

LEASE

of Plot Number 100

Canal Quarter, (Village 3.12), Kingsbrook, Aylesbury

- (1) BDW Trading Limited

- (2) Canal Quarter Management Company Limited

- (3) Mihaela Starluciuc & Razvan Starluciuc

THIS DOCUMENT CREATES LEGALLY BINDING OBLIGATIONS AND YOU SHOULD TAKE LEGAL ADVICE BEFORE SIGNING.

WE DRAW YOUR ATTENTION TO THE FOLLOWING PROVISIONS WHICH PLACE PARTICULARLY SERIOUS OBLIGATIONS ON YOU:

- 1. REQUIREMENTS TO CONTRIBUTE TOWARDS THE COST OF REPAIRING UNINSURED RISK DAMAGE (PARAGRAPH 17 OF CHAPTER 6 AND PARAGRAPH 17 OF CHAPTER 7)**
- 2. REQUIREMENTS TO PAY THE COSTS OF REPAIRING DAMAGE WHICH IS YOUR FAULT (PARAGRAPH 26 OF CHAPTER 7 AND PARAGRAPH 8 OF CHAPTER 9)**
- 3. THE FORFEITURE CLAUSE (PARAGRAPH 13 OF CHAPTER 14)**
- 4. THE INDEMNITY YOU GIVE THE LANDLORD AND THE MANAGEMENT COMPANY IN RESPECT OF BREACH OF YOUR OBLIGATIONS IN THIS LEASE AND OTHER MATTERS (PARAGRAPH 4 OF CHAPTER 15)**

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PRESCRIBED CLAUSES

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| LR1. DATE OF LEASE | |
| LR2. TITLE NUMBER(S) | LR2.1 LANDLORD'S TITLE NUMBER(S) BM332765 LR2.2 OTHER TITLE NUMBERS BM211045 |
| LR3. PARTIES TO THIS LEASE | LANDLORD BDW TRADING LIMITED (company registration number 03018173) of Barratt House, Cartwright Way, Forest Business Park, Bardon Hill, Coalville, Leicestershire LE67 1UF TENANT MIHAELA STARLUCIUC & RAZVAN STARLUCIUC of 157 Kingsbrook Basin, Broughton, Aylesbury, HP22 7EP OTHER PARTIES CANAL QUARTER MANAGEMENT COMPANY LIMITED whose registered address is 2 Hills Road, Cambridge CB2 1JP (Company Registration Number 11780279) |
| LR4. PROPERTY | IN THE CASE OF A CONFLICT BETWEEN THIS CLAUSE AND THE REMAINDER OF THIS LEASE THEN, FOR THE PURPOSES OF REGISTRATION, THIS CLAUSE SHALL PREVAIL. Plot 100 which has a postal address of 157 Kingsbrook Basin, Broughton, Aylesbury, HP22 7EP and as described in Chapter 2 of this lease. |
| LR5. PRESCRIBED STATEMENTS ETC. | Not applicable |
| LR6. TERM FOR WHICH THE PROPERTY IS LEASED | 999 years from and including 1 July 2022 |
| LR7. PREMIUM | The sum of Two Hundred And Fifty-Eight Thousand, Nine Hundred And Ninety-Five Pounds (£258,995.00). |
| LR8. PROHIBITIONS OR RESTRICTIONS ON DISPOSING OF THE LEASE | This lease contains a provision that prohibits or restricts dispositions. |
| LR9. RIGHTS OF ACQUISITION ETC. | LR9.1 TENANT'S CONTRACTUAL RIGHTS TO RENEW THIS LEASE, TO ACQUIRE THE REVERSION OR ANOTHER LEASE OF THE PROPERTY, OR TO ACQUIRE AN INTEREST IN OTHER LAND None. LR9.2 TENANT'S COVENANT TO (OR OFFER TO) SURRENDER THIS LEASE None. LR9.3 LANDLORD'S CONTRACTUAL RIGHTS TO ACQUIRE THIS LEASE None. |

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| LR10. RESTRICTIVE COVENANTS GIVEN IN THIS LEASE BY THE LANDLORD IN RESPECT OF LAND OTHER THAN THE PROPERTY | None. |
| LR11. EASEMENTS | <p>LR11.1 EASEMENTS GRANTED BY THIS LEASE FOR THE BENEFIT OF THE PROPERTY No easements are granted or transferred by this lease other than those expressly set out in Chapter 3 and for the avoidance of doubt the operation of section 62 of the Law of Property Act 1925 and the rule in <i>Wheeldon v Burrows</i> are excluded.</p> <p>LR11.2 EASEMENTS GRANTED OR RESERVED BY THIS LEASE OVER THE PROPERTY FOR THE BENEFIT OF OTHER PROPERTY As set out in Chapter 4.</p> |
| LR12. ESTATE RENTCHARGE BURDENING THE PROPERTY | None. |
| LR13. APPLICATION FOR STANDARD FORM OF RESTRICTION | <p>The parties to this lease apply to enter the following standard form restriction against the title of the Property: No disposition of the registered estate other than a charge by the proprietor of the registered estate, or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction, is to be registered without a certificate signed by Canal Quarter Management Company Limited (Company Registration Number 11780279) of 2 Hills Road, Cambridge CB2 1JP or their conveyancer that the provisions of paragraph 3 of Chapter 11 (<i>Disposals of Your Property</i>) of a lease dated [] and made between BDW Trading Limited (1) Canal Quarter Management Company Limited (2) and Mihaela Starluciu & Razvan Starluciu (3) have been complied with.</p> |
| LR14. DECLARATION OF TRUST WHERE THERE IS MORE THAN ONE PERSON COMPRISING THE TENANT | <p>Not applicable.</p> <p>OR</p> <p>The Tenant is more than one person. They are to hold the Property on trust for themselves as joint tenants.</p> <p>OR</p> <p>The Tenant is more than one person. They are to hold the Property on trust for themselves as tenants in common in equal shares.</p> <p>OR</p> <p>The Tenant is more than one person. They are to hold the Property on trust ...<i>complete as necessary</i></p> |

INTRODUCTION

THIS LEASE is made on []

between

(1) **BDW TRADING LIMITED** (company registration number 03018173) of Barratt House, Cartwright Way, Forest Business Park, Bardon Hill, Coalville, Leicestershire LE67 1UF;

(2) **CANAL QUARTER MANAGEMENT COMPANY LIMITED** (company registration number 11780279) of 2 Hills Road, Cambridge CB2 1JP

(3) **MIHAELA STARLUCIUC & RAZVAN STARLUCIUC** of 157 Kingsbrook Basin, Broughton, Aylesbury, HP22 7EP

each "a **PARTY**" and together referred to as "the **PARTIES**". The **PARTIES** agree as follows:

The Chapter headings, other headings used in **THIS LEASE** and any paragraph starting with the words "*By way of explanation*" are descriptive only and do not affect the interpretation of **THIS LEASE**.

The bold terms in **THIS LEASE** have particular meanings. The meanings of these words and phrases are set out in the table below headed 'Key terms' and also in Chapter 16, which also contains some rules around other ways words and phrases in **THIS LEASE** should be interpreted.

KEY TERMS

LANDLORD: the person named as **PARTY** (1) at the top of this page and others who become the **LANDLORD** as described in Chapter 14.

MANAGEMENT COMPANY: the person named as **PARTY** (2) at the top of this page.

LEASE TERM: 999 years from and including 1 July 2022.

PRICE: Two Hundred And Fifty-Eight Thousand, Nine Hundred And Ninety-Five Pounds (£258,995.00).

THIS LEASE: this document including the page headed "Prescribed Clauses", this page headed "Introduction", the pages headed "Chapter", any schedules and the appendices and any document supplemental to **THIS LEASE**.

YOU: the person named as **PARTY** (3) at the top of this page, being the tenant to whom **THIS LEASE** was initially granted and others who become the tenant under **THIS LEASE** as described in Chapter 14.

YOUR PROPERTY: plot 100 which has a postal address of 157 Kingsbrook Basin, Broughton, Aylesbury, HP22 7EP and as described in Chapter 2.

CHAPTER 1: GRANT

1. In exchange for **YOU** paying the **PRICE** to the **LANDLORD**, the **LANDLORD** lets **YOUR PROPERTY** to **YOU** for the **LEASE TERM** on the terms set out in **THIS LEASE**. A full description of what is and is not included in **YOUR PROPERTY** is set out in Chapter 2.
2. The **LANDLORD** also grants to **YOU** and those authorised by **YOU** the rights set out in Chapter 3 for the benefit of **YOUR PROPERTY** subject to the conditions and limitations on those rights as set out in Chapter 3.
3. The rights set out under the heading "Rights for the benefit of **YOUR PROPERTY**" in Chapter 3 are also granted in relation to the **DEVELOPMENT** and any **RELEVANT PARCEL** with effect from that **RELEVANT PARCEL**'s **EFFECTIVE DATE** and subject to the same conditions and limitations.
3. If **YOU** comply with **YOUR** obligations set out in **THIS LEASE**, **YOU** may enjoy **YOUR PROPERTY** without any interruption or disturbance by the **LANDLORD** or anyone claiming under or in trust for the **LANDLORD**. However, the **LANDLORD** retains the rights set out in Chapter 4 over **YOUR PROPERTY** for the benefit of each and every part of the **BUILDING** and the **ESTATE** and the **DEVELOPMENT** and those rights may be exercised by the **LANDLORD**, the **MANAGEMENT COMPANY**, the **DEVELOPMENT MANAGEMENT COMPANY** and any person authorised by any of these. The rights set out under the heading "**LANDLORD**'s reserved rights" in Chapter 4 are also retained for the benefit of **THE DEVELOPMENT** and each and every part of any **RELEVANT PARCEL** with effect from that **RELEVANT PARCEL**'s **EFFECTIVE DATE** and are exercisable by the same people. This **LEASE** is also granted subject to rights for the benefit of third parties who are not a **PARTY** to **THIS LEASE** as set out in Chapter 4.
4. The **LANDLORD** has given **YOU** the following incentives in exchange for **YOU** paying the **PRICE** to the **LANDLORD** and accepting **THIS LEASE** of **YOUR PROPERTY**:

Financial Incentives

None

Non-Financial Incentives

None

CHAPTER 2: YOUR PROPERTY

1. **YOUR PROPERTY** is the **APARTMENT** numbered 157 within the **BUILDING**. The **BUILDING** forms part of the **ESTATE**. **YOUR PROPERTY** is on the second floor of the **BUILDING** and shown edged red and numbered 100 on **PLAN 1**.

2. **YOUR PROPERTY** includes:

- all interior fixtures and fittings including any fitted cupboards, bathroom and kitchen equipment, radiators, plumbing and wiring;
- any addition to **YOUR PROPERTY** from time to time;
- all internal walls that are not load-bearing and which do not separate **YOUR PROPERTY** from any other part of the **BUILDING**;
- all internal doors and any internal windows;
- any door (including interior door furniture and any glass in the door) that is used to enter **YOUR PROPERTY** from the **BUILDING** but not the door frame, external decorative surfaces of the door or exterior door furniture;
- glass in exterior windows and any balcony, patio or garage (where applicable) and the interior window furniture but **YOUR PROPERTY** does not include the exterior window frames or any exterior window furniture;
- the interior faces of ceilings up to the underside of the joists, slabs or beams to which they are attached;
- all internal finishes including plaster, plasterboard, tiles, paintwork, any wall paper and flooring up or down to the interior side of the joists, slabs or beams to which they are attached;
- any **FACILITIES** within and serving only **YOUR PROPERTY** including any smoke alarms, carbon monoxide detectors and door entry systems but **YOUR PROPERTY** does not include any **FACILITIES** which are within or partly within the boundaries of **YOUR PROPERTY** but which may be used for the benefit of any other property; and
- **CONDUITS** within and serving only **YOUR PROPERTY** but **YOUR PROPERTY** does not include any **CONDUITS** which are within or partly within the boundaries of **YOUR PROPERTY** but which may be used for the benefit of any other property.

3. **YOUR PROPERTY** does not include:

- joists, slabs, beams and other structural parts of the **BUILDING**;
- any load-bearing or external walls or any wall that divides **YOUR PROPERTY** from any other part of the **BUILDING**;
- the airspace below, above and to the sides of the internal floor finishes, wall finishes, ceiling faces, doors and windows that enclose **YOUR PROPERTY** except as specified in relation to any balcony or patio where applicable; or
- except as specified, the airspace above the surface of any garden.

4. If **YOUR PROPERTY** includes a balcony, a patio or a garage or a garden, these features are marked on **PLAN 1**. If a feature is not marked on **PLAN 1**, **YOUR PROPERTY** does not include that feature and references to that feature in **THIS LEASE** do not apply.

5. Any balcony included in **YOUR PROPERTY** means the floor surface of the balcony and the airspace above it up to but excluding any part of the next floor up from the balcony or up to the level of the roof of the **BUILDING** but excluding any part of the roof but it does not include the structure of the balcony which forms part of the **SERVICED AREAS**.

6. Any patio or garden included in **YOUR PROPERTY** means the surface of the patio or garden and the airspace above it up to but excluding any part of the first floor of the **BUILDING** but the airspace above that forms part of the **SERVICED AREAS**.

CHAPTER 3: RIGHTS FOR THE BENEFIT OF YOUR PROPERTY

By way of explanation: This Chapter sets out rights that are granted to **YOU** and those authorised by **YOU** for the benefit of **YOUR PROPERTY**. They are subject to some limitations and some only apply if stated conditions are met.

RIGHTS FOR THE BENEFIT OF YOUR PROPERTY

1. If a parking space is marked on **PLAN 1** with P followed by the plot number of **YOUR PROPERTY**, **YOU** may use that space but only for the purposes of:

- parking one **PRIVATE MOTOR VEHICLE** which must not be a commercial vehicle (other than a light van which does not exceed 2,000 kg kerb weight); or
- but only if doing so does not cause disruption or obstruct or impede the use of the **DEVELOPMENT ROADS** and/or the **ESTATE ROADS** or other roads or any shared accessway or any adjoining parking space, for temporary parking of a caravan, purely for the purposes for loading and unloading and for a maximum period of 24 hours (with no return within 48 hours).

If no such parking space is marked on **PLAN 1**, **YOUR PROPERTY** does not benefit from any right to park in a parking space on the **ESTATE**.

2. If any visitor parking spaces are marked on **PLAN 2**:

- **YOU** may park one **PRIVATE MOTOR VEHICLE** in any vacant visitor parking space; and
- but only if doing so does not cause disruption or obstruct or impede the use of the **DEVELOPMENT ROADS** and/or the **ESTATE ROADS** or other roads or any shared accessway or any adjoining parking space, you may temporarily park a caravan in any vacant visitor parking space, purely for the purposes for loading and unloading and for a maximum period of 24 hours (with no return within 48 hours),

but **YOU** may only park in a maximum of 3 visitor parking spaces at any one time. **YOU** acknowledge that others have a similar right and visitor parking space availability is on a first come, first served basis and may be used for a maximum of 48 hours with no return to any of the visitor parking spaces within 48 hours. If no such visitor parking spaces are marked on **PLAN 2**, **YOUR PROPERTY** does not benefit from any right to visitor parking.

3. **YOU** may enter other parts of the **BUILDING** if necessary for the purpose of **YOU** complying with **YOUR** obligations in **THIS LEASE** subject to **YOU** complying with the **ENTRY CONDITIONS AND REQUIREMENTS**. **YOU** acknowledge that others in the **BUILDING** may have similar rights.

4. **YOUR PROPERTY** has the right of support, shelter and protection from the rest of the **BUILDING**.

By way of explanation: **YOUR PROPERTY** has the right to be physically supported (held up) by the parts of the **BUILDING** beneath it, and to be sheltered by the parts of the **BUILDING** around and above it.

5. For the purposes of substances, energy and data passing to and from **YOUR PROPERTY**:

- **YOU** may use and connect into any **CONDUITS** within the **BUILDING** that are capable of benefiting **YOUR PROPERTY** subject to **YOU** complying with the **ENTRY CONDITIONS AND REQUIREMENTS** where **YOU** are making any new connection; and
- **YOU** may use any other **CONDUITS** within the **ESTATE** that are capable of benefiting **YOUR PROPERTY**.

YOU acknowledge that others in the **BUILDING** and on the **ESTATE** may have similar rights and that any such **CONDUITS** may be re-routed or replaced or, where reasonable to do so, removed by the **LANDLORD** or the **MANAGEMENT COMPANY**.

6. **YOU** may use the **COMMON PARTS** for the purposes for which they are designed which includes the use of an appropriate route from the entrance of the **BUILDING** to **YOUR PROPERTY**.

7. **YOU** may use the **COMMUNAL AREAS** for the purposes for which they are designed which includes using the **DEVELOPMENT ROADS** the **ESTATE ROADS** and other roads and **FOOTPATHS** that form part of the **COMMUNAL AREAS** for the purpose of getting to and from **YOUR PROPERTY** and any parking space in which **YOU** have a right to park and for the purpose of accessing other parts of the **COMMUNAL AREAS**. However:

- **YOU** may not use the **DEVELOPMENT ROADS** and/or any **ESTATE ROADS** or other roads forming part of the **COMMUNAL AREAS** for parking;
- where any **DEVELOPMENT ROAD** and/or **ESTATE ROAD** or other road passes under any building or structure on the **ESTATE**, **YOU** may not use the **DEVELOPMENT ROADS** and/or the **ESTATE ROADS** or other roads in any vehicle which is high enough to cause any contact with such building or structure;
- **YOU** may not use any **FOOTPATHS** forming part of the **COMMUNAL AREAS** unless **YOU** are on foot; and
- **YOU** may only use a bicycle or bin store (in either case) if it is marked on **PLAN 1** and if no bin store is marked on **PLAN 1** then **YOUR PROPERTY** does not benefit from any right to use a bin store and if no bicycle store is marked on **PLAN 1** then **YOUR PROPERTY** does not benefit from any right to use a bicycle store.

