

UPDATED 28.09.2016

DATED _____ 20[]

YOUNG & CO.'S BREWERY, P.L.C. (1)

and

[Name of Tenant] (2)

[GUARANTOR] (3)

THREE YEAR TENANCY of
[details of property]



Young & Co.'s Brewery, P.L.C.
Riverside House
26 Osiers Road
Wandsworth
London
SW18 1NH

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Key Points of this Tenancy

Date of this tenancy	
Our details are ("we/us")	Young & Co.'s Brewery, P.L.C. incorporated in England and Wales with company number 00032762 and with its registered office at Riverside House, 26 Osiers Road, Wandsworth, London SW18 1NH.
Your details are ("you")	_____ [incorporated in England and Wales with company number _____ and with its registered office at] [of] _____.
Your Guarantor's details are	_____ [incorporated in England and Wales with company number _____ and with its registered office at] [of] _____.
Description of Property	[[<i>insert name and address of public house</i>] as edged red on the plan attached and registered at the Land Registry with title number [] and more fully described as the Property in clause 51.]
Rent and Rent Review	Your starting rent is £[] per annum and this is adjusted as follows: 1. Inflation Review - We will review your rent annually by reference to the Index on 1st April each year; and 2. Open Market Review - We will review your rent to the Open Market Rent on each Review Date and we may review your rent in the circumstances set out in clause 13. The Review Date will be each third anniversary of the Start Date and will be called a Triennial Review. Further details are set out in section 3.
Service Charge	You must pay the Service Charge referred to in clause 8.
Starting Deposit	Your Starting Deposit is £[]. Please refer to clause 6 for further detail.
Start Date	The Term of this tenancy will start on [].
Term	Three years starting on the Start Date and thereafter from Period to Period unless and until ended in accordance with the

	terms of either clause 44 or 45.
Period	Three years starting on the day after the expiry of the immediately preceding three year period.
End Date	[] or the same day in each third year thereafter (i.e. [], [], [] etc). <i>[Drafting note: insert in first square brackets the last day of the first 3 year Period and in the remaining square brackets insert the next 3 anniversaries of that date e.g. if the last day of the first year period is 31 May 2018, the next 3 termination dates will be 31 May 2021, 31 May 2024 and 31 May 2027]</i>
Repair	You must repair the interior of the Property and comply with your obligations in section 4.
Dealing with your tenancy	You may not sell, transfer or charge this Tenancy. You may not underlet the Property or share occupation except with your family and staff as described in clause 4.
Alterations	You may not make structural alterations to the Property. You may carry out non-structural alterations with our Consent if you comply with the conditions in clause 18.
Use	You may use the Property only as a public house for the permitted use as described in clause 33.
Insurance	We will insure the buildings in return for you paying the Insurance Rent. You must insure the contents and other items. Further detail is set out in section 5.
Purchase of Drinks	You must purchase all alcoholic drinks (including Beers, ciders, wines and spirits and flavoured alcoholic beverages) from us or our Nominated Supplier. If you breach this, we may charge you Liquidated Damages. You are not obliged to purchase non-alcoholic drinks from us. Please see section 7 for further details.
Amusement Machine Contribution	You may not bring amusement and vending machines onto the Property unless we give Consent. We may grant Consent subject to conditions, including the payment to us of a share of the net income. Please see further details in clause 31.

Please refer to clause 51 for further definitions.

Section 1
Your Occupation

- Letting
- Representations
- New Tenancy
- Restrictions on dealing with the Property



1 Letting

- 1.1 By entering into this Tenancy, we are letting the Property to you for the Term and will allow you to occupy the Property without any interruption subject to you performing your obligations under this Tenancy and paying to us the payments set out in clause 5.
- 1.2 This Tenancy is subject to our rights set out in section 8.

2 Representations

- 2.1 This Tenancy, the Appendix, Our Price List and any side letters that we have issued to you comprise the whole of this Tenancy. You acknowledge that you have not entered into this Tenancy in reliance on any statement, representation, warranty or confirmation of any nature in relation to the Property, Fixtures and Fittings, Trade Inventory or Business, except for written replies to enquiries given by our solicitors in response to formal enquiries raised by your solicitors. You confirm that you have taken professional advice before entering into this Tenancy and that you are relying on that advice and your own assessment of the Property and Business.
- 2.2 You do not have any claim against us in relation to any representation or statement made by us or our representatives before entering into this Tenancy, unless that representation or statement was made fraudulently.

3 New Tenancy

This Tenancy is a new tenancy under the Landlord and Tenant (Covenants) Act 1995.

4 Restrictions on Dealing with the Property

- 4.1 You must not transfer, sell, lease, charge, share occupation or possession of, or deal with the Property in any way.
- 4.2 You must not underlet the Property or part of it.
- 4.3 You must not allow anyone other than yourself and your family to occupy or share occupation with you of the Property, except that you may:
- (a) allow the Manager or staff to live in the residential parts of the Property as part of their employment in connection with the Business; and

(b) allow short stay overnight guests to stay in parts of the Property designated for bed and breakfast use if you have the necessary statutory consents to do so.

4.4 When we ask, you must provide to us full details of any person in occupation of the Property except for overnight guests referred to in clause 4.3(b) above and any information that we request about the terms of their occupation.

Section 2

What you have to pay

- Payments
- Deposit
- Outgoings
- Service Charge
- VAT
- Interest
- Acceptance of Rent and Application of Monies



5 Payments

5.1 You must pay to us the following:

- (a) the Rent monthly in advance;
- (b) the Insurance Rent quarterly in advance;
- (c) the Service Charge as set out in clause 8;
- (d) the Amusement Machine Contribution on demand;
- (e) all sums due either to us or our Nominated Supplier(s) for the supply of goods and drinks under Section 7;
- (f) our costs and expenses that we incur both internally and externally in relation to any application that you make for consent, any notice or schedule of dilapidations that we serve on you, or any action that we take in connection with a breach of your obligations; and
- (g) any VAT payable on the payments you make.

5.2 All payments must be made by direct debit or another method that we agree.

5.3 All sums payable to us under this Tenancy must be paid as rent and you must pay them without you making any set off, deductions or claims for any amounts that you believe we owe to you.

5.4 All payments for Tied Drinks are to be made by direct debit (or such other means of payment as we agree) upon supply. We reserve the right to demand payment prior to delivery if you are late in making payments on more than two occasions.

5.5 On completion of this Tenancy you must:

- (a) pay to us:
 - (i) Rent and VAT for the period from the Start Date to the last day of the calendar month;
 - (ii) Insurance Rent and Service Charge and VAT for the period from the Start Date to the last day of the quarter in which completion occurs; and
 - (iii) the Starting Deposit; and

(b) purchase the Trade Inventory as required under clause 30.

6 Deposit

6.1 You must maintain throughout the Term the Deposit at a level that is no less than the Starting Deposit.

6.2 We will hold the Deposit in an interest bearing account (the rate of interest to be at our reasonable discretion) as security for the performance of your obligations to us, and for any expenses and losses which we incur due to your breach. We will not be holding the Deposit on trust for you. The fact that we hold the Deposit or make a withdrawal from it will not prevent us from taking action against you for any breach of your obligations.

6.3 We may withdraw from the Deposit at any time:

(a) any sums due to us which are overdue for seven days; and

(b) the amount of any proper losses, costs or expenses we incur or payments we make due to a breach of any of your obligations

and you must then replenish the Deposit with an amount equal to the sum we have withdrawn.

6.4 We will add all interest to the account and will repay the Deposit and any interest accrued to you (subject to clause 6.5) within a reasonable period of time after you vacate the Property at the expiry of the Term having complied with the provisions of clause 46.

