Act 1954;

Third party rights  all rights, covenants and restrictions affecting the property including any matters referred to at the date of this lease in our title to the property;

Trademarks  all or any trademarks whether registered or unregistered which we use from time to time in relation to our business;

VAT  Value Added Tax or any tax of a similar nature;

Working day  any day except a Saturday Sunday or a bank holiday in England; and

Year  any period of 12 months commencing on the term start date or any anniversary of the term start date.
CHAPTER 4
THE PROPERTY

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

1 Description

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

1.2 The property does not include:

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

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

2 Rights you have

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

2.2 There shall not be implied for the benefit of the property any easements quasi-easements rights or other matters including rights of light or air which would restrict or otherwise limit our right to use any of our adjoining or retained land for any purpose whatsoever. Any implied easements are excluded from this lease.

3 Rights we have

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

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

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

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

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

3.1.5 The right to pass and re-pass across such parts of the property as we may reasonably require (not including any building on the property) for the purpose of gaining access to or egress from any adjoining premises for whatever reason.
3.1.6 The right on giving reasonable notice (except in cases of emergency) to enter the property to build onto or into any boundary of the property or carry out repairs alterations or improvements to any of our adjoining premises but we will make good any damage caused to the property in exercising this right and will cause as little interference to you as is reasonably practicable.

3.1.7 The right to enter the property at any time for all purposes relating to any rights or obligations created by this lease.

3.1.8 The right to:

(i) Place hoardings and advertisements on any outside walls of the property and to install on in or at the property any aerials or telecommunications installations or other electronic equipment (together with all associated fixings wirings and electrical installations and connections);

(ii) Retain any rent or other income from the equipment detailed in clause 3.1.8(i); and

(iii) Install in or at the property any drinks raising or dispensing equipment or flow meters, drinks dispense information equipment and/or any associated equipment;

together with the right to service maintain repair replace calibrate and renew such items.

3.1.9 The right for us our agents and invitees to enter the property in connection with any reletting or sale of the property as detailed in clauses 4.1.1 and 4.1.2 of Chapter 14.
CHAPTER 5
PAYMENTS

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

1 You must:

1.1 Pay us in advance each month on the rent payment days:

1.1.1 The rent;

1.1.2 The estimated services package charge (if applicable);

1.1.3 Any deposit build up; and

1.1.4 The Innside track fee (unless we give you consent under clause 2.1 of Chapter 6);

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

1.2 Pay all rates and other charges levied by the providers of any gas, electricity, water, telecommunications or other services to the property or the business.

1.3 Pay us the balance of the services package charge within fourteen days of demand after taking into account all accumulated estimated services package charge paid during any year.

1.4 Pay us:

1.4.1 The initial deposit (or if there is no initial deposit, the deposit); and

1.4.2 The Innside knowledge fee;

on or before the term start date. You agree that the deposit will be held in our name and belong to us.

1.5 Pay us for anything which we supply (whether or not the supply is pursuant to this lease) and where anything is supplied by our nominee to pay us or our nominee as we may state. All payments must be in accordance with the standard conditions and at the prices specified in the price list or by our nominee.

1.6 Pay us liquidated damages in relation to any tied drinks at or dispensed from the property which have not been purchased from us or our nominee.

1.7 Pay all VAT due on all payments due under this lease.

1.8 Pay us on an indemnity basis all costs, charges, fees and expenses (including solicitors and surveyor’s fees) which we or our mortgagee’s or any superior landlord incur for the purposes of or incidental to:

1.8.1 The contemplation, preparation, or service of any notice under the terms of this lease or under Sections 146 or 147 of the Law of Property Act 1925; or

1.8.2 In connection with recovery of:

(i) Possession of the property; or

(ii) Any monies owing under the terms of this lease; or
1.8.3 Rectifying any default by you in complying with this lease;
even if forfeiture is avoided whether by relief granted by the Court or otherwise.

1.9 Pay us on an indemnity basis all costs, charges, fees and expenses (including solicitors and surveyor's fees) which we or our mortgagee's or any superior landlord incur for the purposes of or incidental to any application for a consent.

1.10 Repay us on demand any costs or expenses which we may incur as a debt due if we elect to carry out any repairs or maintenance under clause 1.8 in Chapter 7.

1.11 Pay us interest on any monies that you owe us and which you do not pay us as they become due.

1.12 Pay us within 14 days of demand the cost we incur in taking out and maintaining insurance of the property together with the amount of any insurance excess we may be subject to.

2 Method of payment to us

2.1 All payments to us shall be by variable direct debit or as we may otherwise reasonably specify (including cash with order).

2.2 We may give less than 10 (but never less than 2) working days notice of any sum to be collected by us from your bank by variable direct debit.

3 Rent reduction

3.1 If part or all of the property cannot be used for the business because of damage covered by insurance the rent and other charges under this lease shall be cancelled or reduced as appropriate during the relevant period (up to a maximum of 2 years).

3.2 The provisions of clause 3.1 shall not apply if the insurers do not pay under the policy because of something done or not done by you or your agent.

