

5276

**LEASEHOLD VALUATION TRIBUNAL**  
**FOR THE LONDON RENT ASSESSMENT PANEL**

LON/00AH/LSC/2009/0682

**Landlord & Tenant Act 1985 (as amended) Section 27A and Section 20C**

**Property:** 120-122 Lower Addiscombe Road, Croydon, CRO 6AD

**Applicants:** Ms Jennie Bush (Flat 120A) (Leaseholders)  
Mr Chris James Bird (Flat 122B)  
Ms Norma Bishop-Joseph (Flat 122C)  
Mr Umar Rao (Flat 122A)  
Miss Natalie Kelada (Flat 120B)

**Represented by:** Ms Jennie Bush

**Respondent:** Freehold Estates Limited (Landlord)  
**Represented by:** Ms K. Mooney, Stevensons; Solicitors  
Mr Mark Tejada, Associate Director; Andertons

**Also Present:** Mrs S. Bush  
Miss L. Vaillencourt

**Hearing:** 14<sup>th</sup> June 2010

**Members of the Tribunal:**

**Mr L. W. G. Robson LLB(Hons) (Chairman)**  
**Mr F. L. Coffey FRICS**  
**Mr D. Wills ACIB**

**Preliminary**

1. The Applicant leaseholders seek a determination under Section 27A of the Landlord & Tenant Act 1985 (as amended) of reasonableness and liability to pay service charges under a (specimen) lease dated 26<sup>th</sup> August 1994 (the Lease) for annual service charges in the years ending on 23<sup>rd</sup> June 2004, 23<sup>rd</sup> June 2005, 23<sup>rd</sup> June 2007, 23<sup>rd</sup> June 2008, 23<sup>rd</sup> June 2009, and 23<sup>rd</sup> June 2010.
2. Pursuant to Pre Trial Directions given on 6<sup>th</sup> January 2010 the case was heard on 14<sup>th</sup> June 2010 (postponed from 22<sup>nd</sup> April 2010, due to the illness of the Respondent's main witness). No inspection was deemed necessary, although the Tribunal had access to a number of photographs of the property in the hearing bundle. The property was agreed at the hearing to be a Victorian house converted into 5 flats, for most of the period in question.

### Hearing

3. The hearing bundle was not consecutively numbered, which caused some difficulty. Ms Bush had also forgotten her copy, but this was later remedied with the assistance of Mrs S. Bush. The Applicants tendered no formal witness statements, but Ms Bush provided an extensive written submission on behalf of all the Applicants. The Respondent tendered witness statements from Mr Greg Barker, Estate Manager of HML Andertons, dated 20<sup>th</sup> March 2010, and from Mr Mark Tejada, Associate Director of HML Andertons, dated 8<sup>th</sup> June 2010. Mr Barker was still too ill to attend the postponed hearing, and Mr Tejada gave oral evidence at the hearing in support of Mr Barker's statement at the hearing, as his senior manager. Ms Mooney provided two detailed written submissions in Reply to the Application. Ms Bush and Ms Mooney made oral submissions following their written submissions at the hearing.
  
4. From the papers, the Tribunal ascertained that the following matters were in dispute:
  - a) The correct apportionment of the service charges between the relevant properties in the building
  - b) Year ending 23.6.2004 – Cleaning Fee of £2,879
  - c) Year ending 23.6.2005 – Cleaning Fee of £2,256  
(No issues with year ending 23.6.2006)
  - d) Year ending 23.6.2007 – Estimated service charge of £2,000, but adjustment noted in previous year's accounts of £1,051 had unaccountably been reduced to £51 at the year end, with no explanation or credit in subsequent years
  - e) Year ending 23.6.2008 – Accounting fees increased from £447 - £770, managing agents fees increased from £441 - £1,410, Reserve fund had increased from £500 - £3,500 but with no adjustments at year end, and £23 added to account of J. Bush for court proceedings
  - f) Year ending 23.6.2009 – No adjustment to reserve charge for carpeting and general decoration noted in estimates, and Ms Bush given credit of £348 without explanation, managing agents fees challenged due to poor service.
  - g) Year ending 23.6.2010 – Estimated service charge of £3,250 for the half year, but no services received in period 24.6.2009 -25.12.09.

### Method of Apportionment – a) generally

5. The parties had made written submissions on this issue, however the Tribunal noted that despite the terms of item 8 of the Particulars and the Fifth Schedule Part I para.2, and the Seventh Schedule para.7 of the Lease allowed the Lessor to alter the Lessee's share of the maintenance fund to adopt another method of calculation which was "fair and reasonable in the circumstances". When questioned, the parties agreed that for some years prior to 2004, the service charges had been apportioned so that one fifth was payable by each flat. The Respondents had agreed to apportion the service charges with one seventh payable by each flat with effect from 2<sup>nd</sup> June 2009, when two further leases had been granted relating to the basement flat, which the Respondents were redeveloping. Ms Bush queried whether that apportionment should be carried back into earlier

years. The Tribunal advised the parties that as a matter of law, if the one fifth apportionment had been made for a number of years without complaint, then that was effectively the agreed figure. If one party wished to change that figure then it would either have to give notice and obtain the agreement of all the other parties, or apply to the Tribunal for variation of a defective lease. The parties then agreed that they were prepared to accept one fifth as the correct figure for the period commencing 24<sup>th</sup> June 2003 to 2<sup>nd</sup> June 2009, and one seventh for the remaining period to 23<sup>rd</sup> June 2010. The Tribunal was therefore not required to make a finding on this issue.

#### Method of Apportionment – b) Electricity

6. Ms Mooney stated that another urgent issue had come to light only last week. There was a meter in the common parts for the common parts, contrary to the terms of a letter issued by the managing agents previously. The parties wished to deal with the matter.
7. Ms Bush stated that the common parts electricity had been cut off on 18<sup>th</sup> January 2010. At No 122 alone the electricity had come back on, on 26<sup>th</sup> April 2010. On 8th June 2010 the supply at No 122 had been cut off again. The meters had previously been in the basement. Access to the basement had been locked by the landlord for the development, and the other residents now had no access. In answer to questions Ms Bush stated that the supply covered common parts electric lighting, the intercom/door entry systems, the security light in the car park, and the power point in No 122. There was now no light on the stairs at No.122, and the door entry system was inoperative. Callers had to be let in manually. The charge being made was 8 times the previous charge. There were concerns that the basement flat being redeveloped was using power there.
8. Mr Tejada at first stated that there was one common meter for both sets of common parts. It had taken some time to establish this fact, tracing the meters back from the invoices. Prior to 2007 there had been no problem as the meters were all in the basement, and the meter reader went in to read them all. In reply to questions, he agreed that it was unlikely that the two sets of common parts were in fact on the same meter, in view of Ms Bush's statement about the disparity in the dates of loss of electricity in the two properties. No one had actually investigated this matter specifically. His firm did not read the meters. He agreed that the agents merely passed on the amounts charged by the supplier EDF. He would contact the Landlords to request access to the basement area.
9. The Tribunal considered the evidence. It appeared that the electricity charges could not be separated from one year to the next. It seemed clear that for a period the Applicants had been charged on estimated amounts only. It was still not clear if the correct meters had been identified, or if the common parts at No 120 shared a meter with the basement property. Presumably this would be resolved in due course, but to assist the parties the Tribunal decided that in the absence of other cogent evidence, a maximum reasonable charge for the common parts electricity for the year

2006/7 was £80 per annum, £185 for 2007/8, £200 for 2008/9, and £200 for 2009/10.

Cleaning Charges for all years (Items b and c)

10. The Tribunal heard evidence relating all years, including those for which only estimates existed. Ms Bush submitted that the cleaning charges in 2002/3 were £235 only. She understood that the increase in 2003/4 was due to the managing agents' decision to have the common parts cleaned weekly, rather than monthly. The area to be cleaned at No 120 was approximately 14 feet by 2 feet, and at No 122 about three times that size. The Respondents agreed that the invoice for February 2004 was missing. The invoices added up to more than was charged in 2003/4. Mr Barker had stated that he assumed this was due to an accrual or prepayment adjustment. The Applicants believed that the charges challenged might relate to other properties as well, as the invoices did not specifically refer to Nos. 120 and 122, only to Lower Addiscombe Road. The cleaning charge in 2005/6 was only £94. There had been no cleaning charged in 2006/7. In 2008 the charge had been £466, but the Applicants had obtained a quotation from Dolly Clean for £240 per year for the cleaning at that time. This figure was only for hoovering. The agents had not accepted this, claiming it amounted to £5 per week, and thus it was unreliable. In 2009 a budget charge of £600 had been made. This seemed unreasonable. No charge had been made for the estimate in 2009/10. Ms Bush submitted that a charge of £240 per year was reasonable for all the years in issue.
11. Ms Mooney called Mr Tejada as a witness. He was examined and cross examined. Mr Tejada stated that the cleaning specification included cleaning the carpets and windows weekly, the walls monthly, and the woodwork quarterly. He did not have a copy of the specification, but it was standard practice for cleaners to sign up to it. He believed that the cleaning had been done satisfactorily, and no one had complained about the standard. Mr Barker had denied there was any other property with which the cleaning invoices could have been confused. His company managed no other properties in Lower Addiscombe Road. 32B Canning Road had been mentioned. He was certain there was no confusion with that property. Since 2004 £40 plus VAT (Tribunal's note - presumably per visit) had been the amount agreed with the current cleaner. Two hallways were involved. He did not think the charge was unreasonable. He found it difficult to understand how a reputable cleaning company could do the work for £5 per week excluding VAT.
12. The Tribunal considered the evidence and submissions. There was a considerable gap between the parties. No reason had been offered for moving from monthly to weekly cleaning in 2003/4 and 2004/5. £40 per month seemed high. On the other hand £20 per month seemed too low. There was no specification or written evidence of quotations. There was no evidence on frequency. Using its own knowledge of prices, the Tribunal decided that a figure of £500 per annum would be the maximum reasonable figure for cleaning premises of this nature and extent for the period in question (i.e. 24.6.2003 -23.6.2009 inclusive). It was apparently

agreed by the parties that no services had been given in 2009/10, so a sum of nil was reasonable for that year.