6.5 Before we refund the Deposit, we may deduct all sums that you owe under the terms of this Tenancy or any other agreement you have entered into with us (including any sums properly required to repair the Property due to your breach).

6.6 If we sell our interest in the Property subject to this Tenancy, we will pass the Deposit onto the new owner after deducting any sums that we are entitled to deduct under this Tenancy.

7 Outgoings

7.1 You must pay for all rates, taxes, outgoing and utilities ("**Outgoings**") in relation to the Property or the Business (except for taxes that we have to pay because of our dealings with our interest in the Property), or a fair proportion (decided by us) of the relevant Outgoings where the Property forms part of a larger property to

which the Outgoings relate.

7.2 You will allow us to conduct any proceedings relating to the rateable value of the Property.

8 Service Charge

8.1 You must pay to us on demand all costs that we reasonably incur in providing the Services to or at the Property. We will reasonably estimate the annual cost of providing the Services and will charge this to you quarterly in advance. At the end of each year we may charge you for any expenditure that we have incurred in providing the Services but have not recovered through the quarterly payments. We may demand that you pay any exceptional expenditure to us in advance of us incurring the costs.

8.2 We may use external contractors, agents and advisors in relation to the provision of the Services, and re-charge those costs to you. We will not be liable to you for any act, omission or negligence of any employee of external persons in providing the Services on our behalf.

8.3 We will provide reasonable evidence of expenditure if you request this, but only if you pay all of our administration costs in doing so.

9 VAT

9.1 All payments under this Tenancy are exclusive of VAT and you must pay any VAT payable at the time the payment is made.

9.2 Where you are obliged to reimburse any costs or expenditure that we incur under this Tenancy, you must pay the amount equal to any VAT on those costs or expenditure to the extent that we cannot recover that VAT.

10 Interest

You must pay Interest on any Rents or other sums owing to us not paid by seven days after the due date. Interest is payable from the due date until the date we receive payment and is to apply both before and after judgment.

11 Acceptance of Rent and Application of Monies

11.1 We may apply any monies that we receive from you towards any debt that you owe us even if you paid the monies to us for a different reason.

- 11.2 If we agree that you may defer any payment due to us, those sums will be assumed to be due on the deferred date for the purposes of the Landlord and Tenant (Covenants) Act 1995.
- 11.3 If we accept rent from another party, this does not imply that we have consented to a transfer of this Tenancy to that party.
- 11.4 If we accept any payments after you have committed a breach of your obligations to us, this does not imply that we have waived your liability in relation to that or any continued breach of your obligation.

Section 3

Rent Review

- Annual Indexation Review
- Open Market Review



12 Annual Indexation Review

12.1 On 1st April each year, we will adjust the Rent by the same percentage change as the percentage change (if any) in the Index over the twelve month period ending on 1st February in the year of the review. The Rent can go up or down. We will notify you in writing of any adjustment to the Rent.

13 Open Market Review

13.1

- (a) We will review your rent to the Open Market Rent on each Review Date. This type of review shall be referred to as a Triennial Review.
- (b) We may also review your rent to the Open Market Rent at any time in any of the following circumstances:
 - (i) if we serve a Release Notice on you under clause 40.1;
 - (ii) if under clause 40.2 we re-impose any of your obligations to purchase from us any products which we have previously released from the tie (in which case we will review your rent); or
 - (iii) if your obligations to purchase Drinks from us, or your obligations to pay the Amusement Machine Contribution, become unenforceable.

This type of review shall be referred to as an Interim Review.

13.2 If we wish to trigger a Triennial Review or an Interim Review, we will do so by serving a Review Notice on you containing our proposal for the Open Market Rent. We may serve a Review Notice as many times as the circumstances warrant.

13.3 Following us serving a Review Notice you and we must both make reasonable efforts to agree the Open Market Rent.

13.4

- (a) In the case of a Triennial Review where you will remain obliged to purchase any Drinks from us after the review, if you and we cannot agree the Open Market Rent within one calendar month after the Notice Date you may refer the review to be determined under PIRRS (whilst such scheme or equivalent scheme still exists) within two calendar months after the Notice Date.
- (b) In the case of an Interim Review or in the case of a Triennial Review where

either you have not referred the review to be determined under PIRRS under clause 13.4(a) or where you will not be obliged to purchase any Drinks from us after the review and if you and we cannot agree the Open Market Rent within one calendar month after the Notice Date:

- (i) either you or we may refer the matter to an Independent Expert (acting as an expert not an arbitrator) to determine the Open Market Rent in accordance with clause 13.5;
- (ii) if you and we cannot agree on the identity of an Independent Expert, we may ask the President to choose one to act jointly on our behalf;
- (iii) the Independent Expert must allow each of us to make reasonable written representations and one opportunity to comment on the other's representations and he must give reasons for his decision. His decision will be binding on us both. We will share his fees equally between us.

13.5 The Open Market Rent is to be the best rent that a willing tenant can reasonably be expected to pay to a willing landlord for the Property in the open market at the relevant Review Date (in the case of a Triennial Review) or the relevant Notice Date (in the case of an Interim Review) assuming:

- (a) that the Property is to be let with vacant possession for a three year periodic tenancy starting on the relevant Review Date (in the case of a Triennial Review) or the relevant Notice Date (in the case of an Interim Review), without the payment of a premium on the same terms as this Tenancy except for the amount of rent but including the rent review provisions, and taking account of your statutory rights to renew;
- (b) that both we and you have performed our obligations in this Tenancy (as varied by a release of tie or side letter);
- (c) that the Property is fully fitted out and equipped for the Permitted Use and the Business and that you hold all Licences and other permissions necessary to run the Business and that these Licences and other permissions are fully valid;
- (d) that the Business has been conducted at the Property by a good average tenant experienced in the licensed retail trade;

- (e) that any damage by an Insured Risk has been reinstated;
- (f) that the willing tenant can recover VAT;
- (g) that there is to be no reduction in rent to take account of any concessions available at that time in the marketplace on new lettings;
- (h) that, in the case of an Interim Review arising under clause 13.1(b)(i), you are no longer obliged to purchase the products from us that were released by the Release Notice that led to the relevant rent review;
- (i) that, in the case of an Interim Review under clause 13.1(b)(ii), you are obliged to purchase the products that we have re-imposed under clause 40.2 as part of your purchasing obligations; and
- (j) that, in the case of an Interim Review arising under clause 13.1(b)(iii), any of your obligations which have been deemed unenforceable shall be treated as having been deleted from this Tenancy;

but disregarding:

- (k) any effect on the rent due to your occupation of the Property;
- (l) any conditions on or reduction in the activities permitted by the Premises Licence that have been imposed due to your default;
- (m) any effect of any improvements that you have carried out with our Consent to the Property unless you were required by law, or as part of your obligations to us, to carry out these improvements; and
- (n) any income that you receive from any of the Amusement Machines.

13.6 This clause 13.6 does not apply where you have referred the review for determination under PIRRS under clause 13.4(a). If the Open Market Rent has not been agreed or determined within three calendar months of the Notice Date, we can choose to require that any Independent Expert yet to be appointed shall act as an arbitrator and any Independent Expert previously appointed ceases to act as an independent expert and acts as an arbitrator instead (if suitably qualified), or we may terminate the appointment and refer the matter to a qualified arbitrator experienced in valuing public houses who will act in accordance with the Arbitration Act 1996 and he will decide who will be responsible for his fees and his decision will be binding on both you and us.