3.3 Any dispute as to how this clause 3 applies will be settled in accordance with Chapter 15.

4 Appropriation

4.1 We have the right to appropriate any of your money which we may have (or any money we may owe you) to any of your liabilities regardless of whether you have expressed or intended such monies to be paid.

4.2 If your account with us is overdue then we may appropriate the whole or part of the deposit up to the extent of the overdue indebtedness and in such event the amount so appropriated shall be a debt immediately payable by you.

5 Payments by us

5.1 If we have any hoardings, advertisements, aerials, telecommunication installations, electronic equipment or flow meters and associated equipment installed on in or at the property then not less frequently than once every quarter we shall pay you (or credit your account with us) such sum as we shall specify by way of a contribution to the cost of providing electricity for operating such items.

5.2 If we take samples of any drinks or food we will pay you a sum equal to the retail cost of those samples.
5.3 Within 28 working days of the end of this lease (however it ends) we will prepare an exit statement. Payment to you of any credit shown on the exit statement will be made as soon as reasonably practical after we agree the exit statement with you.

5.4 Subject to you paying us the innside track fee in advance we will:

5.4.1 Pay the innside track firm for providing the innside track services referred to in clause 1.10 of Chapter 6; and

5.4.2 Arrange for the installation of EPOS at the property by a supplier nominated by us. You agree with us that after EPOS is installed at the property that you will:

(i) Record all sales of goods and services by the business through the EPOS;

(ii) Ensure (at your cost) at all times that the EPOS remains connected via a secure electronic information retrieval and dissemination system by which we and you can communicate and to make available to us all books records invoices or receipts of the business howsoever generated;

(iii) Maintain the EPOS (at your cost) in good working order and to ensure it is serviced in accordance with the suppliers recommendations; and

(iv) Where you fail to comply with your obligations in this clause 5.4.2 permit us (or the EPOS supplier) access to the property to inspect maintain and service the EPOS when required.

6 Innside Track fee

If during the term the costs charged by the innside track firm for the provision of innside track services changes we will give you notice of not less than one month of the new innside track fee that will become payable. You must then pay that sum as the new innside track fee.
CHAPTER 6
OPERATING THE BUSINESS

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

1 You must:

1.1 Use the property only for the business and you must use your best endeavours to promote and develop the business.

1.2 Properly stock the property with tied drinks and other appropriate drinks and use courteous and efficient staff at the property and promote the sale of an appropriate range of food at the property having taken into account local operating conditions.

1.3 Keep the property open for the business during all trading hours as we may reasonably specify within the hours permitted by the premises licence.

1.4 Ensure that all food and drinks are served in an appropriately fresh and proper manner and in compliance with all appropriate hygiene requirements and regulations.

1.5 Attend at your cost when and where we reasonably require any training courses as we think benefit operators of public houses generally and unless we consent to you not doing so you must attend the innside knowledge course before the term start date.

1.6 Provide the services of the business (and in particular sell tied drinks) at reasonable prices adequately displaying the prices and participate in all reasonable promotion schemes relating to the business which we provide.

1.7 Give us access at any time to such part of the property where drinks or food are kept stored or prepared and permit us to take reasonable samples of any drinks or food.

1.8 Provide electricity to any flow meters and associated equipment and any aerials and/or telecommunication installations and for any hoardings and advertisements on or at the property.

1.9 Record all sales of all goods and services of the business at the property in a form which we approve and you must provide such records to your innside track firm.

1.10 Cooperate with the innside track firm which we appoint on your behalf. Even if we do give you consent under clause 2.1 to appoint a reputable provider of innside track services who is not an innside track firm you must require that such firm:

1.10.1 Confirms in writing to us within one month of us providing a consent under clause 2.1 that:

(i) You are complying with the requirements to record your sales; and

(ii) They are providing services equivalent to innside track services;

1.10.2 Provides us with copies of all accounts produced and any further financial details as we may reasonably require.

1.11 Implement the business plan and meet with us as often as we require to discuss its implementation and if necessary review and update the business plan to our reasonable satisfaction.

1.12 Immediately notify us of any complaint or any notice whatsoever received from any statutory or other authority where such complaint or notice relates to the property or the business.
1.13 Do all things as may be required to comply with any order or direction of any statutory or other authority having power to issue such orders or directions relating to the **property** or the **business** and you must not commit or tolerate any unlawful or illegal acts at the **property**.

1.14 Reside in the residential part of the **property** or with our **consent** cause a **manager** to live in the residential part of the **property**.

1.15 Keep the **signage** clean free from obstruction and properly maintained and illuminated (including illuminating the **property** where relevant) and not alter or in any way interfere with the **signage**.

1.16 From no later than the **term start date** purchase the **tenant’s fittings**.

2 **You must not:**

2.1 Appoint a provider of the **ininside track services** referred to in clause 1.10 who is not an **ininside track firm** without our **consent**. We will not be obliged to give such **consent** in the first **year** of the **term** and then we will only give **consent** if:

2.1.1 You have arranged for an alternative reputable provider to be appointed to the **business**;
   (i) That has experience of working in the licensed trade sector; and
   (ii) Which provides services that are equivalent to **ininside track services**.