Inconsistent Figures in Reserve Fund 2006/7 (Item d)

13. Ms Bush submitted that in the year end accounts for 2005/6 a sum of £1,051 had been shown in the reserve fund. However in the accounts for 2006/7 only £51 was shown for the same period. This had not been picked up or corrected in subsequent years despite queries from 3 lessees. They had been told that the £1,000 was to deal with debtors, but as all the Applicants had paid up that year, this could not be correct. In effect, £1,000 seemed to have disappeared. The Respondent had recently produced different accounts for the same year, the main difference being this one discrepancy.
14. Mr Barker for the Respondent gave evidence that the services charges had historically been "out of sync" by 6 months due to the June year end. To correct the position the accounts for 2006 had been changed. This was a "one-off adjustment". The accounts previously sent to the Applicants had in fact been draft accounts, sent out in error. Mr Tejada gave evidence that the 2005/6 accounts had been revised recently to deal with the error. He agreed that the original accounts shown in the bundle had been signed by the accountants, but handed up a copy of the revised accounts mentioned by Ms Bush, stating that the original accounts had been sent out in error, and that they were wrong. The problem arose because new accountants had taken over that year, with a different way of presentation. In response to questions, Mr Tejada confirmed that there was no reserve fund for this account relating to specific items, however there was a reserve fund. His firm was not entitled to "top up" the service charge account from that fund. He checked the figures in each account over the lunch break, and confirmed that at present there was nil balance in the reserve fund, and a sum of £219 in the service charge account. The debtors owed £15,635.24. There were creditors for £4,592.38.
15. The Tribunal decided that it could not follow the explanation being given by Mr Tejada, and agreed that a letter from the accountants would be obtained to explain the discrepancy by 21<sup>st</sup> June 2010. The Applicants would have until 28<sup>th</sup> June to respond to this letter. The accountants, Simpson Wreford, subsequently wrote a letter dated 21<sup>st</sup> June 2010 explaining how the apparent discrepancy occurred. The explanation was accepted by the Applicants in their letter of response dated 24<sup>th</sup> June 2010. The Tribunal therefore made no decision on this point.

Accounting Fees 2007/8

16. Ms Bush submitted that the increase in the fee was an extra sum of £323.13 charged, described as accounting and taxation advice. The Applicants had been told that the fee related to the queries from the tenants over the Reserve Fund (see paras 13-15 above), but the invoice was dated a year previously. The query had been raised as early as 27<sup>th</sup> May 2008.

17. Mr Tejada gave evidence that he had spoken to the senior partner of the accountants. He had been assured that an extra 2 hours had been spent writing emails to answer queries from the Applicants. He had agreed to find the file and write a letter about it. Generally the account vouchers and invoices generally amounted to about 50-60 for this property. This matter was also adjourned for Mr Tejada to obtain comments in the letter he had requested from the accountants.
18. The letter dated 21<sup>st</sup> June 2010 from Simpson Wreford included a copy of their cost sheet used to make the extra charge of £323.13, to cover work done in October and November 2006. The cost sheet was not very informative, but the copy invoice also attached described the work as “additional time spent finalising all accounting and taxation matters”. The Applicants in their letter of 24<sup>th</sup> June 2010 continued with their challenge to this item, submitting that the work had been done in response to a request by Andertons to amend the previously submitted accounts.
19. The Tribunal considered that the email “chain” also attached to the Simpson Wreford letter between 20<sup>th</sup> September 2006 and 20<sup>th</sup> October 2006 indicated that the extra time had been spent in response to a request from Andertons to expedite the production of the 2005/6 accounts to encourage payment from one of the Leaseholders, a Mr Bell of Flat B. That chain also incorporated a discussion and explanation by the accountants of the effect of the service charge being “out of sync”, and the necessity to ensure that the accounts corresponded with the information in Andertons’ accounting system. There is no indication from the email chain that the work was done in response to specific queries from leaseholders, either at that time or subsequently. Mr Tejada’s evidence was therefore not accepted. From the limited information available the Tribunal was surprised that the matter had attracted an additional fee, as the audit fee was apparently a fixed fee. An explanation of the alteration in the accounting methodology, apparently initiated by the accountants themselves seemed to be part of that work. The Tribunal decided that this additional fee was not reasonable, and should have been challenged by the managing agents.

Managing Agents Fees 2007/8, and estimates for 2008/9 and 2009/10

20. Ms Bush submitted that the managing agents fees had increased from £441 to £1,410 in 2008. All the Applicants had queried this increase. They had been informed that the new figure was a standard charge, and that they had been undercharged in previous years. The increase had not been notified. The Applicants doubted if Andertons had done any extra work beyond the general maintenance of the building which did not merit such a large increase. Andertons had taken over a year to get a quotation to fix the guttering.
21. The Respondent via Mr Gregory’s witness statement submitted that the fees were not unreasonable, as compared with other properties under management. The Applicants had not explained why they thought the fee unreasonable. The fee had been agreed by the Respondent and Andertons.

A copy of the latest management agreement was in the bundle. It had been signed on 23<sup>rd</sup> June 2008. The charge stated there was £275 per unit, plus VAT.

22. The Tribunal considered the evidence. The Applicants had not put forward any alternative cost for the management fee. The increase had apparently been agreed by the Respondent at the end of the service charge year 2007/8, although not apparently retrospectively. The Respondent was not obliged to obtain the cheapest quotation, but to act reasonably. The Tribunal used its own knowledge and experience, and concluded that currently the management fee on such a block would normally be about £250 plus VAT per unit, or about £1,470 per annum for this block. In that light, the charge demanded for 2008 of £1,410 for the building appeared reasonable. However no final accounts were available for subsequent years, and it was not clear if the managing agent's work relating to such accounts would in fact be done. The agreed charge of £275 therefore looked too high. Thus the Tribunal decided that a budget figure for 2008/9 and 2009/10 of a sum of not exceeding £1,470 was a reasonable estimated figure, which either party can challenge once the final accounts have been produced. There is some evidence to suggest that the final fee for 2009/10 is likely to be lower, in view of the fact that the Applicants appear to have taken over at least part of the management.

#### Reserve Fund 2007/8

23. This item has effectively been agreed by the parties, see paragraph 15 above.

#### Charge to Ms Bush - £23

24. The Tribunal explained to the parties that this item had been charged to Ms Bush alone. It was not a service charge item, and therefore could not be dealt with in an application under Section 27A. The Tribunal notes that charge may be an administrative charge which might be challenged under other legislation, but not in this application.

#### Estimated Service Charge 2008/9 (Charge for carpeting and general decoration provided for in Reserve Fund, with Meetings and Inspections, Health and Safety inspection fees, Pest Control, Legal Fees and Gardening later added)

25. Ms Bush submitted that there had been no carpeting or general decoration done during the period, however no adjustment had been made.
26. Mr Barker agreed in his statement that the carpeting and decoration works provided for in the reserve fund had not been done as the Applicants had failed to pay.
27. The Tribunal decided that the budget figures for these items, while they may have been reasonable at the time, were clearly not reasonable now as the money had not been spent. For the parties' guidance, the Tribunal is unlikely to uphold budget items without reduction where it is clear that

there has been no, or significantly reduced, expenditure in the year in question.

28. Although not referred to in the Directions, the parties made representations relating to other items, which are shortly dealt with below.
- a) A budget sum of £150 had been included for meetings and inspections (additionally to those agreed in the agreement dated 23<sup>rd</sup> June 2008). The Applicants disputed this figure. The final accounts had not yet been provided. As it was unclear whether these meetings and inspections had taken place the Tribunal decided that the sum demanded was reasonable as an estimate.
  - b) A figure of £220 per year had been included in the budgets for some years for Health and Safety inspections. The Applicants submitted that such inspections were only necessary every five years. The Respondent submitted that the ARMA code of practice required an inspection every 3 years. The Tribunal noted that such an inspection had been made in the year 2008/9. The Tribunal decided that this budget sum must therefore be reasonable. Estimated sums demanded for other years in dispute were not reasonable. The Tribunal notes that there are several types of inspection now required by law. Some would only require a single inspection, others require periodic inspection. As a guide to the parties, the Tribunal considers that Landlords should not seek to charge for inspections made more frequently than professional bodies recommend, unless specific circumstances exist which would make more frequent inspections reasonable.
  - c) Pest Control - £276. This item was agreed by the parties at the hearing. No decision is required from the Tribunal.
  - d) A provision for legal fees of £70 was noted as paid on 26<sup>th</sup> February 2010. This item was unclear. The Tribunal decided that if it related to an individual account then it should not be a general service charge item.
  - e) Gardening charges estimate. The actual figure for the year 2007/8 was £250. The Tribunal decided that in the absence of any unusual additional charges, any estimated figure for the following years should normally follow an actual figure for the same item, with perhaps, an addition for inflation in the absence of other good evidence. The payment record showed a figure of £371 for 2008/9 and nothing for 2009/10. Thus the demanded figures of £960 in 2008/9 and 2009/10 appeared too high. The Tribunal decided that the amounts shown in the payment record were reasonable. At the hearing there was discussion of the appropriate charge for an area between the subject property and 32B Canning Road. The Agents had been making a notional split of 3/8ths for the cost of gardening in that area. The Tribunal noted in passing that this seemed not to accord with the size of the area shown by the title deeds as belonging to the subject property.