8. If access to **YOUR PROPERTY** from the **ESTATE ROADS** and/or the **DEVELOPMENT ROADS** and/or other roads and **FOOTPATHS** is via any shared accessway (for example any pathway, drivethrough, road or driveway) this is marked on **PLAN 1** and **YOU** may use that accessway for the purposes of getting to and from **YOUR PROPERTY** in accordance with any reasonable regulations notified to **YOU** by the **MANAGEMENT COMPANY**. If no such shared accessway is marked on the plan, **YOUR PROPERTY** does not benefit from any right to use such an accessway.

LIMITATIONS ON THE RIGHTS FOR THE BENEFIT OF YOUR PROPERTY

9. The rights must be exercised in accordance with **YOUR** obligations in **THIS LEASE**, in accordance with the **DEVELOPMENT REGULATIONS**, the **ESTATE REGULATIONS** and so as to cause as little inconvenience as reasonably possible to the **LANDLORD**, the **MANAGEMENT COMPANY**, the **DEVELOPMENT MANAGEMENT COMPANY** and other owners of land on the **ESTATE**.

10. The **LANDLORD** or the **MANAGEMENT COMPANY** or the **DEVELOPMENT MANAGEMENT COMPANY** may control the use of the **DEVELOPMENT ROADS** and/or the **ESTATE ROADS** and/or the **FOOTPATHS** that form part of the **COMMUNAL AREAS** by way of locked gates, security barriers and/or any other appropriate controls as long as **YOU** are provided with passwords, keycards or other appropriate means to allow **YOU** to pass through those controls.

11. If a parking space is marked on **PLAN 1** with P followed by the plot number of **YOUR PROPERTY**, the **LANDLORD** or the **MANAGEMENT COMPANY** may at any time and for any reason allocate **YOU** an alternative parking space within the **ESTATE** and **YOUR** right to park will instead apply to that alternative space. Alternative parking spaces may be allocated any number of times. **YOU** accept that any right **YOU** may have under **THIS LEASE** to use a parking space (and any alternative parking space allocated in its place) may be temporarily restricted or removed during the carrying out of any works to the parking space or other parts of the **ESTATE** that the **MANAGEMENT COMPANY** is obliged or entitled to carry out under **THIS LEASE**.

12. If any visitor parking spaces are marked on **PLAN 2**, the **LANDLORD** or the **MANAGEMENT COMPANY** may at any time and for any reason reduce the number of visitor parking spaces or remove them altogether. Any right to park on any visitor parking space ends if the visitor parking spaces are removed.

13. If any shared accessway is marked on **PLAN 1**, the **LANDLORD** or the **MANAGEMENT COMPANY** may at any time and for any reason allocate **YOU** an alternative suitable means of accessing **YOUR PROPERTY** from the **ESTATE ROADS**, the **DEVELOPMENT ROADS** and **FOOTPATHS** and **YOUR** access right will instead apply to that alternative. Alternatives may be allocated any number of times.

14. No rights are granted or transferred other than as expressly set out in this Chapter. In particular, **YOUR PROPERTY** does not benefit from any rights of light or rights of air.

By way of explanation: **YOU** will have the rights set out in this Chapter. **YOU** will not have any other rights – the rights above are the only ones **YOU** will have. Other buildings constructed in the future could potentially reduce the amount of natural light into **YOUR PROPERTY**, or affect the view from **YOUR PROPERTY**.

CHAPTER 4: LANDLORD'S RESERVED RIGHTS AND OTHER RIGHTS

By way of explanation: This Chapter sets out rights that are retained by the **LANDLORD**. They are for the benefit of the **BUILDING** and the **ESTATE**. They can be exercised by the **LANDLORD**, the **DEVELOPMENT MANAGEMENT COMPANY**, the **MANAGEMENT COMPANY** and to the extent stated below, others, as well as those authorised by any of them.

LANDLORD'S RESERVED RIGHTS

1. The right of support, shelter and protection for the **BUILDING** from **YOUR PROPERTY**.

By way of explanation: The parts of the **BUILDING** above **YOUR PROPERTY** have the right to be physically supported (held up) by **YOUR PROPERTY**. The parts of the **BUILDING** below or adjacent to **YOUR PROPERTY** have the right to be sheltered by **YOUR PROPERTY**.

2. The right to keep, connect into, maintain, renew, use and install any **CONDUITS** or **FACILITIES** which are within or partly within the boundaries of **YOUR PROPERTY** but which may be used for the benefit of any other property.

3. The right to enter **YOUR PROPERTY**:

- to exercise the rights referred to in this Chapter;
- to carry out any inspection or survey for any reasonable purpose including for the purpose of determining whether **YOU** have failed to comply with any of **YOUR** obligations in **THIS LEASE**;
- to carry out work to the **BUILDING** or to the **DEVELOPMENT** or to the **ESTATE**; and
- for any other purpose connected with the **LANDLORD's** interest in the **BUILDING** or the **DEVELOPMENT** or the **ESTATE** or for the purpose of the **LANDLORD** or the **MANAGEMENT COMPANY** or the **DEVELOPMENT MANAGEMENT COMPANY** complying with an obligation under **THIS LEASE** or any other agreement (whether that agreement is entered into on, before or after the date of **THIS LEASE**).

When exercising this right, the **LANDLORD** or the **MANAGEMENT COMPANY** or the **DEVELOPMENT MANAGEMENT COMPANY** must give **YOU** at least 48 hours' notice (unless there is an emergency) which may be given by telephone, email or any other appropriate method, cause as little damage and inconvenience to **YOU** as possible and promptly repair any damage caused.

4. The right to enter **YOUR PROPERTY** to carry out work that **YOU** are required to do under **THIS LEASE** but have failed to do after having been given reasonable opportunity to do so as further explained in Chapter 9 or in the event of an emergency.

5. The right to carry out building, demolition and other works on any part of the **BUILDING**, the **ESTATE** and the **DEVELOPMENT** and any other property which the **LANDLORD** holds from time to time including the right to erect scaffolding against the **BUILDING** or any building or structure on the **ESTATE**, bring construction vehicles and equipment onto the **ESTATE**, oversail the **BUILDING** and the **ESTATE** with construction equipment and carry out any work to extend the **BUILDING** (upwards or otherwise) even if this reduces the amount of light or air that **YOUR PROPERTY** enjoys or temporarily interferes with **YOUR** use and enjoyment of **YOUR PROPERTY** or the rights granted to **YOU** in **THIS LEASE**.

By way of explanation: A right to "oversail" the **BUILDING** and the **ESTATE** means the right for cranes and other construction equipment to pass overhead.

6. The rights referred to in this Chapter under the heading "**LANDLORD's** reserved rights" may be exercised by or on behalf of the **LANDLORD** or the **DEVELOPMENT MANAGEMENT COMPANY** or the **MANAGEMENT COMPANY**.

OTHER RIGHTS

7. **THIS LEASE** is granted subject to all rights, obligations, restrictions and other matters affecting **YOUR PROPERTY**. They include all matters contained or referred to in the property and charges register of the **LANDLORD's** title number (as set out in LR2.1 of the **PRESCRIBED CLAUSES**) as at the date of **THIS LEASE** so far as they relate to **YOUR PROPERTY** and are still in existence and capable of taking effect.

CHAPTER 5: MONEY YOU MUST PAY

1. **YOU** agree to pay:

- **YOUR SHARE** of the **SERVICE CHARGE** as set out in Chapter 6;
- interest as set out in this Chapter 5;
- any **VAT** that is due on any payment **YOU** are required to make under **THIS LEASE** as set out in this Chapter 5;
- **one peppercorn** per year to be paid to the **LANDLORD** if the **LANDLORD** requests that **YOU** do so;
- all applicable **EVENT FEES** and **CONSENT FEES** as set out in **THIS LEASE**; and
- any other payment that **YOU** are required to make under **THIS LEASE**;

By way of explanation: To make sure **THIS LEASE** is legally valid, it needs to provide for the payment of rent every year. In practice, the **LANDLORD** does not wish to charge any rent, and so the rent is set at one peppercorn per year (known as a 'peppercorn rent'). **YOU** only have to send the peppercorn if the **LANDLORD** specifically asks **YOU** to. In practice, it would be very unusual to be asked to do this, though **YOU** are obliged to send the peppercorn if the **LANDLORD** specifically asks **YOU** to.

2. Any sums that **YOU** are required to pay to the **LANDLORD** are payable as rent.

3. **YOU** are responsible for paying for the supply and removal of all utilities and services in respect of **YOUR PROPERTY** (for example water, sewage, electricity and internet) and any outgoings (such as council tax and the expense from time to time incurred in respect of cleaning, maintaining, repairing and renewing all party walls, fences and other such items and any facilities the benefit of which is shared between **YOU** and others) including any which may be required, installed, provided or imposed in the future except where such items are either payable by **YOU** as part of the **SERVICE CHARGE** or under some other arrangements set out in **THIS LEASE**. If any utilities, services or outgoings are used by or attributed to **YOUR PROPERTY** (whether in whole or in part) but are invoiced to the **LANDLORD**, the **MANAGEMENT COMPANY** or any other person, **YOU** must pay a fair share of the costs of that utility, service or outgoing to the person who received the invoice when asked to do so. If the invoice is issued to the **LANDLORD**, the **LANDLORD** acting reasonably will decide what a fair share is and otherwise, the **MANAGEMENT COMPANY** acting reasonably will decide what is a fair share.

4. If the **LANDLORD** or the **MANAGEMENT COMPANY** pay any invoice relating to any utility, service or outgoing attributed to **YOUR PROPERTY**, **YOU** must refund the amount paid when asked to do so.

5. All sums referred to in **THIS LEASE** are exclusive of **VAT**. Where **VAT** is chargeable on any amount of money due from **YOU**, **YOU** are required to pay the **VAT** on that amount.

6. **YOU** must pay all sums payable by **YOU** under **THIS LEASE** without deduction, whether by way of set off (whether legal or equitable), counterclaim, withholding (save of tax as required by law) or otherwise. In relation to any sum payable by **YOU** under **THIS LEASE**, **YOU** owe this obligation to the person to whom **YOU** must pay that sum.

By way of explanation: **YOU** are not entitled to make deductions from the sums payable by **YOU** in respect of **YOUR SHARE** of **SERVICE CHARGE** or in respect of any interest or in respect of any other matter for which **YOU** are obliged to make any payment under **THIS LEASE**, even if they are deductions for sums which **YOU** think the **LANDLORD** or **MANAGEMENT COMPANY** or other person to whom **YOU** are making the payment owes **YOU**.

7. If **YOU** do not pay any sum due from **YOU** to the **LANDLORD** or to the **MANAGEMENT COMPANY** under **THIS LEASE** within 21 days of the date on which it was due to be paid then provided that the sum has been formally demanded, **YOU** must pay interest on that sum at the interest rate. The interest rate is 4% a year above the base rate of Barclays Bank plc or 4% a year if that base rate is below 0% or ceases to be

published. Interest will be calculated on a daily basis, from and including the date on which the relevant sum was due to be paid until the date that payment of the relevant sum, together with any interest due, is actually received by the person to whom it is owed and will apply both before and after any judgment.

8. The right to charge **YOU** interest on any sum due does not affect any other remedy that the **LANDLORD** or the **MANAGEMENT COMPANY** may have to recover money due from **YOU** under **THIS LEASE**.

CHAPTER 6: SERVICES AND THE SERVICE CHARGE

MANAGEMENT COMPANY'S OBLIGATION TO PROVIDE SERVICES

1. Subject to **YOU** paying **YOUR SHARE** of the **SERVICE CHARGE**, the **MANAGEMENT COMPANY** agrees with **YOU** to provide the **BUILDING SERVICES** and the **ESTATE SERVICES** for the benefit of **YOUR PROPERTY** and other properties on the **ESTATE**. The total costs incurred by or on behalf of the **MANAGEMENT COMPANY** in connection with providing the **BUILDING SERVICES** and the **ESTATE SERVICES** are referred to as the **SERVICE CHARGE** and the **SERVICE CHARGE** is recovered by the **MANAGEMENT COMPANY** from those who own property that benefits from the **BUILDING SERVICES** and the **ESTATE SERVICES**. **YOU** agree to pay **YOUR SHARE** of the **SERVICE CHARGE** to the **MANAGEMENT COMPANY** as set out in this Chapter. Nothing in this paragraph entitles the **MANAGEMENT COMPANY** not to obtain all insurances that it is obliged to obtain under its obligations in Chapter 7 by reason of **YOU** not paying any part of the **SERVICE CHARGE** that is payable by **YOU**.

THE SERVICES

2. The **BUILDING SERVICES** are all services reasonably required for the efficient running and management of the **BUILDING**. The **BUILDING SERVICES** at the date of **THIS LEASE** include those listed under the heading "Services provided to the **COMMON PARTS** and **SERVICED AREAS**" in the definition of **SPECIFIED SERVICES** in Chapter 16 but the **MANAGEMENT COMPANY** may add to any of these services where, in the **MANAGEMENT COMPANY**'s reasonable opinion, it is reasonable to do so in the interests of good estate management. The **MANAGEMENT COMPANY** may also alter or discontinue any of these services where, in the **MANAGEMENT COMPANY**'s reasonable opinion any of the following are the case: it has become impracticable or obsolete to provide it, it is in the general interest of the owners or occupiers of the **LETTABLE UNITS** to discontinue it or it is in the interests of good estate management to discontinue it. If the **MANAGEMENT COMPANY** proposes to discontinue any of the **BUILDING SERVICES**, the **MANAGEMENT COMPANY** will notify **YOU** and will take **YOUR** view and those of others affected into account in making its decision whether or not to discontinue that service.

3. The **ESTATE SERVICES** are all services reasonably required for the efficient running and management of the **ESTATE**. The **ESTATE SERVICES** at the date of **THIS LEASE** include those listed under the heading "Services provided to the **ESTATE**" in the definition of **SPECIFIED SERVICES** in Chapter 16 but the **MANAGEMENT COMPANY** may add to any of these services where in the **MANAGEMENT COMPANY**'s reasonable opinion, it is reasonable to do so in the interests of good estate management. The **MANAGEMENT COMPANY** may also alter or discontinue any of these services where, in the **MANAGEMENT COMPANY**'s reasonable opinion any of the following are the case: it has become impracticable or obsolete to provide it, it is in the general interest of the owners or occupiers of premises on the **ESTATE** to discontinue it or it is in the interests of good estate management to discontinue it. If the **MANAGEMENT COMPANY** proposes to discontinue any of the **ESTATE SERVICES**, the **MANAGEMENT COMPANY** will notify **YOU** and will take **YOUR** view and those of others affected into account in making its decision whether or not to discontinue that service.

THE SERVICE CHARGE

4. All costs that are incurred by or on behalf of the **MANAGEMENT COMPANY** in connection with providing the **BUILDING SERVICES** or the **ESTATE SERVICES** form part of the **SERVICE CHARGE** including the **SERVICE COSTS**. It is agreed that the **MANAGEMENT COMPANY** may not include in the **SERVICE CHARGE** any share of the **SERVICE CHARGE** that is fairly attributable to any property benefiting from the **BUILDING SERVICES** or the

ESTATE SERVICES where that property is occupied by the **LANDLORD** or is intended to be let but is unlet and is owned by the **LANDLORD**. The **MANAGEMENT COMPANY** will invoice that share to the **LANDLORD**. It is also agreed that the **MANAGEMENT COMPANY** may not include in the **SERVICE CHARGE** for a **SERVICE CHARGE PERIOD** any share of the **SERVICE CHARGE** that is fairly attributable to a **RELEVANT PARCEL** unless that **SERVICE CHARGE PERIOD** is either current at that **RELEVANT PARCEL**'s **EFFECTIVE DATE** or arises after that **RELEVANT PARCEL**'s **EFFECTIVE DATE**.

5. All costs that are incurred by or on behalf of the **MANAGEMENT COMPANY** in connection with the insurance policies and cover referred to in Chapter 7 form part of the **SERVICE CHARGE**. These costs include premiums, commissions, fees and the cost of valuations.

6. All costs referred to in **THIS LEASE** as forming part of the **SERVICE CHARGE** form part of the **SERVICE CHARGE**.

7. All sums in respect of establishing, maintaining and operating reserve funds and/or sinking funds that the **MANAGEMENT COMPANY** includes in the **SERVICE CHARGE** in accordance with its right to do so under this Chapter form part of the **SERVICE CHARGE**.