2.1.2 No **rent** or payment for goods or services is due to us.

2.1.3 You have paid all of the **deposit** (which in this instance shall be deemed not to include the **initial deposit** or **deposit build up**).

2.1.4 You have not breached your obligations to purchase **tied drinks** as contained in clause 2.3 of **Chapter 6**.

2.1.5 You give us not less than two months prior written notice (expiring immediately after one of your **VAT** quarter days) requesting that we terminate the appointment of any already instructed **ininside track firm**.

2.1.6 You have complied with all your other obligations under this **lease**.

2.2 Change the name of the **property** or the telephone numbers serving the **property** or do anything which might invalidate the **trademarks** (or be inconsistent with our ownership of the **trademarks**) or act in any way which may reduce the residual value in the **trademarks** or that may reduce the value of our interest in the **property**.

2.3 Without our **consent** sell or expose for sale in the **property** or bring on to the **property** for any purpose whatsoever any **tied drinks** unless we have sold them to you. The provisions of this sub-clause shall remain in full force and effect whilst you remain in occupation of the **property**, after this **lease** has ended in any way.

2.4 Do or allow to happen anything at the **property** which we may reasonably consider offensive, a nuisance, an annoyance or dangerous.

2.5 Without our **consent** erect or attach to any part of the **property** any signs whether fascia pictorial fixed free standing illuminated or otherwise and if we give **consent** to the erection of signs then you must repair and maintain such signs to our reasonable satisfaction and remove such signs if we so require.
2.6 Sell or in any other way dispose of or charge the tenant’s fittings or allow anyone to remove them but this restriction does not prevent you replacing the tenant’s fittings with new or suitable alternatives.

2.7 Install any drinks dispensing equipment or interfere with disconnect or by-pass any flow meters and associated equipment installed in any drinks dispensing or raising equipment at the property.

2.8 Change the provider of the innside track services referred to in clause 1.10 who is not an innside track firm and who we have not given consent to you appointing under clause 2.1 above without our consent and in any event not more than once in any year.

2.9 Remove the EPOS from the property without our consent and if we give consent to remove the EPOS from the property or this lease otherwise ends prematurely prior to the third anniversary of the term start date you shall require to pay us such amount in the reimbursement of any outstanding costs of its supply and installation as we shall notify to you.

3 Machines

3.1 Subject to us agreeing the make, model and type of machines with you we consent to you installing the permitted number of machines at the property. You must not install any other machines at the property unless we give consent. We can withdraw our consent at any time.

3.2 Any consent we give you in this lease (or otherwise) to you installing and operating machines at the property is on the following terms and conditions:

3.2.1 We consider the list of our approved suppliers of machines from time to time. We will notify you of the name and address of our approved suppliers on request.

3.2.2 You must only hire machines from a supplier approved by us and where you have hired a machine from a supplier who is not or is no longer a supplier approved by us you must return the machine and re-hire from an approved supplier.

3.2.3 You must tell us the name and address of the supplier of any machine which you install if we ask.

3.2.4 We may require you to change the type or model of any machine at the property or to remove all or some of the machines if we have reasonable grounds to believe that a machine is impairing the character and profitability of the property.

3.2.5 We may require machines to be fitted with systems to record the operation of the machine.

3.2.6 Any machine will remain switched on for use and operation when the property is open for trade.

3.2.7 You will ensure that any hire agreement made between you and any machine supplier is capable of being terminated at any time without notice and any hire agreement will only require payment in money.

3.2.8 You will permit any approved supplier access to any machine at all reasonable times for the purposes of collection repairs installation maintenance and any other proper tasks.
3.2.9 All **machines** will be sited in the **property** in positions agreed with us and you will not permit any **machine** to be sited in a different position except for the purposes of complying with any direction of any relevant authority or pursuant to any law.

3.2.10 You will not consent to an approved supplier assigning or transferring any hire agreement and if you receive notice of such assignment or transfer by an approved supplier you must immediately notify us.

3.2.11 You must ensure that any **machine** is notified to HM Revenue & Customs and/or any **licences** or notifications as may be required to operate **machines** are current and displayed if necessary.

3.2.12 Any **machines** shall be emptied by a representative of the approved supplier both periodically and at the end of the hire period. The representative shall distribute the monies in a given **machine** in the following order but shall first reimburse you for all sums paid to customers in response to legitimate claims for a malfunction of a **machine** (proven by the electronic record kept by any **machine**) and (if applicable) replenish the float and then:

(i) Give to you a sum equal to any duty or tax payable on the remainder of the cash in the **machine** which you will record and account to HM Revenue & Customs for; and then

(ii) Reimburse you or us (or retain as appropriate) an appropriate proportion of any annual licence fee paid to the relevant authority in advance for the **machines** but if there shall be insufficient money in any **machines** to pay the appropriate proportion of the annual licence fee then we and you will be liable for half each of any shortfall; and then

(iii) Retain the rent inclusive of **VAT** due for the hire but if there shall be insufficient money in the **machine** to pay the rent we and you will be liable for half each of any shortfall; and then

(iv) Give to you your **machine percentage** of the final remaining balance and pay to us the final remaining balance.