#### Unexplained credit note of £343.80 in 2008/9

28. Ms Bush submitted that it had been unreasonable for late payment charges to have been made against her account the previous year, when in fact there had been a credit on the account.
29. Mr Barker in his statement submitted that due to lack of funds in the account caused by (presumably some) of the Applicants' failure to pay, proposed expenditure for 2007/8 had not been incurred, thus resulting in a credit on Ms Bush's account. Though not explicitly stated, Mr Barker implied that the refund had no bearing on the validity of the sum originally demanded.
30. The Tribunal decided to accept the explanation of Mr Barker. Late payment charges made to individual lessees are not before the Tribunal in this application. As noted above, the Applicants are not precluded (whether individually or collectively) from making such an application on the basis that such charges are administrative charges.

#### Estimated Service Charges 2009/10

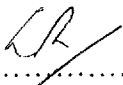
31. Ms Bush submitted that as no services had been provided there should be no estimated charge. The Applicants had effectively taken over the management themselves in July 2009. They were preparing to serve a notice to purchase the freehold.
32. Ms Mooney submitted that the sums shown as expended in the accounts statement had been spent up to December 2009. Relying on that statement, she submitted that all the sums demanded for all years should be found reasonable by the Tribunal. The Respondents could not provide the services if the Applicants did not provide sufficient funds.
33. The Tribunal noted that many services appeared to have ceased in the 2009/10 year. The Tribunal decided that only items of service charge actually expended were reasonable for inclusion in the estimated charge, and then the principle noted above as 27e) above should apply.
34. The Tribunal did not accept Ms Mooney's submission which suggested that the landlord's obligations to provide services were only conditional upon payment by the Applicants. It is well settled law that the obligations are independent of payment. The landlord's remedy for non payment is to either apply to the Court, or better still to this Tribunal, for a declaration under Section 27A, rather than allow arrears to accrue for a period of several years resulting in cash flow problems for the service charge.

#### **Section 20C Application**

35. Ms Bush made no comment on the terms of the Lease. She submitted that matters had come to a head with the Respondent when they had no satisfactory explanation of the £1,000 discrepancy and also there had been water ingress from a leaking roof in 2008. The Respondent's agents had taken far too long to deal with the matter, and in the end the Applicants had taken matters into

their own hands. They were forming an RTM company to take over the management. The Applicants had made every effort to resolve this matter prior to starting the Application. She agreed that the Applicants had refused mediation, because they considered that it would not work. She also agreed that she had not initially understood what the Directions required of the Applicant, so she had merely supplied documents to support the Application.

36. Ms Mooney submitted that the Respondent was entitled to charge the costs of this application to the service charge, referring to paragraphs 11 and 16 of the 8<sup>th</sup> Schedule to the Lease. The Application had been vague and difficult to follow. They had initially not put forward a detailed statement of case, causing extra expense to the Respondent. They had refused mediation. There had been no alternative to the Respondent's attendance at the hearing. All its costs should be recoverable. If the Applicants had paid for all the outstanding monies to date all the RTM issues could be moved forward.
37. The Tribunal considered the submissions. The failure to mediate alone was not a factor which the Tribunal should take into consideration. Mediation is not a step in the proceedings, and the facts surrounding mediation should generally be ignored. The main problem in this case seemed to stem from the Respondent's inability to explain the £1,000 discrepancy in the 2006/7 accounts and the agent's failure to take prompt action over the roof leak. Even after the hearing the Respondent needed time to explain the problem, because its submissions were too unclear to be convincing. Also it was a breach of the Lease for the Respondent to stop providing services merely because money was not forthcoming from the lessees. The Respondent's agents were aware there was a dispute, and it should have taken prompt steps to resolve the matter or make an application to the Tribunal itself. The Respondent appeared to be largely the author of its own misfortune. The Tribunal decided to limit the Respondent's costs chargeable to the service charge to Nil.

Signed:.....  
Chairman

Date:.....*16th August 2010*.....

Appendix 1  
Lease dated 26<sup>th</sup> August 1994

Appendix 2

**Section 20C Landlord & Tenant Act 1985**

*"(1) A tenant may make an application for an order that all or any of the costs incurred, or to be incurred, by the landlord in connection with proceedings before a court, residential property tribunal, or leasehold valuation tribunal, or the Lands*

*Tribunal, or in connection with arbitration proceedings, are not to be regarded as relevant costs to be taken into account in determining the amount of any service charge payable by the tenant or any other person or persons specified in the application.”*

(2).....

(3) *The court or tribunal to which application is made may make such order on the application as it considers just and equitable in the circumstances.”*

**Section 27A(1) Landlord & Tenant Act 1985**

*“An application may be made to a leasehold valuation tribunal for a determination whether a service charge is payable and, if it is, as to*

- a) the person by whom it is payable*
- b) the person to whom it is payable*
- c) the amount which is payable*
- d) the date at or by which it is payable, and*
- e) the manner in which it is payable”*

DATED 26<sup>th</sup> August 1994

SNORVE

(40)

WISEHIVE LIMITED (1)

LONDON REPT  
23 AUG 2000  
LONDON REPT

- and -

LORRAINE JOAN WARNER (2)

COUNTERPART  
LEASE of  
120 LOWER ADDISCOMBE ROAD CROYDON

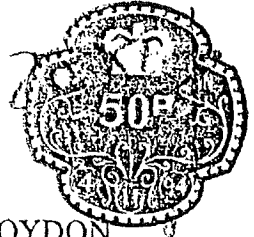
STREETER MARSHALL  
74 HIGH STREET  
CROYDON CR9 2UU

Tel: 081 680 2638  
Fax: 081 688 4105  
DX : 2623 CROYDON  
Ref: TCM/JT/WISEHIVE

41

# H M LAND REGISTRY

Land Registration Acts 1925 To 1988



Administrative Area: GREATER LONDON - LONDON BOROUGH OF CROYDON

*20/1/94*

Title Number SGL572987 (FREEHOLD)

Property 120 and 122 LOWER ADDISCOMBE ROAD CROYDON

## PARTICULARS

Date of Lease: *26<sup>th</sup> August 1994*

1. The Lessor WISEHIVE LIMITED whose registered office is at Lancaster House  
30 St. Dunstan's Hill Sutton Surrey SM1 2UD

2. The Lessee LORRAINE JOAN WARNER of 88 Northcliffe Court  
Kempton Walk Shirley Croydon

3. Flat No. 120 Lower Addiscombe Road Croydon

4. The Property: 120 and 122 Lower Addiscombe Road Croydon

5. Premium £58,000.00

6. Rents £150 per annum for the first 33 years of the Term  
£300 per annum for the next 33 years of the Term  
£600 per annum for the remainder of the Term

7. Interim maintenance Charge £500

8. Lessee's Share of Maintenance Fund: the fraction reached by dividing the gross  
internal area of the Demised Premises by the total of the gross internal area of all other  
Units on the Property

9. Term: 99 years from 24th June 1994

10. Certificate of Value: £60,000.00

THIS LEASE is made on the date stated in the Particulars BETWEEN The Lessor specified in Paragraph 1 of the Particulars ("The Lessor") and the person or persons specified in Paragraph 2 of the Particulars ("The Lessee") AND WITNESSETH:

1. Unless the context requires otherwise the various expressions set out in the First Schedule shall have the meaning or bear the interpretation there set out.
2. IN consideration of the Premium specified in Paragraph 5 of the Particulars paid by The Lessee to The Lessor (receipt of which is acknowledged by The Lessor) The Lessor DEMISES to The Lessee the Demised Premises TOGETHER with the Included Rights but SUBJECT to The Excepted Rights TO HOLD the same unto The Lessee for the term of years specified in Paragraph 9 of the Particulars ("the Term") PAYING yearly during The Term the rents specified in Paragraph 6 of the Particulars such rents to be paid in advance without deduction (save as authorised or required by law) by equal half yearly payments on the Twenty fifth day of March and the Twenty ninth day of September in every year the first proportionate payment thereof in respect of the period from the date hereof to the date for payment of rent next following to be made on the execution hereof Provided That at no time during The Term shall The Lessee be required to pay a rent which would under any legislation prohibit or limit the charging of a premium on the granting of this Lease or any assignment thereof and in such case the rent reserved by this Lease shall only be payable to the extent that it would be immediately below the limit imposed by this proviso.
3. THE Lessee COVENANTS but not so as to bind himself in respect of breaches arising after he shall have parted with all interest in The Demised Premises (i) with The Lessor to observe and perform the covenants set out in Part I of the Fifth Schedule and the regulations set out in the Ninth Schedule and (ii) with The Lessor and with the lessees of all the Other Units to observe and perform the covenants set out in Part II of the Fifth Schedule.
4. THE Lessor COVENANTS with The Lessee so as to bind itself and its successors in title the persons for the time being entitled to the reversion immediately expectant

on the Term but not so as to bind itself after it shall have parted with such reversion or to incur further liability thereafter to observe and perform the covenants set out in the Sixth Schedule.

