



Flexible Tenancy

Between

Punch Partnerships (PML) Limited

and

[]

For

[]

Date

Our agreement

Agreement period: 5 years

Start date: []

Rent: £[] for each year

Security deposit: [25% of rent]

Review dates: Annual indexation

Repairs: You are responsible for internal repairs to the property only

Purchasing obligations: You must purchase all drinks from us [apart from [wines (excluding fruit based ciders)] [spirits] [minerals] [and RTDS (which include FABs and PPSs)]

Ending this agreement: You can end this agreement at any time on [6] months' notice

Transfer: You may not transfer the property

The agreement

By signing this **agreement** you have agreed that you will carry out your **business** efficiently and that you will promote the trading potential of the **property** to maintain and grow the **business**.

a Understanding the agreement

- 1 If you agree not to do something in this **agreement** (or agree to do it in a particular way), you must not allow anyone else to do it (or you must make sure they do it in the permitted way).
- 2 Where this **agreement** refers to a law, or legal requirement, this includes any Act of Parliament and any modification, extension or amendment of it and any regulations, bye-laws, orders or other items that have legal effect.
- 3 If 'you' or 'we' includes more than one person or company, each of them is liable on their own for all the obligations arising on your part or our part (as appropriate) in this **agreement** as well as being liable jointly with the others.
- 4 The sections that follow are part of the **agreement**. The words in bold make it clearer.
- 5 All the terms of the **operations manual** as amended or revised from time to time are incorporated into and form part of this **agreement** as though they were set out in full in this **agreement**. If there is any conflict between the terms of this **agreement** and the terms of the **operations manual**, the terms of this **agreement** will prevail.
- 6 If you need any consent or permission from us, you can only regard it as given if we have sent it to you in writing.
- 7 When this **agreement** gives us a right to do something, we can authorise someone else to do it.

b Granting the agreement

- 1 We let the **property** to you together with the rights listed in paragraph 1 of Section 13 for the **agreement period**, as affected by the matters of ownership and any rights we retain set out in Section 13, as long as you pay the **rent** and meet with all of your obligations in this **agreement**.
- 2 Both you and we agree all the terms of, and will meet our respective obligations in the sections and keep to them.
- 3 The **guarantor** agrees with us to meet with all their obligations set out in Section 12.

c Our commitment

As long as you meet your obligations in this **agreement**, we will allow you to occupy the **property**, without us or anyone under our control interrupting or interfering.

d Security of tenure

We have served on you and the **guarantor** a notice in the form set out in Schedule 1 to the **order** and you and the **guarantor** have made [a] statutory declaration[s] in the form set out in paragraph 8 of Schedule 2 to the **order** and you and the **guarantor** and we agree that the provisions of sections 24 - 28 inclusive of the Landlord & Tenant Act 1954 shall not apply to this **agreement** or to the agreement to be entered into under paragraph 6.2 of Section 12 of this **agreement**.

e Accepting this agreement

You we and the **guarantor** have read this **agreement** and you we and the **guarantor** accept and agree its terms in full.

<p>Executed as a deed (but not delivered until the date hereof) by Punch Partnerships (PML) Limited acting by its Attorney [] acting under the Power of Attorney dated 14 August 2020 In the presence of:</p> <p>Witness signature:</p> <p>Name:</p> <p>Address:</p>	<p>Executed as a deed by [] Limited] Acting by [] a director in the presence of:</p> <p>Witness signature:</p> <p>Name:</p> <p>Address:</p>
<p>Signed as a deed by [] in the presence of:</p> <p>Witness signature:</p> <p>Name:</p> <p>Address:</p>	<p>Signed as a deed by [] in the presence of:</p> <p>Witness signature:</p> <p>Name:</p> <p>Address:</p>

The meaning of words and phrases

In this **agreement** the following words and phrases have the following meanings.

- Agreed rate** 4% above the **base rate**. The **base rate** may change.
- Agreement** This lease.
- Agreement period** 5 years starting on []
- A M networking equipment** Equipment and related **service media** for resetting, reprogramming and monitoring **amusement machines** by remote control.
- Amusement machines** Machines for amusement with or without prizes and which may or may not involve skill including:
- video machines and jukeboxes;
 - games machines, snooker, pool, rides and all other electrical, electronic or mechanical entertainment or games; and
 - gaming or gambling machines.
- This does not include machines that are solely for use by you, your family or any of your staff living at the **property**.
- Audio-visual equipment** Equipment for reproducing or projecting visual images and sound. This does not include any machines used only by you, your family or any of your staff living at the **property**.

Index	The 'all items' index of Retail Prices Index published by the Office for National Statistics, or any other official body that takes over responsibility for publishing that index. If the index changes after the date of this agreement , we will inform you of the alternative which will apply.
Indexation date	Every anniversary of the start date of this agreement.
Information exchange equipment	The A M networking equipment , the drinks-monitoring equipment and the IT equipment and any related equipment and service media .
Insolvent	Any of the events specified in Subsection 27(2) to 27(5) inclusive of the Licensing Act 2003.
Insurance excess	£1000 unless otherwise notified to you in the summary of cover that we provide to you. This is the amount you have to pay towards each insurance claim. The amount of the excess may change if we or our insurers think it is reasonable to do so.
Insured risks	Fire (including fire underground), explosion and damage caused by aircraft, demolition and site clearance costs, professional fees and any other risks we may decide to insure against (and these may change during the agreement period) together with three years' loss of rent .
Intellectual property rights	Means all patents, trademarks, trading names, service marks, designs, copyright, database rights, inventions, trade secrets and other confidential information, know-how, business names and all other intellectual property rights of a similar nature in any part of the world, whether registered, registrable or not and including all applications and the right to apply for any of the foregoing rights and the right to sue for past infringements of any of the foregoing rights.
Inventory	The trade fixtures and fittings and trade equipment on or in the property and any other things used in connection with the business now or which you add to or bring onto the property in accordance with the terms of this agreement during the agreement period .
IT equipment	Computers, modems, other equipment and related service media for use by you and us in running and promoting the business . You can also use it for gathering, processing and transferring information about the business to us and for placing orders with us and our nominated suppliers.
Licences	The licences, certificates or other approvals which the law requires you, your employees and the property to have to run the business during the agreement period , or which you need in connection with the business and

	how you use the property (including but not limited to any licences that you may need in connection with live and/or recorded music or the provision of any other entertainment)
Licensing authorities	Any of the people, bodies or authorities responsible for granting and regulating the licences .
Licensing service charge	Where we hold the premises licence , the amount which we reasonably charge from time to time during the agreement period for doing the things mentioned in paragraph 3 of Section 4.
Liquidated damages	Our estimate of losses suffered by us (or a group company) as a consequence of you breaching any of your obligations in section 10. We will calculate our losses by multiplying the average margin per barrel ; with the agreed estimate of the number of composite barrels purchased by you in breach of your obligations in Section 10; and adding an administration fee of £25.
Operations manual	Any operations manual issued by us to you as amended by us from time to time
Order	The Regulatory Reform (Business Tenancies) (England and Wales) Order 2003.
Payment days	The day of each week as specified by us.
Permitted temporary activity	A temporary licensable activity specified as such under the Licensing Act 2003.
Permitted use	A fully-licensed public house and uses ancillary to a public house or any other use which we agree to in writing. You must use any residential accommodation only as set out in this agreement .
Personal licence	A personal licence under the Licensing Act 2003.
Plan	The plan attached at Section 13
Premises licence	A premises licence under the Licensing Act 2003.
Property	[] shown edged red on the plan which property is comprised in title number(s) [] at the Land Registry [but excluding the area edged [green] on the plan .]
Related premises	Licensed or unlicensed premises (other than the property) in which we or any group company owns a leasehold or freehold interest.
Release of tie	Any release of your purchasing obligations which we give you under paragraph 3 of Section 10.