3.2.13 If you owe us any money we may require the approved supplier to pay us any monies which might otherwise be paid to you and in any event at the end of the **term** or in the event that a **machine** is being removed from the **property**, we will require the approved supplier to pay us any monies which might otherwise be paid to you. Such payment will be included in your account with us and this agreement is an irrevocable authority given by you to any approved supplier to that effect.

3.2.14 If we do withdraw our consent permitting you to install **machines** at the **property** you will immediately terminate any **machine** hire contracts and arrangements. If you do not remove a **machine** when requested we can enter the **property** and remove the **machine** and you will pay us the costs of returning such **machine** to the approved supplier.
CHAPTER 7
PROPERTY MAINTENANCE

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

1 You must:

1.1 Put and keep all interior surfaces at the property and fixtures in good and substantial repair decoration and condition. The standard of work and types of finishes must be agreed with us and all painting is to be with good quality paint and all wallpaper and wall coverings are to be of good quality. Decoration must be carried out as frequently as may reasonably be required or as we determine. Notwithstanding the limited nature of these obligations you must use the property in the manner of a good and caring owner.

1.2 Keep all pipes, running water gutters, downpipes, gullies, drains and sanitary apparatus clean and clear of obstruction. Where applicable you must arrange for cess pits, septic tanks, sewage treatment plants and grease traps to be emptied and to be kept lawfully operating.

1.3 Keep all equipment used in connection with the business in proper repair and properly maintained (except to the extent that we undertake servicing and maintenance). If we request you must provide us with written proof of proper servicing inspection and certification of such equipment and in particular but without limiting your obligation this will include:

1.3.1 Fire fighting, warning and detection equipment.
1.3.2 Emergency lighting equipment.
1.3.3 Catering equipment extractor fans and filtration units.
1.3.4 Cellar hoists sewage pumps and sewage treatment plant.

1.4 Renew all cracked or broken glass (including plate glass) with glass of an equivalent and adequate style and quality.

1.5 Keep any garden, yard, outbuilding, forecourt, car park, path or roadway in a clean and tidy condition, any hedges properly trimmed, any ditch properly cleared and any garden properly stocked mowed or cultivated.

1.6 Choose a services package to assist you in maintaining and operating the property and in default you must accept the maintenance and compliance services package.

1.7 Immediately give us written notice when you become aware of the existence of any disrepair for which you are not responsible or contamination at the property or land beneath or in the vicinity of the property or of any contaminative substance at or on the property.

1.8 Allow us after we have given reasonable notice (except in cases of emergency when no notice shall be required) to enter and inspect the property. If we find that you have not complied with your obligations under this Chapter 7 we may serve notice in writing specifying your failures to comply with such obligations. Within three months of any such notice (or by the end of the term if sooner) you must make good all defects or failures as specified in our notice and in default you must allow us to enter the property and carry out such works or repairs as may be required.
1.9 Give us unrestricted access to any parts of the property if we elect to carry out any repairs to the property that are in need of repair. You must provide any water and/or electricity and any other reasonable facilities that we may reasonably require in carrying out such works.

2 You must not:

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

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

3 We may:

Carry out repairs to the property under clause 1.8 of this Chapter 7 but we are under no obligation to do so whether under this clause or clause 1.8 of this Chapter 7 or otherwise. If we decide to carry out any repairs to the property we shall not be liable to you or anyone else for any loss disturbance of inconvenience which you or the business may experience during the carrying out of such works.
CHAPTER 8
OUR SERVICES

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

1 Quiet Enjoyment

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

2 Services which we will provide

2.1 We will make available various services packages and we will provide the services as are set out in the package that you choose. In default of you choosing a package we will provide the maintenance and compliance services package.

2.2 We will charge an estimated services package charge applicable to the services package which you choose.

2.3 We will appoint on your behalf an insidetrack firm unless we give you the consent referred to in clause 2.1 of Chapter 6.

3 Drinks Supply

3.1 We shall:

3.1.1 Provide you with the current listed drinks list.

3.1.2 Use reasonable endeavours to supply or procure the supply to you of such quantities of tied drinks that are listed drinks as you may require and be ready and able to pay for.

3.1.3 Sell you tied drinks at our prices as normally charged by us to tenanted public houses less a discount which will be set by us. The discount will not be less than:

(i) The OBV discount in relation to draught beer and draught cider which is brewed by us or a group company (or such other party as we nominate);

(ii) The OBV discount in relation to packaged cider which is brewed by us or a group company (or such other party as we nominate); and

(iii) The non OBV discount in relation to draught beer and draught cider which is not brewed by us or a group company (or such other party as we nominate);

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

3.2 If we sell you drinks after this lease has ended then we do not have to allow you any discount (be it the OBV discount, non OBV discount or otherwise).
4 Drinks Supply – Premium Packaged Beers

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

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

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

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

4.2.3 You will not:
   (i) Bring any PPB blocked brands onto the property; and
   (ii) Display, dispense or sell any PPB blocked brands at the property.