- 5. THE Lessor and The Lessee agree the provisions set out in the Seventh Schedule.
- 6. IT is agreed that if the rents hereby reserved or any part thereof shall be unpaid for twenty one days after becoming payable (whether formally demanded or not) or if any covenant on the part of The Lessee herein contained shall not be performed or observed then and in any such case it shall be lawful for The Lessor at any time thereafter to re-enter upon The Demised Premises or any part thereof in the name of the whole and thereupon the Term shall absolutely determine but without prejudice to any right of action or remedy of The Lessor in respect of any antecedent breach of any of The Lessee's covenants or the conditions herein contained.
- 7. IT IS HEREBY CERTIFIED that the transaction hereby effected does not form part of a larger transaction or series of transactions in respect of which the amount or value or aggregate amount or value of the consideration (other than rent) exceeds the sum specified in Paragraph 10 of the Particulars.

IN WITNESS whereof the parties hereto have duly executed this Lease on the date specified in the Particulars.

**THE FIRST SCHEDULE**

**Definitions and Interpretation**

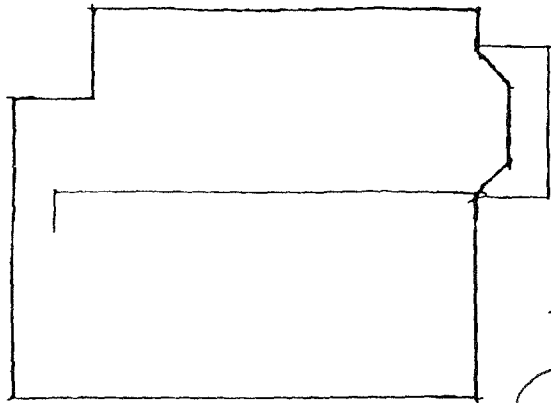
- (i) "The Lessor" and "The Lessee" include their respective successors in title and where The Lessee is two or more persons then the covenants and obligations on The Lessee's part shall be deemed to be made by such persons jointly and severally
- (ii) Words importing the masculine gender shall where necessary be construed as importing the feminine gender and words importing the neuter gender shall where necessary be construed as importing the masculine gender or the feminine gender (as the case may be) and words importing the singular

number shall where necessary be construed as importing the plural and vice versa

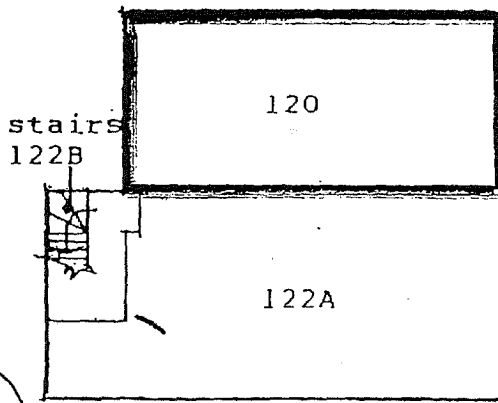
- (iii) "The Demised Premises" means the premises referred to in Paragraph 3 of the Particulars and more particularly described in the Second Schedule ("the Flat")
- (iv) "The Property" means the land and buildings of which The Demised Premises form part and which is specified in Paragraph 4 of the Particulars and is for the purposes of identification outlined in green on the plan annexed hereto and reference thereto includes any buildings erected thereon
- (v) "The Included Rights" means the rights easements and privileges contained in the Third Schedule
- (vi) "The Excepted Rights" means the exceptions and reservations contained in the Fourth Schedule
- (vii) "Conduits" means and includes chimney flues ventilating ducts cisterns tanks radiators water and gas and electricity supply pipes sewers drains tubes meters soil pipes waste water pipes central heating boilers and pipes and also wires or cables used for the conveying of electrical current and all valves traps and switches appertaining thereto and includes (unless expressly excluded) any wire cables or apparatus belonging to any public utility supply authorities or any person or corporation supplying any television aerial rediffusion service internal telephone system or door porter system
- (viii) "The Maintenance Year" means a period commencing on the 24th day of June in each year and ending on the 23rd day of June in the following year or such other annual period as The Lessor may in its reasonable discretion from time to time determine
- (ix) "The Maintenance Charge" means the amount or amounts from time to time payable under Clause (2) or Part I of the Fifth Schedule and shall include any Value Added Tax payable thereon if applicable



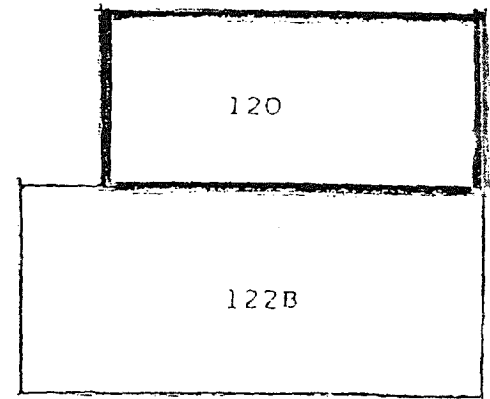
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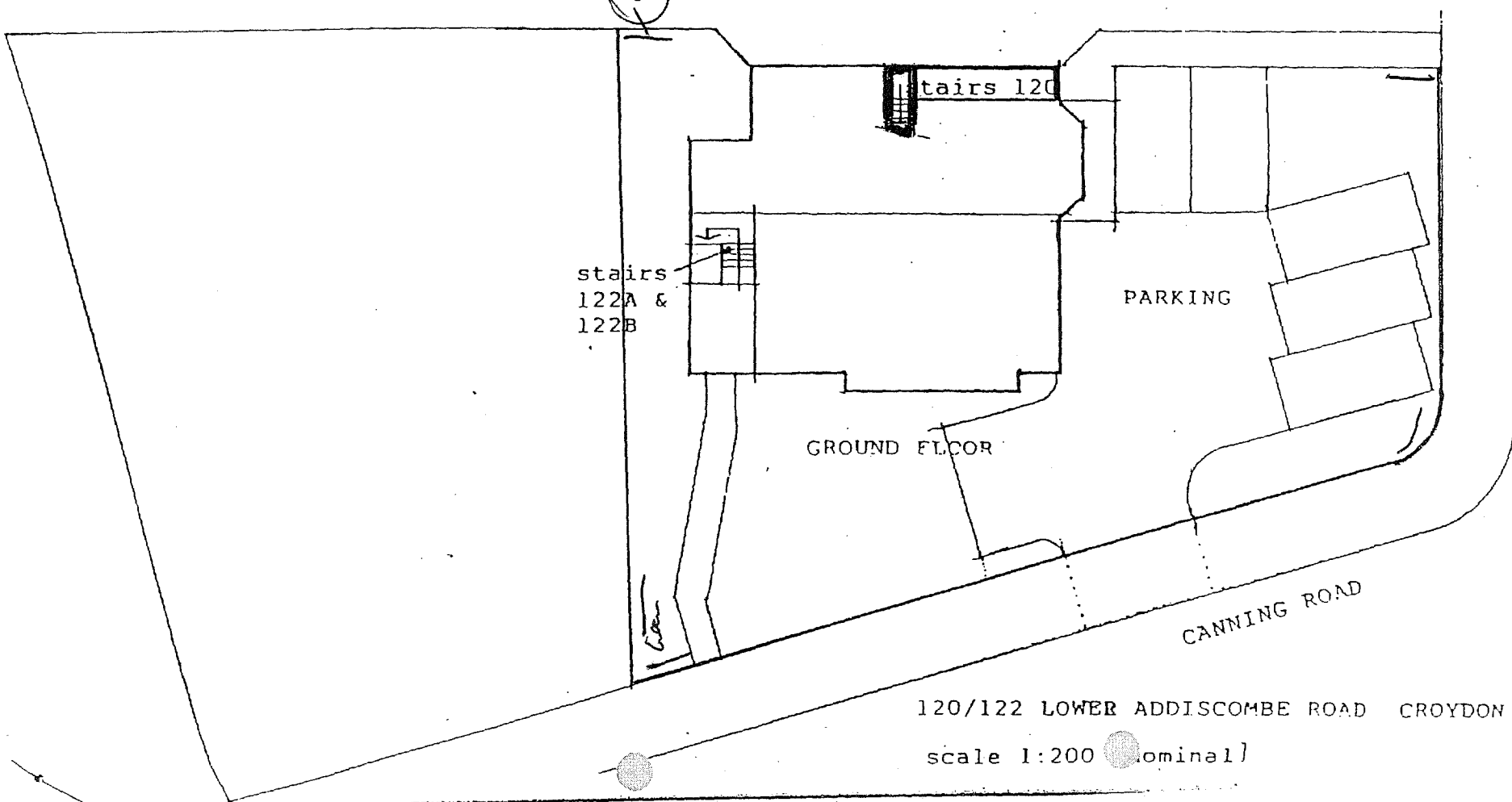
BASEMENT



FIRST FLOOR



SECOND FLOOR



GROUND FLOOR

PARKING

CANNING ROAD

LOWER ADDISCOMBE ROAD

120/122 LOWER ADDISCOMBE ROAD CROYDON

scale 1:200 (nominal)

- (x) "The Interim Maintenance Charge" means the sum specified in paragraph 7 of the Particulars or such other sum to be paid on account of The Maintenance Charge in respect of each Maintenance Year as The Lessor its Managing Agents or Accountant from time to time shall specify at its reasonable discretion to be a fair and reasonable sum
- (xi) "The Maintenance Fund" is the amount of the payments of The Maintenance Charge made to The Lessor by The Lessee and similar payments made to The Lessor by the lessees of Other Units
- (xii) "Other Units" means any part or parts of The Property being a flat or maisonette which are or are intended to be demised on leases containing covenants on the part of The Lessee similar to those herein contained
- (xiii) "The Insured Risks" means the risk referred to in clause 4 of Part I of the Sixth Schedule
- (xiv) A reference to any statute or statutory section or generally to statutes or legislation shall be taken to include every instrument order direction regulation bye-law permission licence consent condition scheme or other such matter made under or pursuant to it or them