Rent	[£] per year for the first year of the agreement period . It is subject to indexation and increase in the way set out in section 6.
Repair fund	The balance held from time to time in accordance with in accordance with Section 2.
Repair fund payment	£40 per week.
Responsible authorities	Any of the people, bodies or authorities specified as such under the Licensing Act 2003.
Schedule of condition	A schedule of condition showing the state and condition of the property and provided to you in connection with the requirements of Schedule 1 of the Pubs Code etc Regulations 2016 prior to the date of this agreement
Security deposit	£ []
Sequestration	A court order (writ) for seizing property.
Service media	Any pipes, wires, drains, sewers, cables and all other conducting media which are at or serving the property now or which are installed at any time during the agreement period .
Service rent	The amount we reasonably charge from time to time during the agreement period for doing the things mentioned in paragraph 2.2 of Section 1.
Social networking pages	Any content posted on pages, channels or profiles which you have created on websites in relation to the business or the property for the purposes of promoting, advertising or marketing the business and/or providing information about the business to the public, including, without limitation, those on Facebook.com and Twitter.com (if any).
Start date	The date on which the agreement period starts.
Trademarks	Any registered trademarks and unregistered trademarks and trading names.
VAT	Value Added Tax and any similar tax or levy which replaces or is in addition to it.
We, us	Punch Partnerships (PML) Limited (Company Number: 3321199) of Jubilee House, Second Avenue, Burton on Trent, Staffordshire, DE14 2WF or (if different), the person or organisation who you must give back possession of the property to on the end date .
Websites	The website(s) relating to the business .

You, your [] of [] Limited
(Company Number []) whose registered
office is at [] or (if different) the person
responsible for paying, **rent** under this **agreement**.

Section 1 - Outgoings

1 Rent

- 1.1 You must pay us the following rents:
- 1.1.1 The **rent**.
- 1.1.2 The amounts we incur meeting our obligations in Section 3 (Insurance) and any other amounts to be paid by you under Section 3.
- 1.1.3 All payments due from you for any stock, equipment or other obligations as set out in Section 10.
- 1.1.4 The costs we incur doing any work to the **property** that you are responsible for (under Section 2) but which you have not done.
- 1.1.5 The **service rent**.
- 1.1.6 The costs and expenses (including **VAT** that we cannot recover and any professional fees) which we pay for:
- any application you make to us for permission or approval, whether we give it or not;
 - preparing and serving notices on you when you have broken your obligations under this **agreement**;
 - preparing and serving a schedule of dilapidations and/or a schedule of work required to the **property** during this **agreement**, or after this **agreement** ends, if the **property** is not in the condition we require;
 - settling any other costs we have to pay as a result of you breaking your obligations under this **agreement**;
 - meeting licensing obligations for the **property** (see paragraph 1 of Section 4);
 - entering into this **agreement** with you;
 - or incur as a result of the preparation and service of any letters or documents (including but not limited to undertaking letters) that we send to you because you have not complied with the terms of this **agreement**;
 - utility supplies to the **property**;
- and any other costs and expenses which apply.
- 1.1.7 All sums which we may from time to time pay or incur in respect of the **property** or any other property used in common with the **property** and which are to be repaid by you under the terms of this **agreement**.
- 1.1.8 The **licensing service charge**.
- 1.1.9 The **repair fund payment**.
- 1.1.10 Utility charges where we have entered into any utility supply agreement with you.
- 1.2 You must pay the **rent** in advance by equal instalments on the **payment days** and you must not deduct or set off any sum which we owe or may owe you at the time. Other sums which you must pay to us are payable when specified in this **agreement** or, if no date is specified, within seven days of us sending a written request.
- 1.3 You must pay interest at the **agreed rate** on any payments due from you under this **agreement** when any are more than seven days overdue. We will work out the interest from the due date and it will continue to be payable at the **agreed rate** until we get payment from you (and interest will continue at the **agreed rate** even after we get a court judgment).
- 1.4 You must also pay any sums you owed to us (whether or not with anyone else) under any prior lease or agreement relating to the **property** immediately we require you to do so.

1.5 You must pay all the items listed in paragraphs 1.1, 1.3 and 1.4 above and paragraph 4 below (**VAT**) on the same terms as the **rent** and we can recover these from you as rent.

1.6 We may change the **payment days** (but only so that they become more frequent so you pay less **rent** in advance) and we will notify you of that change. We may change the **payment days** back to any dates that have previously applied and will notify you of that change.

2 Rates and other payments

2.1 You must pay the following to us or to the person or authority entitled to them as soon as they are due:

2.1.1 all rates, taxes and outgoings relating to the **property**, even if these are imposed or the amounts change after the date of this **agreement**; and

2.1.2 the cost of:

- getting, renewing or continuing any licence or registration for using the **property** for the **permitted use**; and
- registering to protect or recognise our interest, and dealing with and taking reasonable action on notices given or received.

The cost includes any fees or expenses charged by us or our approved agents.

2.2 We agree to arrange:

2.2.1 certificates for all gas equipment and electrical circuitry at the **property**, as often as necessary to meet with any statutory requirements; and

2.2.2 servicing for all gas, electrical and mechanical items (including cooling equipment and cellar hoists, but not portable electrical items) as often as reasonably required and any other servicing or repairs as set out in any public care maintenance package that we may agree to provide from time to time

2.3 If the **property** benefits, or could benefit or use any items which you share with us or anyone else, you must pay a fair proportion of the cost of building, repairing, renewing, lighting, cleaning and maintaining any such items. You must pay your share within 14 days of us asking you to.

3 Accepting and refusing rent

3.1 If we ask you to pay **rent**, or if we receive **rent** from you, it does not mean we agree that you have fulfilled all your obligations under this **agreement**. If we ask you to pay **rent**, or we do receive **rent** from you, this will not reduce or remove any rights that we might have against you.

3.2 If we refuse to accept **rent** from you because you have not fulfilled all your obligations under this **agreement**, you must pay interest at the **agreed rate** from the due date until we are able to accept payment from you again.

4 VAT

If it is chargeable, you must pay **VAT** to us on the **rent** and on any other sums you must pay us under this **agreement**. You must pay the **VAT** at the same time as the sum you are paying it on.

Section 2 - Repairs, alterations and repair fund

1 Repairs

1.1 You must keep the inside of all buildings at the **property** clean, tidy and in good condition and decorative order. This includes:

1.1.1 the windows and doors (both inside and outside) and glass in them;

1.1.2 all floor boards and floor coverings;

1.1.3 sumps and sump pumps in cellars;

1.1.4 cellar cooling plant;

1.1.5 fire alarms and fire-fighting equipment;

- 1.1.6 sanitary fittings, grease traps, sinks and basins (but not replacing them, where that is required);
- 1.1.7 emergency lighting equipment; and
- 1.1.8 fixed seating and furniture.
- 1.2 You must also maintain the electrical wiring, plumbing, ventilation and heating systems (including any central-heating and other boilers and all radiators and control systems) and keep them in good working order. You are responsible for any damage caused by problems with any of these things.
- 1.3 You will maintain any external areas such as gardens and car parks in a clean and tidy condition.
- 1.4 You will not be required to maintain the **property** in any better condition than as shown by the **schedule of condition**.
- 1.5 Except for the **inventory** you do not have to make repairs to items which are covered by insurance, provided the insurer will pay the claim. If it will not, because of something you have done or not done, you must pay us the amount of the claim, or the part of it that the insurer will not pay to us.
- 1.6 If we give you written notice to carry out work, which this **agreement** says you must do, you must start the work within two months or straight away if it is an emergency. You must then complete the work without delay. If you do not do this we may carry out the work and charge you for doing it.
- 1.7 You must tell us as soon as you know about any damage or fault at the **property**, or of anything that could contaminate or pollute anything on the **property**.
- 1.8 You agree to keep the items on **the inventory** in good condition and in working order, renewing them when this becomes necessary.
- 1.9 Any items forming part of the **property** or the **inventory** which you replace must comply with all required standards and regulations and be of an industry acceptable standard.
- 1.10 You must not change the colour scheme of the **property** unless you have our approval.

