

DATED

2023

LEASE

Plot Number (10) Apartment 2
Bronte House, Casterton, Carnforth LA6 2FX

between

WAYPOINT HOLDINGS LIMITED

and

LOW WOOD MANAGEMENT COMPANY LIMITED

and

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PRESCRIBED CLAUSES

LR1. Date of lease

LR2. Title numbers

LR2.1 Landlord's title number

CU303680

LR2.2 Other title numbers

CU292587, CU305462 and CU306517

LR3. Parties to this lease

Landlord

WAYPOINT HOLDINGS LIMITED incorporated and registered in England and Wales with company number 13747761 whose registered office is at Ridgeway Park, Silverdale, Carnforth, Lancashire LA5 0UA

Tenant

Other parties

Low Wood Management Company Limited incorporated and registered in England and Wales with company number 11781077 whose registered office is at Ridgeway Park, Silverdale, Carnforth, Lancashire LA5 0UA.

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.

The property demised by this lease is known as Apartment 6 **Bronte House, Casterton, Carnforth LA6 2FX**, defined as the **Apartment** in clause 1.1 and more fully described in Schedule 1 to this lease.

LR5. Prescribed statements etc.

None.

LR6. Term for which the Property is leased

The term as specified in this lease at clause 1.1 defined as the **Term**

LR7. Premium

LR8. Prohibitions or restrictions on disposing of this 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.

LR10. Restrictive covenants given in this lease by the Landlord in respect of land

other than the Property

None.

LR11. Easements

LR11.1 Easements granted by this lease for the benefit of the Property

The easements granted in clause 3.1 and set out in Schedule 2 to this lease.

LR11.2 Easements granted or reserved by this lease over the Property for the benefit of other property

The easements reserved in clause 4 and set out in Schedule 3 to this lease.

LR12. Estate rentcharge burdening the Property

None.

LR13. Application for standard form of restriction

The parties to this lease apply to enter the following standard form of restriction against the title of the Property

“No disposition of the registered estate (other than a charge) by the proprietor of the registered estate is to be registered without a certificate signed by Low Wood Management Company Limited or its conveyancer that the provisions of paragraph 9.3 of Schedule 4 of the Lease dated the day of 20 made between (1) Waypoint Holdings Limited (2) Low Wood Management Company Limited and (3) have been complied with.

LR14. Declaration of trust where there is more than one person comprising the Tenant

Not applicable

The Tenant is more than one person. They are to hold the Property on trust for themselves as joint tenants.

The Tenant is more than one person. They are to hold the Property on trust for themselves as tenants in common in equal shares.

The Tenant is more than one person. They are to hold the Property on trust

THIS LEASE is dated the _____ day of _____ 2023

PARTIES

- (1) **WAYPOINT HOLDINGS LIMITED** incorporated and registered in England and Wales with company number 04597903 whose registered office is at Ridgeway Park, Silverdale, Carnforth, Lancashire LA5 0UA (**Landlord**)
- (2) _____ (**Tenant**)
- (3) **LOW WOOD MANAGEMENT COMPANY LIMITED** incorporated and registered in England and Wales with company number 11781077 whose registered office is at Ridgeway Park, Silverdale, Carnforth, Lancashire LA5 0UA (**Management Company**).

BACKGROUND

- (A) The Landlord is registered at HM Land Registry as proprietor with Absolute Freehold Title of the Estate.
- (B) The Landlord has agreed to grant a lease of the Property to the Tenant on the terms set out in this lease.
- (C) The Management Company has agreed to join in this lease and undertake obligations for the services repair maintenance insurance and management of the Building, and the Estate as set out in this lease.

AGREED TERMS

1. INTERPRETATION

- 1.1 The definitions and rules of interpretation in this clause apply to this lease.

Apartment: the apartment described in Schedule 1.

apartments: any premises forming part of the Building that are capable of being let and occupied as a single private dwelling and **other apartments** means apartments other than the Apartment.

apartment tenants: the tenants (including the Tenant) for the time being of the apartments which are let on leases granted for an original term of over 21 years and **other apartment tenants** means the apartment tenants other than the Tenant.

Building: the land together with the building on it or on any part of it, known as Bronte House, Casterton, Carnforth shown edged in green on Plan 2.

Building Insurance Rent:

- (a) the Tenant's Proportion of the cost of any premiums (including any IPT) that the Landlord or the Management Company (as appropriate)

expends, and any fees and other expenses that the Landlord or the Management Company reasonably incurs, in effecting and maintaining insurance of the Building in accordance with the obligations contained in this lease including any professional fees for carrying out any insurance valuation of the Reinstatement Value; and

- (b) the cost of any additional premiums (including any IPT) and loadings that may be demanded by the Landlord's insurer as a result of any act or default of the Tenant, any undertenant, their workers, contractors or agents or any person at the Building with the express or implied authority of any of them.

Building Service Charge: the Tenant's Building Proportion of the Building Service Costs.

Building Service Costs: the costs listed in Part 2 of Schedule 7.

Building Services: the services to be provided by the Landlord or, until the Handover Date, the Management Company and listed in Part 1 of Schedule 7.

Common Parts of the Building: the front door, entrance hall, passages, staircases, and landings of the Building, Service Media not exclusively serving the Apartment or other apartments within the Building and such other amenities that are not part of the Apartment or other apartments in the Building and which are intended to be used by the tenants and occupiers of the Building in common.

Common Parts of the Estate: paths, driveways, garden, open areas, Refuse Area, Service Media and such other amenities at the Estate that are not part of the Property or the other properties and which are intended to be used in common by the tenants or occupiers of the Property and the other properties.

Conditions of Entry: the conditions to which any right to enter granted in Schedule 2 or excepted and reserved by Schedule 3 is subject, namely that the right shall be subject to the person exercising the right:

- (a) effecting entry at a reasonable time (or at any time in an emergency);
- (b) giving reasonable notice to the person whose premises are being entered (except in the case of emergency when no notice is required);
- (c) causing as little damage as possible to the premises being entered and promptly making good any damage caused to the reasonable satisfaction of the person whose premises are being entered; and
- (d) complying with any reasonable requirements of the person whose premises are being entered in relation to the exercise of the right of entry.

Default Interest Rate: 4% above the base lending rate from time to time of HSBC Bank plc or, if that base lending rate is no longer used or published, a comparable commercial rate reasonably determined by the Landlord.

Estate: the land and the buildings (including the Building) shown edged blue on Plan 3 excluding land not intended as the site of any houses or apartments their parking areas gardens and curtilages or any part thereof .

Estate Service Charge: the Tenant's Estate Proportion of the Estate Service Costs.

Estate Service Costs: the costs listed in Part 2 of Schedule 8.

Estate Services: the services to be provided by the Landlord or, until the Handover Date, the Management Company and listed in Part 1 of Schedule 8.

Handover Date: the date that the Landlord transfers to the Management Company the freehold of the Estate.

Home Working: doing paid work at home (employed or self-employed) and not in a company's office or factory PROVIDED THAT such working does not involve or attract casual visitors, customers or suppliers to the Property;

Insured Risks: fire, explosion, lightning, earthquake, storm, flood, bursting and overflowing of water tanks, apparatus or pipes, escape of water or oil, impact by aircraft and articles dropped from them, impact by vehicles, riot, civil commotion, malicious damage, theft or attempted theft, falling trees and branches and aerials, subsidence, heave, landslip, collision, accidental damage to underground services, public liability to anyone else and any other risks which the Landlord reasonably decides to insure against from time to time and **Insured Risk** means any one of the Insured Risks.