## THE SECOND SCHEDULE

### The Demised Premises

The Maisonette on the First and Second Floors of No. 120 Lower Addiscombe Road Croydon specified in Paragraph 3 of the Particulars shown edged red on the plan annexed hereto (but for the avoidance of doubt excluding the attic above) which premises for the purposes of obligation as well as grant (but subject to the provisions herein contained prohibiting decoration or alteration of the exterior of The Property by The Lessee) include:

- (i) the internal plaster tiles or other coverings of the external and internal load bearing walls of The Flat and the doors door-frames windows and window-frames fitted in such walls and the glass and locks fitted in such doors windows and window-frames

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- (ii) any of the walls or partitions lying within The Flat which are not load bearing or do not form part of the main structure of The Property including the plaster tiles or other coverings of such walls or partitions and the doors and door-frames and any glass and locks fitted in such door walls partitions and door-frames
- (iii) the plaster tiles or other coverings of the ceilings and the floor-boards and other surfaces of the floors of The Flat
- (iv) where The Flat is situate on two or more floors the timbers and joists and other structural members between such floors and to which are fixed or suspended floors and ceilings which are wholly within The Flat and all internal staircases connecting such floors
- (v) all Conduits (save those belonging to any public utility supply authorities or to any person or company supplying any television aerial rediffusion service internal telephone system or door porter system) which are situate in any part of The Property and serve exclusively The Demised Premises
- (vi) all fixtures and fittings in or about The Demised Premises (other than tenant's fixtures and fittings) not hereinafter expressly excluded

But Exclude (unless expressly included):

- (a) any part or parts of The Property lying above the said surfaces of the ceilings or below the said floor surfaces
- (b) the main timbers joists and other structural parts of The Property and the external and internal load bearing walls of The Demised Premises
- (c) any Conduits in The Property which do not serve exclusively The Demised Premises

### THE THIRD SCHEDULE

#### The Included Rights

1. The right for The Lessee and all persons authorised by him in common with others enjoying the like right at all times for all purposes incidental to the occupation and

enjoyment of The Demised Premises to use on foot only (except in the case of drives or forecourts adapted for vehicular use) the common entrance hall staircases passages and lift (if any) in The Property giving access to The Demised Premises and any of the common external paths driveways staircases or forecourts leading from the public highway or footpath to the main entrance of The Property The Demised Premises or the refuse area designated by The Lessor from time to time if any used in connection therewith **PROVIDED ALWAYS** that The Lessor shall have the right in the interests of good estate management temporarily to close or divert such parts of The Property specified above provided that such closure or diversion shall not prevent The Lessee from having access to or egress from The Demised Premises at all reasonable times

- 2. The right in common with all other persons entitled to the like right to the free and uninterrupted passage and running of gas electricity water and soil and all other services to and from The Demised Premises in through and along The Conduits now laid or which may during a period of Eighty years from the commencement of The Term be laid in or through The Property or any part thereof and serve The Demised Premises
- 3. The right for The Lessee with servants agents and workmen to enter upon any part of The Property as may be reasonably necessary to enable The Lessee to comply with his obligations hereunder or to read any meters situated in any part of The Property which serve The Demised Premises Provided Always that The Lessee shall (except in emergency) before exercising such right give reasonable prior notice in writing to the occupier of such part of The Property and to The Lessor specifying the purpose for which entry is required and The Lessee shall forthwith make good all damage to The Property occasioned by such entry or any works consequent thereon
- 4. The right to support shelter and protection for The Demised Premises from the remainder of The Property as enjoyed at the date hereof

5. The right for The Lessee in common with all other persons entitled to any like or similar right to use any common television aerial rediffusion service for radio or television programmes and internal telephone system or door port system which may from time to time be installed on The Property subject to The Lessee complying with any relevant provisions of such agreement or agreements as may from time to time be made between The Lessor and the company or companies installing supplying or maintaining the same and any rule which The Lessor may from time to time make in respect thereof
6. The right in common with all other persons entitled to a like right to keep a dustbin in that part of The Property designated as the refuse area (if any) or to deposit refuse in any communal refuse disposal facility provided by The Lessor from time to time
7. The benefit (in common with the other persons entitled to such benefit) of any covenants or agreements entered into or which may hereafter be entered into by The Lessees of any Other Units with The Lessor or any of its predecessors or successors in title similar to those contained in Part II of the Fifth Schedule hereto
8. The right in common with all other persons entitled to a like right:
  - (i) to use such parts (if any) of The Property as The Lessor shall from time to time designate as communal gardens and
  - (ii) to use the facilities or amenities (if any) the benefit or use of which is common to The Property and any adjacent or neighbouring properties The Lessee not causing any inconvenience or annoyance to other persons entitled to use any such communal gardens facilities or amenities
9. The right to park one private motor car not exceeding one and a half tons in weight on one of the designated parking spaces as shown on the plan annexed hereto as The Lessor shall from time to time designate
10. The right to use the attic space above the Demised Premises for the purpose of the storage of items belonging to the Lessee provided that if The Lessor shall at any time require access to the attic space the Lessee shall forthwith on demand remove

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such items or any of them as The Lessor shall require and **PROVIDED THAT** such storage does not interfere or obstruct The Lessor's due performance of its obligations hereunder

#### THE FOURTH SCHEDULE

##### The Excepted Rights

1. The easements rights and privileges over along through and in respect of The Demised Premises equivalent to those set out in Paragraphs 2 3 4 and 5 of the Third Schedule hereto
2. The right for The Lessor and its servants agents and workmen at all reasonable times upon reasonable prior notice (except in emergency) to enter The Demised Premises for the purpose of carrying out its obligations under the Sixth Schedule hereto The Lessor making good all damage to The Demised Premises occasioned by such entry or any works consequent thereon
3. The right for The Lessor the Freeholders or the Superior Lessors (if any) and any person or persons authorised by any of them at any time or times to rebuild reconstruct modify demolish or alter The Property or any part thereof (except The Demised Premises) or any building adjoining or adjacent to the same or to erect a new building or buildings on any part of The Property or any land adjoining or adjacent to the same to such height elevation extent or otherwise as The Lessor shall think fit and so that the access of light and air to The Demised Premises shall until interrupted be deemed to be enjoyed by virtue of this demise which shall be deemed to constitute a consent or agreement in writing for that purpose within the meaning of Section 3 of the Prescription Act 1832 so that the enjoyment thereof shall not nor shall this demise prevent any such rebuilding demolition alteration or erection as aforesaid And Provided that any such works of construction demolition or alteration are carried out with due regard to modern standards and methods of building and workmanship and provided all damage to The Demised Premises is made good The Lessee shall permit such works to continue without interference or objection

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4. The right for The Lessor to erect and maintain such radio and television aerials or other such apparatus referred to in Paragraph 5 of the Third Schedule on the roof or exterior walls of The Property and to enter and run wires and cables connecting such aerials or other apparatus through The Demised Premises forthwith making good any damage thereby caused and the right for The Lessor and all persons authorised by it to connect to such aerials or other apparatus

### THE FIFTH SCHEDULE

#### PART I

##### The Lessee's Covenants

1. To pay the rents at the time and in the manner aforesaid
2. To pay to The Lessor or to the managing agent appointed by The Lessor The Maintenance Charge being that percentage specified in Paragraph 8 of the Particulars of the expenses which The Lessor shall in relation to The Property reasonably and properly incur in The Maintenance Year and which are authorised by the Eighth Schedule hereto (including the provision for future expenditure therein mentioned) the amount of The Maintenance Charge to be certified by The Lessor's Managing Agent or Accountant acting as an expert and not as an arbitrator as soon as conveniently possible after the expiry of The Maintenance Year and **FURTHER** on the Twenty-fourth day of June and the Twenty-fifth day of December in The Maintenance Year to pay in advance in two equal instalments on account of The Lessee's liability under this Clause The Interim Maintenance Charge the first proportionate payment thereof in respect of the period from the date hereof to the next following payment date to be made on the execution hereof **PROVIDED THAT** if upon The Lessor's Managing Agents' or Accountants' certificate being given as aforesaid The Maintenance Charge shall exceed The Interim Maintenance Charge the amount of such excess shall be paid within fourteen days of service of such certificate on The Lessee and any excess balance shall be carried forward to the following Maintenance Year and credited to The Lessee's account and

FURTHER within twenty-one days of The Lessor requiring payment of the same such fair and reasonable sum ("The Emergency Charge") as shall be certified by The Lessor's Managing Agents' or Accountants' as being the percentage specified in Paragraph 8 of the Particulars of the cost of emergency or other works which costs fall within the Eighth Schedule and which costs or works were not included within The Interim Maintenance Charge and which works The Lessor proposes to undertake

3. To pay all general and water rates and other outgoings of a recurring and non capital nature which are now or may during The Term be payable in respect of The Demised Premises
4. To pay to The Lessor all costs charges and expenses (including reasonable legal costs and fees payable to a Surveyor and managing agent) which may be incurred by The Lessor in contemplation or incidental to the preparation and service of a Notice under Section 146 of the Law of Property Act 1925 or in any proceedings thereunder or under Section 147 of that Act or any re-enactment or modification thereof notwithstanding forfeiture may be avoided otherwise than by relief granted by the Court including the preparation and service of any schedule of wants or repair or dilapidations
5. To comply with all by laws statutory requirements and other lawful requirements applicable to The Demised Premises and to keep The Lessor indemnified against all claims demands and liabilities arising therefrom
6. On the determination of The Term to yield up to The Lessor The Demised Premises in good and substantial repair in accordance with the covenants by The Lessee herein contained
7. To permit The Lessor and its duly authorised Surveyors or Agents with or without workmen at all reasonable times by appointment (but at any time in case of emergency) to enter into and upon The Demised Premises or any part thereof for the purpose of viewing and examining the state of repair thereof or of The Property