2 Alterations

- 2.1 You must not make any structural alterations, outside alterations or add anything to the **property**.
- 2.2 You can make any other alterations but you must let us have two sets of the specification and plans showing all the work you want to do, at least ten days before work starts. These must have been prepared by a suitably-qualified person. We can ask you to enter into an agreement setting out all the terms we reasonably require before you start. In relation to any work you do under this paragraph you must:
 - 2.2.1 send us details of the builders and any others you want to use and get our approval of these before you start work. We will not unreasonably withhold this approval but you must show us that the work will be supervised by a suitably-qualified person;
 - 2.2.2 at your cost, get and meet with any permission you need from any relevant authority;
 - 2.2.3 meet with all laws and legal requirements which apply to those alterations;
 - 2.2.4 get and meet with the conditions of any permission given by the **licensing authorities**; and
 - 2.2.5 remove all the works no later than the **end date** unless we ask you not to.
- 2.3 Any alterations you carry out to the electrical, drainage, plumbing or any other service installations must meet with all statutory regulations and requirements that apply when you do the alterations.
- 2.4 You must not change the name of the **property** or the **business**.

3 Repair fund

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

- 3.2 We will credit the **repair fund** with interest at 0.5% below the **base rate** every six months, or at a different rate or intervals determined by us. If you ask, we will provide you with a statement of the interest at the end of every year.
- 3.3 We can use some or all of the **repair fund** (and any interest) if we incur any expense or loss because you do not keep to your obligations in this **agreement**.
- 3.4 Any part of the **repair fund** which we use will not be treated as rent (to protect our right to re-enter the **property**) and none of our rights under this **agreement** will be affected.
- 3.5 As soon as possible, after the **end date** (except where paragraph 3.3 above applies) we will repay the **repair fund** with interest to you, but we will be entitled to:
- 3.5.1 deduct any money owed to us or expense or loss we incur because you have not kept to your obligations in this **agreement**; and
- 3.5.2 keep the **repair fund** until we can accurately assess the amount due to us under paragraph 3.5.1 above.
- 3.6 If we sell our interest in the **property**, we will pay the **repair fund** to whoever buys the **property** from us. They will continue to hold it on the terms of this section.
- 3.7 When from time to time you carry out and complete your obligations in paragraph 1 of this section to our satisfaction (the decision of our surveyor will be final and binding in this regard) then on not more than 3 occasions in any 12 month period you may ask us to release to you an amount from the **repair fund** equivalent to the value of the **repair fund** held by us at the relevant time or (if lower) the value of the works which you have carried out at the **property**.
- 3.8 If you ask us to release all or part of the **repair fund** to you, your request must:
- 3.8.1 be in writing;
- 3.8.2 be accompanied by an invoice or invoices for the work carried out; and
- 3.8.3 be for a minimum of £1000.
- 3.9 Provided you have complied with paragraphs 3.7 and 3.8 of this section then we agree that we will make a payment from the **repair fund** to you as soon as reasonably practicable.
- 3.10 If the value of any works you carry out at the **property** from time to time in accordance with the terms of this Section exceeds the value of the **repair fund** held by us at the point at which you ask us to release monies to you then for the avoidance of doubt you agree and accept that you will need to meet any shortfall between the cost of the works and the amount of the **repair fund** yourself.

Section 3 - Insurance

1 Your insurance

You must insure the following at your own cost;

- any glass in the **property** for its full replacement cost, and the cost of replacing any which is damaged;
- **the inventory** and stock for their full replacement value;
- any other items at the **property** that belong to you;
- all third-party risks, including employer's and public-liability insurance; and
- any losses (including lost profit) that you may suffer if your **business** cannot trade because one of the **insured risks** has happened, or other reasons beyond your control.

2 Your obligations

- 2.1 In meeting your obligations in paragraph 1 above, you must use a reputable insurer and make sure that our interest is noted on all policies (except those for third-party risks). You must give us details of the cover if we ask for them, including evidence that you have paid the premium.
- 2.2 You must not do, or fail to do, anything that might cause your or our insurance cover to be lost, reduced or avoided in any way, or which might increase the premiums.
- 2.3 You must pay within seven days of a written request from us the full cost of our insurance obligations, mentioned at paragraph 3 of this section.

2.4 You must pay within seven days of a written request from us the **insurance excess** for any work we carry out to put right damage caused by an **insured risk**.

3 Our obligations

3.1 We will insure the **property** (but not those items listed in paragraph 1 of this section) for the full rebuilding value to cover the **insured risks**. However, we can insure ourselves for the **insured risks** and the items listed in paragraph 3.2 below or get insurance from a subsidiary or **group company** of ours. If we choose to do this, it will be assumed that we have met with this obligation and that the **property** is insured on our usual terms of insurance. These terms will include charging a premium that is fair and reasonable (according to current market rates) but not necessarily the best market rate. From time to time we will obtain a professional valuation of the **property** for insurance purposes which you must pay for.

3.2 We may (but this is at our discretion) also insure:

3.2.1 the **licences** and the amount by which the value of our interest in the **property** will be reduced because any of the **licences** are lost;

3.2.2 our liability under the Defective Premises Act 1972 and under any other laws or legal requirements; and

3.2.3 our liability to third parties in relation to the **property** or its use.

3.3 Our obligations in paragraphs 3.1 and 3.2 above will not apply if any insurance is lost, reduced or avoided because of anything you have done or failed to do.

3.4 We will take all reasonable steps to get any permission we need to repair the **property** if it is damaged or destroyed. After we have received 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 at the **agreed rate**, from the date we should have received the money until we do receive it.

3.5 If you ask, we will give you a summary of the policy.

4 Suspending the rent

If the **property** is damaged, or destroyed by any of the **insured risks** and you cannot use all or any part of it for the **permitted use**, the following will apply.

4.1 As long as you have not done or failed to do anything which has caused our insurance cover to be lost, reduced or avoided you will not have to pay **rent** (or only a fair part of it for the undamaged parts), from the date of damage until you can use the **property** again for the **permitted use**.

4.2 If:

- it is our reasonable opinion (formed at any time) that the damage cannot be repaired within three years after it has occurred, we can serve notice on you ending this **agreement**;
- the damage is not fully repaired three years after it occurred either you or we can serve notice ending this **agreement**;

If a notice is served under this paragraph, all the insurance money will belong to us and we will no longer be obliged to repair the damage under paragraph 3.4 above.

Section 4 - Licences

1 Holding the Licences

1.1 If you are an individual, the **licences** must be held in your name, subject to clause 1.2 below. In any other case, the **licences** should be held in the name of an individual appointed by you. Where the **licences** are held by anyone other than you, you must make sure that that person meets with these terms and must notify us immediately if that person dies or becomes mentally incapable. Whoever holds the **licences**, you must tell us immediately if that person becomes **insolvent** or, if a company or partnership, is dissolved.

- 1.2 You agree that you and that individual (as referred to in paragraph 1.1 above) will take whatever steps we require to enable the **premises licence** to be transferred.
- 1.3 We can decide whether you or we or anyone we choose for this purpose, will hold the **premises licence** for the **property**. If we decide that we or another will hold the **premises licence**, you will appoint an individual to be named as the **designated premises supervisor** in the **premises licence**.