OFF-ESTATE CONTRIBUTIONS TO SERVICE CHARGE - PAYMENT OF COSTS AND EXPENSES INCURRED IN RESPECT OF THE PUBLIC OPEN SPACE AND ACOUSTIC FENCES

8. The expenses incurred by the **LANDLORD** or the **MANAGEMENT COMPANY** in paying the costs incurred by the **DEVELOPMENT MANAGEMENT COMPANY** or its agents of maintaining insuring repairing monitoring cultivating and/or cleaning the **PUBLIC OPEN SPACE** and any play equipment or other apparatus situated thereon and re-charged to the **LANDLORD** or the **MANAGEMENT COMPANY** or its agents until the date being the earlier of the transfer of the maintenance responsibility or the transfer of the legal ownership of the **PUBLIC OPEN SPACE** or any part thereof to the **COUNCIL** and/or the **RESERVE MANAGER**

9. Should the **COUNCIL** and/or the **RESERVE MANAGER** decide to decline the transfer of the **PUBLIC OPEN SPACE** or any part thereof referred to in clause 8 above under the terms of the **SECTION 106 AGREEMENT (AYLESBURY)** any sums required to be paid to the **DEVELOPMENT MANAGEMENT COMPANY** by the **LANDLORD** or the **MANAGEMENT COMPANY** for the maintenance insurance repair monitoring cultivating and/or cleaning of the **PUBLIC OPEN SPACE** and any play equipment or other apparatus situated thereon

10. The costs incurred by **THE DEVELOPMENT MANAGEMENT COMPANY** or its agents of maintaining insuring repairing monitoring the **ACOUSTIC FENCE(S)** and re-charged to the **LANDLORD** or the **MANAGEMENT COMPANY** or its agents PROVIDED THAT if the **AUTHORITY** choses to replace the **ACOUSTIC FENCE(S)** with an alternative fence of its own design the **DEVELOPMENT MANAGEMENT COMPANY** shall no longer be obliged to maintain the same

RESERVE FUNDS AND SINKING FUNDS

11. The **MANAGEMENT COMPANY** is entitled to establish, maintain and operate sinking funds and reserve funds in respect of future expenditure, whether recurring or not and whenever in the future such expenditure may or may be expected to arise. The **MANAGEMENT COMPANY** may set up such sinking and reserve funds in accordance with the principles of good estate management for:

- carrying out any works of any kind to any part of the **ESTATE** at any time; and
- to the extent not included in the foregoing description, for any purposes connected to the provision

of the **BUILDING SERVICES** or the **ESTATE SERVICES**.

The works for which such sinking and reserve funds may be established, maintained and operated that are referred to in this paragraph at the first bullet point above include but are not limited to renewal and replacement of any plant, machinery, equipment and system, repair, renewal and replacement of any structural parts of the **ESTATE** (including but not limited to the structural parts of any building or other structure on the **ESTATE**), decoration, repair and maintenance of the exterior of any building or other structure on the **ESTATE**, planting, surfacing and cultivating any external landscaping on any part of the **ESTATE**, carrying out works to comply with legal obligations and to the extent commensurate with the principles of good estate management relating to the establishment, maintenance and operation of sinking funds and reserve funds, any other repair, decoration, refurbishment and other kind of maintenance for which the **MANAGEMENT COMPANY** is responsible under the terms of any leases or transfers of premises on the **ESTATE**.

12. The **MANAGEMENT COMPANY** may include in the **SERVICE CHARGE** for any **SERVICE CHARGE PERIOD** reasonable sums to establish, maintain and operate the reserve funds and/or sinking funds referred to in the preceding paragraph (including an appropriate amount for **VAT** and fees). The matters to which such sums may relate include but are not limited to any of the items set out in the definition of **SERVICE COSTS**, whether any such expenditure arises or is expected to arise once or periodically and if periodically, whether recurring at regular or irregular intervals.

By way of explanation: it is sensible to build up a reserve and/or sinking fund to allow for any major and/or irregular costs that will form part of the **SERVICE CHARGE** to be spread over a number of **SERVICE CHARGE PERIODS**. Without such funds, the burden of major and/or irregular costs may be required from owners of premises in the **BUILDING** or on the **ESTATE** when the expenditure is incurred, which could result in a demand for large or immediate payment. For example, if the roof needed to be replaced but there was no reserve fund and/or sinking fund, the **SERVICE CHARGE** for that **SERVICE CHARGE PERIOD** would be unusually high. Building up a reserve fund and/or sinking fund on an ongoing basis also ensures that those that own the freehold or certain leaseholds of premises in the **BUILDING** or on the **ESTATE** from time to time contribute to such costs. Otherwise, the burden of major and/or irregular costs would sit only with those people who happen own the freehold or certain leaseholds of premises in the **BUILDING** or on the **ESTATE** when the expenditure is incurred, which could be unfair. Bear in mind that even with a reserve fund and/or sinking fund, there may not be enough **SERVICE CHARGE** money in such funds to cover all the costs of the services provided. If that happens, **YOU** and other leaseholders and/or owners of properties on the **ESTATE** would be required to cover the shortfall as part of the **SERVICE CHARGE**.

PAYING YOUR SHARE OF THE SERVICE CHARGE

13. **YOU** will pay **YOUR SHARE** of the **SERVICE CHARGE** for each **SERVICE CHARGE PERIOD** (apportioned on a daily basis for the **SERVICE CHARGE PERIOD** current at the date of **THIS LEASE**). At the date of **THIS LEASE**, the **SERVICE CHARGE PERIOD** is every 12 month period ending on 30 June each year.

14. For each **SERVICE CHARGE PERIOD**, the **MANAGEMENT COMPANY** will give **YOU** a written budget showing the **ESTIMATED SERVICE CHARGE** for that **SERVICE CHARGE PERIOD** and an invoice for the sum that **YOU** are required to pay to the **MANAGEMENT COMPANY** in advance on account of **YOUR SHARE** of the **SERVICE CHARGE** for that **SERVICE CHARGE PERIOD**. This sum will be the **MANAGEMENT COMPANY**'s estimate of **YOUR SHARE** of the **SERVICE CHARGE** for the upcoming **SERVICE CHARGE PERIOD**.

By way of explanation: In order that the **MANAGEMENT COMPANY** has the necessary funds to provide the **BUILDING SERVICES** and the **ESTATE SERVICES** during a given **SERVICE CHARGE PERIOD**, the **MANAGEMENT COMPANY** will obtain advance payments from **YOU** representing **YOUR SHARE** of the **ESTIMATED SERVICE CHARGE** for each upcoming **SERVICE CHARGE PERIOD**. After the end of the **SERVICE CHARGE PERIOD**, the actual **SERVICE CHARGE** is known and the **MANAGEMENT COMPANY** will determine whether the advance payments that **YOU** have made cover **YOUR SHARE** of the actual **SERVICE CHARGE** and a reconciliation is carried out.

15. **YOU** will pay the invoiced sum to the **MANAGEMENT COMPANY** as directed by the **MANAGEMENT COMPANY** provided that the sum will be payable in no fewer than 2 equal instalments and on the payment dates specified from time to time by the **MANAGEMENT COMPANY**. At the date of **THIS LEASE**, the sum is payable in 2 equal instalments on each of 1 January and 1 July. On the date of **THIS LEASE**, **YOU** will pay the first payment on account of **YOUR SHARE** of the **SERVICE CHARGE** for the **SERVICE CHARGE PERIOD** current at the date of **THIS LEASE**.

16. If the **MANAGEMENT COMPANY** has not given **YOU** the written budget for a **SERVICE CHARGE PERIOD**, the **MANAGEMENT COMPANY** may give **YOU** an invoice requiring payment of a sum no greater than the sum invoiced for the advance payment on account of **YOUR SHARE** of the **SERVICE CHARGE** in the previous **SERVICE CHARGE PERIOD**. That sum will be payable in the same number of instalments and on the same dates as was required in the previous **SERVICE CHARGE PERIOD**. **YOU** will pay the invoiced sum to the **MANAGEMENT COMPANY** but this invoice may be adjusted at any time by the **MANAGEMENT COMPANY** following the written budget for the new **SERVICE CHARGE PERIOD** being given to **YOU**. If any additional amount is due from **YOU**, **YOU** will pay this to the **MANAGEMENT COMPANY** within one month of the date of the adjusted invoice and if **YOU** have made an over-payment, an amount equal to that over-payment will be deducted from the next sum or sums due from **YOU** to the **MANAGEMENT COMPANY** under this Chapter.

17. Where the **MANAGEMENT COMPANY** does not have sufficient funds to repair **UNINSURED DAMAGE** or there is any kind of emergency requirement for immediate funds, the **MANAGEMENT COMPANY** will revise its written budget which shows the **ESTIMATED SERVICE CHARGE** for that **SERVICE CHARGE PERIOD** and issue to **YOU** an invoice for an additional sum that **YOU** are required to pay to the **MANAGEMENT COMPANY** in advance on account of **YOUR SHARE** of the **SERVICE CHARGE** for that **SERVICE CHARGE PERIOD**. **YOU** will pay this additional sum to the **MANAGEMENT COMPANY** within one month of the date of the invoice.

18. As soon as practicable after the end of the **SERVICE CHARGE PERIOD**, the **MANAGEMENT COMPANY** will set out the actual **SERVICE CHARGE** in the **SERVICE CHARGE STATEMENT**. The **MANAGEMENT COMPANY** will send **YOU** a copy of the **SERVICE CHARGE STATEMENT**. Then 2 months after the **MANAGEMENT COMPANY** has sent **YOU** a copy of the **SERVICE CHARGE STATEMENT** or if later, after any obvious and significant errors that have been notified to the **MANAGEMENT COMPANY** have been corrected, the **SERVICE CHARGE STATEMENT** will be treated as having been accepted as conclusive by **YOU**, the **LANDLORD** and the **MANAGEMENT COMPANY** as to the amount of the **SERVICE CHARGE** and **YOUR SHARE** of the **SERVICE CHARGE**.

19. The **SERVICE CHARGE STATEMENT** will include **YOUR** balancing invoice. This invoice will show the amount that **YOU** have paid in advance on account of **YOUR SHARE** of the **SERVICE CHARGE** for the relevant **SERVICE CHARGE PERIOD** and the amount that represents **YOUR SHARE** of the actual **SERVICE CHARGE** for that **SERVICE CHARGE PERIOD**.

20. If the amount that **YOU** have paid on account is less than **YOUR SHARE** of the **SERVICE CHARGE** as set out in the **SERVICE CHARGE STATEMENT**, **YOU** must pay the balance to the **MANAGEMENT COMPANY** within 14 days of the **MANAGEMENT COMPANY** sending **YOU** the **SERVICE CHARGE STATEMENT**.

21. If the amount that **YOU** have paid on account is more than **YOUR SHARE** of the **SERVICE CHARGE** as set out in the **SERVICE CHARGE STATEMENT**, the balance will be first applied to pay any money that **YOU** owe to the **MANAGEMENT COMPANY** and any remaining balance will be deducted from the next sum or sums due from **YOU** to the **MANAGEMENT COMPANY** under this Chapter.

PROVISION OF SERVICE CHARGE INFORMATION

22. When reasonably requested by **YOU**, the **MANAGEMENT COMPANY** will make available to **YOU** the records and vouchers relating to the provision of the **BUILDING SERVICES** and the **ESTATE SERVICES** by making them available at such location as the **MANAGEMENT COMPANY** may reasonably appoint for the purposes of inspection during normal business hours.

OMISSIONS FROM THE SERVICE CHARGE BUDGET OR SERVICE CHARGE STATEMENT

23. The **MANAGEMENT COMPANY** may sometimes omit to include **SERVICE CHARGE** expenditure either spent or for which liability is incurred in a given **SERVICE CHARGE PERIOD** in the **SERVICE CHARGE** budget or **SERVICE CHARGE STATEMENT** for that **SERVICE CHARGE PERIOD**. If this happens, the **MANAGEMENT COMPANY** may still include that expenditure or liability in the **SERVICE CHARGE** budget or **SERVICE CHARGE STATEMENT** for any subsequent **SERVICE CHARGE PERIOD**.

HOW PAYMENTS OF SERVICE CHARGE MUST BE HELD

24. Other than sums invested in accordance with this Chapter, the **MANAGEMENT COMPANY** will keep all money received from **YOU** and others in respect of the **SERVICE CHARGE** in a designated account or a trust account separate from any other money until it is properly spent. Any interest earned on that account will be credited to the account.

MANAGEMENT COMPANY'S OBLIGATION TO COMPLY WITH LAWS

25. The **MANAGEMENT COMPANY** will comply with all applicable laws relating to the recovery of **YOUR SHARE** of the **SERVICE CHARGE** from **YOU**.

MANAGEMENT COMPANY'S OBLIGATION REGARDING SEEKING VALUE FOR MONEY

26. The **MANAGEMENT COMPANY** agrees with **YOU** that it will use reasonable efforts to get value for money when it incurs costs that will form part of the **SERVICE CHARGE**. It is agreed that this does not require the **MANAGEMENT COMPANY** to seek the lowest cost available or accept the lowest quote received but where appropriate, it may require the **MANAGEMENT COMPANY** to obtain more than one quote for proposed works, require competitive tenders or check the costs of alternative suppliers at suitable intervals.

MANAGEMENT COMPANY'S POWERS OF INVESTMENT

27. The **MANAGEMENT COMPANY** may invest all or any part of the sums paid to it on account of **SERVICE CHARGE** under **THIS LEASE**:

- in deposits with or loans to any recognised "bank" (within the meaning of the Banking Act 1987) or local authority or in securities having a final redemption date not later than 5 years after the date they were acquired and issued by the United Kingdom's government or by any local or public authority or nationalised industry or undertaking in the United Kingdom or in building society stock or accounts; and
- jointly with any other funds;

and may delegate its powers of investment within such investment policy or other limits as it thinks fit to any member of the London Stock Exchange and may pay them to carry out the powers it delegates.

RECOVERY OF OTHER SERVICE CHARGE CONTRIBUTIONS

28. Subject to **YOU** complying fully with **YOUR** obligations in the next paragraph, the **MANAGEMENT COMPANY** will take reasonable steps to recover contributions towards **SERVICE CHARGE** which are payable by the other owners of premises on the **ESTATE** under their leases or transfers.

29. **YOU** agree with the **MANAGEMENT COMPANY** that:

- **YOU** will indemnify and reimburse the **MANAGEMENT COMPANY** against all costs of complying with the **MANAGEMENT COMPANY's** obligations in the previous paragraph (including reasonable reimbursement for the time spent by the **MANAGEMENT COMPANY** or by someone authorised by it);
- **YOU** will provide such security in cleared funds as the **MANAGEMENT COMPANY** thinks fit and **YOU** agree that the **MANAGEMENT COMPANY** is not required to take or continue any action or incur any costs under its obligations in the previous paragraph until **YOU** or **YOUR** mortgagee has done so;
- if the **MANAGEMENT COMPANY** so requires, the **MANAGEMENT COMPANY** may obtain, at **YOUR** cost, legal advice in writing as to the merited action in respect of the recovery of any **SERVICE CHARGE** contributions and **YOU** agree that the **MANAGEMENT COMPANY** is not bound to take action unless Counsel advises that the action should be taken and has a greater than 50% chance of success;
- if so required by the **MANAGEMENT COMPANY**, **YOU** will join in any action or proceedings arising out of the **MANAGEMENT COMPANY's** obligations in the previous paragraph; and
- all costs that are incurred by or on behalf of the **MANAGEMENT COMPANY** in connection with complying with the **MANAGEMENT COMPANY's** obligations under the previous paragraph form part of the **SERVICE CHARGE**.

EXCLUSIONS AND LIMITATIONS ON THE MANAGEMENT COMPANY'S AND THE DEVELOPMENT MANAGEMENT COMPANY'S LIABILITY

30. Although neither the **DEVELOPMENT MANAGEMENT COMPANY** nor the **MANAGEMENT COMPANY** exclude or limit in any way its liability to **YOU** where it would be unlawful to do so (which includes liability for death or personal injury caused by the **DEVELOPMENT MANAGEMENT COMPANY** or **MANAGEMENT COMPANY's** negligence), neither the **MANAGEMENT COMPANY** nor the **DEVELOPMENT MANAGEMENT COMPANY** is liable to **YOU** for any failure or interruption to the **BUILDING SERVICES** or the **ESTATE SERVICES**:

- where the failure or interruption is caused by the carrying out of inspections, maintenance, repair or replacement works or by any mechanical breakdown or malfunction or for reasons beyond the control of the **DEVELOPMENT MANAGEMENT COMPANY** or the **MANAGEMENT COMPANY**, but in these circumstances the **DEVELOPMENT MANAGEMENT COMPANY** or the **MANAGEMENT COMPANY** will take reasonable steps to remedy the situation as soon as it reasonably can;
- where workers or contractors are required to provide the relevant service or remedy any failure or interruption and the **DEVELOPMENT MANAGEMENT COMPANY** or the **MANAGEMENT COMPANY** has used reasonable efforts to source appropriate workers or contractors but has not been able to do so;
- where the cause of the failure or the interruption is not reasonably obvious from a superficial visual inspection until **YOU** have given the **DEVELOPMENT MANAGEMENT COMPANY** or the **MANAGEMENT COMPANY** written notice of the failure or interruption and the **DEVELOPMENT MANAGEMENT COMPANY** or the **MANAGEMENT COMPANY** has not remedied the situation within a reasonable period of getting that notice; or
- where there has been **UNINSURED DAMAGE** and the **DEVELOPMENT MANAGEMENT COMPANY** or the **MANAGEMENT COMPANY** does not have sufficient funds to repair that **UNINSURED DAMAGE**.

31. **YOU** are not entitled to enforce any of the obligations on the part of the **MANAGEMENT COMPANY** in this Chapter while any **SERVICE CHARGE** payable by **YOU** under **THIS LEASE** is in arrears or while **YOU** are otherwise in substantial breach of any of **YOUR** obligations in **THIS LEASE**.

CHAPTER 7: INSURANCE

BUILDING INSURANCE

1. The **MANAGEMENT COMPANY** will insure the **BUILDING** through a reputable insurance company or underwriters. The total costs incurred by or on behalf of the **MANAGEMENT COMPANY** in connection with insuring the **BUILDING** are recovered by the **MANAGEMENT COMPANY** from those who own property that benefit from the **BUILDING SERVICES** (including **YOU**) as part of the **SERVICE CHARGE**.

2. The insurance of the **BUILDING** will cover the **COMMON PARTS** and the **SERVICED AREAS**. It will also cover the fixtures and fittings in **YOUR PROPERTY**. Examples of fixtures and fittings are light fittings, fitted cupboards, bathroom suites and associated plumbing, internal finishes to walls and ceilings and any wooden flooring and floor tiles. The insurance will not cover carpets, curtains, blinds, furniture or any other contents within **YOUR PROPERTY**.