8. To make good all defects in the repair decoration and condition of The Demised Premises of which notice in writing shall be given by The Lessor to The Lessee within two calendar months after the giving of such notice
9. If at any time during The Term The Lessee shall make default in the performance of any of the covenants herein contained for or relating to the repair decoration or maintenance of The Demised Premises then to permit The Lessor at all reasonable times during The Term with or without workmen and others to enter upon The Demised Premises and repair decorate maintain or reinstate the same at the expense of The Lessee (but so that no such entry repair decoration maintenance or reinstatement shall prejudice the right of re-entry under the provisions hereinbefore contained) and to repay to The Lessor on demand the cost of such repair decoration maintenance or reinstatement (including any Solicitors' Counsel's and Surveyors' costs and fees reasonably incurred by The Lessor in respect thereof) such cost to be recoverable by The Lessor as if the same were rent in arrear
10. To permit The Lessor and The Lessor's Surveyors or Agents with or without workmen and others at all reasonable times upon prior notice in writing (and in case of emergency without notice) to enter into and upon The Demised Premises or any part thereof for the purpose of repairing maintaining and renewing any part of The Property and for the purpose of making laying down repairing maintaining testing disconnecting stopping up renewing rebuilding cleansing lighting and keeping in good order and condition all Conduits gutters party structures and other conveniences belonging to or serving or used for The Property (without prejudice however to the obligations of The Lessee hereunder with regard thereto) **PROVIDED THAT** The Lessor shall make good all damage to The Demised Premises and to the fixtures Conduits appurtenances goods or effects installed therein or affixed thereto caused by the carrying out of any work in this present sub-clause mentioned or otherwise referred to
11. In the event of The Demised Premises or any part of The Property being damaged or destroyed by fire or other causes at any time during The Term and the insurance

money under any insurance against fire or other risks effected thereon being wholly or partially irrecoverable by reason solely or in part of any act or default of The Lessee then and in every such case The Lessee will forthwith pay to The Lessor the whole or a fair proportion of the cost of rebuilding the same and any dispute arising out of this provision shall be referred to arbitration in accordance with the provisions of the Arbitration Acts 1950 to 1979 or any statutory modification or re-enactment thereof for the time being in force

- 12. Not to make any alteration or addition whatsoever in or to The Demised Premises or any part thereof or to The Property or to any building or other structure now or hereafter erected thereon or on some part thereof and in particular but not without prejudice to the generality of this covenant not to remove or alter any of the boundary walls or fences of The Demised Premises or The Property or any part thereof **PROVIDED THAT** this shall not prevent The Lessee (after having first obtained the written consent of The Lessor such consent not to be unreasonably withheld) from making non-structural alterations and improvements wholly within The Demised Premises in accordance with plans and specifications previously approved by The Lessor and to their reasonable satisfaction and in compliance with all relevant statutory or local authority regulations and requirements
- 13. Not (except with the written consent of The Lessor such consent not to be unreasonably withheld and under The Lessor's supervision and to The Lessor's satisfaction) to erect upon or affix to The Demised Premises or any part thereof any machinery or mechanical or scientific apparatus or any television or radio receiving aerials other than the usual domestic and kitchen equipment and internal radio and television aerials and for the avoidance of doubt the consent of The Lessor shall be required prior to the installation of any satellite dish or other similar receiver upon the Demised Premises
- 14. Not to hold on any part of The Demised Premises any sale by auction nor to use the same or any part thereof nor allow the same to be used for any illegal or immoral

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- purposes but to use the same as a residential flat with appurtenances in the occupation of one household only
15. Not without The Lessor's consent to exhibit on the outside or in the windows of The Demised Premises any nameplate placard or announcement of any description
  16. Without prejudice to the other covenants in this Lease not to do or permit to be done any act matter or thing on or in respect of The Demised Premises which contravenes the provisions of the Town and Country Planning Acts (in this Lease meaning the Town and Country Planning Act 1990, the Planning (Listed Buildings and Conservation Areas) Act 1990, the Planning (Hazardous Substances) Act 1990, the Planning (Consequential Provisions) Act 1990 and the Planning and Compensation Act 1991 and all other planning legislation) or any enactment amending or replacing the same and to keep The Lessor indemnified against all claims demands and liabilities in respect thereof
  17. Within seven days of the receipt of notice of the same to give full particulars to The Lessor of any permission notice order or proposal for a notice or order relating to The Demised Premises or The Property made given or issued to The Lessee by any government department local or public authority under or by virtue of any statutory powers or otherwise and if so required by The Lessor to produce such permission notice order or proposal for a notice or order to The Lessor **AND ALSO** without delay to take all reasonable or necessary steps to comply with any such notice or order at The Lessee's own expense insofar as the same relates to The Demised Premises
  18. In the event of any party-wall notices being served on The Lessee pursuant to the London Building Acts to pass the same to The Lessor and to appoint The Lessor The Lessee's agent for the purposes of negotiating and concluding on behalf of The Lessee any party-wall award
  19. To give notice of any transfer assignment subletting parting with possession charge or other devolution of The Term within twenty-one days of such devolution and to produce a certified copy of every instrument of such devolution to The Lessor's

Solicitor paying a registration fee of Twenty Pounds (£20) (or such other reasonable sum as The Lessor may from time to time require) plus any Value Added Tax payable thereon at the rate for the time being in force

- 20. (a) Not to assign underlet share or part with possession of part only of The Demised Premises as distinct from the whole
- (b) Not to assign nor underlet nor to part with or share possession of the whole of The Demised Premises during the last seven years of The Term without The Lessor's consent in writing such consent not to be unreasonably withheld
- (c) To procure that any underletting of The Demised Premises contains restrictions similar to those set out in the Ninth Schedule and does not contain terms inconsistent with the terms of this Lease
- 21. To observe and perform by way of indemnity only the restrictive and other covenants (if any) set out or referred to in the Charges Register of the Title above referred to so far as they relate to The Demised Premises
- 22. To pay The Lessor's proper legal and Surveyors' costs incurred in connection with applications for any consent required by The Lessee or his mortgagees under the terms of this Lease whether or not such consent is granted including the proper legal and Surveyors' costs of the Superior Lessor and/or the Freeholders
- 23. (a) If the rent or any part thereof or any other sum payable by The Lessee to The Lessor pursuant to the provisions of this Lease shall not have been paid within fourteen days from the date whereon payment of the same was due then The Lessee shall pay to The Lessor interest upon such rent or other sum at the prescribed rate until the rent or other sum shall have been paid
- (b) By 'prescribed rate' is meant four per cent over the base rate of National Westminster Bank plc (or any successor to the business of that Bank) subsisting at the date upon which the rent or other such sum became due
- (c) Interest payable by The Lessee pursuant to this sub-clause shall be calculated from day to day

(d) Interest payable by The Lessee upon arrears of rent or other such sum due to The Lessor shall not itself be deemed to be rent or carry interest

24. Not to use or go on to the roof or top of any bay window on or in the Property.

**THE FIFTH SCHEDULE**

**PART II**

**The Lessee's Further Covenants**

1. To keep The Demised Premises and additions thereto and The Lessor's fixtures and fittings and sanitary water and central heating and gas and electrical apparatus installed in or affixed to The Demised Premises and the window glass thereof in good and substantial repair and condition (damage only by The Insured Risks excepted)
2. In every fifth year of The Term and in the last year of The Term howsoever determined to paint paper or decorate as appropriate in a proper and workmanlike manner all the interior parts of The Demised Premises as should be so painted papered or decorated provided always that in the last year of The Term the materials and colours shall first have been approved by The Lessor
3. To make good all damage caused through the act or default of The Lessee to any part of The Property or The Lessor's fixtures and fittings therein or to any other occupier or lessee of any part of The Property and their respective licensees and in each case to keep The Lessor indemnified from all claims expenses and demands in respect thereof
4. Not to do or permit or suffer to be done any act deed matter or thing whatsoever whereby the risk or hazard of The Demised Premises or The Property being destroyed or damaged by fire shall be increased or which may require an additional premium for insuring the same or which may make void or voidable any policy for such insurance and to give notice to The Lessor of any act thing or matter done or brought on to The Demised Premises which may lead to an increase in the premiums for insuring the same and to pay any increase in the insurance premium attributable to The Demised Premises of The Property by reason thereof

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5. Not to do or permit to be done upon or in connection with The Demised Premises anything which shall be or tend to be a nuisance annoyance disturbance or cause of damage to The Lessor or The Lessor's tenants or to any neighbouring adjoining or adjacent property or the owner or occupiers thereof
6. To observe the restrictions and regulations specified in the Ninth Schedule hereto and/or such other reasonable restrictions or regulations consistent with the terms of this Lease of which The Lessor shall give notice in writing to The Lessee