13.7

- (a) In the remainder of this clause 13 the new rent to be payable following the rent review is referred to as the “**Revised Rent**”, and the rent payable on the date immediately preceding the relevant Review Date (in the case of a Triennial Review) or the Relevant Notice Date (in the case of an Interim Review) is referred to as the “**Current Rent**”.
- (b) In the case of an Interim Review arising under clauses 13.1(b)(i) or 13.1(b)(iii) the Revised Rent will be the higher of the Open Market Rent and the Current Rent.
- (c) In the case of an Interim Review arising under clause 13.1(b)(ii), if the Rent has previously been increased due to a review under clause 13.1(b)(i) and we are re-imposing your purchasing obligations in relation to those same (or similar) products, the Revised Rent may be higher or lower than the Current Rent but it will not be less than the Rent that was payable immediately prior to the relevant previous rent review under clause 13.1(b)(i) which was implemented as a result of the release from your purchasing obligations of that same.
- (d) In the case of a Triennial Review, the Revised Rent may be higher or lower than the Current Rent.

13.8

- (a) In the case of a Triennial Review, you must pay the Revised Rent from the relevant Review Date.
- (b) In the case of an Interim Review, you must pay the Revised Rent from the relevant Notice Date.
- (c) If you and we have not agreed the Revised Rent by the Notice Date (in the case of an Interim Review) or by the Review Date (in the case of a Triennial Review), you must continue to pay the Current Rent until the Revised Rent has been agreed or determined when you must start paying the Revised Rent and:
 - (i) if the Revised Rent is higher than the Current Rent you must pay to us on demand the difference between the Current Rent and the Revised Rent (plus interest at Base Rate) for the period from the Notice Date

or Review Date (as relevant) to the date of agreement or determination of the Revised Rent or;

- (ii) if the Revised Rent is lower than the Current Rent we will credit against your next rent payment the difference between the Current Rent and the Revised Rent (plus interest at Base Rate) for the period from the Notice Date or Review Date (as relevant) to the date of agreement or determination of the Revised Rent.

13.9 When the new Revised Rent is determined you and we will both sign a rent review memorandum reflecting this.

13.10 We may choose to extend the timetables imposed by this Section.

13.11 An Interim Review or a Triennial Review will not prevent us from carrying out annual indexation reviews under clause 12 in the same year.

Section 4

Looking after your Property

- Repairs
- Remedying Breach
- Services
- Decoration and Cleaning
- Alterations
- Carrying out works
- Our Obligations



14 Repairs

- 14.1 You must maintain the interior of the Property in good condition at all times and repair any damage you cause to the Property. You must also carry out the repairs and maintenance listed in the Repair and Maintenance Guide. You are not obliged to repair any items included in the Services listed in clause 16. You are not obliged to repair any want of repair existing at the Property at the date of this Tenancy.
- 14.2 You are not responsible for repairing the Main Structure unless you have caused the damage in which case you must repair the damage that you have caused.
- 14.3 If you believe that any repairs are required to the Main Structure, you must inform us immediately, giving details of the repairs required.
- 14.4 You are not liable to repair any damage caused by an Insured Risk unless you have caused or contributed to that damage due to a breach of your obligations, or due to your negligence, or if your actions have (in whole or in part) caused the payment of insurance proceeds to be refused.
- 14.5 You must replace any broken glass as soon as possible.
- 14.6 You must keep the Fixtures and Fittings in good repair and in working order.
- 14.7 You must keep all access ways, car parks, gardens, play areas or other open areas clean and tidy and free from weeds and safe for public access and use.
- 14.8 You must keep all Pipes, toilets and sanitary equipment free flowing, install grease traps where appropriate and must take reasonable steps to prevent blockage and damage. You must also install and maintain fume extraction hoods where required to manage fumes and replace filters regularly.
- 14.9 If you and we have a dispute in relation to your repairing obligations, either during the Term or at the end of the Term, either of you or we may refer the matter to an Independent Expert. The Independent Expert will act in the same way as set out in clause 13.4(b).

15 Remedying Breach

- 15.1 If you do not comply with your repair and decoration obligations to us then in addition to any other rights we may have:
- (a) we may serve a notice on you specifying the breach; and

- (b) when you receive that notice, you must carry out all necessary works to remedy the breach within two months (or sooner if it is urgent) and if you do not do so, we may enter the Property to carry out the works and you must pay to us on demand (with Interest) all costs that we incur as a debt.

16 Services

16.1 Subject to receiving the Service Charge payments, we will carry out the following services when we believe they are reasonably needed to enable you to continue to run the Business from the Property:

- (a) testing, servicing and certification of gas boilers, gas water heaters (including gas cooking appliances and gas safety checks on pipework) and electrical installations; and
- (b) an annual inspection of any cellar cooling equipment, cellar hoists and lifts.

17 Decoration and Cleaning

17.1 You must decorate the interior of the Property as often as we reasonably require and in the last twelve months of the Term (unless the Property has been decorated in the previous six month period).

17.2 You must obtain our Consent (which we will not unreasonably withhold or delay) to any change of colour scheme or decorative finish.

17.3 You must keep the interior and exterior of the Property and any gardens, car parks, play areas, access ways or other open areas in a clean and tidy condition and dispose of rubbish daily in an appropriate manner.

17.4 You must ensure that all areas of the Property used in the preparation, service and storage of food and drink comply with all health and safety and food safety legislation.

17.5 You must clean all windows at least monthly.

18 Alterations

18.1 You must not carry out any structural alterations to the Property, erect any new buildings or structures or demolish any existing structures or buildings.

18.2 You may carry out non-structural alterations with our Consent which we will not unreasonably withhold or delay as long as, in our reasonable opinion, the proposed

alterations are likely to enhance the Business or Property and can be completed within the Term then remaining.

18.3 When you apply for our Consent for alterations, you must provide detailed plans and specifications showing the proposed works and an estimate of costs and confirmation of the valuation of the proposed works for insurance purposes.

18.4 If we give you Consent, you must then apply for all necessary consents required under the Licensing Act 2003 and any planning or other statutes, and before starting the alterations you must provide us with copies of these consents for us to approve.

19 Carrying out works

19.1 When carrying out any repairs, works or decoration to the Property, you must:

- (a) carry out the works in a good and workmanlike manner, using good quality materials and as quickly as practicable;
- (b) comply with all necessary planning and licensing regulations and any other relevant statutory requirements;
- (c) comply with any reasonable conditions that we impose and you must complete the works to our reasonable satisfaction; and
- (d) comply with the requirements of our insurers.

19.2 If we ask you to do so, at the end of this Tenancy you must at your own cost reinstate all alterations or additions made to the Property at any time during the Term or during the period of any agreement for tenancy relating to this Tenancy.

19.3 You must not apply for or implement a planning permission without our permission and if the planning permission is implemented you must complete the works and comply with all conditions as quickly as practicable and before the end of the Term.

20 Our Obligations

20.1 If:

- (a) we believe that an item of disrepair is materially interfering with your ability to operate the Business from the Property;
- (b) the repairs are required to prevent further damage to the Property; and

(c) you notify us promptly of the need for the repair,

we will repair the Main Structure to the extent that we believe it is necessary.

20.2 We will not be responsible for damage due to your negligence or your failure to perform your obligations under this Tenancy.

Section 5

Insurance

- What we must do
- What you must do
- Suspension of Rent
- Termination Following Damage



21 What we must do

- 21.1 We will insure the Property (except for any fixed glass) at competitive rates (taking into account the policy terms) for the sum which is our reasonable opinion of the Property's full reinstatement value, against the Insured Risks, to the extent that this insurance is usually available for properties such as the Property, subject to any exclusions and limitations which are usual in the UK insurance market. We will not be obliged to maintain insurance if the policy becomes ineffective due to a breach of your obligations.
- 21.2 If the Property is damaged by any of the Insured Risks then, as soon as all necessary labour, materials and permissions are available (which we will use reasonable endeavours to obtain), we will spend the insurance proceeds that we receive (except those relating to loss of rent) in reinstating the Property in a form (if practicable) that is reasonably equivalent to that existing before the damage (but we will not be obliged to provide an identical replacement). If the insurance proceeds or part of them are withheld due (partly or wholly) to your default, we will not be obliged to commence reinstatement until you comply with clause 22.5.
- 21.3 Any proceeds of insurance received under a policy effected by us under this Tenancy, or any amounts that you pay to us under your insurance policies, belong to us absolutely.
- 21.4 If you ask in writing, we will provide a summary of the terms of our policy relating to the Property (but not more than once a year).