3. The **MANAGEMENT COMPANY** will insure the **BUILDING** against the risks it considers to be reasonable in all the circumstances but provided that cover is available in the UK market at a reasonable cost, the insurance will cover the following risks:

- fire, explosion, lightning, earthquake, storm or tempest;
- aircraft (other than hostile aircraft) and other aerial devices and articles dropped from them;
- riot and civil commotion or malicious damage;
- bursting or overflowing of water tanks, apparatus or pipes;
- flood;
- impact by road vehicles;
- subsidence, landslip and heave;
- terrorism; and
- any risk required to be covered as a condition of mortgage finance as set out in the UK Finance Mortgage Lenders Handbook (or any successor publication).

4. So far as reasonably possible, the **MANAGEMENT COMPANY** will seek to ensure that insurance complies with lenders' general requirements as a condition of mortgage finance for residential property from time to time (which at the date of **THIS LEASE** are set out in the UK Finance Mortgage Lenders Handbook) and will seek to negotiate terms under which the insurer has no right of subrogation against **YOU** unless **YOU** have acted negligently (i.e. failed to take proper care) or wilfully caused damage.

By way of explanation: Technically the **MANAGEMENT COMPANY** will be the person with the benefit of the insurance policy. If someone negligently sets fire to the **BUILDING**, the **MANAGEMENT COMPANY** may be able to sue them, but it is usually easier to claim on the insurance policy. The insurer then has a right of "subrogation": it can step into the **MANAGEMENT COMPANY**'s shoes and sue the person who caused the fire. If **YOU** were the person who caused the fire, this means the insurer could potentially sue **YOU**, which would be unfair as **YOU** and the other owners of the **LETTABLE UNITS** are collectively paying for the insurance. As a solution to this potential problem, the **MANAGEMENT COMPANY** will seek to ensure that the insurance policy states that it is for the benefit of the **MANAGEMENT COMPANY** and all the owners of the **LETTABLE UNITS**, or that the insurance policy specifically prevents the insurer from exercising subrogation rights against **YOU** and the other owners of **LETTABLE UNITS**. The insurer could however still sue **YOU** if **YOU** do not comply with the terms of **THIS LEASE** or if damage had been caused wilfully.

5. The insurance of the **BUILDING** will cover the cost of rebuilding the **BUILDING** (including ancillary costs such as site clearance, professional fees and the cost of insuring the site). The **MANAGEMENT COMPANY** will request valuations at reasonable intervals so it may insure an appropriate sum. The insurance will not cover the cost of alternative accommodation for the occupiers of **YOUR PROPERTY** if any damage means that **YOUR PROPERTY** is unfit for occupation unless the **MANAGEMENT COMPANY** decides that it is appropriate to insure this cost and it is specifically referred to in the applicable insurance policy. **YOU**

should take out **YOUR** own insurance to cover this cost if required. The insurance will also not cover any loss or damage caused by any work carried out in any **LETTABLE UNIT**, including **YOUR PROPERTY** by or on behalf of the owners or occupiers of the **LETTABLE UNITS**.

6. If any part of the **BUILDING** is damaged by a risk against which the **MANAGEMENT COMPANY** has insured (referred to in this Chapter as **THE DAMAGE**), the **MANAGEMENT COMPANY** will take all reasonable steps to make the appropriate claim under the insurance policy and to recover any sums due in respect of **THE DAMAGE** from any other person.

7. The **MANAGEMENT COMPANY** will use the money that it receives from the insurers and any other person in respect of **THE DAMAGE** to seek to repair **THE DAMAGE** as quickly as reasonably possible.

8. Where repairing **THE DAMAGE** requires planning permission or any other permission or consents, the **MANAGEMENT COMPANY** will seek to obtain these (but will not be required to issue any proceedings or appeals).

9. If it is not possible to repair **THE DAMAGE** (for example because planning permission has been refused) and **YOUR PROPERTY** is unfit for occupation for a continuous period of 3 years, the **LANDLORD** may terminate **THIS LEASE** and the **MANAGEMENT COMPANY** will pay any money received from the insurers and any other money that may be received in compensation for **THE DAMAGE** (less amounts spent in seeking to repair **THE DAMAGE**) to the **LANDLORD**. (This is an obligation owed by the **MANAGEMENT COMPANY** to the **LANDLORD**). The **LANDLORD** will then divide this money between the **LANDLORD** and the owners of the **LETTABLE UNITS** in a fair and reasonable way with regard to the nature of their respective interests and whether any of the **LETTABLE UNITS** are fit for occupation.

10. **YOU** will not be required to pay any **SERVICE CHARGE** for any period when **YOUR PROPERTY** is not fit for occupation due to **THE DAMAGE**.

OTHER INSURANCE

11. The **MANAGEMENT COMPANY** may choose to insure an amount equal to the **MANAGEMENT COMPANY**'s reasonable estimate of the contributions to the **SERVICE CHARGE** by the owners of the **LETTABLE UNITS** towards costs of the **ESTATE SERVICES** for a period of up to 3 years against the risk that those contributions are not paid due to damage to the **BUILDING**.

12. The **MANAGEMENT COMPANY** will also arrange directors' and officers' liability insurance to cover a sum considered to be appropriate by the **MANAGEMENT COMPANY** to cover the risk of compensation claims being made against relevant directors and officers of the **MANAGEMENT COMPANY** (and other appropriate personnel carrying out duties on behalf of the **MANAGEMENT COMPANY** where the **MANAGEMENT COMPANY** considers it appropriate cover such personnel) and may arrange insurance to cover a sum considered to be appropriate by the **MANAGEMENT COMPANY** (or if applicable, as required by any hiring terms) relating to any employees or staff hired by the **MANAGEMENT COMPANY** or to any **FACILITIES** in the **BUILDING** (excluding those forming part of any **LETTABLE UNIT**) or the **COMMUNAL AREAS**.

13. The **MANAGEMENT COMPANY** will also arrange property owner's and public liability insurance to cover a sum considered to be appropriate by the **MANAGEMENT COMPANY** to cover the risk of claims against the **LANDLORD** or the **MANAGEMENT COMPANY** in relation to the **BUILDING** (excluding the **LETTABLE UNITS**) and the **COMMUNAL AREAS**.

14. The **MANAGEMENT COMPANY** may arrange any other reasonable insurance that may from time to time be appropriate to cover a sum considered to be appropriate by the **MANAGEMENT COMPANY**.

UNINSURED DAMAGE

15. If there is any damage to the **COMMUNAL AREAS**, **COMMON PARTS**, the **SERVICED AREAS** or the fixtures and fittings in **YOUR PROPERTY** and the cost of repairing that damage is not covered by insurance proceeds or funds received from any other person, that damage will be **UNINSURED DAMAGE**.

16. Except as provided below in the case of **CATASTROPHIC DAMAGE**, the cost of repairing any **UNINSURED DAMAGE** that relates to:

- the **COMMON PARTS**, the **SERVICED AREAS** or the fixtures and fittings in **YOUR PROPERTY** will be treated as a cost to be incurred by the **MANAGEMENT COMPANY** in connection with providing the **BUILDING SERVICES** and it will form part of the **SERVICE CHARGE**; and
- the **COMMUNAL AREAS** will be treated as a cost to be incurred by the **MANAGEMENT COMPANY** in connection with providing the **ESTATE SERVICES** and it will form part of the **SERVICE CHARGE**.

17. Where the **MANAGEMENT COMPANY** does not have enough money to repair the **UNINSURED DAMAGE**, the **MANAGEMENT COMPANY** will seek funds by revising its written budget which shows the **ESTIMATED SERVICE CHARGE** for that **SERVICE CHARGE PERIOD**, as set out in more detail in Chapter 6.

18. Where the **UNINSURED DAMAGE** means that **YOUR PROPERTY** is not fit for occupation, if in the reasonable opinion of both the **MANAGEMENT COMPANY** and the **LANDLORD**, having sought **YOUR** opinion and that of other affected owners of **LETTABLE UNITS**, it is considered unlikely that sufficient funds can be obtained through the **SERVICE CHARGE** for there to be a reasonable prospect of **YOUR PROPERTY** being fit for occupation within the period of 3 years from the date of the **UNINSURED DAMAGE**, the **MANAGEMENT COMPANY** or the **LANDLORD** will notify **YOU** that the **UNINSURED DAMAGE** will be treated as **CATASTROPHIC DAMAGE**.

19. Repairing **CATASTROPHIC DAMAGE** or **UNINSURED DAMAGE** that has the potential to be designated as **CATASTROPHIC DAMAGE** does not form part of the **BUILDING SERVICES** or the **ESTATE SERVICES**.

20. Following **CATASTROPHIC DAMAGE**, the **LANDLORD** will take such steps as may be reasonable in the circumstances to seek to minimise the financial loss to **YOU** and to the **LANDLORD**. The **LANDLORD** acknowledges that those steps may include transferring its freehold interest in the **BUILDING** or in the **BUILDING** and other property to **YOU** and others with limited title guarantee and on standard terms, adjusted as appropriate for the circumstances. Where **YOU** and the **LANDLORD** do not agree what steps should be taken or how they should be taken, **YOU** and the **LANDLORD** will be bound by the decision of one independent surveyor and one independent solicitor, each with no less than 10 years relevant experience who will be appointed by their relevant professional governing bodies. Any reasonable costs to be incurred by the **LANDLORD** in connection with its obligations in this paragraph must be paid by **YOU** (or where applicable, a reasonable proportion of those costs).

By way of explanation: This clause deals with a very rare situation and sets out what will happen as a last resort. "Limited title guarantee" means that the **LANDLORD** will only give limited confirmations as to the rights and other matters affecting **YOUR PROPERTY** and limited commitments in relation to the transfer of it, given **YOU** will be the owner of **YOUR PROPERTY** and will usually know more about it than the **LANDLORD** does.

21. **YOU** will not be required to pay any **SERVICE CHARGE** relating to the **BUILDING SERVICES** for any period when **YOUR PROPERTY** is not fit for occupation due to **UNINSURED DAMAGE** or **CATASTROPHIC DAMAGE**.

ADDITIONAL AGREEMENTS IN RELATION TO INSURANCE

22. When repairing **THE DAMAGE** or any **UNINSURED DAMAGE**, the **MANAGEMENT COMPANY** is not required to seek to put the damaged part of the **BUILDING** or the **ESTATE** into precisely the same state as before that damage occurred so long as the **BUILDING** and the **ESTATE** are reasonably comparable to their state before that damage.

23. The **MANAGEMENT COMPANY** will not agree to terms for the insurance which are unusual in the market, but **YOU** acknowledge that the insurance policies will be subject to any excesses, exclusions, limitations and conditions that are imposed by the insurer or which are reasonably negotiated. **YOU** acknowledge that this means that part of most claims will be uninsured, and even if the **MANAGEMENT COMPANY** has complied with all obligations in this Chapter, some damage, costs or losses may be entirely uninsured.

By way of explanation: An "excess" is the initial amount which the insured has to bear on any insurance claim. It may be a sum of money, e.g. the first £100 of any claim, or a percentage, e.g. the first 5%. An excess is to discourage small claims and it reduces insurance costs. An "exclusion" is a risk that the insurer will not cover.

24. The **MANAGEMENT COMPANY** will give **YOU** sufficient details of the insurance policies to enable **YOU** to understand **YOUR** obligations in this Chapter and to confirm that the **MANAGEMENT COMPANY** has complied with its obligations in this Chapter. The **MANAGEMENT COMPANY** will give **YOU** a summary of the insurance cover relating to the **BUILDING** whenever **YOU** reasonably request it and will advise **YOU** if there is any material change to any insurance policy. All information referred to in this paragraph will be supplied to **YOU** free of charge.

25. **YOU** must comply with the conditions of the insurance policies and any insurers' requirements or recommendations that affect **YOUR PROPERTY** or its use and must not do anything that may increase the cost of obtaining any of the insurance referred to in this Chapter. If the cost of obtaining any of the insurance referred to in this Chapter is increased due to **YOUR** failure to comply with any term in **THIS LEASE**, **YOU** must pay to the **MANAGEMENT COMPANY** a sum equal to that increase.

26. If there is any loss or damage to the **BUILDING** (excluding **YOUR PROPERTY**) or to the **ESTATE** arising out of or in connection with **YOUR** act or default that is not covered in full by the proceeds from any of the insurance policies (including where insurer is permitted to refuse to pay those proceeds because of **YOUR** act or default), **YOU** must pay to the **MANAGEMENT COMPANY** a sum equal to the value of such loss and the cost of repairing such damage (less any part of the relevant insurance proceeds that are receivable). Until this sum is paid, **YOU** may not enforce any of the obligations in this Chapter and any provisions relating to circumstances in which **YOU** will not be required to pay **SERVICE CHARGE** will not apply.

CHAPTER 8: HANDOVER AND MEMBERSHIP OF THE MANAGEMENT COMPANY

HANDOVER

1. At the date of **THIS LEASE**, the directors of the **MANAGEMENT COMPANY** have been appointed by the **LANDLORD** (and may include the **LANDLORD**). The directors of the **MANAGEMENT COMPANY** have employed managing agents to carry out the obligations on the part of the **MANAGEMENT COMPANY** in **THIS LEASE** on usual market terms which include a provision allowing the directors of the **MANAGEMENT COMPANY** to terminate the appointment of the managing agents if they fail to carry out their obligations.
2. At an appropriate time, the **LANDLORD** will require that the directors of the **MANAGEMENT COMPANY** are replaced. The appropriate time is anticipated to be 6 months after the grant of the final lease or transfer of property on the **ESTATE** that is intended to be let or transferred by the **LANDLORD**, but the **LANDLORD** may extend this period where it is reasonable to do so. The **MANAGEMENT COMPANY** will notify all those who hold leases or freehold interests on the **ESTATE** granted or transferred by the **LANDLORD** and who are under obligations to the **MANAGEMENT COMPANY** to contribute to the **SERVICE CHARGE** (referred to as the **RESIDENTS**) that the **MANAGEMENT COMPANY** is ready to be handed over to the **RESIDENTS**. The **LANDLORD** and the **MANAGEMENT COMPANY** will take the necessary steps to appoint any **RESIDENT** as a director of the **MANAGEMENT COMPANY** who has notified the **LANDLORD** that they want to be a director within 4 weeks of that **RESIDENT** being notified that the **MANAGEMENT COMPANY** is ready to be handed over.
3. If fewer than 2 **RESIDENTS** have been appointed as directors of the **MANAGEMENT COMPANY** within 4 weeks of the **RESIDENTS** being notified that the **MANAGEMENT COMPANY** is ready to be handed over, the **MANAGEMENT COMPANY** may appoint a professional director (or where no **RESIDENTS** have been appointed as director, 2 professional directors) to perform the function of director of the **MANAGEMENT COMPANY** on terms that require that professional director to allow any **RESIDENT** that wants to become a director of the **MANAGEMENT COMPANY** to do so. In addition, 6 weeks after the notification that the **MANAGEMENT COMPANY** is ready to be handed over, the **LANDLORD** will require the directors of the **MANAGEMENT COMPANY** that have been appointed by the **LANDLORD**, excluding any professional director, to resign.

MEMBERSHIP

4. As soon as possible after the grant of **THIS LEASE**, **YOU** (here meaning only the person named as **PARTY** (3) at the top of the page headed "Introduction") must become a member of the **MANAGEMENT COMPANY** and must promptly take any reasonable steps required by the **MANAGEMENT COMPANY**, in order to do so, including entering into any documentation required to effect such membership.

CHAPTER 9: MAINTAINING AND ALTERING YOUR PROPERTY

1. **YOU** must keep **YOUR PROPERTY** clean, well decorated and in good repair. This includes keeping the inside of windows that form part of **YOUR PROPERTY** clean, keeping any **CONDUITS** that form part of **YOUR PROPERTY** in good working order and condition and maintaining any **FACILITIES** that form part of **YOUR PROPERTY** in accordance with any relevant regulations, the manufacturer's recommendations and any reasonable requirements notified to **YOU** by the **MANAGEMENT COMPANY** from time to time.
2. **YOU** must pay for and arrange for the replacement of any broken glass in any window, door, balcony or patio which forms part of **YOUR PROPERTY** but **YOU** must notify the **MANAGEMENT COMPANY**, comply with any reasonable requirements notified to **YOU** by the **MANAGEMENT COMPANY**, comply with all health and safety requirements and replace the broken glass with glass of a similar type, colour and quality to that being repaired.
3. Where the door that is used to enter **YOUR PROPERTY** from the **BUILDING** forms part of **YOUR PROPERTY**, **YOU** must get the prior consent of the **LANDLORD** to replace that door or make any changes to the appearance of that door from outside **YOUR PROPERTY** and (unless to do so would result in **YOU** paying more than one **CONSENT FEE** under **THIS LEASE** in respect of the same set of changes or replacement) pay a **CONSENT FEE** to the **MANAGEMENT COMPANY**.
4. If **YOUR PROPERTY** includes any patio or the structure of any garage, **YOU** must get the prior consent of the **LANDLORD** to make any changes to the appearance of the patio or the garage (unless that change will not be visible to any person apart from those occupying **YOUR PROPERTY**) and (unless to do so would result in **YOU** paying more than one **CONSENT FEE** under **THIS LEASE** in respect of the same set of changes) pay a **CONSENT FEE** to the **MANAGEMENT COMPANY**.
5. For the purposes of this Chapter, "the same set of changes" and "the same set of changes or replacement" means a group of changes and/or replacement, each of which requires the **LANDLORD'S** consent under **THIS LEASE** but for which **YOU** have made only one single application for such consent to the **LANDLORD**. The **MANAGEMENT COMPANY** may from time to time prescribe further or different detail on what is meant by "the same set of changes" and/or "the same set of changes or replacement" in the **ESTATE REGULATIONS**.
6. If **YOU** do not comply with **YOUR** obligations in this Chapter, either the **LANDLORD** or the **MANAGEMENT COMPANY** may give **YOU** notice stating what work needs to be carried out to **YOUR PROPERTY** and a reasonable deadline by which that work must be done. This deadline will usually be 3 months but it may be less if appropriate. If **YOU** do not comply with that notice, the **LANDLORD** or the **MANAGEMENT COMPANY** may go into **YOUR PROPERTY** to carry out the work and **YOU** must pay to the **LANDLORD** or the **MANAGEMENT COMPANY** (as directed) all costs incurred in connection with that work when asked to do so.
7. **YOU** are not responsible for repairing damage to **YOUR PROPERTY** to the extent that the insurers cover the cost of the repair under the insurance policy relating to the **BUILDING** as described in Chapter 7.
8. If **YOU** cause any damage to the **BUILDING** or to the **ESTATE**, **YOU** must pay to the **LANDLORD** or the **MANAGEMENT COMPANY** (or to any other person as directed by the **MANAGEMENT COMPANY**) the cost of repairing that damage (except to the extent that the insurers cover that cost as described in Chapter 7).
9. **YOU** may not carry out any work to any part of the **BUILDING** or the **ESTATE** except on **YOUR PROPERTY**. For example **YOU** must not install or make any changes to **CONDUITS** or **FACILITIES** that do not form part of **YOUR PROPERTY** or make changes to or cut into any load bearing walls, external walls or other structural parts of the **BUILDING**.