2 Your Obligations

- 2.1 You will display in a prominent position so it can be read by visitors to the **property** a summary of the **premises licence** currently in place and keep a certified copy of the **premises licence** currently in place at the **property**.
- 2.2 You will ensure that the **designated premises supervisor** at all times holds a valid **personal licence** and that the **personal licence** is not suspended. You will notify us immediately if the **designated premises supervisor** ceases to hold a **personal licence** or his **personal licence** is suspended. If this happens, you must do anything which we ask you to do to keep the **property** open for selling alcohol. This may include nominating a different individual to replace the existing **designated premises supervisor** and doing anything which is required to vary the **premises licence** to change the **designated premises supervisor**. If you are unable to nominate a suitable individual to replace the existing **designated premises supervisor**, you will close the **property** for carrying out licensable activities and pay us compensation for any loss which we incur as a result.
- 2.3 You will ensure that all sales of alcohol at the **property** are properly authorised by a **personal licence** holder.
- 2.4 You must meet:
- any lawful conditions placed on the **licences** (including the **premises licence**).
 - any laws or requirements of the **licensing authorities** relating to the **licences** (including the **premises licence**).
- 2.5 You, (or an employee or anyone acting on your behalf), must not do anything illegal at the **property** which affects the **licences** and the **business**. Additionally, you must do everything necessary so there are no problems with the **licences** or the **business**.
- 2.6 You must make sure that the **licences** remain in force and are not suspended or made subject to conditions which might reasonably be regarded as difficult or costly to meet.
- 2.7 You must not do anything which may result in the **licences** being revoked, reviewed, cancelled or restricted. And, you must do everything necessary to prevent the **licences** being revoked, reviewed, cancelled or restricted. If we need to do so, you agree that we can take these steps in your name, on your behalf and at your cost.
- 2.8 You must not do anything which may result in the **property** being closed by the **licensing authorities** or the police. If this occurs, you must do anything which needs to be done to make sure that the **property** can re-open. If we need to do so, you agree that we can take these steps in your name, on your behalf and at your cost. And, you must do everything necessary so the **licensing authorities** or **responsible authorities** do not close the **property**.
- 2.9 If you receive any notice about the **licences**, you must immediately send a copy to us.
- 2.10 If you need to do so, you must get the permission of the **licensing authorities** before carrying out any works to the **property** or changes to the **business**.
- 2.11 Unless we agree otherwise, you must keep the **property** open for selling alcohol.
- 2.12 When this **agreement** ends (for whatever reason), you must transfer and hand over the **licences** to us, or to anyone we choose. You must do anything we ask you to or get any authority or permission needed so the person occupying the **property** after you can run the **business** at the **property**. This may include attending before the **licensing authorities**. If you fail to do so, we will treat the **licences** as if you have lost, or wilfully or unlawfully withheld them.
- 2.13 Where we, or anyone we choose for this purpose, hold the **premises licence**:

you will follow any guidance issued by us from time to time relating to the conduct of licensable activities at the **property** and you will tell us immediately of:

- any proposed change to the individual name in the premises licence as the **designated premises supervisor**;
- any steps taken by **the licensing authorities** or the **responsible authorities** to close the property;
- any complaint to any of the **licensing authorities** or the **responsible authorities** relating to the **property**, the **business** or the **permitted use** of which you receive notification;
- any application for a review of the **premises licence**;
- any proceedings for breach of the **premises licence**.

2.14 Where you, or an individual appointed by you, holds the **premises licence**:

- you can transfer or give up the **premises licence** but only if you have our prior written permission.
- you must tell us in writing if you are asked, or want to make, any promise or commitment to the **licensing authorities**; or if you intend to apply to the **licensing authorities** for a new licence or for any changes in the conditions of the **premises licence**. You cannot make any promises or commitments or change the conditions of the **premises licences** without first obtaining our permission to do so.
- he or you can carry out any **permitted temporary activity** at the **property** not otherwise permitted by the **premises licence**. It will be your responsibility to take the necessary steps and to pay any fee due.

3 Our Obligations

3.1 Where we, or anyone we choose for this purpose, hold the **premises licence**:

- we will pay the appropriate annual fee for the **premises licence** to the relevant **licensing authorities**.
- we will retain the original of the **premises licence** and provide you with a certified copy.

3.2 If we agree with you to do so, we will:

- apply to the relevant **licensing authorities** to vary the **premises licence** by changing the **designated premises supervisor** and pay the relevant fee;
- apply to the relevant **licensing authorities** for other variations to the **premises licence** and pay the relevant fee; and
- make any other application to the relevant **licensing authorities** and pay the relevant fee.

3.3 On a review of the **premises licence** or complaint by or enforcement action by the **licensing authorities** or responsible authorities or by an interested party we shall, if we consider it appropriate, make representations and take any action we think we need to in order to maintain the **premises licence**. This may include appealing any determination made by the **licensing authorities**.

3.4 We will recover our costs in respect of paragraphs 3.1 to 3.3 of this section from you through the **licensing service charge**.

4 Licences for machines

You must get any approvals, permissions or licences (including without-limit performing rights licences) you need to keep and use **equipment** and **amusement machines**. You must install, site and operate all **equipment** and **amusement machines** so you meet the requirements of any of these approvals, permissions or **licences** and all other legal requirements.

Section 5 - General obligations and rights

1 Use

1.1 You must use the **property** only for the **permitted use**.

1.2 Residential accommodation at the **property** can be used:

- by you and your immediate family;

- by your manager or other staff (provided that they do not pay you rent); and
- for overnight bed and breakfast accommodation

Provided that you do not allow any residential accommodation arrangements which could be regarded as a 'house in multiple occupation' or HMO

- 1.3 You may (after getting our written permission which we will not unreasonably withhold) display any advertisements or signs on the outside of the property.
- 1.4 You must not use the **property** for any offensive (in our reasonable opinion) or illegal activities, or in a way which will or may cause pollution or contamination at the **property** or any neighbouring property. You must not do, or fail to do, anything at the **property** which annoys or causes a nuisance (or which may do so) to us or anybody who owns or occupies neighbouring property.
- 1.5 You must keep to all licences and registrations which relate to the business or the property. You must get any licences or registrations which are necessary and you must renew or amend these whenever this is required and meet any conditions. For the avoidance of doubt any licence required in connection with the playing of recorded or live music (for example 'The Music Licence' (PRS and PPL)) or the provision of any other entertainment is your responsibility.
- 1.6 You must not allow vehicles to use any car park that forms part of the **property** unless the vehicles belong to you, your customers or your suppliers.
- 1.7 You must do whatever is necessary to prevent anyone acquiring a legal right over the **property** and you must not do anything to lose or reduce any right which the **property** has.

2 Business information

- 2.1 If we ask you, you must provide full details of all the staff who work in the **business** and send us copies of your **business** accounts (noting details of all overheads and income).
- 2.2 You agree that we may release your contact details to our insurers or other insurance agents and also to utility companies and local authorities.
- 2.3 You agree that we may share any information that we obtain from the **information exchange equipment** with your nominated stocktaker and accountant and with any others who may provide services to you or on your behalf such as supporting and/or developing the **business**.
- 2.4 We may from time to time receive information from the **drinks-monitoring equipment**, your stocktaker and your accountant. You agree that we may use this information to provide you with services relating to the **business** and that this information can be shared with others in connection with the support and/or development of the **business**.

3 Good business practice

- 3.1 You must be actively involved, in managing the business either directly or by supervising.
- 3.2 You or a member of your staff must live in the property, unless:
 - there is no residential accommodation; or
 - we agree otherwise in writing.
- 3.3 You must not:
 - carry on any business in any other name at the **property** without our written permission (which we will not unreasonably withhold); or
 - use or allow anyone else to use unlawful force against any person at or near the **property**.
- 3.4 You must use the services of a suitably qualified and experienced:
 - stocktaker; and
 - accountant

in connection with the **business** and you must instruct the stocktaker and the accountant to provide a level of service that is acceptable to us. You will be

responsible for all costs and expenses incurred in connection with the appointment of the stocktaker and accountant.

- 3.5 You agree with us that at all times you will comply (or procure compliance) with the terms of and operate the standards procedures and recommendations set out in any **operations manual** and you will ensure that anyone who works with you in the **business** receives training to enable them to comply with the terms of any **operations manual** and we reserve the right to amend or withdraw any **operations manual** which we have supplied to you by sending notice to you at any time.

4 Information exchange

4.1 You must allow us to:

- install and use information exchange equipment;
- inspect, repair, replace and maintain the information exchange equipment; and
- take data from and transmit data instructions and programmes to the information exchange equipment.

We will be responsible for all costs of installing, inspecting, maintaining, repairing and replacing information exchange equipment but not for the cost of electricity used to run it.