22 What you must do

- 22.1 You must insure for the sum which is our reasonable opinion of the full reinstatement value the following items:
- (a) the Trade Inventory and any chattels fixtures and fittings and personal items acquired by you during the Term and held at the Property;
 - (b) any fixed glass at the Property;
 - (c) all trading stock and glassware at the Property;
 - (d) cash in any Amusement Machines;
 - (e) loss of Licences;
 - (f) public third party property owner's and employer's liability; and

(g) the effect on the Business of loss of profit

against the risks that we require on the usual commercial terms with a reputable insurer, and you must note our interest on all of the insurance policies. You must provide us, when we ask, with evidence that you have done this, and if you do not we may effect these insurances on your behalf and charge the cost to you.

22.2 You must tell us straight away if something happens which may lead to a claim under any of our or your insurance policies relating to the Property or Business. You must spend any proceeds of insurance that you receive under the policies that you have taken out in relation to the Property or Business in repairing or replacing the items damaged. If the insurance proceeds are insufficient, you must make up any shortfall yourself.

22.3 You must comply with the conditions and recommendations made by our insurers.

22.4 You must not take any insurance policy out in relation to the Property or the Licences which could prejudice our policies.

22.5 If any insurance proceeds are withheld because you have breached your obligations to us, you must pay to us on demand an amount equal to the sum withheld.

23 Suspension of Rent

23.1 If the Property is damaged or destroyed by any of the Insured Risks so that it is not fit for the Permitted Use then (unless the insurance proceeds for loss of rent are withheld due to a breach of your obligations) the Rent (or a fair proportion of it if there is only damage to part of the Property) will not be payable from the date of the damage until the earlier of:

- (a) the Property being reinstated;
- (b) the end of this Tenancy; or
- (c) three years following the date of the damage.

24 Termination Following Damage

24.1 If the Property is not fit for the Permitted Use within one year after the damage or destruction referred to in clause 23.1 has occurred, either you or we may determine this Tenancy by serving written notice on the other at any time until the Property is fit again for the Permitted Use.

24.2 If the Property is destroyed or so badly damaged that we reasonably believe that the damage cannot be repaired before the End Date we may bring this Tenancy to an end at any time following the date of the damage or destruction by giving you one month's written notice.

24.3 Any dispute under clauses 24.1 and 24.2 shall be determined by an arbitrator under clause 55.

Section 6

Operating the Business

- Business Obligations
- Maintenance of Stock
- Accounting Information
- Signs
- Licences
- Trade Inventory
- Amusement Machines
- Employees
- Use of Property
- Legal obligations
- Reimbursing us



25 Business Obligations

- 25.1 You must conduct the Business from the Property for the minimum of the Trading Hours each day (unless we give you Consent to reduce these hours).
- 25.2 You must either supervise and manage the Business personally or ensure that it is supervised and managed by a suitably qualified and experienced manager who is a Personal Licence holder and whom we have approved (“the Manager”).
- 25.3 You or the Manager must live in the residential accommodation at the Property (if any) unless we agree to the contrary.
- 25.4 You must not be employed or be connected with the running of any business from the Property other than the Business unless you have our Consent.
- 25.5 You must conduct the Business in an efficient, orderly and polite manner, in compliance with all relevant Legal Obligations and in accordance with government guidelines, and in such a way as to promote and develop the Business and to protect the Licences.
- 25.6 You must promote the concept of responsible drinking and support any national or local initiatives aimed at achieving this and you must comply with our recommendations in this respect.
- 25.7 You must ensure that you and all your staff are at all times sufficiently trained to run the Business effectively and to perform your duties.

26 Maintenance of Stock

- 26.1 You must keep the cellar in a condition suitable for the storage of wet and dry products and comply with good practice in relation to the storage of goods and drinks in the cellar.
- 26.2 You must keep an adequate stock of food and drink and non-alcoholic beverages to meet the reasonable demands of the customers of the Business.
- 26.3 You must ensure that all food sold is fresh and prepared and served in a hygienic manner and that all drinks products sold are of the same quality as supplied to you and not diluted or tampered with.
- 26.4 You must not tamper with or bypass any Dispense Monitoring Equipment or interfere with any drinks dispensing equipment.

26.5 If the Dispense Monitoring Equipment is tampered with or damaged you will be liable for any costs in connection with its repair or replacement.

27 Accounting Information

27.1 You must supply to us when we ask at any time during the first year of the Term:

- (a) a copy of your trading accounts;
- (b) reasonable evidence of turnover; and
- (c) stock purchase information and sales records.

27.2 You must provide us with a copy of each quarterly VAT return for the Business within one month of the date of submission required by HM Revenue & Customs.

27.3 You must appoint and use a reputable accounting firm to provide regular business advice and book keeping services.

28 Signs

28.1 You must display outside of the public house on the Property, and maintain in a good and clean condition, a sign in a form that we approve, acting reasonably, showing the name of the public house and our branded logo in a sufficient size so as to be properly visible. You must not put up any other signs or banners on the exterior of the Property or change the signs without our Consent, except for those required by law.

28.2 You must display on the Property any signs required by law.

28.3 You must not change the name of the public house without our Consent.

29 Licences

29.1 We will obtain and maintain in our name throughout the Term a Premises Licence in relation to the Property and supply to you a certified copy of the Premises Licence for retention at the Property and a certified copy of the summary of the Premises Licence which you must display prominently in the Property. We will also supply you with a Section 57 Notice authorising you to safeguard the certified copies and which you must also display prominently in the Property. You must at your own cost obtain and keep any other Licences required to enable the Business to be lawfully conducted from the Property.

29.2 You must at all times comply (and ensure that your staff comply) with the

conditions to all Licences and the provisions of the Licensing Act 2003. You must not do anything or permit anything to be done which may put any of the Licences in jeopardy. You must tell us immediately if at any time any of the Licences are in jeopardy, are suspended or revoked.

- 29.3 You must also ensure that any Licensable Activity at the Property is only carried out or authorised by the holder of a Personal Licence.
- 29.4 You must hold a Personal Licence at all times and be named as the Designated Premises Supervisor on the Premises Licence, unless you are a company or have obtained our Consent in which case the Manager should be named as Designated Premises Supervisor and clause 29.5 shall apply.
- 29.5 If the Designated Premises Supervisor (or any replacement) is someone other than yourself, you must:
- (a) provide us with his name, address and any convictions for relevant offences (as defined in the Licensing Act 2003);
 - (b) ensure that he holds a Personal Licence and is suitably experienced and trained to supervise the Business and that he performs his duties required under the Licensing Act 2003;
 - (c) obtain our approval (which we will not unreasonably withhold) before his appointment except where an immediate application is required to replace the Designated Premises Supervisor to enable the Property to continue to trade in which case you must obtain our Consent as soon as possible after his appointment; and
 - (d) if the Designated Premises Supervisor leaves the Business or has his Personal Licence revoked or suspended, you must tell us immediately and take all necessary steps to protect the Premises Licence and replace the Designated Premises Supervisor immediately.
- 29.6 You must inform us immediately if you become aware of any notice or complaint from the police, the Licensing Authority, a Responsible Authority or any third party including a local resident or local business which may adversely affect the Property, the Business or the Licences. You must take all reasonable steps that we ask to rectify the problem, including attending any meeting with the police, the Licensing Authority or any other Responsible Authority or any third party either at the Property or at another venue and you must carry out any reasonable requests made

by any of those parties or made by us in order to safeguard the Licences.