10. **YOU** may not make any of the following alterations to **YOUR PROPERTY**:

- install air conditioning units or any other **FACILITY** on any balcony or in windows that form part of **YOUR PROPERTY**; or
- while the **LANDLORD** is developing the **ESTATE**, erect aerials or satellite dishes anywhere on **YOUR PROPERTY** but once the **LANDLORD** has finished developing the **ESTATE**, you may erect satellite dishes or aerials on **YOUR PROPERTY** provided that you first obtain consent, where required, from any authority (including any **AUTHORITY**) and that when erecting, maintaining and operating such items, you follow appropriate guidance issued by any authority (including any **AUTHORITY**).

11. **YOU** may not make any of the following alterations to **YOUR PROPERTY** without obtaining the prior consent of the **LANDLORD** (which may be given subject to reasonable conditions) and paying a **CONSENT FEE** to the **MANAGEMENT COMPANY** but the **LANDLORD** will not refuse consent unless it is reasonable to do so:

- make holes in load bearing walls or other structural parts or external walls that abut the internal boundaries of **YOUR PROPERTY** other than for the purposes of hanging pictures, erecting shelving, attaching furniture to the wall and other similar purposes;
- make holes in any glass forming part of **YOUR PROPERTY**;
- remove or alter any internal wall/partition within **YOUR PROPERTY**;
- alter, add to or remove any **CONDUITS** or **FACILITIES** at **YOUR PROPERTY**; or
- change the type of floor coverings at **YOUR PROPERTY** (and consent may be refused if the **LANDLORD** believes that **YOUR** proposed floor coverings may cause a nuisance to anyone else in the form of increased noise or for any other reasonable reason).

Any consent given to any alterations at **YOUR PROPERTY** does not prevent the **LANDLORD** or the **MANAGEMENT COMPANY** from subsequently requiring **YOU** to remove or make changes to that alteration if it is causing nuisance, annoyance, loss, damage or harm to any person.

12. Any work that **YOU** carry out to **YOUR PROPERTY** must be carried out using good quality and appropriate materials by a person with appropriate skill and competency for the nature of the work in question and in accordance with any applicable codes of practice, laws and regulations. **YOU** will require that anyone carrying out work in **YOUR PROPERTY** has sufficient public liability insurance to cover **YOU** and others against any loss or damage that may be caused.

CHAPTER 10: USING YOUR PROPERTY

1. **YOUR PROPERTY** must be used only as a private residence for one household.
2. **YOUR PROPERTY** must not be used for any trade, business or profession (other than office work at home which is consistent with residential use), auction sales, public meetings, any dangerous, noisy or offensive purpose or any illegal activity.
3. **YOU** must not do anything at **YOUR PROPERTY** or on the **ESTATE** that causes nuisance, annoyance, loss, damage or harm to the **LANDLORD**, the **MANAGEMENT COMPANY**, the **DEVELOPMENT MANAGEMENT COMPANY**, any owner or occupier of any other **LETTABLE UNIT** or any other person.
4. **YOU** must not:
 - overload the structure of the **BUILDING**;
 - block, damage or overload any **CONDUITS** or **FACILITIES**;
 - bring onto or keep at **YOUR PROPERTY** anything that may compromise the safety of people in **YOUR PROPERTY** or any other people including anything that may cause fire, explosion, corrosion, radioactivity or contamination to the environment or any other kind of harm (other than correctly stored and used items which are consistent with normal residential use such as alcohol, matches and cleaning products, in quantities that are appropriate for normal residential use);
 - do or fail to do anything in relation to **YOUR PROPERTY** or its use or occupation that may cause any liability to be imposed on the **LANDLORD** or the **MANAGEMENT COMPANY**; or
 - cause a legal nuisance.

By way of explanation: A 'legal nuisance' is a nuisance which is so serious that action could be taken in the Courts.

5. **YOU** must comply with the **ESTATE REGULATIONS** as notified to **YOU** by the **MANAGEMENT COMPANY** from time to time. These **ESTATE REGULATIONS** will be directions and prohibitions imposed by the **MANAGEMENT COMPANY** for the general benefit of all who occupy or use the **BUILDING** or the **ESTATE**. The **ESTATE REGULATIONS** at the date of **THIS LEASE** are set out in Appendix 2. The **MANAGEMENT COMPANY** may revoke or amend any **ESTATE REGULATION** and make further **ESTATE REGULATIONS** from time to time as considered appropriate by the **MANAGEMENT COMPANY** in the interests of good estate management.
6. **YOU** must comply with the **DEVELOPMENT REGULATIONS** as notified to **YOU** by the **DEVELOPMENT MANAGEMENT COMPANY** from time to time. these **DEVELOPMENT REGULATIONS** will be directions and prohibitions imposed by the **DEVELOPMENT MANAGEMENT COMPANY** for the general benefit of all who occupy or use the **DEVELOPMENT**. The **DEVELOPMENT MANAGEMENT COMPANY** may revoke or amend any **DEVELOPMENT REGULATIONS** and make further **DEVELOPMENT REGULATIONS** from time to time as considered appropriate by the **DEVELOPMENT MANAGEMENT COMPANY** in the interests of good estate management.
7. If **YOU** receive a written communication from any authority (including but not limited to any **AUTHORITY**) relating to any legal obligation affecting **YOUR PROPERTY** or the **BUILDING** or any other notice, document or communication from any person that may affect **YOUR PROPERTY** or the **BUILDING**, **YOU** must send a copy to the **LANDLORD** and the **MANAGEMENT COMPANY** within one week of **YOU** receiving it.

8. If the **LANDLORD** or the **MANAGEMENT COMPANY** asks **YOU** to, **YOU** must make or support the **LANDLORD** and/or the **MANAGEMENT COMPANY** in making objections or representations in relation to any notice, document or communication referred to in the preceding paragraph as directed by the **LANDLORD** or the **MANAGEMENT COMPANY**. Any reasonable costs that **YOU** incur in connection with following the directions of the **LANDLORD** in this paragraph will be refunded to **YOU** by the **LANDLORD** and any reasonable costs that **YOU** incur in connection with following the directions of the **MANAGEMENT COMPANY** will be refunded to **YOU** by the **MANAGEMENT COMPANY**.

9. **YOU** must at **YOUR** own cost comply with all laws, regulations and legal obligations that relate to **YOUR PROPERTY** or **YOUR** use of **YOUR PROPERTY** or the exercise of any rights granted to **YOU** by **THIS LEASE**, including any applicable planning controls in force from time to time. As part of complying with the rights, obligations, restrictions and other matters referred to under the heading "Other rights" in Chapter 4, so far as they relate to **YOUR PROPERTY** or the use of it or the exercise of the rights granted to **YOU** by **THIS LEASE**, **YOU** must not do anything that may interfere with any such rights, obligations, restrictions or other matters.

10. **YOU** must not:

- make any application for planning permission in relation to **YOUR PROPERTY** without obtaining the prior consent of the **LANDLORD** (which may be given subject to reasonable conditions) and (unless to do so would result in **YOU** paying more than one **CONSENT FEE** under this Lease in respect of the subject of the relevant planning application) paying a **CONSENT FEE** to the **MANAGEMENT COMPANY** but the **LANDLORD** will not refuse consent unless it is reasonable to do so;
- make any application to the local authority for a resident's parking permit;
- obstruct any window in **YOUR PROPERTY**; or
- give up, temporarily transfer or share any right which **YOUR PROPERTY** benefits from or grant anyone any new right over **YOUR PROPERTY** except to the extent permitted by Chapter 11 (*Disposals of Your Property*).

11. **YOU** must give notice to the **LANDLORD** and to the **MANAGEMENT COMPANY** and to the **DEVELOPMENT MANAGEMENT COMPANY** as soon as **YOU** become aware of any damage to or defect in the **BUILDING** or the **ESTATE** or the **DEVELOPMENT** (including any damage to or defect in **YOUR PROPERTY**) for which the **LANDLORD** or the **MANAGEMENT COMPANY** or the **DEVELOPMENT MANAGEMENT COMPANY** may be responsible or which may need to be notified to the relevant insurers.

12. **YOU** must permit the **LANDLORD** and the **MANAGEMENT COMPANY** and the **DEVELOPMENT MANAGEMENT COMPANY** and anyone authorised by any of them to exercise any of the rights of entry at Chapter 4 that are stated in Chapter 4 to be exercisable by the **LANDLORD** or the **DEVELOPMENT MANAGEMENT COMPANY** or the **MANAGEMENT COMPANY**.

CHAPTER 11: DISPOSALS OF YOUR PROPERTY

TRANSFERS OF THIS LEASE

1. **YOU** may transfer **YOUR** interest in the whole of **YOUR PROPERTY** by transferring **THIS LEASE** but **YOU** must not sub-divide **YOUR PROPERTY** or transfer only part of **YOUR PROPERTY**.
2. The **MANAGEMENT COMPANY** will seek to ensure that the holder of **THIS LEASE** from time to time is a member of the **MANAGEMENT COMPANY** and that anyone who has transferred their interest in **THIS LEASE** ends their membership of the **MANAGEMENT COMPANY**. On **YOU** transferring **THIS LEASE**, **YOU** and the **MANAGEMENT COMPANY** will take all necessary steps to terminate **YOUR** membership of the **MANAGEMENT COMPANY**.
3. If **THIS LEASE** has been transferred to **YOU**, **YOU** must:
 - no later than the date on which the transfer deed completes, enter into a deed of covenant in the form set out in Appendix 1 agreeing to comply with the obligations on **YOU** in **THIS LEASE**; and
 - within one month of the date on which the transfer deed completes:
 - notify the **LANDLORD** and give a copy of the completed transfer deed to the **LANDLORD**;
 - notify the **MANAGEMENT COMPANY** and give a copy of the completed transfer deed to the **MANAGEMENT COMPANY**;
 - give to the **MANAGEMENT COMPANY** a copy of the completed deed of covenant referred to above;
 - take any reasonable steps required by the **MANAGEMENT COMPANY** so **YOU** become a member of the **MANAGEMENT COMPANY**;
 - notify both the **LANDLORD** and the **MANAGEMENT COMPANY** of **YOUR** full name and the address which the **LANDLORD** and the **MANAGEMENT COMPANY** should use to give **YOU** any notices under **THIS LEASE**; and
 - pay the **MANAGEMENT COMPANY** an **EVENT FEE**.

By way of explanation: It is important that, if **YOU** sell **YOUR PROPERTY** in the future, the future owners of **YOUR PROPERTY** will be bound by **YOUR** obligations in **THIS LEASE**, so that the **BUILDING** and the **ESTATE** can be maintained and effectively managed in the future. To achieve this, the future owners will enter in a 'deed of covenant', which is a written promise to the **MANAGEMENT COMPANY** that the future owners will comply with **YOUR** obligations in **THIS LEASE**. The form of 'deed of covenant' is at Appendix 1.

4. Following receipt of all the notifications, documents and fees referred to in the preceding paragraph and **YOU** becoming a member of the **MANAGEMENT COMPANY**, the **MANAGEMENT COMPANY** will give a letter of consent to **YOU** to confirm that the preceding paragraph has been complied with sufficiently to allow **YOU** to satisfy the restriction referred to at LR13 of the **PRESCRIBED CLAUSES**.
5. If **YOU** have become the owner of **THIS LEASE** as a result of death or bankruptcy, or other transfer by operation of law, **YOU** must within one month of that event:
 - notify the **LANDLORD** and give a copy of any reasonably requested documents to the **LANDLORD**;
 - notify the **MANAGEMENT COMPANY** and give a copy of any reasonably requested documents to the **MANAGEMENT COMPANY** together with the **EVENT FEE**; and
 - notify both the **LANDLORD** and the **MANAGEMENT COMPANY** of **YOUR** full name and the address which the **LANDLORD** and the **MANAGEMENT COMPANY** should use to give **YOU** any notices under **THIS LEASE**.

However, **YOU** may not enforce any obligations in **THIS LEASE** on the part of the **LANDLORD** or the **MANAGEMENT COMPANY** (to the extent that this exclusion is permitted by law) unless **YOU** have become a member of the **MANAGEMENT COMPANY** and entered into and given to the **MANAGEMENT COMPANY** a copy of the deed of covenant in substantially the form set out in Appendix 1, adjusted as appropriate for the circumstances.

MORTGAGES

6. **YOU** may mortgage **YOUR** interest in the whole of **YOUR PROPERTY** (but not part).

7. If **YOU** mortgage **YOUR** interest in the whole of **YOUR PROPERTY** (including any re-mortgage), **YOU** must within one month of the mortgage date:

- notify the **LANDLORD** and give the **LANDLORD** a copy of the completed mortgage; and
- notify the **MANAGEMENT COMPANY** and give the **MANAGEMENT COMPANY** a copy of the completed mortgage and an **EVENT FEE**.

GRANTING SUB-LEASES AND SHARING

8. **YOU** may have lodgers in **YOUR PROPERTY** so long as they live with **YOU** as part of **YOUR** household and **YOU** are not carrying on the business of providing accommodation.

9. **YOU** may let the whole of **YOUR PROPERTY** (but not part) by granting a sub-lease on the conditions that:

- **YOU** must not grant any lease or a licence at a premium and **YOU** must not grant any lease except for an "assured shorthold tenancy", as this expression is defined in the Housing Act 1988, for a term of at least 6 months;
- **YOU** must require that any occupier of **YOUR PROPERTY** must not act in any way that would put **YOU** in breach of **YOUR** obligations in **THIS LEASE**;
- **YOU** must prohibit any further sub-letting by **YOUR** tenant; and
- **YOU** must comply with all legal obligations and regulations that are applicable to **YOU** as a residential landlord.

By way of explanation: A 'premium' is a lump sum paid by a tenant to a landlord at the start of a lease, in the same way as **YOU** are paying the **PRICE** to the **LANDLORD** in return for **THIS LEASE**. **YOU** are not allowed to accept a premium if **YOU** let or licence **YOUR PROPERTY**.

10. If **YOU** are not an individual, **YOU** must not allow **YOUR PROPERTY** to be occupied by anyone except on the basis of a sub-lease to an individual or individuals that satisfies the requirements in the preceding paragraph.

11. If **YOU** grant any sub-lease of **YOUR PROPERTY**, **YOU** must within one month of the date of that sub-lease:

- notify the **LANDLORD** and give the **LANDLORD** with a copy of the completed sub-lease; and
- notify the **MANAGEMENT COMPANY** and give the **MANAGEMENT COMPANY** a copy of the completed sub-lease and an **EVENT FEE**.

CHAPTER 12: LANDLORD'S OBLIGATIONS RELATING TO CONSTRUCTION OF THE ESTATE

CONSTRUCTION OF ESTATE ROADS AND ESTATE SEWERS

1. The **LANDLORD** will construct or procure the construction and/or maintenance of the **ESTATE ROADS** and the **ESTATE SEWERS** serving **YOUR PROPERTY** to the standard required for adoption by the relevant **AUTHORITY** and the **LANDLORD** will indemnify **YOU** against all liabilities in respect of the cost of initial construction and maintenance of the **ESTATE ROADS** and **ESTATE SEWERS** until their adoption.

2. **YOU** accept that the **LANDLORD** is not obliged to seek the adoption of the **ESTATE ROADS** and that the **ESTATE ROADS** may remain private and that **YOU** are not entitled to require and will not require the **ESTATE ROADS** to be adopted. **YOU** agree that **YOU** will not raise any objection and that **YOU** will consent to any works undertaken under Part IV of the Highways Act 1980 in respect of the new roads and new **FOOTPATHS** and/or to the release of any guarantee or other form of security made by or on behalf of the **LANDLORD** under sections 219 to 221 inclusive of the Highways Act 1980.

YOU also accept that any bond paid by the **LANDLORD** will be released back to the **LANDLORD** by the relevant **AUTHORITY**.

3. **YOU** will pay the **LANDLORD** on demand any sum **YOU** receive from any **AUTHORITY** by way of compensation for or refund of any security or deposit paid by or on behalf of the **LANDLORD** relating to the construction and use of the **ESTATE ROADS** or the **ESTATE SEWERS**.

SECTION 106 AGREEMENT

4. The **LANDLORD** will indemnify **YOU** in respect of liabilities (to include but not limited to providing on or off site infrastructure and financial contributions for local and/or other community services) imposed by the **SECTION 106 AGREEMENT (AYLESBURY)** and the **SECTION 106 AGREEMENT (BUCKINGHAMSHIRE)** so long as any liabilities were not intended to be ongoing so as to bind future owners of properties on the Estate but only in so far as those relate to the **PROPERTY** and not so as to be personally liable after the **LANDLORD** has parted with all its interests in the **ESTATE**.