IPT: Insurance Premium Tax chargeable under the Finance Act 1994 or any similar replacement or additional tax.

Landlord Covenants: the covenants on the part of the Landlord set out in Schedule 6.

Management Company Covenants: the covenants on the part of the Management Company set out in clause 6.

Parking Space: the parking space described in Schedule 1 and **other parking spaces** means parking spaces forming part of other properties.

Permitted Use: use of the Apartment as a single private residential dwelling.

Plan 1: the plan attached to this lease marked "Plan 1".

Plan 2: the plan attached to this lease marked "Plan 2".

Plan 3: the plan attached to this lease marked "Plan 3".

Premium: the premium specified in clause LR7.

Property: The Apartment together with the Parking Space and **other properties** means the other apartments and their respective parking spaces.

Refuse Area: the area shown edged yellow on Plan 2 or such other area as the Landlord shall from time to time designate.

Regulations: the covenants on the part of the Tenant set out in Schedule 5.

Reinstatement Value: the full reinstatement value of the insured property as reasonably determined by the Landlord from time to time, taking into account inflation of building costs and including any costs of demolition, site clearance, site protection, shoring up, professional fees and expenses and the costs of any other work to the insured property that may be required by law and any VAT on any such costs, fees and expenses.

Rent: a peppercorn per annum (if demanded).

Reservations: the rights excepted and reserved to the Landlord and the Management Company in clause 4 and listed in Schedule 3.

Retained Parts of the Building: all parts of the Building other than the Apartment and other apartments therein including:

- (a) the main structure of the Building including the roof and roof structures, the loft space, the foundations, the external walls and internal load bearing walls, the structural timbers, the joists and, the guttering;
- (b) all parts of the Building lying below the floor surfaces or above the ceilings;
- (c) all external decorative surfaces of the Building, external doors, door frames and window frames; and
- (d) the Common Parts of the Building; and
- (e) Service Media within the Building which do not exclusively serve either the Apartment or other apartments therein.

Retained Parts of the Estate: all parts of the Estate other than the Building including:

- (f) the Refuse Area;
- (g) all landscaped and unbuilt areas;
- (h) the forecourt and paths leading to the Building;
- (i) Service Media at the Estate which do not exclusively serve either the Property or other properties; and
- (j) walls and fences bounding and gates giving access to the Estate.

Rights: the rights granted by the Landlord to the Tenant in clause 3 and listed in Schedule 2.

Roads: the roads and footpaths constructed or in the course of construction so as to serve the Property, and the Estate.

Services: the Building Services, and the Estate Services.

Service Charges: the Building Service Charge, and the Estate Service Charge and **Service Charge** shall mean any one of the Service Charges.

Service Charge Payment Date: such date as is decided by the Landlord from time to time

Service Charge Year: is the annual accounting period relating to the Services and the Service Costs beginning on such date as is decided by the Landlord from time to time during the term provided that the Landlord or, until the Handover Date, the Management Company may from time to time (but not more than once in any calendar year) change the date on which the annual accounting period starts and shall give written notice of that change to the Tenant as soon as reasonably practicable.

Service Costs: the Building Service Costs, and the Estate Service Costs .

Service Media: all media for the supply or removal of Utilities and all structures, machinery and equipment ancillary to those media constructed or in the course of construction or to be constructed on the Estate or elsewhere so as to serve the Property, the other properties, and the Estate.

Tenant Covenants: the covenants on the part of the Tenant set out in Schedule 4 and the Regulations.

Tenant's Building Proportion: one ninth (1/9).

Tenant's Estate Proportion: a fair and reasonable proportion determined by the Landlord.

Term: a term of years from and including the date of this lease to and including 31st December 3017.

Utilities: heat, electricity, gas, water, sewage, energy, telecommunications, television, data and all other supplies and services as are available for the benefit of the Property for the Permitted Use from time to time.

VAT: value added tax chargeable under the Value Added Tax Act 1994 or any similar replacement or additional tax.

- 1.2 A reference to this **lease**, except a reference to the date of this lease or to the grant of this lease, is a reference to this deed and any deed, licence, consent, or other instrument supplemental to it.
- 1.3 A reference to the **Landlord** includes a reference to the person entitled to the immediate reversion to this lease. A reference to the **Tenant** includes a reference to the Tenant's personal representatives, successors in title and assigns.

- 1.4 Any obligation in this lease on the Tenant not to do something includes an obligation not to permit or allow that thing to be done and an obligation to use best endeavours to prevent that thing being done by another person.
- 1.5 Any phrase introduced by the terms **including, include, in particular** or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 1.6 A **person** includes a corporate or unincorporated body (whether or not having separate legal personality).
- 1.7 A reference to **writing** or **written** excludes faxes or e-mail.
- 1.8 Unless the context otherwise requires, words in the singular include the plural and in the plural include the singular.
- 1.9 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.
- 1.10 A reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time taking account of any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.
- 1.11 A reference to a statute or statutory provision shall include any subordinate legislation made from time to time under that statute or statutory provision.
- 1.12 A reference to the **end of the Term** is to the end of the Term however it ends.
- 1.13 The Schedules form part of this lease and shall have effect as if set out in full in the body of this lease. Any reference to this lease includes the Schedules.
- 1.14 Clause, Schedule and paragraph headings shall not affect the interpretation of this lease.
- 1.15 References to clauses and Schedules are to the clauses of and schedules to this lease and references to paragraphs are to paragraphs of the relevant Schedule.

2. GRANT

- 2.1 The Landlord lets the Property with full title guarantee to the Tenant for the Permitted Use for the Term.
- 2.2 The grant is made together with the Rights but excepting and reserving the Reservations.
- 2.3 The grant is made in consideration of the Tenant paying to the Landlord the Premium (receipt of which the Landlord acknowledges) and covenanting to pay the Landlord the following sums as rent:
- (a) the Rent;
 - (b) the Service Charges;
 - (c) all interest payable under this lease; and
 - (d) all other sums due under this lease.

3. THE RIGHTS

- 3.1 The Landlord grants the Tenant the Rights for all purposes connected with the Permitted Use of the Property, but in each case subject to complying with any Regulations relating to that Right.
- 3.2 The Rights are granted in common with:
- (a) the Landlord, the Management Company and all persons authorised by them; and
 - (b) the other apartment tenants.
- 3.3 The Tenant shall not be deemed to have acquired any other easement or right over the Building, the Estate, or any neighbouring property other than the Rights and section 62 of the Law of Property Act 1925 shall not apply to this lease.

4. THE RESERVATIONS

- 4.1 The Reservations are excepted and reserved from this lease for the benefit of the Building, the Estate and to the extent possible for the benefit of any neighbouring or adjoining property in which the Landlord acquires an interest during the Term.
- 4.2 The Reservations may be exercised by the Landlord notwithstanding that the exercise of any of the Reservations or the works carried out pursuant to them

may result in a reduction in the flow of light or air to the Property or the Common Parts of the Building or Common Parts of the Estate or loss of amenity for the Property or such common parts provided that they do not materially adversely affect the use and enjoyment of the Property.

- 4.3 The Reservations shall be construed as extending to the Landlord and all persons authorised by the Landlord or otherwise entitled to exercise the Reservations, which shall, until the Handover Date, include the Management Company.

5. TENANT COVENANTS

The Tenant covenants:

- (a) with the Landlord and by way of separate covenant with the Management Company to observe and perform the Tenant Covenants; and
- (b) with the other apartment tenants to observe and perform the Regulations.

6. MANAGEMENT COMPANY COVENANTS

- 6.1 Subject to the provisions of clause 8.3, the Management Company covenants with the Landlord and the Tenant to observe and perform on behalf of the Landlord the obligations on the Landlord set out clause 10 and in paragraph 2, paragraph 3 and paragraph 4 of Schedule 6. These provisions shall apply to the Management Company to the same extent as they apply to the Landlord, and the Management Company may, in carrying out its obligations under these provisions, exercise on behalf of the Landlord the rights granted to the Landlord under these provisions. For the avoidance of doubt, the Landlord's liability to the Tenant under these provisions shall not be affected by the Management Company's covenant contained in this clause 6.1.
- 6.2 The Management Company shall if requested by the Tenant in accordance with paragraph 6 of Schedule 6 enforce covenants against other apartment tenants provided that the Tenant has:
- (a) provided the indemnity to the Management Company referred to in paragraph 6(a) of Schedule 6;
 - (b) the security referred to in paragraph 6(b) of Schedule 6; and
 - (c) has confirmed that he shall join in any action or proceedings if so requested by the Management Company.

PROVIDED ALWAYS THAT the Management Company shall provide the Landlord with such assistance as it shall require in connection with complying with its obligations under paragraph 6 of Schedule 6.

- 6.3 The Management Company shall indemnify the Landlord against all claims, liabilities, costs, expenses (including any solicitors', surveyors' or other professionals' costs and expenses, and any VAT on them, assessed on a full indemnity basis), damages and losses (including any diminution in the value of the Landlord's interest in the Building, or the Estate and loss of amenity of the Building, or the Estate) arising out of or in connection with:
- (a) any breach of any of the Management Company's Covenants; or
 - (b) any act or omission of the Management Company or its workers, contractors or agents or any other person at the Property or the Building, or the Estate with the express or implied authority of any of them.
- 6.4 The Management Company shall admit the Tenant as a member of the Management Company in accordance with its articles of association.

7. LANDLORD COVENANTS

- 7.1 For the purposes of this clause, the following definitions shall apply:
- (a) **assignment:** completion of a transfer of the Original Landlord's reversionary interest in the Property, whether or not that transfer or assignment operates only in equity and whether or not it is registered at HM Land Registry.
 - (b) **Original Landlord:** Waypoint Holdings Limited incorporated and registered in England and Wales with company number 04597903 whose registered office is at Ridgeway Park, Silverdale, Carnforth, Lancashire LA5 0UA.
- 7.2 Subject to clause 8.1 and clause 8.2, the Landlord covenants with the Tenant and by way of a separate covenant with the Management Company to observe and perform the Landlord Covenants.
- 7.3 Following an assignment, the Original Landlord shall not be liable for a breach of any of the Landlord Covenants occurring after that assignment. This shall not affect any right or remedy of the Tenant in respect of any breach of the Landlord Covenants occurring before the assignment.

8. EXCLUSION OF LIABILITY

8.1 The Landlord shall not be liable to the Tenant for any failure or interruption in the Services or any one of them where the failure or interruption is outside the Landlord's reasonable control.

8.2 In any case where the Tenant is aware or should reasonably be aware of a failure or interruption in the Services or any one of them, the Landlord shall not be liable to the Tenant for the failure or interruption unless and until the Tenant has given the Landlord notice of it and the Landlord has not remedied the failure or interruption within a reasonable time.

8.3 The Management Company in carrying out its obligations under clause 6.1 shall be entitled to the same exclusion of liability as the Landlord under clause 8.1 and clause 8.2.

9. RE-ENTRY AND FORFEITURE

9.1 The Landlord may re-enter the Property (or any part of the Property in the name of the whole) at any time after any of the following occurs:

- (a) any Rent, Service Charge or any other rent due under this lease is wholly or partly unpaid 21 days after becoming payable; or
- (b) any breach of any of the Tenant Covenants.

9.2 If the Landlord re-enters the Property (or any part of the Property in the name of the whole) pursuant to this clause, this lease shall immediately end, but without prejudice to any right or remedy of the Landlord or the Management Company in respect of any breach of covenant by the Tenant.

9.3 Before re-entering the Property pursuant to this clause, or commencing any proceedings for forfeiture of this lease, the Landlord shall:

- (a) give notice of the breach complained of to any mortgagee of this lease of whom the Landlord has received notice pursuant to paragraph 9.5 of Schedule 4; and
- (b) if the mortgagee confirms in writing to the Landlord within 21 days of the notice that it wishes to remedy the breach, allow the mortgagee 42 days (or such longer time as may be reasonable in view of the nature of the breach) to remedy the breach.

10. DESTRUCTION OF BUILDING

10.1 If:

- (a) the Building is damaged or destroyed by an Insured Risk;
- (b) the Property is wholly or partly unfit for occupation and use and/or the Common Parts of the Building are damaged or destroyed so as to make the Property inaccessible or unusable; and
- (c) the payment of the insurance monies is not wholly or partly refused because of any act or omission of the Tenant or any undertenant or their respective workers, contractors or agents or any other person at the Property or the Building with the express or implied authority of any of them,

payment of the Rent, Building Insurance Rent or Building Service Charge, or a fair proportion of them according to the nature and extent of the damage, shall be suspended until the Building has been reinstated so as to make the Property fit for occupation and use and the Common Parts of the Building accessible and usable.

10.2 Subject to the provisions of clause 6.1, if for any reason the repair, rebuilding or reinstatement of the Building shall be impossible following damage or destruction by any of the Insured Risks:

- (a) the Landlord's obligation to reinstate the Building contained in paragraph 3 of Schedule 6 shall be deemed to have been discharged;
- (b) the Landlord shall hold all proceeds of the insurance policy of the Building on trust for the Landlord and the Tenant and the other apartment tenants in proportion to their respective interests in the Building at the time of the damage or destruction, as agreed in writing between the Landlord and the Tenant and the other apartment tenants or failing agreement as determined pursuant to clause 10.3; and
- (c) the Landlord shall pay such sums due to the Tenant and the other apartment tenants within one month of agreement or on determination pursuant to clause 10.3.

10.3 Any dispute arising regarding this clause 10 shall be finally determined by arbitration in accordance with the provisions of the Arbitration Act 1996. The tribunal shall consist of one arbitrator appointed by the President for the time being of the Royal Institution of Chartered Surveyors.

11. SET-OFF

The Rent, Building Insurance Rent, Service Charges and all other amounts due under this lease shall be paid by the Tenant in full without any deduction or withholding other than as required by law. The Tenant shall not be entitled

to assert any credit, set-off or counterclaim against the Landlord or Management Company (as appropriate) to justify withholding payment of any sum due.

12. CONSENTS

12.1 Any consent given by the Landlord under this lease may be granted subject to reasonable conditions.

12.2 No consent given by the Landlord under this lease shall imply that any consent required from a third party has been given and shall not obviate the need to obtain any consent required from a third party.

13. DISPUTES BETWEEN TENANTS

Save for any dispute arising under clause 10, any dispute between the Tenant and other apartment tenants in relation to this lease, including any payment of costs, shall be resolved by the Landlord (or such other person as the Landlord, acting reasonably, shall appoint) whose decision shall be final and binding on the Tenant except on questions of law.

14. COVENANTS RELATING TO OTHER PROPERTY

Nothing contained in or implied by this lease shall give the Tenant the benefit of or right to enforce or to prevent the release or modification of any covenant, agreement or condition entered into by any person in respect of any property not comprised in this lease.

15. JOINT AND SEVERAL LIABILITY

At any time when the Landlord, the Management Company or the Tenant is more than one person, those persons shall in each case be jointly and severally liable for their respective obligations and liabilities arising under this lease. The Landlord and the Management Company may each take action against, or release or compromise the liability of, any one of those persons, or grant any time or other indulgence to any one of them, without affecting the liability of any other of them.

16. ENTIRE AGREEMENT AND EXCLUSION OF REPRESENTATIONS

16.1 This lease constitutes the whole agreement between the parties and supersedes all previous agreements between the parties relating to its subject matter.

16.2 The Tenant acknowledges that, in entering into this lease, he has not relied on, and shall have no right or remedy in respect of any statement, representation, assurance or warranty made by or on behalf of the Landlord or the Management Company (whether made negligently or innocently), other than as expressly set out in this lease.

16.3 Nothing in this clause shall limit or exclude any liability for fraud.

17. NOTICES

17.1 Except where notice is given in an emergency, any notice required to be given under this lease shall be in writing and shall be delivered personally, or sent by pre-paid first class post or recorded delivery, to the other party at its address set out above or as otherwise specified by the relevant party by notice in writing to the other party.

17.2 A correctly addressed notice sent by pre-paid first class post or recorded delivery shall be deemed to have been duly received 48 hours after posting.

17.3 A notice required to be given under this lease shall not be validly given if sent by fax or e-mail.

17.4 Section 196 of the Law of Property Act 1925 shall otherwise apply to notices given under this lease.

18. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

18.1 Except as expressly provided in clause 9.3, a person who is not a party to this lease shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this lease. This does not affect any right or remedy of a third party which exists, or is available, apart from that Act.

18.2 The rights of the parties to terminate, rescind or agree any variation, waiver or settlement under this agreement are not subject to the consent of any other person.

19. VAT

Any obligation to pay money refers to a sum exclusive of VAT and the amount of any VAT payable in addition (whether by the Landlord, the Management Company or the Tenant) shall be paid by the Tenant to the Landlord or the Management Company (as appropriate).

20. LANDLORD AND TENANT (COVENANTS) ACT 1995

This lease creates a new tenancy for the purposes of the Landlord and Tenant (Covenants) Act 1995.

21. GOVERNING LAW AND JURISDICTION

21.1 This lease and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales.

21.2 Save for any dispute arising under clause 10, the parties irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this lease or its subject matter or formation (including non-contractual disputes or claims).

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

Schedule 1 The Property

Part 1 – The Apartment

The apartment on the first floor of the Building known as APARTMENT 6, Bronte House, Casterton, Carnforth the floor plan of which is shown edged red on Plan 1 including:

- (a) the internal plaster, plasterboard and surface finishes of all walls enclosing the Apartment;
- (b) the whole of any internal, non-load bearing walls that are entirely within the Apartment;
- (c) the inner half (severed medially) of the non-load bearing walls dividing the Apartment from any other parts of the Building;
- (d) the floorboards, floor screed or other floor surfaces above the joists or other structural floor supports supporting them;
- (e) the ceiling plaster, plasterboard or other ceiling surface below the joists or other structural ceiling supports supporting them;
- (f) the doors and windows and their frames, fittings and glass except the external decorative surfaces and fittings set in external walls;
- (g) all Service Media exclusively serving the Apartment;
- (h) all Landlord's fixtures and fittings in the Property; and
- (i) all additions and improvements to the Property.

The Apartment shall not include any of the Retained Parts of the Building.

Part 2 –The Parking Space

The parking space shown edged red and marked P14 on Plan 1.

The Parking Space shall not include any of the Retained Parts of the Estate.

Schedule 2 The Rights

1. SHELTER AND PROTECTION

The right of support, shelter and protection for the Property to the extent existing at the date of this lease.

2. ACCESS TO AND FROM THE PROPERTY

A right of way for the Tenant and all persons authorised by the Tenant for all usual and reasonable purposes at all times:

- (a) on foot over and along those parts of the Common Parts of the Building which afford access to and egress from the Apartment; and
- (b) on foot, or with vehicles where appropriate, over and along those parts of the Common Parts of the Estate which afford access to and egress from the Property.
- (c) on foot, or with vehicles where appropriate, over and along the Roads which afford access to and egress from the Estate (but the right of way herein granted over the Roads shall terminate upon Roads becoming highway maintainable at the public expense)

3. MISCELLANEOUS

The right for the Tenant and all persons authorised by the Tenant:

- (a) to use the Refuse Area for the purpose of depositing normal domestic rubbish; and
- (b) to use any suitable part of the external areas forming part of the Common Parts of the Estate for normal quiet recreational purposes only; and
- (c) the right to use the forecourt area comprised in the Common Parts of the Estate for deliveries and for loading and unloading.

4. SERVICE MEDIA (ESTATE)

The right to use and to connect into any Service Media in the Estate that serve the Property and which are in existence at the date of this lease or are installed or constructed subsequently (provided that the Landlord may, at its discretion, re-route or replace any such Service Media at any time and the right shall then apply in relation to the Service Media as re-routed or replaced).

5. SERVICE MEDIA

The full right of passage and running of Utilities in and through all Service Media that serve the Estate and which are in existence at the date of this lease or are installed or constructed subsequently (provided that the Landlord may, at its discretion, re-route or replace any such Service Media at any time and the right shall then apply in relation to the Service Media as re-routed or replaced).

6. ACCESS TO OTHER PARTS OF THE ESTATE

The right to enter other parts of the Estate with or without agents, professional advisers, workmen and equipment so far as is reasonably necessary to inspect or carry out any works to the Property required or permitted by this lease but at all times subject to compliance with the Conditions for Entry.

Schedule 3 The Reservations

1. SHELTER AND PROTECTION

All rights of support, shelter and protection from the Property to the extent those rights are capable of being enjoyed at any time during the Term.

2. LIGHT AND AIR

All rights of light and air to the extent those rights are capable of being enjoyed at any time during the Term.

3. SERVICE MEDIA

The right to use and to connect into any Service Media at the Property which serve other parts of the Building or the Estate and which are in existence at the date of this lease or are subsequently installed or constructed.

4. ACCESS TO THE PROPERTY

Subject to compliance with the Conditions for Entry, the right to enter the Property with or without agents, professional advisers, workmen and equipment so far as is reasonably necessary:

- (a) to inspect or carry out works to the Retained Parts of the Building or the Retained Parts of the Estate and other properties;
- (b) to inspect, repair, maintain, install, re-route or replace any Service Media serving any Retained Parts of the Building or the Retained Parts of the Estate or Estate or other properties;
- (c) to inspect the state of repair and condition of the Property (following which the Landlord may give the Tenant notice of any breach of the Tenant Covenants relating to the repair or condition of the Property);
- (d) to carry out any works needed to remedy the breach set out in any notice served under paragraph 4(c) if the works have not been carried out by the Tenant to the reasonable satisfaction of the Landlord within the time period specified in the notice;
- (e) for any other purpose mentioned in or connected with this lease, the Reservations or the Landlord's interest in the Estate .

5. DEVELOPMENT

The full and free right at any time during the Term to develop any part of the Estate (other than the Property) and any neighbouring or adjoining property in

which the Landlord acquires an interest during the Term as the Landlord may think fit.

6. ALTERATION OF RIGHTS

The right to re-route and replace any Service Media at the Building, or the Estate over which Rights are granted.

Schedule 4 Tenant Covenants

1. RENT

To pay the Rent to the Landlord (if demanded).

2. SERVICE CHARGES

2.1 The Tenant shall pay to the Landlord or the Management Company (as appropriate) the estimated Service Charge for each Service Charge Year on the Service Charge Payment Date. The payments shall be made by direct debit or by any other method that the Landlord or, until the Handover Date, the Management Company (as appropriate) requires at any time by giving notice to the Tenant.

2.2 In relation to the Service Charge Year current at the date of this lease, the Tenant's obligations to pay the estimated Service Charges and actual Service Charges shall be limited to an apportioned part of those amounts, such apportioned part to be calculated on a daily basis for the period from the date of this lease to the end of the Service Charge Year.

2.3 If, in respect of any Service Charge Year, either an estimated Service Charge provided by the Landlord or the Management Company is less than the actual Service Charge, the Tenant shall pay the difference on demand. If, in respect of any Service Charge Year, either the estimated Service Charge, provided by the Landlord or the Management Company is more than the actual Service Charge, the Landlord or Management Company (as appropriate) shall credit the difference against the Tenant's next instalment of the relevant estimated Service Charge (and, where the difference exceeds the next instalment, then the balance of the difference shall be credited against each succeeding instalment until it is fully credited).

2.4 Without prejudice to paragraph 3.1(c) of Schedule 4, where the Landlord or Management Company (as appropriate) provides any Service by reason of the damage to or destruction of Retained Parts of the Building or the Retained Parts of the Estate by an Insured Risk, the costs of that Service shall not be included in the relevant Service Charge.

3. INSURANCE

3.1 To pay to the Landlord or the Management Company (as appropriate):

- (a) the Building Insurance Rent demanded by the Landlord or the Management Company by the date specified in the notice given by the Landlord or the Management Company under the terms of this lease;
- (b) on demand a fair and reasonable proportion, determined by the Landlord of any excess payable under the insurance policy of the Building following the occurrence of an Insured Risk; and
- (c) on demand an amount equal to any insurance money that the insurers of the Building refuse to pay by reason of any act or omission of the Tenant or any undertenant, their workers, contractors or agents or any person at the Building with the express or implied authority of any of them.

3.2 To give the Landlord and the Management Company, notice immediately that:

- (a) any matter occurs in relation to the Tenant or the Building that any insurer or underwriter may treat as material in deciding whether or on what terms, to insure or continue insuring the Building;
- (b) any damage or loss occurs that relates to the Building and arises from an Insured Risk; and
- (c) any other event occurs which might affect any insurance policy relating to the Building.

3.3 Not to insure the Building or the Property against any of the Insured Risks in such a manner as would permit the Landlord's insurer to cancel the Landlord's insurance or to reduce the amount of any money payable to the Landlord in respect of any insurance claim.

4. INTEREST ON LATE PAYMENT

To pay interest to the Landlord or the Management Company (as appropriate) at the Default Interest Rate on any Rent, Building Insurance Rent, Service Charge or other payment due under this lease and not paid within 14 days of the date it is due, for the period from the due date until the date of actual payment, whether before or after judgment.

5. RATES AND TAXES

To pay all rates, taxes and other impositions payable in respect of the Property or by the owner and occupier except:

- (a) any taxes payable by the Landlord in connection with any dealing with or disposition of the reversion to this lease; and

- (b) any taxes, other than VAT and IPT, payable by the Landlord by reason of the receipt of any of the rents due under this lease.

6. UTILITIES

- 6.1 To pay all costs in connection with the supply and removal of Utilities to or from the Property.
- 6.2 To comply with all laws and with any recommendations of the relevant suppliers relating to the use of Utilities and the Service Media at or serving the Property.

7. COSTS

To pay on demand the reasonable costs and expenses of the Landlord or the Management Company (including any solicitors', surveyors' or other professionals' fees, costs and expenses and any VAT on them) incurred by the Landlord or the Management Company in connection with or in contemplation of any of the following:

- (a) the enforcement of any of the Tenant Covenants;
- (b) preparing and serving any notice in connection with this lease under section 146 or 147 of the Law of Property Act 1925 or taking any proceedings under either of those sections, notwithstanding that forfeiture is avoided otherwise than by relief granted by the court;
- (c) preparing and serving any notice in connection with this lease under section 17 of the Landlord and Tenant (Covenants) Act 1995;
- (d) preparing and serving any notice under paragraph 4(c) of Schedule 3; and
- (e) any consent applied for under this lease, whether or not it is granted (except to the extent that the consent is unreasonably withheld or delayed by the Landlord in circumstances where the Landlord is not entitled to unreasonably withhold or delay consent).

8. ALTERATIONS

- 8.1 Not to make any external or structural alteration or addition to the Property or make any opening in any boundary of the Property or cut or maim any Retained Parts of the Building or Retained Parts of the Estate.
- 8.2 Not to make any internal, non-structural alteration or addition to the Property, or alteration to the plan or design of the Property, without the prior written consent of the Landlord, such consent not to be unreasonably withheld or delayed.

8.3 Not to install, alter the route of, damage or remove any Service Media at the Property, without the prior written consent of the Landlord, such consent not to be unreasonably withheld or delayed.

9. ASSIGNMENT AND UNDERLETTING

9.1 Not to assign part of this lease or underlet, charge or part with possession of part only of the Property.

9.2 Not to assign the whole of this lease, or underlet or part with possession of the whole of the Property, during the last seven years of the Term without the prior written consent of the Landlord, such consent not to be unreasonably withheld or delayed.

9.3 Not to assign the whole of this lease except to a person who has first applied to become a member of the Management Company on the completion of the assignment and executed a deed expressed to be made in favour of the Landlord and the Management Company by which that person covenants in the terms of the Draft Deed of Covenant set out in Schedule 9.

9.4 Not to underlet the whole of the Property unless:

- (a) the underlease is on an assured shorthold tenancy agreement for a fixed term not exceeding one year or any other tenancy agreement whereby the tenant does not obtain security of tenure on expiry or earlier termination of the term;
- (b) the Tenant, in the case of an underletting for a fixed term exceeding one year, first obtains the written consent of the Landlord (not to be unreasonably withheld or delayed);
- (c) the underlease contains covenants substantially the same as those contained in the Regulations; and
- (d) the underlease provides that the undertenant must not do anything that would or might cause the Tenant to be in breach of the Tenant Covenants.

9.5 Within one month of any assignment, underletting for more than one year, charge, parting with possession of or any other devolution of title to this lease or the Property to serve notice on the Landlord or (if required by the Landlord) the Landlord's solicitors and the Management Company or the Management Company's solicitors, giving details and to:

- (a) provide a certified copy of the transfer or other instrument of devolution of title; and

- (b) pay the reasonable registration fees of the Landlord and Management Company or their respective solicitors, which shall be no less than £50 (Fifty Pounds) plus VAT in respect of each document produced.

10. REPAIR AND DECORATION

- 10.1 To keep the Property in good repair and condition throughout the Term (provided that the Tenant shall not be liable to repair the Property to the extent that any disrepair has been caused by an Insured Risk, unless and to the extent that the policy of insurance of the Property has been vitiated or any insurance proceeds withheld in consequence of any act or omission of the Tenant, any undertenant or their respective workers, contractors or agents or any person at the Property with the express or implied authority of any of them).
- 10.2 To renew and replace from time to time all Landlord's fixtures and fittings at the Property which may become beyond repair at any time during the Term.
- 10.3 As often as is reasonably necessary, to decorate or treat as appropriate all parts of the inside of the Property that are usually decorated or treated in a good and proper manner, using good quality, suitable materials that are appropriate to the Property.

11. COMPLIANCE WITH LAWS AND NOTICES

- 11.1 To comply with all laws relating to the Property, its use by the Tenant and any works carried out at it.
- 11.2 To comply with all laws relating to the use of the Retained Parts of the Building, and the Retained Parts of the Estate .
- 11.3 To carry out all works that are required under any law to be carried out at the Property (without prejudice to any obligation on the Tenant to obtain any consent under this lease).
- 11.4 Within one week after receipt of any notice or other communication affecting the Property or the Building or the Estate (and whether or not served pursuant to any law) to:
 - (a) send a copy of the relevant document to the Landlord; and
 - (b) in so far as it relates to the Property or the Tenant's use of the Retained Parts of the Building, or Retained Parts of the Estate, take all steps necessary to comply with the notice or other communication

and take any other action in connection with it as the Landlord may reasonably require.

PROVIDED THAT, until the Handover Date, the Tenant's obligations under this paragraph 11.4 shall be extended to include the Management Company.

12. NOTIFY DEFECTS

To give notice to the Landlord and, until the Handover Date, the Management Company of any defect in or want of repair or damage to the Property or Building or the Estate for which the Landlord may be responsible under this lease or any law, as soon as the Tenant becomes aware of it.

13. REMEDY BREACHES

13.1 If the Landlord has given the Tenant notice of any breach of any of the Tenant Covenants relating to the repair or condition of the Property under paragraph 4(c) of Schedule 3, to carry out all works needed to remedy that breach as quickly as possible, and in any event within the time period specified in the notice (or immediately if works are required as a matter of emergency) to the reasonable satisfaction of the Landlord.

13.2 If the Tenant has not begun any such works within the time specified in the notice or is not carrying out the works with due speed or has not completed such works to the reasonable satisfaction of the Landlord, to permit the Landlord or, until the Handover Date, the Management Company (without prejudice to the other rights of the Landlord or Management Company in this lease) and all persons authorised by them, to enter the Property and carry out the works needed.

13.3 To pay to the Landlord or, until the Handover Date, the Management Company (as appropriate) on demand the costs incurred by the Landlord and/or Management Company in carrying out any works pursuant to this clause (including any solicitors', surveyors' or other professionals' costs and expenses, and any VAT on them, assessed on a full indemnity basis).

14. PERMIT ENTRY

To permit all those entitled to exercise any right to enter the Property to do so subject to their compliance with the Conditions for Entry.

15. INDEMNITY

To indemnify the Landlord, and until the Handover Date, the Management Company, against all claims, liabilities, costs, expenses (including any

solicitors', surveyors' or other professionals' costs and expenses, and any VAT on them, assessed on a full indemnity basis), damages and losses (including any diminution in the value of the Landlord's interest in the Estate and loss of amenity of the Estate) arising out of or in connection with:

- (a) any breach of any of the Tenant Covenants; or
- (b) any act or omission of the Tenant, any undertenant or their respective workers, contractors or agents or any other person at the Property or the Building or the Estate with the express or implied authority of any of them.

16. RETURNING THE PROPERTY TO THE LANDLORD

At the end of the Term to return the Property to the Landlord in good and substantial repair, condition and decoration and in accordance with the Tenant Covenants.

17. MEMBERSHIP OF THE MANAGEMENT COMPANY

17.1 The Tenant must not withdraw from membership of the Management Company or dispose of any of the rights attaching to the membership of the Management Company whilst he remains the Tenant.

17.2 If requested to do so by the Landlord, the Tenant shall:

- (a) become a director or secretary of the Management Company; and
- (b) deliver to the Landlord the duly completed signed company Form AP01 or AP03 or such other company form as shall replace these forms PROVIDED ALWAYS THAT, in the case of the Tenant being a corporate Tenant, the Tenant shall procure that an individual who is a director or secretary of the corporate Tenant becomes a director or secretary of the Management Company and shall deliver to the Landlord the duly completed Form AP02 or AP04 or such company forms as shall replace these forms.

Schedule 5 The Regulations

1. Not to use (or let) the Apartment other than for the Permitted Use and not for any institutional use or any trade, manufacture or business of any kind (but nothing in this clause shall prevent the Tenant from using the Apartment for Home Working or as a holiday let).
2. Not to use the Property for any noisy, offensive, illegal or immoral purpose.
3. Not to do anything at the Property or Common Parts of the Building or Common Parts of the Estate which may be or become a nuisance or annoyance, or cause loss, damage or injury, to the Landlord or other apartment tenants or any other occupiers of the other apartments or the owners or occupiers of properties on any neighbouring property.
4. Not to bring or keep any inflammable, explosive, dangerous or offensive substances or goods onto the Property or the Building or the Estate (except fuel in the fuel tank of any private motor vehicle parked on the Parking Space).
5. Not to do anything which may cause any insurance of the Building or the Estate to become void or voidable or which may cause an increased premium to be payable in respect of it.
6. To comply with the requirements and recommendations of the insurers relating to the Property or the Estate and the exercise by the Tenant of the Rights.
7. Not to overload any structural part of the Building nor any Service Media at or serving the Property or the Building or the Estate.
8. Not to do anything which may lessen the support or protection given by the Property to other parts of the Building or the Estate.
9. Not to keep any animal or bird on the Property other than two well behaved domestic dogs or cats without the prior written consent of the Landlord, which consent may be revoked at any time.
10. Not to hang or expose clothes or other articles outside the Apartment.

11. Not to stop up, darken or obstruct any windows at the Apartment or do anything else which may obstruct the flow of light or air to the Property or any other part of the Building.
12. To clean the inside of the windows of the Apartment as often as is reasonably necessary.
13. Not to sing or dance or play any musical instrument or equipment for making or reproducing sound or to act in such a manner so as to cause annoyance to the apartment tenants or any other occupiers of the Building.
14. Not to throw any dirt, rubbish, rags or other refuse into the sinks, baths, lavatories, cisterns or waste soil pipes in the Apartment.
15. Not to keep or deposit any rubbish at the Building or Estate except suitably wrapped and sealed and placed in a dustbin in the Refuse Area.
16. Not to decorate the exterior of the Property in any way other than the entrance door to the Apartment.
17. Not to put any sign, plate, writing or drawing of any kind on any part of the exterior of the Property or in any window so as to be seen from the outside without the prior written consent of the Landlord.
18. Not to fix any television or radio aerial, satellite dish or receiver on the Building.
19. Not to place any "For Sale" or "To Let" sign on the Building or the Estate without the prior written consent of the Landlord.
20. Not to leave any item on the Common Parts of the Building or the Common Parts of the Estate or obstruct them in any way.
21. Not to use the Parking Space other than for the parking of a roadworthy private motor car or motorcycle
22. Not to park any vehicles on the external Retained Parts of the Estate (other than on the Parking Space) or the other parking spaces
23. Not to park on or otherwise obstruct the Roads.

24. To comply with all variations of these Regulations and all other reasonable and proper regulations made by the Landlord or its agents from time to time in accordance with the principles of good estate management and notified to the Tenant.

Schedule 6 Landlord Covenants

1. QUIET ENJOYMENT

So long as the Tenant pays the rents reserved by and complies with its obligations in this lease, the Tenant shall have quiet enjoyment of the Property without any interruption by the Landlord or any person claiming under the Landlord except as otherwise permitted by this lease.

2. INSURANCE

2.1 To effect and maintain insurance of the Building, and the Estate against loss or damage caused by any of the Insured Risks with reputable insurers, on fair and reasonable terms that represent value for money, for an amount not less than the Reinstatement Value subject to:

- (a) any exclusions, limitations, conditions or excesses that may be imposed by the insurer; and
- (b) insurance being available on reasonable terms in the London insurance market.

2.2 In relation to any insurance effected by the Landlord under this paragraph 2, the Landlord shall:

- (a) at the request of the Tenant supply the Tenant with:
 - (i) a copy of the relevant insurance policy and schedule; and
 - (ii) a copy of the relevant receipt for the current year's premium;
- (b) notify the Tenant of any change in the scope, level or terms of cover as soon as reasonably practicable after the Landlord has become aware of the change;
- (c) use reasonable endeavours to procure that the insurance policy(ies) contains a non-invalidating provision in favour of the Landlord in respect of any act or default of the Tenant or any other lawful occupier of the Building or the Estate; and
- (d) procure that the interest of the Tenant and their mortgagees are noted on the insurance policy(ies), either by way of a general noting of tenants' and mortgagees' interests under the conditions of the insurance policy(ies) or, provided that the Landlord has been notified of any assignment or charge pursuant to paragraph 9.5 of Schedule 4, specifically.

3. REBUILD FOLLOWING DAMAGE OR DESTRUCTION

If the insured property or any part thereof is damaged or destroyed by an Insured Risk, the Landlord shall:

- (a) promptly make a claim under the relevant insurance policy;
- (b) notify the Tenant immediately if the insurer indicates that the Reinstatement Value will not be recoverable in full under the insurance policy, and, where appropriate, pursue any of the other apartment tenants in respect of any monies that the insurers refuse to pay by reason of any act or omission of them or any undertenant, their workers, contractors or agents or any person at the Building, or the Estate with the express or implied authority of any of them;
- (c) promptly take such steps as may be necessary and proper to obtain all planning and other consents;
- (d) subject to obtaining such consents, use any insurance money received (other than for loss of rents) and any money received from the Tenant under paragraph 3.1(c) of Schedule 4 promptly to repair the damage in respect of which the money was received or (as the case may be); and
- (e) subject to obtaining such consents, provide premises or facilities reasonably equivalent in size, quality and layout to those damaged or destroyed.

4. SERVICES AND SERVICE COSTS

- 4.1 Subject to the Tenant paying the Service Charges, to provide the Services.
- 4.2 Before or as soon as possible after the start of each Service Charge Year, the Landlord shall prepare and send the Tenant an estimate of the Service Costs for that Service Charge Year and a statement of the estimated Service Charges for that Service Charge Year.
- 4.3 As soon as reasonably practicable after the end of each Service Charge Year, the Landlord shall prepare and send to the Tenant a certificate showing the Service Costs and the Service Charges for that Service Charge Year.
- 4.4 To keep accounts, records and receipts relating to all the Service Costs incurred by the Landlord and to permit the Tenant, on giving reasonable notice, to inspect the accounts, records and receipts by appointment with the Landlord (or its managing agents).
- 4.5 If any cost is omitted from the calculation of any Service Charge in any Service Charge Year, the Landlord shall be entitled to include it in the estimate and certificate of the relevant Service Charge in any following

Service Charge Year. Otherwise, and except in the case of manifest error, the Service Charge certificate shall be conclusive as to all matters of fact to which it refers.

5. LEASES OF APARTMENTS

5.1 To ensure that every lease of the other apartments granted by the Landlord for an original term of over 21 years is in substantially the same form as this lease and contains covenants substantially the same as the Regulations.

5.2 Until such time as the Landlord grants leases of the other apartments that the Landlord will maintain and repair the other apartments to the extent that no physical damage is caused to the Property or will procure that the Management Company will do so. For the avoidance of doubt, this covenant will automatically lapse once leases of the other apartments have been granted.

6. ENFORCEMENT OF COVENANTS AGAINST OTHER APARTMENT TENANTS

At the written request of the Tenant to enforce or assist the Tenant in enforcing the Regulations against other apartment tenants provided that:

- (a) the Tenant shall indemnify the Landlord in writing against all costs and expenses of such enforcement (including any solicitors', surveyors' or other professionals' costs and expenses, and any VAT on them, assessed on a full indemnity basis);
- (b) the Landlord shall not be required to take any action or incur any costs under this clause until the Tenant has given to the Landlord such security as the Landlord shall in its reasonable discretion require;
- (c) the Tenant shall join in any action or proceedings if so requested by the Landlord.

7. TO TRANSFER THE FREEHOLD OF THE ESTATE TO THE MANAGEMENT COMPANY

Within a reasonable time following the grant of the last of the leases to the apartment tenants by the Landlord, and the sale of the last of the houses on the Estate the Landlord will transfer to the Management Company the freehold of the Estate, and the Management Company will accept the same.

Schedule 7 Building Services and Building Service Costs

Part 1. The Building Services

The **Building Services** are:

- (a) cleaning, maintaining, decorating, repairing and replacing the Retained Parts of the Building;
- (b) providing heating to the internal areas of the Common Parts of the Building during such periods of the year as the Landlord or the Management Company reasonably considers appropriate, and cleaning, maintaining, repairing and replacing the heating machinery and equipment;
- (c) lighting the Common Parts of the Building and cleaning, maintaining, repairing and replacing lighting, machinery and equipment on the Common Parts of the Building;
- (d) cleaning, maintaining, repairing and replacing the fittings and equipment in the Common Parts of the Building;
- (e) cleaning, maintaining, repairing, operating and replacing any security machinery and equipment on the Common Parts of the Building;
- (f) cleaning, maintaining, repairing, operating and replacing fire prevention, detection and fighting machinery and equipment and fire alarms on the Common Parts of the Building;
- (g) cleaning the outside of the windows of the Building;
- (h) cleaning, maintaining, repairing and replacing any signage for the Common Parts of the Building;
- (i) cleaning, maintaining, repairing and replacing the floor coverings on the internal areas of the Common Parts of the Building; and
- (j) any other service or amenity that the Landlord or the Management Company may in their reasonable discretion (acting in accordance with the principles of good estate management) provide.

Part 2. Building Service Costs

The **Building Service Costs** are the total of:

- (a) all the costs reasonably and properly incurred or reasonably and properly estimated by the Landlord or the Management Company to be incurred of:
 - (i) providing the Building Services;

- (ii) the supply and removal of Utilities to and from the Retained Parts of the Building;
 - (iii) complying with the recommendations and requirements of the insurers of the Building (insofar as those recommendations and requirements relate to the Retained Parts of the Building);
 - (iv) complying with all laws relating to the Retained Parts of the Building, their use and any works carried out at them, and relating to any materials kept at or disposed of from the Common Parts of the Building;
 - (v) putting aside such sum as shall reasonably be considered necessary by the Landlord or the Management Company (whose decision shall be final as to questions of fact) to provide reserves or sinking funds for items of future expenditure to be or expected to be incurred at any time in connection with providing the Building Services; and
 - (vi) taking any steps (including proceedings) that the Landlord or the Management Company considers necessary to prevent or remove any encroachment over the Retained Parts of the Building or to prevent the acquisition of any right over the Retained Parts of the Building (or the Building as a whole) or to remove any obstruction to the flow of light or air to the Retained Parts of the Building (or the Building as a whole);
- (b) the costs, fees and disbursements reasonably and properly incurred of:
- (i) managing agents employed by the Landlord or the Management Company for the carrying out and provision of the Building Services or, where managing agents are not employed, a management fee for the same;
 - (ii) accountants employed by the Landlord or the Management Company to prepare and audit the service charge accounts; and
 - (iii) any other person reasonably and properly retained by the Landlord or the Management Company to act on their behalf in connection with the Building or the provision of the Building Services.
- (c) all rates, taxes and impositions payable in respect of the Retained Parts of the Building, their use and any works carried out on them (other than any taxes payable by the Landlord in connection with any dealing with or disposition of its reversionary interest in the Building); and

- (d) any VAT payable by the Landlord or the Management Company (as appropriate) in respect of any of the items mentioned above except to the extent that the Landlord or Management Company is able to recover such VAT.

Schedule 8 Estate Services and Estate Service Costs

Part 1. The Estate Services

The **Estate Services** are:

- (a) cleaning, maintaining, decorating, repairing and replacing the Retained Parts of the Estate;
- (b) lighting the Common Parts of the Estate and cleaning, maintaining, repairing and replacing lighting, machinery and equipment thereon;
- (c) cleaning, maintaining, repairing, operating and replacing security machinery and equipment on the Common Parts of the Estate;
- (d) cleaning, maintaining, repairing and replacing the Refuse Area;
- (e) cleaning, maintaining, repairing and replacing signage for the Common Parts of the Estate;
- (f) maintaining any landscaped and grassed areas of the Common Parts of the Estate;
- (g) observing and performing all covenants and obligations in favour of third parties affecting the Estate;
- (h) insuring the Retained Parts of the Estate against loss or damage caused by any of the Insured Risks pursuant to paragraph 2.1 of Schedule 6; and
- (i) any other service or amenity that the Landlord or the Management Company may in their reasonable discretion (acting in accordance with the principles of good estate management) provide.

Part 2. Estate Service Costs

The **Estate Service Costs** are the total of:

- (a) all the costs reasonably and properly incurred or reasonably and properly estimated by the Landlord or the Management Company to be incurred of:
 - (i) providing the Estate Services;
 - (ii) the supply and removal of Utilities to and from the Retained Parts of the Estate;
 - (iii) complying with the recommendations and requirements of the insurers of the Estate (insofar as those recommendations and requirements relate to the Retained Parts of the Estate);

- (iv) complying with all laws relating to the Retained Parts of the Estate, their use and any works carried out at them, and relating to any materials kept at or disposed of from the Common Parts of the Estate;
 - (v) putting aside such sum as shall reasonably be considered necessary by the Landlord or the Management Company (whose decision shall be final as to questions of fact) to provide reserves or sinking funds for items of future expenditure to be or expected to be incurred at any time in connection with providing the Estate Services; and
 - (vi) taking any steps (including proceedings) that the Landlord or the Management Company considers necessary to prevent or remove any encroachment over the Retained Parts of the Estate or to prevent the acquisition of any right over them;
- (b) the costs, fees and disbursements reasonably and properly incurred of:
 - (i) managing agents employed by the Landlord or Management Company for the carrying out and provision of the Estate Services or, where managing agents are not employed, a management fee for the same;
 - (ii) accountants employed by the Landlord or the Management Company to prepare and audit the service charge accounts; and
 - (iii) any other person reasonably and properly retained by the Landlord or the Management Company to act on their behalf in connection with the Estate or the provision of Estate Services.
- (c) all rates, taxes and impositions payable in respect of the Retained Parts of the Estate, their use and any works carried out on them (other than any taxes payable by the Landlord in connection with any dealing with or disposition of its reversionary interest in the Estate); and
- (d) any VAT payable by the Landlord or the Management Company (as appropriate) in respect of any of the items mentioned above except to the extent that the Landlord or Management Company is able to recover such VAT.

Schedule 9 Draft Deed of Covenant

*THIS DEED is dated the day of
and is made between*

(1) The Company: Low Wood Management Company Limited; and

(2) The Transferee:

DEFINITIONS

(a) "The Property": Apartment....., Bronte House, Casterton, Carnforth LA6 2FX being the property transferred.

(b) "The Lease": a lease dated the.....day of 20 and made between (1) Waypoint Holdings Limited (2) The Company and (3)

(c) "The Transferee": where the Transferee is more than one person all covenants and agreements on the part of the Transferee contained in this Deed shall be deemed to have been made jointly and severally by all such persons constituting the Transferee

WHEREAS:

The Transferee has agreed to buy the Property and the Transfer provides that the successors in title to the original lessee shall enter into a Deed of Covenant in the manner set out in the Original Lease and the Transferee has agreed to enter into this Deed accordingly.

NOW THIS DEED WITNESSES as follows:

- 1. The Transferee covenants with the Company that he will:-*
 - 1.1 observe and perform the tenant covenants, obligations and regulations contained in the Lease as if fully set out herein; and*
 - 1.2 include in any contract for the sale of the Property a condition precedent to the performance of that contract that the intended buyer shall enter into a Deed of Covenant with the Company in the terms of this Deed and deliver the same to the Company.*
- 2. The Transferee hereby applies to become a member of the Company.*

IN WITNESS of which this document has been executed as a Deed the day and year first above written

EXECUTED etc

Executed as a deed by
WAYPOINT HOLDINGS LIMITED
acting by a director, in the
presence of:

.....
Director's signature

.....
Witness' signature

.....
Witness' name (BLOCK
CAPITALS)

.....
.....
.....
Witness' address

Executed as a deed by **LOW
WOODMANAGEMENT
COMPANY LIMITED** acting by

a director, in the presence of:

.....
Director's signature

.....
Witness' signature

.....
Witness' name (BLOCK
CAPITALS)

.....
.....
.....
Witness' address

Signed as a deed by
The Tenant
in the presence of:

.....

.....
Witness' signature

.....
Witness' name (BLOCK
CAPITALS)

.....
.....
.....
Witness' address