30 Trade Inventory

- 30.1 You must equip the Property with a suitable Trade Inventory as is needed to enhance the Business and must provide additional items as necessary throughout the Term.
- 30.2 On the date of this Tenancy, you must purchase the existing Trade Inventory (either from us or the previous occupier as appropriate) for the Inventory Value calculated as at the date of this Tenancy. If you purchase the Trade Inventory from us, we will still own it until you pay for it in full.
- 30.3 You must keep the Trade Inventory in a good and clean condition and repair and replace any damaged, worn out, lost or outdated items as appropriate. You must test all portable appliances each year and produce the test certificates to us.
- 30.4 You must not charge or grant any bill of sale or other security over the Trade Inventory.
- 30.5 When you vacate the Property at the end of the Term, you must sell the Trade Inventory to us (or someone else that we nominate) at the Inventory Value calculated as at the end of the Term.
- 30.6 If you are in breach of your obligations to us, we may at any time decide to purchase the Trade Inventory at the Inventory Value calculated at that time, but we may deduct any debt due to us or losses that we have incurred due to your breach before we pay any remaining balance of the price to you. You must reimburse us with any costs, losses or expenses that we incur if any third party claims against us in relation to any Trade Inventory items. Following our purchase of the Trade Inventory from you, we will own the Trade Inventory but may demand that you buy it back from us within seven days at the price that we paid or the Inventory Value at that time, whichever is the higher. If we take this action, we will still be able to take action against you for a breach of your obligations.

31 Amusement Machines

- 31.1 You must not bring onto the Property or operate or remove any Amusement Machines without our Consent (which will be within our absolute discretion) or without obtaining all necessary Licences.
- 31.2 If we provide Consent, it may be on such reasonable conditions as we wish to

impose including the payment to us of the Amusement Machine Contribution.

31.3 You must not use any Amusement Machine for the purpose of advertising without our Consent.

32 Employees

32.1 You are responsible for the employment of any staff at the Property and for all wages, PAYE, national insurance contributions, pension payments, bonuses, costs, expenses and other payments for your staff.

32.2 You must comply with all statutory requirements and codes of conduct in relation to your staff.

32.3 You must fully indemnify us in relation to any claims we may suffer from any members of your staff (either during or after expiry of this Tenancy) due to your failure to comply with your obligations to them.

32.4 If we ask, you must provide us with copies of the employment contracts that you have issued to your employees.

33 Use of Property

33.1 You must only use the Property for the Permitted Use.

33.2 You must not use the Property (or permit it to be used):

(a) for any illegal, immoral or offensive purpose or for any purpose which may become a nuisance or annoyance to us or any third party;

(b) for any purpose which may prejudice the Licences;

(c) for any purpose which may be in breach of planning, licensing or other statutory requirements; or

(d) for any purpose which may overload the structure of the Property or which may damage the Pipes.

33.3 You must only use the car park for customer and staff parking for the Business or the parking of your domestic personal vehicles (but not for caravans or anything equivalent).

33.4 You may not locate on the Property any trading or market stalls (portable or fixed).

34 Legal Obligations

- 34.1 You must comply with all Legal Obligations affecting the Property and Business.
- 34.2 Within seven days of receipt you must give us a copy of any legal notice served upon you relating to the Property or the Business and, if we ask you to do so, you will join with us in making such objections or representations as we may reasonably require.
- 34.3 You must produce a fire risk assessment in relation to the Property and update it regularly, and you must comply with any recommendations contained in the assessment.
- 34.4 You must not do anything which could cause any pollution or contamination of the Property or nearby land or water and you must apply for any permission required for any discharge into the ground, atmosphere or any watercourse from the Property.
- 34.5 We do not guarantee to you that the Property may lawfully be used for the Permitted Use or the Business and it is your responsibility to obtain all necessary legal consents and Licences.

35 Reimbursing us

You agree to reimburse us for any costs, losses, expenses or claims that we incur due to you not performing your obligations to us, or your use and occupation of the Property, or your negligence (or the negligence of your staff or visitors) or due to the condition of the Property being in breach of the terms of this Tenancy.

Section 7

Purchasing Obligations

- The Tie
- Purchase and Stocking of Drinks
- Our Supply Obligations
- Damages
- Release of the Tie



36 The Tie

- 36.1 This Tenancy contains obligations upon you to buy goods exclusively from us or our Nominated Supplier. These obligations are intended to comply with Article 81 of the Treaty of Rome granted by EEC Regulation 2790/99.
- 36.2 You and we agree that these obligations are fair and lawful and that the Rent has been set having regard to these purchasing obligations and is therefore lower than you would reasonably be expected to pay if you were not obliged to purchase the Tied Drinks from us.

37 Purchase and Stocking of Drinks

- 37.1 You must purchase from us (or, when we ask, from our Nominated Supplier) all Tied Drinks that you wish to sell or supply from the Property, or otherwise as part of the Business.
- 37.2 You must not bring onto the Property without our Consent (which will be within our total discretion) any Tied Drinks not purchased from us or our Nominated Supplier.
- 37.3 You must pay us for all goods supplied by us (or our Nominated Supplier where goods are supplied by it) in accordance with our then current standard terms of business (which we will notify to you from time to time) and at the prices in Our Price List.
- 37.4 To the extent that you sell Draught Ale:
- (a) a minimum of 75% (by volume) of the Draught Ale supplied or sold from the Property (or otherwise as part of the Business) must be brewed by or on behalf of Wells & Young's Brewing Company Limited (or such other brewer or brewers as we decide); and
 - (b) of the 75% referred to in sub-clause (a) above, two of the hand pumps on the bar must be dedicated to Young's Draughts.

38 Our Supply Obligations

- 38.1 We will use reasonable endeavours to supply or procure the supply of Tied Drinks in the quantities that you reasonably require for the Business.
- 38.2 If we are unable to supply you with any Tied Drinks for ten consecutive working days and the lack of supply is prejudicing the Business then, when we receive your written application, we will temporarily release you from your obligation to

purchase those products from us until we notify you that we are able to supply (or procure the supply) of those products again. We do not need to provide this release if we have withheld these products from you because you have not performed your obligations to us.

39 Damages

If you breach your purchase obligations contained in clause 37 you must pay to us on demand as additional rent the Liquidated Damages for each Composite Barrel which you have bought or received in breach of your obligations. You and we agree that this is a genuine pre-estimate of our loss attributable to your breach. Your payment of the Liquidated Damages does not mean that you are released from any of your obligations to us under this Tenancy.

40 Release of the Tie

40.1 We may at any time decide to release you (in whole or in part) from your obligation to purchase Tied Drinks by serving a Release Notice on you. If you receive a Release Notice from us, you will not be obliged to purchase from us the products identified in that notice but you will remain liable to purchase all other Tied Drinks from us.

40.2 We may decide to re-impose your purchasing obligations in relation to any of the previously released products at any time by giving you ten working days' notice and from the expiry of the notice you will be obliged to purchase those products from us again. If we do this, and we have previously increased your rent under clause 13.1(b)(i) as a consequence of the previous release of that same product from your purchase obligations, we will review your rent again to the Open Market Rent as set out in clause 13.1(b)(ii).