TO WHOM LANDLORD'S OBLIGATIONS IN THIS CHAPTER ARE OWED

5. All obligations on the part of the **LANDLORD** in this Chapter are owed to **YOU** and to the **MANAGEMENT COMPANY**.

CHAPTER 13: NOTICES

1. Any references to notices or notifying and any requirement to send a document or information means that the notice or the document or information being sent must be in writing unless otherwise stated.
2. Notices and documents or information being sent may be delivered by hand to the recipient or sent by ordinary post or registered or recorded delivery post addressed to the recipient at their last known address in the United Kingdom or address for service in the United Kingdom. Anything sent by registered or recorded delivery post is deemed to have been delivered at the time it is proven to have been posted. Anything sent by ordinary post is deemed to have been received the second business day after posting.
3. Alternatively, a notice, document or information may be given by any other appropriate method such as email, but is not assumed to have been given until the recipient acknowledges receipt. Notices, documents or information may not be given by fax.
4. As at the date of **THIS LEASE**:
 - **YOUR** last known address will be **YOUR PROPERTY**;
 - the **MANAGEMENT COMPANY**'s last known address will be its registered office; and
 - the **LANDLORD**'s last known address will be its registered office.
5. The **MANAGEMENT COMPANY** and the **LANDLORD** may change their last known address by giving notice of their new address to **YOU**.
6. **YOU** agree that whenever **YOU** are not resident in the United Kingdom, **YOU** will provide the **LANDLORD** and the **MANAGEMENT COMPANY** with an address for service in the United Kingdom.
7. To change **YOUR** last known address or address for service in the United Kingdom, **YOU** must:
 - notify the **LANDLORD**; and
 - notify the **MANAGEMENT COMPANY** and give to the **MANAGEMENT COMPANY** an **EVENT FEE**.

Until these notifications are received, any notice, document or information sent to **YOUR** previous address will be deemed to have been sent to the correct address even if **YOU** do not receive it.

CHAPTER 14: ENFORCEMENT AND EXTENT OF OBLIGATIONS

1. **YOU** owe **YOUR** obligations to both the **LANDLORD** and the **MANAGEMENT COMPANY** unless it is stated that the obligation is owed only to the **LANDLORD** or that it is owed only to the **MANAGEMENT COMPANY** or that it is owed to some other person either in addition to or instead of the **LANDLORD** and/or the **MANAGEMENT COMPANY**. The **LANDLORD** and the **MANAGEMENT COMPANY** each owe their obligations to **YOU** except where it is stated that the **MANAGEMENT COMPANY** owes an obligation to the **LANDLORD** or that the **LANDLORD** owes an obligation to the **MANAGEMENT COMPANY** or that the **LANDLORD** owes an obligation to **YOU** and to the **MANAGEMENT COMPANY**.

2. Where **YOU** includes more than one person, each person named will be jointly and severally liable for all the obligations on **YOUR** part in **THIS LEASE**. The word **YOU** also applies to any person to whom **THIS LEASE** is transferred as well as the person named as **YOU** in **THIS LEASE**. The word **YOUR** is used in relation to **YOU** to indicate things belonging to **YOU**, for example **YOUR** obligations are obligations owed by **YOU** and **YOUR** opinion is the opinion expressed by **YOU**.

By way of explanation: Being jointly and severally liable means that where **YOU** are more than one person, the **MANAGEMENT COMPANY** or whomever else **YOU** owe an obligation to under **THIS LEASE** can ask just one or some of **YOU** to comply with that obligation. For example, if **YOU** have not paid **YOUR SHARE** of the **SERVICE CHARGE**, the **MANAGEMENT COMPANY** could require just one of the group of people comprising **YOU** to pay the whole of the amount due.

3. The word **LANDLORD** also applies to any person to whom the **LANDLORD**'s interest is transferred (or anyone entitled to the immediate reversion to **THIS LEASE**) as well as the person named as **LANDLORD** in **THIS LEASE**.

4. Upon BDW Trading Limited transferring its interest in **YOUR PROPERTY**, from and including the date on the transfer (or if applicable, the date the transfer takes place by operation of law) BDW Trading Limited will no longer be liable for any breach of the obligations on the part of the **LANDLORD** in **THIS LEASE**. This does not affect **YOUR** rights or any rights of the **MANAGEMENT COMPANY** in relation to any breach by BDW Trading Limited of the obligations on the part of the **LANDLORD** which occurred before the transfer.

5. The **LANDLORD** intends to grant every new lease of the other **APARTMENTS** in the **BUILDING** that are sold for a premium (i.e. value) in a similar form to **THIS LEASE** with obligations on the holder of that lease that are similar to those entered into by **YOU** in **THIS LEASE**, so far as this is appropriate to the property in question. Different provisions will be included in any lease of any **APARTMENT** that is not sold for a premium.

6. The **LANDLORD** will not be liable to **YOU** if any person owning or occupying any other **LETTABLE UNIT** does not comply with their obligations in their lease and nothing in **THIS LEASE** requires the **LANDLORD** to issue any proceedings or take any action to enforce those obligations.

7. Subject to **YOU** complying fully with **YOUR** obligations in the next paragraph, the **MANAGEMENT COMPANY** will take reasonable steps to enforce the obligations owed to it by the owners of the other **LETTABLE UNITS** where **THIS LEASE** includes a similar obligation.

8. **YOU** agree with the **MANAGEMENT COMPANY** that:

- **YOU** will indemnify and reimburse the **MANAGEMENT COMPANY** against all costs of complying with the **MANAGEMENT COMPANY**'s obligations in the previous paragraph (including reasonable reimbursement for the time spent by the **MANAGEMENT COMPANY** or by someone authorised by it);

- **YOU** will provide such security in cleared funds as the **MANAGEMENT COMPANY** thinks fit and **YOU** agree that the **MANAGEMENT COMPANY** is not required to take or continue any action or incur any costs under its obligations in the previous paragraph until **YOU** or **YOUR** mortgagee has done so;
- if the **MANAGEMENT COMPANY** so requires, the **MANAGEMENT COMPANY** may obtain, at **YOUR** cost, legal advice in writing as to the merited action in respect of the allegations underlying the request for enforcement and **YOU** agree that the **MANAGEMENT COMPANY** is not bound to take action unless Counsel advises that the action should be taken and has a greater than 50% chance of success;
- if so required by the **MANAGEMENT COMPANY**, **YOU** will join in any action or proceedings arising out of the **MANAGEMENT COMPANY**'s obligations in the previous paragraph; and
- all costs that are incurred by or on behalf of the **MANAGEMENT COMPANY** in connection with complying with the **MANAGEMENT COMPANY**'s obligations under the previous paragraph form part of the **SERVICE CHARGE**.

9. **YOU** acknowledge that the owners of the other **APARTMENTS** in the **BUILDING** may require the **MANAGEMENT COMPANY** to take action against **YOU** to enforce **YOUR** obligations under **THIS LEASE** and that the **MANAGEMENT COMPANY** may take action against **YOU** or any other person who owes obligations to the **MANAGEMENT COMPANY** even where no owner of any **APARTMENT** or any other **LETTABLE UNITS** has requested that it do so.

10. Any obligation or agreement on **YOUR** part in **THIS LEASE** includes an obligation to make sure that anyone that **YOU** have invited onto the **ESTATE** complies with that obligation or agreement. This includes members of **YOUR** family, visitors, anyone **YOU** have invited to carry out work at **YOUR PROPERTY**, lodgers and sub-tenants. If they do not comply, **YOU** will be responsible and liable in the same way as if **YOU** had breached the obligation or agreement yourself.

11. Any obligation or agreement on the part of the **LANDLORD** in **THIS LEASE** includes an obligation to make sure that its staff, anyone it invites to carry out work on the **ESTATE** and anyone authorised by the **LANDLORD** complies with that obligation or agreement. If they do not comply, the **LANDLORD** will be responsible and liable.

12. Any obligation or agreement on the part of the **MANAGEMENT COMPANY** in **THIS LEASE** includes an obligation to make sure that its staff, anyone it invites to carry out work on the **ESTATE** and anyone authorised by the **MANAGEMENT COMPANY** complies with that obligation or agreement. If they do not comply, the **MANAGEMENT COMPANY** will be responsible and liable.

13. The **LANDLORD** may terminate **THIS LEASE** by re-entering **YOUR PROPERTY** (or a part of it in the name of the whole) itself or by an authorised agent at any time if **YOU** are in breach of any of **YOUR** obligations in **THIS LEASE** or if **YOU** have failed to pay any money due to the **LANDLORD** within 21 days of the due date. Before issuing any proceedings to terminate **THIS LEASE**, the **LANDLORD** will give notice of any breach in respect of which it proposes to re-enter the Premises to any mortgagee whose interest is entered on the registered title of **THIS LEASE** at the Land Registry at the address specified on such title and if any such mortgagee confirms in writing to the **LANDLORD** within 30 days of the notice that it wishes to remedy the breach, the **LANDLORD** will not issue proceedings to terminate **THIS LEASE** unless the mortgagee fails to remedy the breach within a reasonable period.

By way of explanation: If **YOU** do not comply with **YOUR** obligations in **THIS LEASE**, then ultimately the **LANDLORD** may be able to terminate **THIS LEASE** and **YOU** would lose **YOUR** home. As a matter of law, the **LANDLORD** must give **YOU** a formal written notice, and an opportunity to resolve any breach which is capable of being resolved, before terminating **THIS LEASE**, but no such notice is required if the breach is a failure to pay any money owed to the **LANDLORD**. The Courts have discretion to reverse a termination if they wish to, but generally **YOU** will have to pay any money **YOU** owe and resolve any other breach of **THIS LEASE**. If the **LANDLORD**

wishes to terminate **THIS LEASE**, it must notify **YOUR** mortgage lender first – sometimes a mortgage lender will resolve the relevant breach and add the cost of doing so to the loan.

14. At any time when the **MANAGEMENT COMPANY** and the **LANDLORD** are the same person, the **LANDLORD** will accept the obligations on the part of the **MANAGEMENT COMPANY** in Chapter 6 (*Services and Service Charge*) and in Chapter 7 (*Insurance*) and the obligations that **YOU** owe in those Chapters to the **MANAGEMENT COMPANY** will instead be owed to the **LANDLORD**.

15. **YOU** are not entitled to enforce any of the obligations on the part of the **MANAGEMENT COMPANY** in Chapter 6 (*Services and Service Charge*) or Chapter 7 (*Insurance*) of **THIS LEASE** while any **SERVICE CHARGE** payable by **YOU** under **THIS LEASE** is in arrears or while **YOU** are otherwise in substantial breach of any of **YOUR** obligations in **THIS LEASE**.

16. When **THIS LEASE** ends **YOU** must remove all **YOUR** belongings and hand back **YOUR PROPERTY** to the **LANDLORD** in the state and condition required by the terms of **THIS LEASE**. The end of **YOUR LEASE** does not affect any rights of any of the **PARTIES** in relation to any breach of any obligations under **THIS LEASE** before it came to an end.

CHAPTER 15: ADDITIONAL AGREEMENTS AND DECLARATIONS

1. Where it makes sense, singular words can be understood as plural and plural as singular and references to "person" includes any individual; partnership, company, other kind of body corporate, or association (whether or not having a separate legal personality).
2. Any examples or lists of items introduced by words such as "including", "for example" or "such as" are illustrative only. The words and phrases they explain are not limited to the example or items listed or to the specific nature of the example or items listed.
3. If any wording in **THIS LEASE** is invalid, unlawful or unenforceable, those words only will be deemed not to be part of **THIS LEASE**.
4. **YOU** are responsible for and must indemnify the **LANDLORD** and the **DEVELOPMENT MANAGEMENT COMPANY** and the **MANAGEMENT COMPANY** against all costs, expenses, claims, demands, proceedings, losses and liabilities arising out of or in connection with:
 - the use and occupation of **YOUR PROPERTY**;
 - the state and condition of **YOUR PROPERTY**;
 - anything **YOU** or anyone **YOU** have invited onto the **ESTATE** or the **DEVELOPMENT** does or fails to do; or
 - any breach of **YOUR** obligations in **THIS LEASE**.
5. **YOU** must pay all costs that the **LANDLORD** or the **MANAGEMENT COMPANY** reasonably and properly incur in connection with the enforcement of **YOUR** obligations in **THIS LEASE**. This includes any costs incurred in connection with a notice given under section 146 or 147 of the Law of Property Act 1925 and associated proceedings, whether or not those proceedings are settled and any costs relating to any schedule of dilapidations setting out any breach of **YOUR** obligations to keep **YOUR PROPERTY** clean, well decorated and in good repair.
6. **THIS LEASE** and any dispute, claim or obligation (whether contractual or non-contractual) arising out of or in connection with it, its subject matter or formation will be governed by and construed in accordance with the law of England and Wales. The **PARTIES** irrevocably agree that the courts of England and Wales will have exclusive jurisdiction to settle any dispute or claim (whether contractual or non-contractual) arising out of or in connection with **THIS LEASE**, its subject matter or formation.
7. No term of **THIS LEASE** whether express or implied may be enforced under the Contracts Rights of Third Parties) Act 1999 by any person who is not a party to **THIS LEASE** apart from the **DEVELOPMENT MANAGEMENT COMPANY** or to the extent that it is expressly stated in **THIS LEASE** that a person or class of people may rely on that Act. This does not affect any right of remedy which exists or is available apart from that Act.
8. Any references to a statute or statutory provision or other legislation (whether specifically named or not) includes any orders, bye-laws, directions, notices, regulations, instruments and other subordinate legislation made, given or issued under it. It also includes any statute or statutory provision or other legislation which modifies, consolidates, re-enacts or supersedes it, whether such statute or statutory provision or other legislative provision comes into force before or after the date of **THIS LEASE**.

9. **YOU** acknowledge and accept that upon the transfer of the **PUBLIC OPEN SPACE** or part thereof to the **COUNCIL** and/or the **RESERVE MANAGER** neither the **LANDLORD** nor the **DEVELOPMENT MANAGEMENT COMPANY** shall be responsible for the management or upkeep of the same and such management and upkeep will be undertaken by the **COUNCIL** and/or the **RESERVE MANAGER**

10. **YOU** further acknowledge and accept that until the date which is the earlier of the transfer of the maintenance responsibility or the transfer of the legal ownership to the **COUNCIL** and/or the **RESERVE MANAGER** of the **PUBLIC OPEN SPACE** or any part thereof or if the **COUNCIL** and/or the **RESERVE MANAGER** declines to accept the transfer of the **PUBLIC OPEN SPACE** or any part thereof under the terms of the **SECTION 106 AGREEMENT (AYLESBURY)** the **DEVELOPMENT MANAGEMENT COMPANY** shall manage the **PUBLIC OPEN SPACE** or any remaining part thereof (as the case may be) with any costs levied on the **LANDLORD** or the **MANAGEMENT COMPANY** by the **DEVELOPMENT MANAGEMENT COMPANY** for such maintenance insurance repair monitoring cultivating and/or cleaning of the **PUBLIC OPEN SPACE** and any play equipment or other apparatus situated thereon being recovered as part of the **SERVICE CHARGE**

11. **YOU** acknowledge that the **LANDLORD** and the **MANAGEMENT COMPANY** and the **DEVELOPMENT MANAGEMENT COMPANY** have the right to appoint managing agents to carry out their responsibilities as provided for in **THIS LEASE** and the rights granted by **YOU** to the **LANDLORD** and to the **MANAGEMENT COMPANY** and the **DEVELOPMENT MANAGEMENT COMPANY** are thereby also granted to the agents or employees of the **LANDLORD** and/or the **MANAGEMENT COMPANY** and the **DEVELOPMENT MANAGEMENT COMPANY** and for the avoidance of doubt the same managing or other agents can be appointed to act for all three companies

12. **YOU** further acknowledge that notwithstanding the transfer of the **ACOUSTIC FENCE(S)** to the relevant **AUTHORITY** the **DEVELOPMENT MANAGEMENT COMPANY** shall remain responsible for the management and upkeep of the same with any costs levied on the **LANDLORD** or the **MANAGEMENT COMPANY** by the **DEVELOPMENT MANAGEMENT COMPANY** for such management and upkeep being recovered as part of the Service Charge as set out in Clause 10 of Chapter 6 of **THIS LEASE**