## THE SIXTH SCHEDULE

### PART I

#### The Lessor's Covenants

- 1 Subject to the payment by The Lessee of the rents The Maintenance Charge and The Interim Maintenance Charge to maintain repair and redecorate and to renew and replace (including the carrying out of any treatments to the fabric of The Property or any part thereof) as and when The Lessor may from time to time consider necessary The Property (excluding The Demised Premises and Other Units) including
  - (a) The roofs and foundations
  - (b) All the walls whether external or internal
  - (c) The main timbers joists and beams of the floors ceilings and roof
  - (d) The chimney stacks gutters rainwater and soil pipes
  - (e) The Conduits in under and upon The Property not exclusively serving The Demised Premises or Other Units (except those Conduits which are the property of a public utility supply authority or of a person or company supplying television aerial rediffusion service internal telephone system or door porter system)
  - (f) The boundary walls and fences of and in the curtilage of The Property (unless included in this demise or in the demise of Other Units)

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- (g) The flat or flats or accommodation occupied or used by any caretaker porter maintenance staff gardener cleaner or other person or persons employed by The Lessor in accordance with the provisions of Paragraph 7 of Part I of this Schedule
  - (h) All other parts of The Property (excluding The Demised Premises and Other Units) not expressly mentioned in this clause including for the avoidance of doubt any part of The Property which extends under the pavement or under any other part of the Public Highway adjoining The Property
2. As often as may be necessary to decorate the exterior of The Property including such exterior parts of The Demised Premises as The Lessee is prohibited from painting
  3. Subject as aforesaid and so far as practicable to keep clean and reasonably lighted the passages landing staircases and other parts of The Property enjoyed or used by The Lessee in common with others and to tend keep clean and tidy and generally to maintain any forecourt or garden used in connection with The Property or designated as communal garden
  4. To keep The Property including The Demised Premises insured in its full reinstatement cost against loss or damage by fire and such other of the usual comprehensive risks as is normally covered by a Block of Flats insurance policy (subject to such insurance against any such risk or risks being available) and to produce to The Lessee at least once a year and at no cost to the Lessee a copy of the schedule of the policy of insurance if so requested by the Lessee and the receipt for the last premium in respect thereof and in case of destruction of or damage to The Property or any part thereof to cause all monies received in respect of such insurance to be paid out with all convenient speed in rebuilding repairing or otherwise reinstating The Property or the part thereof so destroyed or damaged but without prejudice to The Lessee's liability to pay or contribute towards the costs of such rebuilding repairing or reinstatement as hereinbefore provided and to use its best endeavours to have noted the interest of The Lessee and her mortgagees (if any)

if so requested (whether such noting is specific or general) **PROVIDED THAT** The Lessor shall be under no liability to The Lessee under this Clause to make good to The Lessee any deficiency of such insurance monies by reason of the premium for the insurance of The Property not having been increased on account of any thing or matter done or brought thereon of which notice shall not have been given by The Lessee to The Lessor in accordance with Clause 4 of Part II of the Fifth Schedule

5. To pay and discharge any rates (including water rates) taxes duties assessments charges impositions and outgoings assessed charges and imposed upon The Property as distinct from any assessment made in respect of The Demised Premises or Other Units but including the rates (including the water rates) assessed on accommodation whether in The Property or not occupied or used by any caretaker porter maintenance staff gardener cleaner or other person employed by The Lessor in connection with The Property and also all or any other outgoings payable in respect of such accommodation
6. To maintain (if and when installed by The Lessor at its discretion) any television and radio receiving aerials installed in The Property and any door porter system installed in The Property
7. For the purpose of performing the covenants on the part of The Lessor herein contained at its discretion to employ on such reasonable terms and conditions one or more caretakers porters maintenance staff gardeners cleaners or such other persons as The Lessor may from time to time in its reasonable discretion consider necessary and in particular to provide accommodation either in The Property or elsewhere (free from payment of rent or rates by the occupier) and any other services considered necessary by The Lessor for such employees whilst in the employ of The Lessor
8. To perform and observe in so far as they relate to those parts of The Property not hereby demised the covenants and obligations on The Lessee's part similar to those contained herein



THE SIXTH SCHEDULE

PART II

The Lessor's Further Covenants

1. The Lessee paying the rent and performing and observing The Lessee's covenants hereinbefore contained and on his part to be performed and observed shall and may peaceably hold and enjoy The Demised Premises during the Term without any lawful interruption or disturbance by The Lessor or any person lawfully claiming through under or in trust for The Lessor
2. To hold The Maintenance Fund upon trust to expend the same in subsequent maintenance years pursuant to The Lessor's covenants herein contained and subject thereto in trust for The Lessee and the lessees of the Other Units absolutely in the shares in which they contribute to The Maintenance Fund
3. In every lease of any part of The Property hereafter granted by The Lessor being a long lease at a low rent and reserving a premium The Lessor shall impose regulations to be observed by The Lessee in terms similar to those contained in the Ninth Schedule hereof (as varied from time to time in accordance with paragraph (3) of The Seventh Schedule hereof) and also covenants similar to those contained in the Fifth Schedule hereof
4. To pay or to procure the payment of the appropriate maintenance charge in respect of any Other Units in The Property remaining unsold at the date hereof or let by The Lessor at a rack rent
5. Without prejudice to its right to proceed in such matters on its own initiative or otherwise The Lessor will in any event enforce all or any of the covenants conditions and regulations contained in leases of Other Units upon:
  - (a) receipt by The Lessor of a request in writing by The Lessee specifying which covenant condition or regulation The Lessee requires enforcing and
  - (b) receipt of confirmation in writing by The Lessee that The Lessee will indemnify The Lessor against all reasonable costs and expenses incurred by The Lessor in and about the same and

(c) receipt by The Lessor from The Lessee (if requested by The Lessor) of reasonable security in respect of such costs and expenses as aforesaid

**THE SEVENTH SCHEDULE**

**Provisions agreed between The Lessor and The Lessee**

1. That in the event that all or any part of The Property or the means of access thereto is destroyed or so damaged by any risk against which The Lessor has insured as hereinbefore mentioned so as to render The Demised Premises wholly or partially unfit for occupation and use and provided that the insurance effected by The Lessor shall not have been vitiated or payment of the insurance money refused in whole or in part in consequence of some act or default on the part of The Lessee his family servants or agents then the rent The Maintenance Charge and The Interim Maintenance Charge or a fair proportion thereof shall forthwith cease to be payable until The Demised Premises or the means of access thereto shall have been restored and reinstated and again rendered fit for occupation and use **AND** in case any dispute shall arise regarding this clause the matter shall be referred to an independent surveyor to be agreed between the parties or in default of agreement to be appointed by the President for the time being of The Royal Institute of Chartered Surveyors as a single arbitrator in accordance with the provisions of the Arbitration Acts 1950 to 1979 or any statutory modification or re-enactment thereof for the time being in force
2. In case of dispute between The Lessee and any lessee tenant or occupier of any part of The Property not hereby demised relating to any part of The Property such dispute shall be referred (if The Lessor so requires) to The Lessor's surveyors for the time being and the decision of such surveyors (as between The Lessee and any other lessee tenant or occupier of any part of The Property) shall be final and binding
3. The Lessor may at any time or times during The Term in the interests of good estate management impose such reasonable regulations of general application regarding

The Property or The Demised Premises or Other Units as it may in its reasonable discretion think fit in addition to or in place of regulations set out in the Ninth Schedule hereto and The Lessor shall have power in its reasonable discretion to revoke amend or add to such regulations and the regulations set out in the Ninth Schedule **PROVIDED THAT** such amendments or additions are notified in writing to The Lessee

4. If at any time The Lessor shall consider it would be in the general interest of The Lessee and the lessees of the Other Units so to do The Lessor shall have the power to discontinue any of the services supplied to the Property which in the opinion of The Lessor shall have become impracticable obsolete unnecessary or excessively costly
5. The Lessor shall have power (but shall be under no obligation not contained elsewhere in this Lease) to incur in relation to The Property the expenses set out in the Eighth Schedule
6. (a) Any notice in writing certificate or other documents required or authorised to be given or served hereunder shall be sufficient although only addressed to The Lessee without his name or generally to the person interested without any name and notwithstanding that any person to be affected thereby is absent under disability or unascertained and shall be sufficiently given or served if it is left at the last known place of abode or business of The Lessee or other person to or upon whom it is to be given or served or is affixed or left on The Demised Premises  
(b) Any such notice in writing certificate or other documents as aforesaid shall also be sufficiently given or served if it is sent by ordinary post in a prepaid letter addressed to the person to or upon whom it is to be given or served by name at the aforesaid place of abode or business and if the same is not returned through the Post Office within seven days of posting it shall be deemed to have been received or served at the time at which it would in the ordinary course have been delivered

- 7. In the event that The Lessee's Share of Maintenance Fund shall in respect of any item of service charge be inappropriate having regard to the nature of the expenditure incurred or the premises in or upon the Property benefited by the expenditure or otherwise The Lessor shall be at liberty in its discretion to adopt such other method of calculation of The Lessee's Share of the Maintenance Fund as shall be fair and reasonable in the circumstances (including if appropriate the whole of such expenditure to The Demised Premises)

**THE EIGHTH SCHEDULE**

**Costs and expenses payable from The Maintenance Fund**

There shall be payable from The Maintenance Fund such of the following costs and expenses as may from time to time be incurred in connection with The Property

- 1. The cost incurred by The Lessor in complying with its obligations contained in Part I of the Sixth Schedule
- 2. The cost of any additional insurance effected in connection with The Property or any part thereof
- 3. The cost of covering the floors of and of cleaning decorating lighting and heating the passages landings staircases and other parts of The Property enjoyed or used by The Lessee in common with others and of keeping the other parts of The Property used by The Lessee in common as aforesaid and not otherwise specifically referred to in Part I of the Sixth Schedule in good structural and decorative repair and condition
- 4. All rates charges assessments and other outgoings (if any) payable by The Lessor in respect of those parts of The Property used by The Lessee in common with others
- 5. The amount which The Lessor shall be called upon to pay as a contribution towards the expense of making repairing maintaining rebuilding and cleansing all ways roads pavements communal gardens sewers drains pipes water-courses party wall party structures party fences facilities or other conveniences which may belong to or be

used for the benefit of The Property in common with other premises near or adjoining thereto