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

4.3 If:

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

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

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

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

5 Drinks Supply - Release

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

5.2 We can release you from your obligations to purchase tied drinks from us as set out in clause 2.3 of Chapter 6 at any time.
CHAPTER 9
REVIEW OF RENT

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

1 Rent review

1.1 On any review date the rent which you will pay will be revised and the amount to be paid will be the revised rent.

1.2 The parties will start negotiating the amount of the revised rent 7 months before the review date.

1.3 After the revised rent has been agreed or determined we and you will sign a memorandum recording that the revised rent will be the amount payable.

1.4 If we have not agreed the revised rent with you by any review date then any disagreement as to the amount to be paid as the revised rent will be settled in accordance with Chapter 15.

1.5 The revised rent shall be the rent likely to be paid for the property in the open market without a fine or premium being paid by a willing tenant to a willing landlord;

1.5.1 Assuming:

(i) The property is let on the relevant review date for a term of 5 years but otherwise on the same terms as are in this lease except for the amount of the rent payable but including the provisions for review;

(ii) The property is vacant and fully fitted out and equipped and ready for immediate occupation and use for the business without any restrictions on any planning or other consents or the licences available for the business and/or the property;

(iii) The obligations in this lease imposed on us and you have been fully complied with;

(iv) That you are able to recover all VAT payable on any outgoings associated with the property;

(v) That no reduction in rent is to be made to take account of any rental concessions which on a new letting with vacant possession might be granted to an incoming tenant;

(vi) That no work has been carried out to the property that has reduced the rental value of the property;

(vii) If the property has been damaged or destroyed by an insured risk then it has been restored; and

(viii) That you have rights under Part II of the Landlord and Tenant Act 1954.

1.5.2 But disregarding:

(i) Any increase in the rental value of the property attributable to any alteration addition or improvement to the property which has been carried out by you or your predecessor or at your or their cost
(unless carried out in pursuance of an obligation to us or our predecessors) and which has been carried out with consent where required and completed less than 21 years before the relevant review date;

(ii) Any decrease in the rental value of the property attributable to any alteration addition or improvement to the property which has been carried out by you or your predecessor or at your or their cost respectively;

(iii) Any effect on the rental value of any obligation on you to remove any alteration addition or improvement or to restore or reinstate the property;

(iv) Any reduction in rental value attributable to any assumption made in clause 1.5.1 being contrary to reality.

1.6 If the revised rent has not been agreed or decided by the review date then you must continue to pay the amount payable immediately before such review date. Any balance between the revised rent and the rent payable before such review date must be paid to us (or repaid by us) after the revised rent has been agreed or decided and interest at the bank base rate from the relevant review date must be paid in addition.

1.7 If there is a statutory prohibition on any increases in any rent on the review date and if but for such prohibition the revised rent would have resulted in an increase in the amount payable, then the review of the rent payable will occur immediately after such prohibition is lifted.

2 Deposit and Damages base review

The amount of the deposit and the damages base will be changed at the same time as the rent is reviewed so that the amount specified or payable will be the amount originally specified or payable multiplied by the inflation index.
CHAPTER 10
INSURANCE

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

1 You must:

1.1 Comply with all requirements from time to time of the insurers of the property and of any duly authorised fire prevention building control local or central government officer.

1.2 Allow us to enter the property at any reasonable time to inspect it and value it for insurance purposes.

1.3 Insure the business, the tenant’s fittings and any plate glass against loss of or interruption from reasonably foreseeable risks against public and employer's liabilities including product liability of the business. Such insurances to be to proper values and insured with a reputable insurer.

1.4 Cause our interest to be noted on all policies you hold in compliance with your obligations in this clause 1 and you must require the insurer(s) to notify us in the event of cancellation or threatened cancellation of the insurance.

1.5 Produce to us a copy of any current insurance policy (or current schedule to such policy) that you take out in compliance with your obligations in this Chapter 10 and you must also provide us with details of your insurance provider, policy number and the renewal date of your policy. You must provide this information to us on each occasion during the term when your insurance policy is renewed.

1.6 Notify us as soon as you are aware of any damage or loss to the property, fixtures or tenant’s fittings.

1.7 Notify us as soon as you are aware of any claims made in relation to the insurances you are obliged to maintain under this lease.

1.8 Hold any insurance monies that you are ever in receipt of relating to the property, fixtures or the tenant’s fittings in trust for us.

1.9 Indemnify us on a full indemnity basis for any losses we might incur as a result of you, your agents or employees breaching the provisions of clause 2.1 below.

2 You must not:

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

2.2 Insure the property or any part of it.

3 We shall:

3.1 Insure the property (but not the business or the tenant’s fittings) for the full rebuilding value to cover the insured risks.