CHAPTER 16: DEFINITIONS

- **ACOUSTIC FENCES:** all **ACOUSTIC FENCES** on the **ESTATE** such fences which are to be maintained by the **DEVELOPMENT MANAGEMENT COMPANY** with the costs recoverable as part of the **SERVICE CHARGE** notwithstanding any future transfer of said **ACOUSTIC FENCES** to the relevant Authority
- **APARTMENTS:** the flats, apartments and maisonettes constructed or to be constructed on the **ESTATE** including **YOUR PROPERTY** and any references to "**APARTMENT**" should be construed accordingly.
- **AUTHORITY:** any local highway, drainage or planning authority and any undertaker or company responsible for the supply of water, gas, electricity, communication media or similar services.
- **BUILDING:** the **BUILDING** which forms part of the **ESTATE** and includes **YOUR PROPERTY** At the date of **THIS LEASE**, the **BUILDING** is known as Block A2 and is shown on **PLAN 1** but it will also include any additions and alterations made to it by the **LANDLORD** from time to time. It is made up of the **LETTABLE UNITS**, the **COMMON PARTS** and the **SERVICED AREAS**.
- **BUILDING SERVICES:** the meaning of **BUILDING SERVICES** is described in Chapter 6.
- **CATASTROPHIC DAMAGE:** the meaning of **CATASTROPHIC DAMAGE** is described in Chapter 7. It relates to uninsured damage where there are no funds for repair.
- **COMMON PARTS:** the parts of the **BUILDING** that are designated by the **LANDLORD** or the **MANAGEMENT COMPANY** from time to time for shared use by **YOU** and other owners or occupiers of the **BUILDING**. At the date of **THIS LEASE**, the **COMMON PARTS** include all entrances and entrance halls through which the **BUILDING** is accessed and all corridors, any lifts, landings, toilets and washrooms, any fire escapes, any fire doors and any staircases, in each case that are not within a **LETTABLE UNIT**. The **LANDLORD** and the **MANAGEMENT COMPANY** may alter the amount, position or extent of the **COMMON PARTS** from time to time but may not remove or change these features of **COMMON PARTS** in any way that would significantly and adversely affect **YOUR** use of **YOUR PROPERTY**. At the date of **THIS LEASE**, the **COMMON PARTS** also include the car park shown shaded purple on **PLANS 1 AND 2**.
- **COMMUNAL AREAS:** all parts of the **ESTATE** which are designated by the **LANDLORD** or the **MANAGEMENT COMPANY** from time to time for the shared use and enjoyment by **YOU** and others including the whole or any part of any **RELEVANT PARCEL** so designated on or after that **RELEVANT PARCEL**'s **EFFECTIVE DATE**. At the date of **THIS LEASE**, the **COMMUNAL AREAS** include all landscaped external areas on the **ESTATE**, all play areas on the **ESTATE**, any visitor parking spaces and any other kind of parking spaces over which **YOU** or other tenants or freehold owners have been granted rights, any bicycle or bin stores over which you or other tenants or freehold owners have been granted rights, any building or other structure on the **ESTATE** which is intended principally to provide a communal space for shared use and enjoyment by **YOU** and others any **DEVELOPMENT ROADS** **ESTATE ROADS** and **FOOTPATHS** that have been constructed and completed but which have not been adopted by the relevant **AUTHORITY** for maintenance at public expense and any roads on the **ESTATE** that have been constructed and completed which are not **DEVELOPMENT ROADS** or **ESTATE ROADS**, walls, any railings, hedges, and fences on the **ESTATE** the maintenance of which is not the responsibility of an individual tenant or freehold owner under their lease or plot transfer, any boundary structures of any kind on the **ESTATE**, the maintenance of which is not the responsibility of an individual tenant or freehold owner under their lease or plot transfer, and the **CONDUITS** and **FACILITIES** on the **ESTATE** that are not part of the **BUILDING** or any **ESTATE BUILDING** and which have not been adopted by the relevant **AUTHORITY** for maintenance at public expense but which does not

include the **PUBLIC OPEN SPACE**. The **LANDLORD** and the **MANAGEMENT COMPANY** may alter the amount, position or extent of the **COMMUNAL AREAS** from time to time but may not remove any **DEVELOPMENT ROADS ESTATE ROADS, FOOTPATHS, FACILITIES** or **CONDUITS** from the **COMMUNAL AREAS** or make any change to them that would significantly and adversely affect **YOUR** use of **YOUR PROPERTY** (other than on a temporary basis for the purpose of works) but it is agreed that upon any **DEVELOPMENT ROADS ESTATE ROADS, FOOTPATHS** and **CONDUITS** being adopted for maintenance by the relevant **AUTHORITY** at public expense, they will immediately cease to be designated as part of the **COMMUNAL AREAS**.

- **CONDUIT**: is any cable, channel, pipe, rainwater pipe, gutter, spout, drain, sewer, watercourse, water pipe, wire and any other conducting media apparatus that can be used as a means of passing substances, energy or data, including foul and surface water, gas, light, water, oil, electricity, telephone, data and electronic transmissions. This term also includes any ancillary equipment and means of storing substances, energy or data, for example any gas or electricity mains, holding tanks, swales, attenuation tanks, sluices or sewers.
- **CONSENT FEE**: a fee that is reasonable having regard to the market value of those services to be supplied in considering, administering and processing the relevant consent sought, and subject to any statutory requirements or UK Government guidance issued in respect of the amount or extent of such fee in force from time to time.
- **DEVELOPMENT**: the entire development currently known as Kingsbrook, Aylesbury on which the **LANDLORD** is carrying out residential development as shown on **PLAN 4** attached hereto
- **DEVELOPMENT MANAGEMENT COMPANY**: **Kingsbrook Estate Management Company Limited** or any successor in title to said **DEVELOPMENT MANAGEMENT COMPANY** which has been set up to manage the **PUBLIC OPEN SPACE** and any other public open space as and any **ACOUSTIC FENCE(S)** required on the **DEVELOPMENT** but for the avoidance of doubt this does not include any public open space managed by the **MANAGEMENT COMPANY** as part of the **COMMUNAL AREAS**
- **DEVELOPMENT REGULATIONS**: any regulations imposed by the **DEVELOPMENT MANAGEMENT COMPANY** or its agents from time to time in respect of the entire **DEVELOPMENT**
- **DEVELOPMENT ROADS**: all roads and verges and footpaths now or later constructed whether or not these are intended to become public highways and which are to provide vehicular and pedestrian access for the properties constructed or to be constructed on the **DEVELOPMENT**
- **EFFECTIVE DATE**: in relation to any **RELEVANT PARCEL**, the **EFFECTIVE DATE** is the date on which the **LANDLORD** notifies **YOU** that that **RELEVANT PARCEL** has been constructed.
- **ENTRY CONDITIONS AND REQUIREMENTS**:

Prior to exercising the right, **YOU** must obtain all consents required to be obtained by law including those of any relevant authority (including but not limited to those of any **AUTHORITY**) and **YOU** must have given reasonable notice (of at least one week) to the **MANAGEMENT COMPANY**, the **LANDLORD**, any relevant authority (including but not limited to any **AUTHORITY**) and any other person who may be affected (unless there is an emergency).

When **YOU** exercise the right, any entry must be at reasonable times and **YOU** must comply with all laws, the regulations of any of any relevant authority (including but not limited to those of any

AUTHORITY) and any reasonable requirements notified to **YOU** by the **MANAGEMENT COMPANY**, the **LANDLORD** or by any other person who may be affected and **YOU** must cause as little inconvenience and damage as possible.

If **YOU** cause any damage, **YOU** must promptly repair this in accordance with any reasonable directions of the **MANAGEMENT COMPANY**, the **LANDLORD** to the reasonable satisfaction of the **MANAGEMENT COMPANY**, the **LANDLORD** and any authority (including but not limited to any **AUTHORITY**) or other person affected by that damage.

- **ESTATE:** means:
 - the land and buildings which include the **BUILDING** and which at the date of **THIS LEASE** are known as Villages 3.1, 3.2, 3.3, 3.4, 3.5, 3.6, 3.7, 3.8, 3.9 and 3.12 and are registered at the Land Registry with title number BM332765; and
 - every **RELEVANT PARCEL**, in each case, with effect from its **EFFECTIVE DATE**.

The **LANDLORD** may from time to time add to the extent of the **ESTATE** or alter its layout but in either case, not in such a way as to adversely affect access to and from **YOUR PROPERTY**.

- **ESTATE BUILDING:** any building or other structure on the **ESTATE** which is not part of the **COMMUNAL AREAS**, but excluding the **BUILDING**.
- **ESTATE ROADS:** such of the roads and verges and **FOOTPATHS** on the **ESTATE** from time to time as are intended to become public highways and which are to provide vehicular and pedestrian access for the properties constructed or to be constructed on the **ESTATE** including the roads shown on **PLAN 3**, whether or not constructed and completed at the date of **THIS LEASE**.
- **ESTATE SERVICES:** the meaning of **ESTATE SERVICES** is described in Chapter 6.
- **ESTIMATED SERVICE CHARGE:** an amount equal to the **MANAGEMENT COMPANY**'s estimate of the **SERVICE CHARGE** for a given period.
- **ESTATE SEWERS:** such of the foul and surface water sewers on the **ESTATE** from time to time as are intended to become public sewers and which are to provide foul and surface water drainage for the properties on the **ESTATE**, whether or not such sewers or properties have been constructed and completed at the date of **THIS LEASE**.
- **EVENT FEE:** a fee that is reasonable having regard to the market value of those services to be supplied in considering, administering and processing the relevant consent sought, and subject to any statutory requirements or UK Government guidance issued in respect of the amount or extent of such fee in force from time to time.
- **FACILITY:** is any system, equipment or item installed or stored in the **BUILDING** or on the **ESTATE** for reasons of safety or amenity, for example litter bins, bollards, signage, security systems, fire alarm and protection systems, sprinkler systems, refuse handling systems, cooling systems, heating systems, ventilation systems, wireless and cable internet systems, swales, rhynes and sustainable drainage systems, arials, lighting, entrance gates, piers, door entry systems, closed circuit TV, barriers and cleaning equipment and systems. This term also includes any ancillary equipment, for example in the case of any of the foregoing systems: any heat exchangers, generator expansion vessels, valves, meters and generators, booster facilities, pumping stations, gas governors, attenuation tanks, broadband connections. Some **FACILITIES** may form part of **YOUR PROPERTY** (and if so, will be maintained by **YOU**). Other **FACILITIES** will be communal **FACILITIES** (and will be maintained by the **MANAGEMENT COMPANY** as part of the **BUILDING SERVICES** or the **ESTATE SERVICES**

- **FOOTPATHS:** the footpaths on the **ESTATE** from time to time which are to provide pedestrian access for the properties constructed or to be constructed on the **ESTATE** whether or not constructed and completed at the date of **THIS LEASE**.
- **LETTABLE UNITS:** the **APARTMENTS** in the **BUILDING** and any other premises in the **BUILDING** (including commercial premises) that are let or which the **LANDLORD** intends to let.
- **PLAN 1, PLAN 2, PLAN 3 AND PLAN 4:** the plan or plans so marked and attached to **THIS LEASE**.
- **PRESCRIBED CLAUSES:** the pages at the beginning of **THIS LEASE** with the heading 'Prescribed clauses'.
- **PRIVATE MOTOR VEHICLE:** a car (or a light van which does not exceed 2,000kg kerb weight) excluding all other vans and all camper vans, motorhomes, caravans and boat trailers.
- **PUBLIC OPEN SPACE** means the area shown as:
 - (a) Strategic Landscaping to the ELR including fence
 - (b) Nature Reserve
 - (c) Ecological Mitigation Land
 - (d) Strategic open space including SUDS
 - (e) Allotments

on **PLAN 4** or any such other area as shall be determined to be such **PUBLIC OPEN SPACE** and any items or apparatus contained therein which shall be maintained by the **DEVELOPMENT MANAGEMENT COMPANY** with the costs recoverable as part of the **SERVICE CHARGE** until the date being the earlier of the transfer of the maintenance responsibility or the transfer of the legal ownership to the **COUNCIL** or the **RESERVE MANAGER** PROVIDED THAT the **LANDLORD** shall have the right to alter the amount position or extent of the **PUBLIC OPEN SPACE** as it may require but not in such a way as to adversely affect the access to and from the **PROPERTY** or any part thereof and any such additional, amended or substituted areas or service shall thereafter be deemed to be part of the **PUBLIC OPEN SPACE**
- **RELEVANT PARCEL:** an additional parcel of land comprising a phase or area adjoining or in the vicinity of the **ESTATE** which is intended to form part of the **ESTATE**.

- **RESERVE MANAGER:** the RSPB or such other body as the Landlord may suggest (acting reasonably)

- **SECTION 106 AGREEMENT (AYLESBURY):** an agreement under section 106 of the Town and Country Planning Act 1990 dated 5 December 2013 between Aylesbury Vale District Council (1) GD Leeds and NW Bell (2) GW Armstrong JP Lewis P Armstrong and GR Armstrong (3) GW Armstrong and AJ Armstrong (4) HM Lear (5) Ashfield Land Limited (6) BJ French ME Armstrong REA French and JM Foster (7) GMM Miscampbell J Wilding J Collins and K Hardern (8) The Oxford Diocesan Board of Finance (9) JR Ashby and SC Harris (10) JE Lear PH Lear DC Lear and EM Little (11) HSBC Bank Plc (12) David Wilson Homes Limited (13) and BDW Trading Limited (14) and any variation or amendment thereto

- **SECTION 106 AGREEMENT (BUCKINGHAMSHIRE):** an agreement under section 106 of the Town and Country Planning Act 1990 dated 5 December 2013 between Buckinghamshire County Council (1) GD Leeds and NW Bell (2) GW Armstrong JP Lewis P Armstrong and GR Armstrong (3) GW Armstrong and AJ Armstrong (4) HM Lear (5) Ashfield Land Limited (6) BJ French ME Armstrong REA French and JM Foster (7) GMM Miscampbell J Wilding J Collins and K Hardern (8) The Oxford Diocesan Board of Finance (9) JR Ashby and SC Harris (10) JE Lear PH Lear DC Lear and EM Little (11) HSBC Bank Plc (12) David Wilson Homes Limited (13) BDW Trading Limited (14) and Aylesbury Vale District Council (15) and any variation or amendment thereto

- **SERVICED AREAS:** all parts of the **BUILDING** which are not **COMMON PARTS** or **LETTABLE UNITS**, including all structural parts of the **BUILDING**, the foundations, all load-bearing walls, all floor slabs, joists and beams, all external walls, all walls that divide a **LETTABLE UNIT** from any other part of the **BUILDING**, the roof, the gutters, rainwater pipes, any plant room and all **CONDUITS** and **FACILITIES** within or exclusively serving the **BUILDING** which are not part of any **LETTABLE UNIT** and which have not been adopted for maintenance by the relevant **AUTHORITY** at public expense. It is agreed that upon any **CONDUITS** being adopted for maintenance by the relevant **AUTHORITY** at public expense, they will immediately cease to be designated as part of the **SERVICED AREAS**.

- **SERVICE CHARGE:** The **SERVICE CHARGE** comprises:
 - the total costs incurred by or on behalf of the **MANAGEMENT COMPANY** in connection with providing the **BUILDING SERVICES** and the **ESTATE SERVICES** including the **SERVICE COSTS**, any part of such costs which represents **VAT** and any costs referred to in **THIS LEASE** as forming part of the **SERVICE CHARGE**; and
 - any sums to establish, maintain and/or operate reserve funds and/or sinking funds in respect of future expenditure that the **MANAGEMENT COMPANY** includes in the **SERVICE CHARGE** in accordance with its right to do so under Chapter 6.

- **SERVICE CHARGE PERIOD:** the period over which the **SERVICE CHARGE** is calculated as decided by the **MANAGEMENT COMPANY** and notified to **YOU** from time to time.

- **SERVICE CHARGE STATEMENT:** a written statement setting out the actual **SERVICE CHARGE** during a **SERVICE CHARGE PERIOD**. It must be certified by a qualified accountant.

- **SERVICE COSTS:** the costs of and relating to:
 - providing the **BUILDING SERVICES**;
 - providing the **ESTATE SERVICES**;
 - any managing agents employed to provide the **BUILDING SERVICES** and/or the **ESTATE SERVICES** on behalf of the **MANAGEMENT COMPANY** or where the **MANAGEMENT COMPANY** carries

out this task, a sum that is no greater than the sum that could properly have been charged by a managing agent to carry out the task;

- calculating and collecting the **SERVICE CHARGE** and it is agreed that this cost may be either the sum payable to a managing agent employed to carry out this task or where the **MANAGEMENT COMPANY** carries out this task, a sum that is no greater than the sum that could properly have been charged by a managing agent to carry out the task;
- preparing and auditing **SERVICE CHARGE** accounts including the costs incurred in connection with obtaining any professional audit of or advice relating to **SERVICE CHARGE** accounts;
- obtaining any advice reasonably required from any relevant professional including surveyors, engineers, legal advisers and accountants;
- the exercise of the **MANAGEMENT COMPANY's** powers of investment and its power to delegate its powers of investment under Chapter 6;
- employing staff (including salaries pension, welfare and insurance contributions), hiring contractors and appointing and retaining any professional directors of the **MANAGEMENT COMPANY**;
- rental, services or maintenance contracts;
- providing supplies of water, electricity, gas, foul and surface water drainage, telephone services, data communications services, internet services; and other services and utilities to and from the **BUILDING** and the other parts of the **ESTATE** together with associated charges including procurement costs, standing charges, meter rents and any taxes or levies payable on them,;
- installing and maintaining electric car charging points;
- providing appropriate consumable items;
- doing anything the **MANAGEMENT COMPANY** may or must do relating to insurance as set out in Chapter 7;
- any other insurance the **MANAGEMENT COMPANY** arranges in accordance with **THIS LEASE**;
- carrying out any works required to comply with a legal obligation of the **LANDLORD** or the **MANAGEMENT COMPANY**;
- enforcing obligations owed to the **LANDLORD** or the **MANAGEMENT COMPANY** by owners or occupiers of premises at the **ESTATE**, whether under the terms of their leases or transfers or under some other agreement;
- obtaining and paying interest on a loan to the **MANAGEMENT COMPANY** to the extent that the money advanced by that loan is used or intended to be used for the purposes of providing the **BUILDING SERVICES** or the **ESTATE SERVICES** and the **MANAGEMENT COMPANY** will take reasonable steps to ensure that such a loan is on reasonable terms and at a reasonable rate of interest and will keep any money advanced by that loan in the designated account or trust account used for the **SERVICE CHARGE** until it is properly spent;
- making objections or representations in the interests of good estate management in relation to any notices, communications or documents received from any authority (including but not limited to any **AUTHORITY**) or any other person relating to the **BUILDING** or the **ESTATE** (including costs incurred by any person reasonably asked to make objections or representations at the direction of the **MANAGEMENT COMPANY** or the **LANDLORD**);
- issuing or defending proceedings (including court or tribunal proceedings and any arbitration);
- any taxes which may be assessed or charged on the investment of sums received on account of or in payment of **SERVICE CHARGE**;
- **VAT** charged on any costs incurred in connection with providing the **BUILDING SERVICES** or the **ESTATE SERVICES**, unless the **MANAGEMENT COMPANY** is able to reclaim that **VAT** from HM Revenue & Customs or any relevant successor authority; and

- providing such other services and amenities as the **MANAGEMENT COMPANY** may in its reasonable discretion, acting in accordance with the principles of good estate management, provide for the benefit of the tenants and occupiers of the **BUILDING** or the **ESTATE**.