4.2 You will follow our instructions for using **IT equipment**.

4.3 You will not bypass the **information exchange equipment** or tamper with it.

5 Other matters

5.1 You must do the following:

5.1.1 Meet with all laws and other legal requirements which may affect or relate to the **business** or the **property** during the **agreement period**.

5.1.2 Comply with your legal obligation to prevent illegal working (as the employer of employees that will work within the **business**) and this includes:

- Carrying out right to work checks (in accordance with the Home Office guidance on the carrying out of right to work checks by employers that is in force at the time of the check) on all prospective employees of the **business**; and
- Conducting follow-up checks on employees as may be required by the above-mentioned guidance; and
- Keeping records of all checks carried out on employees in accordance with the requirements of the above-mentioned guidance. Such records must be retained for the duration of an employee's employment and for 2 years following its termination; and
- Not employing in the **business** anyone you know or have reasonable cause to believe is/would be an illegal worker that does not/would not have the legal right to work in the UK in the role that they are/would be fulfilling within the **business**.

5.1.3 If you receive a notice about the **property** or any neighbouring property or their use, you must send us a copy immediately.

5.1.4 Allow us to fix a notice board for the sale or letting of the **property** in a reasonable position on the outside of any buildings at the **property**.

5.1.5 Make sure before applying for planning permission that we have given our written permission.

5.1.6 Meet with the conditions in any planning permission, listed building consent, building regulation approval and any similar permission, consent or approval that affects the **property**.

5.1.7 Compensate us for any losses we incur, including legal costs and expenses and professional fees because:

- you do not meet with the terms of this **agreement**;
- you carry out any works at the **property**; or
- you are at and using the **property**.

- 5.1.8 Meet with all of the covenants, conditions and other matters mentioned or contained or referred to in the documents that are mentioned in paragraph 2 of Section 13 and make any payments that must be made under those documents (other than the principal rent payable by us under any lease of the **property**).
- 5.2 You must tell us immediately if the **guarantor** or any other person or company that guarantees to us you will pay the **rent** and will meet with your obligations in this **agreement**:
- dies;
 - becomes bankrupt;
 - has a winding-up petition presented against them;
 - has an administrator appointed or any corporate action or other procedure or step in relation to such an appointment is taken;
 - goes into liquidation, unless it is merging with another company or reconstructing its business (and can pay its debts);
 - ceases to exist;
 - has a fixed charge, or an interim receiver or any other receiver is appointed over their assets (or any part of them);
 - threatens or ceases to carry out any business carried on by them; or
 - enters into any agreement with his creditors.
- If any of these things happen, we may then ask you to provide an alternative guarantor that is acceptable to us. You must do this within 28 days. That new guarantor must then provide us with a guarantee in the form set out in Section 12 but with any changes we may reasonably ask for.
- 5.3 You must not:
- hire or rent any equipment or item for use at the **property** other than such **equipment**, if any, as you obtain or hire in accordance with the conditions set out in Section 11. Any agreement you enter into in accordance with the conditions set out in Section 11 must be capable of being ended by you before or at the same time as this **agreement**; or
 - arrange for services to be supplied to the **property** unless the agreement for this can be ended by you before or at the same time as this **agreement**.
- 6 Our right of access**
- 6.1 You must give access to the **property** (including any residential accommodation) to us and anyone we ask to:
- 6.1.1 inspect the condition of and the way you are using the **property**;
 - 6.1.2 inspect the cellar and any casks or other containers and the condition and temperature of the stock in the cellar;
 - 6.1.3 inspect and take samples of any drink or food (provided we pay a proportion of the amount you paid for the drink or food the sample is taken from);
 - 6.1.4 inspect your stock and stock records;
 - 6.1.5 carry out any repairs and alterations we are allowed to, or must carry out, under this **agreement**;
 - 6.1.6 enable us to fulfil our obligations under any laws and legal requirements;
 - 6.1.7 view the **property** with anyone interested in buying it or, during the last six months of the **agreement period**, with potential new tenants;
 - 6.1.8 carry out a valuation of the **property**;
 - 6.1.9 construct, inspect, clean, repair or replace any properties nearby, or any **service media**, or the items mentioned at paragraph 4 above or other **equipment**;
 - 6.1.10 make sure you are carrying out your obligations under this **agreement**;
 - 6.1.11 put up signs, advertisements and hoardings as described in paragraph 7 below; and
 - 6.1.12 install, maintain, repair and replace **equipment** and fill and empty **equipment** with goods, cash and other items.

- 6.2 If we need access to the **property** to see you:
- 6.2.1 we (or somebody we have asked to act on our behalf (“**authorised person**”)) need access to the **property**, we or the **authorised person** can visit the **property** (regardless of whether you are at the **property**) and without giving any prior notice to you of our need to access the **property** at any time between 8am and the time that the **property** must close under the terms of the **premises licence**. However, if it is an emergency or we consider that you have not carried out your obligations under this **agreement** we or the **authorised person** can visit at any time. We or the **authorised person** will repair any damage we cause to the **property** or to any other item belonging to you while carrying out these rights and we or the **authorised person** can bring any equipment and materials we need onto the **property**.

7 Other rights

- 7.1 We can enter the **property** for the purposes and on the terms set out in this **agreement**.
- 7.2 We can put up signs, advertisements and hoardings without your consent in positions which do not:
- cause detriment to the **business**; or
 - hide any signs which you have put up with our consent.
- We are entitled to any income you receive, or are entitled to receive, as a result of displaying these hoardings, signs or advertisements.
- 7.3 We can install, connect to and use **service media** and use electricity or other services (without payment), if they serve:
- nearby property; or
 - **amusement machines**; or
 - **audio-visual equipment**; or
 - **information exchange equipment**.
- 7.4 We can install an aerial mast, dish or device for transmitting or receiving signals at the **property** or electric vehicle charging points and:
- receive any income earned from them; and
 - install, connect to and use **service media** that serves them.

8 The inventory

It is a condition of this **agreement** that:

- throughout the **agreement period** you own **the inventory**, except for any items of **equipment** which you provide under arrangements with suppliers in accordance with the conditions set out in Section 11, and you ensure (at your cost) that there are sufficient items in **the inventory** to enable you to maintain and grow the **business**;
- you will not remove any items in **the inventory** from the **property**, or sell them (unless you replace them with a similar item), without first offering them to us;
- you will not grant any third-party rights, bills of sale or other security over any items in **the inventory**; and
- you will not allow the **inventory** to be the subject of any execution, sequestration or other process levied upon or enforced against any part of your undertaking property assets or revenue. If this does occur so that the inventory is affected, you must immediately clear the debt and make it clear to all relevant parties that we own the **inventory**.

Section 6 - Reviewing the rent

1 Annual indexation

On each **indexation date** we will calculate the **rent** again and after each **indexation date**, you will pay the product of

$$\frac{A \times B}{C}$$

To work out this figure, take your current rent (A), multiply it by the figure given in the **index** (B) on the relevant **indexation date** and divide the result by the figure given in the **index** on the most recent previous **indexation date** or (if there has been no previous **indexation date**) on the date this **agreement** started (C). If the new **rent** is less than the **rent** you paid immediately before the **indexation date**, we will take the excess you have paid (backdated to the **indexation date**) off the next instalment of **rent** you pay.

2 Legal restrictions

If we are prevented by any law or legal requirement from indexing the **rent**, or from demanding or receiving the full amount of **rent**, we can serve notice on you that we require indexation worked out using the formula in paragraph 1 of this section when the law changes to allow it. The **indexation date** will be the date we serve notice.

Section 7 - Transferring the property

1 Transferring the property

You must not:

- transfer;
 - let;
 - part with;
 - share possession of;
 - mortgage;
 - allow a change of **control**; or
 - give a legal charge over;
- the **property** (or any part of it) to anyone else.