Section 8

Our Rights

- Our Access to the Property
- Our Reserved Rights
- Telecom Equipment



41 Our Access to the Property

41.1 You must give us (or our Nominated Supplier) and anyone we authorise access to the Property for any or all of the following reasons:

- (a) to inspect the condition of the Property, Fixtures and Fittings and Trade Inventory and to prepare schedules of dilapidations or schedules for valuation or rent review;
- (b) to inspect the cellar and the stock and to take samples;
- (c) to inspect the papers, records, management accounts, books and VAT returns of the Business that you are required to disclose to us;
- (d) to comply with our Legal Obligations;
- (e) to check that you are performing your obligations, and to remedy any breaches of your obligations (at our discretion);
- (f) to carry out the Services and to perform our obligations under this Tenancy and to carry out (in our sole discretion and this shall not be interpreted as an obligation on our part) any external repairs or decoration to the Property which you are not obliged to carry out under the terms of this Tenancy;
- (g) to inspect any property nearby and carry out works to it;
- (h) to install, maintain, repair, replace and deal with any of the equipment referred to in clause 42.1(e) and to exercise any of our rights reserved in clause 42; or
- (i) in the last 12 months of the Term (in the case of a re-letting), or at any time in the case of a sale of our interest in the Property, to view the Property and to display a sale or letting board.

41.2 We will give you reasonable prior notice of our access, and our access will be while the Property is open for business unless:

- (a) it is an emergency situation; or
- (b) we have reasonable grounds to suspect that you are in breach of your obligations

in which case we may break and enter if necessary.

41.3 When accessing the Property, we will take all reasonable care not to cause any damage to the Property and we will repair any damage that we cause to the Property in entering unless such entry was required as a result of your breach of obligation.

42 Our Reserved Rights

42.1 We reserve the following rights over the Property for our benefit and the benefit of our successors in title, any mortgagee, the superior landlord (if any), or any other parties authorised by us:

- (a) we may enter the Property for all the purposes mentioned in clause 41;
- (b) we may erect and retain on or in the Property any advertisements, hoardings, signs or notices and retain any income arising out of them;
- (c) we may use any Amusement Machine on the Property for the purpose of advertising and retain any income from such advertising;
- (d) we may use or pass along any fire escapes within the Property benefiting any nearby property;
- (e) we may install, operate, inspect, maintain, replace, substitute and upgrade any drinks dispensing equipment, Telecom Equipment and Dispense Monitoring Equipment and associated cables and equipment, and we may connect into and use your electricity supply at your cost for these purposes. We also reserve all rights of entry and access with or without vehicles, plant, equipment, tools, appliances, scaffolding and materials for us and any Telecom Operator or the provider of the Dispense Monitoring Equipment or drinks dispensing equipment and their respective employees, agents and contractors which are required for the exercise of the rights reserved in this sub-clause 42.1(e);
- (f) we may use the Property to provide support and protection to any nearby property, and we reserve all rights of light and air over the Property;
- (g) we may give a third party rights over the Property provided that the grant of those rights does not materially prejudice your use and occupation of the Property for the Business;
- (h) we may carry out works to alter the layout of or rebuild any nearby property and use it for any purpose and grant permission to others to do so, even if

this affects the access of light and air to the Property;

- (i) we may connect into any Pipes or install new Pipes for the benefit of any nearby property; and
- (j) you are not entitled to any implied rights and s.62 Law of Property Act 1925 is excluded.

43 Telecom Equipment

You must enter into any agreements that we ask to allow the use of the Telecom Equipment by a Telecom Operator even if it interferes with your rights, provided that we will not require you to enter into any agreement which will substantially adversely affect the Business or your occupation of the Property.

Section 9

Ending this Tenancy

- Your right to end the Tenancy
- Our right to end the Tenancy
- What you have to do at the end of the Tenancy
- No Compensation



44 Your right to end the Tenancy

44.1 You may end this Tenancy by giving to us no more than twelve months' nor less than six months' written notice expiring on an End Date.

45 Our right to end the Tenancy

45.1 We may end this Tenancy by giving to you no more than twelve months' nor less than six months' written notice expiring on an End Date.

45.2 We may also end this Tenancy by re-entry or proceedings if:

- (a) you do not pay the whole or any parts of the Rents within seven days of them becoming due (even if not formally demanded);
- (b) you and your Guarantor (if any) do not comply with any of your obligations;
- (c) you become Insolvent;
- (d) if the Premises Licence is suspended or revoked or a closure order is issued or you are disqualified from holding any Licences, are convicted of any relevant offences (as defined in the Licensing Act 2003), or you prejudice the continuance of any of the Licences;
- (e) you are in breach of any additional grounds for re-entry contained in any Superior Lease;
- (f) you (or any one of you) reaches the age of 65 years;
- (g) you (or any one of you) or if you are a company a shareholder who has a controlling interest in the company dies; or
- (h) there is a Change in Control of your company without our Consent.

46 What you have to do at the end of the Tenancy

46.1 At the end of this Tenancy you must:

- (a) vacate the Property and leave it free from any charges and in a state of repair and decoration that is in accordance with your obligations under this Tenancy with the Trade Inventory on site and in good condition and free of charges;
- (b) reinstate any alterations that we have requested you to reinstate (repairing

any damage caused);

- (c) ensure that all Rents and any other payments due to us or any third party are paid up to date;
- (d) deliver to us the original signed tenancy; and
- (e) remove any registration at the Land Registry in relation to this Tenancy.

46.2 If you do not comply with these obligations, you must pay us any costs and expenses we incur in performing the obligations for you and we may deduct these costs and expenses (or a proportion of them) from the Deposit.

46.3 The end of the Tenancy will not prevent you or us making any claims against each other in relation to any breach of obligation in this Tenancy.

47 **No Compensation**

47.1 You will not be entitled to any compensation under any statute at the end of this Tenancy in relation to any improvements that you may have carried out to the Property.

Section 10

Guarantee Obligations

- Guarantor's Obligations
- Extent of Guarantor's Liability
- New Leases



48 Guarantor's Obligations

48.1 Your Guarantor agrees that if you do not fully perform your obligations to us during the Term, your Guarantor will when we ask:

- (a) pay to us any monies that you have failed to pay;
- (b) perform the obligations which you have failed to perform; and
- (c) reimburse to us any losses, damages and expenses that we have suffered due to your breach.

48.2 Your Guarantor must notify us if it becomes aware that you are experiencing financial difficulties which may prejudice the Business and it must notify us immediately if it becomes aware at any time that you are Insolvent.

49 Extent of Guarantor's Liability

49.1 Your Guarantor accepts liability under this Tenancy as if it were the tenant, so that we do not have to take any action against you before we ask your Guarantor to rectify the problem.

49.2 Your Guarantor's liability will not be reduced if:

- (a) we choose to give you extra time to perform your obligations or we waive any of your obligations;
- (b) we refuse to accept payments from you where we reasonably believe that you are in breach of your obligations and we are entitled to end this Tenancy;
- (c) you become Insolvent;
- (d) we transfer our interest in the Property to someone else;
- (e) we agree a variation to the Tenancy, but if the variation leads to your obligations being more onerous your Guarantor will only be liable for those additional liabilities if your Guarantor agreed to the variation (but your Guarantor will remain liable for the unvaried obligations in the Tenancy and to the varied obligations in their unvaried form if we choose);
- (f) we accept a surrender of part of the Property, and your Guarantor will remain liable for the remainder;

- (g) any rent review is properly implemented;
- (h) we have any security which we may enforce against you; or
- (i) there is anything else which would release your Guarantor from its liabilities unless we give consent to a release.

49.3 If your Guarantor comprises more than one individual, we may release one individual without prejudicing our ability to enforce your Guarantor's obligations against the others.

50 New Leases

50.1 If this Tenancy is forfeited or disclaimed (and any of those events shall be referred to as the "Termination Event") then we may ask the Guarantor within six months of the Termination Event to take a new tenancy from us of the Property on the following terms:

- (a) we will let the Property in the condition it is in at that time;
- (b) the term will be equal to the period left on the Term;
- (c) the rent will be equal to the rent at the Termination Event, ignoring any period of rent suspension or concession and will be subject to review on the same terms as under this Tenancy; and
- (d) the terms of the new tenancy shall be the same as this Tenancy, with any modifications required to reflect changes in our practice or industry practice.