6. The cost of installing maintaining hiring repairing and renewing any television and radio receiving aerials at The Property and used or capable of being used by The Lessee in common with the other occupiers thereof

7. The cost of installing maintaining hiring repairing or renewing any internal telephone system or door porter system at The property

8. The cost of complying with all statutory requirements regulations or requirements of any competent local or other authority relating to any part of The Property other than The Demised Premises or the Other Units in The Property

9. (a) The cost of employing a Managing Agent or Surveyor to manage The Property and to collect the rents and maintenance charges in respect of The Demised Premises and the Other Units and to carry out such other duties as are otherwise imposed on him by the provisions of this Lease or by any statute or statutes for the time being in force

(b) In the event that The Lessor does not employ a Managing Agent or Surveyor to perform the duties set out in sub clause (a) above The Lessor's reasonable fees in performing the said duties

10. The cost of maintaining any communal garden and keeping the same properly cultivated in good order and condition and of carrying out such improvements thereto as may be desirable

11. All legal and other proper costs properly and reasonably incurred by The Lessor:

(a) in the running and management of The Property and in the enforcement of the covenants on the part of The Lessee and of the lessees of Other Units and the conditions and regulations contained in this Lease and the leases granted of the Other Units insofar as the costs of enforcement are not recovered from The Lessee in breach and

(b) in making such applications and representations and taking such action as The Lessor shall reasonably deem necessary in respect of any notice or order

or proposal for a notice or order served under any statute or order regulation or byelaw on The Lessee or any underlessee of The Demised Premises or on any lessee of any Other Units or on The Lessor in respect of The Property or all or any parts thereof

- 12. The cost of auditing the accounts relating to the management of The Property
- 13. Any taxes which may be assessed or charged on The Maintenance Fund or its income or in respect thereof and any interest and charges charged upon bank accounts maintained for the purposes of the Management of the Building
- 14. Such sum or sums from time to time as The Lessor's Managing Agents or Accountants shall consider desirable to be paid to The Lessor for the purpose of accumulating a reserve fund as a reasonable provision to meet the future liability for costs expenses outgoings and other matters mentioned or referred to in this Schedule
- 15. The reasonable costs to The Lessor of periodic valuation or assessment of the cost of reinstatement of The Property and The Demised Premises for insurance purposes.
- 16. The cost to The Lessor of complying with the requirements of Section 19 of The Landlord and Tenant Act 1985 as amended by section 41 of The Landlord and Tenant Act 1987 or any statutory modification or re-enactment thereof for the time being in force including the legal and other costs of successfully seeking a declaration that the Interim Maintenance Charge or The Maintenance Charge are reasonable **PROVIDED** that nothing in this Schedule shall impose upon The Lessor any obligation not contained elsewhere in this Lease to provide any of the services herein mentioned it being the intention of the parties that The Lessor shall have power to incur such expenses if it considers the same are necessary or desirable in the general interests of the lessees or occupiers of The Property or in the interests of good estate management

THE NINTH SCHEDULE

Regulations

1. No dirt rubbish rags refuse or other substances shall be thrown or permitted to be thrown into the sinks baths lavatories cisterns or waste or soil pipes in The Demised Premises (except through a proper waste disposal unit) or out of the windows thereof
2. No unreasonable noise shall be made or permitted to be made in The Demised Premises and in particular no piano record player radio loudspeaker television or other mechanical electrical electronic or musical instrument of any kind shall be played or used nor shall any singing be practised in The Demised Premises so as to cause annoyance to the owners lessees and occupiers of the Other Units comprised in The Property or so as to be unduly audible outside The Demised Premises or at such hours and in such manner as shall be reasonably objected to by The Lessor or the occupiers of the Other Units comprised in The Property or the occupiers of any adjoining premises
3. No clothes or other articles shall be hung or exposed outside The Demised Premises nor shall be shaken out of the windows of The Demised Premises
4. No animal bird or reptile shall be kept on The Demised Premises without the written permission of The Lessor which may be withdrawn at any time at The Lessor's reasonable discretion
5. The exterior of The Demised Premises shall not be decorated otherwise than by The Lessor nor shall the interior surfaces of the garage doors (if any) be painted except in colours approved from time to time by The Lessor's Surveyor
6. No refuse or rubbish shall be kept in the corridors or passageways or anywhere on or about The Property except in a dustbin which shall be provided by The Lessee and situated in the designated refuse area or in any communal refuse disposal facility provided by The Lessor from time to time
7. No bicycle perambulator or other article of any description shall be kept or placed in the entrance hall staircases or passages of The Property and no caravan motor vehicle motorcycle or similar thing shall be kept or parked in or on The Property

except on the Parking Space allocated to The Lessee by The Lessor from time to time

8. No combustible explosive or offensive goods shall be kept in The Demised Premises or upon any part of The Property nor shall any act or thing whatsoever be done or permitted in or about The Demised Premises or The Property that may be or become dangerous or a nuisance or cause scandal or annoyance to The Lessor or any of the other lessees or occupiers of The Property or neighbourhood
9. The windows belonging to The Demised Premises shall be properly cleaned at least once in every two months during The Term
10. No person or persons or children under the control of The Lessee shall be permitted to loiter or play in or about the entrance hall stairs or passages or use the said entrance hall stairs or passages otherwise than as a means of access to or egress from The Demised Premises
11. No dangerous or explosive materials machinery engine safe or other thing which may attach or in any way injure by percolation corrosion or vibration or otherwise the structure of The Property or the keeping or using thereof which may contravene any statute or any local regulation or byelaw for the time being affecting The Property shall be kept or used on The Demised Premises or The Property
12. In the event of any damage caused to any Other Unit or part of The Property other than The Demised Premises by reason of leakage of water due to The Lessee's negligence or neglect or other act or default of The Lessee there shall be paid to The Lessor the costs of any necessary repairs or reinstatement as assessed by The Lessor's Surveyor
13. All electrical apparatus in The Demised Premises shall be fitted with an effective suppressor to obviate interference from any such apparatus to radio or television sets and not to overload the existing electric wires and cables and in the event of any additional or new wiring or cable becoming necessary or of The Lessee or The Lessor being required by the Electricity Authority or by the Insurers to provide the same The Lessee shall pay the cost of all such additional or new wiring or cable



14. No vacuum cleaners shall be used in The Demised Premises before the hour of 11.00 on Sunday mornings
15. No one shall reside in The Demised Premises unless the floors and underlay thereof (including the corridors) are completely covered with wall to wall fitted carpet or (in the kitchen only) vinyl floor covering or other sound deadening material except while the same shall be removed for cleaning or repairing or decorating The Demised Premises
16. No fire place in any part of The Demised Premises shall be used for the burning of any solid fuel or for any gas or other fire without the written consent of The Lessor's first had and obtained nor without (if so required by The Lessor) at The Lessee's own expense and to the reasonable satisfaction of The Lessor the flue being properly lined by a specialist contractor appointed by The Lessor and in the event of any damage being caused to any flat or part of The Property other than The Demised Premises by reason of the installation of such lining or the use of such fuel or fire there shall be paid by The Lessee to The Lessor the cost of any necessary repairs or reinstatement as assessed by The Lessor's Surveyor
17. The garden (if any) included in The Demised Premises shall be used as a private garden only and kept properly cultivated with ornamental lawns shrubs and flower borders and no livestock shall be kept therein
18. Not to place any object or objects thereon in or about The Demised Premises in such a way as to overload the structure of any part or parts of The Property
19. On receiving a written notice from The Lessor or their Surveyors to that effect to cut down or lop or top (as the case may be) any tree or shrub indicated in such notice subject to the consent of the Local Authority being forthcoming if such consent is required ~~not~~ to cut down or lop or top any tree on The Demised Premises without the prior written consent of The Lessor or their Surveyor's such consent not to be unreasonably withheld
20. Not to do or permit to be done any act deed matter or thing whereby any guarantee in respect of timber treatment or damp proofing to The Demised Premises or The

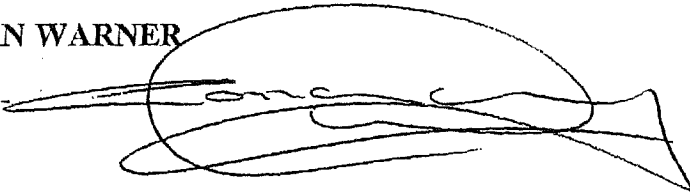
Property (The Guarantees) is invalidated nor to drive into the walls any nails masonry pins picture hooks or any other item in The Demised Premises in contraventions of the conditions of The Guarantees

- 21. No person or persons or children under the control of The Lessee shall be permitted to play any games of whatsoever nature in particular not to cycle or use a skateboard or roller skates or anything of a like nature within the curtilage of The Property
- 22. Not to park or permit to be parked any motor vehicle on the driveways of the hardstanding within The Property without the Licence in writing given by The Lessors from time to time or prior permission first obtained

SIGNED as a Deed by

LORRAINE JOAN WARNER

in the presence of:



THOMAS M. PURCELL LLB,  
SURREY HOUSE, SURREY STREET,  
CROYDON CR9 1XZ.  
SOLICITOR