Section 8 - Ending this agreement

- 1 We can end this **agreement** by entering any part of the **property** if:
- 1.1 you have not paid the **rent** (whether or not we have formally demanded it) and it is more than 14 days late;
 - 1.2 you have not carried out your obligations under this **agreement**;
 - 1.3 you are an individual and any receiver is appointed over your property or any part of it, or you or any **guarantor** are declared bankrupt or you or any **guarantor** have a bankruptcy petition presented against you;
 - 1.4 you or any **guarantor** of your obligations under this **agreement**:
 - 1.4.1 proposes or enters into any arrangement with creditors generally or any class of them;
 - 1.4.2 are the subject of any judgment or order which is not complied with within seven days or become subject to any **execution**, **sequestration** or similar legal process, in relation to anything belonging to you or the **guarantor** as appropriate;
 - 1.5 you are a company and you have:
 - a fixed charge or an interim receiver or any other receiver appointed over all or any part of your assets; or
 - an administrator appointed or any corporate action or other procedure or step in relation to such an appointment is taken; or
 - a winding-up petition presented against you; or
 - gone into liquidation, unless you are merging with another company or reconstructing the **business** (and you can pay your debts); or
 - ceased to exist; or
 - a change of control.
 - 1.6 any of the **licences** end without our agreement, or have conditions imposed which we reasonably consider will damage the **business** or our interest in the **property** or you are convicted of any offence which might cause you to lose any of the **licences**;
 - 1.7 any of the **licences** are suspended for more than seven days; or

- 1.8 you close the **property** and cease trading for more than 14 days without our consent.
- 2 You can end this **agreement** at any time within the first 208 days of the date of this **agreement** ("the **break date**") by sending a notice to us. If you serve the notice, the **agreement** will not end unless:
- 2.1 you pay all **rent** up to the date the notice expires; and
- 2.2 you have met all your obligations under this **agreement**; and
- 2.3 you send us the notice of your intention to end this **agreement** on the **break date** no less than 28 days in advance of the **break date**.
- 3 You can end this **agreement** by sending a notice to us and we can end the **agreement** by sending notice to you. Either of us can send this notice at any time in the **agreement period** but this **agreement** will not end until:
- [six] months after the date the notice is sent if you send the notice to us; or
 - [six] months after the date the notice is sent if we send the notice to you; and
- if you serve the notice, this **agreement** will not end unless:
- you pay all **rent** and other sums you have to pay us up to the date the agreement ends;
and
 - you have met all your obligations under this **agreement**.
- 4 On the **end date** you will still be liable for any obligations under this **agreement** that you have not carried out.
- 5 If you leave any of your belongings when you leave the **property**, we will ask you to remove them. If you do not remove them within seven days of us asking you to do so, or if, after trying, we cannot ask you to move them within 14 days after first trying, we can do the following.
- 5.1 We may, as your agent, sell these belongings and you will pay us reasonable expenses for removing, storing, selling and any other costs relating to those items. You must also compensate us for any liability we incur to any third party whose belongings we sell believing in good faith they were yours. We will assume any items left in the **property** belong to you.
- 5.2 If, having made reasonable efforts, we cannot find you, we will be entitled to keep any money raised by the sale absolutely, unless you claim the proceeds of sale within three months of the date you left the **property**. We will deduct any money due to us under paragraph 5.1 above and under any other term of this **agreement** before paying you the proceeds.
- 5.3 You must compensate us for any damage caused to the **property** by these belongings. You must also pay us for any actions, claims, proceedings, costs, expenses, and demands made against us because these belongings are at the **property**.
- 6 When the **agreement** ends you must return the **property** to us in a state and condition which meets with your obligations in this **agreement**.
- 7 If we ask you to, you must remove anything that is fixed to the **property** and repair any damage this causes.
- 8 **The inventory**
- 8.1 When this **agreement** ends, we will have the right to buy some or any items in the **inventory** (free of third-party rights or any bills of sale or other security over any items we want to buy). If we decide to exercise this right, we can serve a notice on you listing those items that we wish to buy ("the **selected items**") at any time before this **agreement** ends.

- 8.2 If, when this **agreement** ends, you owe us any sums under the terms of this **agreement** or in relation to any other accounts which you have with us we may offset the sums which you owe to us against the value of the **selected items**.
- 8.3 You and we will both try to agree the amount to be paid for the **selected items**. If we cannot agree, the valuation will be determined by a valuer. This will be someone who is experienced in such matters, who will be independent but who we will appoint. The valuer will act as an **expert** and we will each pay one half of their costs.
- 8.4 We will own the **selected items** as soon as this **agreement** ends.
- 8.5 We will also have the right, when this **agreement** ends, to buy some or all of your stock in trade (free of any third-party rights or any bills of sale or any other security granted over any items). If we decide to exercise this right we can serve a notice on you (listing items we want to buy), at any time before this **agreement** ends. We will try to agree with you the valuation of the items we want to buy. If we cannot agree, the value will be determined by a member of the Institute of Licensed Trade Stock Auditors (who will be independent but who we will appoint). We will each pay half of the auditor's fees.
- 9 Assignment of domain names, social networking pages, trademarks and websites**
- 9.1 Subject to paragraph 9.2 of this section on the **end date** you will assign to us absolutely and with full title guarantee all rights, including any and all intellectual property rights, existing in and to any **domain names, social networking pages, trademarks** and **websites** associated with the **business** and/or the **property** including:
- 9.1.1 all goodwill and any statutory and common law rights attaching to those **domain names, the social networking pages, trademarks** and the **websites**; and
- 9.1.2 the right (at our own cost) to bring, make, oppose, defend, appeal proceedings, claims or actions and obtain relief (and to retain any damages recovered) in respect of any infringement, or any other cause of action (including passing off) arising from ownership, of those **domain names, the social networking pages, trademarks** and **websites** whether occurring before, on or after the **end date**.
- 9.2 To the extent that any of the **domain names, social networking pages** and the **websites** referred to in paragraph 9.1 include third party content, databases or software code where the intellectual property rights are not owned by you (third party content), you hereby irrevocably assign to us with effect from the **end date** all your rights and licences to use the third party content, for the full duration of such rights, and will obtain the consent of all relevant licensors necessary for such assignment.
- 9.3 To the extent that the ability to access and/or control any of the domain names, **social networking pages, trademarks** and the **websites** referred to in paragraph 9.1 requires the use of a username and password you will on the **end date** notify us of the same and do all things necessary to enable us to change the username and password to ones of our choice. To the extent that those domain names, **social networking pages, trademarks** and the **websites** are associated with an e-mail address in your control or contact details associated with you, you will on the **end date** do all things necessary to change the e-mail address and/or those contact details to an e-mail address and/or contact details notified to you by us.
- 9.4 If the terms and conditions or acceptable use policies or equivalent binding obligations of any registrar, controller or operator of any of the domain names, **social networking pages** or the **websites** referred to in paragraph 9.1 prevent you from complying with any of the obligations referred to in paragraphs 9.1-9.3 you shall on our instruction (and in our sole discretion) either: (a) in the case of domain names and **websites**, redirect them to such domain name(s) as we notify to you; and (b) in the case of **social networking pages** and the **websites** remove any content from them and replace it with a statement or other information we provide to you.

10 Compensation

You are not entitled to any compensation on the **end date**, or at any other time, because of works you may have carried out at the **property** or because you have to leave the **property**.

11 Registration

When this **agreement** ends you must close any Land Registry title or cancel any other registration that relates to it. If you do not do this, you will pay to us all the costs we incur in doing so.

Section 9 - General conditions

1 Serving notice

You must send all notices to our Company Secretary, by first-class recorded delivery, at our registered office or any other address we tell you about in writing. We will serve all notices on you by first-class recorded delivery, at the address shown under the heading 'The meaning of words and phrases', or we may leave the notice at the **property**.

2 Experts

Where in this **agreement** there is reference to a person dealing with a dispute as an expert ("**the expert**"), then he or she will be independent and where **the expert** is a barrister, he or she will be a person both you and we agree on. If we cannot agree, either of us can apply to the President (or Vice President) of the Bar Council to nominate a barrister;

2.1 if **the expert** dies, or cannot continue to act for some other reason, we will agree a new expert and if we cannot, this clause will apply again; and

2.2 **the expert** will:

- allow both of us to make written representations to him;
- provide details to each of us about the other's representations and invite comments on them;
- decide who is to pay his costs; and
- give written reasons for his decision.