3.2 Unless the provisions of clause 2.1.4 of Chapter 14 apply, promptly claim all insurance monies if the property is damaged or destroyed by an insured risk and, subject to clause 3.3 below, use them (other than loss of rent or income) in promptly repairing rebuilding reinstating or replacing the property as appropriate. This obligation does not oblige us to rebuild reinstate or replace with substantially identical buildings or fixtures.
3.3 Take all reasonable steps to get any permission we need to repair or rebuild the property if it is damaged or destroyed by an insured risk. After we have received the permission, we will repair the damage or destruction as soon as possible, unless the claim is not paid out due to anything you have done or failed to do. If this is the case, you must pay us the amount the insurer will not pay to us, with interest, from the date we should have received the money until we do receive it.
CHAPTER 11

LICENCES

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

1 You must:

1.1 Apply for and keep in force the premises licence and apply for appropriate variations to it as you agree with us in writing from time to time.

1.2 Ensure that the property is managed and operated in a legal, lawful and orderly manner including employment of staff that have personal licences.

1.3 Ensure that all licences including the premises licence are not put at risk.

1.4 Apply for and keep in force all licences that may be necessary to operate the business from the property.

1.5 Immediately notify us of any complaints or of any notice of intention to revoke or oppose any licences including the premises licence or of any arrest charge or conviction of you or of any of your employees.

1.6 At your own expense take such steps in connection with the matters referred to in this Chapter as we may reasonably direct.

1.7 Be or cause your manager to be the designated premises supervisor.

1.8 Employ or cause to be employed in the business persons who are holders of personal licences to operate the business in your absence.

1.9 Promptly pay all costs and fees (be they of a recurring nature or otherwise) associated with your obligations regarding the premises licence (and any matters ancillary to the premises licence) set out in this lease.

2 You must not:

2.1 Agree to any conditions relating to any licence or apply for any different or additional licences or remove or surrender any licences without our written consent which we will not unreasonably withhold.

2.2 If we are legally entitled to be the holder of any licence and if we give you written notice that we intend to become the holder of such licence, oppose such intention.
CHAPTER 12
DISPOSAL AND ALTERATIONS

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

1   You must:

1.1 Comply with any statutory requirement relating to the property but otherwise you must not change or alter any part of the property and in particular any part of the property to which the licences relate.

1.2 Immediately notify us if you become aware of any trespass encroachment attempt to acquire new rights or easements and or obstruction of any window at or of the property.

1.3 Immediately give us any notice or a copy of any notice relating to rates (but not ordinary periodic demands).

2   You must not:

2.1 Apply for planning permission for any change of use or any other changes at or to the property but if we make a planning application relating to the property you must support it.

2.2 At any time overload the electrical circuits, floors ceilings or structure of the property.

2.3 Without our consent attach to the outside of the property any receiving or broadcasting aerials or satellite dishes.

2.4 Serve any purchase notice under the planning acts requiring any local or other competent authority to purchase your interest in the property.

2.5 Allow any trespass nor any encroachment over any part of the property nor without our consent allow any market stall or barrow to stand or take place at or on the property.

2.6 Permit the acquisition of any new rights or easements over any part of the property.

2.7 Obstruct nor permit to be obstructed any window of the property.

2.8 Interfere with any rights or easements which we own and if we require then you must use your best endeavours to ensure that such rights or easements are not interfered with.

2.9 Make any applications or representations concerning rates. If we require then you must use your best endeavours to assist any applications or representations concerning rates that we make.

2.10 Assign, virtually assign, sublet, mortgage, charge or part with possession or occupation of the property or with any part of it and if you are a company this restriction extends to prohibiting your shareholders from changing or a group company occupying the property or operating the business.

2.11 If you are a company, cause or permit any new shares to be issued or the existing shares to be transferred or charged whether in law or in equity by any one or more of the shareholders of the company as at the date of this lease (whether by gift, sale, legacy or in any other way whatsoever).
CHAPTER 13
GUARANTOR

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

1 Background

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

1.2 The guarantor's obligations under this lease will last throughout the liability period.

2 The guarantor agrees with us that:

2.1 You will:

2.1.1 Punctually pay the rent and other payments reserved as rent under this lease and VAT charged on them.

2.1.2 Observe and perform the covenants and other terms of this lease.

2.2 If at any time during the liability period while you are bound by the tenant's covenants of this lease and you default in:

2.2.1 Paying the rent or other payments reserved as rent and VAT charged on them; or

2.2.2 Observing or performing any of the covenants or other terms of this lease;

then the guarantor will pay the rent and other payments reserved as rent and VAT and will observe and perform the covenants or terms in respect of which you are in default.

2.3 The guarantor will make good to us on demand and indemnify us against all losses resulting from your non-payment, non-performance or non-observance of the matters detailed in this lease notwithstanding:

2.3.1 Any time or indulgence granted by us to you, or neglect or forbearance of us in enforcing the payment of any sum or the observance or performance of the covenants of the authorised guarantee agreement;

2.3.2 That the terms of this lease or any authorised guarantee agreement may have been varied by agreement between us and you; or

2.3.3 Anything else by which, but for this clause 2, the guarantor would be released.

3 The guarantor must:

3.1 Accept a new lease from us if before the end of the term this lease ends prematurely and if we require in writing within three months of any date upon which this lease ends prematurely ("the disclaimer date").