SPECIFIED SERVICES:

SERVICES PROVIDED TO THE COMMON PARTS AND SERVICED AREAS

- providing, inspecting, maintaining, cleaning, hiring, operating, lighting, powering, decorating, keeping in good repair and renewing, re-routing rebuilding and replacing (where it is not appropriate to repair) the **COMMON PARTS** and **SERVICED AREAS** and any equipment used in connection with the **BUILDING SERVICES** including:
 - all **FACILITIES** and **CONDUITS** that form part of the **COMMON PARTS** or the **SERVICED AREAS**; and
 - shared accessways that form part of the **BUILDING**;
- providing, inspecting, maintaining, cleaning, repairing and replacing furniture, fittings and floor coverings in the **COMMON PARTS** and the **SERVICED AREAS**;
- cleaning the outside of all the windows of the **BUILDING** and any other glass forming part of the **BUILDING** or of fixtures or fittings in it, the cleaning of which is not the responsibility of an individual tenant of premises at the **BUILDING** under the terms of their lease.
- providing, maintaining, cleaning, hiring, lighting repairing and replacing signs and notices in or on the **BUILDING**;
- carrying out periodic risk assessments and health and safety assessments of the **BUILDING** in accordance with good estate management;
- insuring the **BUILDING** and arranging insurance valuations of the **BUILDING**, arranging property owner's and public liability insurance in relation to the **BUILDING** and arranging any other insurance which the **MANAGEMENT COMPANY** is obliged or permitted to arrange in relation to the **BUILDING** under Chapter 7;
- employing staff and hiring contractors for the management, maintenance and security of the **BUILDING** and otherwise in connection with the **BUILDING SERVICES**;
- complying with legal obligations and with the recommendations of insurers relating to the **BUILDING** its use and any works carried out at it (including complying with the rights, obligations, restrictions and other matters referred to under the heading "Other rights" in Chapter 4, so far as they relate to the **COMMON PARTS** and the **SERVICED AREAS**);
- collecting and disposing of refuse from the **COMMON PARTS** and providing such recycling facilities for the owners and occupiers of the **BUILDING** as the **MANAGEMENT COMPANY** thinks fit;
- making any applications and representations and taking any action that the **MANAGEMENT COMPANY** considers to be appropriate in the interests of good estate management in response to any notice, information or document relating to the **BUILDING** served under any law on the **MANAGEMENT COMPANY**, the **LANDLORD**, any tenant of property at the **ESTATE** or any other owner or occupier of property at the **ESTATE**; and
- paying rates, taxes and other outgoings relating to the **BUILDING** that are not chargeable to the **LETTABLE UNITS**, excluding any relating to any disposal by the **LANDLORD** of its interest in the **BUILDING**.

SERVICES PROVIDED TO THE ESTATE

- providing, inspecting, maintaining, cleaning, hiring, operating, lighting, powering, decorating,

keeping in good repair and renewing, re-routing, rebuilding and replacing (where it is not appropriate to repair) the **COMMUNAL AREAS** and any equipment used in connection with the **ESTATE SERVICES** including:

- all **FACILITIES** in or used for the benefit of the **COMMUNAL AREAS**;
- the roads (except for the **ESTATE ROADS**), **FOOTPATHS**, **CONDUITS** and shared accessways that form part of the **COMMUNAL AREAS**; and
- any car parks and parking spaces on the **ESTATE** (excluding any parking spaces that have been transferred or let on terms that require repair by another person);
- keeping external landscaped areas in the **ESTATE** properly surfaced and cultivated and where appropriate planted;
- providing, inspecting, maintaining, cleaning, repairing and replacing amenities for external **COMMUNAL AREAS** such as street furniture, benches, play equipment, out-door gym equipment;
- providing, inspecting maintaining cleaning, repairing and replacing furniture, fittings and floor coverings for internal **COMMUNAL AREAS**;
- cleaning all glass forming part of the **COMMUNAL AREAS** or of fixtures or fittings in them, the cleaning of which is not the responsibility of an individual tenant of premises at the **BUILDING** under the terms of their lease;
- providing, maintaining, cleaning, hiring, lighting repairing and replacing signs and notices in or on the **COMMUNAL AREAS**;
- carrying out periodic risk assessments and health and safety assessments of the **COMMUNAL AREAS** in accordance with good estate management;
- arranging property owner's and public liability insurance in relation to the **COMMUNAL AREAS** and arranging any other insurance which the **MANAGEMENT COMPANY** is obliged or permitted to arrange under Chapter 7 except to the extent that such arrangements are to be made as part of the services listed under the heading, "Services provided to the **COMMON PARTS** and **SERVICED AREAS**";
- employing staff and hiring contractors for the management, maintenance and security of the **ESTATE** (except to the extent that such arrangements are to be made as part of the services listed under the heading, "Services provided to the **COMMON PARTS** and **SERVICED AREAS**" or relate to any **LETTABLE UNITS**) and otherwise in connection with the **ESTATE SERVICES**;
- complying with legal obligations and with the recommendations of insurers relating to the **ESTATE** its use and any works carried out at it except to the extent that this is to be done in relation to the **BUILDING** as part of the services listed under the heading, "Services provided to the **COMMON PARTS** and **SERVICED AREAS**" (including complying with the rights, obligations, restrictions and other matters referred to under the heading "Other rights" in Chapter 4, so far as they relate to the **ESTATE**, except to the extent that this is to be done in relation to the **BUILDING** as part of the services listed under the heading, "Services provided to the **COMMON PARTS** and **SERVICED AREAS**");
- as permitted by Chapter 8, appointing up to 2 professional directors to be directors of the **MANAGEMENT COMPANY**;
- collecting and disposing of refuse from the **COMMUNAL AREAS**;
- making any applications and representations and taking any action that the **MANAGEMENT COMPANY** considers to be appropriate in the interests of good estate management in response to any notice, information or document served under any law on the **MANAGEMENT COMPANY**, the **LANDLORD**, any tenant of property at the **ESTATE** or any other owner or occupier of property at the **ESTATE** except to the extent that this is to be done in relation to the **BUILDING** as part of the services listed under the heading, "Services provided to the **COMMON PARTS** and **SERVICED**

AREAS";

- taking any steps (including issuing proceedings) that the **MANAGEMENT COMPANY** considers to be appropriate to seek to prevent or remove any encroachment over any part of the **ESTATE** or to prevent the acquisition of any right over any part of the **ESTATE**; and
- paying rates, taxes and other outgoings relating to the **ESTATE** (but not the **BUILDING** or any **ESTATE BUILDING**) excluding any relating to any disposal by the **LANDLORD** of its interest in the **ESTATE**.

■ **THE DAMAGE**: the meaning of **THE DAMAGE** is described in Chapter 7. It relates to damage which has been insured against.

■ **UNINSURED DAMAGE**: the meaning of **UNINSURED DAMAGE** is described in Chapter 7. It relates to damage that is not covered by insurance.

■ **VAT**: valued added tax as provided under the Value Added Tax Act 1994 and all statutes, laws, regulations, notices, directions or similar provisions from time to time in force relating to any value added, turnover, sales, purchase or similar tax.

■ **YOUR SHARE**: **YOUR SHARE** comprises:

- a fair and reasonable percentage of the total costs incurred by or on behalf of the **MANAGEMENT COMPANY** in connection with providing the **BUILDING SERVICES** including all relevant **SERVICE COSTS**, any part of such costs which represents **VAT** and (to the extent the **MANAGEMENT COMPANY** allocates them to such costs) any costs referred to in **THIS LEASE** as forming part of the **SERVICE CHARGE**;
- a fair and reasonable percentage of the total costs incurred by or on behalf of the **MANAGEMENT COMPANY** in connection with providing the **ESTATE SERVICES** including all relevant **SERVICE COSTS**, any part of such costs which represents **VAT** and (to the extent the **MANAGEMENT COMPANY** allocates them to such costs) any costs referred to in **THIS LEASE** as forming part of the **SERVICE CHARGE**; and
- a fair and reasonable percentage of any sums to establish, maintain and/or operate reserve funds and/or sinking funds in respect of future expenditure that the **MANAGEMENT COMPANY** includes in the **SERVICE CHARGE** in accordance with its right to do so under Chapter 6,

in each case as decided by the **MANAGEMENT COMPANY** from time to time. The percentages making up **YOUR SHARE** may change from time to time where the **MANAGEMENT COMPANY** decides that the change is fair and reasonable. Each time the **MANAGEMENT COMPANY** sets a fair and reasonable percentage, it will be calculated to ensure **YOU** bear an appropriate percentage of the **SERVICE CHARGE** (or, if the percentage relates to only part of the **SERVICE CHARGE**, an appropriate percentage of the relevant part of the **SERVICE CHARGE**) that reflects the availability, benefit and use to and by **YOU** and others of the **BUILDING SERVICES** and the **ESTATE SERVICES**.

In witness **THIS LEASE** has been executed and delivered on the date appearing at the top of the **PRESCRIBED CLAUSES**.

EXECUTED AS A DEED BY

Signature of attorney:

IN THE PRESENCE OF:

Signature of witness:

Witness name:

Witness address:

Witness occupation:

AND

Signature of attorney:

IN THE PRESENCE OF:

Signature of witness:

Witness name:

Witness address:

Witness occupation:

**ATTORNEYS FOR BDW TRADING
LIMITED IN THE EXERCISE OF THE
POWERS CONFERRED BY A POWER OF
ATTORNEY**

**EXECUTED AS A DEED BY
CANAL QUARTER MANAGEMENT COMPANY
LIMITED
ACTING BY A DIRECTOR**

Signature of Director:

Director name:

IN THE PRESENCE OF:

Signature of witness:

Witness name:

Witness address:

Witness occupation:

**SIGNED AS A DEED BY
MIHAELA STARLUCIUC**

Signature of MIHAELA STARLUCIUC:

IN THE PRESENCE OF:

Signature of witness:

Witness name:

Witness address:

Witness occupation:

**SIGNED AS A DEED BY
RAZVAN STARLUCIUC**

Signature of RAZVAN STARLUCIUC:

IN THE PRESENCE OF:

Signature of witness:

Witness name:

Witness address:

Witness occupation:

APPENDIX 1: DEED OF COVENANT

By: *[name of new tenant]* of [●] (the "**NEW TENANT**").

In favour of: *[name of Management Company]* of [●] (the "**MANAGEMENT COMPANY**")

1. This deed is supplemental to a lease dated [●] and made between [(1) BDW Trading Limited, (2) [●] and (3) [●]][●] (the "**LEASE**", which expression includes any document supplemental to that lease).
2. The **LEASE** requires that any person to whom the **LEASE** is transferred must enter into a deed of covenant with the **MANAGEMENT COMPANY** to comply with the obligations on the part of the tenant in the **LEASE**, referred to as **YOU** in the **LEASE** (the "**DEED OF COVENANT**").
3. The **NEW TENANT** agrees with the **MANAGEMENT COMPANY**, that from and including the date on the transfer deed by which the **LEASE** was assigned to the **NEW TENANT**:
 - 3.1 the **NEW TENANT** will comply with the obligations on the part of the tenant, referred to as **YOU** in the **LEASE**;
 - 3.2 the **NEW TENANT** will indemnify the **MANAGEMENT COMPANY** against all costs, expenses, claims, demands, proceedings, losses and liabilities arising out of or in connection with any breach of its obligations in this deed; and
 - 3.3 the **NEW TENANT** will not transfer the **LEASE** unless, by no later than the date of completion of the transfer deed by which the **NEW TENANT** assigns the **LEASE**, the person to whom the **LEASE** is assigned enters into the **DEED OF COVENANT**.
4. The **NEW TENANT**'s liability under this deed will end immediately after it has disposed of the whole of its interest in the **LEASE** by way of a transfer of the **LEASE** to a person who, on or before completing the transfer deed by which the **LEASE** is assigned, has entered into the **DEED OF COVENANT**. This clause does not affect the liability of the **NEW TENANT** to perform any obligations which may have become due on or before the date of such transfer deed.
5. This deed and any dispute, claim or obligation (whether contractual or non-contractual) arising out of or in connection with it, its subject matter or formation will be governed by and construed in accordance with the law of England and Wales and the courts of England and Wales have exclusive jurisdiction to settle any dispute or claim (whether contractual or non-contractual) arising out of or in connection with this deed, its subject matter or formation.
6. In this deed:
 - 6.1 singular words can be understood as plural and plural as singular; and
 - 6.2 a reference to a "person" includes any individual; partnership, company, other kind of body corporate, or association (whether or not having a separate legal personality).
7. No term of this deed whether express or implied may be enforced under the Contracts Rights of Third Parties) Act 1999 by any person not referred to in it. This does not affect any right of remedy which exists or is available apart from that Act.

EXECUTED as a deed and delivered on the date at the beginning of this deed.

[*Execution clauses*]

APPENDIX 2: ESTATE REGULATIONS AT THE DATE OF THIS LEASE

SECURITY

- Do not leave or prop open any fire door or entrance door to **YOUR PROPERTY** or the **BUILDING**.
- Any letters, parcels or other items left with staff of the **LANDLORD** or the **MANAGEMENT COMPANY** are at **YOUR** risk.

DISTURBING NEIGHBOURS

- Do not make any noise or vibration in **YOUR PROPERTY** or in the **COMMON PARTS** that might disturb others in the **BUILDING**.
- Do not sing, play music, or use any amplification equipment (such as radio, television, and audio equipment) at any time in a manner that disturbs others in the **BUILDING** (including not making any noise that is audible outside **YOUR PROPERTY** between the hours of 23:00 and 09:00).
- Do not do anything in the **BUILDING** or on the **ESTATE** that is likely to harm or annoy others.
- Do not allow any fumes or offensive smells to escape from **YOUR PROPERTY**.
- Do not obstruct or store anything in the **COMMON PARTS** or the **COMMUNAL AREAS** (for example with bicycles, prams, furniture or other items).
- Do not permit children to play in the **COMMON PARTS** or the **COMMUNAL AREAS** except in any designated play areas.
- Do not keep any animal in **YOUR PROPERTY** without the consent of the **LANDLORD** or the **MANAGEMENT COMPANY**, which consent may be withdrawn if, in the reasonable opinion of the **LANDLORD** or the **MANAGEMENT COMPANY**, the animal causes a nuisance. No fee is payable for such consent while the **MANAGEMENT COMPANY** is controlled by **LANDLORD**.
- If **YOU** are granted consent to keep a dog in **YOUR PROPERTY** under the preceding bullet point, any dog kept in **YOUR PROPERTY** must be kept on a lead at all times while in the **BUILDING** or on the **ESTATE** (except when it is inside **YOUR PROPERTY**).
- Do not smoke or vape in any of the **COMMON PARTS** or **COMMUNAL AREAS**.

USING YOUR PROPERTY

- Do not waste water (e.g. dripping taps or overflows) or obstruct drains.
- Do not use any paraffin stove or store paraffin, LPG or petrol or other flammable liquid other than those permitted by paragraph 4 of Chapter 10 of **THIS LEASE**.
- Do not dry or air washing or any other items out of windows or in front of **YOUR PROPERTY**.
- Take all reasonable precautions to prevent anything falling out of windows or off any balcony.

- No window boxes or anything else may be fixed outside or placed on or over any balcony or patio rails.
- Do not plant deep rooted plants in any garden forming part of **YOUR PROPERTY**.
- Barbecues and outdoor cooking and any other activity involving a naked flame are prohibited on any balcony, roof terrace and any part of the **COMMUNAL AREAS**.
- Any balcony and patio and garden must be kept safe, clean and tidy and (in the case of a garden) neat and except for planted areas and enclosed parts, grassed. They may not be used for the storage of any bicycles, scooters, prams, rubbish, refuse containers or any other items. This does not prevent **YOU** from keeping any container plants, appropriate sources of heat and light and garden furniture on **YOUR** balcony or patio, but they must be kept in good condition. Any sources of light or heat must be used and maintained in accordance with the manufacturer's instructions and not cause a nuisance to other people.
- Do not display any flags, posters, placards, advertisements or signage (such as signs advertising that **YOUR PROPERTY** is for sale or to let) that may be visible from outside **YOUR PROPERTY**.

REFUSE COLLECTION

- **YOUR** refuse must be sorted into general waste and different types of recycling and food waste in any manner required from time to time by the local authority or the **MANAGEMENT COMPANY**.
- All refuse must be placed in the appropriate refuse containers on the **ESTATE** or where applicable placed in any other relevant refuse collection system.

PARKING AREAS AND USE OF THE ESTATE ROADS

- **YOU** must not allow any car parking space or garage that forms part of **YOUR PROPERTY** or over which **YOU** may have rights under **YOUR** lease to be used by anyone who is not occupying or visiting **YOUR PROPERTY**.
- The following are prohibited in any car parking space or garage that forms part of **YOUR PROPERTY** or over which **YOU** are granted rights in **THIS LEASE**: re-fuelling (except in emergency), storing fuel or other dangerous or flammable materials (except for fuel in a **PRIVATE MOTOR VEHICLE**), vehicle repairs (except in an emergency) and vehicle maintenance.
- Engines must not be left running for longer than reasonably necessary when using the **ESTATE ROADS** or any car parking space or garage.