50.2 If we do not ask your Guarantor to take a new tenancy within six calendar months of the Termination Event we may instead require your Guarantor to pay a sum equal to the Rent and any other payments that would have been payable for the period of six calendar months from the Termination Event had the Tenancy not been forfeited or disclaimed (less any sums actually received by us in respect of that period), in which case your Guarantor shall pay such sums within ten days of us asking.

50.3 Your Guarantor must pay all our costs incurred in enforcing its and your obligations and any costs associated with the grant of a new tenancy under this clause.

Section 11

Understanding this Tenancy

- Definitions
- Interpreting this Tenancy
- Notices
- Release of Information
- Arbitration
- Code of Practice



51 Definitions

51.1 In this Tenancy the following terms have these meanings:

- (a) **"Amusement Machine Contribution"** means the share of the net income from the Amusement Machines to be paid to us which we will notify to you in writing from time to time.
- (b) **"Amusement Machines"** means:
 - (i) any mechanical, electrical or electronic machine, quiz machine, video machine or other amusement or gaming machine;
 - (ii) all sound or audio visual production machines;
 - (iii) any other machine, device or apparatus for playing any game of amusement, skill or chance (including table games such as pool, table football); or
 - (iv) any terminal or any software associated with the operation of any such machine, device or apparatusirrespective of whether such machines provide prizes or not and irrespective of whether payment is by way of money, tokens or otherwise, but excluding any machine, device or terminal which is exclusively for domestic use in any private living accommodation at the Property.
- (c) **"Base Rate"** means the base rate from time to time of any UK clearing bank we may choose from time to time.
- (d) **"Beers"** means beer of any type or description including ales, bitters, wheat beers, rice beer, ice beer, fruit beer, porter, lagers and stouts.
- (e) **"Business"** means the business conducted from the Property for the retail sale of alcoholic and non-alcoholic drinks, refreshment and food for consumption on and off the Property with or without ancillary bed and breakfast and any other ancillary uses approved by us and authorised by a planning permission.
- (f) **"Change in Control"** means whenever more than 20% of any shares in your company has changed hands and a share will be deemed to have changed hands when any change occurs in the identity of the person who directly or indirectly is able to control the exercise of the voting rights attached to that

share (including by the creation of a trust).

- (g) **"Code of Practice"** means our current accredited Code of Practice in the form attached in appendix 2 or any updated versions which we supply to you from time to time.
- (h) **"Composite Barrel"** means 36 imperial gallons of Beer or cider or flavoured alcoholic beverage or 15.84 imperial gallons of wines, spirits or other alcoholic drink.
- (i) **"Consent"** means our prior permission to be given in writing.
- (j) **"Deposit"** means the amount that we are holding under clause 6.
- (k) **"Designated Premises Supervisor"** shall mean designated premises supervisor as defined in the Licensing Act 2003.
- (l) **"Dispense Monitoring Equipment"** means drinks flow measuring equipment installed at the Property either now or later together with all associated cables and equipment necessary to operate it.
- (m) **"Draught Ale"** means Beer drawn and served from a cask or keg which (for the avoidance of doubt) excludes canned draught Beer served from a pressurised container containing a widget.
- (n) **"Drinks"** means all beverages except tap water and milk.
- (o) **"End Date"** as set out in the Key Points.
- (p) **"Fixtures and Fittings"** means all fixtures, fittings, plant, machinery and equipment in or on the Property from time to time including boilers, Pipes, and equipment relating to heating, ventilation and air conditioning, sanitary ware, cellar cooling system, pumps, sewerage systems and tanks, sprinkler systems, electrical and gas installations (except portable equipment), wall and floor coverings, external lighting and signage, lifts and hoists, bar servery, back fittings, and any other fixtures fittings or equipment in or on the Property which do not form part of the Trade Inventory.
- (q) **"Guarantor"** means the party or parties defined in the Key Points and its successors in title and is referred to as your Guarantor throughout this Tenancy.
- (r) **"Independent Expert"** means a qualified surveyor experienced:

- (i) in the case of a referral under clause 13, in the rent review of public houses, and
 - (ii) in the case of a referral under clause 14, in dealing with dilapidation claims in relation to public houses.
- (s) “**Index**” means the All Items Index of Retail Prices published by the Office for National Statistics or any other appropriate index which we use to replace the Index if it ceases to exist.
- (t) “**Insolvent**” means:
 - (i) in the case of an individual, if a receiver or trustee in bankruptcy is appointed or is unable to pay or has no reasonable prospect of being able to pay his debts within the meaning of sections 267 and 268 Insolvency Act 1986;
 - (ii) in the case of a company or partnership, if a receiver, liquidator or administrator is appointed (but not a voluntary liquidation by a solvent company) or a statutory moratorium applies to it or is unable to pay its debts within the meaning of section 133 Insolvency Act 1986;
 - (iii) in all cases:
 - (A) where the company or individual enters into a voluntary arrangement with creditors; or
 - (B) allows possession to be taken of goods (including stock or Trade Inventory) at the Property.
- (u) “**Insurance Rent**” means the fair proportion which we apportion to the Property to cover the sum that we incur in complying with our obligation in clause 21.
- (v) “**Insured Risks**” means:
 - (i) loss or damage by fire, lightning, explosion, aircraft (including articles falling or dropped from aircraft), riot, civil commotion, malicious persons, earthquake, storm, tempest, flood, bursting and over-flowing of water pipes tanks and other apparatus and impact by road and/or other vehicles and such other risks as we choose to

insure against;

- (ii) loss of rent for a reasonable period (including an estimate for future rent reviews); and
 - (iii) the cost of demolition, site clearance, the removal and disposal of debris and architects' surveyors' and other professional fees and other expenses that we consider necessary for rebuilding or reinstating.
- (w) **"Interest"** means interest at 4% above the Base Rate.
- (x) **"Interim Review"** means a rent review arising under any of the circumstances set out in clause 13.1(b).
- (y) **"Inventory Value"** means the value of the Trade Inventory to the Business that is agreed between the buying and selling parties, assuming that the buyer is simultaneously purchasing an interest in the Business. If the parties cannot agree upon a value, the matter will be referred for determination to an independent valuer experienced in this type of valuation.
- (z) **"Key Points"** means the summary of the main points of this Tenancy.
- (aa) **"Legal Obligation"** means any obligations relating to the Business, the Property, its occupation or use which are imposed by any existing or future statute, statutory instrument, regulation, industry codes of practice, order, notice or the requirements of any competent authority or court.
- (bb) **"Licences"** means all licences, permissions, certificates and consents required for the Business to be lawfully conducted from the Property including a Premises Licence and Personal Licences for those conducting Licensable Activities at the Property, all consents required for Amusement Machines and any other licences, permissions, certificates and consents which we believe are necessary for the Business.
- (cc) **"Licensable Activity"** means licensable activity as defined in the Licensing Act 2003.
- (dd) **"Licensing Authority"** means the authority responsible for issuing Licences in the area in which the Property is located.
- (ee) **"Liquidated Damages"** means £150 per Composite Barrel.