2.3 **the expert's** decision will be final and binding on us both.

3 Representations

This **agreement** sets out the whole of the agreement between us. You acknowledge that you have not entered into this **agreement** because of any statement or representation made by us or on our behalf. You also agree that you have entered into this **agreement** as a result of your own inspection of the **property** and your own evaluation of the opportunities presented by the **business**. You have relied entirely on your own judgment and the advice of your advisors.

4 Your rights and privileges

You are only entitled to the rights or privileges in this **agreement**. You have no 'implied rights'. Section 62 of the Law of Property Act 1925 will not apply to this **agreement**. We can develop and use any adjoining or nearby land in any way we want.

5 Releasing us from our liability

Both you and we and the **guarantor** agree that we will not be liable to you after we have disposed of our interest in the **property**. However, with the exception of a **group company**, this clause will not apply to anyone else who acquires our interest in the **property** or any part of it after we have disposed of it.

6 Getting our permission

If this **agreement** says you must get our permission before doing something, you must let us have any information we reasonably require to enable us to make a decision. If this **agreement** says that we will not unreasonably withhold permission, we will not be acting

unreasonably if (without excluding any other considerations) we withhold it because what you require permission for will or may harm any business carried out by us or occupiers of neighbouring property. Any consent we need to get from someone else must be obtained before we give our permission.

7 Third parties

No one, apart from you and us, is entitled to any rights which arise under this **agreement** under the Contracts (Rights of Third Parties) Act 1999 except that any rights that we might have shall pass to our successors in title without the need for us to expressly transfer those rights.

Section 10 – Purchasing obligations

1 General

- 1.1 In this section 'current price list' means the most recent price list of the drinks we offer to supply to you.
- 1.2 We can transfer our obligations under this section to someone else. We can also get someone else to perform those obligations for us.

2 Purchasing and paying for drinks

- 2.1 Subject to paragraph 3 of this section (**release of tie**), you will buy all drinks you require for selling on or from the **property** from us and you will not sell, offer for sale in the **property**, or bring onto the **property** for any purpose, any drink which we have not supplied.
- 2.2 You must not sell, offer for sale in any **related premises**, or bring onto any **related premises** for any purpose, any drink which we have supplied to you.
- 2.3 You must use the **IT equipment** to order all drinks you need for sale on or from the **property**.
- 2.4 You must not install or use in the **property** any equipment for:
 - dispensing beer or other drinks;
 - supplying carbon dioxide, nitrogen or other gas providing pressure for dispensing beer or other drinks; or
 - cooling any cellar or other place where you keep beer before serving it to the public;which we have not supplied, or someone on our behalf has not supplied, unless we have approved it.
- 2.5 You must not arrange for, or allow, the equipment listed in paragraph 2.4 above to be maintained by anyone other than us or someone nominated by us, unless we have approved that person. Whether we give, withhold or withdraw approval in each case will depend on the person offering the service meeting our terms and conditions for quality and health and safety.
- 2.6 During the **agreement period** we will do our best to supply, or arrange to supply, the quantities of drinks appearing on the current price list that you require and pay for. If, at any time, we cannot supply or make available to you any drink or any suitable alternative for a period of more than 14 days, you can apply to us to be released from any of your obligations under paragraph 2.1 of this section. If we do not send or make available to you any supplies within 14 days after your application, we will release you from those obligations but only until we are able to supply you again. The obligations will apply again on the date we can supply or make available any such drinks to you.
- 2.7 You must store and sell drinks in the same condition, strength and quality as they are when we supply them to you. And:
 - we can ask you to dispense drinks in any way that we require;
 - you must pay for all drinks and other goods we supply to you by direct debit, or in any other way we require. You must pay when we tell you, but if you are late making any payment, we can ask you to pay on a cash-with-order basis; and

- you will pay all money you owe us, on any account, in line with the terms and conditions that apply to it.
- 2.8 We can use any money we receive from you or any money which we owe you to pay all, or part of, any money you owe to us on any account. We can use the money however we think is appropriate, regardless of how you intended us to use it, and we do not have to consider how and when any liability you have to us arose. You will have no right at all to interfere with or prevent this.
- 2.9 We can ask you to stock, offer for sale and try to sell any drinks, whether or not they appear on the current price list. We can give you notice at any time during the **agreement period** that we require you to do this and may vary these requirements from time to time during the **agreement period**. You agree that from the **start date** you will stock, offer for sale and try to sell all drinks.
- 2.10 You will not keep drinks at the **property** which are not for sale or supply at the **property**.
- 2.11 If you need to ask us to supply drinks to you on a day which is not your usual scheduled delivery day or you do not accept or refuse a delivery or we have to re-deliver an order for drinks then we reserve the right to charge you for this.

3 Release of tie

- 3.1 Subject to paragraph 3.3 below, we agree that paragraph 2.1 of this section will not apply to the following drinks (as these are defined in our current price list);
- RTDs (which include FABs and PPSs);
 - wines (excluding any type of fruit based cider);
 - minerals; and
 - spirits.
- 3.2 In addition to the release in paragraph 3.1 we can send you a notice, at any time, releasing you from any or all of your obligations in paragraph 2 of this section.
- 3.3 If we sell the **property**, or are subject to a change of **control**, the new owner or person exercising **control** can serve a notice ending the **release of tie**. The notice must be served within six months of any sale or change of **control** occurring. The **release of tie** will end on the date of the notice.

4 Liquidated damages

- 4.1 Our demand for payment of **liquidated damages** and/or the payment of **liquidated damages** to us does not mean you are released from your continuing obligation to buy drinks from us in accordance with Section 10.
- 4.2 Where we are unable to agree with you the agreed estimate of the number of **composite barrels** purchased by you in breach of your obligations in Section 10 then our estimate (acting reasonably and in good faith and using if we so choose as the basis of our estimate any available dispense data/negative variance report) will be the agreed basis of calculation.

Section 11 - Equipment

1 General obligations

- 1.1. Subject to paragraph 1.2 of this section, you must not install any **equipment** at the **property**.
- 1.2 You agree that you will install any **equipment** (excluding **amusement machines** and **audio-visual equipment** that we consider necessary to promote the **business**).
- 1.3 We can ask you to remove **equipment** we have not given permission for. If you do not remove it, we can remove it and charge you the cost of removing and disposing of the **equipment**.

2 Equipment terms of installation

- 2.1 If we require you to install any **equipment** (excluding **amusement machines** and **audio-visual equipment**) then you must make sure that each item:
- 2.1.1 is the exact model and type we have agreed to or asked for;
- 2.1.2 is installed and kept only in the location we have agreed to or asked for;
- 2.1.3 is from a supplier we have agreed to or asked for (if this applies) and we can change the supplier from time to time during the **agreement period**;
- 2.1.4 is available for public use whenever the **property** (or the parts of the **property** where the equipment is situated) is open for trade;
- 2.1.5 is maintained, serviced or replaced according to our (or the supplier's) current instructions and only using the engineers or repairers the supplier recommends or we require (if this applies); and
- 2.1.6 is kept in working order (and, if it is not working properly, you must tell the supplier at once so that the equipment is repaired or replaced).
- 2.2 You must agree and keep to the supplier's operating terms for each item of **equipment**. All keys are to be kept by suppliers unless we agree otherwise.

3 Removing equipment

- 3.1 If we ask you to, you will immediately stop using all or any of the **equipment** which we are entitled to ask you to install and you will immediately remove it from public areas of the **property**.