3.2 The term of any new lease as detailed in clause 3.1 shall be for a period from the disclaimer date to the end of the term and shall be in the form of this lease as it applies at the disclaimer date omitting any provision for the guarantee of the tenant's
obligations (and any reference to any obligation which was been carried before the disclaimer date).

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

4 Payments following Disclaimer

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

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

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

for the period commencing with the disclaimer date and ending on whichever is the earlier of the date six months after the disclaimer date, the date, if any, upon which the property is re let and the end of the term.
CHAPTER 14
ENDING THIS LEASE

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

1 Forfeiture

Without in any way limiting our rights caused by you breaching any of the terms of this lease or in any way cancelling your outstanding obligations we are entitled to forfeit the term by entering any part of the property (whereupon this lease shall absolutely determine) whenever:

1.1 You (or your guarantor):

1.1.1 Are 7 days late in paying any rent even if not formally demanded.

1.1.2 Fail to pay any other sums or fail to comply with any other obligation contained in this lease.

1.1.3 Being an individual (or if more than one either or any of them) becomes bankrupt or subject to a receiving order.

1.1.4 Being a corporation enters into liquidation whether compulsory or voluntary (except for reconstruction or amalgamation) or is the subject of an administration order or has a receiver appointed.

1.1.5 Have distress or execution levied on your goods or if judgement is given against you for a debt.

1.1.6 Having been the holder of the premises licence cease to be the holder of a premises licence for any reason.

1.1.7 Die.

1.1.8 Are no longer required to purchase tied drinks as required by clause 2.3 of Chapter 6.

1.2 A premises licence, which is specified to have effect for a limited period of time, ceases to have effect on the expiry of that limited period of time.

1.3 The holder of the premises licence:

1.3.1 Dies, becomes mentally incapable, becomes insolvent, is dissolved or, if it is a club, ceases to be a recognised club (all as set out in Section 27 Licensing Act 2003); or

1.3.2 Gives notice or purports to give notice to surrender the premises licence in accordance with the provisions of Section 28 Licensing Act 2003.

1.4 An application is received by the relevant licensing authority for the review of the premises licence (or a relevant licensing authority must review the premises licence pursuant to any legal requirement) or the relevant licensing authority takes any steps within the meaning of Section 52 Licensing Act 2003.

1.5 The relevant licensing authority takes steps, pursuant to either:

1.5.1 An application for review of a premises licence in accordance with Section 52 Licensing Act 2003; or
1.5.2 An application for review of a premises licence following a closure order under Section 167 Licensing Act 2003.

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

2 Ending the term

2.1.1 During the cooling off period you can give us 90 days written notice to end the term and provided you give us vacant possession of the property in compliance with clause 4 of this Chapter 14 the term will end at the end of your notice period.

2.1.2 If you want to end the term on any fifth anniversary of the term start date you may do so provided that:

(i) You provide us with at least 6 months prior written notice of your desire to bring this lease to an end on the date which is a fifth anniversary of the term start date; and

(ii) All monies due to us from you are paid up to date on the relevant fifth anniversary of the term start date on which you want this lease to end; and

(iii) The property is in the condition required by this lease; and

(iv) You give us vacant possession of the property in compliance with clause 4 of this Chapter 14; then

subject to the matters in sub paragraphs (i), (ii), (iii) and (iv) above being complied with the term will end at the end of your notice period.

2.1.3 We may end the term by giving you not more than 12 months nor less than 6 months written notice expiring on or within 28 days of any fifth anniversary of the term start date.

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

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

3 Waiver and Continued Supply

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

3.1.2 It is a requirement of clause 2.3 of Chapter 6 that whilst you occupy the property you only sell tied drinks which you have purchased from us. If we take any proceedings against you for whatever reason such supply will not affect any rights or act as a waiver of any of our rights if we continue to supply you with tied drinks.
3.1.3 If we give you extra time or any concessions concerning compliance with any term of this lease it shall not be deemed a waiver of any such breach nor shall it prevent the subsequent enforcement of that term and shall never act as a waiver of any future breach.

4 At the end of the term

4.1 You must:

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

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

4.1.3 Give us vacant possession of the property (including all fixtures) in the repair, order and condition required by the terms of this lease and if there shall be any doubt as to whether you have installed fixtures you must still leave them and any questions about ownership or compensation will be resolved subsequently.

4.1.4 Sell to us the tenant’s fittings (or such of them as we may specify) at a price to be determined in the manner usual in the licensed trade as between incoming and outgoing tenants. If when you leave the property the price has not been agreed you must leave in the property such of the tenant’s fittings as we may specify until the price is agreed and any disagreements as to the amount to be paid will be settled in accordance with Chapter 15 and after agreement or determination of the price you will sell to us such items of the tenant’s fittings as we specify.

4.1.5 Assign, transfer and hand over ownership to us of any licences and of any websites and/or domain names relating to the business and all contracts used in the operation of the business capable of assignment transfer or handing over. You must do all things that may be required to effect such assignment or transfer including attending before any lawful authority or court.