- (ff) **“Main Structure”** means the foundations, floor structure, load bearing walls and columns, steel frames, chimneys and roof at the Property, but excluding windows, doors and their frames.
- (gg) **“Manager”** means a manager approved by us under clause 25.
- (hh) **“Nominated Supplier(s)”** means one or more third party suppliers nominated by us.
- (ii) **“Notice Date”** means the date that we serve a Review Notice on you under clause 13.
- (jj) **“Open Market Rent”** as set out in clause 13.5.
- (kk) **“Our Price List”** means our current price list (or the current price list of any of our Nominated Suppliers) or any updated versions which we supply to you from time to time.
- (ll) **“Period”** as set out in the Key Points.
- (mm) **“Permitted Use”** means the use as a public house, with or without the ancillary service of food and/or ancillary bed and breakfast accommodation, or with any other ancillary use for which we have granted Consent and the residential part of the Property may be used as a domestic dwelling subject to the restrictions in clause 4.3 (subject in all cases to you having the necessary statutory consents).
- (nn) **“Personal Licence”** means a personal licence (as defined in the Licensing Act 2003).
- (oo) **“Pipes”** means any sewers, vents, drains, pipes, wires, cables, ducts, gutters, down pipes, fibres and any other conducting media including ancillary plant and equipment which are in over or under the Property now or at any time during the Term.
- (pp) **“PIRRS”** means the Pub Independent Rent Review Scheme, being the independent rent review resolution service sponsored by the Association of Multiple Licensed Retailers, the British Beer and Pub Association, the British Institute of Inn Keeping, the Federation of Licensed Victuallers Association and the Guild of Master Victuallers or any replacement scheme.
- (qq) **“Premises Licence”** means a premises licence (as defined in the Licensing

Act 2003) relating to the Property.

- (rr) **"President"** means the President of the Royal Institution of Chartered Surveyors or his acting deputy.
- (ss) **"Property"** means the whole of the land and buildings (or any part of them) described in the Key Points including all additions, improvements, Fixtures and Fittings, outbuildings, boundary features, access ways, gardens, car parks, play grounds and built upon areas but excluding the airspace above the land and buildings.
- (tt) **"Release Notice"** means a notice that we serve on you under clause 40 releasing the tie in relation to certain Drinks specified in that notice.
- (uu) **"Rent"** as defined in the Key Points.
- (vv) **"Rents"** means the sums referred to in clause 5 and any other sum payable to us under the terms of this Tenancy.
- (ww) **"Repair and Maintenance Guide"** means the document as attached as appendix 1 or any updated versions that we supply to you from time to time.
- (xx) **"Responsible Authority"** shall have the meaning attributed to it by the Licensing Act 2003.
- (yy) **"Review Date"** means each third anniversary of the Start Date.
- (zz) **"Review Notice"** means a notice that we may serve on you under clause 13 requiring a rent review.
- (aaa) **"Service Charge"** means the amount that we charge you under clause 8 in relation to the Services in accordance with clause 16.
- (bbb) **"Services"** means the services set out in clause 16.
- (ccc) **"Start Date"** means as set out in the Key Points.
- (ddd) **"Starting Deposit"** means the amount set out in the Key Points.
- (eee) **"Superior Lease"** means any lease of the Property (or part of it) which is superior to this tenancy and any landlord under a Superior Lease shall be referred to as the **Superior Landlord**.
- (fff) **"Telecom Equipment"** means telecom apparatus as defined in the

Electronic Communications Act 2000 and may include microcellular antenna dishes, masts, cabinets, cables, ducts and power supplies, as required by the Telecom Operator, plus any replacement, renewal or upgrading of the apparatus, and ancillary equipment.

- (ggg) “Telecom Operator” means any person, company or body providing or procuring the provision of any telecommunication services or facilities.
- (hhh) “Tenancy” means this tenancy.
- (iii) “Term” means the length of term as set out in the Key Points as extended either by your statutory rights or any renewal.
- (jjj) “Tied Drinks” means all Drinks on Our Price List.
- (kkk) “Trade Inventory” means all trade fittings, furniture and equipment which do not form part of the Fixtures and Fittings and other portable items on the Property for use in connection with the Business, including any items that you add to the Trade Inventory during the Term.
- (III) “Trading Hours” means the hours during which we reasonably believe the Property should be open for trade and we will notify the hours to you from time to time. We will only ask you to trade during hours permitted by the Premises Licence.
- (mmm) “Triennial Review” means a review arising on a Review Date.
- (nnn) “VAT” means value added tax or other tax of a similar nature.
- (ooo) “Young’s Draughts” means Young’s Bitter, Young’s Special or Young’s London Gold, or such other beers as we nominate which are brewed by or on behalf of Wells and Young’s Brewing Company Limited (or such other brewer or brewers as we decide).

52 Interpreting this Tenancy

52.1 When interpreting this Tenancy the following points apply:

- (a) We refer to the tenant as ‘you’ and to the landlord as ‘we/us’ and the terms ‘your’ and ‘our’ should be interpreted accordingly, and this should be read in context where we are using the term we to describe both you and us.
- (b) if ‘you’ or ‘we’ or ‘Guarantor’ includes more than one person or company,

that person's obligations may be enforced jointly or individually;

- (c) any reference to "we", "us" or "you" includes our respective successors in title;
- (d) words implying one gender include every gender and words implying the singular include the plural and vice versa (and this applies equally to those words or expressions given a particular meaning in clause 51 and the Key Points and words implying persons include firms, companies and corporations and vice versa);
- (e) where you agree not to do something this includes an obligation upon you not to allow that thing to be done or omitted to be done;
- (f) where we agree to do something or have a right to do something, we can ask someone else to do it on our behalf;
- (g) if the consent of our mortgagee (if any) or superior landlord is required to enable us to grant a Consent to you, we will try to obtain the Consent if you pay the costs, but we will not grant Consent to you until the mortgagee's and/or superior landlord's unconditional consent has been obtained as required;
- (h) where we refer to a statute, it includes any changes affecting it, and any regulations, instruments, orders, rules, notes or directions issued in relation to that statute;
- (i) where we refer to the end of the Term or the end, expiry or determination of this Tenancy, it includes determination of this Tenancy by any method;
- (j) the word "including" does not imply any limitation in any way;
- (k) where this Tenancy says that we "may" do something, it will be at our option whether we choose to do that act and we will not be obliged to do it;
- (l) any reference in this Tenancy to "your obligations" refers to your obligations to us under the terms of this Tenancy or any side letters or other agreements that you have entered into with us;
- (m) the appendices form part of this Tenancy and we and you agree to perform our obligations and be bound by the matters contained in the appendices; and

(n) no third party is entitled to any rights under this Tenancy under the Contracts (Rights of Third Parties) Act 1999.

52.2 This Tenancy is to be interpreted in conjunction with the Code of Practice and to the extent that there is a conflict between this Tenancy and the Code of Practice the provisions of the Code of Practice shall take precedence.

53 Notices

53.1 Any notice must be served upon us at our registered office by special delivery.

53.2 We may serve a notice upon you or the Guarantor either by sending it by special delivery to the address that you last notified to us in writing, or by us leaving it at the Property.

53.3 If you or the Guarantor comprise more than one individual, it will be sufficient for us to serve notice on one of those individuals.

54 Release of Information

You agree to us releasing relevant information about you and your Guarantor to appropriate competent authorities if we are asked to do so and to third parties in connection with the management of the Property or our dealings with the Property.

55 Arbitration

Where it says that any matter should be referred to arbitration it will be decided upon by an arbitrator under the Arbitration Act 1996. The arbitrator must be experienced in the licensed property industry. If we cannot agree jointly on the identity of the arbitrator, either of us may apply to the President of the Royal Institution of Chartered Surveyors to decide. The arbitrator will decide who will be responsible for costs.

56 Code of Practice

The Code of Practice will apply to this Tenancy and you and we both agree to perform our respective obligations in the Code of Practice.

This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

The Appendices

Appendix 1

The Repair and Maintenance Guide

See attached

Appendix 2
Code of Practice

See attached

Signature page for original Tenancy

EXECUTED as a DEED by
YOUNG & CO.'S BREWERY, P.L.C.
acting by a Director in the presence of:

Witness Signature
Witness Name (in Block Capitals)
Witness Address