Section 12 - The security deposit and guarantee

1 Security deposit - general

- 1.1 You agree to pay us the **security deposit** which is due from you in whole on the date of this **agreement**. In certain circumstances we may agree that the **security deposit** may be paid to us in instalments and if this is the case we will tell you in writing how many instalments there will be and when they must be paid.
- 1.2 You agree that the **security deposit** belongs to us and will be held in our name. We can use the **security deposit** to make sure you carry out your obligations under this **agreement**.
- 1.3 We will credit the **security deposit** with interest at 0.5% below the **base rate** every six months, or at a different rate or intervals determined by us. If you ask, we will provide you with a statement of the interest at the end of every year.

2 Using the security deposit

- 2.1 We can use some or all of the **security deposit** (and any interest) if you do not pay any **rent** or any other money due from you under this **agreement** or, if we incur any expense or loss because you do not keep to your obligations in this **agreement**.
- 2.2 If we use the **security deposit**, because you are unable to pay your debts (here meaning that any of the events mentioned in paragraphs 1.3, 1.4 and 1.5 of Section 8 occur), or because a trustee in bankruptcy or liquidator has disclaimed this **agreement**, or you are no longer liable under this **agreement** for some other reason:
- we can also use the **security deposit** to recover money that would have been owed to us under this **agreement**, had none of the events listed above occurred; and
 - any part of the **security deposit** which we use will not be treated as rent (to protect our right to re-enter the **property**) and none of our rights under this **agreement** will be affected.

3 Amount of security deposit

If we do use any of the **security deposit**, you must pay us a sum equivalent to the amount we use within seven days of being asked to do so. The terms of this section will apply to any amount paid to us under this paragraph.

4 Releasing the security deposit to you

As soon as possible, after the **end date** (except where paragraph 2.2 above applies) or within 30 days of you transferring the **property** with our agreement, we will repay the **security deposit** with interest to you, but we will be entitled to:

- 4.1 deduct any money owed to us or expense or loss we incur because you have not kept to your obligations in this **agreement**; and
- 4.2 keep the **security deposit** until we can accurately assess the amount due to us under paragraph 4.1 above.

5 Sale of our interest

If we sell our interest in the **property**, we will pay the **security deposit** to whoever buys it from us. They will continue to hold it on the terms of this section.

6 Guarantee

The **guarantor** agrees the following.

- 6.1 You will pay the **rent**, and all other sums due to us, and you will fulfil all your obligations in this agreement which relate to the **property** and the **guarantor** will indemnify us (make good), on demand, against all losses, damages, costs and expenses arising because you have not fulfilled these obligations.
- 6.2 If:
 - this **agreement** is disclaimed;
 - we end this **agreement** because you have broken a condition of it; or
 - we retake possession of the **property**;and we tell your **guarantor** in writing within six months, we can demand that your **guarantor** enters into a new agreement for the rest of the **agreement period**. The new agreement will take effect from the **end date** (but any outstanding matters under this **agreement** such as rent review, will be determined between us and the **guarantor**).
- 6.3 If we do not require the **guarantor** to enter into a new agreement, the **guarantor** must pay us (immediately we ask them), any money due but not paid under this **agreement** at the **end date** and for a further six months after the **end date** or until we have re-let the **property** if this is earlier. The **guarantor** must pay sums equal to our costs for re-letting or trying to re-let the **property** (together with interest on the costs at the **agreed rate** from the time we incur the costs, to the date when the **guarantor** pays them).
- 6.4 None of the following acts or omissions will release, or in any way affect, the liability for the **guarantor**:
 - 6.4.1 giving you more time to meet an obligation, or not requiring that you strictly fulfil an obligation;
 - 6.4.2 refusing to accept any money you, or someone on your behalf, offers us as rent when we are entitled (or would be entitled after serving a notice under section 146 of the Law of Property Act 1925) to re-enter the **property**;
 - 6.4.3 varying the terms of this agreement (subject to section 18 of the Landlord & Tenant (Covenants) Act 1995) agreed between you and us, whether or not the **guarantor** is a party to this agreement;
 - 6.4.4 transferring any interest we may have in the **property** or assigning (transferring) this **agreement** to someone else (except an assignment under which you, as the tenant, are released from liability under the Landlord & Tenant (Covenants) Act 1995);
 - 6.4.5 in the event that you (being a company) are wound up, or cease to exist, or (being an individual) die, or become incapable of managing your affairs;
 - 6.4.6 releasing one or more, but not all guarantors when the **guarantor** is more than one person;
 - 6.4.7 releasing you, or other joint tenants with you, but not all the joint tenants;
 - 6.4.8 changing the constitution, or powers of the **guarantor**, you or us;
 - 6.4.9 carrying out any act which is beyond your power; or
 - 6.4.10 surrendering part of the **property**.
- 6.5 The liability of your **guarantor** will not be affected if you (being a company):

- are wound up or cease to exist.
- Or, if you (being an individual):
- die (if you are a sole tenant); or
 - can no longer manage your affairs.
- 6.6 Between us and the **guarantor**, we will consider the **guarantor** is our principal debtor (the person who is responsible for paying us under this **agreement**).
- 6.7 The **guarantor** will not be entitled to share in the proceeds of any security held by us for your obligations, or receive any security instead of us.

Section 13 - Rights for the property and ownership

1 Rights and privileges that benefit the property

We let the **property** to you with the benefit of the following matters:

- 1.1 Apart from the matters set out in paragraph 3 of this section any matters referred to in the Property, Proprietorship or Charges Registers of the **property** at the Land Registry which benefit and affect the **property** and which remain enforceable.
- 1.2 The matters referred to in the **headlease**.
- 1.3 You are only entitled to the rights and privileges in this **agreement**. You have no 'implied rights'. Section 62 of the Law of Property Act 1925 will not apply to this **agreement**. We can develop and use any adjoining or nearby land in any way we want and you agree and accept that any right to light or restrictive covenant which the **property** may have the benefit of is excluded from the rights granted to you.

2 Matters affecting our ownership

We let the **property** to you subject to the following matters:

- 2.1 Any matters (apart from financial charges securing our indebtedness to a third party) referred to in the Property, Proprietorship or Charges Registers of the **property** at the Land Registry which affect our ownership of the **property** and which remain enforceable.
- 2.2 The matters referred to in the **headlease**.
- 2.3 Any matters affecting our ownership of the **property** including any interest which overrides a registered disposition which is set out in Schedule 3 and Section 90 of the Land Registration Act 2002 as amended by Schedule 12 of the Land Registration Act 2002 and the Land Registration Act (Transitional Provisions) (No2) Order 2003.
- 2.4 Any local land charges affecting the **property** and to any development plans schemes orders restrictions requirements resolutions and to all valid statutory notices which have been or may be passed made or given by any public or local authority whether before or after the date on the front of this **agreement**.
- 2.5 Subject to paragraph 2.1 of this section all liabilities rights of way support water drainage and other rights and all quasi-easements rights privileges which are presently or existing or capable of being enjoyed over or which benefit the **property** whether statutory or otherwise.
- 2.6 Any leases, licences tenancies or similar agreements which we have granted prior to (or which we may grant after) the date of this **agreement** to a third party in relation to the matters set out in paragraphs 7.2 and 7.4 of Section 5 of this **agreement**.

3 Rights we retain

- 3.1 We except and reserve the following right from the **agreement** for our benefit and for the benefit of any property adjacent to the **property** which we currently own or which we acquire an interest in during the **agreement period** ("**neighbouring property**").

Rights of light, air, support and protection in so far as those rights are able to be enjoyed at any time during the **agreement period**.

- The right to use and connect to any **service media**.
- The right at any time during the **agreement period** to develop all or any part of our **neighbouring property** in any way that we want to.

- A right of way over any unbuilt upon parts of the **property** for all purposes and at all times with or without vehicles in common with all others authorised by us in connection with the use and development of the **neighbouring property**.
- The right to erect scaffolding at the **property** and attach it to any building or structure on the **property** in connection with any of the rights we have reserved.
- The right to build on or into any boundary wall of the **property** in connection with any of the rights we have reserved.

Even though the exercise of any of these rights or the works carried out pursuant to them reduce the flow of light or air to the **property**.

3.2 You agree and accept that any right to light which benefits the **property** is expressly excluded from the rights granted by this **agreement**.

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