4.1.6 Supply us with copies of all contracts used in the operation of the business and all contracts of employment for all persons employed by you to work in the business. If no written contracts of employment exist you must supply such information regarding the terms of service of such persons as we may request. If we require you will terminate all contracts of employment of any persons employed by you to work in the business and you will indemnify us and keep us indemnified against any actions proceedings claims interest costs expenses damages and liabilities which we may suffer as a result of the Transfer of Undertakings (Protection of Employment) Regulations 2006 becoming applicable to us and such employees.

4.1.7 Execute any deed or document that we reasonably require for the purpose of removing any Land Registry entry relating to this lease.

4.2 Compensation

So far as the law allows you have no rights to claim compensation from us at the end of the term.
CHAPTER 15
DISAGREEMENTS AND DISPUTES

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

1 If a dispute arises out of or in connection with this lease or the performance validity or enforceability of it (even if after the term has ended) then the parties will follow the dispute resolution procedure set out in this Chapter 15 and if any dispute arises both parties will take account and comply with the IFC.

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

3 If you and we are unable to resolve the dispute in accordance with clause 2 above then you may refer the matter to be determined by either:
   3.1.1 The Pubs Independent Conciliation and Arbitration Service; or
   3.1.2 A surveyor.
CHAPTER 16
INTERPRETING THIS LEASE

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

1 Interpretation of this Lease

1.1 Each of the provisions of this lease and each clause and sub-clause hereof can be construed as independent of every other provision. If any provision shall be determined by a Court of competent jurisdiction to be invalid and unenforceable then such determination shall not affect any other provision of this lease all of which other provisions shall remain in full force and effect.

1.2 Any references in this lease to Acts of Parliament shall be to those Acts as amended or re-enacted or supplemented or their relevant successors.

1.3 The index to this lease is for reference only and has no effect upon the meaning of this lease.

1.4 Where this lease imposes an obligation on two or more parties then compliance with the obligation can be required individually as well as jointly.

1.5 Where it makes sense singular words can be understood as plural and plural as singular and words of one gender include all other genders and person includes a company or other legal body.

1.6 Where this lease imposes an obligation, that obligation includes making sure that all agents comply with the obligation and where the agent does not comply the relevant party shall be responsible and where this lease gives either party rights they can be exercised by an agent.

1.7 This lease is not intended to benefit anyone by virtue of the Contracts (Rights of Third Parties) Act 1999.

1.8 Any obligation in this lease to pay money refers to a sum exclusive of VAT and VAT chargeable is payable in addition.

1.9 In this lease the terms set out in Chapter 2 Lease Particulars have the meaning set opposite them. The terms then appear in bold in the remainder of this lease.

1.10 If proceedings are commenced by you or us in relation to this lease the matter shall be construed in accordance with the laws of England and Wales.

2 Miscellaneous

2.1 For the purposes of this lease any notice or application to be sent to us shall be in writing giving all relevant details and shall be sent by first class recorded delivery post to our registered office marked for the attention of our company secretary. Any notice or application to be sent to you shall be in writing and sent by first class recorded delivery post to the property. Any notices or applications served in that way shall be deemed received when it would normally have been delivered.

2.2 You agree that all investigations inspections surveys and other enquiries relating to the property and the business as are prudent have been carried out by you or at your direction and this lease has been entered into without you relying on any representations made by us (except any warranties made in writing by us which shall
expressly state that they can be relied upon for their accuracy) and that this lease and any written warranties contains all of the contract between you and us relating to your occupation of the property and management of the business.

2.3 If we are unable to give you vacant possession of the property on the term start date then this lease shall not start until you are able to take possession of the property but dates fixed by reference to the term start date shall not be affected by any such delay.

2.4 You will comply with the terms and stipulations of any head-lease under which we lease the property insofar as compliance is solely within your control.

2.5 In case you neglect or refuse to make any applications give any notices or take any steps or do such things as may be required by this lease or in connection with the licences and their preservation you irrevocably appoint us (or one of our employees who we nominate) as your attorney or attorneys for and on your behalf and in your name to sign give make and do all proper notices consents applications and acts as may be necessary or expedient to effect such applications notices steps or things.

2.6 You and we agree:

2.6.1 That the obligations and requirements set out in the IFC shall apply to this lease.

2.6.2 To observe and perform our respective obligations in the IFC.

2.6.3 That we may rely on the obligations and requirements set out in the IFC as if they were set out in this lease.

2.6.4 If there is any inconsistency or conflict between the IFC and this lease, the IFC shall take precedence.
## CHAPTER 17
### GLOSSARY OF WORDS

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Executed as a Deed by ) ) Name )
as Attorney for and on behalf of ) ) (Block Capitals)
[Blue Star Pub Company Limited] [Red Star Pub Company (WR II) Limited]
[Red Star Pub Company (WR III) Limited] [Star Pubs & Bars (Property) Limited]

Under a Power of Attorney in the presence of:

Signature ........................................
Name ........................................
(Block Capitals)
Address ........................................

Executed as a Deed by )
[ ] acting by a director )

In the presence of:

Signature:
Name:
Address:
Occupation:
Signed as a Deed by

[ ]

[ ]

In the presence of:

Signature:

Name:

Address:

Occupation: