

Leasehold Valuation Tribunal For The London Rent Assessment Panel

LON/00AG/LSC/2005/0308

Landlord and Tenant Act 1985 (as amended) Section 27A

Property: 112 Wendling Estate, Haverstock Road, London NW5 4QX

Applicants: Mr F Izoldi (Flat 112 Wendling) and 11 other Leaseholders at
Haverstock Road (Tenants)

Represented by: Mrs Bowgen (Tenant of 63 Wendling)

Respondent: London Borough of Camden (Landlord)

Represented by: Mrs E Howells (Principal Projects Officer)

Also Present:

For the Applicants: Mr A Baron BSc MRICS (Expert Witness), Mr F Izoldi (Flat 112), Mr A Bowgen (Flat 63), Mr B. Tolner (Flat 87)

For the Respondents: Mr M. Dillon RIBA (Shillam & Smith) (Expert Witness),
Ms S. Goodwin, Mr C. Fallon (London Borough of Camden), Mr Jakobson
(Shillam & Smith)

Hearing and inspection: 28th February 2006

The Tribunal:

Mr L. W. G. Robson LLB(Hons) MCI Arb. (Chairman)

Mr P. S. Roberts DipArch RIBA

Mrs S. S. Friend MBE JP

PRELIMINARY MATTERS

1. This case relates to an application made under section 27A of the Landlord and Tenant Act 1985 (as amended). The Applicants applied on 5th November 2005 for a determination of the reasonableness of estimated service charges relating to major works relating primarily to the reroofing of the building which the Respondent claims are payable by the Applicant under the terms of a lease of the property dated 31st January 1990 (the Lease). A copy of the Lease is attached to this decision as Appendix A. The leases of the other properties subject to this application are in substantially similar form, except for the lease of Flat 63. At the hearing the parties agreed that the lease of Flat 63 omitted reference to improvements by the Landlord, so whether the works are repairs or improvements remains an issue.

2. The Leaseholder's estimated service charge contribution (based on the tendered sum of £944,807 plus fees) is £12,575 as set out in the Section 20 Notice dated 14th September 2005 as served on the leaseholder by the Respondent.
3. The Applicants also requested in very general terms in their statement of disputed matters dated 13.1.06 that the Tribunal should make an order relating to other expenditure, which the Tribunal has interpreted as an application for reimbursement of the fees of the application and for their costs of the Application limited to the sum of five hundred pounds in accordance with paragraph 10 of Schedule 12 of the Commonhold & Leasehold Reform Act 2002.
4. The Tribunal gave Pre-Trial Directions on 7th December 2005 deciding that the case could be allocated to the fast track.
5. At the start of the hearing on 28th February 2006 the parties confirmed that the main issues were whether the Landlord was entitled to carry out improvements, and whether alleged lack of maintenance by the Landlord in the past made the cost of the works proposed now unreasonable. The Applicants did not dispute the cost of the works proposed, only the principle of whether it should be added to the service charge.

INSPECTION

6. The Tribunal inspected the exterior of the property on the afternoon of the hearing in the company of Mr Baron and Mr Dillon.
7. The properties subject to this application are situated in linked three storey blocks of "low rise" local authority housing on a large estate, built about 1970. All the blocks are brick built with flat roofs. At the time of inspection, work had just commenced on two of the blocks, and we were able to gain access via scaffolding to make close inspections of the roof. Some of the roof coverings had already been removed above block 108 -119, which gave us the opportunity to see the number of layers on the roof. It appeared from inspection that the original roof covering was of asphalt on woodwool slabs on timber furrings. Subsequently a further built up system consisting of asphalt on composite insulation board on a felt vapour barrier had been applied over the original asphalt. Further in 1990-1991 a final covering of a mineral faced bitumen felt had been applied over the second layer of asphalt. Thus it seemed that two major contracts had been carried out in the 20 year period post construction, with a third contract now in progress to address water ingress. This suggests that water penetration problems have been of a long standing and recurrent nature.
8. We also inspected block 96-107 where the existing roof had not been removed. It consisted of mineral -faced bitumen felt with aluminium edge trim to raised kerbs at the verges, and with upstands at abutments with metal cover flashings. The rainwater outlets were set in from the verges and were connected to downpipes running internally through the flats below. Raised cold water tank housings were also covered over with

mineral felt. The overflow pipes discharged directly over the lower main roof area. The following was noted:

1. Some laps in the felt layer were lifting.
2. Some pooling of water over the main roof area, and with adjacent crazing to the felt layer.
3. Open joints to aluminium edge trim
4. Felt poorly dressed into rainwater outlets
5. Areas of making good to metal flashings and upstands

Generally our impression was that taken with the history of water penetration, and with apparent aging of the present covering, the built up roofing was nearing the end of its useful life.

9. We were also able to view from ground level the new roof on Block 138-140 built to the same proposed specification for the blocks in which the Applicants' properties were situated. It was a curved profile metal clad system incorporating insulation with gutters and external downpipes at the eaves.

DECISION

10. After considering the application and representations of the parties the Tribunal decided as follows:
 - A. The major works in dispute are repairs and as such are within the terms of the service charge provided in the relevant leases.
 - B. The service charges alleged to be payable are reasonable, and of a reasonable amount.

REASONS

11. The written submissions dated 13th January 2006 and oral submissions made on behalf of the Applicants are summarised as follows:
 - a) The proposed works were improvements and not repair or renewal, and were unnecessary.
 - b) The defects could be remedied more cheaply and effectively by recovering the flat roofs and maintaining them more effectively.
 - c) Similar work to the proposed works had been done on another block on the estate had already failed.
 - d) that the Respondent had failed in its duty as Landlord under the terms of the Lease to repair the roofs effectively and in good time, resulting in much increased expense as a result.
 - e) For all these reasons the proposed service charges were unreasonable.
 - f) That the Applicants would seek reimbursement of all expenditure incurred directly in connection with the action if their case was upheld.
12. The Respondent's submissions in its reply dated 30th January 2006 are summarised as follows:

- a) The Respondent had sought advice from Messrs Shillam and Smith, Architects on the options for reroofing, and had been advised that the proposed works were the most effective long term solution.
 - b) Clause 3 of the Lease provided for charging improvements to the service charge, although the Respondent maintained that the works were in fact repairs under the 5th Schedule.
 - c) That the new roofs on the other blocks had not failed, as alleged.
 - d) The Respondent denied that it had failed to carry out repairs within due time. The roof coverings had reached the end of their useful lives, and required complete replacement.
 - e) That it had acted reasonably over the proposed works and contested that it should reimburse the Applicant's expenditure.
13. Mr Baron gave evidence on behalf of the Applicants and referred to his report dated 8th February 2006. He stated that following his inspection he made the following observations, noted in his report:-
1. Of the four lower and upper roofs inspected, the felt coverings were generally found to be well laid and in good condition, with no splits or obvious signs of failed joints and only a few isolated areas where it had become debonded from the substrate; water vapour was likely to be entrapped beneath the felt surface to these areas.
 2. Although the benefit of obtaining a core sample of the roof substrate was not possible during the inspection, the roof deck appeared sound under foot, with no indication of hollow areas or significant deflection.
 3. The roof drainage arrangement was not tested, but the number of gulley outlets were considered to be sufficient for dealing with surface water volume, although some were silted up and cover gratings poorly fitted. Staining and presence of algae strongly indicated that some ponding is occurring adjacent to outlets; however, this did not appear to be too severe, taking account of the fact that tank overflows were continually running without significant build up.
 4. The peripheral roof weathering detail has significant failures to most locations, where separation has occurred between flashings and the abutting roof structures (i.e. tank housing brick walls). Paptrims (metal edge cappings) to the roof edge were clogged in some areas with algae and joints are unsealed. Cracks were evident in brick bed courses and rendering of tank housing structures, consistent with differential movement between brickwork and concrete structures. Moreover, a roof tank housing door was defective, exposing the internal area to the elements.
14. He concluded that through lack of maintenance the roofs were in their present condition. He thought that a lot of the problems had been exaggerated, looking at this roof. He knew of no rainwater ingress through defective pipework, and the new pitched roof, although of benefit, being a redesign it was an improvement, not a repair. He did not state in terms what would be his favoured solution for the roof. The main thrust of his evidence was that the present situation had been caused by lack of maintenance, and he further considered the new roof to be an improvement.
15. Mr Dillon gave evidence on behalf of the Respondent. He referred to his Observations on the Statement of Disputed Matters dated January 2006. His firm had been through the

options, reported on the three options identified, and their costings. They had also reported again on a sample block. The property had been resurveyed in 2004. He noted that there were a range of problems. If left as existing, work would have to be done within the flats on rainwater outlets and associated downpipes. His view, after analysis, was that on a lifetime costing of 30 years the pitched roof option provided better value for money. After year 20 a flat roof system needed much more maintenance. The Performance Standards Evaluation Model dated January 2006 subsequently produced is attached as Appendix B to this decision.

Repairs/Improvements

16. In this case Clause 1 of the Lease divides the service charges into three categories, Services, Repairs and Improvements. The definition of services is not material. The definition of Repairs is:

“These include all matters concerning the management and maintenance of the Estate (otherwise than as set out in [Category] A Services or [Category] C Improvements) being in the nature of general repairs (including the making good of structural defects) and in particular but without prejudice to the generality thereof all such matters (if any) as may be specified or listed in the Offer Notice as anticipated repair works”.

No matters in Offer Notices are relevant.

17. Improvements are defined as:

“These include all works carried out to the Estate in the nature of an improvement including but without prejudice to the generality thereof all such works (if any) as may be specified as improvements in the Offer Notice”

No matters in Offer Notices are relevant

18. Service charges are defined as:

“All those costs and expenses incurred or to be incurred by the landlord in connection with the management and maintenance of the Estate and the carrying out of the Landlords obligations and duties and providing all such services as are required to be provided by the landlord under the terms of the Lease including where relevant the following:

- *Category A Services*
- *Category B Repairs*
- *Category C Improvements*

and without prejudice to the generality thereof all such matters set out in the Fifth Schedule”

19. It was an agreed matter at the hearing that all leases except that of Flat 63 had provisions to substantially the same effect.

20. The lease of Flat 63 differs in that there is no reference to the service charge including the cost of improvements.

21. The relevant part of Clause 3 of the Lease provides:

“The tenant covenants with the landlord as follows:-

3.1 *to pay the landlord the ground rent and all other monies due under the lease at the times and manner specified without any deduction or counterclaim”*

22. For the Applicant, Mrs Bowgen referred to the case of Hyde Housing Association Ltd v Williams [2000] EWLands LRX 53 1999 where the Lands Tribunal dismissed the landlord’s appeal against a finding of the Leasehold Valuation Tribunal that renewing roof coverings rather than repairing them was unreasonable. For the Respondent, Mrs Howells referred to London Borough of Wandsworth v Griffin [2000] EWLands LRX 40 1999, where the landlord had (amongst other things) replaced a flat roof with a pitched roof. There the Lands Tribunal concluded after consideration of the factors set out in the Court of Appeal decision in Holding and Management Ltd v Property Holding and Investment Trust Plc [1990] 1 EGLR 65 that the replacement with a pitched roof was a repair and also that the costs of so doing were reasonable. Further Mrs Howells referred us to in Forcelux Ltd v Sweetman [2001] EGLR 173 where the Lands Tribunal decided that two distinct matters had to be considered, firstly on the evidence whether the landlord’s actions were appropriate, and properly effected in accordance with the leases, the RICS code and the Landlord & Tenant Act 1985, and secondly whether the amount charged was reasonable in the light of that evidence.
23. The Tribunal is satisfied that all the Leases except that of Flat 63 entitle the Landlord to charge for improvements under the service charge as defined in Clause 1. Whatever the Tribunal’s finding in relation to Flat 63 the other tenants are obliged under their leases to pay for improvements so long as they are reasonable.
24. The question relating to Flat 63 is whether the works are a repair or an improvement. The Holding and Management v Property Holding case (see above) requires us to have regard to some or all of the following: the nature of the building, the terms of the lease, the state of the building at the date of the lease, the nature and extent of the defect sought to be remedied, the nature, extent, and cost of the proposed remedial works, at whose expense the proposed remedial works are to be done, the value of the building and its expected lifespan, current building practice, the likelihood of a recurrence if one remedy rather than another is adopted, the comparative cost of alternative remedial works and their impact on the use and enjoyment of the building by the occupants.
25. Applying these factors in turn to this case:
- a) Nature of the building - the original flat roof is being replaced by a pitched roof.
 - b) Terms of the lease – effectively a tenant’s full repairing lease.
 - c) State of the building – it contains woodwool slabs, a deleterious material, an original roof which has been recovered once or twice and is not of a good quality.
 - d) Nature of the defects, and their extent – a leaking flat roof which has been repaired on two previous occasions, and with evidence of deterioration of woodwool slabs to other similar and adjacent blocks.

- e) Nature, cost and extent of remedy – a pitched roof at a cost of £944,807 plus fees, but not requiring entry to flats inside the building which seems inevitable if using the replacement flat roof solution.
- f) At whose expense – the tenants will pay a proportion, but so will the landlord (albeit with public money)
- g) Value of building and its projected life span – these are structurally sound buildings (apart from the roofs). The Tribunal's experience indicates that a building of this design should last another 40 years, the projected life of the pitched roof. The works should increase their value and lifespan.
- h) Current building practice – the works will help bring the buildings up to modern building standards, although the pitched roof solution is not compulsory.
- i) likelihood of recurrence of the problem – the pitched roof solution should considerably lessen the recurrence of leaks when compared with the flat roof solution. Projections in evidence before us suggested that after 20 years the flat roof solution will require significantly more maintenance. This is consistent with the Tribunal's experience.
- j) Cost and impact of the works – The replacement flat roof solution appears more costly, once the cost of entering and repairing individual flats is taken into account. As noted at e) above the pitched roof solution will not require entry into flats and is thus much less invasive.

26. Weighing all these factors, the Tribunal decided that the work proposed is more in the nature of a repair than an improvement.

Necessity of proposed works

27. It is a well established principle that the method of repair is a matter to be decided by the person obliged to do the work, so long as he acts reasonably. The question for the Tribunal is whether the works proposed are a reasonable solution to the problem, notwithstanding that other reasonable solutions may exist or be cheaper. The Tribunal also decided to adopt the "Forcelux" tests, i.e. firstly whether the Landlord was acting appropriately and properly within the terms of the Lease, and secondly whether the amount charged was reasonable in the light of the evidence. On balance, it appeared that the Landlord passed both these tests. The landlord had taken expert advice, and that advice appeared well within the range of reasonableness in its assumptions and projections.
28. Altogether, the pitched roof solution seems a more satisfactory solution which is predicted to have a life of 40 years with much less maintenance and fewer critical points where rain water could penetrate the interior of the building.

Pitched roof failings

29. We rejected the Applicant's argument that the pitched roof solution had already shown signs of failure. The evidence put forward in support of this contention in reality disclosed defects which were not related to the roof, but other matters.

Lack of Maintenance increasing costs

30. Turning now to the Applicant's contention that the landlord's failure to carry out effective remedial work sooner makes the cost of the work now proposed unreasonable, Mr Baron's view was that there was no cyclical maintenance programme in place, and this had contributed to the present problems. Mr Dillon's evidence was that there were a number of current problems, but the roof was in need of replacement.
31. The Tribunal noted that the Respondent had made some attempts to repair the roof. The evidence, supplemented by our inspection was that the Respondent had made two major previous attempts to repair the flat roof since 1970 by first recovering it with asphalt on insulation and later recovering those layers with bitumen felt and patching it. In the Tribunal's knowledge and experience roofs of this type have inherent problems. The roof coverings we saw were reaching the end of their useful lives, even in the large areas where they still remained sound. Even if the Tribunal accepted Mr Baron's conclusion that cyclical maintenance was not occurring, the main roof coverings are now in need of replacement, before major failures are likely to occur. The problem noted by Mr Baron related mainly to peripheral areas, but these do not appear to have contributed to any significant extent to the state of the main roof coverings. Also the cost of the work proposed by the Respondent appeared cheaper than a straightforward replacement of the roof coverings on the costings presented to us. The Tribunal considered that the shortcomings noted by Mr Baron had not in fact increased the costs of the remedial work.

Recovery of Applicants' expenditure

32. The Tribunal has a very restricted jurisdiction to award costs to parties. The Applicants made no specific application, apart from the very general statement in the original application. The Respondent opposed the application.
33. Considering what is now Regulation 9 of the Leasehold Valuation Tribunals (Fees) Regulations 2003 and Paragraph 10 of Schedule 12 of the Commonhold & Leasehold Reform Act 2002 and the fact that the Applicants have largely failed in their application the Tribunal decided not to exercise its discretion.

Signed:.....

Carcelot Robson

Dated:

(Chairman)

29th April 2006

Attachments:

Appendix A – Lease dated 31st January 1990

Appendix B - Performance Standards Evaluation Model dated January 2006

2-40

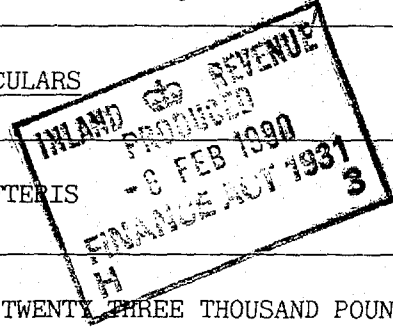
H. M. LAND REGISTRY
 LAND REGISTRATION ACTS 1925 to 1986
 (HOUSING ACT 1985 AS AMENDED)

LONDON BOROUGH : Camden Borough Council
 TITLE No : NGL 30043
 PROPERTY : 112 WENDLING, HAVERSTOCK ROAD, LONDON, NW5
 DATE : 31st day of January 1990



PARTICULARS

TENANT : VARNAVAS LEFTERIS
 PREMIUM : £23,000.00 (TWENTY THREE THOUSAND POUNDS)



RENT : £10 per annum (TEN POUNDS)

LOCATION : GROUND AND LOWER GROUND FLOOR

STATUTORY POWER OF SALE : HOUSING ACT 1985 SECTION 138

PREMISES : 112 WENDLING HAVERSTOCK ROAD LONDON NW5

DISCOUNT : £23,000.00 (TWENTY THREE THOUSAND POUNDS)

COMMENCEMENT DATE : 2nd March 1989

REFERENCE PERIOD DATE : 8th June 1988

CERTIFICATE OF VALUE : £30,000.00 (THIRTY THOUSAND POUNDS)

THIS LEASE MADE BETWEEN THE MAYOR AND BURGESSES OF THE LONDON BOROUGH OF CAMDEN of the Town Hall Euston Road London NW1 2RU (hereinafter called "the Landlord") of the one part and the person or persons specified in the Particulars (hereinafter called "the Tenant") of the other part

WITNESSETH AS FOLLOWS :

1.1 PARTICULARS AND DEFINITIONS

In this Lease the expressions set out in the left hand column below shall where the context so admits have the meanings assigned thereto by the right hand column

"Premises":	All that the flat numbered known as and located as is specified in the Particulars shown for identification purposes only on the plan annexed hereto and thereon edged in red together with such garden area (if any) as may be shown coloured pink on the plan (hereinafter called "the Private Garden")
"Premium":	The sum specified as such in the Particulars
"Discount":	The sum specified as such in the Particulars
"Term":	125 years from the Commencement Date
"Commencement Date":	The date specified as such in the Particulars
"Commencement of Reference Period":	The day specified as such in the Particulars which is the date specified by the Landlord in the Offer Notice as being the date by which the Lease will be granted and being a date not more than six months after the date of the Offer Notice
"Reference Period":	The period starting from the Commencement of the Reference Period and ending five years thereafter or where notice is given

that the Lease will provide for a service charge or improvement contribution to be calculated by reference to a Specified Annual Period then the Reference Period will end on the expiry of the fifth such Specified Annual Period beginning after the Commencement of the Reference Period

"Initial Period":

The period of five years starting from the date hereof except that :

(a) where the Lease includes provisions for service charges or improvement contributions to be payable in respect of costs incurred in a period before the date hereof the Initial Period begins with the beginning of that period

(b) where the Lease provides for service charges or improvement contributions to be calculated by reference to a Specified Annual Period the Initial period continues until the end of the fifth such period beginning after the date hereof and

(c) where the Tenant served notice under Section 142 Housing Act 1985 deferring completion the Initial Period ends on the date on which it would have ended if the Lease had been granted on the date on which the notice was served

"Act":

Housing Act 1985 (as amended)

"Ground Rent":

Such sum as is shown in the Particulars

"Specified Annual Period":

From the 1st April in any year to the 31st March in the following year or such other period of one years duration as

shall from time to time be defined by the Landlord and in which case the appropriate arrangements shall be made

"Specified Proportion": The proportion of the Service Charge payable in any relevant year by the Tenant calculated in accordance with the Fourth Schedule

"Payment Dates": 31st March; 30th June; 30th September; 31st December

"Flat": The Flat described in the Premises and as further described in the First Schedule and flats has a corresponding meaning

"Building": The building consisting solely of physically linked flats within the Estate and including the Flat described in the Premises and the Common Parts within the Building

"Estate": The property in respect of which the Landlord is or was the registered proprietor under the Title Number(s) to the building (or conveyed by deed in respect of unregistered land) set out above and the Managed Buildings thereon and thereover and including the Common Parts

"Managed Buildings": The Building and all other buildings and structures (if any) erected or to be erected within the Estate

"Common Parts": The entrance porch corridors hallways buildings lifts and staircases (if any) and any other parts within the Managed Buildings and vehicular and pedestrian ways forecourts or drives refuse bin stores gardens (if any) and any other areas inside or outside the Managed Buildings but within the Estate which are not intended to remain private and which

are to be enjoyed or used by the Tenant and occupiers of the Premises in common with the occupiers of the other flats in the Managed Buildings but excluding the roads and footpaths (if any) which are or which become public roads and footpaths

"Person":

Includes a company corporation or other body legally capable of holding land

"Plan":

The plan annexed hereto

"Reserved Property":

All that land and Managed Buildings comprised in the Estate but excluding the Premises and all other premises sold or let on long leases from time to time

"Category A Services":

These include all matters concerning the management and maintenance of the Estate for which the Landlord is responsible or for which expenditure has been properly incurred by the Landlord under the terms of the Lease (excluding those matters relating to repairs or improvements as defined in Category B Repairs and Category C Improvements respectively set out below) but including without prejudice to the generality thereof the following services (if any) which may be provided by the Landlord :

- Services lifts entry-phones television aerials etc
- Communal heating lighting cleaning refuse collection and removal
- Caretaker and Warden facilities
- Maintenance of grounds
- Insurance of buildings fixtures fittings plant or machinery
- Management
- Reserve
- Other matters specified in the

Offer Notice as being in the nature of a management or maintenance service but excluding repairs or improvements

"Category B Repairs":

These include all matters concerning the management and maintenance of the Estate (otherwise than as set out in Category A Services or Category C Improvements) being in the nature of general repairs (including the making good of structural defects) and in particular but without prejudice to the generality thereof all such matters (if any) as may be specified or listed in the Offer Notice as anticipated repair works

"Category C Improvements":

These include all works carried out to the Estate in the nature of an improvement including but without prejudice to the generality thereof all such works (if any) as may be specified as improvements in the Offer Notice

"Inflation Allowance":

The inflation allowance prescribed by the Secretary of State in accordance with the Housing (Right to Buy)(Service Charge) Order 1986 (or otherwise varied from time to time)

"Offer Notice":

The formal written offer notice given by the Landlord to the Tenant pursuant to Section 125 of the Act

"Service Charge":

All those costs and expenses incurred or to be incurred by the Landlord in connection with the management and maintenance of the Estate and the carrying out of the Landlords obligations and duties and providing all such services as are required to be provided by the Landlord under the terms of the Lease including where relevant the following :

- Category A Services

- Category B Repairs
- Category C Improvements

and without prejudice to the generality thereof all such matters set out in the Fifth Schedule

"Items of Expenditure": All those items referred to in the Fifth Schedule the costs whereof form the basis of the Service Charge

"On-Account Payment": As defined in Clause 3.3

"Finance Officer": The Landlord's Director of Finance or such other person authorised by the Landlord to certify the Service Charge or matters relating thereto from time to time

1.2.1 References to the "Landlord" and "Tenant" shall include the successors in title of them respectively and successors in title in relation to the Tenant has the same meaning which that expression bears in sub-section 9(i)(a) of the Perpetuities and Accumulation Act 1964

1.2.2 Where the Tenant is more than one person the covenants on the part of the Tenants shall be joint and several covenants

1.2.3 The singular includes the plural and the masculine includes the feminine and neuter and vice versa

1.2.4 References herein to any statute or any section of any statute include a reference to any modification or re-enactment thereof for the time being in force

2 IN CONSIDERATION of the Premium (receipt of which the Landlord hereby acknowledges) and of the Ground Rent and of the Tenants covenants reserved and contained below the Landlord HEREBY DEMISES the Premises to the Tenant TOGETHER WITH the easements rights and privileges set out in the Second Schedule SUBJECT AS THEREIN MENTIONED EXCEPT AND RESERVING as set out in the Third Schedule TO HOLD the Premises unto the Tenant for the Term YIELDING AND PAYING therefore the Ground Rent in advance on the date hereof and annually thereafter

3 THE TENANT COVENANTS with the LANDLORD as follows :-

- 3.1 To pay to the Landlord the Ground Rent and all other monies due under the Lease at the times and in the manner specified without any deduction set off or counterclaim
- 3.2.1 To pay to the Landlord at the time and in the manner specified SUBJECT TO the restrictions set out below at Clauses 3.2.2 and 3.2.3 such annual sum as may be notified to the Tenant by the Landlord as representing the Specified Proportion of the Service Charge calculated in accordance with the Fourth Schedule
- 3.2.2 The Tenants liability to contribute towards the Service Charge shall in respect of that element of the Service Charge relating to Category B Repairs incurred during the Initial Period of the Lease be limited as follows :-
- 3.2.2.1 The Tenant is not required to pay in respect of works itemised in the estimates contained in the Offer Notice any more than the amount shown as the Tenants estimated contribution in respect of that item together with the Inflation Allowance
- 3.2.2.2 The Tenant is not required to pay in respect of works not so itemised in the Offer Notice at a rate exceeding
- (a) as regards parts of the Initial Period falling within the Reference Period for the purposes of the estimates contained in the Offer Notice the estimated annual average amount shown in the estimates together with the Inflation Allowance
- (b) as regards parts of the Initial Period not falling within the Reference Period the average rate produced by averaging over the Reference Period all the works for which estimates are contained in the Offer Notice together with the Inflation Allowance
- 3.2.3 The Tenants liability to contribute towards the Service Charge shall in respect of that element of the Service Charge relating to Category C Improvements incurred during the Initial Period of the Lease be limited as follows :-

- 3.2.3.1 The Tenant is not required to make any contribution in respect of works for which no estimate was given in the offer Notice
- 3.2.3.2 The Tenant is not required to contribute in respect of works for which an estimate was given in the Offer Notice any more than the amount shown as the Tenant's estimated contributions in respect of that item together with the Inflation Allowance
- 3.3 That if required by the Landlord (subject to such statutory restrictions (if any) as may be applicable thereto) the Tenant shall pay to the Landlord such sum quarterly in advance on account of the Service Charge as the Landlord shall specify in its sole discretion to be a fair and reasonable interim payment (herein referred to as the "On-Account Payment")
- 3.4 To pay and discharge all general and water rates and other outgoings of an annual or other periodically recurring and non-capital nature which are now or may at any time hereafter during the Term be assessed rated charged or imposed upon or payable in respect of the Premises
- 3.5 From time to time during the Term to pay all costs charges and expenses incurred by the Landlord in abating any nuisance in the Premises and executing all such works as may be necessary for abating any nuisance in the Premises in obedience to a notice served by a local authority
- 3.6 To observe the restrictions and regulations specified in the Sixth Schedule or such other restrictions or regulations as the Landlord may from time to time make and publish
- 3.7.1 To pay unto the Landlord all costs charges and expenses (including legal surveyor and other professional costs and expenses) which may be incurred by the Landlord incidental to the preparation and service of a notice under Section 146 of the Law of Property Act 1925 whether incurred in or in contemplation of proceedings under Sections 146 or 147 of that Act notwithstanding forfeiture may be avoided otherwise than by relief granted by the court

- 3.7.2 To pay all expenses including solicitors' costs and surveyors' fees incurred by the Landlord in respect of and incidental to the service of all notices and schedules relating to wants of repair to the Flat whether the same be served during or after the expiration or sooner determination of the Term and in connection with every application for consent whether the same shall be granted or refused or withdrawn
- 3.8 Once in every fifth year of the Term and in the last quarter of the last year of the Term (howsoever determined) to paint in a proper and workmanlike manner all the inside wood and ironwork including the internal surface of the window frames usually painted of the Flat with two good coats of good quality paint and so that such internal painting in the last year of the Term shall be of a tint or colour to be approved by the Landlord. And also with every such internal painting to whiten colour wash grain varnish paper and otherwise decorate in a proper and workmanlike manner all such internal parts of the Flat as have been or ought properly to be so treated and so that in the last year of the Term (however determined) the tints or colours and patterns of all such works of internal decoration shall be such as shall be approved by the Landlord
- 3.9.1 Throughout the Term and from time to time and at all times to keep the Flat and everything demised therein and the Landlords's fixtures and fittings sanitary apparatus and appurtenances installed in or affixed to the Flat and the window glass thereof but (excluding any portion thereof which the Landlord covenants herein to repair) with all necessary reparations cleansing and amendments whatsoever well and substantially repaired cleansed maintained and renewed damage by any risk against which the Landlord shall have insured excepted (save where the insurance monies shall be irrecoverable by reason of any act or default of the Tenant his family servants licensees or agents) and to replace from time to time all Landlord's fixtures and fittings and appurtenances in the Flat which may be or become beyond repair at any time during or at the expiration or sooner determination of the Term
- 3.9.2 Throughout the Term to keep the Private Garden (if any) in a neat and tidy condition planted with suitable shrubs and plants

- 3.9.3 Not without the prior written authority of the Landlord to plant prune or lop any trees in the Private Garden (if any) nor to erect or cause to be erected any greenhouse outhouse or other structure in the Private Garden (if any)
- 3.10 To execute all such works as are or may be under or in pursuance of any Act or Acts of Parliament from time to time or required by any district council local or public authority to be executed at any time during the Term upon or in respect of the Premises whether by the Landlord or the Tenant thereof and to keep the Landlord indemnified against all claims demands and liability arising thereout
- 3.11 To permit the Landlord and its respective duly authorised surveyors and agents with or without workmen and others upon giving not less than 48 hours previous notice in writing (except in the case of emergency) at all reasonable times to enter the Premises and take particulars of additions improvements fixtures and fittings thereto or therein and to view and examine the state and condition of the Premises or any part thereof and the reparation of the same and of all defects decays and wants of reparation found in breach of the covenants herein contained and to give notice in writing of any such defects decays or wants of reparation to the Tenant who will with all proper despatch and in any case within three months then text following well and sufficiently repair and amend the Premises accordingly PROVIDED ALWAYS that in case of any default in the performance by the Tenant of the foregoing covenant and if the same be not in fact remedied within three months after notice requiring the same to be done shall have been served on the Tenant it shall be lawful for the Landlord (but without prejudice to any other right or remedy) to enter upon the Premises and repair or put in order the same or carry out any such works at the expense of the Tenant in accordance with the covenants and provisions hereof and the costs and expenses thereby incurred by the Landlord and its agents shall be repaid to the Landlord by the Tenant on demand
- 3.12 To permit the Landlord its duly authorised surveyors or agents with or without workmen and others at all reasonable times upon giving not less than 48 hours previous notice in writing (and in case of emergency without notice) to enter into and upon the Premises or any part thereof

for the purpose of repairing decorating or maintaining any part of the Estate and for the purpose of making repairing maintaining rebuilding cleansing lighting and keeping in good order and condition all sewers drains channels pipes cables watercourses gutters wires party structures or other conveniences belonging to or serving or used for the Estate (without prejudice however to the obligations of the Tenant hereunder with regard thereto) and also for the purpose of laying down maintaining repairing testing disconnecting stopping up or renewing drainage gas and water pipes and electric wires and cables and for similar purposes PROVIDED that the Landlord shall make good all damage to the Premises or to the fixtures fittings sanitary apparatus and appurtenances goods or effects installed therein or affixed thereto caused by the carrying out of any work in this present sub-clause mentioned or otherwise referred to

- 3.13 Not to do or permit or suffer to be done any act deed matter or thing whatsoever whereby the risk or hazard of the Flat or the Managed Buildings being destroyed or damaged by fire shall be increased so as to require an additional premium for insuring the same or which may make void or voidable any policy for insurance
- 3.14 Not at any time without the licence in writing of the Landlord first obtained nor except in accordance with plans and specifications previously submitted in triplicate to the Landlord and approved in writing by the Landlord and to its satisfaction to make any alteration or addition whatsoever in or to the Premises either externally or internally or to make any alterations or aperture in the plan walls timbers elevations or architectural appearance thereof nor to cut or remove the main walls timbers floors or ceilings of the Flat unless for the purpose of repairing and making good any defect therein nor to do or suffer in or upon the Flat any wilful or voluntary waste or spoil
- 3.15 Not to use the Premises or any part thereof nor allow the same to be used for any illegal or immoral purpose not to hold therein any sale by auction
- 3.16 To use and occupy the Flat solely and exclusively as a self-contained residential flat and not to use the Flat or any part thereof for any business trade or office

- 3.17 Not to exhibit on the outside or in the windows of the Flat any name plate placard poster or announcement of any description
- 3.18 Not to do or permit to be done upon or in connection with the Flat or the Managed Buildings anything which shall be or tend to be a nuisance annoyance or cause of damage to the Landlord or its tenants or any of them or to any neighbouring adjoining or adjacent property or the owner or occupiers thereof
- 3.19 To keep the floors of the Flat including the passages thereof substantially covered with carpets except that in the kitchen and bathroom a cork or rubber covering or other suitable material for avoiding the transmission of noise may be used instead of carpets
- 3.20 At all times during the Term to comply in all respects with the provisions and requirements of the Town and Country Planning Act 1971 or any statutory modification or re-enactment thereof for the time being in force and any regulations or orders made thereunder whether as to the occupation hereunder or otherwise and to indemnify (as well after the expiration of the Term by effluxion of time or otherwise as during its continuance) and to keep the Landlord indemnified against all liability whatsoever including costs and expenses in respect of such matters And forthwith to produce to the Landlord in receipt of notice thereof any notice order or proposal therefore made given or issued to the Tenant by the planning authority under or by virtue of the Town and Country Planning Act 1971 affecting or relating to the Flat and at the request and cost of the Landlord to make or join with the Landlord in making every such objection or representation against the same that the Landlord shall deem expedient
- 3.21 For a period of six months immediately preceeding the determination of the Term to permit an inspection at any reasonable time of the day by any person wishing to inspect the Premises and so authorised by the Landlord upon an appointment being made for that purpose
- 3.22 To make good all damage caused through the act or default of the Tenant his family lodgers or sub-tenants or of any servant agent or licensee of the Tenant (a) to any part of the Managed Buildings or to the

fixtures and fittings thereof or (b) to any other occupier or Tenant of the Managed Buildings and their licensees and in each case to keep the Landlord indemnified from all claims expenses and demands in respect thereof

3.23 On the expiration or sooner determination of the Term peaceably to yield up unto the Landlord the Premises in a good and tenantable state of repair and condition in accordance with the covenants by the Tenant herein contained together with all additions and improvements thereto and all Landlord's fixtures and fittings of every kind now in or upon the Premises or which during the Term may be affixed or fastened to or upon the same all of which shall at the expiration or determination of the Term be left complete with all parts and appurtenances thereof and in proper working order and condition PROVIDED ALWAYS that the foregoing covenant shall not apply to any articles held by the Tenant on hire nor to any Tenant's fixtures or fittings PROVIDED further that the Tenant may from time to time (but only with the previous written consent of the Landlord and subject to any conditions thereby imposed) substitute for any of the Landlord's fixtures and fittings other fixtures and fittings of at least as good a kind and quality as and not less suitable in character nor of less value than those for which they are respectively to be substituted and in any such case the covenant hereinbefore contained shall attach and apply to the things so substituted

3.24 Upon any assignment subletting or underletting to obtain a direct Deed of Covenant by the assignee sublessee or underlessee with the Landlord to observe and perform the covenants and conditions of this Lease and to pay the Landlord's reasonable legal fees in connection therewith

3.25 In the case of any instrument operating or purporting to assign transfer lease charge discharge dispose of or affect the Premises of any part thereof or any interest therein or to create assign transfer dispose of or affect any derivative interest in the Term or any charge on the Premises or affecting or occasioning a devolution or transmission of the same respectively by operation of law to leave such instrument (or in the case of a transfer or charge or discharge of a charge of registered land a certified copy thereof) within one calendar

month after the date of such instrument or (in the case of a probate of a will or letters of administration) after the date of the grant of the probate or letters of administration as the case may be to (if so required) leave a certified copy thereof at the offices of the solicitors for the time being of the Landlord and to the intent that the same may be registered and to pay to them a reasonable charge of not less than £20.00 plus VAT for each such registration

3.26 It is hereby declared that each of the aforesaid covenants shall remain in full force both at law and in equity notwithstanding that the Landlord shall have waived or released temporarily or permanently revocably or irrevocably or otherwise howsoever a similar covenant or similar covenants affecting other adjoining or neighbouring premises for the time being belonging to the Landlord

3.27.1 If within a period of three years from the date hereof there shall be a disposal (meaning an assignment of this lease or the grant of a sub-lease or other such relevant disposal defined under the Act) whether in any such case of the whole or part of the Premises for a term of more than 21 years otherwise than at a rack rent (not being a mortgage term) but not including a disposal pursuant to an order under Section 24 of the Matrimonial Causes Act 1973 or Section 2 of the Inheritance (Provision for Family and Dependents) Act 1975 and not a vesting in a person taking under a will or an intestacy the Tenant will repay to the Landlord such sum as is equal to the Discount but reduced by one-third for each complete year which has elapsed since the granting of this Lease and before the disposal and the parties hereto hereby apply to the Chief Land Registrar to make the following entry in the Register against the Tenant's title :

"Except under an Order of the Registrar no disposition by the proprietor of the land is to be registered within three years of the date of the registered lease unless made with the consent of the Mayor and Burgesses of the London Borough of Camden"

3.27.2 The Tenant will pay to the Landlord its reasonable legal fees incidental to the preparation of a Deed of Discharge in respect of Clause 3.27.1 above

3.28 To comply with all the covenants restrictions stipulations and provisions (if any) imposed upon the Landlords title or interest in the Estate so far as may be applicable and relate to the Premises or the user thereof AND IN PARTICULAR but without prejudice to the generality thereof where the Landlords interest or title is itself a leasehold interest then to observe and perform all the covenants conditions provisions and stipulations on the part of the Landlord to be performed and observed in its capacity as lessee under the Headlease or the Superior Lease as the case may be so far as the same may be applicable to the Premises or the user thereof (other than the payment of rent under the Superior Lease) AND to bear a reasonable part of the costs incurred by the Landlord in contributing towards the costs incurred by the Superior Landlord (if any) in discharging its obligations under the said Headlease or Superior Lease as the case may be SUBJECT TO the restrictions relating to Category B Repairs and Category C Improvements (if any) during the Initial Period of this Lease in accordance with Clauses 3.2.2 and 3.2.3 and in all such matters set out in this sub-clause to indemnify the Landlord against any breach of the provisions relating thereto

4 THE LANDLORD COVENANTS with the TENANT as follows :-

4.1 The Tenant paying the Ground Rent and performing and observing the several covenants and conditions on his part to be performed and observed shall peaceably hold and enjoy the Premises during the Term without any interruption by the Landlord or any person rightfully claiming under or in trust for it

4.2 Subject to the payment by the Tenant of the Ground Rent and the Specified Proportion of the Service Charge and provided that the Tenant has complied with all the covenants agreements and obligations on his part to be performed and observed to maintain repair redecorate renew and amend clean repoint paint grain varnish whiten and colour as applicable the following :-

4.2.1 The structure of the Managed Buildings and in particular but without prejudice to the generality thereof the roofs foundations external and internal walls the window frames (but not the interior faces of such

parts of the external or internal walls as bound the Flat or the rooms therein or glass in the windows) and timbers (including the timbers joists and beams of the floors and ceiling thereof) chimney stacks gutters and rainwater and soil pipes thereof

- 4.2.2 The sewers drains channels watercourses gas and water pipes electric cables television aerials and wires and supply lines and all other conducting media in under and upon the Managed Buildings save and except where such items exclusively serve the Flat
- 4.2.3 The boilers and heating and hot water apparatus (if any) in the Managed Buildings save and except such items (if any) as may be now or hereafter installed in the Flat serving exclusively the Flat and not comprising part of a general heating system serving the Managed Buildings
- 4.2.4 The passenger lifts lift shafts and machinery (if any) and the passages landings and staircases and other parts of the Managed Buildings and the Common Parts enjoyed or used by the Tenant in common with others and
- 4.2.5 The boundary walls and fences of and in the curtilage of the Estate including those boundary walls and fences surrounding the Private Garden (if any)
- 4.3 So far as practicable
 - 4.3.1 To keep reasonably clean and lighted the passages landings staircases and other parts of the Managed Buildings enjoyed or used by the Tenant in common with others and
 - 4.3.2 To tend keep clean and tidy and generally to maintain the gardens (but excluding the Private Gardens (if any)) forecourts roadways pathways (if any) on the Estate
- 4.4 Provided only that the amenities hereinafter in this sub-clause mentioned are provided to all the Flats in the Building at the date hereof but not otherwise and subject as hereinafter set out at all times during the Term to supply hot water for domestic purpose to the

Flat by means of the boiler and heating installations serving the Building and also from the 1st October to the 30th April inclusive in each year to supply hot water for heating to the radiators fixed in the Flat so as to maintain a reasonable and normal temperature

4.5.1 To insure and keep insured for the full reinstatement value thereof the Flat and the Landlord's fixtures and fittings therein against loss or damage by fire and such other risks as the Landlord shall deem desirable or expedient in some insurance office or with underwriters of repute AND to insure and keep insured the Managed Buildings against loss or damage by fire and such other risks as the Landlord shall deem desirable And in case of destruction of or damage to the Building or any part thereof from any cause covered by such insurances as to make the same unfit for occupation and use to lay out all monies received in respect of such insurance (other than for loss of rent and architects' and surveyors' fees) in rebuilding and reinstating the same as soon as reasonably practicable and to make good any deficiency in such insurance money out of its own money

4.5.2 To permit the Tenant at all reasonable times and upon notice to inspect the relevant policy of Insurance and take copies thereof

4.6 If so required by the Tenant to enforce the Tenant's covenants similar to those contained in the Lease which are or may be entered into by the tenants of other premises in the Managed Buildings so far as they affect the Premises provided the Tenant indemnifies the Landlord against all costs and expenses of such enforcement

5. IT IS HEREBY AGREED AND DECLARED as follows :-

5.1 If and whenever the Ground Rent or any other monies due hereunder to the Landlord shall at any time be unpaid for a space of fourteen days after becoming payable the same shall bear interest calculated on a day to day basis at an annual rate of 3% above the Base Rate of the Co-Operative Bank plc (or in default thereof such other bank being a London Clearing Bank as the Landlord may specify) for the time being in force from the date the same has become due until the same shall be paid

- 5.2 That in the event of the Premises being destroyed or so damaged by any insured risk as to be rendered partially or wholly unfit for occupation and use and provided that the insurance effected by the Landlord shall not have been vitiated or payment of the insurance money refused in whole or in part in consequence of some act or default on the part of the Tenant his family servants licensees or agents then the Ground Rent and Service Charge hereby reserved or a proportionate part thereof according to the nature and extent of the injury sustained shall forthwith cease to be payable until the Premises shall have been restored and reinstated and again rendered fit for occupation and use and in case any dispute shall arise as to the amount of such proportionate part or period during which such cesser or abatement of Ground Rent and Service Charge shall be allowed the matter shall be referred to the Landlord's surveyor as a single arbitrator in accordance with the provisions of the Arbitration Act 1950 or any statutory modification or re-enactment thereof for the time being in force
- 5.3 If the Ground Rent or any part thereof shall be unpaid for twenty-one days next after becoming payable (whether the same shall have been formally demanded or not) or if the Tenant shall not duly perform or observe all the covenants and provisions on the part of the Tenant to be performed or observed then and in any of the said cases it shall be lawful for the Landlord or any person or persons duly authorised by the Landlord in that behalf to re-enter into or upon the Premises or any part thereof in the name of the whole and to repossess and enjoy the same as if the Lease had not been made but without prejudice to any right of action or remedy of the Landlord in respect of any antecedent breach of any of the covenants by the Tenant herein contained
- 5.4 Withstanding anything herein contained the Landlord shall be under no greater liability either to the Tenant or to his family agents licensees who may be permitted to enter or use the Managed Buildings for accidents happening injuries sustained or for loss of or damage to goods or chattels in the Managed Buildings or in any part thereof whether arising from the negligence of the Landlord or that of any servant or agent of the Landlord or otherwise than the obligations required by the common duty of care

- 5.5 Notwithstanding anything herein contained the Landlord shall not be liable to the Tenant nor shall the Tenant have any claim against the Landlord in respect of any of the following :-
- 5.5.1 Any interruption in any of the services herein mentioned by reason of necessary repair or maintenance of any installations or apparatus or damage thereto or destruction thereof by fire water act of God or other cause beyond the Landlord's control or by reason of mechanical or other defect or breakdown or frost or other inclement conditions or unavoidable shortage of fuel materials water or labour or
- 5.5.2 Any act omission or negligence of any caretaker attendant or other servant of the Landlord in or about the performance or purported performance of any duty relating to the provision of the said services or any of them
- 5.6 The Service Charge and Specified Proportion shall be calculated in accordance with the Fourth Schedule
- 5.7 The Items of Expenditure shall comprise all those matters set out in the Fifth Schedule
- 5.8 For the purpose of service of all notices required to be served herein the provisions as to service of notices contained in Section 196 of the Law of Property Act 1925 as amended by the Recorded Delivery Service Act 1962 shall be deemed to be incorporated herein All notices to be served upon the Landlord shall be sent by Recorded Delivery post and addressed to the Chief Executive and Town Clerk Town Hall Euston Road London NW1 2RU
- 5.9 Where the Premium is less than the Certificate of Value sum stated in the Particulars IT IS HEREBY CERTIFIED that the transaction hereby effected does not form part of a larger transaction or of a series of transactions in respect of which the amount or value or the aggregate amount or value of the consideration exceeds the sum so stated
- 5.10 The Tenant shall on the date hereof pay to the Landlord's solicitors the sum of £35 plus VAT in respect of the engrossment of the Lease

5.11 Nothing herein contained shall confer on the Tenant any right to the benefit or to enforce any covenant or agreement contained in any lease or other instrument relating to any other premises belonging to the Landlord or limit or affect the right of the Landlord in respect of any other premises belonging to the Landlord to deal with the same now or at any time hereafter in any manner which may be thought fit unless otherwise expressly provided

IN WITNESS whereof the Landlord has caused its Common Seal to be hereunto affixed and the Tenant has set his hand and seal the day and year first before written

THE FIRST SCHEDULE

(Premises)

The Premises include the surface of the floors above the joist or other supporting floor structure and the surface of the floor of the balcony (if any) and the ceiling of the Flat up to but excluding the joists or other supporting floor structure or beams to which the ceiling is attached and all walls save the exterior walls and wall dividing it from any other flat or from the common halls staircase landings steps and passages in the Building (but including the surfaces of such walls within the Flat and the glass of the windows of the Flat and the door and door frames and all wires pipes cables conduits sewers and other conducting media serving exclusively the Flat) together with the Private Garden (if any) together with the Landlord's fixtures and fittings sanitary apparatus and appurtenances installed therein or affixed thereto

THE SECOND SCHEDULE

(Easements Rights and Privileges Included)

1. Full right and liberty for the Tenant and all persons authorised by him (in common with all other persons entitled to the like right) at all times by day or by night to go pass and repass over and along the Common Parts provided nevertheless that the Tenant shall not cause or permit the obstruction of any of the Common Parts by furniture vehicles or otherwise

2. The free and uninterrupted passage and running of water and soil gas and electricity from and to the Flat through the sewers drains channels and watercourses cables pipes and wires which now are or may at any time during the Term be in under or passing through the Estate or any part thereof
3. The right of support and protection for the benefit of the Flat as is now enjoyed from the other flats and all other parts of the Building
4. The right to place domestic waste in such place as shall be designated by the Landlord
5. Such rights as the Landlord may be able to obtain using its best endeavours for the Tenant with or without workmen and others at all reasonable times on notice (except in the case of emergency) to enter upon other parts of the Building

(a) for the purpose of repairing cleaning maintaining or renewing any sewers drains and watercourses cables pipes wires or other conduits; or

(b) for the purpose of repairing maintaining renewing or rebuilding the Premises or any part of the Building giving subjacent or lateral support shelter or protection to the Premises

causing as little disturbance as possible and making good any damage caused thereby

THE THIRD SCHEDULE

(Exceptions and Reservations)

There are excepted and reserved out of this demise

1. To the Landlord

1.1 Easements rights and privileges over and along and through the Premises equivalent to those set forth in paragraph 2 of the Second Schedule

- 1.2 The right at any time hereafter to rebuild alter or use any of the adjoining or neighbouring premises or buildings including the right to erect and thereafter maintain a fire escape on the exterior of the Premises and onto the Private Garden (if any) according to such plans (whether as to height extent or otherwise) and in such manner as the Landlord may in its absolute discretion think fit notwithstanding that the access of light or air to or any other easement for the time being appertaining to or enjoyed with the Premises or any part thereof may be obstructed or interfered with or that the Tenant might otherwise be entitled to object to such rebuilding alteration or user
2. The right of support and protection for the benefit of the other flats and all other parts of the Managed Buildings as is now enjoyed from the Flat
3. The right for the Landlord and any other tenants or licensees and all others authorised by them to pass over and across the Private Garden (if any) for the purposes of a fire escape only

THE FOURTH SCHEDULE

(Calculation of Service Charge & Specified Portions)

1. The amount of the Service Charge shall be ascertained and certified by a certificate (hereinafter called "the Certificate") signed by the Landlord's Finance Officer acting as expert and not as arbitrator annually and so soon after the end of each Specified Annual Period as may be practicable and shall relate to such Specified Annual Period and the following provisions shall apply
2. A copy of the certificate for each such Specified Annual Period shall be supplied by the Landlord to the Tenant on written request and without charge
3. The certificate shall contain a summary of the Landlord's expenses and outgoings incurred by the Landlord during the Specified Annual Period to which it relates together with a summary of the relevant details and figures forming the basis of the Service Charge and the certificate (or a certified copy thereof) shall be conclusive evidence for the purposes hereof of the matters which it purports to certify

4. The annual amount of the Service Charge payable by the Tenant as aforesaid shall be the Specified Proportion calculated either by
 - 4.1 dividing the aggregate of the expenses and outgoings incurred in respect of the Items of Expenditure by the Landlord in the Specified Annual Period to which the certificate relates by the aggregate of the rateable values (in force at the end of such period) of all the premises within the Managed Buildings and then multiplying the resultant amount by the rateable value (in force at the 31st March 1989) of the Premises PROVIDED ALWAYS that in the event of the abolition or disuse of the rateable value system for properties the references to rateable values herein shall be substituted by a reference to the floor areas of all the premises in the Building or on the Estate (where applicable) and apportioned accordingly or
 - 4.2 in the case of those items for which the Landlord's expenses extend to the Estate or other Estates then a fair and reasonable proportion of the costs thereof attributable to the Premises such proportion to be determined by the Landlord's Finance Officer whose decision shall be final and binding or
 - 4.3 such other method as the Landlord shall specify acting fairly and reasonably in the circumstances and from time to time and at any time (including but without prejudice to the generality thereof any combination of methods)
5. The expression "the expenses and outgoings incurred by the Landlord" as hereinbefore used shall be deemed to include not only the Items of Expenditure which have been actually disbursed incurred or made by the Landlord during the Specified Annual Period in question but also such reasonable part of all such expenses outgoings and other expenditure herein included with the Items of Expenditure which are of a periodically recurring nature (whether recurring by regular or irregular periods) whenever disbursed incurred or made and whether prior to the Commencement of the Term or otherwise including a sum or sums of money by way of reasonable provision for anticipated expenditure in respect thereof as the Landlord may in its discretion subject to statutory restrictions (if any) allocate to the year in question as being fair and reasonable in the circumstances

6. As soon as is practicable after the signature of the certificate the Landlord shall furnish to the Tenant an account of the Specified Proportion payable by the Tenant for the Specified Annual Period in question due credit being given therein for all On Account Payments made by the Tenant in respect of the relevant Specified Annual Period and upon the furnishing of such account showing such adjustment as may be appropriate there shall be forthwith paid by the Tenant to the Landlord the amount of the Specified Proportion as aforesaid subject to the restrictions set out in Clause 3.2 or any balance found payable or there shall be allowed by the Landlord to the Tenant any amount which may have been overpaid by the Tenant by way of On Account Payment as the case may require

7. Provided always and notwithstanding anything herein contained it is agreed and declared as follows
 - 7.1 That in regard to the Commencement of the Term hereby granted the Service Charge and Specified Proportion shall be duly apportioned in respect of the period from the date on which the first payment of rent shall fall due hereunder to the ensuing 31st March and not in respect of the period from the date of the Commencement of the Term to such ensuing 31st March Provided that there shall be included in the first payment
 - 7.1.1 A proportion (calculated in accordance with paragraph 4 hereof) of the cost of works of improvement including decoration to the Flat or to the Building in which it is situated and
 - 7.1.2 A proportion (calculated in accordance with paragraph 4 hereof) of the cost of such works of repair including redecoration to the Building as in the Landlord's opinion were not within its obligations under the former tenancy and necessary for the proper use and enjoyment of the Flat for the period prior to the date of the Lease and
 - 7.1.3 The cost of such works of repair including redecoration to the Flat as in the Landlord's opinion were not within its obligations under the former tenancy and necessary for the proper use and enjoyment of the

Flat for the period prior to the date of this Lease being works undertaken by the Landlord between the date the Premises were valued and the date of this Lease

- 7.2 That the provisions of paragraph 6 hereof shall continue to apply notwithstanding the expiration or sooner determination of the Term but only in respect of period down to such expiration or sooner determination of the Term

THE FIFTH SCHEDULE
(Items of Expenditure)

1. The expenses of maintaining repairing redecorating and renewing amending cleaning repointing painting graining varnishing whitening or colouring the Estate and all parts thereof including the glass in all windows (other than the interior surface of the windows of the Flat) and all the appurtenances apparatus and other things thereto belonging including those items described in Clauses 4.2 and 4.3
2. The cost of periodically inspecting maintaining overhauling repairing and where necessary replacing the whole of the heating and domestic hot water systems and gas electricity and water pipes and cables serving the Estate and the lifts lift shafts and machinery therein (if any)
3. The cost (if any) of the gas oil electricity or other fuel required for the boiler or boilers supplying the heating and domestic hot water systems serving the Estate and the electric current for operating the passenger lifts
4. The cost of insuring and keeping insured throughout the Term the Estate and all parts thereof and Landlord's fixtures and fittings therein and all the appurtenances apparatus and other things thereto belonging and more particularly set out in Clause 4.5 against such risks as the Landlord shall determine including two years' loss of rent and architects' and surveyors' fees
5. The cost of employing maintaining and providing accommodation in the

Managed Buildings for a caretaker or caretakers (including the provision of uniforms tools equipment and boiler suits)

6. The cost of carpeting re-carpeting or providing other floor covering cleaning collecting and removing refuse decorating and lighting the passages landings staircases and other parts of the Estate enjoyed or used by the Tenant in common with others and of keeping the other parts of the Estate used by the Tenant in common as aforesaid and not otherwise specifically referred to in this schedule in good repair and condition
7. All charges assessments and other outgoings (if any) payable by the Landlord in respect of all parts of the Estate (other than income tax)
8. All fees and costs incurred in respect of the annual certificate and of accounts kept and audits made for the purpose thereof
9. The cost of the expense of making repairing maintaining rebuilding cleansing and lighting all ways roads pavements sewers drains pipes watercourses party walls party structures party fence walls or other conveniences which may belong to or be used for the Estate in common with other Estates near or adjoining thereto
10. The cost of installing maintaining repairing and renewing any television and radio receiving aerials answer entry-phones fire alarms systems telephone relay systems and used or capable of being used by the Tenant in common as aforesaid
11. The upkeep of the gardens forecourts roadways pathways (if any) used in connection with the Estate or adjoining or adjacent thereto
12. The cost of taking all steps deemed desirable or expedient by the Landlord for complying with making representations against or otherwise contesting the incidence of the provisions of any legislation or orders or statutory requirements thereunder concerning town planning public health highways streets drainage or other matters relating or alleged to relate to the Estate for which the Tenant is not directly liable hereunder

13. The Landlord's management charges for the Estate in an amount equal to ten percent of all other items included in the Service Charge
14. All costs charges and expenses together with all VAT and other taxes (if any) thereon incurred or to be incurred by the Landlord in the observance and performance of all the Landlords obligations and duties to be observed and performed under the terms of the Lease

THE SIXTH SCHEDULE

(Restrictions and Regulations imposed in respect of the Premises)

1. The Tenant shall not (except with the written consent of the Landlord and under the supervision of the Landlord's surveyor and to his satisfaction) erect upon or affix to the Premises or any part thereof any machinery or mechanical or scientific or electrical apparatus excepting only radio and television receiving sets (and indoor aerials therefore) and small domestic electrical apparatus properly fitted with an approved suppressor against electrical interference to other apparatus
2. The Tenant shall not permit or suffer to be used any lift for the carriage of any greater number of persons or any greater weight of goods than the number or weight specified therefore by a notice affixed therein
3. The Tenant shall provide and maintain in good and clean condition net curtains for all windows in the Flat (unless some other type of curtain shall have first been approved by the Landlord) and shall at least once monthly clean all windows of the Flat both internally and (if not undertaken by the Landlord) externally
4. The Tenant shall not place leave or cause to be placed or left any furniture cycle perambulator toy box parcel bottle or other thing nor any refuse or rubbish on the Common Parts nor shall the Tenant throw or allow to be thrown anything whatsoever out of any window of the Flat
5. No lorry car van or other vehicle shall be parked in any garden

forecourt roadway or pathway adjoining or near to the Building (save only to such extent and subject to such conditions as may be permitted by the Landlord)

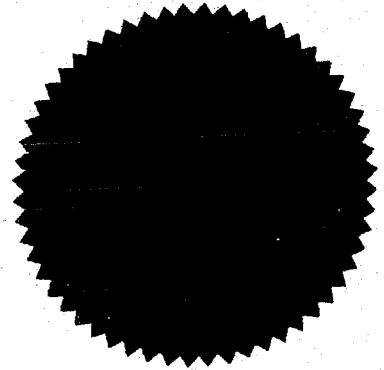
6. The Tenant shall comply with and be bound by any special regulations made by the Landlord from time to time relating to the user of any baggage or cycle room or store which shall be published by notice affixed therein or handed to the Tenant or his agent. Anything left therein shall be at the Tenant's entire risk. Any such user by the Tenant shall be a matter of collateral arrangement between the parties and shall not be enjoyed as of right other than that conferred by any such arrangement.
- 7.1 The Tenant shall not make or suffer any unreasonable noise in the Flat by way of piano gramophone radio or television receiving set or other mechanical or musical instrument vacuum cleaner singing or otherwise at any time whatsoever.
- 7.2 The Tenant shall not play or permit to be played nor use or permit to be used the said piano gramophone radio or television or any of them in any manner whatsoever nor sing or allow any singing nor make or allow any noise of any kind whatsoever between the hours of 11 p.m. and 8 a.m. on all days so as to be audible outside the Flat.
8. No rags dirt rubbish refuse or other substances shall be inserted into or placed or left in the sinks baths lavatories cisterns or any pipe in the Flat nor shall any obstruction or blockage be caused therein in any other manner whatsoever.
9. No water shall be wasted in the Flat. Adequate precautions shall be taken (where necessary) by the Tenant to protect all pipes against freezing of water therein.
10. No animal bird reptile or insect shall be kept in the Flat without the written permission of the Landlord which if given shall be deemed to be by way of licence revocable at will and may be given on such terms as the Landlord thinks fit.

11. The Tenant shall not allow any person or child to loiter or play in or about any entrance landing passage stairway lift (if any) or any of the Common Parts

12. All further or other rules and regulations made at any time and from time to time by the Landlord in addition to or substitution for the foregoing rules and regulations or any of them which Landlord may deem necessary or expedient for the safety care or cleanliness of the Estate or any part thereof or for securing the comfort and convenience of the tenants in the Managed Buildings or any of them shall be observed and all such further or other rules and regulations shall be notified to the Tenant PROVIDED ALWAYS that no such further or other rules or regulations may be made hereunder which shall subject the Tenant to any unusual or unreasonable burden

THE COMMON SEAL OF THE MAYOR)
AND BURGESSES OF THE LONDON)
BOROUGH OF CAMDEN was hereunto)
affixed by Order :-)

J. J. Swain
Chief Executive
and Town Clerk



SIGNED SEALED AND DELIVERED)
by the said Tenant)

**Performance Standards
Evaluation Model**

Project	Wending
Element	Wending roofs Block 58 - 78
Discount rate	5.00%
Base date for analysis	27-Jan-06

	Option 1	Option 2	Option 3
	Metal profile roof	Inverted warm roof	
Benefit Factor	75	75	
Element life	35	35	
Year to next renewal	35	35	
Risk factor			#DIV/0!
Works Cost			
Year 1	64,201	72,923	
Year 2			
Year 3			
Year 4			
Year 5	1,150	1,150	
Year 6			
Year 7			
Year 8			
Year 9			
Year 10	1,150	1,150	
Year 11			
Year 12			
Year 13			
Year 14			
Year 15	1,150	1,150	
Year 16			
Year 17			
Year 18			
Year 19			
Year 20	1,150	6,150	
Year 21			
Year 22			
Year 23			
Year 24			
Year 25	1,150	6,150	
Year 26			
Year 27			
Year 28			
Year 29			
Year 30	1,150	6,150	
Net Present Value	70,036	90,522	0
Risk Adjustment	0	0	#DIV/0!
Benefits Adjustment	52,529	67,892	0
TOTAL SCORE	17,509	22,630	
Ranking		2	#N/A
Variance	0.00%	22.63%	#DIV/0!
	Option 1	Option 2	Option 3